



Valuation Manual

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VM-30: ACTUARIAL OPINION AND MEMORANDUM REQUIREMENTS

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Section 1: Scope

A. General

1. The following provisions contain the requirements for the actuarial opinion of reserves and for supporting actuarial memoranda in accordance with Section 3 of Model #820, and are collectively referred to as Actuarial Opinion and Memorandum (AOM) requirements. For purposes of these VM-30 requirements, the term “actuarial opinion” means the opinion of an appointed actuary regarding the adequacy of reserves and related actuarial items pursuant to these AOM requirements for companies that file the life, A&H annual statement or the fraternal annual statement.
2. Actuarial opinion and supporting actuarial memoranda requirements are provided in VM-30 for companies that file the life, A&H annual statement or the fraternal annual statement. Companies that file the property/casualty (P/C) annual statement or the health annual statement will follow the actuarial opinion and supporting actuarial memoranda requirements pursuant to the instructions for those annual statements. Such companies are not subject to actuarial opinion and supporting actuarial memoranda requirements in this VM-30 unless the instructions for the P/C annual statement or the instructions for the health annual statement provide for requirements in VM-30.

Guidance Note: It is the intent to allow the annual statement instructions to address all issues relating to the actuarial opinion and memorandum for these two statements (P/C annual statement and the health annual statement), but not preclude the use of requirements as appropriate in VM-30 in the instructions for these two statements.

3. The AOM requirements shall be applied in a manner that allows the appointed actuary to use his or her professional judgment in performing the actuarial analysis and developing the actuarial opinion and supporting actuarial memoranda, conforming to relevant ASOPs. However, a state commissioner has the authority to specify methods of analysis and assumptions when, in the commissioner’s judgment, these specifications are necessary for the actuary to render an acceptable opinion relative to the adequacy of reserves and related actuarial items. For purposes of VM-30, the requirements of *Actuarial Guideline XLVIII—Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued Under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation* (AG 48), of the AP&P Manual, shall be applicable. For purposes of VM-30, the requirements of *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51), of the AP&P Manual, shall be applicable.
4. These AOM requirements are applicable to an annual statement with a year-ending date on or after the operative date of the *Valuation Manual*. A statement of actuarial opinion on the adequacy of the reserves and related actuarial items and a supporting actuarial memorandum is required each year.

5. The requirements for an opinion apply to each company filing an annual statement, not to the holding company or group of companies. A single opinion is required for the company.

B. Definitions

1. The term “adverse opinion” means an actuarial opinion in which the appointed actuary determines that the reserves and liabilities are not adequate. (An adverse opinion does not meet Section 3.A.7.e.)
2. The term “qualified opinion” means an actuarial opinion in which the appointed actuary determines the reserves for a certain item(s) are in question because they cannot be reasonably estimated or the actuary is unable to render an opinion on those items. Such qualified opinion should state whether the stated reserve amount makes adequate provision for the liabilities associated with the specified reserves, except for the item(s) to which the qualification relates. The actuary is not required to issue a qualified opinion if the actuary reasonably believes that the item(s) in question are not likely to be material. (A qualified opinion does not meet one or more of the statements in Section 3.A.7.a through Section 3.A.7.d.)
3. The term “inconclusive opinion” means an actuarial opinion in which the appointed actuary determines the actuary cannot reach a conclusion due to deficiencies or limitations in the data, analyses, assumptions or related information. The actuary’s ability to give an opinion is dependent upon data, analyses, assumptions and related information that are sufficient to support a conclusion. An inconclusive opinion shall include a description of the reasons why a conclusion could not be reached.

Section 2: General Requirements for Submission of Statement of a Life Actuarial Opinion

