



Draft date: 05/30/24

Virtual Meeting

**HEALTH RISK-BASED CAPITAL (E) WORKING GROUP**

Thursday, June 6, 2024

3:00 – 4:00 p.m. ET / 2:00 – 3:00 p.m. CT / 1:00 – 2:00 pm. MT / 12:00 – 1:00 p.m. PT

**ROLL CALL**

Steve Drutz, Chair	Washington	Tish Becker	Kansas
Matthew Richard, Vice Chair	Texas	Danielle Smith/Debbie Doggett	Missouri
Wanchin Chou	Connecticut	Margaret Garrison	Nebraska
Kyle Collins	Florida	Michel Laverdiere	New York
		Diana Sherman	Pennsylvania

NAIC Support Staff: Maggie Chang

**AGENDA**

- 1) Consider Adoption of Proposal 2024-12-H—*Steve Drutz (WA)*
  - Proposal 2024-12-H Attachment 1
  - Comment Letter from America’s Health Insurance Plans (AHIP) Attachment 2
  - Proposal 2024-12-H Modified Attachment 3
- 2) Consider Forwarding a Referral Letter to the Financial Analysis Solvency Tools (E) Working Group and Examiner’s Handbook (E) Working Group on Pandemic Risk—*Steve Drutz (WA)* Attachment 4
- 3) Discuss the Excessive Growth Charge—*Steve Drutz (WA)* Attachment 5
- 4) Discuss Any Other Matters Brought Before the Working Group—*Steve Drutz (WA)*
- 5) Adjournment

## Capital Adequacy (E) Task Force

### RBC Proposal Form

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Capital Adequacy (E) Task Force                      | <input checked="" 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"/> P/C RBC (E) Working Group               | <input type="checkbox"/> Longevity Risk (A/E) Subgroup                      |
| <input type="checkbox"/> Variable Annuities Capital. & Reserve (E/A) Subgroup | <input type="checkbox"/> Economic Scenarios (E/A) Subgroup       | <input type="checkbox"/> RBC Investment Risk & Evaluation (E) Working Group |

<p style="text-align: right;">DATE: <u>3-19-24</u></p> <p><b>CONTACT PERSON:</b> <u>Maggie Chang</u></p> <p><b>TELEPHONE:</b> <u>816-783-8976</u></p> <p><b>EMAIL ADDRESS:</b> <u>mchang@naic.org</u></p> <p><b>ON BEHALF OF:</b> <u>Health Risk-Based Capital (E) Working Group</u></p> <p><b>NAME:</b> <u>Steve Drutz</u></p> <p><b>TITLE:</b> <u>Chief Financial Analyst/Chair</u></p> <p><b>AFFILIATION:</b> <u>WA Office of Insurance Commissioner</u></p> <p><b>ADDRESS:</b> <u>5000 Capitol Blvd SE</u> <u>Tumwater, WA 98501</u></p>	<p style="text-align: center;"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2024-12-H</u> Year <u>2024</u></p> <p style="text-align: center;"><b>DISPOSITION</b></p> <p><b>ADOPTED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WG) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>EXPOSED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input checked="" type="checkbox"/> WORKING GROUP (WG) <u>4/16/24</u></p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>REJECTED:</b></p> <p><input type="checkbox"/> TF <input type="checkbox"/> WG <input type="checkbox"/> SG _____</p> <p><b>OTHER:</b></p> <p><input type="checkbox"/> DEFERRED TO _____</p> <p><input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____</p> <p><input type="checkbox"/> (SPECIFY) _____</p>
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#### IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Health RBC Blanks       | <input type="checkbox"/> Property/Casualty RBC Blanks       | <input type="checkbox"/> Life and Fraternal RBC Blanks       |
| <input checked="" type="checkbox"/> Health RBC Instructions | <input type="checkbox"/> Property/Casualty RBC Instructions | <input type="checkbox"/> Life and Fraternal RBC Instructions |
| <input checked="" type="checkbox"/> Health RBC Formula      | <input type="checkbox"/> Property/Casualty RBC Formula      | <input type="checkbox"/> Life and Fraternal RBC Formula      |
| <input type="checkbox"/> OTHER _____                        |   |  |

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

Adjust the health care receivable factors in XR021 to include a tiered adjustment.

