

**PBR Principles Review**

The Principles Based Reserving Working Group, composed of Commissioners overseeing the entire PBR process, had asked LHATF and other NAIC groups to comment on proposed principles and project requirements by August 17. On today's call, LHATF attempted to complete a response.

Larry Bruning (KS) composed a draft letter that served as the basis of discussion. In his draft he incorporated suggestions from the Academy and other regulators. It appears that there are no controversial issues, and no resistance from either industry or other LHATF members to the general tone of the draft. LHATF spent the entire call polishing the language, removing ambiguities and improving the precision of the terms used.

With over 35 individual principles and requirements, we can not describe them here, but they fall into these general categories:

- Regulatory framework,
- Reserve liabilities,
- Capital,
- Corporate governance,
- Public disclosure and supervisory reporting, and
- Financial examinations.

We expect a final draft reflecting today's improvements soon on the NAIC website.

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