

PBR Reporting & Review

This call marked the first meeting of the LHATF subgroup charged with reviewing the sections of the Valuation Manual pertaining to reporting, documentation and the actuarial opinion for PBR. This subgroup includes Leslie Jones (SC), Dan Keating (FL), Dave Hippen (MO), Tom Kilcoyne (PA) and Bill Carmello (NY).

The first half of the call covered the Academy's redraft of VM 40 (Review Opinion Requirements) to reflect comments from LHATF at its September meeting. LHATF wants disclosure of:

- The effects of material differences between the appointed actuary and the reviewing actuary, and
- A description of any material differences resolved before issuance of the opinion.

Some regulators reminded the group that the reviewing actuary will not actually quantify his or her own reserve numbers; thus the determination of the effects could be problematic. Some industry listeners questioned why differences that have been resolved must be disclosed. The subgroup agreed that the VM needs a definition of "material."

The rest of the call covered the issue of who is subject to the actuarial opinion requirements; e.g., does it apply to P&C companies writing health insurance? Does it apply to life insurers writing only A&H insurance? Should it apply by type of company, by type of product or by type of statement blank filed?

The discussion of these and other issues continues on Thursday, November 8.

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