

# PBR BOOT CAMP

Basic Training and Beyond for Principle-Based Reserving Implementation

## AGENDA

DEC. 9–11, 2019  
AUSTIN, TX



AMERICAN ACADEMY of ACTUARIES

*Objective. Independent. Effective.™*

# PBR BOOT CAMP AGENDA

DECEMBER 9-11, 2019  
AUSTIN, TX

## Wifi Information

**Network Name:** W Austin Meeting  
**Password:** AAA2019

## FACULTY LIST

Pat Allison, MAAA, FSA  
Marc Altschull, MAAA, FSA  
Mary Bahna-Nolan, MAAA, FSA, CERA  
Lance Berthiaume, MAAA, FSA  
Mike Boerner, MAAA, ASA  
Donna Claire, MAAA, FSA, CERA  
Nadeem Chowdhury, MAAA, FSA, HIA  
Talex Diede, MAAA, ASA  
Alice Fontaine, MAAA, FSA, FCIA  
Danielle Gannon, MAAA, ASA  
Rachel Hemphill, MAAA, FSA, FCAS  
Leslie Jones, MAAA, ASA  
Jason Kehrberg, MAAA, FSA  
Steve Krupa, MAAA, FSA  
Linda Lankowski, MAAA, FSA  
Donna Megregian, MAAA, FSA  
Zohair Motiwalla, MAAA, FSA  
Dave Neve, MAAA, FSA, CERA  
Reanna NicholSEN, MAAA, FSA  
Alex Potocki  
Ben Slutsker, MAAA, FSA  
Sheldon Summers, MAAA, FSA,  
Connie Tang, MAAA, FSA, CERA, CFA  
Yuan Tao, MAAA, FSA, CFA  
Pete Weber, MAAA, FSA  
Jianan Xu, MAAA, FSA

MONDAY, DEC. 9

7 to 8 a.m.

## BREAKFAST

GREAT ROOM A

8 to 8:45 a.m.

## Introduction to Seminar

GREAT ROOM BC

**SPEAKERS:** Linda Lankowski, Pete Weber,  
Jason Kehrberg, Reanna NicholSEN,  
Donna Claire

8:45 to 9 a.m.

## BREAK

## TRACK 1: LIFE ASSUMPTIONS

9 to 10 a.m.

### Life: Overview and Implementation of VM-20

GREAT ROOM BC

Includes topics such as the calculation of the minimum reserve; examples of the Deterministic Reserve, the Stochastic Reserve, and the Net Premium Reserve; the deterministic and stochastic exclusion tests; recent changes to VM-20; and key issues impacting the implementation of VM-20.

**SPEAKERS:** Linda Lankowski, Dave Neve

10 to 11:15 a.m.

### Q&A Life

GREAT ROOM BC

**SPEAKERS:** Dave Neve, Linda Lankowski,  
Mike Boerner, Pat Allison

## TRACK 2: VARIABLE ANNUITIES

9 to 10:30 a.m.

### Changes to VM-21 & RBC C-3 Phase II, Setting VA Liability Assumptions

GREAT ROOM A

This session will include an overview of framework changes—including stochastic and Standard Projection components, scenario changes, new disclosure calculations, transition, and next steps. It also will include assumption setting considerations for the stochastic projections.

**SPEAKERS:** Yuan Tao, Pete Weber, Talex Diede,  
Connie Tang

10:30 to 11:15 a.m.

### Variable Annuities Questions and Answers

GREAT ROOM A

**SPEAKERS:** Yuan Tao, Pete Weber, Talex Diede,  
Connie Tang

11:15 to 11:45 a.m.

### High-Level Overview Comparison of VM-20 and VM-21

GREAT ROOM BC

**SPEAKERS:** Reanna NicholSEN,  
Jason Kehrberg

11:45 a.m. to 12:45 p.m.

## LUNCH

GREAT ROOM A

12:45 to 2:15 p.m.

### Modeling Overview and Model Governance

GREAT ROOM BC

This session will cover the requirements around PBR modeling, including specific inputs, projection capabilities, and output formats. Issues around in-force compression, scenario generation, cross-model leveraging, model validation, and practical modeling decisions will also be discussed during the presentation. Included here will be applicability to variable annuities. It also will include an overview of the Model Governance Practice Note, Model Governance Checklists.

**SPEAKERS:** Steve Krupa, Jason Kehrberg

## TUESDAY, DEC. 10

2:15 to 2:30 p.m.

### BREAK

2:30 to 3:30 p.m.

### Reserve Change Analysis and Pricing Projections

GREAT ROOM BC

Consideration of changes in reserves and work on practice note on PBR projections.

**SPEAKERS:** Ben Slutsker, Reanna NicholSEN

3:30 to 3:45 p.m.

### BREAK

3:45 to 5 p.m.

### Introduction to NAIC PBR Activities

GREAT ROOM BC

This session will feature a discussion of the NAIC PBA support staff and the activities they are working on, including asset spreads and defaults; experience studies, discussion of reviews that have been done by NAIC staff and California, including future applicability to variable annuities.

**SPEAKERS:** Pat Allison, Rachel Hemphill

5 to 5:30 p.m.

### Further Q&A on Modeling and Regulatory Reviews

GREAT ROOM BC

**SPEAKERS:** Pat Allison, Rachel Hemphill, Steve Krupa, Jason Kehrberg, Ben Slutsker

6 to 7:30 p.m.

### RECEPTION

TERRACE

7 to 8 a.m.

### BREAKFAST

GREAT ROOM A

## TRACK 1: LIFE ASSUMPTIONS

8 to 9:30 a.m.

### Mortality Overview: Life

GREAT ROOM BC

This session will include consideration of aggregation of products in determining mortality rates and credibility percentages and blending into industry tables.

