

Reserve Impact Results - 8/25/22 Recommendation

| Mortality Improvement Basis | Term | |
|---|----------------------------------|----------------|
| | VM-20 Deterministic Reserve (DR) | Reserve Change |
| Baseline: (no change from 2021) Historical Mortality Improvement (HMI): 2021 VM-20 HMI Recommendation Future Mortality Improvement (FMI): No FMI | \$ (79,846) | N/A |
| RECOMMENDATION: HMI: Approach 2 (remove 2020 data) FMI Mod: Approach 2 (COVID impact in first 3 years) + margin for general uncertainty (25%) | \$ (68,968) | \$ 10,878 |
| Alternate 1: HMI: Approach 3 (full COVID impact) FMI: Approach 1 (grades to LTR at year 10 from HMI level) | \$ (41,652) | \$ 38,194 |
| Alternate 2: HMI: Approach 2 (remove 2020 data) FMI: No FMI | \$ (50,285) | \$ 29,561 |

Note: All of the valuation date deterministic reserves shown on this slide are negative

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| | ULSG | Term |
|---|--------------------------|--------------------------------|
| Mortality Improvement Basis | Qualitative Impact on DR | Qualitative Impact on DR |
| Baseline: (no change from 2021) Historical Mortality Improvement (HMI): 2021 VM-20 HMI Recommendation Future Mortality Improvement (FMI): No FMI | N/A | N/A |
| RECOMMENDATION: HMI: Approach 2 (remove 2020 data) FMI Mod: Approach 2 (COVID impact in first 3 years) + margin for general uncertainty (25%) | Largest Decrease | Smallest Increase |
| Alternate 1: HMI: Approach 3 (full COVID impact) FMI: Approach 1 (grades to LTR at year 10 from HMI level) | Smallest Decrease | Largest Increase |
| Alternate 2: HMI: Approach 2 (remove 2020 data) FMI: No FMI | Increase | Second Largest Increase |