



AMERICAN ACADEMY *of* ACTUARIES

Principles-Based Valuation Review Opinion Requirements from the American Academy of Actuaries' Subgroup 1 of Valuation Law and Manual Team

**Presented to the National Association of Insurance Commissioners'
Life and Health Actuarial Task Force**

New York City, NY – March 2007

The American Academy of Actuaries is a national organization formed in 1965 to bring together, in a single entity, actuaries of all specializations within the United States. A major purpose of the Academy is to act as a public information organization for the profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policy-makers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions and other forms of risk financing. The Academy establishes qualification standards for the actuarial profession in the United States and supports two independent boards. The Actuarial Standards Board promulgates standards of practice for the profession, and the Actuarial Board for Counseling and Discipline helps to ensure high standards of professional conduct are met. The Academy also supports the Joint Committee for the Code of Professional Conduct, which develops standards of conduct for the U.S. actuarial profession.

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Draft: 9/8/06
A new model

The NAIC solicits comments on this draft. Comments should be sent to Randall Stevenson, NAIC, at rstevens@naic.org.

SECTION TBD: PRINCIPLES-BASED VALUATION REVIEW OPINION DRAFT MODEL REGULATION REQUIREMENTS

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~~Section~~~~Sub-section~~~~Subsection~~ 1. Purpose

- A. The purpose of ~~this regulation~~~~this section~~~~these requirements~~ is to prescribe:
- Requirements for a review opinion of a valuation performed under a principles-based approach (PBA) per the Standard Valuation Law and applicable regulations; and
 - ~~Requirements~~ rules applicable to the appointment of ~~a the PBA review actuary~~ PBA Review Actuary.
- B. Such a review opinion is intended to provide ~~company~~ Company management, the ~~company~~ Company's board of directors, insurance regulators, and the ~~company~~ Company's auditors with a confidential, independent review of the subjective elements of a principles-based valuation.

~~Drafting Note: This regulation applies only to PBA life reserves at this time. It is anticipated that this will be extended to PBA capital later.~~

~~Section 2.~~ Authority

~~This regulation is issued under the authority of Section [insert applicable section, generally the state's Standard Valuation Law] of the Insurance Laws of [insert state].~~

~~Drafting Note: This regulation presumes that changes to the Standard Valuation Law have been adopted that permits the use of the principles-based approach valuation standard defined by this regulation.~~

~~Section~~~~Sub-section~~~~Subsection~~ 23. Scope

~~This regulation~~ ~~These requirements~~ shall apply to all life insurance companies and fraternal benefit societies doing business in this state and to all life insurance companies and fraternal benefit societies which are authorized to reinsure life insurance, annuities or accident and health insurance business in this state. The PBA review opinion required by this regulation ~~These requirements~~ applies to all valuations performed under a principles-based ~~valuation approach~~ per pursuant to section [Insert appropriate section] of ~~the the~~ Standard Valuation Law. Such a review opinion shall result from an independent evaluation of the professional judgment in the PBA valuation. The review does not apply to ~~non-PBA valuations or to~~ the asset adequacy analysis for the PBA valuation.

~~This regulation~~ ~~These requirements~~ shall be applicable to all annual statements filed with the office of the ~~commissioner~~ Commissioner, after the effective date of this regulation.

Section ~~Sub-section~~ Subsection 34.

Definitions

- A. "Actuarial Standards of Practice" means standards of actuarial practice promulgated by the Actuarial Standards Board.
- B. "Annual ~~S~~statement" means that statement required by ~~Section [insert applicable section] of the state~~ insurance law to be filed by the ~~company~~Company with the office of the ~~commissioner~~Commissioner annually.
- C. "~~Appointed actuary~~Appointed Actuary" means ~~any an~~ individual who is appointed or retained in accordance with the requirements set forth in the Actuarial Opinion and Memorandum Regulation to provide the actuarial opinion and supporting memorandum as required by the Standard Valuation Law.
- D. "Commissioner" means the ~~commissioner~~Commissioner, ~~superintendent or director~~ -of insurance.
- E. "~~Company~~Company" means a life insurance ~~company~~cCompany, fraternal benefit society or reinsurer subject to the provisions of ~~this regulation~~these requirements.

~~F. —~~ ~~F. —~~ "Documentation" ~~means defined to be the records kept by the PBA review actuary~~PBA Review Actuary of the procedures followed, the analyses performed, the information obtained, and the conclusions reached pertinent to the ~~PBA review opinion~~PBA Review Opinion and ~~PBA review report~~PBA Review Report.