**SPEAKERS:** Mary Bahna-Nolan, Rachel Hemphill

9:30 to 9:45 a.m.

### BREAK

9:45 to 11:15 a.m.

### Additional Liability Assumption Overview

GREAT ROOM BC

This session will cover the main assumptions necessary for a Term and/or ULG PBR model. Assumptions covered will include lapses, premium persistency, credited rate function, expenses, and taxes; assumption governance manual.

**SPEAKERS:** Ben Slutsker, Reanna NicholSEN, Donna Megregian

11:15 to 11:45 a.m.

### Life Assumptions Questions & Answers

GREAT ROOM BC

**SPEAKERS:** Mary Bahna-Nolan, Rachel Hemphill, Ben Slutsker, Reanna NicholSEN, Donna Megregian

## TRACK 2: VARIABLE ANNUITIES

8 to 9:30 a.m.

### Standard Projection Methodology—Basics & Disclosures

GREAT ROOM A

This session will cover the two approaches to calculating the Standard Project amount: CSMP vs. CTEPA.

**SPEAKERS:** Zohair Motiwalla, Jianan Xu, Lance Berthiaume

9:30 to 9:45 a.m.

### BREAK

9:45 to 11 a.m.

### Standard Projection Prescribed Assumptions and Implementation

GREAT ROOM A

This session will focus on implementation considerations for the Standard Project amount, (e.g., withdrawal cohort delay method; conforming and non-conforming lapses; differences between GAPV and actual projections, keeping contracts in force).

**SPEAKERS:** Zohair Motiwalla, Jianan Xu, Lance Berthiaume, Yuan Tao

11:15 to 11:45 a.m.

### VA-Specific Questions & Answers (Standard Projection or Otherwise)

GREAT ROOM A

**SPEAKERS:** Zohair Motiwalla, Jianan Xu, Lance Berthiaume, Yuan Tao, Alice Fontaine, Connie Tang

11:45 a.m. to 12:45 p.m.

### LUNCH

GREAT ROOM A

12:45 to 1:45 p.m.

## Asset Overview

GREAT ROOM BC

This session will include considerations of choosing inforce assets for PBA testing, assets to be assumed for reinvestments and use of tables for spreads and default assumptions. Also included will be considerations for variable annuity fixed assets and modeling of separate account funds as well as hedging.

**SPEAKERS:** Jason Kehrberg, Marc Altschull, Alex Potocki

1:45 to 2:15 p.m.

## Q&A

### Discussions on Assets

GREAT ROOM BC

**SPEAKERS:** Jason Kehrberg, Marc Altschull, Alex Potocki

2:15 to 2:30 p.m.

BREAK

2:30 to 3:15 p.m.

## Sources of Information

GREAT ROOM BC

Speakers will discuss information sources, including: the PBR website; specific information on Practice Notes, ASOPs, PBR Analysis Template, and other sources; and any Q&As on sources.

**SPEAKERS:** Reanna NicholSEN, Ben Slutsker, Pat Allison

3:15 to 3:30 p.m.

BREAK

3:30 to 3:50 p.m.

## Reviewing PBR From an Auditor's Perspective

GREAT ROOM BC

Speakers will discuss what auditors are looking for in a PBR review regarding methodologies used, governance controls, experience studies, etc.

**SPEAKERS:** Dave Neve, Danielle Gannon

3:50 to 4:45 p.m.

## Preparing for Regulatory and Auditor PBR Reviews

GREAT ROOM BC

Speakers will discuss what companies are typically doing to prepare for PBR reviews by regulators and auditors.

**SPEAKERS:** Dave Neve, Linda Lankowski

4:45 to 5:30 p.m.

## Q&A

### Discussions on Company Implementation

GREAT ROOM BC

**SPEAKERS:** Dave Neve, Linda Lankowski, Danielle Gannon, Ben Slutsker, Reanna NicholSEN

## WEDNESDAY, DEC. 11

7 to 8 a.m.

BREAKFAST

GREAT ROOM A

8 to 9:30 a.m.

## Reinsurance Overview

GREAT ROOM BC

This session will include considerations by the ceding company and the reinsurer in projecting reinsurance cash flows, and will cover some current reinsurance issues pertaining to PBR that are being addressed by the NAIC.

**SPEAKERS:** Sheldon Summers, Donna Megregian, Leslie Jones, Jason Kehrberg

9:30 to 9:45 a.m.

BREAK

9:45 to 11:15 a.m.

## Regulatory and Other Considerations

GREAT ROOM BC

This session will include a regulatory overview, reporting, experience studies, a sample report and Annual Statement changes. It also will include a mock regulatory review of a PBR submission.

**SPEAKERS:** Donna Claire, Mike Boerner, Rachel Hemphill, Nadeem Chowdhury

11:15 to 11:30 a.m.

BREAK

11:30 a.m. to 12:30 p.m.

## Regulatory Updates

GREAT ROOM BC

This session will have a discussion by regulators about what is happening on the regulatory front, including future updates possible updates on VM-20 (life), VM-21 (variable annuities), VM-22/23 (fixed annuities and valuation interest rates), VM-31 (reporting), VM-51 (experience studies), and LTC.

**SPEAKERS:** Mike Boerner, Rachel Hemphill, Pat Allison

12:30 to 1 p.m.

## Outstanding Questions & Answers

GREAT ROOM BC

ALL FACULTY



AMERICAN ACADEMY of ACTUARIES

*Objective. Independent. Effective.™*

1850 M Street NW, Suite 300  
Washington, DC 20036  
202-223-8196 | 202-872-1948 (fax)  
[www.actuary.org](http://www.actuary.org)