

# GAAP History Builder

The GAAP History Builder develops components of historical gross profits, deferred amounts, assessments, and excess benefits with actual policy activity and transactions including account value roll-forward, benefit and expense transactions.

## GAAP Reserves • Deferred Acquisition Costs • Other GAAP Assets & Liabilities

- Develops historical gross profits, deferrals, assessments and benefits with actual policy transactions for the following modules:
  - GAAP UL
  - GAAP DA
  - GAAP PAR
  - GAAP SOP 03-1 Benefit Reserves
- ARCBASE database accepts raw data from administrative and accounting systems, such as:
  - Policy activity for issues, deaths, surrenders
  - First year and renewal premiums and deposits
  - Account value COI charges, expense charges, interest credits, and surrender charges
  - First year and renewal commissions
  - Death, surrender, withdrawal, and annuitization benefits
  - Policy loan activity
  - Acquisition, maintenance and benefit expenses and premium taxes
- Edits of data are performed and reported to test the reasonableness and internal consistency.
- Missing or inadequate data can be derived from other sources or from assumptions and formulas.
- Allocation of actual reported values, such as general expenses, agent commissions and contract benefits, in proportion to the actuarial assumptions so that the aggregated policy values equals the inputted actual reported values.
- Allocation of actual investment income to each policy using inputted earned interest rates
- Provides assistance in separating commissions into amounts deferred and expensed using commission schedules included in the ARCVL Plan File Database for projection purposes
- Adjusts transactional data totals if the amounts differ from financial statement data. Options are provided to create adjustments when the reported transactional data totals (COI, credited interest, premiums, etc.) do not match the totals in financial statements.
- Several reports are available for the GAAP transactions and you can use a drill-down feature to perform analysis at the policy level.

Actual policy transactions used to update GAAP history.

