

**Revision to Standard Valuation Law (SVL 2)**

The purpose of the call was to get a list of key issues related to peer review raised by the AAA SVL 2 Work Group. Actuaries from 19 states attended.

The AAA Work Group outlined six areas for which it is requesting feedback:

1. Qualification standards for the reviewing actuary,
2. Standards of practice related to the actuarial review,
3. Scope of the actuarial review,
4. Frequency of the review,
5. Relation of the reviewing actuary to the company and the regulators, and
6. Content of the reviewing actuary's report.

Also, AAA has arranged for Allan Brender, Senior Director of the Actuarial Division of the Office of the Superintendent of Financial Institutions, Canada to present an overview of the Canadian review process to LHATF at its June meeting.

At today's meeting, LHATF members briefly considered self-regulation (i.e., third party review) vs. direct state oversight. Some members wonder how states with limited actuarial resources will be able to respond. One proposal is to have a national body of reviewing actuaries. All of these possibilities need much additional study.

A LHATF subgroup will provide feedback for this project on two upcoming conference calls.

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