

Comment #8 – 12/15/14 – 11:59 p.m.

3.4.2 F 2) states Establishing Margins—The actuary should establish margins for a particular assumption if doing so increases the minimum reserve. If determining the directional impact is not practical, the actuary need not establish a margin for that assumption.

I understand the reason for this “simplification”, but I am concerned it is counter the specific requirements in VM-20 Section 9.B. That section starts out with "The company shall include margins...for each risk factor not stochastically modeled..." it would seem the ASOP guidance is counter to this. I have no proposed solution for his issue.