

Virtual Meeting

(in lieu of meeting at the 2021 Summer National Meeting)

HEALTH RISK-BASED CAPITAL (E) WORKING GROUP

Monday, July 12, 2021

11:00 a.m. – 12:00 p.m. ET / 10:00 – 11:00 a.m. CT / 9:00 – 10:00 a.m. MT / 8:00 – 9:00 a.m. PT

Meeting Summary Report

The Health Risk-Based Capital (E) Working Group met July 12, 2021. During this meeting, the Working Group:

1. Adopted its June 8, May 25, and April 23 minutes, which included the following action:
 - a. Adopted its March 17 minutes.
 - b. Discussed the 20 bond designation factors.
 - c. Received comments and referred the investment income adjustment to the underwriting risk factors (2021-04-CA) proposal to the Capital Adequacy (E) Task Force.
 - d. Discussed, exposed, and requested the American Academy of Actuaries' (Academy's) assistance in a comprehensive review of the H2 – Underwriting Risk component.
 - e. Adopted revisions to the 2021 health risk-based capital (RBC) working agenda.
 - f. Adopted proposal 2021-09-H (Bond Factors).
 - g. Discussed developing a process and the other lines of business to be considered for investment income in the underwriting risk factors.
 - h. Received an update on the Health Test and Health RBC Excessive Growth Charge Ad Hoc Groups.
2. Adopted its 2021 Health RBC Newsletter.
3. Approved its 2020 Health RBC Statistics.
4. Received a response from the Academy to review the H2 – Underwriting Risk component in the health RBC formula.
5. Discussed reviewing the bond factors because of the adoption of the Moody's bond factors in the Life RBC formula.
6. Discussed developing a process and the lines of business to be considered in the adjustment of the investment income in the underwriting risk factors for comprehensive medical, Medicare supplement, and dental and vision.

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