Capital Adequacy (E) Task Force

RBC Proposal Form

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

DATE: 10-10-23	FOR NAIC USE ONLY
CONTACT PERSON: Eva Yeung	Agenda Item #2023-12-CA Year 2024
TELEPHONE: 816-783-8407	DISPOSITION
EMAIL ADDRESS: eyeung@naic.org	ADOPTED:
ON BEHALF OF: Capital Adequacy (E) Task Force	TASK FORCE (TF)
NAME: Tom Botsko	WORKING GROUP (WG)
TITLE: Chair	SUBGROUP (SG)
AFFILIATION: Ohio Department of Insurance	REJECTED: TF WG SG
ADDRESS: 50 West Town Street, Suite 300 Columbus, OH 43215	OTHER: DEFERRED TO REFERRED TO OTHER NAIC GROUP (SPECIFY)

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

Health RBC Blanks
Property/Casualty RBC Blanks
Life and Fraternal RBC Blanks
Health RBC Instructions
Property/Casualty RBC Instructions
Life and Fraternal RBC Instructions
Health RBC Formula
Property/Casualty RBC Formula
Life and Fraternal RBC Formula
OTHER

DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

Health: Modified page XR002 to remove the word "Common" the heading of Column (13) and updated page XR010 and XR024 to

1 TD (o) clarify (th)-88.901 413 TD t)-6.3 (c.4 (U7-8004 (C)s4 (r)-1.4]TJ 0 Tc 0 Tw 420.86 0 Tw ( ).) [(aT)4 03 (h [(t)2.s43401 (l[(t)2. [(t)2.7 a) (

-

stock. The smaller of the prorated porəon of the a liate/subsidiary's own statutory surplus or the prorated porəon of its RBC aŌer covariance is added to the H_0 component of the reporəng company. ~~In the normal case,~~ Normally, the common and preferred stock book/adjusted carrying value of the a liate/subsidiary exceeds the prorated porəon of the larger of its statutory surplus and its RBC aŌer covariance, an addiəonal charge is applied to H_1. ~~In~~ this case, tThe addiəonal charge to the H_1 of the a liate's/subsidiary's RBC

ed porəon of the a liate/subsidiary's statutory surplus is added

to the reporəng

company's H_1 component. If the a liate/subsidiary's common and preferred sto pre4e49080TD0T.1(i)5.2(diar)65028f.common

es the a liate/subsidiary at market value, aŌer any "discount," there are generally two

by the a liate/subsidiary. The prorated porəon is the

percentage of ownership of the total

common and preferred stock. The smaller of the prorated porəon of the a liate/subsidiary's own statutory surplus or the prorated porəon of its RBC aŌer covariance is added to the R_0 component of the reporəng company. ~~In the normal case,~~ Normally, the common and preferred stock book/adjusted carrying value of the a liate/subsidiary exceeds the prorated porəon of the larger of its statutory surplus and its RBC aŌer covariance an addiəonal charge is applied to R_2. In this case, tThe addiəon stock book/adjusted carrying value in excess of the prorated porəon of the a liate/subsidiary's statutory surplus or b) the prorated porəon of the a liate/subsidiary's RBC aDer covariance in excess of the prorated porəon of its statutory surplus. If the a liate/subsidiary's common and preferred stock book/adjusted carrying value is less than the prorated porəon of its RBC aDer covariance, but greater than the prorated porəon of its statutory surplus, 100 percent of the common and preferred stock book/adjusted carrying value in excess of the prorated porəon of the a liate/subsidiary's statutory surplus is added to the reporəng company's R_2 component. If the a liate/subsidiary's common and preferred stock book/adjusted carrying value is less than the prorated porəon of the a liate/subsidiaries' s statutory surplus, there is no addiəon to the R_2 component.

Detail Eliminated to Conserve

DETAILS FOR AFFILIATED STOCKS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Name of Affiliate	Affil Type	NAIC Company Code or Alien ID Number										

DETAILS FOR AFFILIATED STOCKS PR003

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Name of Affiliate	Affil Type	NAIC Company Code or Alien ID Number	Affiliate's RBC After Covariance before Basic Operational Risk LR031 L(69) + L(73) PR032 L(60)									

Calculation of Total Risk-Based Capital After Covariance PR031 R2-R3

R2 - Asset Risk - Equity		PRBC O&I Reference	(1) RBC Amount
(27)	Common - Affiliate Investment Subsidiary	PR004 L(7)C(2)	0
(28)			