A. General

1. The statement of an appointed actuary, entitled “Statement of Actuarial Opinion,” setting forth an opinion relating to reserves and related actuarial items held in support of policies and contracts, in accordance with Section 3.A must be included with an annual statement.
2. Within five business days of the appointment of an appointed actuary, the company shall notify the domiciliary commissioner of the name, title (and, in the case of a consulting actuary, the name of the firm) and manner of appointment or retention of each person appointed or retained by the company as an appointed actuary and shall state in the notice that the person meets the requirements of an appointed actuary. Once these notices are furnished, no further notice is required with respect to this person unless the actuary ceases to be appointed or retained or ceases to meet the requirements of an appointed actuary.
3. If an actuary who was the appointed actuary for the immediately preceding filed actuarial opinion is replaced by an action of the board of directors, the insurer shall within five business days notify the insurance department of the state of domicile of this event. The insurer shall also furnish the domiciliary commissioner with a separate letter within 10 business days of the above notification stating whether in the 24 months preceding such event there were any material disagreements with the former appointed actuary regarding the content of the opinion. The disagreements required to be reported in response to this paragraph include both those resolved to the former actuary’s satisfaction and those not resolved to the former actuary’s satisfaction. The insurer shall also in writing request such former actuary to furnish a letter addressed to the insurer stating whether the actuary agrees with the statements contained in the insurer’s letter and, if not, stating the reasons for which he/she does not agree. Additionally, the insurer shall furnish such responsive letter from the former actuary to the domiciliary commissioner together with its own.

B. Standards for Asset Adequacy Analysis

1. The asset adequacy analysis must conform to the Standards of Practice as promulgated from time to time by the ASB and to any additional standards under these AOM requirements, which standards are to form the basis of the statement of actuarial opinion in accordance with these AOM requirements.
2. The asset adequacy analysis must be based on methods of analysis as are deemed appropriate for such purposes by the ASB.

C. Liabilities to Be Covered

1. The statement of actuarial opinion must apply to all in-force business on the annual statement date, whether directly issued or assumed, regardless of when or where issued.
2. If the appointed actuary determines as the result of asset adequacy analysis that a reserve should be held in addition to the aggregate reserve held by the company and calculated in accordance with the requirements set forth in the *Valuation Manual*, the company shall establish the additional reserve.
3. Additional reserves established under Section 2.C.2 and determined not to be necessary by the appointed actuary in subsequent years may be released. Any amounts released shall be disclosed in the actuarial opinion for the applicable year. The release of such reserves would not be deemed an adoption of a lower standard of valuation.

Section 3: Requirements Specific to Life Actuarial Opinions**A. Statement of Actuarial Opinion Based on an Asset Adequacy Analysis**

1. The statement of actuarial opinion shall consist of:
 - a. A table of key indicators to alert the reader to any changes from the prescribed language. (See Section 3.A.3.)
 - b. An identification section identifying the appointed actuary and his or her qualifications. (See Section 3.A.4.)
 - c. A scope section identifying the subjects on which an opinion is to be expressed and describing the scope of the appointed actuary's work, including a tabulation delineating the reserves and related actuarial items that have been analyzed for asset adequacy and the method of analysis (see Section 3.A.5), and identifying the reserves and related actuarial items covered by the opinion that have not been so analyzed.
 - d. A reliance section (see Section 3.A.6) describing those areas, if any, where the appointed actuary has relied upon other experts for data, assumptions, projections or analysis (e.g., anticipated cash flows from currently owned assets, including variation in cash flows according to economic scenarios), supported by a statement of each such expert in the form prescribed by Section 3.A.12.
 - e. An opinion section expressing the appointed actuary's opinion with respect to the adequacy of the supporting assets to mature the liabilities. (See Section 3.A.7.)
 - f. A relevant comments section.
2. Each section must be clearly designated. For each section, there is prescribed wording

described in Section 3.A.3 through Section 3.A.7 for that section. If the appointed actuary changes this wording or adds additional wording to clarify the prescribed wording, the appropriate box in the table of key indicators must be checked, and the appointed actuary shall provide the following information for that section in the relevant comments section of the opinion:

- a. A description of the additional or revised wording in the opinion.
- b. The rationale for using the additional or revised wording.
- c. An explanation of the impact, if any, that the additional or revised wording has on the opinion.

The prescribed wording should be modified only if needed to meet the circumstances of a particular case, and the appointed actuary should, in any case, use language that clearly expresses the actuary's professional judgment.

