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　　　[　] Investment RBC (E) Working Group　　[　] Operational Risk (E) Subgroup

[　] C3 Phase II AG43 (E/A) Subgroup　　[　] P/C RBC (E) Working Group　　　　[x] Longevity Risk (A/E) Subgroup

DATE: ____6/4/20____	FOR NAIC USE ONLY
CONTACT PERSON: __Dave Fleming__	Agenda Item #2020-06-L
TELEPHONE: ___816-783-8121___	Year ____2020____
EMAIL ADDRESS: __dfleming@naic.org__	DISPOSITION
ON BEHALF OF: __Longevity Risk (A/E) Subgroup__	[x] ADOPTED 6/11/20WG/ 4/30/20TF
NAME: __Rhonda Ahrens, Chair__	[　] REJECTED _____
TITLE: __Chief Actuary__	[　] DEFERRED TO _____
AFFILIATION: __Nebraska Department of Insurance__	[　] REFERRED TO OTHER NAIC GROUP
ADDRESS: __1135 M Street, Suite 300__	[X] EXPOSED ____4/30/20____
__Lincoln, NE 68501-2089__	[　] OTHER (SPECIFY) _____

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

[　] Health RBC Blanks　　　　　[　] Property/Casualty RBC Blanks　　　　[x] Life and Fraternal RBC Instructions

[　] Health RBC Instructions　　　[　] Property/Casualty RBC Instructions　　[x] Life and Fraternal RBC Blanks

[　] OTHER _____

DESCRIPTION OF CHANGE(S)

This proposal creates the instructions necessary to complete the new longevity risk schedule.

REASON OR JUSTIFICATION FOR CHANGE **

The Longevity Risk (A/E) Subgroup was charged with providing recommendations for recognizing longevity risk in statutory reserves and/or RBC, as appropriate. Th
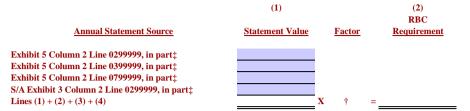
LONGEVITY RISK

Basis of Factors

Specific Instructions for Application of the Formula

-
-
-
-

Longevity Risk

			(1)		(2)
		Annual Statement Source	**Statement Value**	**Factor**	**RBC Requirement**
	Life Contingent Annuity Reserves				
(1)	General Account Life Contingent Annuity Reserves	Exhibit 5 Column 2 Line 0299999, in part‡			
(2)	General Account Life Contingent Supplemental Contract Reserves	Exhibit 5 Column 2 Line 0399999, in part‡			
(3)	General Account Life Contingent Miscellaneous Reserves	Exhibit 5 Column 2 Line 0799999, in part‡			
(4)	Separate Account (SA) Life Contingent Annuity Reserves	S/A Exhibit 3 Column 2 Line 0299999, in part‡			
(5)	Total Life Contingent Annuity Reserves	Lines (1) + (2) + (3) + (4)	X	†	=

†   The tiered calculation is illustrated in the Longevity Risk section of the risk-based capital instructions.

‡   Include only the portion of reserves for products in scope per the instructions

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

CALCULATION OF TAX EFFECT FOR LIFE AND FRATERNAL RISK-BASED CAPITAL (CONTINUED)

(136b) **Longevity C-2 Risk**   LRtbd Longevity Risk Column (2) Line (5)   X   0.2100   =

Alternative with Guardrail Factor:
L(133) + L(134) + L(137) + L(138) + Greatest of [Guardrail Factor * (L(135)+L(136)), Guardrail Factor * L(136b), Square Root of [(L(135) + L(136))2 + L(136b)2 + 2 * (TBD Correlation Factor) * (L(135) + L(136)) * L(136b)]]

(139) **Total C-2 Risk**   L(133) + L(134) + L(137) + L(138) + Square Root of [(L(135) + L(136))2 + L(136b)2 + 2 * (TBD Correlation Factor) * (L(135) + L(136)) * L(136b)]