#### Additional Staff Comments:

mkc – exposed by Working Group 4/16/24  
mkc – one comment received 5/16/24

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

**Revised 2-2023**

## Other Receivables – L(25) through L(31)

There is an RBC requirement of 1 percent of the annual statement amount of investment income receivable and an RBC requirement of 5 percent of the annual statement amount for ~~pharmaceutical rebates and~~ amounts due from parents, subsidiaries, and affiliates, and aggregate write-ins for other than invested assets. ~~The RBC requirement for pharmaceutical rebates is 20 percent of the first \$5 million and a 3 percent charge will be applied to the amount in excess. -and-a~~ An RBC requirement of ~~19-40~~ percent ~~of is~~ applied to the first \$10 million of the annual statement amount and 5 -percent will be applied to the amounts in excess of the \$10 million the annual statement amount for all other health care receivables reported in Lines (26.2) through (26.6). Enter the appropriate value in Lines (25) through (31).

Line (26.1). Pharmaceutical rebates are arrangements between pharmaceutical companies and reporting entities in which the reporting entities receive rebates based upon the drug utilization of its subscribers at participating pharmacies. These rebates are sometimes recorded as receivables by reporting entities using estimates based upon historical trends which should be adjusted to reflect significant variables involved in the calculation, such as number of prescriptions written/filled, type of drugs prescribed, use of generic vs. brand-name drugs, etc. In other cases, the reporting entity determines the amount of the rebate due based on the actual use of various prescription drugs during the accumulation period and then bills the pharmaceutical company. Oftentimes, a pharmacy benefits management company may determine the amount of the rebate based on a listing (of prescription drugs filled) prepared for the reporting entity's review. The reporting entity will confirm the listing and the pharmaceutical rebate receivable. Pharmaceutical rebates may relate to insured plans or uninsured plans. Only the receivable amount related to the insured plans should be reported on this line. Amount comes from annual statement Exhibit 3, Column 7, Line 0199999.

Line (26.2). Claim overpayments may occur as a result of several events, including but not limited to claim payments made in error to a provider. Reporting entities often establish receivables for claim overpayments. Amount comes from annual statement Exhibit 3, Column 7, Line 0299999.

Line (26.3). A health entity may make loans or advances to large hospitals or other providers. Such loans or advances are supported by legally enforceable contracts and are generally entered into at the request of the provider. In many cases, loans or advances are paid monthly and are intended to represent one month of fee-for-service claims activity with the respective provider. Amount comes from annual statement Exhibit 3, Column 7, Line 0399999.

Line (26.4). A capitation arrangement is a compensation plan used in connection with some managed care contracts in which a physician or other medical provider is paid a flat amount, usually on a monthly basis, for each subscriber who has elected to use that physician or medical provider. In some instances, advances are made to a provider under a capitation arrangement in anticipation of future services. Amount comes from annual statement Exhibit 3, Column 7, Line 0499999.

Line (26.5). Risk sharing agreements are contracts between reporting entities and providers with a risk sharing element based upon utilization. The compensation payments for risk sharing agreements are typically estimated monthly and settled annually. These agreements can result in receivables due from the providers if annual utilization is different than that used in estimating the monthly compensation. Amount comes from annual statement Exhibit 3, Column 7, Line 0599999.

Line (26.6). Any other health care receivable not reported in Lines (26.1) through (26.5). Amount comes from annual statement Exhibit 3, Column 7, Line 0699999.

Line (27). Only include on this line amounts receivable related to pharmaceutical rebates on uninsured plans that are in excess of the liability estimated by the reporting entity for the portion of such rebates due to the uninsured accident and health plans.