3. The table of key indicators is to be at the top of the opinion and is to be completed consistent with the remainder of the opinion. The only options are those presented below:

Identification Section (Check one box only)	
Prescribed Wording Only	<input type="checkbox"/>
Prescribed Wording with Additional Wording	<input type="checkbox"/>
Revised Wording	<input type="checkbox"/>
Scope Section (Check one box only)	
Prescribed Wording Only	<input type="checkbox"/>
Prescribed Wording with Additional Wording	<input type="checkbox"/>
Revised Wording	<input type="checkbox"/>
Reliance Section (Check one box only)	
Prescribed Wording Only	<input type="checkbox"/>
Prescribed Wording with Additional Wording	<input type="checkbox"/>
Revised Wording	<input type="checkbox"/>
Opinion Section (Check one box only)	
Prescribed Wording Only	<input type="checkbox"/>
Prescribed Wording with Additional Wording	<input type="checkbox"/>
Revised Wording	<input type="checkbox"/>
Actuarial Memorandum Section (Check one box only)	
The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice	<input type="checkbox"/>
The Actuarial Memorandum does not include "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice	<input type="checkbox"/>
Relevant Comments Section (Check one box only)	
Comments are included	<input type="checkbox"/>
Comments are not included	<input type="checkbox"/>
Category of Opinion	

Unqualified	<input type="checkbox"/>
Adverse	<input type="checkbox"/>
Qualified	<input type="checkbox"/>
Inconclusive	<input type="checkbox"/>

4. The identification section should specifically indicate the appointed actuary's relationship to the company, qualifications for acting as appointed actuary and date of appointment, as well as specify that the appointment was made by the board of directors, or its equivalent, or by a committee of the board.

This section should contain only one of the following:

For a member of the Academy who is an employee of the organization, the identification section of the opinion should contain all of the following sentences if the appointed actuary is using the prescribed wording:

"I, [name and title], am an employee of [insurance company name] and a member of the American Academy of Actuaries. I was appointed on [date of appointment] in accordance with the requirements of the *Valuation Manual*. I meet the Academy qualification standards for rendering the opinion."

For a consultant who is a member of the Academy, the identification section of the opinion should contain all of the following sentences if the appointed actuary is using the prescribed wording:

"I, [name and title of consultant], am associated with the firm of [name of consulting firm]. I am a member of the American Academy of Actuaries. I was appointed on [date of appointment] in accordance with the requirements of the *Valuation Manual*. I meet the Academy qualification standards for rendering the opinion."

Guidance Note: It is not necessary for an appointed actuary to be reappointed under the *Valuation Manual*. For purposes of the identification section, appointment in accordance with the requirements of the *Actuarial Opinion and Memorandum Regulation* (#822) qualifies as being in accordance with the *Valuation Manual*.

5. The scope section should contain only the following statement (including all specified lines even if the value is zero) if the appointed actuary is using the prescribed wording:

"I have examined the assumptions and methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the company, as prepared for filing with state regulatory officials, as of December 31, 20___. Tabulated below are those reserves and related actuarial items which have been subjected to asset adequacy analysis."

Asset Adequacy Tested Amounts—Reserves and Related Actuarial Items						
Statement Item	Formula Reserves (1)	Principle-Based Reserves (2)	Additional Reserves ^a (3)	Analysis Method ^b	Other Amount (4)	Total Amount = (1)+(2)+(3)+(4) (5)
Exhibit 5						
A Life Insurance						
B Annuities						
C Supplementary Contracts Involving Life Contingencies						
D Accidental Death Benefits						
E Disability—Active						
F Disability—Disabled						
G Miscellaneous						
Total						
Exhibit 6						
A Active Life Reserve						
B Claim Reserve						
Total						
Exhibit 7						
Guaranteed Interest Contracts						
Annuities Certain						
Supplemental Contracts						
Dividend Accumulations or Refunds						

Asset Adequacy Tested Amounts—Reserves and Related Actuarial Items						
Statement Item	Formula Reserves (1)	Principle-Based Reserves (2)	Additional Reserves ^a (3)	Analysis Method ^b	Other Amount (4)	Total Amount = (1)+(2)+(3)+(4) (5)
Premium and Other Deposit Funds						
Total Exhibit 7						
Exhibit 8 Part 1						
1 Life						
2 Health						
Total Exhibit 8, Part 1						
Separate Accounts (Page 3 of the Annual Statement of the Separate Accounts, Lines 1 and 2)						
Other Reserves and Related Actuarial Items Tested <<include a description and the location of other reserves and related actuarial items tested>>						
TOTAL RESERVES						

IMR (General Account, Page____ Line____)	
(Separate Accounts, Page____ Line____)	
AVR ^c (Page____ Line____)	
Net Deferred and Uncollected Premium	

- a. The additional reserves are the reserves established under Section 2.C.2.
- b. The appointed actuary should indicate the method of analysis, determined in accordance with the standards for asset adequacy analysis referred to in Section 2.B of these AOM requirements, by means of symbols that should be defined in footnotes to the table. If more than one method of analysis is used for any single annual statement line or line from the above table, an additional line for each method of analysis shall be provided with the method of analysis identified for

each line.

c. This is the allocated amount of AVR.