~~It may include PBA review planning documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of company documents and schedules or commentaries prepared or obtained by the PBA review actuary in the course of his or her review of the PBA valuation of the company. The documentation provides the trail to support the formation of the PBA review opinion and PBA review report.~~ G. "PBA Certification and Actuarial Report" means the certification and supporting information prepared by the Company as required by [insert applicable section] of the Valuation Manual to demonstrate compliance with PBA reserve valuation requirements.

~~HG.~~ "PBA review actuaryPBA Review Actuary" means an independent and qualified actuary who is retained by the board of directors of the Company or its designee to prepare ~~a the PBA review opinion~~PBA Review Opinion as required by ~~this regulation~~these requirements.

~~IHG.~~ "PBA Review Opinion" means an independent evaluation, ~~by the PBA review actuary~~PBA Review Actuary, of the professional judgment ~~expressed employed~~ with respect to valuations performed under a principles-based approach per the Standard Valuation Law and applicable regulation.

~~J.~~ "PBA Review Report" means the information prepared by the PBA Review Actuary as ~~required~~defined by these requirements to support the PBA Review Opinion.

Section ~~Sub-section~~ Subsection 45. General Requirements for Filing

- A. Company shall file within thirty (30) days following the filing of an ~~annual statement~~Annual Statement, a ~~single~~ PBA ~~review~~Review ~~opinion~~Opinion that covers all PBA valuations in the ~~company~~Company to the ~~commissioner~~Commissioner where the ~~company~~Company is licensed. This opinion shall be kept confidential.
- B. Upon written request by the ~~company~~Company, the ~~commissioner~~Commissioner from the domiciliary state may grant an extension of the date for submission of the ~~PBA review opinion~~PBA Review Opinion.
- C. The ~~PBA review opinion~~PBA Review Opinion will cover valuations performed under a principles-based ~~valuation approach~~ per the Standard Valuation Law and shall identify specifically, by list, the reserves by product type and amount to which the ~~PBA review opinion~~PBA Review Opinion applies in such a way that they can be associated with the reserves reported in the ~~company~~Company's ~~annual statement~~Annual Statement filing.

- D. The ~~PBA review actuary~~PBA Review Actuary shall support the ~~PBA review opinion~~PBA Review Opinion by a ~~PBA review report~~PBA Review Report, which shall be kept confidential and available upon request of the ~~commissioner~~Commissioner(s).
- E. The ~~PBA review actuary~~PBA Review Actuary shall maintain ~~documentation~~Documentation, which shall be kept confidential and made available upon request ~~to the commissioner~~Commissioner(s).
- F. The ~~PBA review actuary~~PBA Review Actuary will immediately notify the domiciliary ~~commissioner~~Commissioner, with a copy to the ~~company~~Company, if, during the course of the analysis and review done in order to prepare the ~~PBA review opinion~~PBA Review Opinion, the ~~PBA review actuary~~PBA Review Actuary identifies a material issue with a valuation performed under a principles-based approach that cannot be satisfactorily resolved with the ~~company~~Company before the filing date of the ~~annual statement~~Annual Statement. Such notification will specify the nature of the problem and the differences that gave rise to the issue.
- G. The confidentiality definition that applies to the ~~PBA review opinion~~PBA Review Opinion, ~~PBA review report~~PBA Review Report and supporting ~~documentation~~Documentation is as prescribed in the Standard Valuation Law ~~Section~~Sub-section [~~insert applicable section~~Sub-section] that applies to the actuarial memorandum.

~~Section~~Sub-section~~Subsection~~ **56. _____ Designation and Qualification of PBA Review Actuary**

- A. The ~~company~~Company shall file with the domiciliary ~~commissioner~~Commissioner a written notice no less than six (6) months before the latest date on which the ~~PBA review opinion~~PBA Review Opinion is to be filed of the name, title, and the firm of the actuary retained and terms of ~~retention the engagement as a the~~PBA review actuaryPBA Review Actuary as set forth in ~~this regulation~~these requirements. Once notice is furnished, no further notice regarding designation is required unless there is a change in the designation.
- B. The ~~company~~Company shall obtain a letter from the ~~PBA review actuary~~PBA Review Actuary accepting the assignment and file a copy with the ~~commissioner~~Commissioner of its state of domicile. Such letter will indicate ~~that whether~~ the ~~PBA review actuary~~PBA Review Actuary is independent and qualified.
- C. If any actuary retained as a PBA Review Actuary replaces a previously retained actuary, the notice shall so state and give the reasons for replacement.