Other Receivables	Annual Statement Source	(1)	(2)	
		Amount	Factor	RBC Requirement
(25) Investment Income Receivable	Page 2, Column 3, Line 14		0.010	\$0
(26) Health Care Receivables	Exhibit 3, Column 7, Line 0799999			
(26.1) Pharmaceutical Rebate Receivables	Exhibit 3, Column 7, Line 0199999		*	\$0
(26.2) Claim Overpayment Receivables	Exhibit 3, Column 7, Line 0299999		**	\$0
(26.3) Loan and Advances to Providers	Exhibit 3, Column 7, Line 0399999		**	\$0
(26.4) Capitation Arrangement Receivables	Exhibit 3, Column 7, Line 0499999		**	\$0
(26.5) Risk Sharing Receivables	Exhibit 3, Column 7, Line 0599999		**	\$0
(26.6) Other Health Care Receivables	Exhibit 3, Column 7, Line 0699999		**	\$0
(27) Amounts Receivable Relating to Uninsured Accident and Health Plans	Included in Page 2, Column 3, Line 17		0.050	\$0
(28) Amounts Due from Parents, Subs, and Affiliates	Page 2, Column 3, Line 23		0.050	\$0
(29) Aggregate Write-Ins For Other Than Invested Assets	Page 2, Column 3, Line 25		0.050	\$0
(30) Total Other Receivables RBC	Line (25) + Sum Lines (26.1) through (29)			\$0
(31) Total Credit RBC	Lines (17) + (24) + (30)			\$0

\* Line (26.1) Pharmaceutical Rebates - A factor of .200 will be applied to the first \$5,000,000 in Column (1), and a factor of .030 will be applied to the remaining amount in excess of \$5,000,000.  
 \*\*Lines (26.2) - (26.6) Non-Pharmaceutical Rebates - A factor of .400 will be applied to the first \$10,000,000 in Column (1) and a factor of .050 will be applied to the remaining amount in excess of \$10,000,000.



May 16, 2024

Steve Drutz, Chair  
Health Risk-Based Capital (E) Working Group  
National Association of Insurance Commissioners  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106-2197

By Email to Maggie Chang at [mchang@NAIC.org](mailto:mchang@NAIC.org) and Steve Drutz at [steve.drutz@oic.wa.gov](mailto:steve.drutz@oic.wa.gov)

**Re: Exposure of Proposal 2024-12-H**

Dear Mr. Drutz:

On behalf of the members of America's Health Insurance Plans (AHIP), we appreciate the opportunity to provide comments on Proposal 2024-12-H regarding adjustments to Health Care Receivable factors in XR021 that was exposed during the Working Group's meeting held on April 16, 2024.

AHIP is also appreciative of the work done by the American Academy of Actuaries Health Care Receivables Factors Work Group and their presentations dated November 8, 2023 and April 16, 2024.

AHIP would like to request the Working Group's reconsideration of one item in regard to the non-pharmacy Health Care Receivable (HCR) factors. As was noted in previous Working Group discussions, the current H3 factors for non-pharmacy HCRs were developed by aggregating the data of the non-pharmacy HCRs together in order to achieve a sufficient volume of data and result in one factor that is applied to all of the non-pharmacy HCRs. The Academy studied this aggregation of non-pharmacy data in their revised April 16, 2024 presentation. Ultimately the Working Group's proposal for revised factors varying by volume tiers chose to apply the non-pharmacy tier of \$10 million to each individual non-pharmacy HCR rather than have the tier apply to all non-pharmacy HCRs combined. We believe this was done in part to avoid structural changes to XR021.

In the interest of remaining consistent with the aggregation methodology used to originally develop the H3 factors for non-pharmacy HCRs, AHIP would suggest that the \$10 million tier for the non-pharmacy HCR calculations be applied at the aggregate level. While it might be cleaner to apply such a change with a structural change to XR021, we do believe that the existing instructions and formula could be altered to account for this change.