6. The reliance section should contain only one of the following if the appointed actuary is using the prescribed wording:

If the appointed actuary has not relied upon other experts for data, assumptions, projections or analysis, the reliance section should include only the following statement:

“My examination included a review of the data, assumptions, projections and analysis and of the underlying basic asset and liability data, and such tests of the assumptions, projections and analysis I considered necessary. I also reconciled the underlying basic asset and liability data to the extent applicable to [exhibits and schedules listed as applicable] of the company’s current annual statement.”

If the appointed actuary has relied upon other experts for data, assumptions, projections or analysis, the reliance section should include only the following statement:

“In forming my opinion on [specify types of reserves], I relied upon data, assumptions, projections or analysis prepared by [name and title each expert providing the data, assumptions, projections, or analysis] as certified in the attached statements. I evaluated that data, assumptions, projections or analysis for reasonableness and consistency. I also reconciled data to the extent applicable to [list applicable exhibits and schedules] of the company’s current annual statement. In other respects, my examination included review of the assumptions, projections, and analysis used and tests of the assumptions, projections and analysis I considered necessary. I have received documentation from the experts listed above that supports the data, assumptions, projections and analysis.”

The appointed actuary shall attach to his/her opinion a statement by each expert relied upon in the form prescribed by Section 3.A.12.

7. The opinion section should include only the following statement if the actuary is using prescribed wording:

“In my opinion, the reserves and related actuarial items concerning the statement items identified above:

- a. Are computed in accordance with presently accepted ASOPs consistently applied and are fairly stated, in accordance with sound actuarial principles.
- b. Are based on assumptions and methods that produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions.
- c. Meet the requirements of the insurance laws and regulations of the state of [state of domicile]; and

(Use one of the following phrases as appropriate)

“are at least as great as the minimum aggregate amounts required by any state in which this company is licensed.”

or

“are at least as great as the minimum aggregate amounts required by any state

in which this company is licensed, with the exception of the following states [list states]. For each listed state, a separate statement of actuarial opinion was submitted to that state that complies with the requirements of that state.”

- d. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end (with any exceptions noted below).
- e. Include provision for all reserves and related actuarial items that ought to be established.

The reserves and related actuarial items, when considered in light of the assets held by the company with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on the assets, and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision, according to presently accepted ASOPs, for the anticipated cash flows required by the contractual obligations and related expenses of the company. (At the discretion of the commissioner, this language may be omitted for an opinion filed on behalf of a company doing business only in this state and in no other state.)

The methods, considerations and analyses used in forming my opinion conform to the appropriate ASOPs as promulgated by the Actuarial Standards Board, which form the basis of this statement of opinion.

This opinion is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion that should be considered in reviewing this opinion.

The impact of unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion. The analysis of the asset adequacy portion of this opinion should be viewed recognizing that the company’s future experience may not follow all the assumptions used in the analysis.”

- 8. The opinion may include a relevant comments section. The relevant comments section should provide a brief description of each item. A detailed analysis of each item should be included in the actuarial memorandum.

Guidance Note: An example of a relevant comment is if there has been any material change in the assumptions or methods from those previously employed, a portion of the relevant comment section can describe that change in the statement of opinion by including a description of the changes, such as: “A material change in assumptions or methods was made during the past year, but such change accords with accepted actuarial standards.” A brief description of the change would follow.

Other examples of items to include in the relevant comments section include topics of regulatory importance, descriptions of the reason for qualifying an opinion or explanations for an aspect of the annual statement that is not already sufficiently explained in the annual statement.

