

## Capital Adequacy (E) Task Force

### RBC Proposal Form

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Capital Adequacy (E) Task Force  | <input type="checkbox"/> Health RBC (E) Working Group         | <input type="checkbox"/> Life RBC (E) Working Group    |
| <input type="checkbox"/> Catastrophe Risk (E) Subgroup    | <input type="checkbox"/> Investment RBC (E) Working Group     | <input type="checkbox"/> Operational Risk (E) Subgroup |
| <input type="checkbox"/> C3 Phase II/ AG43 (E/A) Subgroup | <input checked="" type="checkbox"/> P/C RBC (E) Working Group | <input type="checkbox"/> Longevity Risk (A/E) Subgroup |

DATE: 10/1/2021

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ON BEHALF OF: P/C RBC (E) Working Group

NAME: Tom Botsko

TITLE: Chair

AFFILIATION: Ohio Department of Insurance

ADDRESS: 50 W. Town Street, Third Floor – Suite 300

Columbus, OH 43215

PR012 – Credit Risk for Receivables



Reinsurer Designation Equivalent Rating Category and Corresponding Factors—For RBC R3 Credit Risk Charge
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A++ Best 10

	Aaa	Aa1, Aa2, Aa3	A1, A2	A3	Baa1, Baa2, Baa3	Ba1, Ba2, Ba3, B1, B2,
				A-	BBB+, BBB, BBB-	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R
Collateralized Amounts Factors	<b>1.6%</b>	<b>2.1%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
Uncollateralized Amounts Factors	<b>1.6%</b>	<b>2.1%</b>	<b>2.8%</b>	<b>3.3%</b>	<b>5.1%</b>	<b>12.0%</b>



**Detail Eliminated To Conserve Space**



2020 P&C RBC - Comparison of Action Levels  
 Current RBC Action Levels vs Alternative RBC Action Level

Alternative RBC: 2% Reduction on Reinsurance Recoverable RBC Charge for ALL Reinsurance Designation Equivalents

(Excluding Companies with Negative TAC)

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL	9						9
ACL		2					2
RAL		1	2				3
CAL			1	13			14
Trend Test				2	22		24
No Action			1		2	2,420	2,423
Total	9	3	4	15	24	2,420	2,475

(Companies with TAC Between \$0 and \$5 Million)

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL	6						6
ACL		1					1
RAL			2				2
CAL				6			6
Trend Test				1	5		6
No Action			1			236	237
Total	6	1	3	7	5	236	258

(Companies with TAC Between \$5 and \$25 Million)

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL	3						3
ACL							0
RAL							0
CAL			1	5			6
Trend Test				1	8		9
No Action					1	761	762
Total	3	0	1	6	9	761	780

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL							0
ACL		1					1
RAL		1					1
CAL							0
Trend Test					5		5
No Action					1	578	579
Total	0	2	0	0	6	578	586

(Companies with TAC Between \$75 Million and \$250 Million)

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL							0
ACL							0
RAL							0
CAL				2			2
Trend Test					2		2
No Action						430	430
Total	0	0	0	2	2	430	434

(Companies with TAC Between \$250 Million and \$1 Billion)

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL							0
ACL							0
RAL							0
CAL							0
Trend Test					1		1
No Action						267	267
Total	0	0	0	0	1	267	268

(Companies with TAC Greater Than \$1 Billion)

2020 RBC Action Level under Alternative RBC Formula	MCL	ACL	2020 RBC Action Level under Current RBC Formula		Trend Test	No Action	Total
			RAL	CAL			
MCL							0
ACL							0
RAL							0
CAL							0
Trend Test					1		1
No Action						148	148
Total	0	0	0	0	1	148	149

