

**SVL-2 Subgroup**

This subgroup of LHATF, consisting of KS, AK, CA, CT, FL, NE, NY, TX and UT, discussed a September 1 draft from Katie Campbell (AK) of the Standard Valuation Law that would recognize Principles-Based Valuations:

- In a fairly long discussion, the subgroup finally agreed that the SVL should not contain the actual principles,
- The subgroup agreed to put in a definition of conservatism at NY's request,
- Another fairly long discussion ensued about the adoption of the Valuation Manual by the NAIC –
  - a) Whether it can be done by a simple majority or needs a "super-majority"
  - b) Applicability if not all 50 states adopt,
- The subgroup debated whether to make the SVL applicable to P&C companies writing A&H insurance, and
- The subgroup confirmed that the SVL will apply to fraternal.

Time ran out before the group could complete the analysis of the draft and of the comments received to date. Thus they scheduled a two-hour conference call for October 11 at 2 PM CDT. They also considered holding an interim meeting in Kansas City on November 14-15 for the express purposes of working on SVL-2 and VACARVM. On that future call and meeting, the group wants to resolve all comments and open issues on the SVL so that they can present a final draft at the December meeting of LHATF.

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