~~Drafting Note: Code of Professional Conduct, Annotation 10-5 requires the previous PBA review actuary~~PBA Review Actuary ~~to discuss and share documentation~~Documentation ~~with the newly appointed PBA review actuary~~PBA Review Actuary. ~~The code also contains additional guidance regarding the interaction between the previous and newly appointed PBA review actuary~~PBA Review Actuary.

- D. The domiciliary ~~commissioner~~Commissioner has ~~(the)~~ right, within thirty (30) days of receipt of such notice of designation or replacement, to reject the ~~company~~Company's choice for ~~PBA review actuary~~PBA Review Actuary if, in the opinion of the ~~commissioner~~Commissioner, one of the requirements that the actuary be qualified and independent has not been satisfied.
- E. The ~~Company~~Company shall have an engagement agreement with the ~~PBA review actuary~~PBA Review Actuary specifying the terms and conditions of ~~the engagement~~employment. ~~This engagement agreement shall be separate from other assignments performed by the PBA review actuary~~PBA Review Actuary ~~or by his or her company~~Company.

~~Drafting Note: Whether there should be a single PBA review opinion or multiple PBA review opinion is still under study.~~

- F. The ~~PBA review actuary~~PBA Review Actuary must be qualified to perform the review. The ~~PBA Reviewer~~Review Actuary must satisfy the qualification requirements for ~~appointed actuary~~Appointed Actuary as specified in the Actuarial Opinion and Memorandum Regulation and by the American Academy of Actuaries, including being a member of the American Academy of Actuaries (MAAA).
- G. ~~The PBA review actuary~~PBA Review Actuary ~~shall be independent of the work he or she is reviewing~~shall be independent of the companyCompany ~~for which he or she is reviewing work~~. In general, the ~~PBA~~

~~review actuary~~PBA Review Actuary cannot function in the role of ~~company~~Company management, cannot participate in the work being reviewed, and cannot serve in an advocacy role for the ~~company~~Company. In addition, the ~~PBA review actuary~~PBA Review Actuary:

- (1) Shall not have been employed by the ~~company~~Company or an affiliate of the ~~company~~Company in the three (3) years preceding the date of valuation;
- (2) Shall not be an employee of the same consulting firm or audit firm as the ~~appointed actuary~~Appointed Actuary;
- (3) Shall not have any material financial interests as a shareholder or other financial interests other than as a policyholder, beneficiary, or insured;
- (4) Shall not provide a ~~PBA review opinion~~PBA Review Opinion for the Company for ~~up to more than~~ five (5) consecutive years. ~~After terminating the role of the reviewing actuary, such actuary shall not be reappointed for five (5) years~~After completion of a five (5) year term, the PBA Review Actuary may not be reappointed, by the Company, for any of the following five (5) consecutive years. However, a firm may continue in that capacity with a new PBA Review Actuary; and

Drafting Note: ~~The lead (or coordinating) PBA review actuary~~PBA Review Actuary (having primary responsibility for the review) may not act in that capacity for more than five (5) consecutive years for the same ~~company~~Company. ~~However, a firm may continue in that capacity with a new lead PBA review actuary~~PBA Review Actuary.

- (5) Shall have no unresolved conflict of interest as described in the Code of Professional Conduct adopted by the American Academy of Actuaries.

H. The domiciliary ~~commissioner~~Commissioner shall have the authority to waive any requirement for designation, retention, or replacement of a ~~PBA review actuary~~PBA Review Actuary in circumstances that require such waiver. ~~This is intended to very broadly address situations where the timing of an appointment cannot be met when, for example, a PBA Review Actuary must be replaced because of death or inability to perform for medical or other reasons after retention.~~

Drafting Note: ~~This is intended to very broadly address situations where the timing of an appointment cannot be met when, for example, a PBA review actuary~~PBA Review Actuary ~~must be replaced because of death or inability to perform for medical or other reasons after retention. It might also be used in situations where there is a temporary insufficient supply of independent qualified actuaries available.~~

