

Separate VM-31 Sections for VM-21 & VM-22?

Pros

(supports having different sections)

- Can target specific disclosures for each chapter (e.g., C3P2 and Alternative Methodology sections only for VM-21; Exclusion Test section only for VM-22)
- Separating would help practitioners because the focus is very specific to the chapter in question. It may be challenging for companies if those businesses are managed separately but forced to be combined into the same summary report.
- Consistent with not permitting aggregation between variable and non-variable annuities

Cons

(supports having same section¹)

- Keeping in same section makes VM language and requirements more consistent between VM-21 & VM-22, aligning with a vision of one common principles-based methodology
- There is substantial overlap between VM-21 and VM-22 disclosures (more than ~85% of requirements overlap); separate sections would lengthen VM-31 and contain repeated language
- Separate sections makes it more challenging to draft future amendments, as identical edits may need to be made in multiple places

(1) If combined, consider whether to include commentary on differences between VM-21 and VM-22