

Actuarial Guideline 55 Initial Guidance Concepts

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AG 55 Review Activities

- Actuarial Guideline 55 was adopted in 2025
 - Main purpose: identify adequacy of post-reinsurance reserve
- First round of annual submissions were received in 2025
 - Around 80 ceding companies, 100 treaties represented in filings
- Today:
 - Summarize common issues
 - Topics for upcoming or recent inquiries from VAWG / domestic regulators
 - Potential topics for 2026 AG 55 guidance document

AG 55 Common Issues

- Explanation of drivers of reserve reduction (if attribution analysis is not provided)
- Provide reason(s) for affiliated reinsurance transaction if little or no reserve reduction
- Confirmation of reserve held by reinsurer from reinsurer's financial statement
- Assumption information
 - Combo interest rate scenario / policyholder behavior sensitivities
 - Low interest scenario / lower lapses than assumed, projection period length
 - Up interest scenario / higher lapses than assumed
 - MYGA renewal rates or GLWB elections different than assumed
 - Note: high net asset return assumption - can refer to AG 53
- Excess capital available in addition to alternative run starting asset amount?