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Rachel Hemphill,  
Chair, NAIC Life Actuarial (A) Task Force (LATF)

Ben Slutsker  
Chair, NAIC Valuation Manual (VM)-22 (A) Subgroup (Subgroup)

Re: LATF Exposure of APF 2025-12 (VM-22 Standard Project Amount)

Dear Chairs Hemphill and Slutsker:

The American Council of Life Insurers (ACLI) appreciates the opportunity to provide feedback on the LATF exposure of APF 2025-12 which aims to clarify expectations surrounding VM-22 Standard Projection Amount (SPA) disclosures and credibility. We would also like to take this time to thank the NAIC VM-22 (A) Subgroup for their prior work in developing this amendment to address the original LATF referral.

ACLI supports the adoption of this APF, but we do have two suggested edits we wish to put forward in spirit of clarity and minimizing the possibility of unintended outcomes for regulators and industry:

- 1) More clarification is needed about the language on “... *where company assumption is based on company experience data that is reliable, relevant, and credible*”. A company might not have credible data to set the shock lapse assumption and rely on an industry study (e.g., Milliman study) for the fixed products. Citing this possibility, it could perhaps be better to add “... *where company assumption is based on company experience data that is reliable, relevant, and credible, or leveraged on an industry study*”.

To promote consistency across the Principles-Based Reserving framework, we also recommend incorporating this same clarifying phrase into other applicable sections of the Valuation Manual, including VM-20, VM-21, and VM-22.

- 2) The proposed Section 3.C language in the APF makes it less clear that the ASPA is a disclosure only item and not a requirement vs the current VM language. We would suggest adding back the statement highlighted below at the beginning of the section to ensure that it's clear while maintaining the requirement for additional documentation of support for assumptions used in the SR.

American Council of Life Insurers | 300 New Jersey Avenue, NW, 10th Floor | Washington, DC 20001

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 275 member companies represent 94 percent of industry assets in the United States.

*Section 3.C*

*The additional standard projection amount is determined by applying the standard projection method defined in Section 6. The additional standard projection amount is only required for disclosure purposes pursuant to VM-31.*

Thank you once again for the opportunity to submit this feedback and we look forward to a future LATF discussion of this topic.

Sincerely,

 Colin Masterson

cc: Scott O'Neal, NAIC