

## NAIC VM-22 Drafting Discussion Log - 2023 SPA Exposure

#	Topic	Description	Date	Tier	Outcome
1	Aggregation	Clarification on whether payout & accumulation reserving categories are not aggregated for SPA	11/8/2023	1	Subgroup expressed that the intention is not to aggregate across different reserving categories within the SPA; No edits requested
2	DR & SPA	Clarification on whether contracts with a DR are subject to the SPA	11/8/2023	1	Subgroup agreed to keep the DR within the scope of the SPA, with language will be added to clarify DR will calculate a scenario reserve instead of CTE
3	Inflation	Leave as a fixed rate or follow treasury path, when applying inflation retrospectively to expenses?	11/8/2023	3	For now, will plan to leave retrospective inflation as a fixed rate
4	GAPV prior to utilization	Vary calculation of guaranteed value based on whether the guarantee has been exercised or not?	11/8/2023	3	Subgroup is open to an Academy proposal on how to assume exercising the guarantee, at which point the prior text in the draft may be removed
5	Integrated GAPV	Calculate one GAPV for multiple benefits	11/8/2023	2	Retained Academy proposed wording and methodology to calculate an integrated GAPV for multiple guarantees
6	GAPV Application	Is the GAPV only applicable to deferred annuities?	11/8/2023	3	Adding wording to clarify that the GAPV is not applicable when there is no account value or no surrender benefits
7	GLWB Utilization	Assume initial utilization percentage, rather than 100% utilization percentage upon exercising guarantee?	11/8/2023	3	Retained Academy wording for "initial percentage taken" on withdrawals and current credited rate/option budget; Academy to propose disclosures
8	SPA for no CSV	How is the SPA applied for products with no cash surrender value?	11/15/2023	1	Adding wording to clarify that the withdrawal and surrender sections are not applicable to products without withdrawal and surrender benefits
9	Withdrawals for Lifetime GLBs	Clarification on whether "lifetime" GLBs should be specified for the treatment described in Section 6.C.4.c	11/15/2023	3	Adding the word "lifetime", consistent with the original intention for the draft
10	Dynamic Lapse - Distribution Channel	Should dynamic lapses vary by distribution channel?	12/13/2023	3	
11	Base and Dynamic Lapse Rates	Calibrate base lapse rates in tandem with development of dynamic lapse formula	12/13/2023	3	
12	Zero Dynamic Lapses	Allow dynamic lapses to go down to zero?	12/13/2023	2	
13	GAPV Discount Rate	Could discount rate for GAPV to determine ITM be redundant if not well-parametrized?	12/13/2023	3	
14	MVAs	Dynamic lapses to consider MVA features, free partial withdrawals, and standard non-forfeiture?	12/13/2023	2	
15	Crediting Rate Limit	Intended to only apply to FIA or all products?	11/15/2023	2	Intended to apply to all products; wording is being added to clarify
16	Regulatory approval for Crediting Rate	Remove language on regulatory approval for limiting the crediting rate, since simplification section already covers?	11/15/2023	3	Subgroup agreed to remove the language and add a drafting note expressing openness to proposed wording that addresses persistency bonuses