

Draft: ~~109/235/243~~

Adopted by the Executive (EX) Committee and Plenary, _____, _____

Adopted by the Life Insurance and Annuities (A) Committee, _____, _____

Adopted by the Life Actuarial (A) Task Force, 10/95/2024~~3~~

2025~~4~~ Proposed Charges

LIFE ACTUARIAL (A) TASK FORCE

The mission of the Life Actuarial (A) Task Force is to identify, investigate, and develop solutions to actuarial problems in the life insurance industry.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Life Actuarial (A) Task Force** will:

- A. Work to keep reserve, reporting, and other actuarial-related requirements current. This includes principle-based reserving (PBR) and other requirements in the *Valuation Manual*, actuarial guidelines, and recommendations for appropriate actuarial reporting in blanks. Respond to charges from the Life Insurance and Annuities (A) Committee and referrals from other groups or committees, as appropriate.
- B. Report progress on all work to the Life Insurance and Annuities (A) Committee and provide updates to the Financial Condition (E) Committee on matters related to life insurance company solvency. This work includes the following:
 - i. Work with the American Academy of Actuaries (Academy) and the Society of Actuaries (SOA) to develop new mortality tables for valuation and minimum nonforfeiture requirements for life insurance and annuities, as appropriate.
 - ii. Provide recommendations for guidance and requirements for accelerated underwriting (AU) and other emerging underwriting practices, as needed.
 - iii. Work with the SOA on the annual development of the Generally Recognized Expense Table (GRET) factors.
 - iv. Provide recommendations and changes to other reserve and nonforfeiture requirements to address issues as appropriate, and provide actuarial assistance and commentary to other NAIC committees relative to their work on actuarial matters.
 - v. Work with the selected vendor to develop and implement the new generator of economic scenarios (GOES) for use in regulatory reserve and capital calculations.
 - vi. Monitor international developments regarding life and health insurance reserving, capital, and related topics. Compare and benchmark these with PBR requirements.
 - ~~vi~~.vii. Coordinate with the Reinsurance (E) Task Force on actuarial items related to reinsurance.

2. The **Experience Reporting (A) Subgroup** will:

- A. Continue the development of the experience reporting requirements within the *Valuation Manual*. Provide input on the process regarding the experience reporting agent, data collection, and subsequent analysis and use of experience submitted.

3. The **Generator of Economic Scenarios (GOES) (E/A) Subgroup** of the Life Risk-Based Capital (E) Working Group and the Life Actuarial (A) Task Force will:

- A. Monitor that the economic scenario governance framework is being appropriately followed by all relevant stakeholders involved in scenario delivery.
- B. Review material GOES updates, either driven by periodic model maintenance or changes to the economic environment, and provide recommendations.

LIFE ACTUARIAL (A) TASK FORCE (continued)

~~B.~~ Regularly review key economic conditions and metrics to evaluate the need for off-cycle or significant GOES updates, and maintain a public timeline for GOES updates.

~~C.~~ **LIFE ACTUARIAL (A) TASK FORCE (continued)**

~~D.~~ C. _____

~~E.~~ D. Support the implementation of the GOES for use in statutory reserve and capital calculations.

~~F.~~ E. Develop and maintain acceptance criteria that reflect history as well as plausibly more extreme scenarios.

4. The ~~Indexed Universal Life and Annuity (IUL) Illustration (A) Subgroup~~ will:

A. Consider changes to *Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest to Policies Sold on or After December 14, 2020 (AG 49-A)*, as needed. Provide recommendations for the consideration of changes to the *Life Insurance Illustrations Model Regulation (#582)* to the Task Force, as needed.

~~A.~~ B. Consider any guidance, actions, or recommendations that may be necessary to regulate annuity illustration practices.

5. The **Longevity Risk (E/A) Subgroup** of the Life Actuarial (A) Task Force and the Life Risk-Based Capital (E) Working Group will:

A. Provide recommendations for recognizing longevity risk in statutory reserves and/or risk-based capital (RBC), as appropriate.

6. The **Variable Annuities Capital and Reserve (E/A) Subgroup** of the Life Risk-Based Capital (E) Working Group and the Life Actuarial (A) Task Force will:

A. Monitor the ~~impact of the changes to the~~ variable annuities (VA) reserve framework and RBC calculation, and determine if ~~additional~~ revisions need to be made.

B. Develop and recommend appropriate changes, including those to improve the accuracy and clarity of VA capital and reserve requirements and reporting.

7. The **Valuation Manual (VM)-22 (A) Subgroup** will:

A. Recommend requirements for non-variable (fixed) annuities in the accumulation and payout phases for consideration by the Task Force, as appropriate. Continue working with the Academy on a PBR methodology for non-variable annuities.

NAIC Support Staff: Scott O'Neal/Jennifer Frasier

SharePoint/NAIC Support Staff Hub/Member Meetings/A CMTE/LATF/2024~~3~~-3-Fall/2025~~4~~ Charges/007_LATF.docx