

Title of Exposure Draft: ASOP 2 Exposure Draft 2

Comment Deadline: [November 13, 2020]

Instructions: Please review the exposure draft, and give the ASB the benefit of your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link: <http://www.actuarialstandardsboard.org/email/2020/ASB-Comment-Template-Sample.docx>

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to comments@actuary.org and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

I. Identification:

Name of Commentator / Company
Laura Muse, submitting comments on behalf of Lincoln Financial Group

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

Question No.	Commentator Response

III. Specific Recommendations:

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
Section 1.2 Scope	Please add the additional italicized sentence to provide more clarity on scope: "This would include determination of NGEs on in-force policies that were issued before the ASOP took effect. <i>However, the ASOP has no retroactive application to prior determinations</i> "	Adds clarity
Section 2.1 Anticipated Experience Factor	Please edit the "examples" sentence to add a disclaimer that the list is not prescribed to only include these items. Suggested language is in italics: "Examples of anticipated experience factors <i>may include but are not limited to</i> rates of investment income, mortality, morbidity, policy persistency, and expense."	Adds clarity

Title of Exposure Draft: ASOP 2 Exposure Draft 2

Comment Deadline: [November 13, 2020]

Section 3.3.1e For Future Sales of a New or Existing Product	Please add more guidance to bullet e, proposed language in italics: “not expected to be redefined after issue <i>unless changes in anticipated experiences support changes to policy classes.</i> ”	Adds clarity
Section 3.4.2.1 Reviewing Prior Determinations	Please change the second sentence in the first paragraph to allow more flexibility. Suggested language in italics: “This <i>may</i> include information such as previous anticipated experience factors, profitability metrics, pattern of profits, NGE scales, and other assumptions.”	Adds needed flexibility
Section 3.4.2.4 Determining the Revised NGE Scales	In item c, please delete the “profits by duration” comment from the example. Suggest revised language is in italics: “For example, it might be appropriate to use a method to determine new NGE scales such that the prospective profitability from the time of revision, <i>including the prospective pattern of profits by duration</i> , is not materially greater than that using the original NGE scales and original anticipated experience factors, holding all other assumptions constant between the projections.”	This is too prescriptive to apply in all circumstances, and the statement could force a company to defend their position not to review profits by duration even in a situation where it was not feasible.

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)

V. Signature:

Commentator Signature	Date
Laura Muse VP & Actuary, Inforce Business Leader Lincoln Financial Group	11/13/2020