

Brian Bayerle
Senior Actuary

October 27, 2021

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

Re: APFs 2021-12 and 2021-13

Dear Mr. Boerner:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit the following comments on APFs 2021-12 and 2021-13.

APF 2021-12

We agree with the proposed changes, but we do have an alternate suggestion for the first proposal that should further enhance the clarity of CSMP implementation for both regulators and companies. It is ACLI's understanding that the requirements of 6.B.3.a.i intend to apply to 6.B.3.a.v, and not 6.B.3.a.ii through 6.B.3.a.iv. In the current order, this may be a potential source of confusion. We would suggest striking 6.B.3.a.i, relabeling the remaining romanettes and references to them, then revising the text in what will now be 6.B.3.a.iv (as opposed to 6.B.3.a.v) as follows:

- iv. Recalculate the scenario reserves for Path A and Path B using the same method as outlined in step (ii) above, but substitute the assumptions prescribed in Section 6.C and use ~~a seriatim inforce the modeled in force prescribed by Section 6.B.3.a.i~~. These scenario reserves shall be referred to as Prescribed Amount A and Prescribed Amount B, respectively.

APF 2021-13

ACLI believes that a robust principle-based framework should appropriately reflect inherent offsets between risks. However, we do recognize the inherently conservative nature of the statutory reserve framework. We do have concerns regarding the last sentence of the guidance note; given the risks are offsetting, it may not be possible to achieve the level of margin described in this sentence. For this reason, we recommend striking that sentence.

We appreciate the consideration of our comments and look forward to discussing on a future call. Thank you.

American Council of Life Insurers | 101 Constitution Ave, NW, Suite 700 | Washington, DC 20001-2133

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.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Banerji". The signature is fluid and cursive, with the first letter being a large, stylized 'B'.

cc:Reggie Mazyck, NAIC