VM-22 PBR Issues List

AGGREGATION

* More than 1 or 2 Reserve Categories for VM-31 disclosure?

EXCLUSION TESTING

* Longevity risk inclusion in SERT
* Deterministic Certification Option for policies with interest rate and longevity risk, but little or no policyholder optionality
* “materiality threshold similar to the Life PBR Exemption”? (12/18/20 ACLI letter)
* Certain products out of scope or allow for simplified exclusion testing (besides certification method)? (ACLI)
* If SPA floor, inclusion of SPA in exclusion testing? (12/14/20 Texas letter)
* SERT threshold should incorporate company materiality threshold and dollar amount? (Texas)

REINVESTMENT GUARDRAILS

* Apply guardrail to existing assets? (12/14/20 Equitable letter)
* Apply separate guardrail to individual securities? (Equitable)
* Shorten current/long term spread grade-in period from 4 years to 1 year at most for reinvestments? (Equitable, Texas)
* “net yield pickup based criteria for reinvestments instead of a guardrail based on a specific asset mix, which would reduce implementation constraints seen to date with the alternative reinvestment guardrail.”  (Texas)