Thank you for considering comments regarding the proposed ASOP on PBR for life products. My comment is related to the proposed ASOP’s handling of VM-20 section 2.G, the use of simplifications and approximations.

Section 2.G. requires that any simplification, approximation, or modeling efficiency technique result in an expected value of the reserve that is not less than the expected value of the reserve that does not rely on any of those methods.

There appears to be wording in various sections of the proposed ASOP that provides guidance that is weaker than the VM-20 standard in this area. Some sections include the wording “can reasonably be expected not to” or “is unlikely to” result in a lower reserve. This appears to be a lower bar than set in VM-20 section 2.G.

I recommend that the proposed ASOP be reviewed versus the carefully-crafted wording in VM-20 section 2.G. to ensure consistency.

Thank you.

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