

Record ID: 636174338008182266

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Individual	Completed
Other, please specify (Specified)		
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	Semi-Retired	
First name *	Henry	
Middle initial		
Last name *	Siegel	
Email address *	henryactuary@gmail.com	
Phone number	212 666 7102	
Scope: Do you agree with the scope of the proposed amendments on the accounting for the liability for future policy benefits for contracts other than participating contracts? If not, what types of contracts, contract features, or transactions should be included in or excluded from the scope and why?	Yes.	Completed
Cash flow assumption update method and presentation: Do you agree that the	I think any calculation of liabilities should be done on a prospective basis. This is consistent with liabilities being for future payments and avoids the discontinuities inherent in a retrospective approach.	Completed

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<p>effect of updating cash flow assumptions should be calculated and recognized on a retrospective basis in net income? If not, what other approach or approaches do you recommend and why?</p>		
<p>Cash flow assumption update frequency: Do you agree that cash flow assumptions should be updated on an annual basis, at the same time every year, or more frequently if actual experience or other evidence indicates that earlier assumptions should be revised? If not, what other approach or approaches do you recommend and why?</p>	<p>Yes although the requirement that it be at the same time every year should not mean that all assumptions need to be done at the same time. It might be best, for instance, for life insurance assumptions to be changed at the end of the third quarter while annuities are changed at the end of the second.</p>	<p>Completed</p>
<p>Discount rate assumption: Do you agree that expected future cash flows should be discounted on the basis of a high-quality fixed-income instrument yield that maximizes the use of current market observable inputs? If not, what other approach or approaches do you recommend and why?</p>	<p>I strongly suggest that the Board reconsider using the top-down approach adopted by the IASB. This approach is not only reasonably practical to do but assures that the assumption will be much more consistent with the asset valuations. This is particularly helpful where some assets are valued at amortized cost, others are at fair value through OCI and others are at plain fair value.</p>	<p>Completed</p>

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<p>Discount rate assumption update method and presentation: Do you agree that the effect of updating discount rate assumptions should be recognized immediately in other comprehensive income? If not, what other approach or approaches do you recommend and why?</p>	<p>Yes.</p>	<p>Completed</p>
<p>Discount rate assumption update frequency: Do you agree that discount rate assumptions should be updated at each reporting date? If not, what other approach or approaches do you recommend and why?</p>	<p>Yes.</p>	<p>Completed</p>
<p>Scope (participating contracts): Do you agree with the scope of the proposed amendments on the accounting for the liability for future policy benefits for participating contracts, including closed block contracts issued by a demutualized insurance entity? If not, what types of contracts, contract features, or transactions should be included in or excluded from the</p>	<p>Yes except for closed block contracts issued by a demutualized insurance entity. Those liabilities should be set equal to the value of the assets supporting them since any profits arising in the future on those contracts must be paid out to the policyholders. Since no profit can inure to the insurer, assets and liabilities should always be equal. If it should arise that the assets are not adequate to support the liabilities, additional assets and liabilities should be recognized.</p>	<p>Completed</p>

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scope and why?		
<p>Cash flow assumption update method and presentation (participating contracts): Do you agree that the effect of updating cash flow assumptions should be calculated and recognized on a retrospective basis in net income? If not, what other approach or approaches do you recommend and why?</p>	<p>As noted above, I think all liability calculations should be done on a prospective basis which is consistent with the nature of liabilities. Retrospective calculations are confusing and tend to create discontinuities in earnings.</p>	<p>Completed</p>
<p>Cash flow assumption update frequency (participating contracts): Do you agree that cash flow assumptions should be updated on an annual basis, at the same time every year, or more frequently if actual experience or other evidence indicates that earlier assumptions should be revised? If not, what other approach or approaches do you recommend and why?</p>	<p>Yes.</p>	<p>Completed</p>
<p>Discount rate assumption (participating contracts): Do you agree that expected future cash flows should be discounted on the basis of a high-quality fixed-income</p>	<p>I think the discount rate should be done on a top-down basis similar to that adopted by the IASB. In this way the discount rate and the dividend crediting rate will tend to move more consistently with each other, avoiding spurious movements in earnings.</p>	<p>Completed</p>

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<p>instrument yield that maximizes the use of current market observable inputs? If not, what other approach or approaches do you recommend and why?</p>		
<p>Discount rate assumption update method and presentation (participating contracts): Do you agree that the effect of updating discount rate assumptions should be recognized immediately in other comprehensive income? If not, what other approach or approaches do you recommend and why?</p>	<p>Yes</p>	<p>Completed</p>
<p>Discount rate assumption update frequency (participating contracts): Do you agree that discount rate assumptions should be updated at each reporting date? If not, what other approach or approaches do you recommend and why?</p>	<p>Yes.</p>	<p>Completed</p>
<p>Scope: Do you agree with the scope of the proposed amendments on the accounting for market risk benefits? If not, what types of contracts or</p>	<p>No comment.</p>	<p>Completed</p>

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<p>contract features should be included in or excluded from the scope and why?</p>		
<p>Measurement: Do you agree that all market risk benefits should be measured at fair value, with fair value changes attributable to a change in the instrument-specific credit risk recognized in other comprehensive income? If not, what other alternative or alternatives do you recommend and why?</p>	<p>No comment.</p>	<p>Completed</p>
<p>Scope: Should the scope of the proposed amendments be expanded to include investment contract acquisition costs currently amortized using the interest method in Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs?</p>	<p>No. This is not necessary.</p>	<p>Completed</p>
<p>Amortization: Do you agree with the proposed amendments that would simplify the amortization of deferred acquisition costs? If not, what other simplified and reasonably estimable amortization approach or approaches do you recommend?</p>	<p>Yes although the precise meaning of the the method could use some clarification. I urge that the method be simple so that extensive explanations are not needed to understand the numbers.</p>	<p>Completed</p>

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<p>Impairment: Do you agree that deferred acquisition costs should not be subject to impairment testing? If not, what alternative or alternatives do you recommend and why?</p>	<p>No comment.</p>	<p>Completed</p>
<p>Proposed requirements: Do you agree that the presentation and disclosure requirements included in the proposed amendments would provide decision-useful information? If not, which presentation and/or disclosure requirement or requirements would you change and why?</p>	<p>No comment.</p>	<p>Completed</p>
<p>Additional requirements: Are there any additional presentation or disclosure requirements that would provide decision-useful information? If so, please describe them and explain why.</p>	<p>No comment.</p>	<p>Completed</p>
<p>Implementation date: The Board is interested in understanding the key drivers affecting the timing of implementation. What are those key drivers, and how do they affect the time it will take to implement the</p>	<p>No comment.</p>	<p>Completed</p>

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<p>proposed amendments? Should the effective date be the same for both public entities and nonpublic entities?</p>		
<p>Transition methods: Are the proposed transition provisions operable and do they provide decision-useful information? If not, what would you recommend and why?</p>	<p>Yes.</p>	<p>Completed</p>
<p>Transition disclosure: Do the proposed transition disclosure requirements provide decision-useful information? If not, what would you recommend and why?</p>	<p>Yes.</p>	<p>Completed</p>
<p>Costs and complexities: Describe the nature of the incremental costs of adopting the proposed amendments, distinguishing between one-time costs and ongoing costs. Explain which aspects of the proposed amendments are driving those costs and include ideas to make the proposals more cost effective.</p>		<p>Completed</p>
<p>Please provide any additional comments on the proposed Update:</p>		<p>Completed</p>
<p>Please provide</p>		<p>Completed</p>

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any comments on the electronic feedback process:		
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	Not Answered	Not Answered