

**VM-20**

Lacking a quorum for the first part of the call, the group embarked on a long discussion of scenario generation. AG43 (VACARVM) permits company-generated scenarios; VM-20 requires pre-packaged scenarios. Industry is concerned with funds and investments that do not correlate well with common types of funds and investments. Regulators, especially NY, prefer the comparability among companies that pre-packaged scenarios provide.

Once the group achieved a quorum, it agreed to allow company-generated scenarios for such funds, subject to calibration criteria. The Academy will draft an amendment to specify the details.

The LRWG also recommended a disclosure item called the Margin Ratio, similar in concept to the old Z-factor that never quite made it into VM-20. LHATF will consider it on a future call.

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