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November 17, 2025

Seong-min Eom
Chair, NAIC Longevity Risk (E/A) Subgroup

Re: October 2025 Request for Longevity Reinsurance C-2 Proposal and LR025-A

Dear Chair Eom:

The American Council of Life Insurers (ACLI) appreciates the opportunity to provide additional commentary on the NAIC Longevity Risk (E/A) Subgroup's effort to develop Life Risk Based Capital Longevity Risk C-2 factor(s) for longevity reinsurance business. We would also like to take this time to thank regulators, NAIC staff, and other interested parties for the robust dialogue and proposals which have already been put forth and discussed at the October 9th Subgroup meeting.

As previously stated in our comments from September 15th, ACLI continues to support applying the C-2 factor to the present value of benefits, with an offset credit for future surplus not included in calculated statutory reserves. Specifically, our approach boils down to:

- C-2 capital = Max (0, A - B), where
    - A = C-2 factor * PV Benefits (or floating leg) (i.e., the Statement Value), and
    - B = PV Premiums + Fees (or fixed leg) not already used for reserving purposes (i.e., the Offset Credit, which should also include investment and expense considerations).

Accompanying this comment letter, ACLI has provided redlined edits to LR025-A and an illustrative spreadsheet demonstrating the calculation. If there are any questions about the materials we provided, please do not hesitate to reach out to ACLI staff.

Thank you all once again and we look forward to additional discussion soon.

Sincerely,

B Bayerle Colin Masterson

cc: Amy Fitzpatrick, NAIC