**Life Actuarial (A) Task Force/ Health Actuarial (B) Task Force**

**Amendment Proposal Form\***

1. Identify yourself, your affiliation, and a very brief description (title) of the issue.

**Identification:**

Pete Weber, Ohio Department of Insurance

Rachel Hemphill, Texas Department of Insurance

**Title of the Issue:**

Make correction to VM-21 SPA mortality application, where there is little or no company experience.

2. Identify the document, including the date if the document is “released for comment,” and the location in the document where the amendment is proposed:

VM-21 Section 11.B.3 (Mortality)

January 1, 2025 NAIC Valuation Manual

3. Show what changes are needed by providing a red-line version of the original verbiage with deletions and identify the verbiage to be deleted, inserted, or changed by providing a red-line (turn on “track changes” in Word®) version of the verbiage. (You may do this through an attachment.)

**VM-21 Section 11.B.3 (Mortality)**

3. No Data Requirements

When little or no experience or information is available on a business segment, the company shall use expected mortality curves that would produce expected deaths no greater than the appropriate percentage (Fx) from Table 11.1 of the 2012 IAM Basic Mortality Table with Projection Scale G2 for contracts with VAGLBs and expected deaths no less than the appropriate percentage (Fx) from Table 11.1 of the 2012 IAM Basic Table with Projection Scale G2 for contracts without VAGLBs and with roll-up GDBs and all other. If mortality experience on the business segment is expected to be atypical (e.g., demographics of target markets are known to have higher [lower] mortality than typical), these “no data” mortality requirements may not be adequate.

4. State the reason for the proposed amendment? (You may do this through an attachment.)

This is to correct an error introduced in APF 2024-07 that unintentionally changed the industry mortality table from a ceiling to a floor for VAGLBs. The intention was only to adopt new mortality factors, not to change how they were used. For reference, here is the previous language, before APF 2024-07:

When little or no experience or information is available on a business segment, the company shall use expected mortality curves that would produce expected deaths no less than the appropriate percentage (Fx) from Table 1 of the 2012 IAM Basic Table with Projection Scale G2 for contracts with no VAGLBs and expected deaths no greater than the appropriate percentage (Fx) from Table 1 of the 2012 IAM Basic Mortality Table with Projection Scale G2 for contracts with VAGLBs. If mortality experience on the business segment is expected to be atypical (e.g., demographics of target markets are known to have higher [lower] mortality than typical), these “no data” mortality requirements may not be adequate.

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| **Dates:** Received | Reviewed by Staff | Distributed | Considered |
| 10/30/24 | KK |  |  |
| **Notes:** APF 2024 - 15 | | | |