

Reinvestment Guardrail Sensitivity

Background

Field test participants were asked to provide results for two reinvestment guardrail sensitivities:

- Baseline: 50% AA, 50% A
- Required Sensitivity: 5% Treasury, 15% AA, 40% A, 40% BBB
- Optional Sensitivity: 5% Treasury, 15% AA, 80% A

Results and observations

- Many participants did not provide sensitivity results due to lack of time and resources for the field test.
- Overall, the reinvestment guardrail sensitivities did not have a material impact on reserves for most companies. 5 of the 7 companies included in the below analysis had an impact of <1% for all products.
- The results below show the impact of the required sensitivity vs. baseline for products where we had a sufficient number of data points to aggregate results:

Product	# of Companies	# of Products	# of Products > 0%	# of Products = < 0%	Mean	Median	Standard Deviation	Range
FA (no WB)	6	6	2	4	-0.13%	-0.05%	0.18%	0.51%
FIA (no WB)	6	6	1	5	-0.10%	0.00%	0.30%	0.96%
FIA (WB)	5	5	1	4	-0.41%	-0.54%	0.46%	1.17%
FA + FIA (WB)	6	7	2	5	-0.29%	-0.34%	0.46%	1.21%