

LHATF Conference Call regarding Recommendation for an Annual Statement Exhibit on Liquidity Risk

On April 26, 2004, LHATF held a conference call regarding the recommended new annual statement exhibit on liquidity risk. Insurance regulators from various states participated in the conference call. Other participants were insurance companies, the ACLI, and other interested parties.

Mike Boerner of Texas Department of Insurance was the leader of the conference call. Before the conference call, regulators and all other interested parties were provided with the website address of the following documents:

1. A draft NAIC Blanks Recommendation.
2. A proposed annual statement exhibit "Fund Demand Disclosure for Institutional Business."
3. A draft copy of instructions for the exhibit "Fund Demand Disclosure for Institutional Business."

The primary objectives of the conference call were (a) to discuss comments received for this proposed addition annual statement exhibit and (b) to vote on adopting this new exhibit for the 2005 financial statements.

After all participants and interested parties identified themselves, Mike Boerner initiated the discussion.

1. The exposure draft of the proposed exhibit was adopted during the Task Force meeting on March 12, 2004, and the exposure draft was made available in the NAIC website since March 24, 2004. The 30 days exposure draft period had expired.
2. The Task Force expects to adopt the proposed exhibit for 2005 financial statements.
3. The Task Force did not receive any comment.
4. There were no comments from regulators during the conference call.
5. New York Life proposed to add a Section 4 to the exhibit. Values of Section 4 are the sums of the values stated in Sections 1, 2, and 3 of the exhibit. There were no objections from regulators, and the proposed section 4 was added.
6. CT pointed out that some calendar years have more than 365 days. It may be appropriate to add a new time bucket "366-720 days" to disclose the amount of



fund demand during this time bucket. TX indicated that this revision would require another exposure and proposed to proceed with the current exhibit. The new time bucket disclosure would then be added as a revision later.

7. No regulator objected to the new exhibit, and the motion for the new exhibit was carried. The new exhibit is effective for 2005 financial statements.

Vincent Tsang, FSA, MAAA

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