



*2025 Spring National Meeting  
Indianapolis, Indiana*

### **LIFE ACTUARIAL (A) TASK FORCE**

Saturday, March 22, 2025

8:00 a.m. – 4:30 p.m.

Sunday, March 23, 2025

8:00 – 10:00 a.m.

### **Meeting Summary Report**

The Life Actuarial (A) Task Force met March 22–23, 2025. During this meeting, the Task Force:

1. Adopted its March 6, Feb. 20, Feb. 6, Jan. 30, Jan. 23, Jan. 16, and Dec. 12 minutes. During these meetings, the Task Force took the following action:
  - A. Exposed amendment proposal form (APF) 2025-03, which modifies the *Valuation Manual* (VM)-20, Requirements for Principle-Based Reserves for Life Products, universal life with secondary guarantee (ULSG) lapse assumption for policies with minimal cash surrender value (CSV) so that the required industry table is a guardrail rather than a prescribed assumption.
  - B. Exposed APF 2025-05, which modifies the guidance notes under VM-20, Section 9.G.8, and VM-21, Requirements for Principle-Based Reserves for Variable Annuities, Section 4.A.5, to provide clearer definitions and examples of what constitutes “contractually guaranteed” revenue sharing income.
  - C. Exposed APF 2024-16, which provides additional nonforfeiture guidance for universal life products where the cash value is based on multiple sets of guarantees.
  - D. Exposed APF 2025-01, which would ensure that the net premium reserve (NPR) mortality assumption for higher anticipated mortality policies would be the anticipated experience plus a margin when the company mortality is higher than the prescribed mortality rates.
  - E. Exposed APF 2025-02, which clarifies the rounding rules associated with the calculation of rates from the *Standard Valuation Law* (Model #820) and *Standard Nonforfeiture Law for Life Insurance* (Model #808).
  - F. Exposed revisions to the Asset Adequacy Testing for Reinsurance Actuarial Guideline (AG ReAAT) draft.
  - G. Exposed Appointed Actuary and Illustration Actuary Knowledge Statements.
  - H. Adopted APF 2024-13, which clarifies the reflection of negative interest maintenance reserves (IMRs).
  - I. Adopted APF 2024-15, which corrects the application of mortality in the VM-21 standard projection amount (SPA) where there is little or no company experience.
  - J. Adopted its 2024 Fall National Meeting minutes.

2. Adopted the report of the Longevity Risk (E/A) Subgroup, which will resume meeting once the VM-22, Requirements for Principle-Based Reserves for Non-Variable Annuities, methodology is finalized to develop and recommend longevity risk factors.
3. Adopted the report of the Variable Annuities Capital and Reserve (E/A) Subgroup, which met Feb. 20. During this meeting, the Subgroup took the following action:
  - A. Exposed revised draft additions to the variable annuities supplement in the annual statement.
4. Adopted the report of the Experience Reporting (A) Subgroup, which met Dec. 16, 2024. During this meeting, the Subgroup took the following action:
  - A. Formed a drafting group to work on APF 2024-12, which would require mandatory reporting of group annuity/pension risk transfer business.
5. Adopted the report of the VM-22 (A) Subgroup, which met March 12, 2025; March 5, 2025; Feb. 26, 2025; Feb. 19, 2025; Feb. 12, 2025; Feb. 5, 2025; Dec. 11, 2024; and Dec. 4, 2024. During these meetings, the Subgroup took the following action:
  - A. Adopted the SPA as a disclosure requirement under VM-22.
  - B. Adopted a 1% mortality improvement sensitivity for the SERT.
  - C. Adopted the Texas Department of Insurance (TDI) VM-22 reinvestment guardrail proposal of 5% Treasuries, 15% AA, and 80% A.
  - D. Adopted a 6% threshold for the Stochastic Exclusion Ratio Test (SERT) under VM-22.
  - E. Discussed VM-22 field test results.
  - F. Exposed a request for other revisions to the VM-22 principle-based reserving (PBR) framework for a 40-day public comment period ending March 17.
  - G. Exposed edits to policyholder behavior assumption in the VM-22 SPA draft for a 28-day public comment period ending March 26.
  - H. Adopted a longevity reinsurance transaction (LRT) flooring methodology of 2% of annual longevity benefits floor at the scenario reserve level proposed by New Jersey and the American Council of Life Insurers' (ACLI's) allocation methodology proposal, with a change to the proposal to make it so there is a floor within the allocation methodology at 2% of annual longevity benefits.
6. Heard a presentation on the VM-22 field test participant results.
7. Heard a presentation on VM-20 historical mortality improvement (HMI) and future mortality improvement (FMI) factors.
8. Adopted the report of the Generator of Economic Scenarios (GOES) (E/A) Subgroup, which met Feb. 26, 2025; Feb. 12, 2025; Jan. 29, 2025; Dec. 19, 2024; and Dec. 11, 2024. During these meetings, the Subgroup took the following action:
  - A. Referred two documents to the Variable Annuities Capital and Reserve (E/A) Subgroup and the Life Risk-Based Capital (E) Working Group to effectuate the GOES for capital calculations.
  - B. Exposed APF 2025-04, which would update the VM economic scenario generator (ESG) references for the adoption of the Conning-maintained prescribed ESG.
  - C. Formed a GOES Model Governance Drafting Group to develop a model governance framework.
  - D. Discussed revisions to the GOES and related model office testing.
9. Discussed comments on APF 2025-04, received a presentation on APF 2025-04 key decisions, and received a presentation on the ACLI's recommended GOES deterministic reserve (DR) methodology.

10. Adopted the report of the Life and Annuity Illustration (A) Subgroup and discussed revisions to *Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest Sold on or After December 14, 2020* (AG 49-A).
11. Adopted APF 2025-01.
12. Requested that Rhonda Ahrens (Thrivent) revise APF 2025-02 to allow for the rounding to be dependent on the trend in interest rate levels.
13. Adopted APF 2025-03.
14. Re-exposed APF 2025-05 for a 21-day public comment period ending April 13.
15. Received an update on *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) reports.
16. Discussed comments received on the AG ReAAT draft and exposed a revised AG ReAAT for a 32-day public comment period ending April 24.
17. Heard an update from the Society of Actuaries (SOA) on research initiatives and changes to its education program.
18. Heard an update from the American Academy of Actuaries (Academy) Council on Professionalism and Education.
19. Heard an update from the Academy Life Practice Council.
20. Considered comments received on Academy life knowledge statements.
21. Discussed potential revisions to VM-20 and VM-21 principle-based reserve reinvestment guardrails and requested that both: 1) NAIC Staff perform model office testing; and 2) the ACLI request that members perform impact analysis to be shared with regulators to understand the impacts of the potential revisions.
22. Requested Academy input on guaranteed yearly-renewable term (YRT) reinsurance.
23. Reported that the Task Force met March 13 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals), of the NAIC Policy Statement on Open Meetings.