

Life and Health Actuarial Task Force

Amendment Proposal Form*

1. Identify yourself, your affiliation and a very brief description (title) of the issue.

Dave Neve, chairperson of the American Academy of Actuaries Life Reserves Work Group (LRWG).
Treatment of individually underwritten certificates issued under a group life insurance contract.
2. Identify the document, including the date if the document is “released for comment,” and the location in the document where the amendment is proposed:

VM-00: Requirements for Principle-based Reserves for Life Products, Draft dated 12/2/2012, Section II.
3. Show what changes are needed by providing a red-line version of the original verbiage with deletions and identify the verbiage to be deleted, inserted or changed by providing a red-line (turn on “track changes” in Word®) version of the verbiage. (You may do this through an attachment.)

II. RESERVE REQUIREMENTS

This section provides the minimum reserve requirements by type of product. All reserve requirements provided by this section relate to business issued on or after the operative date of the Valuation Manual. All reserves must be developed in a manner consistent with the requirements and concepts stated in the Overview of Reserve Concepts in Section I of the Valuation Manual.

LIFE INSURANCE PRODUCTS

2. Minimum reserve requirements for variable and non-variable individual life contracts, including individually underwritten certificates issued under a group life insurance contract, but excluding preneed life contracts and credit life contracts, are provided by VM-20 except for election of the transition period in paragraph 3 of this subsection.
4. State the reason for the proposed amendment? (You may do this through an attachment.)

The initial VM-20 proposal developed by the LRWG several years ago included individually underwritten certificates issued under a group life insurance contract as being within the scope of VM-20. The current VM draft does not include these certificates within the scope of VM-20, but it is not clear if the exclusion of these certificates was intentional or due to an oversight. The LRWG recommends that these certificates be included in the scope of VM-20.

* This form is not intended for minor corrections, such as formatting, grammar, cross-references or spelling. Those types of changes do not require action by the entire group and may be submitted via letter or email to the NAIC staff support person for the NAIC group where the document originated.

NAIC Staff Comments:

Dates: Received	Reviewed by Staff	Distributed	Considered
Notes:			