

Title of Exposure Draft: ASOP No. 10, GAAP Accounting

Comment Deadline: June 30, 2022

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:

Paul Conlin/CVS-Aetna

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)
3.1, 3.2, 3.3.1, 3.5.1.b	"...company's operating policies..." clause	CVS-Aetna disagrees with the clause in these four sections which makes reference to "company operating policies". LDTI is implemented at a product level, with important decisions like product life-cycle profitability and materiality all made at the product-specific level. We have found as an enterprise, and via viewing external presentations on implementation, that all are made at a product-specific level by product-specific experts. We think the wording of the ASOP should be modified accordingly,
3.11	Premium Deficiency Reserve testing	Even prior to LDTI, PDR was an "odd fit" with long-duration products, with adequacy frequently based on Gross Premium Valuation or other methods, not just on PDR. The current draft appears to carry forward PDR wording from the prior version of the ASOP, with room for great ambiguity as to whether PDR testing should or shouldn't be done each close. As in the comment on 3.1. et al above, whether PDR carries over with LDTI is a product-specific

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		determination, and the PDR wording should be modified accordingly.

IV. General Recommendations (If Any):

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

V. Signature:

Commentator Signature	Date
Paul Conlin, FSA, MAAA, Executive Director, CVS/Aetna	May 19, 2022