

Principle-Based Reserves (PBR) Resources from the Life Practice Council of the American Academy of Actuaries



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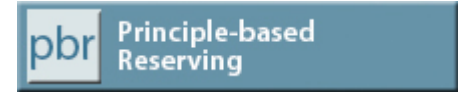
Academy Involvement in PBR

- The Academy's Life Practice Council has been working with regulators to replace the formula-based system for decades
- Hundreds of volunteers on all aspects of PBR



PBR Page on Academy Website

- Go to actuary.org and click on Principle-based Reserving (navigation bar on right)



OR

- www.actuary.org/content/pbr-practice
- Page includes a PBR Toolkit
- The PBR page is being updated: Reanna Nichol森 is leading the Academy's effort



ACADEMY PBR TOOLKIT

- [The Details Behind PBR Implementation](#)
- [Model Governance Checklist](#)
- [Model Governance Practice Note](#)
- [Life Principle-Based Reserves Under VM-20](#)
- [Principle-Based Reserves for Life Products](#)
- [Economic Scenario Generators](#)
- [Life PBR Assumptions Resource Manual](#)

NAIC RESOURCES

- [Valuation Manual 2018-2019 Comparison](#)
- [Valuation Manual](#), published January 2019
- [VM Maintenance Agenda](#)
- [SVL Model Law](#)
- [VM-20 / VM-22 Tables](#)
- [NAIC Impact Study of VM-20 on PBR for Life Insurance](#)
- [Life Actuarial \(A\) Task Force of the NAIC](#)
- [2017 PBR Review Report](#)



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ACADEMY COMMENTS ON PBR

- [Life Insurance Issues \(VM-20\)](#)
- [Variable Annuity Issues \(VM-21\)](#)
- [Fixed Annuity Issues \(VM-22\)](#)
- [Long Term Care Issues \(VM-25\)](#)
- [RBC Requirements Under PBR](#)
- Read [reports](#) from Life Practice Council groups to the NAIC on the principle-based project.

ACADEMY PUBLICATIONS ON PBR

- [SVL Legislation in Brief](#)
- [PBA Perspectives](#)

PBR PRACTICE NOTES

- [Life Principle-Based Reserves Under VM-20](#) (January 2019)
- [Model Governance](#) (April 2017)
- [More Practice Notes](#)

ACADEMY PRESENTATIONS AND STATEMENTS ON PBR

[PBR for Regulatory Actuaries](#)

Academy members Dave Neve and Cande Olsen led a PBR webinar for regulatory actuaries that included a VM-20 overview with detailed examples and a summary of the PBR actuarial standard of practice exposure draft. (November 20, 2013)

[More Presentations](#)

[Read all Academy public statements related to PBR](#)



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PBR-RELEVANT ASOPS

ASOP 52: [Principle-Based Reserves for Life Products under the NAIC Valuation Manual](#)

[More ASOPs](#)

PBR QUALIFICATION STANDARDS

[Qualification Standards Response on PBR](#)

What are the minimum requirements an actuary should consider to be qualified to render opinions related to PBR under the U.S. Qualification Standards? This question and answer came from the Academy's Committee on Qualifications, which developed a list of [frequently asked questions](#) for actuaries.



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April 2019 PBR Boot Camp

- 2½ days of intensive review of PBR implementation
- April 8–10, 2019, in Orlando
- Speakers include Mike Boerner, Rhonda Ahrens, Pete Weber, Rachel Hemphill, and Pat Allison in addition to members of Academy groups and actuaries who have implemented/reviewed PBR



Update to VM-20 Practice Note

- Released January 17, 2019
- Incorporates changes to VM since Practice Note last released
- Reflects changes effective in the 2018 Valuation Manual
- Work is beginning on changes needed to Practice Note to bring in changes for 2019



Assumptions Governance Resource Manual

- Released January 29, 2019
- Resource for the inforce update process
 - ▣ Prototype roadmap for updating valuation assumptions
 - ▣ Step-by-step considerations
- Focus
 - ▣ Assumptions governance
 - ▣ Controls and review
 - ▣ Non-mortality assumptions
- Examples and case studies
 - ▣ Margin examples
 - ▣ VM-31 / VM-G examples



Practice Note on PBR Projections

- Contains questions and answers related to projecting future principle-based reserve and capital calculations
- Focuses on VM-20, but is also applicable to other frameworks
- Goal is to have the document out by this fall



Questions/Suggestions

- Anything else the Academy can do to help you with PBR?



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