

**Actuarial Guideline ABC - Projection of Guaranteed Nonforfeiture Benefits Under CARVM**

The agenda for the Wednesday May 11, 2005 Life and Health Actuarial Task Force (LHATF) conference call was:

1. To review of the two most recent discussions on this matter
  - a. Memorandum from Noel Abkemeier (Milliman) dated Nov. 8, 2004
  - b. Comments from American Academy of Actuaries (AAA) Life Valuation Subcommittee, including review of 11/9/04 submission and update on addressing products valued on a "change in fund basis."
2. To discuss feasibility of establishing valuation standards for interest-indexed annuities by modifying Actuarial Guideline XXXV in lieu of expanding the scope of AG ABC.

Attending the call were the following LHATF member states: NM, AK, AR, CA, AT, FL, KS, MN, NY, PA, TX, WV and AL as well as IL, and NC. In addition there were interested parties.

The call started with a summary of the agenda items and a brief history of each in order to refresh the memories of the attendees since the last time this topic had been discussed was at the December meeting.

Noel Abkemeier gave a short summary of his memorandum concerning the continuation of the current EIA offset.

Kory Olsen then gave a short summary of his suggested change to replace the projection rate used after the redetermination date with the minimum of the statutory valuation rate or the maximum nonforfeiture rate. The proposal did not include the handling for change in fund valuations. This would be considered in more detail if there was agreement to make the change.

Some minor discussion followed to clarify points, but it was clear that not much work had been put into these issues by the committee since the last meeting. This call was used primarily to reestablish the issues in everyone's mind. Mark Peavy will hold one-on-one phone calls with members of the committee in order to get the ball rolling and help push things along. Members were also asked to review the guideline for content.

One member mentioned that it was difficult to set the guideline not knowing what product types that the guideline should cover. A request was made to the interested parties to provide examples of products that would be impacted by the guideline in order to help the process.

Ron Takemoto, FSA, MAAA

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