

1. Pre-PBR vs. Post PBR for Settlement Options – For settlement options that occur after the VM-22 implementation date but stem from host contracts issued prior to the VM-22 implementation date, should settlement options be subject to the pre-VM-22 requirements or post-VM-22 requirements?
2. Valuation Rates for Settlement Options – For settlement options that are subject to formulaic reserve requirements (i.e., either settlements occur before the implementation date of VM-22 or use the exclusion test within VM-22), should the valuation rate be based on the date of the settlement option or the date of when the host contract was issued?
3. VM Section II in VM-22 – Based on responses to the above questions, should the word “host contracts” (stemming from either variable or non-variable annuities) be retained or removed from VM Section II, Subsection 2.C, as shown below?

C. Minimum reserve requirements for non-variable annuity contracts issued prior to 1/1/2026 are those requirements as found in VM-A, VM-C, and VM-V as applicable, with the exception of the minimum requirements for the valuation interest rate for single premium immediate annuity contracts, and other similar contracts, issued after Dec. 31, 2017, including those fixed payout annuities emanating from host contracts issued on or after Jan. 1, 2017, and on or before Dec. 31, 2017. The maximum valuation interest rate requirements for those contracts and fixed payout annuities are defined in VM-V, Statutory Maximum Valuation Interest Rates for Formulaic Reserves.

4. Amendments – Based on the responses to the above, do you have any proposed amendments to VM-22 (e.g., additional wording changes)?