Thank you for the opportunity to provide these comments. AHIP is looking forward to seeing how the revised factors and tiered approach impact the Health Care Receivable collection ratios. We look forward to continuing to work with the Health Risk-Based Capital (E) Working Group in the future.

Sincerely,

Bob Ridgeway  
[Bridgeway@ahip.org](mailto:Bridgeway@ahip.org)  
501-333-2621

Ray Nelson – Consultant to AHIP  
[raymond.nelson@us.davies-group.com](mailto:raymond.nelson@us.davies-group.com)  
224-217-9036

## Capital Adequacy (E) Task Force

### RBC Proposal Form

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Capital Adequacy (E) Task Force                      | <input checked="" type="checkbox"/> Health RBC (E) Working Group | <input type="checkbox"/> Life RBC (E) Working Group                         |
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<p style="text-align: right;">DATE: <u>6-3-24</u></p> <p><b>CONTACT PERSON:</b> <u>Maggie Chang</u></p> <p><b>TELEPHONE:</b> <u>816-783-8976</u></p> <p><b>EMAIL ADDRESS:</b> <u>mchang@naic.org</u></p> <p><b>ON BEHALF OF:</b> <u>Health Risk-Based Capital (E) Working Group</u></p> <p><b>NAME:</b> <u>Steve Drutz</u></p> <p><b>TITLE:</b> <u>Chief Financial Analyst/Chair</u></p> <p><b>AFFILIATION:</b> <u>WA Office of Insurance Commissioner</u></p> <p><b>ADDRESS:</b> <u>5000 Capitol Blvd SE</u> <u>Tumwater, WA 98501</u></p>	<p style="text-align: center;"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2024-12-H-MOD</u> Year <u>2024</u></p> <p style="text-align: center;"><b>DISPOSITION</b></p> <p><b>ADOPTED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WG) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>EXPOSED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WG) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>REJECTED:</b></p> <p><input type="checkbox"/> TF <input type="checkbox"/> WG <input type="checkbox"/> SG _____</p> <p><b>OTHER:</b></p> <p><input type="checkbox"/> DEFERRED TO _____</p> <p><input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____</p> <p><input type="checkbox"/> (SPECIFY) _____</p>
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| <input checked="" type="checkbox"/> Health RBC Formula      | <input type="checkbox"/> Property/Casualty RBC Formula      | <input type="checkbox"/> Life and Fraternal RBC Formula      |
| <input type="checkbox"/> OTHER _____                        |   |  |

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

Adjust the health care receivable factors in XR021 to include a tiered adjustment.

#### Additional Staff Comments:

6/3/24 – Modified from Proposal 2024-12-H, to apply tiered factor on non-pharmaceutical rebate receivables in aggregate (i.e. aggregation of Claim Overpayment Receivables, Loan and Advances to Providers, Capitation Arrangement Receivables, Risk Sharing Receivables and Other Health Care Receivables).

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

**Revised 2-2023**

## Other Receivables – L(25) through L(31)

There is an RBC requirement of 1 percent of the annual statement amount of investment income receivable and an RBC requirement of 5 percent of the annual statement amount for ~~pharmaceutical rebates and~~ amounts due from parents, subsidiaries, and affiliates, and aggregate write-ins for other than invested assets. ~~The RBC requirement for pharmaceutical rebates receivables is 20 percent of the first \$5 million and a 3 percent charge will be applied to the amount in excess. -and~~ ~~An RBC requirement of 19-40 percent of is applied to the first \$10 million of the aggregated annual statement amount and 5 -percent will be applied to the amounts in excess of the \$10 million the annual statement amount~~ for all other health care receivables reported in Lines (26.2) through (26.6) in aggregate. Enter the appropriate value in Lines (25) through (31).