Drafting Note: ~~American Academy of Actuaries' Regulatory Interface, Governance, and Peer Review Work Group (RIGPWG) recommends that both auditing actuaries (those associated with the firm that also performs audits for the same client) and consulting actuaries be permitted to perform PBA reviews. The reasons that the RIGPWG recommends the auditing actuaries be allowed to perform the PBA review are:~~

- (a) ~~There is no independence issue for the auditing actuaries since they are auditing/reviewing the appointed actuary's PBA work and will not be in the position of reviewing their own work.~~
- (b) ~~According to the Sarbanes Oxley Act (SOX) and the current proposed revisions to the Model Audit Rule, the Board/Audit Committee must also pre-approve any services by the audit firm beyond the scope of the audit. We also recommend a separate engagement letter to separate out the audit and the PBA review assignment.~~
- (c) ~~In the case where the auditing actuary also performs the PBA review, there will be considerable overlap in the work. Therefore, there is an element of efficiency and savings.~~
- (d) ~~If we restrict the auditors from performing the PBA review because they also do audits, we may need to restrict any consultant that has ongoing consulting projects with the Company. Both restrictions will significantly limit the pool of qualified PBA review actuaries, which is critical to the success of the PBA review.~~

- ~~(e) It is critical to have a pool of qualified actuaries to perform the PBA review. Limiting this pool will have an adverse impact on the success of the PBA review.~~

~~Whether or not the auditing actuaries can perform the PBA Review is an open issue for NAIC Life and Health Actuarial Task Force.~~

~~Section~~Sub-section~~Subsection~~ **67. PBA Review Opinion**

A. General Description. The ~~PBA review opinion~~PBA Review Opinion submitted in accordance with this ~~section~~Sub-section~~Subsection~~ shall consist of:

- (1) A paragraph identifying the PBA ~~reviewing actuary~~Review Actuary and his or her qualifications (see ~~Section~~Sub-section~~Subsection~~ 56);
- (2) A scope paragraph identifying the subjects on which an opinion is to be expressed and describing the scope of the PBA ~~reviewing actuary~~Review Actuary's work, including a tabulation delineating the ~~principles-based approach~~ reserves and related actuarial items which have been examined;
- (3) A reliance paragraph describing those areas, if any, where the ~~PBA review actuary~~PBA Review Actuary has relied on other experts in reviewing data, procedures or assumptions;
- (4) An opinion paragraph expressing the PBA ~~reviewing actuary~~Review Actuary's opinion with respect to the subjective judgment expressed in the PBA valuation regarding the principles-based approach reserves identified;
- (5) One or more additional paragraphs may be needed in individual ~~company~~Company cases to further qualify the review, including but not limited to:
 - (a) If the ~~PBA review actuary~~PBA Review Actuary considers it necessary to state a qualification of his or her opinion;
 - (b) If the ~~PBA review actuary~~PBA Review Actuary chooses to add a paragraph briefly describing any special circumstances; which form the basis for the ~~PBA review opinion~~PBA Review Opinion.

B. Recommended Language. The following paragraphs are to be included in the ~~PBA review opinion~~PBA Review Opinion. The language may be modified as needed to meet the circumstances of a particular case, but the ~~PBA review actuary~~PBA Review Actuary ~~should~~shall use language that clearly expresses his or her professional judgment. However, the opinion shall retain all substantive aspects of the language provided in this ~~section~~Sub-section~~Subsection~~.

- (1) The opening paragraph ~~should~~shall generally indicate the ~~PBA review actuary~~PBA Review Actuary's ~~company~~Company affiliation and his or her qualifications to sign the opinion. The opening paragraph ~~should~~shall include a statement such as:

"I, [name], a member of the American Academy of Actuaries (Academy), am associated with the firm of [name of firm]. I have been retained by the authority of, the board of directors of [name of Company] to render this opinion as stated in the letter to the Commissioner dated [insert date]. I meet the Academy qualification standards for rendering the opinion; and am familiar with the valuation regulatory requirements and ~~the any~~ Actuarial Standards of Practice applicable to the PBA valuation."

~~**Drafting Note:** There will be an Actuarial Standards of Practice developed for the PBA review opinion~~PBA Review Opinion.

- (2) The scope paragraph ~~should~~shall include a statement in substance as follows:

"I have examined the actuarial risk analysis, actuarial assumptions, methods, modeling and compliance used in determining PBA reserves and related actuarial items listed below, as shown

in the Annual Statement of the company/Company, as prepared for filing with state regulatory officials, as of December 31, [insert year]. Tabulated below are those PBA reserves and related actuarial items that have been subject to this review.”