- 9. The opinion should conclude with the signature of the appointed actuary responsible for providing the actuarial opinion and the date when the opinion was rendered. The signature

and date should appear in the following format:

Signature of Appointed Actuary

Printed Name of Appointed Actuary

Address of Appointed Actuary

Telephone Number of Appointed Actuary

Email Address of Appointed Actuary

Date

10. If the appointed actuary is able to form an opinion that is not qualified, adverse or inconclusive as those terms are defined in Section 1.B, the actuary should issue a statement of unqualified opinion. If the opinion is adverse, qualified or inconclusive, the appointed actuary should issue an adverse, qualified or inconclusive opinion explicitly stating the reason for such opinion. In all circumstances, the category of opinion should be accurately identified in the TABLE of KEY INDICATORS section of the opinion.
11. The adoption for new issues or new claims or other new liabilities of an assumption that differs from a corresponding assumption used for prior new issues or new claims or other new liabilities is not a change in assumptions within the meaning of this section (i.e., Section 3.A).
12. If the appointed actuary relies on other experts for data, assumptions, projections or analysis in forming the actuarial opinion, the actuarial opinion should identify the experts the actuary is relying upon and a precise identification of the information provided by the experts. In addition, the experts on whom the appointed actuary relies shall provide a certification that identifies the specific information provided; states that supporting documentation was provided; opines on the accuracy, completeness or reasonableness of the information provided; and describes their qualifications. This certification shall include the signature, name, title, company, address and telephone number of the person rendering the certification, as well as the date on which it is signed.

B. Description of the Actuarial Memorandum, Including an Asset Adequacy Analysis and Regulatory Asset Adequacy Issues Summary

1. The appointed actuary shall prepare a memorandum to the company describing the analysis done in support of his or her opinion regarding the reserves. The memorandum shall be made available for examination by an insurance commissioner upon request but shall be returned to the company after such examination and shall not be considered a record of the insurance department nor subject to automatic filing with an insurance commissioner.

2. In preparing the memorandum, the appointed actuary may rely on, and include as a part of his/her own memorandum, memoranda prepared and signed by other actuaries, each of whom is a qualified actuary within the meaning of the VM-01 definition thereof, with respect to the areas covered in such memoranda, and so state in his/her memoranda.
3. Any actuary engaged by the insurance commissioner under [insert reference to Section 3 of the state's Standard Valuation Law] shall have the same status as an examiner for purposes of obtaining data from the company, and the work papers and documentation of the actuary shall be retained by the insurance commissioner—provided, however, that any information provided by the company to the actuary and included in the work papers shall be considered as material provided by the company to the insurance commissioner and shall be kept confidential to the same extent as is prescribed by law with respect to other material provided by the company to the insurance commissioner pursuant to the statute governing these AOM requirements. The actuary shall not be an employee of a consulting firm involved with the preparation of any prior memorandum or opinion for the insurer pursuant to these AOM requirements for any one of the current year or the preceding three years.
4. The memorandum shall include the following statement:

“Actuarial methods, considerations and analyses used in the preparation of this memorandum conform to the appropriate standards of practice as promulgated by the Actuarial Standards Board, which standards form the basis for this memorandum.”
5. An appropriate allocation of assets in the amount of the IMR, whether positive or negative, shall be used in any asset adequacy analysis. Analysis of risks regarding asset default may include an appropriate allocation of assets supporting the asset valuation reserve; these AVR assets may not be applied for any other risks with respect to reserve adequacy. Analysis of these and other risks may include assets supporting other mandatory or voluntary reserves available to the extent not used for risk analysis and reserve support.
6. The amount of the assets used for the AVR shall be disclosed in the table of reserves and liabilities of the opinion and in the memorandum. The method used for selecting particular assets or allocated portions of assets shall be disclosed in the memorandum.
7. The appointed actuary shall retain on file, for at least seven years, sufficient documentation so that it will be possible to determine the procedures followed, the analyses performed, the bases for assumptions and the results obtained.
8. When an actuarial opinion is provided, the memorandum shall demonstrate that the analysis has been done in accordance with the standards for asset adequacy referred to in Section 2.B and any additional standards specified in these AOM requirements.
9. When an actuarial opinion is provided, the memorandum shall specify for reserves:
 - a. Product descriptions, including market description, underwriting and other aspects of a risk profile and the specific risks the appointed actuary deems significant.
 - b. Source of liability in force.
 - c. Reserve method and basis.
 - d. Investment reserves.
 - e. Reinsurance arrangements.

