

Brian Bayerle
Senior Actuary

September 14, 2022

Rachel Hemphill
Acting Chair, NAIC Life Actuarial Task Force (LATF)

Re: August 2022 Exposure of FMI and HMI Scales

Dear Ms. Hemphill:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit feedback on the exposed historical mortality improvement (HMI) and future mortality improvement (FMI) scales that were presented by Mortality Improvements Life Work Group (MILWG) and SOA Mortality and Longevity Oversight Advisory Council (MLOAC) during the August 25th LATF call.

ACLI supports the recommendation made by MILWG and MLOAC; namely, HMI Approach 2 (*remove 2020 data and use 2010-2020 period with 2020 equal to 2019*) and FMI Approach 2 (*assume deterioration in 2023 and 2024 then grade to long-term MI level loaded scale*). The recommended approaches do an excellent job of balancing various considerations. With respect to the HMI scale, assuming some continued deterioration based on recent years experiences is a reasonable solution to address the excess mortality in the 2020 actuals. The FMI recommendation continuing some near-term deterioration that grades off before grading to the loaded long-term MI also is reasonable given the level of uncertainty.

ACLI encourages the ongoing annual monitoring by MILWG/MLOAC and LATF to better refine these assumptions based on actual emerging mortality experience. Further, we would encourage development of insured population-specific HMI and FMI scales, using other data and industry experience collected via VM-51 reporting requirements.

Thank you for your consideration.



cc: Scott O'Neal, NAIC