# Capital Adequacy (E) Task Force RBC Proposal Form

Capital Adequacy (E) Task Force Catastrophe Risk (E) Subgroup Variable Annuities Capital. & Reserve (E/A) Subgroup Health RBC (E) Working Group
P/C RBC (E) Working Group
Economic Scenarios (E/A) Subgroup

Life RBC (E) Working Group Longevity Risk (A/E) Subgroup RBC Investment Risk & Evaluation (E) Working Group

CONTACT PERSON:	Steve Clayburn	_				
TELEPHONE:	(202)624-2197	<u>DISPOSITION</u>				
EMAIL ADDRESS:	steveclayburn@acli.com	ADOPTED: TASK FORCE (TF)6/30/23_				
ON BEHALF OF:	American Council of Life Insurers (ACLI)	WORKING GROUP (WG) 6/14/23				
NAME:	SteveY@lanybt 2023	SUBGROUP (SG)  EXPOSED:				
		TASK FORCE (TF)				
		WORKING GROUP (WG)				
		SUBGROUP (SG)				
		REJECTED:				
		TF WG SG				
		OTHER:				

DATE: 4/20/23

## IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

Health RBC Blanks
Health RBC Instructions
Health RBC Formula
OTHER \_\_\_\_\_

Property/Casualty RBC Blanks
Property/Casualty RBC Instructions
Property/Casualty RBC Formula

Life and Fraternal RBC Blanks Life and Fraternal RBC Instructions Life and Fraternal RBC Formula

REFERRED TO OTHER NAIC GROUP

**DEFERRED TO** 

(SPECIFY)

## DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

The adoption by the Working Group of proposal 2023-04-IRE provides the structure for this sensitivity test. This proposal is to address the factor to be applied in that test.

#### **Additional Staff Comments:**

DF – The Working Group adopted a factor of .15 for yearend 2023.

EY- The Task Force adopted this proposal and 2023-09-IRE together during June 30 meeting.

\*\* This section must be completed on all forms.

Revised 2-2023

## SENSITIVITY TESTS - AUTHORIZED CONTROL LEVEL

SENSI	TIVITI TESIS - AUTHORIZED CONTRO	JE LE VEE	(1)		(2)	(2)	(4)
	Sensitivity Tests Affecting Authorized Control Level <u>Risk-Based Capital</u>	<u>Source</u>	(1) Statement Value	Additional Sensitivity <u>Factor</u>	(2)  Additional RBC	(3) Authorized Control Level <u>Before Test</u>	(4) Authorized Control Level After Test
(1.1)	Other Affiliates: Company	LR042 Summary for Affiliated Investments Column		0.700			
		(1) Line (13)					
(1.2)	Other Affiliates: Subsidiaries	LR038 Additional Information Required Column (1) Line (1.2)		0.700			
(1.99)	Total Other Affiliates	(1.2)		0.700			
(2.1)	Noncontrolled Assets - Company	LR017 Off-Balance Sheet and Other Items Column		0.020			
	Noncontrolled Assets -	(1) Line (15) LR038 Additional Information Required Column (1)		0.020			
	Subsidiaries Total Noncontrolled Assets	Line (2.2)		0.020			
	Guarantees for Affiliates: Company	LR017 Off-Balance Sheet and Other Items Column		0.020			
		(1) Line (24)		0.020			
(3.2)	Guarantees for Affiliates:Contingent Liabilitie	s: Subsidiaries		•			
			-	,			
		LR038 Additional Information Required Column (1) Line (4.2)	-	0.020			·
(4.99)	Total Contingent Liabilities			0.020			
(5.1)	Long-Term Leases: Company	LR017 Off-Balance Sheet and Other Items Column		0.030			
(5.2)	Long-Term Leases: Subsidiaries	(1) Line (26) LR038 Additional Information Required Column (1)		0.030			
(5.99)	Total Long-Term Leases	Line (5.2)		0.030			
(7.1)	Affiliated Investments†: Company	LR038 Additional Information Required Column (1) Line (7.14)		0.100			
	Affiliated Investments†:	LR038 Additional Information Required Column (1)		0.100			
	Subsidiaries Total Affiliated Investments	Line (7.2)		0.100			
_	<b>Total Residual Tranches or Interests</b>	LR038 Additional Information Required Column (1)		0.150			

Denotes items that must be manually entered on the filing software.

Line (11.1)

(1)	Additional	(2)	(3) Authorized	(4) Authorized
Statement Value	Sensitivity Factor	Additional RBC	Control Level Before Test	Control Level <u>After Test</u>
	0.700			
	0.700			
	0.700			
	0.020			
	0.020			
	0.020			
	0.020			
	0.020			
	0.020			
	0.030			
	0.030			
	0.030			
	0.100			
	0.100			
	0.100			
	0.150			

Excluding affiliated preferred and common stock