Line (26.1). Pharmaceutical rebates are arrangements between pharmaceutical companies and reporting entities in which the reporting entities receive rebates based upon the drug utilization of its subscribers at participating pharmacies. These rebates are sometimes recorded as receivables by reporting entities using estimates based upon historical trends which should be adjusted to reflect significant variables involved in the calculation, such as number of prescriptions written/filled, type of drugs prescribed, use of generic vs. brand-name drugs, etc. In other cases, the reporting entity determines the amount of the rebate due based on the actual use of various prescription drugs during the accumulation period and then bills the pharmaceutical company. Oftentimes, a pharmacy benefits management company may determine the amount of the rebate based on a listing (of prescription drugs filled) prepared for the reporting entity's review. The reporting entity will confirm the listing and the pharmaceutical rebate receivable. Pharmaceutical rebates may relate to insured plans or uninsured plans. Only the receivable amount related to the insured plans should be reported on this line. Amount comes from annual statement Exhibit 3, Column 7, Line 0199999.

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Line (26.6). Any other health care receivable not reported in Lines (26.1) through (26.5). Amount comes from annual statement Exhibit 3, Column 7, Line 0699999.

Line (27). Only include on this line amounts receivable related to pharmaceutical rebates on uninsured plans that are in excess of the liability estimated by the reporting entity for the portion of such rebates due to the uninsured accident and health plans.



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(26.3) Loan and Advances to Providers	Exhibit 3, Column 7, Line 0399999			
(26.4) Capitation Arrangement Receivables	Exhibit 3, Column 7, Line 0499999			
(26.5) Risk Sharing Receivables	Exhibit 3, Column 7, Line 0599999			
(26.6) Other Health Care Receivables	Exhibit 3, Column 7, Line 0699999			
<b>Health Care Receivables other than Pharmaceutical Rebate Receivables</b>	<b>Line (26) - Line (26.1)</b>	<b>\$0</b>	<b>**</b>	<b>\$0</b>
(27) Amounts Receivable Relating to Uninsured Accident and Health Plans	Included in Page 2, Column 3, Line 17		0.050	\$0
(28) Amounts Due from Parents, Subs, and Affiliates	Page 2, Column 3, Line 23		0.050	\$0
(29) Aggregate Write-Ins For Other Than Invested Assets	Page 2, Column 3, Line 25		0.050	\$0
(30) Total Other Receivables RBC	Line (25) + Sum Lines (26.1) through (29)			\$0
(31) Total Credit RBC	Lines (17) + (24) + (30)			\$0

=MAX(0,ROUND(IF(F6<=5000000,F6\*0.2,(5000000\*0.2)+((F6-5000000)\*0.03)),0))

=MAX(0,ROUND(IF(F12<=10000000,F12\*0.4,(10000000\*0.4)+((F12-10000000)\*0.05)),0))

\* Line (26.1) Pharmaceutical Rebates - A factor of .200 will be applied to the first \$5,000,000 in Column (1), and a factor of .030 will be applied to the remaining amount in excess of \$5,000,000.  
 \*\*Lines (26.7) - Health Care Receivables other than Pharmaceutical Rebate Receivables - A factor of .400 will be applied to the first \$10,000,000 in Column (1) and a factor of .050 will be applied to the remaining amount in excess of \$10,000,000.

Other Receivables	Annual Statement Source	(1)		(2)
		Amount	Factor	RBC Requirement
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\* Line (26.1) Pharmaceutical Rebates - A factor of .200 will be applied to the first \$5,000,000 in Column (1), and a factor of .030 will be applied to the remaining amount in excess of \$5,000,000.  
 \*\*Lines (26.2) - (26.6) Non-Pharmaceutical Rebates - These lines are aggregated first and a factor of .400 will be applied to the first \$10,000,000 in Column (1) and a factor of .050 will be applied to the remaining amount in excess of \$10,000,000.

