All attendees will be muted throughout the presentation.

Please use the "Q&A" for questions and send to all panelists. Questions will be addressed at the end of the presentation.

This webinar is being recorded and will be made available on the NAIC website.

For technical help, please contact the NAIC Technical Support Team at MeetingTechHelp@naic.org or 866-874-4905

Angela McNabb, ASA, MAAA
June 15, 2022

Recap of 2021 Mortality Experience Data Collection
Observation Years 2018 and 2019

The NAIC collected data from 108 life insurance companies.

Since some companies submitted multiple times, we processed approximately 250 data submissions for each observation year.

Final record count for each observation year was approximately 97 million records.

NAIC staff is preparing final review packages which will include A/E ratios.

Recap of

NAIC MORTALITY EXPERIENCE DATA COLLECTION
Company Feedback Wanted

2022 NAIC MORTALITY EXPERIENCE DATA COLLECTION
(Observation Year 2020)
Planned Improvements

NAIC staff will be implementing improvements for the 2022 data collection. Some of these improvements include:
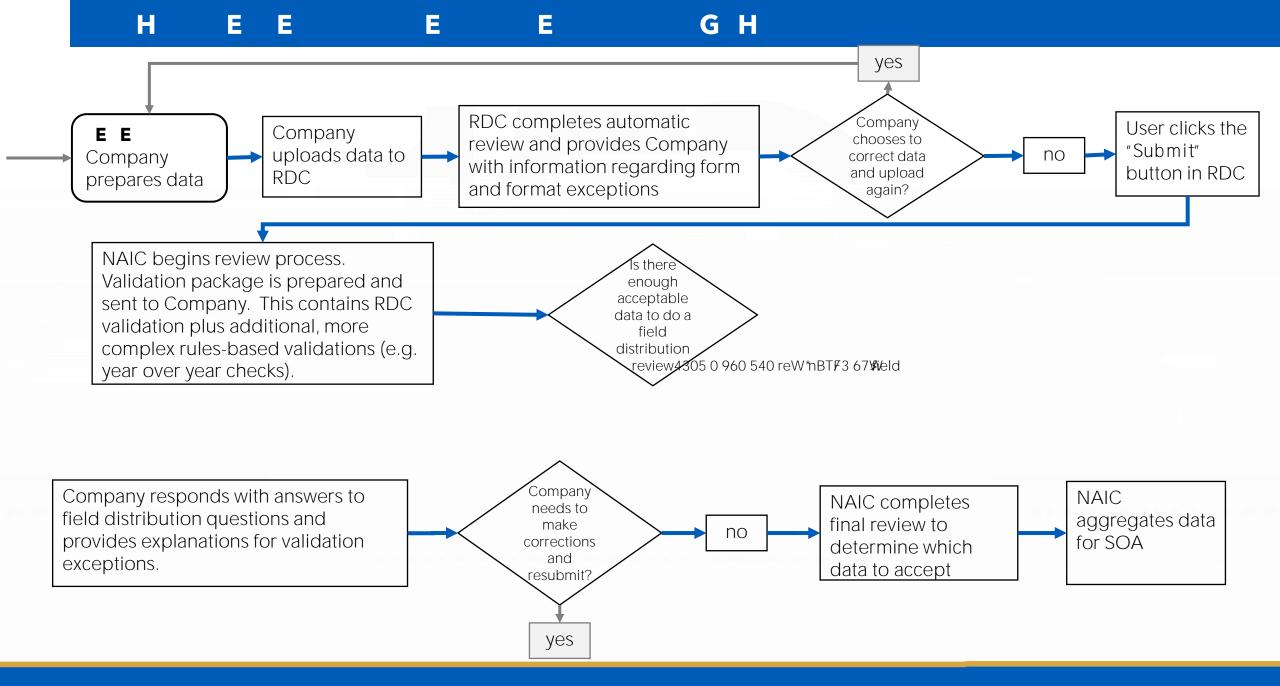
Companies will have the option to download data exceptions from RDC.

A Data Dictionary will be provided to give companies additional guidance.

NAIC staff is further automating the review process to provide feedback to companies faster.

NAIC staff is reviewing the rules-based data validations and their severity.

NAIC staff is making revisions to the Reconciliation Template to accommodate additional line items and TPA reporting.

```
yes
```

E E
Company prepares data

→ Company uploads data to RDC

→ RDC completes automatic review and provides Company with information regarding form and format exceptions

→ Company chooses to correct data and upload again?

→ no → User clicks the "Submit" button in RDC

NAIC begins review process. Validation package is prepared and sent to Company. This contains RDC validation plus additional, more complex rules-based validations (e.g. year over year checks).

→ Is there enough acceptable data to do a field distribution review4305 0 960 540 reW*nBT/3 67Weld

Company responds with answers to field distribution questions and provides explanations for validation exceptions.

