

Statutory Valuation of Individual Life and Annuity Contracts

Errata for Chapter 24 Supplement

Last Updated: February 22, 2021

Table of Contents

1. Introduction.....	1
2. Chapter 24.....	2
2.1 Page 104.....	2
2.2 Page 166.....	3
2.3 Page 197.....	4

1. Introduction

The purpose of this document is to provide a list of the errata for Chapter 24 Supplement of the *Statutory Valuation of Individual Life and Annuity Contracts*.

2. Chapter 24

2.1 Page 104

On page 104 of Chapter 24 Supplement, the **Reserves Output** worksheet shown in Figure 24.3 should be replaced with the following:

Figure 24.3: Reserves Output Worksheet: Summary of Statutory Reserves

Statutory Reserve Summary	
Start Date: 01/01/2017	
Stochastic Reserve	
CTE 70 Amount.....	120,736.24
+ Other Stochastic Reserve Adjustments.....	0.00
= Stochastic Reserve ^{1,2}	120,736.24
Additional Standard Projection Amount	
Prescribed Projections Amount.....	125,545.02
- CTE 70 Amount (adjusted).....	120,736.24
- CTE 70 Amount (adjusted but unfloored).....	94,958.02
+ CTE 65 Amount (adjusted but unfloored).....	94,036.33
= Additional Standard Projection Amount ¹	3,887.10
Minimum Aggregate Reserve	
Stochastic Reserve.....	120,736.24
+ Additional Standard Projection Amount.....	3,887.10
- Pre-tax Interest Maintenance Reserve (PIMR).....	0.00
= Minimum Aggregate Reserve (excluding Aggregate Cash Value) ^{1,2}	124,623.34
Aggregate Cash Value.....	120,736.24
Minimum Aggregate Reserve (including Aggregate Cash Value) ³	124,623.34
1. Ignores reinsurance and derivatives. 2. Ignores reserves using alternative methodology 3. Larger of Minimum Aggregate Reserve or Aggregate Cash Value	

2.2 Page 166

On page 166 of Chapter 24 Supplement, it currently states:

Prescribed Projections Amount

- CTE 70 Amount (**without** cash surrender value floor)
- = Unbuffered Additional Standard Projection Amount

It should instead state:

Prescribed Projections Amount

- CTE 70 Amount (**with** cash surrender value floor)
- = Unbuffered Additional Standard Projection Amount

2.3 Page 197

On page 197 of Chapter 24 Supplement, it currently states:

$$\text{Stochastic reserve} = \text{CTE70 (best efforts)} + E \times \max[0, \text{CTE70 (adjusted)} - \text{CTE70 (best efforts)}]$$

where

E = effectiveness factor;

CTE70 (best efforts) = CTE 70 amount excluding the costs and benefits of hedging; and

CTE70 (adjusted) = CTE 70 amount excluding the costs and benefits of hedging.

It should instead state:

$$\text{Stochastic reserve} = \text{CTE70 (best efforts)} + E \times \max[0, \text{CTE70 (adjusted)} - \text{CTE70 (best efforts)}]$$

where

E = effectiveness factor;

CTE70 (best efforts) = CTE 70 amount including the costs and benefits of hedging; and

CTE70 (adjusted) = CTE 70 amount excluding the costs and benefits of hedging.

