



September 9, 2025

Rachel Hemphill
Chair, Life Actuarial (A) Task Force (LATF)
National Association of Insurance Commissioners

Re: AG 55 Template Presentation with Cover Letter Exposure

Dear Chair Hemphill:

On behalf of the Life Practice Council (LPC) of the American Academy of Actuaries,¹ we appreciate the opportunity to comment on the [AG 55 Template Exposure](#), exposed until Sept. 9, 2025. The LPC believes a template could be a valuable tool to facilitate review and comparisons across companies, and we appreciate LATF's consideration of public feedback. Below we outline our comments, organized by topic. Generally, we suggest using the template for high-level descriptions and key numerical data (e.g., to facilitate comparisons across companies), with cross-references to where additional details, narrative, and rationale can be found in the VM-30 AOM or AG 55 report. We note that the bespoke nature of reinsurance treaties may result in more items requiring narrative explanation in AG 55 than in AG 53.

1. Interaction with VM-30 AOM—To the extent an AG 55 assumption is already detailed in a company's AOM, we suggest clarifying that the assumption detail need not be resubmitted under AG 55 if identical and the high-level description of the assumption is appropriately cross-referenced to the appropriate section of the AOM with the assumption detail.
2. Narrative vs. Numerical Elements—While a spreadsheet template suits headline assumption descriptions and standardized numerical data (e.g., yields, surplus), we recommend a VM-31-style checklist for narrative aspects (e.g., explaining how the actuary arrived at the headline assumptions, or describing unique aspects of ALM or experience refunds), ensuring consistency without forcing lengthy text into spreadsheets.
3. Optional Targeted Capital Disclosures—We suggest clarifying the intent and expectations around the exposure's language on "optional inclusion of targeted capital pre- and post-reinsurance" (e.g., cedant or reinsurer, \$ or % RBC, U.S. or offshore basis, internal or external target), including whether accompanying narrative comments are expected (e.g., impact on assessing collectability, financial strength, or adequacy). Further clarification will help ensure these disclosures are uniform and comparable across companies. Also, if the actuary's determination of the financial strength of the counterparty is related to this optional disclosure, we note that ASOP No. 11, Section 3.5 provides some guidance.
4. Applicability to Exempt vs. Non-Exempt Treaties—We recommend clarifying which template sections apply to non-exempt vs. exempt (low risk) treaties, e.g., a section that lists

¹ The American Academy of Actuaries is a 20,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For 60 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

why an actuary exempted a particular treaty and/or how it is low risk, with remaining sections focused on further data around non-exempt treaties.

5. Attribution Analysis—We applaud the NAIC for wanting to add some layer of standardization to the attribution analysis; however, we feel that the proposal may be too restrictive. Attribution analysis is an activity for which many companies already have an actuarially sound method in place. We suggest that the attribution analysis already contemplated by companies could be considered for purposes of AG 55. We also note that many attribution analyses (e.g., EV/MCEV) start with economic drivers (e.g., interest rates) ahead of the non-economic drivers (e.g., policyholder behavior, which often stems from changes in economic drivers), and we feel that is a more appropriate and common order. Finally, we recommend considering separate columns for dollars and percentages change (the Exposure uses a single column with dollars for beginning and ending amounts, and percentages for intermediate amounts).
6. Cash-Flow Testing Results—We suggest making the Scenario column editable. The exposure has the column prepopulated with NY 7 scenarios, but AG 55 permits alternatives. We also note that results may not be as comparable if a company's scenarios deviate from the NY 7.
7. Margins in Assumptions—We recommend clarifying expectations (e.g., numerical margins, textual descriptions, narrative justifications, or a combination). Also, if there is a tab for high-level descriptions of Margins in Assumptions, should there also be a tab for high-level descriptions of the Assumptions themselves (with Margins)?
8. Counterparty Portfolio and Assumptions—We recommend adding fields or guidance around disclosing use of proxy assets (and associated risks such as tail underestimation) due to asset modeling or data constraints.

These recommendations aim to enhance the template's clarity and efficiency, ensuring it supports AG 55's objectives and compliance while promoting practical and defensible actuarial standards that serve the public interest.

If you have any questions or would like to discuss these comments further, please contact [Amanda Barry-Moilanen](mailto:barrymoilanen@actuary.org), the Academy's policy project manager, life (barrymoilanen@actuary.org).

Sincerely,

Jason Kehrberg, MAAA, FSA
Chairperson, Life Practice Council
American Academy of Actuaries