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November 15, 2023

To: Nathan Houdek (WI), Chair NAIC Financial Stability (E) Task Force Judith L. French (OH), Vice Chair NAIC Financial Stability (E) Task Force Bob Kasinow (NY), Chair NAIC Macroprudential (E) Working Group Carrie Mears (IA), Vice Chair NAIC Macroprudential (E) Working Group

Re: ACLI Comments Regarding the 2023 NAIC LST

Dear Chairs & Vice Chairs:

Thank you for the opportunity to provide these very brief comments regarding the proposed 2023 Liquidity Stress Test (LST). ACLI and its member companies continue to support the LST, and as you are aware, have worked with regulators and NAIC staff to address issues related to separate accounts in a meaningful and practical manner. The latest clarifications to the LST separate account language we believe is confusing in part and unnecessary in part. The suggested language immediately below is in our view more reflective of the careful balance reached regarding future consideration of separate accounts.

We would suggest "Though not required for the 2023 LST, filers should consider including all cash flows related to assets and liabilities that may be grouped with general account assets <u>in</u> <u>the event of</u> a liquidation regardless of Separate Account classification." We don't believe the LST needs to add the "as insulated or non-insulted, explicit or implicit guarantee, unitized or non-unitized" language, as this may confuse things with undefined terms.

Thank you for the opportunity to comment on the 2023 proposed LST, and we look forward to the meeting on December 1<sup>st</sup>.

Sincerely,

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CC: Tim Nauheimer, NAIC Todd Sells, NAIC

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