**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:**

Rachel Hemphill, Texas Department of Insurance

**Title of the Issue:**

Provide formal guidance in VM-02, based on the Insurance Compact’s request for guidance on a UL nonforfeiture issue.

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-02, Section 3, Guidance Note

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-02, Guidance Note at the end of Section 3**

**Guidance Note:** For flexible premium universal life insurance policies as defined in Section 3.D of the Universal Life Insurance Model Regulation (#585), this is not intended to prevent an interest rate guarantee less than the nonforfeiture interest rate. However, where the cash surrender value is based on multiple sets of guaranteed interest rates, expense charges, and/or mortality, each set of guarantees must comply with nonforfeiture requirements when applying Universal Life Insurance Model Regulation (#585).

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

Provide clarifying guidance to address the issue raised by the Insurance Compact; see attached PPT for reference.

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| **Dates:** Received | Reviewed by Staff | Distributed | Considered |
| 12/9/24 | S.O. |  |  |
| **Notes:** 2024-16 | | | |