→ Company needs to make corrections and resubmit?

→ no → NAIC completes final review to determine which data to accept

→ NAIC aggregates data for SOA

yes

2022 Mortality Experience Data Collection
Key Points to Remember

-

2022 Mortality Experience Data Collection
Key Points to Remember

-

2022 Mortality Experience Data Collection
Key Points to Remember

- Control Totals document

  - A template is available on the NAIC website. https://content.naic.org/pbr_data.htm (Scroll to the VM-50/VM-51 Experience Reporting section).

  - The values contained in the control totals must match the totals in the data file.

  - Face amounts for joint life should be counted only once.

- Reconciliation to the Annual Statement

  - NAIC staff is working on revisions to the Reconciliation Template. The revised template is expected to be available on the NAIC website in July. If you are using the template, please be sure to download and use the current version.

  - Note that certain fields in the reconciliation are expected to tie to the Control Totals.

  - Any discrepancies must be explained.

2022 Mortality Experience Data Collection
Key Points to Remember

- When we send your validation package, we will let you know if a field distribution review is going to be prepared. If you are going to receive a field distribution review, please wait to receive this before resubmitting your data file.

  - Companies can continue to upload data files and review RDC validations.

  -

  - If you have identified significant changes and wish to resubmit before receiving the field distribution review, please notify the NAIC.

- Review all feedback from the NAIC and respond accordingly.

  - Validation Package feedback may require a resubmission or explanation of exceptions.

  -

    of business. Please note: companies must respond to the questions in the field distribution review.

2022 Mortality Experience Data Collection
Key Points to Remember - Field Distribution Review

- In the last data collection, the field distribution reviews contained numerous questions regarding the

  - the same questions year after year. For example, if a company has an unusual ratio of males to females and they confirm that this is accurate, it will be noted so that the same question is not asked again in the future.

  - We anticipate fewer questions going forward.

- Thresholds are being adjusted now that we have feedback from over 100 companies.

- Many of the companies that have reviewed the field distributions have identified corrections and / or

2022 Mortality Experience Data Collection
What's New in 2022?

- New Data File Layout

- New Plan Codes (voluntary)

- New Cause of Termination (voluntary)

- Ability to Download Exceptions from RDC

- Data Dictionary

- Rules-Based Validation Changes

- Reinsurer / Third-Party Administrator Reporting

2022 Mortality Experience Data Collection
What's New in 2022? - New Data File Layout

-

-

- Companies should now populate this field with the current smoker status.

12	1	Smoker Status	

2022 Mortality Experience Data Collection
What's New in 2022? - New Plan Codes

- During the review of the first data collection, it was noted that there were no distinct plan codes for coverage purchased with dividends.

- The NAIC has submitted an amendment to the *Valuation Manual* to add two plan codes to accommodate this situation. This amendment is expected to be adopted for the 2023 *Valuation Manual.*

-

2022 Mortality Experience Data Collection
What's New in 2022? - New Cause of Termination

- The Society of Actuaries requested a method of collecting data regarding COVID-19 deaths. Instead of adding a new field, we have defined a new cause of termination.

- The NAIC has submitted an amendment to the *Valuation Manual* to add this cause of termination. This amendment is expected to be adopted for the 2023 *Valuation Manual.*

- We are asking companies to incorporate this cause of termination in 2022 on a voluntary basis.

Cause of Termination:
05   Death due to COVID-19

2022 Mortality Experience Data Collection
What's New in 2022?

- Ability to download Exceptions from RDC

  - The RDC system is currently being modified to allow exceptions to be downloaded to a csv file. The modification is expected to be in place prior to June 30, 2022.

  - Instructions for the download will be posted to our website as soon as the modification has been implemented.

- Data Dictionary

  - NAIC staff are currently working on a Data Dictionary for the VM-51 data file.

  - The Data Dictionary will give additional guidance on how each field is to be populated.

  -

2022 Mortality Experience Data Collection
What's New in 2022?

- Reinsurer / Third-Party Administrator Reporting

  - If a company is planning on having a third-party submit a portion of their data, they must notify the NAIC in advance.

  - There will be special requirements in the Reconciliation to the Annual Statement to assure all data is being captured.

  - We will be conducting a separate webinar to cover Third-

2022 Mortality Experience Data Collection
Resources on the web
https://content.naic.org/pbr_data.htm
(Scroll to the VM-50/VM-51 Experience Reporting section).

- 2021 Training Webinars
  - Kick off Call
  - Validations
  - RDC File Submission Process
  - Company Administrator Training
- RDC Submission Instructions
- Company Administrator Guide
- Templates for Control Totals and VM-51 Appendix Questionnaires (Reconciliation template coming soon)
- VM-51 Data Validations (coming soon)

Questions?

A complete list of questions and answers from this training will be posted to our website.