



May 07, 2026

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

Re: Request for the Academy Longevity Risk Task Force 2026 Plan for RBC C-2 for Longevity Reinsurance

Dear Chair Eom:

As requested at the NAIC Longevity Risk (E/A) Subgroup meeting on Thursday, April 9, 2026, the American Academy of Actuaries¹ Longevity Risk Task Force (Task Force) is providing its plan of topics to address in 2026.

Academy Longevity Risk Task Force 2026 Plan

1) Illustration Model of Longevity Reinsurance Product

- a. We believe providing a model to illustrate the Longevity Reinsurance Product would be helpful in framing the topics in item 2 below. We plan to develop a model that will illustrate cash flows under various scenarios and assumptions.
- b. This model will help to highlight items such as 1) cash flow pattern (e.g., how the fixed and floating legs work) and 2) how different inputs, assumptions, and scenarios can impact the embedded longevity risk of a block of Longevity Reinsurance business.

2) Consider topics posed by NAIC Longevity Risk Subgroup in prior discussions

Once the illustration model has been reviewed, discussed, and accepted, we would seek feedback from the NAIC Longevity Risk Subgroup and other interested parties to determine which topics are essential for implementation, especially if there is desire to implement by Year End 2027.

Please see a brief discussion on the below topics in order of priority:

- a. Structure of the Mortality Improvement Shock
 - i. The current Academy proposal uses a simple incremental shock, which could be additive or multiplicative, applied to all ages on top of baseline mortality assumptions set by the company.
 - ii. An alternative way to structure the shock is to prescribe a mortality improvement scale for all companies.
 - iii. Other structures may be appropriate.
- b. Structure of the Mortality Level Shock
 - i. The current Academy proposal applies a single shock, regardless of underlying block credibility.
 - ii. An alternative way to structure the shock is to vary it by block credibility.
- c. Calibration of shocks for non-U.S. originated liabilities

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

- i. Most Longevity Reinsurance liabilities originate outside the U.S. The Academy would need to determine if the current U.S. shocks are applicable to non-U.S. originated liabilities, or if there would be a need for a new set of shocks.
- d. Creating one scenario instead of the current proposal's set of three scenarios
 - i. Review simplifying the current proposal from running three scenarios (baseline scenario + 2 shocked scenarios) to one. The Academy would like to ensure the combined shocks would produce a comparable result to the aggregate of the separate shocks.

If there are any questions or if the Subgroup would like to discuss these comments or the example further, please contact Marie Fabienne Amisial, the Academy's life policy project manager (amisial@actuary.org).

Sincerely,

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