

Brian Bayerle
Senior Actuary

June 17, 2020

Mr. Mike Boerner
Chair, NAIC Life Actuarial Task Force (LATF)

Re: ACLI Comments on APF 2020-06 (Swap Spreads)

Dear Mr. Boerner:

The American Council of Life Insurers (ACLI) appreciates the opportunity to comment on APF 2020-06 on swap spreads. We appreciate the constructive input from regulators and NAIC staff regarding this amendment.

ACLI supports adoption of the full text of the amendment. While we believe revisions to the requirements to make the three and six-month tenors the market-observable values addresses our primary concern, we believe that companies should be able to use their own sources to produce the current rates. Allowing companies to calculate their own current rates provides consistency with other internal processes. The APF requires documentation within VM-31 regarding the source and interpolation methodology, and should address any concerns of regulators regarding this data. Further, it avoids companies needing to go back to the NAIC if any further differences are observed between the rates provided by the NAIC and their own calculated rates.

We look forward to a discussion on this important issue.

Sincerely,



cc: Reggie Mazyck, NAIC