

**Title of Exposure Draft: ASOP 24 – Compliance with the NAIC Life Insurance Illustrations Model Regulation  
(Second Exposure Draft)**

**Comment Deadline: September 15, 2023**

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](mailto: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
Erik Anderson, FSA, MAAA / New York Life Insurance Company (comments sent on behalf of New York Life Insurance Company)

**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)
1.2	Seeking clarification on the new language added: “If the actuary determines that the guidance in this standard conflicts with any other ASOP, this standard governs.”	It is not clear whether this ASOP should always govern if there is conflict with other ASOPs. Suggest narrowing the scope of ASOPs that may conflict where this ASOP would govern, e.g. cross practice ASOPs.
2.2	“Such actuarial guidelines include <u>but are not limited to</u> NAIC Actuarial Guideline XLIX (AG 49) and Actuarial Guideline XLIX-A (AG 49-A).”	May want to make it clear than any additional actuarial guidelines that emerge in the future, related to life insurance illustrations, are to be included.
2.4, 2.5, 3.2, 3.3	In section 2.4 and other sections, the phrasing “recent actual experience” is used which differs slightly from the wording used in the <i>Model</i> “actual recent historical experience”. Suggest keeping the language consistent between the <i>Model</i> and ASOP.	The wording “actual recent historical experience” is consistent with the language in the <i>Model</i> .
3.2.1	Suggest striking the phrase below: “When setting <b>experience factors</b> underlying the <b>disciplined current scale</b> , the actuary should use one	It may not be necessary to add the listed order of preference since the actuary should use judgement

**Title of Exposure Draft: ASOP 24 – Compliance with the NAIC Life Insurance Illustrations Model Regulation  
(Second Exposure Draft)**


**Comment Deadline: September 15, 2023**

	or more of the following sources of <b>actual experience</b> (listed in the order of preference)”	in using the most applicable and relevant source/experience.  For example, a readily available study (3.2.1.d) may be more accessible to the actuary than one that requires being purchased (3.2.1.c).
3.2.2.d	It is unclear whether the language was only intended to apply to products in scope of AG49 and AG49-A only or would apply to other products.  Section 3.2.2.d: “When setting investment return <b>experience factors</b> , the actuary should use a time frame that sufficiently reflects business and economic cycles.”	For portfolio rate products, does the guidance imply that an actuary should calculate an average portfolio rate over a period of time if they are adhering to “using a timeframe that reflects a business and economic cycle”?
3.2.3	<b>Suggest striking the word underwriting:</b> “When setting mortality, morbidity, and policyholder behavior <b>experience factors</b> , the actuary should adjust the recent <b>actual experience</b> if necessary to be consistent with the insurer’s <del>underwriting</del> practices or <b>experience factor classes</b> ”	Insurer practices other than underwriting could impact policyholder behavior, e.g. compensation structure for agents. Eliminating the word “underwriting” allows this guidance to apply more broadly.

**IV. General Recommendations (If Any):**

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

**V. Signature:**

Commentator Signature	Date
	9/15/2023