

## Annual Statement Instruction Technical Changes - Comments

### Page 3 (page in Exposure pdf):

For “VM-20NPR” and other variations, Exhibit 5 would read better with a space, as in “VM-20 NPR”. Similarly, “VM-20 DET/STO” and “VM-22 DET/STO”.

### Page 4:

Most companies will have “Non-Jumbo” payout annuities. It should be easy enough to have the default to be “Non-Jumbo”. Line 3 would be “2012 IAR VM-V 2.00%-2.49% 2018-20XX”, instead of requiring spelling out “Non-Jumbo”. The few companies who have both can write on each line which one is which type.

What is the point of saying “2018 – 20XX” on all the lines where the valuation rates are banded together? This does not specify specific issue years for that line, just saying that what is on that line is a post-2017 issue. We already know that from the banded valuation interest rates. It does not seem necessary to list this, and it is repetitive.

I think the example meant to say that all the banded rates can be sorted together so a reader can see the complete picture of all the rates attributable to that method together. There is no verbiage, however, most would interpret the example that way.

### Page 5:

In the example, the first bullet point reads: “The company reports their reserves for the FDA contracts that have either not elected to exercise the guaranteed withdrawal benefits or have a positive fund value in lines 1.7 and 3.7.”

This might be better said as: “The company reports their reserves for the FDA contracts that have guaranteed withdrawal benefits and have either not elected to exercise them or have elected to exercise them with a positive fund value in lines 1.7 and 3.7.”

This slightly clarifies that the contract has the guaranteed withdrawal benefits and it is just this state of not having exercised or exercised but still with positive account value that goes on these lines. A contract does not change its state of exercise depending on whether the withdrawal for a particular year has occurred yet or not if a withdrawal has occurred at some point. Once exercised, guaranteed withdrawal benefits stay exercised no matter how often an amount under those benefits is or is not withdrawn.

Similarly, the last bullet point might be better as: “For the FDA contracts with guaranteed withdrawal benefits where the fund value is zero should be reported in lines 1.3 and 3.3.”

This makes it clear it is the status of the fund value that moves the reserve between 1.7 and 1.3 (3.7 and 3.3) when there are guaranteed withdrawal benefits. The intent is to track depleted account values no matter how the company situates the remaining payments.