[A tabulation of the reserves included in the valuation performed under a principles-based approach and upon which the opinion is being expressed ~~should~~shall be included here.]

“Such examination included: an evaluation of the material risks covered by the reserves; the reserve methods used; the reasonableness of models employed; the supportability of the reserve assumptions and margins; and application of all relevant laws, regulations, and Actuarial Standards of Practice.”

~~**Drafting Note:** It is recognized that both the company/Company and principles-based review certification role are introducing new methods and perspectives into the valuation process. As such, there will be an expansion of actuarial practice and review that will include items not previously focused on such as feedback loops and defined sets of actuarial principles. Both recognize that one of the key reasons for allowing flexibility in best estimates and/or margins is that a PBA approach is there to allow a better and better reserve estimate over time. Actuarial practice and review would also lead to statements that, a “consideration of the processes used (or that will be used) to capture company/Company experience for the future evaluation of the reasonableness of current judgment-based assumptions” and that “the work was done in accordance with the set of principles stated in the underlying requirements for setting principle-based reserves.”~~

(3) The opinion paragraph ~~should~~shall include a statement in substance as follows:

“I have reviewed the reserves and related actuarial items calculated in accordance with a valuation performed under a principles-based approach/valuation, listed above, as shown in the Annual Statement of [name of the Company], as prepared by its ~~appointed-actuary~~Appointed Actuary for filing with the Commissioner, as of December 31, [year] and in my opinion:

- (a) All quantifiable material risks are considered;
- (b) The methods used are appropriate;
- (c) The models used are reasonable for the purpose;
- (d) The assumptions used are supportable;
- (e) The margins in the reserves are supportable; and
- (f) The requirements of a PBA reserve valuation as defined by [insert applicable sections] of the Valuation Manual the insurance law and regulation of the state of [insert state of domicile] and applicable Actuarial Standards of Practice have been satisfied.

[Drafting note: The required opinion language and scope of review need to define a process that is of value to regulators and improves/enhances the state review process. These requirements may need to be defined more precisely or be expanded to include additional considerations as determined by the group overseeing the Valuation Manual enhancements and the regulatory review process. For example, the scope of the opinion may be limited to only those elements in the PBA valuation that involve actuarial judgment.]

“The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Actuarial Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

This opinion is updated annually as required by statute.

The impact of unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion. This opinion addresses the reasonable application of actuarial judgment in the calculation of

reserves as prescribed in a valuation performed under a principles-based ~~approach~~valuation. It is not an opinion that such reserves are adequate to meet all future liability obligations of the ~~company~~Company.”

Name of PBA Review Actuary

Signature of PBA Review Actuary

Company of PBA Review Actuary

Address of PBA Review Actuary

Telephone Number of PBA Review Actuary

Date

C. Adverse Opinions. If the ~~PBA review actuary~~PBA Review Actuary is unable to form an opinion, he ~~or~~ she shall refuse to issue a ~~PBA review opinion~~PBA Review Opinion. If the ~~PBA review actuary~~PBA Review Actuary’s opinion is adverse or qualified, then he or she shall issue an adverse or qualified ~~PBA review opinion~~PBA Review Opinion explicitly stating the reasons for such an opinion. This statement ~~should~~shall follow the scope paragraph and precede the opinion paragraph.

D. Reliance on Information Furnished by Other Persons. The ~~PBA review actuary~~PBA Review Actuary may rely on the ~~documentation~~Documentation furnished by the ~~company~~Company, such as the ~~PBA Certification and Actuarial Report~~appointed actuary’s memorandum and/or PBA certification. The ~~PBA review opinion~~PBA Review Opinion shall include a statement such as the following:

“I have relied on the [e.g., actuarial memorandum, PBA certifications] from [name], [title], [~~company~~Company] in conjunction with forming my opinion. I have reviewed the information relied upon for reasonableness.”

If the ~~PBA review actuary~~PBA Review Actuary relies on other reviewers for a portion of the ~~PBA review opinion~~PBA Review Opinion, he or she shall include a statement such as the following:

“I have relied on [name], [title], [~~company~~Company] for certain critical aspects of analysis [e.g., stochastic process and modeling; or annuity or long-term care valuation] performed in conjunction with forming my opinion. I have reviewed the information relied upon for reasonableness.”

