

William H. Wilton

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October 19, 2021

Reggie Mazyck
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Re: APF 2021-12

I appreciate the opportunity to provide comments on amendment proposal form 2021-12 proposed by the PBR Staff of Texas Department of Insurance.

I would like clarification on Section 6.C.11. What is the rationale for referencing 0% ITM?

In Section 6.C.3. the following is stated:

The GAPV represents the actuarial present value of the lump sum or income payments associated with a guaranteed benefit. For the purpose of calculating the GAPV, such payments shall include the portion that is paid out of the contract holder's Account Value.

Since there are no minimum guaranteed benefits and assuming that an account value still exists on the contract, the current requirements of VM-21 would imply a 100% ITM, not 0%.

Should Section 6.C.11 be revised as follows:

e. For contracts with no minimum guaranteed benefits, ITM is 100%; for all contract years in which a withdrawal is projected, the termination rate obtained from Table 6.3 shall be the row in the table for ITM 100-125% 50% using the "Subsequent years" column of Table 6.3.

Similarly, in Section 6 Full Surrenders, it appears that the current requirements also stated the ITM as 0%. It would seem that ITM should also be 100% in this section. The modification would be:

For contracts with no minimum guaranteed benefits, ITM is 100%; and the row in the table for ITM 100-125% 50% would apply.

Sincerely,



William H. Wilton, FSA, MAAA