



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

Happy Holidays!

Following are a few subjects for this 2022 Winter CID Actuarial Newsletter for Life and Health:

1. As a reminder: if there is a change in Appointed Actuary, please ensure compliance with the applicable section of the Annual Statement Instructions Manual--for Health companies, and with Section 2.A. of VM-30--for Life Companies.
2. Due to COVID-19 impacts, we refer you to this bulletin: [https://portal.ct.gov/-/media/CID/1\\_Bulletins/Bulletin-FS-40.pdf](https://portal.ct.gov/-/media/CID/1_Bulletins/Bulletin-FS-40.pdf) for required actuarial submissions including Statements of Actuarial Opinion.
3. As a reminder, the VM-31 PBR Actuarial Report is due on 4/1/2023. Some useful links:
  - 1/1/2022 edition of the Valuation Manual: [https://content.naic.org/sites/default/files/pbr\\_data\\_valuation\\_manual\\_current\\_edition.pdf](https://content.naic.org/sites/default/files/pbr_data_valuation_manual_current_edition.pdf)
  - Redline version of 1/1/2022 edition of the Valuation Manual: [https://content.naic.org/sites/default/files/pbr\\_data\\_valuation\\_manual\\_current\\_edition\\_redline.pdf](https://content.naic.org/sites/default/files/pbr_data_valuation_manual_current_edition_redline.pdf)
  - Adopted amendments for the 1/1/2022 edition of the Valuation Manual: <https://content.naic.org/sites/default/files/pbr-plenary-adopted-amendments-2022-vm.pdf>
4. We request that companies that would like to file a Life PBR Exemption (for individual life policies issued on or after 1/1/2023) use the attached template.
5. We request that companies follow Actuarial Guideline 53 to apply the VM-30 for testing the adequacy of Life Insurer reserves: [AG 53.pdf \(naic.org\)](#)
6. We request that companies follow Guidance on Allocating Negative IMR (PIMR) In VM-20, VM-21, and VM-30 for 2022 Year-end: [LATF IMR 2022 Year-end Recommendation.pdf \(naic.org\)](#)
7. We recommend you keep informed of future changes to the Valuation Manual.
  - Adopted amendments for the 1/1/2023 edition of the Valuation Manual: [Plenary Adopted Amendments for the 2023 VM](#)
  - Exposed documents are in [https://content.naic.org/cmte\\_a\\_latf.htm](https://content.naic.org/cmte_a_latf.htm) under "Exposure Drafts".
8. For Health actuarial memo, we request that companies provide the narrative and technical components with appropriate support and indication of actuary review level to conform with the Annual Statement Instruction requirements and proposed guidance.
9. Please note changes to Life RBC for year-end 2022 reporting. Here is a link ([https://content.naic.org/sites/default/files/inline-files/NAIC\\_RBC-Life\\_and\\_Fraternal2022Newsletter\\_05.pdf](https://content.naic.org/sites/default/files/inline-files/NAIC_RBC-Life_and_Fraternal2022Newsletter_05.pdf)) to the newsletter outlining the changes as well as links to the proposed changes:
  - Residual tranches and interests LR008 instructional change: [https://content.naic.org/sites/default/files/inline-files/2022-05-L\\_Webpost.pdf](https://content.naic.org/sites/default/files/inline-files/2022-05-L_Webpost.pdf)
  - C-2 mortality risk LR025 instructions for the adopted 2022 yearend structural changes: [https://content.naic.org/sites/default/files/inline-files/2022-06-L\\_Webpost.pdf](https://content.naic.org/sites/default/files/inline-files/2022-06-L_Webpost.pdf)
10. Please note changes to Health RBC for year-end 2022 reporting. Here is a link ([https://content.naic.org/sites/default/files/inline-files/NAIC\\_RBC-Health2022Newsletter\\_03.pdf](https://content.naic.org/sites/default/files/inline-files/NAIC_RBC-Health2022Newsletter_03.pdf)) to the newsletter outlining the change as well as a link ([https://content.naic.org/sites/default/files/inline-files/2021-18-H\\_Modified\\_-\\_Webposting.pdf](https://content.naic.org/sites/default/files/inline-files/2021-18-H_Modified_-_Webposting.pdf)) to the proposal itself.
11. CID Actuarial Division website: <https://portal.ct.gov/CID/About-Us/Actuarial-Division>.
12. CID held the third Appointed Actuaries symposium on 10/31/2022 hybrid. Summary of feedback from the attendees:
  - i. Symposium format was conducive to allow questions and comments. One respondent said: "I really appreciated it being available both in person and virtually".

- ii. The symposium was very helpful, useful, and productive. The appointed actuaries appreciated the regulator's perspective on emerging issues, industry key topics, and quality of actuarial opinion and memorandum submissions. One respondent said: "(It is good to) have a broad group of actuaries sharing their work and expertise". Another respondent said: "It is always good to know that we are all interpreting the expected impacts and timing of the changes (from NAIC) consistently with the regulators".
  - iii. Topics found most effective include but not limited to COVID-19 impact update, AAA update, and NAIC Economic Scenario Generator update.
  - iv. Topics like to see discussed in the future include but not limited to
    - Impact of current environment on our industry such as COVID-19 and Inflation.
    - CID's perspective regarding ongoing NAIC activities such as reinsurance, VM-22 annuity valuation update, tentative RBC changes, and emerging regulations such as reserve valuations and ESG.
    - Best practices on Actuarial Memorandum and Actuarial Opinions submission as well as how actuaries handle unique situations in reporting.
13. The Department held its annual meeting with Health carriers on December 7, 2022, where the Rate and Form process for the upcoming Affordable Care Act (ACA) filings was outlined. All submissions for this year's ACA filings (2024 rates) will be due no later than June 1, 2023, which is earlier than recent year deadlines. The Department Bulletins HC-90 and HC-81, which discuss all Health Filing guidelines and requirements, will be available on the Department website in early 2023, consistent with prior years.

As indicated previously, please feel free to contact us if you have any suggestions.

Best Regards,

Wanchin

Wanchin W. Chou, FCAS, MAAA, CPCU, CSPA, CCRMP  
Chief Insurance Actuary and Asst. Deputy Commissioner  
State of Connecticut Insurance Department  
Mail: PO Box 816, Hartford, CT 06142-0816  
Del: 153 Market St., Hartford, CT 06103  
Phone: 860-297-3943

[portal.ct.gov/cid](https://portal.ct.gov/cid)  
**P.O. Box 816 Hartford, CT 06142-0816**  
**An Equal Opportunity Employer**