## MEMORANDUM

**TO:** Greg Chew, Chair of Financial Analysis Solvency Tools (E) Working Group  
Eli Snowbarger and John Litweiler, Co-Chairs of Financial Examiners Handbook (E) Technical Group

**FROM:** Steve Drutz, Chair of Health Risk-Based Capital (E) Working Group

**DATE:** March 22, 2024

**RE:** Referral for Pandemic Risk

In 2020, in light of the Covid-19 pandemic, the Health Risk-Based Capital (E) Working Group added into its working agenda an item to consider impact of COVID-19 and pandemic risks in the Health Risk-Based Capital (RBC) formula. During subsequent meetings held in 2023 and 2024, the Working Group evaluated whether RBC is the appropriate tool to capture pandemic risk. Some of the actions include:

- Looked into 2014 Health RBC interrogatories to analyze how companies allocated surplus or model for pandemic and biological risks.
- Received presentation by Texas Department of Insurance on “Pandemic Risk and Insurer Solvency – A Review of Personal Consumption Expenditures (PCE) on Healthcare Before, During, and After the COVID-19 Pandemic”.
- Reviewed RBC trends for an extended period (2015-2021).
- Considered capital requirements for pandemic risk in other jurisdictions (e.g., Solvency II).

One specific trend noted from the Texas Department of Insurance presentation was the decrease in healthcare expenditures during the pandemic, and the return to historical norms that occurred as the pandemic subsided. This appeared to increase the difficulty in adequately pricing policies post pandemic. Based on the work and findings above, the Working Group concluded that changes, resulting from pandemic risks, to the Health RBC formula are not warranted for the time being. The Working Group would like to ask the Financial Analysis Solvency Tools (E) Working Group and Financial Examiners Handbook (E) Technical Group to evaluate whether the pandemic risk is being sufficiently addressed from their perspective, and if not, the need for enhancement in the financial analysis and/or financial examination process.

If you have any questions, or would like to further discuss, please contact the Health Risk-Based Capital (E) Working Group chair or vice chair (Steve Drutz, Matthew Richard), or NAIC staff Maggie Chang ([mchang@naic.org](mailto:mchang@naic.org)).

**Cc:** Julie Gann, Maggie Chang, Eva Yeung, Rodney Good, Bill Rivers, Ralph Villegas, Bailey Henning

**Growth Test Results of Queries - Based on Triggering Benchmark with an Underwriting Loss in the Following Year**

Year	Baseline		Disaggregated Baseline for companies > 1M MM	
	# of Total Companies w/ an U/W Loss	% of Total Companies w/ an U/W Loss	# of Total Companies w/ an U/W Loss	% of Total Companies w/ an U/W Loss
2021	432	40%	80	20%
2020	460	44%	100	27%
2019	318	32%	43	12%
2018	366	39%	100	27%
2017	326	36%	78	21%
2016	329	37%	80	21%
2015	366	42%	109	29%
2014	377	44%	110	31%
2013	362	44%	105	31%

Year	Triggering Benchmark = Current Test			Triggering Benchmark = Based on 10% MM Growth			Triggering Benchmark = Based on Reversing 10% Threshold		
	# Cos Triggering	% of Companies Triggering	Difference from Baseline	# Cos Triggering	% of Companies Triggering	Difference from Baseline	# Cos Triggering	% of Companies Triggering	Difference from Baseline
2021	73	45%	5%	151	37%	-3%	67	52%	12%
2020	50	70%	26%	148	46%	2%	98	40%	-4%
2019	33	37%	5%	73	34%	2%	34	35%	3%
2018	22	49%	10%	92	41%	2%	52	43%	4%
2017	28	44%	8%	86	38%	2%	51	41%	5%
2016	53	60%	23%	122	43%	6%	43	41%	4%
2015	53	59%	17%	147	47%	5%	60	48%	6%
2014	62	60%	16%	139	44%	0%	40	35%	-9%
2013	36	53%	9%	89	43%	-1%	36	40%	-4%

