

**LHATF & AHWG**

Because the September NAIC meeting in New Orleans was cancelled, the various committees and task forces will be doing business via conference calls. LHATF has scheduled a series of calls running through the first week of November. This call was the first one of the series.

The primary focus of the call was to complete the A&H Working Group (AHWG) charges for 2006 and LHATF charges for 2006, plus vote on the 2006 GRET table. See the following pages for the draft charges.

With little discussion, AHWG changed #3 (individual health filings) to indicate that it would be completed by the Fall meeting of 2006. It also removed health insurance from the scope of #5 (new nonforfeiture law).

LHATF then discussed the recommendations from the (A) Committee hearing in August on a principles-based reserve system. The (A) Committee asked for a charge to construct a Standard Valuation Law that reflects a principles-based system. It also asked for a charge to develop a short-term solution for term insurance. LHATF members believed that these requests were effectively incorporated into the current draft charges.

NY opined that the targeted date of fall, 2006 for #2 (VA-CARVM) seemed aggressive. NM and TX disagreed, citing an existing exposure draft. NY also remarked that LHATF should consider pushing the sunset date of Guideline 39 back a year to January 1, 2007. This issue will be discussed on the September 28 call.

LHATF ended up moving the first part of #6 (new mortality tables) to be a sub-point of #1, thus elevating its priority, while keeping the second part of #6 (pre-need tables) where it is. LHATF then approved the revisions discussed above.

Finally, LHATF approved the 2006 GRET tables recommended by the SOA Committee, the goal being adoption by NAIC in December.

Donald P. Maves, FSA, MAAA

14 September 2005



8/19/05

Submitted by Michael Batte, Chair of the Life and Health Actuarial Task Force, and Julia Philips, Chair of the Accident and Health Working Group

**Draft – Proposed 2006 Charges**

**LIFE AND HEALTH ACTUARIAL TASK FORCE**

The mission of the Life and Health Actuarial Task Force is to identify, investigate and develop solutions to actuarial problems in the life and health insurance industry.

1. (LHATF) Review the Standard Valuation Law to determine if changes are necessary, particularly any that are needed to facilitate the implementation of a principles-based approach. Provide quarterly status reports on this project; *Essential*
2. (LHATF) Develop new reserve requirements for variable annuities with guarantees, including the determination of whether such requirements should be incorporated into a model act, regulation, or guideline. Complete work by the Fall National Meeting; *Essential*
3. (AHWG) Review the Guidelines to Individual Health Filings and review questions and concerns, which have been raised relative to lifetime rate adequacy for medical insurance and provider service organizations. Provide quarterly status reports on this project; *Important*
4. (AHWG) Study the minimum standards applicable to statutory reserves for long-term care insurance. Provide quarterly status reports on this project; *Important*
5. (LHATF) Study the feasibility of a new nonforfeiture law for life insurance, health insurance, and annuities to replace the existing nonforfeiture standards. Provide quarterly status reports on this project; *Important*
6. (LHATF) Study the feasibility of developing new valuation and nonforfeiture mortality tables for 1) preferred and standard mortality classes and 2) preneed life insurance. Provide quarterly status reports on this project; *Important*
7. (LHATF) Develop revisions to the following models: The Model Variable Annuity Regulation and the Modified Guaranteed Annuity Regulation. Complete work by the Winter National Meeting; *Important*
8. (LHATF) Work with Society of Actuaries to develop a new mortality table for the valuation of individual annuities. Provide quarterly status reports on this project; *Important*
9. (AHWG) Work with the Society of Actuaries to develop a replacement for the 1985 NAIC Cancer Claim Cost Tables as the basis for the valuation of individual cancer policies. Provide quarterly status reports on this project; *Important*



10. (LHATF) Develop an actuarial guideline on the projection of guaranteed nonforfeiture benefits under CARVM. Complete work by the Winter National Meeting. *Important*
11. (LHATF) Study the feasibility of incorporating actuarial opinions required by acts, regulations, and guidelines into the electronically filed statutory annual statement. Provide quarterly status reports on this project; *Important*
12. (AHWG) Make recommendations for changes to the Long-Term Care Experience Reporting Forms. Complete work by Summer National Meeting; *Important*
13. (LHATF and AHWG) Provide assistance and commentary to other NAIC committees relative to their work on actuarial matters; *Important*

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