



February 2, 2026

Seong-min Eom, Chair  
Longevity Risk (E/A) Subgroup  
National Association of Insurance Commissioners

Re: [Questions on Longevity Reinsurance C2 Proposals](#)

Dear Chair Eom:

On behalf of the Longevity Risk Task Force (Task Force) of the American Academy of Actuaries,<sup>1</sup> I am sharing some additional feedback regarding a framework for the RBC C-2 charge for longevity reinsurance.

The Task Force recommends a principle-based approach as outlined in our Dec. 15, 2025, comment letter. A principle-based approach should reflect the impact of longevity stresses to benefits over the entire projection period. The factors in New Jersey's proposal were intended to be applied to the present value (PV) of future benefits, rather than the next 12 months of scheduled benefits. It was not intended to apply the factors to a different metric.

Responses to NAIC Longevity Risk Subgroup December 19, 2025, Questions

- *Question 1 (which proposals are preferred between AAA, ACLI, and NJ?):*
  - The Academy and ACLI approaches are preferred as they measure long-term longevity risk by applying longevity shocks to projected benefits and recognize all cash outflows and inflows for the transaction.
  - Academy and ACLI approaches are aligned and should lead to similar answers.
- *Question 2 (recommendation on break points):*
  - The break points in the current C-2 approach were calibrated to the PV of benefits and would not directly translate to a different metric; thus the breakpoints may be appropriate for the ACLI proposal, which is applied to the present value of benefits, but not the NJ proposal, which is applied to the next 12 months of scheduled benefits.
  - Break points were calibrated to U.S. payout annuities and would require additional analysis and possible recalibration for Longevity Risk Transfer business.
- *Question 3 (implementation timeline)*
  - When C-2 longevity charges were adopted in 2021, the Life Risk-Based Capital (E) Working Group made the decision to not include Longevity Reinsurance. The Task Force believes it might be more prudent to delay implementation until a more methodologically sound charge can be developed.

<sup>1</sup> 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

- In the interest of expedience for a 2026 implementation of a C-2 longevity risk charge, the mortality stress parameters in the Academy's proposal reference the prior analysis and calibration from 2019. The mortality stress factors should be re-evaluated and recalibrated to determine whether updates are needed, which would likely extend the project beyond the May 15, 2026, deadline.

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

Sincerely,

Linda Lankowski, MAAA, FSA  
Chairperson, Longevity Risk Task Force  
American Academy of Actuaries