

**Comment #2 – 6/11/19 – 10:59 a.m.**

ASOP No. 2

A few comments [my own behalf]

I read this wrong a few items,

2.6 Policy - An individual life insurance **policy** or annuity contract or group life insurance and annuity certificate with **NGEs** that operate in substantially the same manner as an individual life insurance **policy** or an individual annuity contract with respect to **NGEs**.

Here is how I read it

A Policy is .... “An individual life insurance **policy** or annuity contract or group life insurance and annuity certificate with **NGEs** that operate in substantially”

the same manner as an individual life insurance **policy** or an individual annuity contract with respect to **NGEs**.

What the h!!!!..... ☺ “did we define the words using the same words.” A life insurance policies that operates in substantially the same manner as a life insurance policy?????????

After reading this a few items, I was correct by my co-workers that it is.

A Policy is “An individual life insurance **policy** or annuity contract or [group life insurance and annuity certificate with **NGEs** that operate in substantially the same manner as an individual life insurance **policy** or an individual annuity contract with respect to **NGEs**.]

Thus any way to help readers read the statement correctly the first time would be appreciated.

In 3.2

**NGEs** for in-force products are revised only if the **anticipated experience factors** have changed since issue or since the previous revision; and

I was curious if we were intending to be so prescriptive.

I guess the question I would have.

Company priced for 300% RBC 10 years in the past.

Due to Rating Agency, etc. the marketplace requires strong companies to be at 400% RBC.

Are we allowed to change NGEs for inforce in this example?

My initial reading indicates that this says no, but my hope would have been yes.

Curious, why did we add section 3.5?

Is it really needed?

Also, the text

“anticipated experience factors that are not more favorable than actual recent historical experience.”

The text requires recent historical experience, but what if your take on the future is different. Not sure if this is a good example, but the tax rate changes (35% to 21%). My recent historical experience is 35%. Am I allowed to use the 21% knowing it is changing?

Another example could be FMI.

Apologize for the quick questions. I wanted to get them out while they were fresh in my head from reading.

Thanks

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