

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



AMERICAN ACADEMY of ACTUARIES

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Donna Claire, MAAA, FSA, CERA
Chairperson, PBR Governance Work Group

PBR Page on Academy Website

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



OR

- ▣ www.actuary.org/content/pbr-practice
- ▣ Page includes a PBR Toolkit



Academy PBR Toolkit

ACADEMY PBR TOOLKIT

- [PBR Checklist](#)
- [The Details Behind PBR Implementation](#)
- [Model Governance Checklist](#)
- [Model Governance Practice Note](#)
- [VM-20 Practice Note](#)
- [ASOP No. 52: Principle-Based Reserves for Life Products](#)
- [Economic Scenario Generators](#)
- [Life PBR Assumptions Resource Manual](#)

NAIC RESOURCES

- [Valuation Manual 2019–2020 Comparison](#)
- [Valuation Manual](#), published January 2020
- [Valuation Manual Versions and Amendments](#)
- [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](#)



Academy PBR Toolkit (cont.)

PBR-RELEVANT ASOPS

- ASOP No. 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.



Seminars/Webinars

- Academy is having a 2½-day seminar here in Austin December 9–11; first ever to also include variable annuities
- Will have another if demand warrants it
- Also conducting webinars: e.g., plan on webinars on VM-21 changes for variable annuities



Practice Note on PBR Projections

- Contains questions and answers related to projecting future principle-based reserve and capital calculations
- Focuses on VM-20, but also applicable to other frameworks



Four-Page “PBR Checklist”

- The PBR Checklist Task Force is has prepared a short reference of important characteristics to consider for PBR valuations
- Can act as a reminder to actuaries as to all the tasks as well as letting senior management know the extent of issues that need to be considered
- Released in October 2019



PBR Analysis Template

- Academy group under Pat Allison is developing ways to display PBR (and other) data:
 - ▣ Examples: waterfalls, trend analysis graphs
 - ▣ Advantages: one picture is worth a 1,000 words
- Goal is to have this done the middle of next year



Update to VM-20 Practice Note

- Work on updates to VM-20 practice note to reflect changes effective in the 2020 Valuation Manual is in process
- Target release for this update is December 2019



Questions/Suggestions

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



Contact

- Donna Claire, MAAA, FSA, CERA
Chairperson, PBR Governance Work Group
American Academy of Actuaries

- Ian Trepanier
Life Policy Analyst
American Academy of Actuaries
Trepanier@actuary.org

