

VM-22 Aggregation Exposure Questions

Sep 17, 2025

1. Aggregation Eligibility Criteria vs. Disclosure-Only – Should aggregation of Payout and Accumulation annuity Reserving Categories include prerequisites to permit aggregation, as currently required in VM-22 within the 2026 Valuation Manual, or should the aggregation always be permitted, only including disclosures around such?
2. Types of Criteria – What types of criteria should be listed for aggregating Payouts and Accumulation Reserving Categories (whether included as eligibility criteria or disclosure-only)? See the current criteria listed in the VM-22 Section 3.F.2 excerpt below.
3. Amendments – Do you have any proposed amendments to VM-22 or VM-31 (e.g., additional wording changes) regarding aggregation across Reserving Categories?

For reference, below are excerpts from VM-22 and VM-31 within the 2026 Valuation Manual:

VM-22 Section 3.F.2

2. The Payout Annuity Reserving Category and Accumulation Reserving Category may be aggregated only if they meet the following criteria:

- a. The company manages the risks of the contracts within both categories in an integrated risk management process.
- b. The contracts within both categories are managed within a single portfolio, or portfolios with the same ALM strategy.

Guidance Note: For the purposes of aggregating payout and accumulation reserving categories, the Subgroup plans to revisit whether to include prerequisites to permit aggregation, as well as which criteria and disclosures to focus on for such aggregation.

VM-31 Section 3.F.14.j

- j. Aggregation – The following information on aggregation:
 - i. Disclosure of the impact of aggregation, that is, a comparison of serialtim calculations compared to aggregation permitted under VM-21 or VM-22, and discussion of the method used to determine the impact, pursuant to Section 6.A.1.a in VM-21 or VM-22.
 - ii. For VM-22, support that the criteria in VM-22 Section 3.F.2 is met.
 - iii. To the extent that aggregation is done across multiple model segments, whether across reserving categories or within a reserving category, the methodology used to allocate the aggregation benefit across model segments shall be documented.