In addition, the persons on whom the ~~PBA review actuary~~PBA Review Actuary relies must provide a statement that identifies the items on which the person is providing information that is consistent with the requirement in this ~~section~~Sub-sectionSubsection. This reliance statement shall include the name, signature, title, ~~company~~Company, address and telephone number of the person rendering the reliance, as well as the date on which it is signed.

Section ~~Sub-section~~ Subsection 78. PBA Review Report and Documentation

- A. Any ~~company~~ Company required to file a ~~PBA review opinion~~ PBA Review Opinion pursuant to ~~this regulation~~ these requirements shall require the ~~PBA review actuary~~ PBA Review Actuary to make available for review by ~~commissioner~~ Commissioners, the ~~PBA review report~~ PBA Review Report and all ~~documentation~~ Documentation prepared in the conduct of the PBA review, and any communications related to the PBA review between the PBA reviewer and the ~~company~~ Company. The ~~company~~ Company shall require that the ~~PBA review actuary~~ PBA Review Actuary retain the ~~PBA review report~~ PBA Review Report, ~~and PBA review documentation~~ Documentation and communications until the insurance department has filed a report on examination covering the period of the PBA valuation but no longer than seven (7) years from the date of the corresponding ~~PBA review opinion~~ PBA Review Opinion.
- B. The ~~PBA review actuary~~ PBA Review Actuary shall prepare a ~~PBA review report~~ PBA Review Report to be filed with the ~~company~~ Company's board of directors. The ~~PBA review report~~ PBA Review Report shall cover the following:
- (1) ~~Description of~~ Description of the extent of the work done by the ~~PBA review actuary~~ PBA Review Actuary:
 - (a) A description of the scope and limitations of the review;
 - (b) A description of the extent to which the ~~PBA review actuary~~ PBA Review Actuary had access to the relevant data, information, reports, staff, contractors, and ~~appointed actuary~~ Appointed Actuary and other valuation actuaries;
 - (c) A description of the extent of reliance on ~~documentation~~ Documentation furnished by the ~~company~~ Company; and
 - (d) A description of procedures and approaches used for the PBA review.
 - (2) ~~Discussion of~~ Discussion of how the ~~reviewer~~ PBA Review Actuary reached his or her conclusions.
 - (3) ~~Disclosure of~~ Disclosure of findings, concerns; ~~and~~ and recommendations.
 - (4) ~~Assessment~~ Assessment that the ~~appointed actuary~~ Appointed Actuary has followed all relevant laws, regulations, actuarial guidelines, and Actuarial Standards of Practice related to the subjective nature of the PBA valuation.
 - (5) ~~Assessment of~~ Assessment of the quality and sufficiency of the PBA ~~Actuarial valuation~~ Report.
 - (6) ~~Description of~~ Description of any remaining differences of opinion between the PBA ~~reviewer~~ Review Actuary and the ~~appointed actuary~~ Appointed Actuary.
 - (7) The ~~PBA review report~~ PBA Review Report shall include name, signature, address, telephone number, ~~company~~ Company of the ~~PBA review actuary~~ PBA Review Actuary and date of the report.
- ~~C. Documentation is defined to be the records kept by the PBA review actuary of the procedures followed, the analyses performed, the information obtained, and the conclusions reached pertinent to the PBA review opinion and PBA review report. It may include PBA review planning documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of company documents and schedules or commentaries prepared or obtained by the PBA review actuary in the course of his or her review of the PBA valuation of the company. The documentation provides the trail to support the formation of the PBA review opinion and PBA review report.~~
- ~~DC. The Documentation provides the trail to support the formation of the PBA Review Opinion and the PBA Review Report. Documentation~~ The PBA review report, documentation, and any communications related to the PBA review may be retained by the commissioner. All PBA review reports, documentation and communications obtained shall be afforded with confidentiality. may include such things as PBA review

~~planning Documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of Company documents and schedules or commentaries prepared or obtained by the PBA Review Actuary in the course of his or her review of the PBA valuation of the Company. The Documentation provides the trail to support the formation of the PBA opinion and the PBA Review Report.~~

- D. The PBA Review Report, Documentation, and any communications related to the PBA review may be retained by the Commissioner. All PBA Review Reports, Documentation and communications obtained shall be afforded confidentiality.

~~Section 9. Effective Date~~

~~This regulation is effective with respect to all reserves calculated per the requirements of a valuation performed under a principles based valuation per the Standard Valuation Law [insert applicable section].~~

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