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May 11, 2022

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

Re: APF 2022-05

Dear Mr. Boerner:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit feedback on the exposed APF 2022-05 on VM-51.

ACLI is supportive of the corrections in the amendment aimed at additional insurance purchased with dividends, the questionnaire in Appendix 1, and the section “State of Domicile” being changed to “Owner’s State of Residence”. We agree these are all commonsense measures that will help companies complete the valuation process in a more efficient and accurate way.

However, we did have a few concerns regarding the portion of the APF related to the Society of Actuaries’ (SOA) request to have a new termination code to specify death due to COVID-19. Specifically, we would like to have regulators specify if the COVID-19 indicator should only be used in cases where it is the primary cause of death, or if it is meant for it to also be used as an indicator when it is a contributing factor, which would be more ambiguous. We would like to note that getting accurate cause of death information, especially related to COVID-19, is difficult due to the professional medical judgement involved. If we only include claims with cause of death as “COVID-19”, we will be undercounting the actual COVID-19 death experience. However, including all respiratory issues as COVID-19 deaths will overcount the COVID-19 death experience.

We would also like to caution regulators that COVID-19 related mortality information may not be consistent due to differing definitions of COVID-19 deaths between different insurance entities. Even within companies, there may also be discrepancies with reporting if, for example, they identify COVID-19 claims based on the cause of death listed on a death certificate, but they do not collect death certificate data for policies with a “small” face amount, another potential way of undercounting the number of COVID-19 deaths.

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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.

We do not currently have any alternate proposals to bring forward, but as mentioned previously, we do believe that further clarifying what is meant with the COVID-19 indicator will go a long way towards making sure that everyone is operating in a manner that both meets the desires of regulators and allows insurers to conduct their business with as much accuracy as possible.

Thank you for your consideration,

Handwritten signature of B. Banerji in cursive script.

Colin Masterson

cc: Reggie Mazyck, NAIC