

AXIS User Group Q&A

Orlando, FL

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AXIS User Group Q&A Agenda

1. Start Slido Poll
2. Long Duration Targeted Improvement (LDTI) Topics
3. Statutory Topics
4. Other Topics

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Slido Poll

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A. LDTI Topics

A. Topic #1 – LDTI Update

What is status of AXIS features supporting LDTI?

1. Progress - <https://www.ggy.com/US-GAAP/Project-Progress>
2. Eliminate Beta Feature code – 20221800
3. ASU 2018-12 Setup - <https://www.ggy.com/kb/article/2180>
4. ASU 2018-12 Sample Dataset - <https://www.ggy.com/kb/article/2294>
5. DataLink Historical Period - <https://www.ggy.com/kb/article/2256>
6. GAAPLink Historical Data Management - <https://www.ggy.com/kb/article/2340>

A. Topic #2 – LDTI Reconciliations

1. KB 2400 DPL Recon - <https://www.ggy.com/kb/article/2400>
2. KB 2267 – DAC Recon - <https://www.ggy.com/kb/article/2267>
3. KB 2408 - Subcohort Setup - <https://www.ggy.com/kb/article/2408>
4. Other Reconciliations Coming Soon!
 - » Annuity - MRB Recon
 - » Life - PBL Recon
 - » UL - OAL/URL/FAS133/CoR Recon

A. Topic #3 – LDTI Discount Curves

Approaches and considerations for developing LDTI discount curves

1. <https://www.soa.org/sections/financial-reporting/financial-reporting-newsletter/2021/april/fr-2021-04-glasford/>

A. Topic #4 – LDTI Disclosures

Tips for LDTI disclosures for traditional products

1. Current Reporting Period Disclosures using GAAPLink
2. Historical Period User guide - <https://www.ggy.com/kb/article/2256>
3. US GAAP Disclosure Object
 - » US GAAP Assumption Update Attribution Step
 - » US GAAP Experience Update Attribution Step
 - » Cashflow assumption updates
4. PBL Details report

A. Topic #5 – LDTI Sensitivities

Tips for processing LDTI sensitivities applied to the yield curves

1. Assumption update for discount rates tracked with global parameter

A. Topic #6 – LDTI Model Optimization

Tips for optimizing the LDTI model runs

1. Limit sub-cohorts
2. Years best estimate projections

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B. Statutory Topics

B. Topic #1 – NAIC Scenarios

Discuss AXIS Support for Shocks/Sensitivities/Projecting Reserves/Capital using NAIC Scenarios

1. NAIC ESG Microsite - <https://www.ggy.com/NAIC/>
2. Dynamic Scenarios using MA SG - <https://www.ggy.com/kb/article/2134>

B. Topic #2 – AG53 Asset Adequacy

Discuss new Actuarial Guideline 53 for High Yielding Assets

1. Sensitivity tests
2. Modeling High Yield Asset – SAV API
3. Attribution Analysis – Excess spread attributed to:
 - Credit risk
 - Illiquidity risk (as compared to BBB rating?) – Using Proxy functions:
<https://www.moodysanalytics.com/-/media/whitepaper/2018/moodysanalyticscreditriskandilliquiditypremiadec2018.pdf>
 - Deviations of current spreads from long term spreads (PBR spreads?)
 - Volatility and Other Risks (specifically identify?)

B. Topic #3 – VM-20 Modeling Simplifications

Review potential simplifications for stochastic calculations under VM-20 PBR

1. Clustering - <https://www.ggy.com/kb/article/1891>
2. Neural Networks - <https://www.ggy.com/kb/article/2221>

B. Topic #4 – VM-20 Modeling of ULSG

How to model secondary guarantee UL or similar type product where the Stochastic or Deterministic Reserve is the highest and the NPR is not a good proxy?

B. Topic #5 – NAIC Climate Disclosures

What's new with AXIS Support for NAIC Climate Disclosures

1. Impact on ORSA and Sensitivities
2. Climate Related Financial Disclosures - https://content.naic.org/sites/default/files/call_materials/2022ProposedClimateRiskSurvey.pdf
3. IFRS S2 - <https://www.moodyanalytics.com/microsites/climate-risk-for-insurers>
4. Industry Survey - https://www.moodyanalytics.com/landing/2022/Life-Insurer-Survey-Report_Climate-Risk-in-the-ORSA

B. Topic #6 – VM-22

How VM-22 Field Testing (2023/2024) is building on AXIS support for VM-21?

1. Similar to VM-21 and C3 Phase II for Variable Annuities
<https://www.ggy.com/kb/article/2349>
2. Asset/ Reinvestments – see <https://www.ggy.com/kb/article/2032>
3. Stochastic Reserves in Embedded Block
4. Separate Funds for Accumulation and Payout reserve categories
5. Separate hedge categories for indexed crediting vs guarantees

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C. Other Topics

C. Topic #1 – US Tax

1. Dynamic interest rates for 7702/7702A Definition of Life Insurance Guideline Single Premium and Guideline Level Premium
2. Inflation Reduction Act (2022) – Alternative Minimum Tax of 15%

SOA Taxing Times:<https://www.soa.org/sections/taxation/taxation-newsletter/2022/october/tax-2022-10-lodes/>

C. Topic #2 – AXIS LTC Combo Modeling

What's new with AXIS LTC Combo Modeling (MultiState/UL Other Benefit/DI)?

1. UL Other Benefit
2. Multistate – supports embedded block DR and SR
3. 61771 - CRVM and VM-20 NPR for Fund-based Product Type Without Secondary Guarantees in Multistate
4. 62780 - Calculate Fully-Funded Values for Main Guarantee and Secondary Guarantee for Fund-Based Products in MultiState
5. <https://www.actuary.org/sites/default/files/2022-04/LTC%20Combo%20Valuation%20Practice%20Note.pdf>

C. Topic #3 – Runtime Optimization

Provide runtime optimization and efficiency tips for AXIS models

1. Tips and tricks for model runtime and dataset size
(<https://www.ggy.com/kb/article/2375>)

C. Topic #4 – New Features – Basis Reference Technique

What new features will help us stay ahead of our competitors?

1. BRT - <https://www.ggy.com/kb/article/2309>
2. Object Tags - <https://www.ggy.com/kb/article/1991>
3. Object Tags and Assumption Setting - <https://www.ggy.com/kb/article/2251>

C. Topic #5 – New Features – Super Dataset

What new features will help us stay ahead of our competitors?

1. End of Beta Release –

- » AXIS - 20221600 (August 30, 2022)
- » Elink - 20227001 (July 15, 2022)

2. <https://www.ggy.com/kb/article/2360>

C. Topic #6 – Creative Use of AXIS

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