



BY E-MAIL

September 30, 2016

Actuarial Standards Board

Re: Exposure Draft of Proposed ASOP No. 24 Revisions

Dear Actuarial Standards Board,

New York Life appreciates the opportunity to offer the following comments on the Exposure Draft of Proposed ASOP No. 24 Revisions. We ask that the ASB consider the following comments related to Section 3.6 of the exposure.

The revised wording in Section 3.6 differentiates between 1) benefits that are conditional only upon policy continuation, which should be assumed to be provided for all policies inforce at the end of five years, and 2) benefits that are conditional upon certain premium payment patterns, which the actuary should consider reflecting.

For flexible premium products that are initially funded to keep the policy inforce for a specific period of time (for example, until attained age 85), the prior language allowed the illustration actuary to consider whether or not these policyholders would pay the higher premiums necessary to continue funding the policy.

With the new language it would depend on whether death benefits beyond the initial funding period are considered “benefits conditional upon policy continuation” or “benefits conditional upon certain premium payment patterns.” If the former, then the new language implies that the actuary should assume that all policyholders pay the higher premiums necessary to keep the policy inforce until death. For some actuaries, this may represent a substantive change from current practice.

We ask that the ASB consider revising this section to add more clarity around how to classify benefits on flexible premium products that occur beyond the initial level funding period. Are these benefits conditional upon policy continuation or benefits conditional upon certain premium payment patterns?

We are grateful for your time and attention to our comments. Please let us know if you would like to discuss this letter with us.

Sincerely,

A handwritten signature in cursive script that reads "Joel Steinberg".

Joel M. Steinberg
Senior Vice President
Chief Risk Office & Chief Actuary
New York Life Insurance Company