- f. Identification of any explicit or implied guarantees made by the general account in support of benefits provided through a separate account or under a separate account policy or contract and the methods used by the appointed actuary to provide for the guarantees in the asset adequacy analysis.
 - g. Documentation of assumptions used for lapse rates (both base and excess), interest crediting rate strategy, mortality (including base assumptions and future mortality improvement or deterioration), policyholder dividend strategy, competitor or market interest rate, annuitization rates, commissions and expenses, and morbidity. The documentation of the assumptions shall be such that an actuary reviewing the actuarial memorandum could form a conclusion as to the reasonableness of the assumptions and whether the assumptions contribute to the conclusion that the reserves make provision for “moderately adverse conditions.”
10. When an actuarial opinion is provided, the memorandum shall specify for assets:
- a. Portfolio descriptions, including a risk profile disclosing the quality, distribution and types of assets.
 - b. Investment and disinvestment assumptions.
 - c. Source of asset data.
 - d. Asset valuation bases.
 - e. Documentation of assumptions made for default costs, bond call function, mortgage prepayment function, determining market value for assets sold due to disinvestment strategy and determining yield on assets acquired through the investment strategy. The documentation of the assumptions shall be such that an actuary reviewing the actuarial memorandum could form a conclusion as to the reasonableness of the assumptions.
11. When an actuarial opinion is provided, the memorandum shall specify for the analysis basis:
- a. Methodology.
 - b. Rationale for inclusion or exclusion of different blocks of business and how pertinent risks were analyzed.
 - c. Rationale for degree of rigor in analyzing different blocks of business. (Include in the rationale the level of “materiality” that was used in determining how rigorously to analyze different blocks of business.)
 - d. Criteria for determining asset adequacy. (Include in the criteria the precise basis for determining if assets are adequate to cover reserves under “moderately adverse conditions” or other conditions as specified in relevant ASOPs.)
 - e. Whether the impact of federal income taxes was considered and the method of treating reinsurance in the asset adequacy analysis.
12. When an actuarial opinion is provided, the memorandum shall contain:
- a. Summary of material changes in methods, procedures or assumptions from the prior year’s asset adequacy analysis.

- b. Summary of results.
 - c. Conclusions.
13. The appointed actuary shall prepare a regulatory asset adequacy issues summary, the contents of which are specified below. The regulatory asset adequacy issues summary will be submitted to the domiciliary commissioner no later than April 1 of the year following the year for which a statement of actuarial opinion based on asset adequacy is required and shall be available to any other insurance commissioners on request. An insurance commissioner shall keep the regulatory asset adequacy issues summary confidential to the same extent and under the same conditions as the actuarial memorandum.
- a. The regulatory asset adequacy issues summary shall include:
 - i. The following key indicator. The only options are those presented below:

This opinion is unqualified: Yes No

If the response is “No,” the appointed actuary shall explain the reason(s) why the opinion is not unqualified in a manner that is satisfactory to the insurance commissioner.
 - ii. Descriptions of the scenarios tested (including whether those scenarios are stochastic or deterministic) and the sensitivity testing done relative to those scenarios. If negative ending surplus results under certain tests in the aggregate, the actuary should describe those tests and the amount of additional reserve as of the valuation date, which, if held, would eliminate the negative aggregate surplus values. Ending surplus values shall be determined by either extending the projection period until the in force and associated assets and liabilities at the end of the projection period are immaterial or by adjusting the surplus amount at the end of the projection period by an amount that appropriately estimates the value that can reasonably be expected to arise from the assets and liabilities remaining in force. The actuary shall provide a summary of the testing results, tabular or otherwise, sufficient to provide a clear understanding of the basis for the actuarial opinion. This summary shall include clarifying explanations of the results as needed.
 - iii. The extent to which the appointed actuary uses assumptions in the asset adequacy analysis that are materially different from the assumptions used in the previous asset adequacy analysis.
 - iv. The amount of reserves and the identity of the product lines that had been subjected to asset adequacy analysis in the prior opinion but were not subject to analysis for the current opinion.
 - v. Comments on any interim results that may be of significant concern to the appointed actuary.
 - vi. The methods used by the actuary to recognize the impact of reinsurance on the company’s cash flows, including both assets and liabilities, under each of the scenarios tested.
 - vii. Whether the actuary has been satisfied that all options, whether explicit or embedded, in any asset or liability (including, but not limited to, those

affecting cash flows embedded in fixed income securities) and equity-like features in any investments have been appropriately considered in the asset adequacy analysis.

- b. The regulatory asset adequacy issues summary shall contain the name of the company for which the regulatory asset adequacy issues summary is being supplied and shall be signed and dated by the appointed actuary rendering the actuarial opinion.