

CLIENT ALERT

Reinsurance Asset Adequacy Testing Update

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On Monday, July 14, 2025, the National Association of Insurance Commissioners' ("NAIC") Life Insurance and Annuities (A) Committee (the "(A) Committee") voted to adopt the draft of Actuarial Guideline LV titled "*Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties*" ("AG-55"). AG-55, which proposes enhancements to the asset adequacy testing ("AAT") methodology for assets supporting life and annuity reinsurance transactions, has been under development for nearly a year by the (A) Committee's Life Actuarial (A) Task Force. Please see the [attached copy](#) of the draft AG-55, along with a more detailed description of the guideline covered in our NAIC Spring National Meeting report [here](#).

The NAIC's Executive (EX) Committee and Plenary are expected to vote on final adoption of AG-55 on August 13, 2025 at the NAIC Summer National Meeting. Once effective, first reports would be due from insurers with transactions falling within the scope of AG-55 by April 1, 2026.

Willkie attorneys will be in attendance at the NAIC Summer National Meeting in August, and we will publish timely updates on the adoption status of AG-55. Please contact Allison Tam (atam@willkie.com), Elizabeth Bannigan (ebannigan@willkie.com) or Lauren J. Dalton (ldalton@willkie.com) if you have any questions.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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