

2020 Summer National Meeting
Virtual Meeting

LIFE ACTUARIAL (A) TASK FORCE
Monday, August 3, 2020, 10:00 a.m. – 1:00 p.m. CT
Monday, August 3, 2020, 2:30 – 4:30 p.m. CT
Tuesday, August 4, 2020, 10:00 a.m. – 1:00 p.m. CT
Thursday, August 6, 2020, 12:00 – 2:00 p.m. CT

Meeting Summary Report

The Life Actuarial (A) Task Force met Aug. 3, Aug. 4 and Aug. 6, 2020. During these meetings, the Task Force:

1. Adopted its June 25, June 18, June 11, June 4, May 28, May 21, May 14 and May 7 minutes, which included the following action:
 - a. Adopted its Feb. 27, Feb. 20, Feb. 13, Feb. 6, Jan. 30 and Jan. 23 minutes.
 - b. Adopted changes to the *Standard Nonforfeiture Law for Individual Deferred Annuities* (#805).
 - c. Adopted amendment proposal 2020-05, which modifies the net premium reserve (NPR) to reflect continuous deaths and immediate payment of claims.
 - d. Adopted *Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest to Policies Sold After November 25, 2020* (AG 49-A).
 - e. Adopted amendment proposal 2020-06, which establishes a process for replacing the London Interbank Offered Rate (LIBOR).
 - f. Adopted amendment proposal 2020-07, which modifies VM-02, Minimum Nonforfeiture Mortality and Interest of the *Valuation Manual* by replacing the fixed 4% floor for the life minimum nonforfeiture interest rate with a reference to the rate used to determine the minimum funding for the cash value accumulation test in Internal Revenue Code § 7702 that will serve as the floor, as previously intended, but it will change as appropriate if this § 7702 rate changes.
2. Heard an update on the results of the yearly renewable term (YRT) field test modeling and range of interpretation survey from the American Academy of Actuaries (Academy) YRT Field Test Project Oversight Work Group, Oliver Wyman, and NAIC staff.
3. Discussed proposed changes to the Model #805 nonforfeiture interest rate floor. The Task Force agreed to expose Section 4B of the model with various nonforfeiture rate floor options between one half of one percent (0.5%) and zero percent, inclusive.
4. Heard an update from the Academy Annuity Reserves Work Group (ARWG) on the proposed timeline and approach for the development of a principle-based reserving (PBR) framework for non-variable annuities.
5. Adopted the report of the VM-22 (A) Subgroup, including its July 15, July 1, June 11 and May 20 minutes.
6. Heard an update from the Interstate Insurance Product Regulation Commission (Compact).
7. Adopted the report of the Longevity Risk (E/A) Subgroup.
8. Adopted the report of the GI Life Valuation (A) Subgroup.
9. Adopted the report of the Experience Reporting (A) Subgroup.
10. Adopted the report of the IUL Illustration (A) Subgroup, including its June 2 and May 26 minutes.
11. Exposed amendment proposal 2019-33, which provides for the application of PBR requirements for group life insurance contracts with individual risk selection criteria issued under insurance certificates.
12. Exposed amendment proposal 2020-03, which clarifies that exact calculations for the NPR are allowed.

13. Exposed amendment proposal 2019-34, which affirms that policies subject to the *Standard Valuation Law* (#820), prior to becoming parties to modified coinsurance (mod-co) agreements, are still subject to Model #820 after entering the mod-co agreements, and it provides guidance related to the actuarial opinion and asset adequacy analysis.
14. Exposed the 2021 Generally Recognized Expense Table (GRET) recommendation.
15. Heard an update from the Society of Actuaries (SOA) on research and education.
16. Exposed the SOA update of 2020 Life Mortality Improvement Factors.
17. Heard an update from the Academy PBR Governance Work Group.
18. Heard an update from the Academy Council on Professionalism.

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