NAIC Life Actuarial (A) Task Force’s Valuation Manual (VM) - 22 (A) Subgroup requests assistance from the American Academy of Actuaries (the Academy) and the Society of Actuaries (SOA) with respect to the development of appropriate mortality rates to be used as prescribed assumptions within a VM-22 Standard Projection Amount per the Standard Projection Amount Drafting Group’s Statement of Intent.[[1]](#endnote-1)\* Specifically the VM-22 (A) Subgroup requests the following:

1. In the short term develop best estimate mortality rates for standard Structured Settlement Annuities (SSAs), and if time permits substandard SSAs. We expect the SOA and the Academy to use their professional judgment as to how best to proceed. Our current expectation is that a set of mortality adjustment factors will be applied to the current statutorily prescribed 1983 Individual Annuity Mortality (IAM) Basic Table and the mortality adjustment factors will be developed based on SOA 2005-2017 Structured Settlement Mortality Experience Study. We request the mortality rates be completed in time for the VM-22 Field Study that is currently scheduled to be performed in May 2022.
2. In the longer term develop a new best estimate mortality table for SSAs. We expect the SOA and the Academy to use their professional judgment as to how best to proceed. Our current expectation is for the table to be developed based on the SOA 2005-2017 Structured Settlement Mortality Experience Study.

Thank You,

Bruce Sartain, Chair, NAIC Life Actuarial (A) Task Force VM - 22 (A) Subgroup

1. \* Explore the feasibility of creating a Standard Projection Amount (SPA) using methodology consistent with VM-21.  The Drafting Group (DG) will identify the (most) material assumptions by product line, identify appropriate data sources, and determine SPA prescribed assumptions.  Those prescribed assumptions will be used to identify company outlier assumptions and substituted for company assumptions in a re-run of the stochastic reserve calculation.  The DG is not expected to make a recommendation as to whether the SPA should result in a reserve floor or disclosure item. [↑](#endnote-ref-1)