



AMERICAN ACADEMY *of* ACTUARIES

**Update Regarding a General Revision  
Of Life and Annuity Standard Nonforfeiture Laws  
From the American Academy of Actuaries' Nonforfeiture Improvement Work Group**

**Presented to the National Association of Insurance Commissioners'  
Life and Health Actuarial Task Force**

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The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

Nonforfeiture Improvement Work Group

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Since the NAIC Summer 2010 National Meeting, the American Academy of Actuaries Nonforfeiture Improvement Work Group (Work Group) has continued to hold regular conference calls. The charge from LHATF to the Work Group is to:

*“Study the feasibility of a new nonforfeiture law for life insurance and annuities to replace the existing nonforfeiture standards. Provide quarterly status reports on this project.”*

This report constitutes the requested quarterly status report on the progress of the Work Group’s activities.

The Work Group continues the preparation of its documentation of the details of an approach to life and annuity product nonforfeiture reform it believes will accomplish the elements contained in its previously-articulated framework for reform.

The Work Group has received comprehensive input from the Academy’s Tax Work Group on the content of the current draft of the report and is in the process of making revisions to the draft pursuant to those recommendations. In addition, the Work Group has begun the process of performing a detailed review of the draft report to ensure that consistent terminology is used throughout and that all actuarial aspects of the report are presented in a manner that accurately articulates the consensus of the Work Group.

The Work Group appreciates the opportunity to keep LHATF apprised of its activities regarding its assigned charge.