

2023 Fall National Meeting

Orlando, Florida

LIFE ACTUARIAL (A) TASK FORCE

Wednesday, November 29, 2023

8:00 a.m. – 4:30 p.m.


Thursday, November 30, 2023

8:00 a.m. – 11:00 a.m.

Meeting Summary Report

The Life Actuarial (A) Task Force met Nov. 29–30, 2023. During this meeting, the Task Force:

1. Adopted its Nov. 2, Oct. 11, Oct. 5, Sept. 28, Sept. 14, and Aug. 31 minutes, which included the following action:
 - A. Adopted its Summer National Meeting Minutes.
 - B. Exposed amendment proposal form (APF) 2023-11, which removes references to risk-based capital (RBC) from the *Valuation Manual* that are inconsistent with the purpose, scope, and intended use of RBC.
 - C. Exposed APF 2023-12, which clarifies expectations for the reflection of equity return volatility in asset adequacy testing (AAT).
 - D. Adopted the 2024 Generally Recognized Expense Tables (GRET).
 - E. Exposed APF 2023-10, which would change the discount rate for the stochastic reserve in Valuation Manual (VM)-20, Requirements for Principle-Based Reserves for Life Products, to be the net asset earned rate (NAER).
 - F. Adopted the Task Force’s 2024 proposed charges.
 - G. Adopted APF 2023-09, which requires the use of historical mortality improvement (HMI) for company mortality experience in VM-20.
 - H. Exposed acceptance criteria and stylized facts for the generator of economic scenarios (GOES).
 - I. Adopted a memorandum directed to the Society of Actuaries (SOA) regarding the changes to the SOA’s educational pathway.
 - J. Adopted APF 2023-08, which clarified the treatment of interest maintenance reserves (IMR) in the *Valuation Manual* along with an IMR template and temporary guidance.
 - K. Adopted the *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves (AG 53)* templates for year-end 2023.
 - L. Adopted the 2023 VM-20 HMI and future mortality improvement (FMI) rates.
2. Adopted the reports of the Longevity Risk (E/A) Subgroup, the Variable Annuities Capital and Reserve (E/A) Subgroup, and the Indexed Universal Life (IUL) Illustration (A) Subgroup.
3. Adopted the report of the VM-22 (A) Subgroup, including its Nov. 15 and Nov. 8 minutes. During these meetings, the Subgroup took the following action:
 - A. Exposed the draft VM-31, PBR Actuarial Report Requirements for Business Subject to a Principle-Based Valuation.

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4. Heard an update from the VM-22 Policyholder Behavior Drafting Group.
 5. Heard a presentation on the mortality experience data collection and adopted the report of the Experience Reporting (A) Subgroup.
 6. Discussed comments received on the GOES corporate model decision.
 7. Discussed comments received on the GOES acceptance criteria and stylized facts.
 8. Heard a presentation on AG 53.
 9. Heard a presentation on the results of a new calibration of the GOES.
 10. Adopted the report of the GOES (E/A) Subgroup and heard an update on the GOES project timeline.
 11. Heard an update from the American Academy of Actuaries (Academy) Economic Scenario Generator Subcommittee on equity acceptance criteria.
 12. Discussed comments received on APF 2023-10.
 13. Re-exposed APF 2023-12 for a 60-day public comment period ending Jan. 29.
 14. Exposed APF 2023-13, which modifies VM-M, Appendix M – Mortality Tables, to allow for the use of international mortality tables for relevant business and also adds the 1994 Group Annuity Reserving (GAR) and 1983 Table mortality tables for use in the future VM-22, Requirements for Principle-Based Reserves for Non-Variable Annuities, for a 60-day public comment period ending Jan. 29.
 15. Heard an update from the SOA on research and education.
 16. Heard an update from the Academy Council on Professionalism and Education.
 17. Heard an update from the Academy Life Practice Council.
 18. Discussed revisions to the VM-20 FMI rates and appropriate application.
 19. Adopted a request to the Academy for life knowledge statements for U.S. appointed actuaries, illustration actuaries and qualified actuaries.
 20. Heard an update on the Product Standards Committee of the Interstate Insurance Product Regulation Commission (Compact).
 21. Received an update that the Task Force had become aware that some companies may be requesting exceptions to the requirements in the *Valuation Manual* that could affect reserve and/or capital calculations and that this issue would be discussed in regulator-to-regulator sessions of the Valuation Analysis (E) Working Group and/or the Task Force.