

## **Market Disruption Subgroup**

This oddly named subgroup, whose purpose is NOT to disrupt markets (although some of you readers – and we know who you are - believe that any regulatory group does that de facto), is revisiting the surplus relief project begun in December.

The December project, aimed primarily at temporary surplus relief at December 31, 2008 in light of then prevailing capital market conditions, failed to gain approval by the NAIC. However, industry has requested that the project be resurrected for 2009.

The subgroup agreed that LHATF's recommendations in December lacked sufficient rigor because of the rushed time frame. Therefore, the group plans to investigate each point thoroughly for its next set of responses.

To refresh your memory, in December LHATF proposed:

- To allow preferred 2001 CSO tables for any 2001 CSO product subject to the Interim Solution,
- To allow 2001 non-preferred tables to be used to determine segments under the Interim Solution,
- To eliminate artificial constraints (i.e., the 20% minimum and the non-decrease by duration) on X-factors, and
- Not to make Section 8C of AG 38 retroactive.

This subgroup plans weekly calls, with the next one on Tuesday, March 31 (time TBA).

Donald P. Maves, FSA, MAAA

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To view past LHATF conference call and meeting notes, visit [www.polysystems.com](http://www.polysystems.com)

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30 North LaSalle Street • Suite 3600  
Chicago, Illinois 60602-2506  
Voice: 312.332.5670  
Fax: 312.332.2391