

LHATF held two more calls of subgroups editing the Valuation Manual:

### **PBR Reporting & Review**

The subgroup enumerated these issues related to the Actuarial Opinion for discussion at the December meeting:

- The possible need for different language for life and health opinions,
- Moving all definitions to a “common” area for the entire VM, instead of having them in each section,
- More complete disclosure of major issues outstanding when a company changes its appointed actuary,
- The effects of individual states passing rules outside of the VM, and
- The need for prescribed language for the opinion.

### **PBR Process & Coordination**

This subgroup of Mike Boerner (TX), Phil Barlow (DC), John Rink (NE), Michael Fix (ND), David Ball (OR), Kerry Krantz (FL) and Bill Carmello (NY) met for the first time and highlighted these issues for discussion in December:

- Enumeration of life contracts subject to PBR, with credit life being the only notable exemption,
- A five-year phase-in of PBR during which a company can choose the products to which it applies PBR, although some regulators believe it creates the possibility of some “gaming” of the system,
- Reporting on both existing and PBR bases, a pet project of NY, and
- A major edit and replacement of various SSAPs.

I have to give credit where credit is due – all of the groups have covered a lot of ground in a short period, but a lot of work remains for the December meeting.

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