

PBR Life Subgroup

This was the final call before the December meeting. The Life subgroup added the issues below as needing discussion from the full LHATF group:

- Disclosure formats for assumption margins and their impacts,
- Determination of the appropriate projection period,
- Validation of models,
- The 98%-102% of reported reserve in which the starting assets must fall,
- Treatment of negative IMR,
- The continued need for risk transfer rules for reinsurance,
- Elimination of revenue sharing if not guaranteed,
- Limits on hedging,
- Determination of scenarios by regulators only,
- Derivation of discount rates when earned rates are negative or extremely high,
- A cap on discount rates,
- Policyholder behavior assumptions,
- Distortions of expenses based on “going concern”, and
- Pre-tax vs. after-tax projections.

The plate will certainly be full for LHATF at its meeting.

Donald P. Maves, FSA, MAAA

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