April 30, 2015

Mr. Mike Boerner  
Chair – NAIC Emerging Actuarial Issues Working Group

Re Exposed INT on Summers Question

Dear Mike;

The ACLI1 is pleased to submit the following comments regarding the exposed INT for the Summers question on AG-38 on behalf of our member companies.

We support the adoption of the Alternative Response as revised on March 26, 2015, with the following edits.

1. The first paragraph begins by defining that this interpretation applies to business issued on or after 1/1/16, which we support. The next sentence then references sections of AG-38 that apply to prior issues. We find this unnecessary, and perhaps confusing. We recommend revising the second sentence to read:

   AG 38 8E, 8C and 8B all state that tThe intent of the ratio in AG-38 8.E. Step 4 is to measure the level of pre-funding and all-to specify its use to establish reserves in its application to the Net Single Premium.

2. The fourth paragraph, starting with “The company must document . . . “ is redundant and should be removed. Any reserve calculation is subject to review by, and justification to, the regulator and this does not need to be added to an interpretation.

We look forward to resolving this issue.

cc Reggie Mazyck, NAIC

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1 The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with 284 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers’ products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Learn more at www.acli.com.