**Disaggregated Results Based on Size of Company (Size band by Member Months (MM))**

Year	Based on Current Test (Difference in Total is Due to 0 MM Companies)			Based on 10% MM Growth		
	# Cos Triggering AND have U/W loss subsequent year (0-20K, 20K-100K, 100K-1M, >1M)	% of Companies Triggering AND have U/W loss subsequent year	Difference from Baseline	# Cos Triggering (0-20K, 20K-100K, 100K-1M, >1M)	% of Companies Triggering AND have U/W loss subsequent year	Difference from Baseline
2021	20, 11, 27, 10	71%, 52%, 56%, 17%	31%, 12%, 16%, -23%	56, 30, 37, 28	65%, 53%, 33%, 19%	25%, 13%, -7%, -21%
2020	23, 11, 7, 5	85%, 65%, 47%, 63%	41%, 21%, 3%, 19%	50, 36, 41, 21	68%, 67%, 39%, 23%	24%, 23%, -5%, -21%
2019	12, 10, 5, 4	60%, 67%, 20%, 17%	28%, 35%, -12%, -15%	26, 20, 21, 6	54%, 56%, 29%, 11%	22%, 24%, -3%, -21%
2018	10, 4, 4, 4	63%, 50%, 44%, 40%	24%, 11%, 5%, 1%	29, 16, 22, 25	71%, 47%, 29%, 34%	32%, 8%, -10%, -5%
2017	11, 3, 10, 2	79%, 43%, 43%, 14%	43%, 7%, 7%, -22%	27, 15, 29, 15	71%, 58%, 39%, 17%	35%, 22%, 3%, -22%
2016	13, 8, 16, 12	81%, 67%, 62%, 41%	44%, 30%, 25%, 4%	23, 18, 49, 32	70%, 47%, 48%, 29%	33%, 10%, 11%, -8%
2015	15, 8, 17, 12	79%, 80%, 63%, 39%	37%, 38%, 21%, -3%	17, 22, 56, 52	57%, 58%, 56%, 35%	15%, 16%, 14%, -7%
2014	12, 19, 17, 11	67%, 70%, 59%, 46%	25%, 26%, 19%, 2%	22, 29, 46, 42	69%, 66%, 46%, 31%	25%, 22%, 2%, -13%
2013	10, 7, 7, 9	59%, 70%, 54%, 41%	15%, 26%, 10%, -3%	16, 13, 35, 25	55%, 50%, 51%, 30%	11%, 6%, 7%, -14%

**For companies over 1M Member Months (MM), use 20% as excessive growth safe harbour**

Year	Triggering Benchmark = safe harbour 20% for companies over 1M MM			Improvement (underperformance) from current test	20% Safe Harbour
	# Cos Triggering AND have U/W loss subsequent year	% of Companies Triggering AND have U/W loss subsequent year	Difference from overall Baseline		
2021	3	21%	-19%	4%	1%
2020	1	100%	56%	37%	73%
2019	2	33%	1%	16%	21%
2018	2	40%	1%	0%	13%
2017	2	40%	4%	26%	19%
2016	5	42%	5%	1%	21%
2015	3	33%	-9%	-6%	4%
2014	3	38%	-7%	-9%	7%
2013	0	0%	-44%	-41%	-31%

**RBC Statistics**

Year	Industry Aggregated		% of Total RBC Before Covariance
	Excessive Growth Charge	Total RBC Before Covariance	
2021	221,810,536	86,088,680,244	0.26%
2020	152,344,797	73,985,158,328	0.21%
2019	98,665,133	68,762,077,526	0.14%
2018	43,685,938	63,525,815,586	0.07%
2017	96,339,347	60,318,297,216	0.16%
2016	218,535,115	58,717,892,148	0.37%
2015	158,655,196	54,145,297,113	0.29%
2014	205,395,550	49,008,627,972	0.42%
2013	143,808,800	44,214,480,776	0.33%