**Life Actuarial (A) Task Force/ Health Actuarial (B) Task Force**

**Amendment Proposal Form\***

1. Identify yourself, your affiliation and a very brief description (title) of the issue.

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Annuity mortality tables and non-US lives mortality.

2. Identify the document, including the date if the document is “released for comment,” and the location in the document where the amendment is proposed:

* VM-M Sections 1 and 2
* VM-31 Section 3.D.3

3. Show what changes are needed by providing a red-line version of the original verbiage with deletions and identify the verbiage to be deleted, inserted or changed by providing a red-line (turn on “track changes” in Word®) version of the verbiage. (You may do this through an attachment.)

**VM-M: Section 1:** **Valuation and Nonforfeiture Mortality Tables**

1. 2017 Commissioners Standard Guaranteed Issue Mortality Tables
2. “2017 Commissioners Standard Guaranteed Issue Mortality Table” (2017 CSGI) means that 2017 Guaranteed Issue basic ultimate mortality table with 75% loading, consisting of separate rates of mortality for male and female lives, as well as combined unisex rates, developed from the experience of 2005–2009 collected by the SOA. This table was adopted by the NAIC on Aug. 7, 2018 and is included in the NAIC Proceedings of the 2018 Summer National Meeting.
3. 1994 Group Annuity Reserving (1994 GAR) Table
4. “1994 GAR Table” means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866-867 of Volume XLVII of the Transactions of the Society of Actuaries (1995).
5. 1983 Table a
   1. “1983 Table ‘a’” means that mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners. [See 1982 Proceedings of the NAIC II, page 454.]
6. Non-US Insured Mortality
7. For blocks of polices or certificates covering insureds who are not residents of the United States and either no or an immaterial number of residents of any other country, the company may use a ~~relevant~~ mortality table appropriate for US statutory reserve valuation developed by the regulatory authority or the local actuarial society for the country(ies) of residence. ~~While it is anticipated that this table would be developed by the regulatory authority or the actuarial society of the country, in the absence of such an industry table, the insurer may develop a table appropriate for reserve valuation. Such mortality tables must be approved by the insurance department of the state of domicile before being used for reserve purposes. Margins consistent with the purpose of US statutory reserve methods are to be included in this table.~~

**VM-M: Section 2:** **Industry Experience Valuation Basic Tables**

1. 2008 Valuation Basic Table (2008 VBT)
2. 2015 Valuation Basic Table (2015 VBT) The 2015 Valuation Basic Table is a valuation table without loads jointly developed by the Academy and SOA for use in determining a company’s prudent estimate mortality assumption for valuations of Dec. 31, 2015, and later. The table consists of the Primary table (Male, Female, Smoker, Nonsmoker and Composite), 10 Relative Risk tables for nonsmokers (Male and Female) and four Relative Risk tables for smokers (Male and Female). Rates for juvenile ages are included in the composite tables. The tables are on a select and ultimate and ultimate-only basis and are available on an age nearest and an age last birthday basis.
3. For blocks of polices or certificates covering insureds who are not residents of the United States and either no or an immaterial number of residents of any other country, the company may use an ~~relevant~~ industry ~~mortality~~ table developed by the regulatory authority or the local actuarial society for the life insurance industry in the country of residence. ~~If a relevant industry table is not available, the company will create an industry table by applying a margin to its anticipated mortality which would be equivalent to the difference between the company’s anticipated mortality for US business and the VBT table used for its US business. Such mortality tables must be approved by the insurance department of the state of domicile before being used for reserve purposes.~~

**VM-M: Section 3: Non-Standard Non-US Mortality Tables**

1. Valuation and Nonforfeiture Mortality Tables

For blocks of polices or certificates covering insureds who are not residents of the United States and either no or an immaterial number of residents of any other country, and a ~~relevant~~ mortality table appropriate for US statutory reserve valuation developed by the regulatory authority or the local actuarial society is not available, the insurer may develop a table appropriate for reserve valuation. Such mortality tables must be approved by the insurance department of the state of domicile before being used for reserve purposes. Margins consistent with the purpose of US statutory reserve methods are to be included in this table.

1. Industry Experience Valuation Basic Tables

For blocks of polices or certificates covering insureds who are not residents of the United States and either no or an immaterial number of residents of any other country, and a relevant industry table developed by the regulatory authority or the local actuarial society is not available, the company may create an industry table by applying a margin to its anticipated mortality which would be equivalent to the difference between the company’s anticipated mortality for US business and the VBT table used for its US business. Such mortality tables must be approved by the insurance department of the state of domicile before being used for reserve purposes.

**VM-31: Section 3.D.3: Life Report Mortality**

1. Adjustments to NPR Mortality – Description and rationale of any adjustments made to the CSO mortality rates used in the NPR calculation to reflect the requirements of VM-20 Section 3.C.1.g.
2. Adjustments to Prescribed Margins - Description and rationale for any adjustments made to prescribed mortality margins pursuant to VM-20, Section 9.C.6.d or Section 9.C.6.e.
3. Non-US Mortality – Description and rationale for mortality tables used to value non-US blocks of business.

4. State the reason for the proposed amendment? (You may do this through an attachment.)

1994 GAR and 1983 Table a will be needed for valuations using (proposed) VM-22 methodology.

Life insurance that is sold internationally is reinsured into the United States. Mortality for international insureds may vary significantly from that of US insurance markets. The Valuation Manual should be updated to allow for international mortality tables.

\* This form is not intended for minor corrections, such as formatting, grammar, cross–references or spelling. Those types of changes do not require action by the entire group and may be submitted via letter or email to the NAIC staff support person for the NAIC group where the document originated.

NAIC Staff Comments:

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| **Dates:** Received | Reviewed by Staff | Distributed | Considered |
| 11/15/23, 11/17/23 | S.O. |  |  |
| **Notes:** 2023-13 | | | |