



**What RBC Pages Should Be Submitted?**

For the year-end 2018 health risk-based capital (RBC) filing, submit hard copies of pages **XR001 through XR027** to any state that requests a hard copy in addition to the electronic filing. Beginning with year-end 2007, a hard copy of the RBC filings was not required. Worksheets, do not need to be submitted. Those pages would need to be retained by the company as documentation.

**Operational Risk**

A revised basic operational risk “add-on” structure and instructions were adopted by the Capital Adequacy (E) Task Force at the Spring National Meeting and during its April 28 conference call under proposal 2017-13-O and proposal 2017-16-O, respectively. The “add-on” is equal to 3% of total RBC after covariance in all RBC formulas. The operational risk charge is offset (to a minimum of zero) by the amount of C-4a risk RBC carried by life RBC filers, as well as the C-4a risk RBC of life insurance subsidiaries owned directly by any insurer type. The basic operational risk charge will be effective with the filing of the 2018 RBC formulas. The RBC charge was previously set at 0% for 2017 RBC by the Task Force based on a technical issue that was subsequently addressed by the Operational Risk (E) Subgroup.

**ASC and ASO Broker Commissions (Page XR021)**

As a result of the adoption of proposal 2018-06-H by the Capital Adequacy (E) Task Force on its June 28 conference call, instructions were added to include ASC and ASO broker commissions in Line (8) and Line (9) on page XR021.

**Stop Loss Interrogatories**

As a result of the adoption of proposal 2018-01-CA by the Capital Adequacy (E) Task Force on its April 30 conference call, electronic-only tables for stop loss interrogatories were added to page XR014. Table 1 will be used to collect data to review and evaluate the stop loss factors. Table 2 will be used to capture the number of stop loss contracts by group size.

**Appendix 2 – Commonly Used Terms for Medicare Part D Coverage**

As a result of the adoption of prior RBC instructions, the RBC instructions are as follows:

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## **Editorial Changes**

