Brian Bayerle
Senior Actuary

June 14, 2021

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

Re: ACLI Comments on AFP 2021-08

Dear Mr. Boerner:

The American Council of Life Insurers (ACLI) appreciates the opportunity to provide comments on AFP 2021-08.

ACLI supports the monitoring of experience and development of valuation basic tables reflecting recent experience. With the move to accelerated underwriting, we appreciate the need for additional data for analysis. However, we are concerned about the timing of this change; specifically, with the anticipated increase of data elements to, among other things, collect more data for accelerated underwriting under development, we believe this APF should be deferred until companies have had an opportunity to include additional data in their submissions.

Companies that are familiar with experience data submission note the possibility of certain data quality issues when validating the data. They have concerns that making a Q2 data extract in time for a Q3 submission does not provide sufficient to thoroughly vet the data before submission. The reduction from 2 years to 1 year might stress the process. One notable area of concerns is terminations, which may not be reviewed until the following year. The compressed timeframe gives little time to appropriately validate the work. The current 2-year lag provides a significant amount of time for the submission, and while a shorter lag with a longer submission period may work, it would not materially improve the availability of data for analysis.

Additionally, we know additional data elements will be added to the experience reporting format. It will take companies time to incorporate the new fields, and critically, to validate the values before submission. This increase in requirements may pose problems with a shorter turnaround.

ACLI is committed to working with regulators on timely experience data submissions. While we have concerns at this time, we would encourage further discussion on how to best incorporate emerging experience. As this APF is further contemplated, we would encourage providing additional hardship allowances for both the expansion of the data elements as well as potential reduction of the lag.



The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

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We look forward to a discussion of this amendment on a future call. We appreciate the consideration of our comments.

Sincerely,

cc: Reggie Mazyck, NAIC