

2. Name of Group Responsible for Drafting the Model and States Participating

The 2009 members of the Life and Health Actuarial Task Force are: Kansas (chair), South Carolina (Vice Chair), Alaska, Alabama, Arkansas, California, Connecticut, Florida, Hawaii, Minnesota, Missouri, Nebraska, New York, Ohio, Oklahoma, Texas and Utah.

3. Project Authorized by What Charge and Date First Given to the Group

The initial charge was given to the Task Force in November 2008, by the Capital and Surplus Relief (EX) Working Group to consider the proposal from the American Council of Life Insurers. The proposal was rejected by the Executive Committee in January 2009. At the 2009 Commissioner Conference the Task Force was again charged with reviewing the proposal.

4. A General Description of the Drafting Process (e.g., drafted by a subgroup, interested parties, the full group, etc). Include any parties outside the members that participated

The initial drafts were provided by the American Council of Life Insurers. A subgroup of the Task Force made changes and made a recommendation to the Task Force. The Task Force made several modifications.

5. A General Description of the Due Process (e.g., exposure periods, public hearings, or any other means by which widespread input from industry, consumers and legislators was solicited)

The subgroup discussed the proposal at public conference calls on this topic on the following dates: March 27, 2009; March 31, 2009; April 7, 2009; April 14, 2009; April 21, 2009; and April 28, 2009. The Task Force held a public conference call on this topic on May 4, 2009. Notice of each of these conference calls was posted on the NAIC's home page on the Internet and e-mailed to approximately 300 interested parties. Drafts of the document were released for comment on December 23, 2008, and May 4, 2009. Several memos and letters were submitted to the Task Force relative to this project. Most urged not including the deferred premium asset in the

calculated under the 2001 CSO preferred mortality tables are adequate (assuming appropriate use of the tables) and therefore that this action may not compromise regulatory objectives.

Issue #2 – Accounting Treatment of the Reinsurance Deferred Premium Asset. Although the reserves for certain policies may be overly conservative, the Task Force decided some companies may already be addressing the overly conservative reserves through a questionable reinsurance accounting practice. For these companies, it would be ill-advised to allow(v)-2.aOvsthedosiertives 7. -1.7T2C Tf -3.2 (l)2723554T624 10.0m(-1.7T3C Tf5 0 Td()Tj-0.0042

PROJECT HISTORY - 2006

MODEL REGULATION PERMITTING THE RECOGNITION OF PREFERRED MORTALITY TABLES FOR THE USE IN DETERMINING MINIMUM RESERVE LIABILITIES (#815)

Project Description

The proposed model regulation is connected with amendments to Actuarial Guideline XXXVIII (AG 38). The

optimistic assumptions, and an ability to monitor emerging experience, the reserves under the model regulation would be sufficient and could be monitored to verify future sufficiency.

Other Pertinent Information Relative to the Proposed Model Regulation Adopted on August 29, 2006