

NAIC Statutory Codification
2002 Valuation Actuary Symposium
Session 21 OF

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September 19, 2002
3:30 p.m. – 5:00 p.m.

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AP&P History

- Original Codified Accounting Practices and Procedures Manual Issued March, 1999 (Guidance Through December 1998)
- March, 2000 (Through December 1999)
- March, 2001 (Through December 2000)
Used for 2001 Statutory Financials
- March, 2002 (Through December 2001)
Used for 2002 Statutory Financials

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March, 2000 Version

- Created Appendix C with Actuarial Guidelines.
AG's eliminated from Examiner's Handbook
Result: AG's Carry More Weight
- Glossary Added: Defines key terms contained in various SSAP's.
- 1999 Interpretations INT's
 - Mainly asset related

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March, 2001 Version

- SSAP No. 74: Protected Cells (Insurance Linked Securities).
- SSAP No. 80: Adds Three Appendices
 - A-200 Separate Accounts Funding Guaranteed Minimum Benefits under Group Contracts
 - A-695 Synthetic GIC Model Regulation
 - A-830 Valuation of Life Insurance Policies Model Regulation (XXX)
- Interpretations:
 - INT 00-3: Illustration for Deposit Type Contracts for SSAP 51, 52 and 56
- AG XXXVI Application of CRVM to Equity Indexed Life Policies

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March, 2002 Version (Used for 2002 Financials)

- SSAP No. 10 Taxes: Exhibit A – Q&A added for DTA/DTL
- Appendix A-791 Reinsurance Q&A Added as Recommended by LHATF
- Appendix C: AG IX-C Substandard Annuity Valuation
AG XXXVII VL-GMDB
- INT 01-26: SSAP No. 51 Reserve Minimum or Required Amount Disclosure
- INT 01-28: Margin for Adverse Deviation in Claim Reserve.
- INT 01-29: Credit Life, Refund Reserves and netting of commission and premium tax chargebacks.
- INT 01-32: Accounting for Impact of Terrorist Attacks of September 11, 2001.

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March, 2003 Version (Pending) (For March 31, 2003 Financials)

- Demutualization Issue Paper No. 117: Appropriateness of Policyholder Dividend Obligation (PDO), Disclosure Requirements
- YRT on Inforce Blocks (deferred gain treatment for surplus benefit)
- Reinsurance of Inforce Blocks (cutoff date for determination of deferred gain).
- Incorporation of Revised AOMR into Codification Appendix A-822
- Incorporation of Credit Disability Table into Health Reserves Appendix A-010
- Definition of claim adjustment expenses and related cost containment issues.

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A-791: Reinsurance Q&A

- YRT Reinsurance Exemption
- Renewal Allowances (P.V. Deficiency)
- Deprivation of Surplus
 - Co/Modco
 - Management of Credits and Charges
- Asset Segmentation

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Other Items

Treatment of DTA for Cash Flow Testing Purposes

Problem: Recognition in statutory balance sheet
is based on arbitrary rules.

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