GUARANTEED ISSUE (GI) REPORT AND AMENDMENT PROPOSAL

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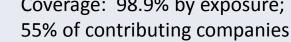
AMERICAN ACADEMY of ACTUARIES Objective. Independent. Effective.™ Chairperson, Academy Life Experience Committee and SOA Preferred Mortality Project Oversight Group ("Joint Committee")

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Guaranteed Issue (GI) Table Overview

Basic Table	Valuation Table
• 5-year anti-select and ultimate	Ultimate only
Uni-smoke / composite only	• Uni-smoke / composite only
Male/Female/Unisex	Male/Female/Unisex
• S&U: ALB ; Ult: ANB/ALB	• ANB/ALB
• Omega Qx = 0.500 at attained ages 110+	 Omega age of 121 with Qx = 1.000
	 Loading = 2017 CSO loading ~17% - varies by attained age Coverage: 98.9% by exposure;





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GI Working Definition Exposed

A policy or certificate where the applicant must be accepted for coverage if the applicant is eligible. Eligibility requirements may include:

- Being within a specified age range
- Being an active member in an eligible group (e. g., group solicitation in direct marketing)



Inclusion in any of the following characteristics or product types disqualifies the policy as GI:

- Actively at work requirement
- Employer groups
- Acceptance based on any health related questions or information
- Waiving of underwriting requirements based on minimum participation thresholds, such as for worksite marketing
- Corporate/Bank Owned Life Insurance (COLI / BOLI)
- Credit Life Insurance
- Juvenile-only products (e. g. under age 15)
- Pre-Need



GI Table and Report Exposure

Exposed for 60 days:

- GI definition
- □ GI report□ GI tables

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1 comment received:

- Concern with level of GI mortality for final expense products and tables may not be fit for purpose across wider range of GI products
- Reinsurer support for products with guarantees tied to Commissioners Standard Ordinary (CSO) tables (and nonforfeiture)
- Need to clarify definition of where the tables apply and where they do not



GI Comment Response

- 5
- Final expense insurance was excluded from the table development
- Table was representative of the experience provided
- While data was credible, several large GI writers did not participate in the data submission
- Agree that definition should be clarified





GI Amendment Proposal Forms (APFs)

- GI definition
- Two approaches to reserve treatment
 - GI included in PBR in manner similar to whole life
 - Valuation Manual Appendices A and C (VM-A and VM-C)
 - GI Term will be eligible for Deterministic and Stochastic Exclusion Tests
 - GI not included in PBR, similar to Preneed
 - Subject to VM-A and VM-C, with new valuation table
- Approach to nonforfeiture
 - Recommendation is to require the table for NF, with the transitions normally used for new tables





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