

SVL-2 Subgroup

The most notable items to come out of this call are that Larry Bruning (KS) is the new Chair of LHATF and Katie Campbell (AK) replaces Larry as Chair of this subgroup.

Mike Boerner (TX) provided an update of work by the Valuation Manual team:

- The team will provide a draft, not complete but well along, at the June meeting,
- LHATF waived the 3-week rule, so the draft could be exposed in June, and
- A report on required changes to the APPM is expected by September.

Christopher Hause, representing a trade association of credit life and health companies, urged LHATF to use the opportunity of revising the Standard Valuation Law to provide for a consistent valuation standard for credit life. No regulator voiced opposition.

The subgroup started a discussion of states' adoption of the Valuation Manual but deferred it when alerted by staff that the Executive Committee of the NAIC intends to discuss it and provide guidance. The main issues are (1) how many states need to adopt it to make it official, (2) what if states adopt it with changes and (3) does it need to be in final form or merely substantially complete to be adopted.

The group ended the call with a brief discussion of the independent reviewer but came to no resolution. Some states have a legal sticking point with having the companies hire the reviewer.

LHATF will continue this discussion at its June meeting.

Donald P. Maves, FSA, MAAA

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