

Brian Bayerle
Senior Actuary

January 14, 2022

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

Re: APF 2021-11

Dear Mr. Boerner:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit the following comments on the December re-exposure of APF 2021-11.

ACLI remains supportive of requirements that ensure appropriate assumptions and margins are used in the computation of reserves. We do, however, continue to have concerns regarding the regulatory value of the sensitivity testing this APF would add to VM-21. During the December 8th LATF discussion, regulators suggested these sensitivities should be required to help regulators better understand the risks and levels of the margins. ACLI would suggest, then, explicitly linking sensitivity testing to margin setting, and for LATF to consider what required sensitivities are truly value-added versus those that do not have clear regulatory value. For the former request, we suggest that all references to sensitivity testing include the qualifier "...to the extent needed to determine margins." These references include VM-20 9.A.7, VM-20 9.D.4, VM-21 10.C, and VM-31 3.D.4.h. For the latter request, perhaps at a future meeting regulators could walk through the required sensitivities in the valuation manual and better help companies understand how regulators are using them in their reviews.

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

Sincerely,



cc: Reggie Mazyck, NAIC