



**Brian Bayerle**  
Senior Actuary

January 3, 2019

Mr. Mike Boerner  
Chair, NAIC Life Actuarial Task Force (LATF)

Re: APF 2018-44

Dear Mike:

The American Council of Life Insurers (ACLI)<sup>1</sup> is pleased to submit the following comments regarding APF 2018-44 on IUL deterministic reserve equity returns.

ACLI supports the American Academy of Actuaries' (the Academy's) current proposal for equity returns for the deterministic reserve projection for indexed policies, which uses 108% of the option budget amount for years 21+. This approach is more theoretically sound than using a level 100% for all durations, and is more consistent with treatment for variable products. LATF should not adopt with a level 100% as it would introduce a disconnect with the treatment for variable products, which potentially introduces inappropriate incentives into the reserve framework.

We look forward to a discussion of these issues. Thank you.

Sincerely,

cc Reggie Mazyck, NAIC

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<sup>1</sup> The American Council of Life Insurers (ACLI) advocates on behalf of 290 member companies dedicated to providing products and services that promote consumers' financial and retirement security. 90 million American families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers' products for peace of mind. ACLI members represent 95 percent of industry assets in the United States.