

AG 53 GUIDANCE DOCUMENT – YEAR-END 2024

Background information regarding the request for a company filing an Actuarial Guideline 53 (AG 53) Report. The request is related to a project of the Valuation Analysis (E) Working Group (VAWG) of the National Association of Insurance Commissioners to review AG 53 analysis. The

discuss alternative options.

b. Structured Asset Information by Tranche ó Provide information within the AG 53 reporting templates by the position in the capital structure for different exposures and rating agency credit rating for non-agency MBS, and ABS initial assets. For CLOs, provide this information as well as the split for securities with underlying assets that are broadly syndicated loans vs. middle market loans. For MBS, note any interest-only securities. The fields for collecting this information will be provided in the AG 53 reporting templates. Note that multiple columns are provided to capture this data by asset type, including two columns to be named by the company to separately itemize material amounts of ABS assets.

c. Schedule BA and Feeder Funds ó Op y j g òNqp-Ttcf kqpcnAugwö vcd in the AG 53 reporting templates, please provide a description of assets held on Schedule BA within the Annual Statement, along with a table that shows subcategorization of Schedule BA assets by amounts and percentage of total Schedule BA assets (if unable to fit in the worksheet comment box, then either add an additional tab or worksheet with this information or include it in the AG 53 report). For Collateral Loans, in the AG 53 report, disclose the assets pledged as collateral and the source for valuation to ensure compliance with statutory accounting principles. In addition, describe any feeder funds held in the company portfolio, including gcej hwpf øu asset type category, and the schedule and line on the Annual Statement where such funds are located. For the purposes of this request, feeder funds can be defined as one of several sub-funds that put all of riall o princi612 792 reW*nBT/F2 11.04 Tf1 0 0 1 204.53 520.03 Tm0 C

Appendix: Clarifying Items

i. AG 53 Applicability ó This guideline applies to all blocks of business for which the Actuarial Opinion and Memorandum

xii. Non-Publicly Traded Assets ó Regarding AG 53 Section 4.D, the information provided in the AG 53 Report should be itemized appropriately for purposes of readability and review. More specifically, this refers to describing the step-by-step process to calculate and validate the valuation of non-publicly traded assets in a transparent manner in the AG 53 Report for regulators to review.

xiii. Surplus Notes, Bond ETFs, and Preferred Stock ETFs ó For surplus notes, bond ETFs, and preferred stock ETFs, companies should treat these as non-equity-like instruments and report these items