

EQUITY ASSETS

XR010

Unaffiliated Preferred Stocks

~~Experience data to develop preferred stock factors is not readily available; however, it is believed that preferred stocks are somewhat more likely to default than bonds. The loss on default would be somewhat higher than that experienced on bonds; however, formula factors are equal to bond factors.~~

~~The RBC requirements for unaffiliated preferred stocks are based on the NAIC designation. Detailed information on unaffiliated preferred stock is found in~~ Column (1) amounts ~~are~~ from Schedule D, Part 2, Section 1 not including affiliated preferred stock. The preferred stocks must be broken out by asset designation (NAIC 01 through NAIC 06) and these individual groups are to be entered in the appropriate lines. The total amount of unaffiliated preferred stock reported should equal annual statement Page 2, Column 3, Line 2.1, less any affiliated preferred stock in Schedule D Summary