

C3 Alignment Field Test Questions and Answers

Last Modified: 10/13/2026

This document summarizes questions and answers relevant to the C3 Alignment Field Test.

This is a living document. It will be expanded as additional questions are received. [Please reach out to the NAIC with additional questions or requests for clarification.](#)

Methodology and Assumptions

Q1. How should scenarios be selected?

A: Use Conning's Scenario Selection Tool with the 20-year-UST-based significance value. For further detail, see *Appendix B: Using the Scenario Selection Tool*.

Q2. How is GPVAD calculated under the asset-based metric?

A: Zero working reserves should be assumed under the GPVAD (asset) metric so that $GPVAD = 0 - \text{Accumulated Assets}$.

Q3. Which version of the reinvestment guardrail should be used?

A: The intent is for participants to use the guardrails in the 2027 Valuation Manual. If a model cannot be modified to meet the 2027 framework, disclose what was used in modeling.

Q4. What is the difference between *Sensitivity 4: Impact of VM-20 Default Assumption* and *Sensitivity 8: Impact of Initial Spread and Reinvestment Guardrails*? Is it using VM-22 as opposed to VM-20 guardrails?

A: The element of change between Sensitivity 2 (or Sensitivity 3, if FIAs are included) and Sensitivity 4 (Impact of VM-20 Default Assumption) is the use of VM-20 Section 9.F default assumptions without the consideration of net spread adjustments or reinvestment guardrails. The difference between Sensitivity 7 (Impact of NAER Discounting or Direct Iteration Method) and Sensitivity 8 (Impact of Initial Spread and Reinvestment Guardrails) is the introduction of the net asset spread elements as well as the VM-22 reinvestment guardrails.

Q5. How should voluntary reserves reflected in modeling be handled?

A: Participants should specify whether any voluntary reserves were modeled and, if so, provide commentary on how they were handled.

Q6. What should be done if a product utilizes an equity index that is not adequately represented by an index in the provided GOES scenario data?

A: Participants are asked to map to GOES indices to the greatest extent reasonable. Note that you may map to a blend or simple transformation of GOES indices if no single one appropriately reflects your index. If you determine that a particular index cannot be adequately represented in this way, you will need to utilize scenarios produced by a non-prescribed scenario generator consistent with the language in Section 8 of VM-22.

Q7. How should aggregate CTEs be calculated?

A: Refer to *Appendix 1a - Cash Flow Modeling for C-3 RBC Methodology* of the RBC instructions. An excerpt of the RBC instructions is available at the Life Risk-Based Capital (E) Working Group web page (<https://content.naic.org/committees/e/life-risk-based-capital-wg>) under the *Documents* tab as “RBC Instructions Excerpt.”

Q8. We do not model C3 Phase II and are unfamiliar with the asset-based metric referred to in the Specifications. Where can we find resources to better understand the asset-based metric?

A: *Response in progress.*

Q9. The Specifications state: “If your current C3 Phase 1 result is floored, please calculate the unfloored amount.” Is the intention to not only remove any flooring at standard factors but also to allow the potential for scenarios with positive surplus at all time periods to reduce the final capital requirement result? In other words, scenarios with positive surplus should not contribute \$0 in the weighted average calculation as they do today.

A: The request is to see results without topside or factor-based floors. The expectation is that if scenario-specific adjusted results are adjusted, they are backed out in this step. The intent is to understand the attribution of results without the noise of adjustments or floors.

Q10. Are there considerations related to scenario selection convergence when running 1,000 scenarios using the 20-year UST Significance Value methodology?

A: This approach is viewed as a reasonable middle ground enhancing comparability across participants. If the requested scenarios do not adequately converge for your company, please highlight this concern in your regulator presentation.

Reporting, Timing, and Communications

Q11. Will a template be provided for submitting results?

A: Yes. An Excel template is available at the Life Risk-Based Capital (E) Working Group web page (<https://content.naic.org/committees/e/life-risk-based-capital-wg>) under the *Documents* tab. A presentation template for regulator sessions is in progress.

Q12. How should results be submitted?

A: The NAIC will assign each participant a secure FTP site to facilitate the upload of results. An announcement—along with further guidance on the upload process—will be distributed. Additionally, participants will present results at regulator-only sessions in November and December.

Q13. When are results due?

A: The NAIC will work with participants and regulators to schedule regulator-only sessions to discuss results. These calls are slated to occur throughout November and December. Results should be finalized by late October. Precise deadlines will depend on company-specific scheduling.

Q14. What if the end-of-October window cannot be met?

A: It is strongly preferred that the requested runs are performed and results are available by the end of October. If it is not feasible to produce output for all requested runs at the full number of requested scenarios, please generate the greatest extent of results feasible ahead of November regulator-only meetings. Runs marked *Optional* in the table of runs provided in the Specifications may be fully excluded in this case. Other runs should be prioritized according to the company's assessment of what will have the greatest impact on their business. Please note that discussions will be held from November to mid-December, so there may be some leeway for some participants to provide results later.

Q15. Will there be Q&A sessions?

A: Yes. The first Q&A session occurred on 10/8/2026 and notes were distributed to participants. Additionally, participants are encouraged to [reach out to the NAIC](#) as questions arise.

Q16. Where can the most up-to-date version of the Field Test Specifications be viewed?

A: The Specifications are posted on the Life Risk-Based Capital (E) Working Group web page (<https://content.naic.org/committees/e/life-risk-based-capital-wg>) under the *Documents* tab. This will always reflect the most up-to-date Specifications. Additionally, notifications of revisions are sent to Field Test participants over email. See *Appendix A: Field Test Specifications Revision Log* for an overview of changes made subsequent to the original 7/31/2026 distribution.

Appendix A: Field Test Specifications Revision Log

The Specifications are posted on the Life Risk-Based Capital (E) Working Group web page (<https://content.naic.org/committees/e/life-risk-based-capital-wg>) under the *Documents* tab. Occasional updates are made to the Field Test Specifications document to add clarity. The following changes have been made since the original 7/31/2026 distribution:

- A new column, *Number of Scenarios*, was added to the table of runs on Page 6 to provide greater specificity on the desired number of scenarios for each run.
- In *Appendix I: Stochastic Equity Levelized Return Illustration*, the levelized return after the first 10 years was corrected to 4.5%. It previously stated 1.5%.

Appendix B: Using the Scenario Selection Tool

For Field Test runs requiring GOES scenarios, begin with the appropriate *Basic_Data_Set_YYYYMMDD* and *Scenario_Picking_Data_Set_YYYYMMDD* files posted at <https://naic.conning.com/scenario-files>. These will be dated 19891031, 20200309, 20250930, or 20251231 depending on Field Test run and timing of valuation.

The basic data set contains 10,000 scenarios—far more than required for the Field Test. To select subsets for Field Test runs, use the Conning Scenario Selection Tool posted under *Documentation Describing the ESG* at <https://naic.conning.com/documentation>. Below is a screenshot of the *Input Selections* sheet:

	A	B	C	D
1	Source File (Full Basic Data Set)	C:\NAIC GOES\Basic_Data_Set_20241231.csv		
2				
3	Output File (Subset File)	C:\NAIC GOES\Basic_Data_Set_20241231_1000_paths.csv		
4				
5	Scenario Subset Method:	Significance Value		
6				
7	Scenario Subset Selected for File	1000 Must be <= 1000; -1 will write out all scenarios		
8				
9	Yields to Output:	Both		
10				
11	Years to Output:	50		
12				
13	Renumber Paths in Ascending order?	☒		
14				
15				
16				
17	Generate Subset File			
18				
19				
20	Scenario Picker File	C:\NAIC GOES\Scenario_Picking_Data_Set_20241231.xlsx		

The Source File, Output File, and Scenario Picker File (in **green**) are user-specific parameters. For *Source File* and *Scenario Picker File*, select the path to your *Basic_Data_Set_YYYYMMDD.csv* and *Scenario_Picking_Data_Set_YYYYMMDD.xlsx* files, respectively. For *Output File*, specify the destination for selected scenario data, which will be in CSV format.

The *Scenario Subset Method* and *Scenario Subset Selected for File* parameters (in **red**) are prescribed in the Field Test Specifications: *Scenario Subset Method* must be set to *Significance Value* and *Scenario Subset Selected for File* must be set to 200 or 1,000 depending on the run.

The output options (in **blue**) vary by company-specific methodology. By default, the output will label each scenario using its original scenario index among the larger 10,000-scenario set. If *Renumber Paths in Ascending order* is selected—say when selecting a 200-scenario subset—it will remove the old indices and label scenarios from 1 to 200.

Once all inputs are as desired, click *Generate Subset File* to produce a CSV file containing only the selected scenario data.

Additional documentation for the Scenario Selection Tool can be found in *NAIC GOES Technical Documentation - Scenario Selection Tool* posted under *Documentation Describing the ESG* at <https://naic.conning.com/documentation>. This includes full instructions, detailed descriptions of parameters, and an overview of the Significance Value methodology.