NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Date: 5/31/22

Virtual Meeting

LIFE RISK-BASED CAPITAL (E) WORKING GROUP
Friday, June 3, 2022
12:00 – 1:00 p.m. ET / 11:00 a.m. – 12:00 p.m. CT / 10:00 – 11:00 a.m. MT / 9:00 – 10:00 a.m. PT

ROLL CALL

Philip Barlow, Chair	District of Columbia	William Leung	Missouri
Jennifer Li	Alabama	Derek Wallman	Nebraska
Thomas Reedy	California	Seong-min Eom	New Jersey
Wanchin Chou	Connecticut	Bill Carmello	New York
Dalora Schafer	Florida	Andrew Schallhorn	Oklahoma
Vincent Tsang	Illinois	Mike Boerner/Rachel Hemphill	Texas
Mike Yanacheak/Carrie Mears	Iowa	Tomasz Serbinowski	Utah
Fred Andersen	Minnesota		

NAIC Support Staff: Dave Fleming

AGENDA

1. Discuss Comments Received on the American Academy of Actuaries' (Academy) C2 Mortality Work Group Recommendation on Instructions—*Philip Barlow (DC)*

   - American Council of Life Insurers (ACLI) Attachment 1
   - Globe Life Attachment 2

2. Discuss the Academy's Updated Instructions—*Philip Barlow (DC)*

   - Academy Letter Attachment 3
   - Instructions Attachment 4

3. Consider Adoption of the Residual Tranche Instructional Change—*Philip Barlow (DC)* Attachment 5

4. Consider Exposure of the Affiliated Investments Proposal—*Philip Barlow (DC)* Attachment 6

5. Discuss Any Other Matters Brought Before the Working Group—*Philip Barlow (DC)*

6. Adjournment

https://naiconline.sharepoint.com/:f:/r/teams/FRSRBC/LRBC/2022Materials/6_3_22Call

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Brian Bayerle
Senior Actuary

May 25, 2022

Mr. Philip Barlow
Chair, NAIC Life Risk-Based Capital (E) Working Group (Life RBC)

Re: C-2 Mortality Instructions

Dear Mr. Barlow:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit the following comments on the proposed C-2 mortality instructions.

Tiering: Our understanding is that the American Academy of Actuaries will be developing additional language around the tiering for a pro-rata allocation. We conceptually support this language and look forward to seeing this in the next exposure for comment.

Product splits: For some companies, reporting systems may not support the stratification of group and credit life split based on a certain number of "months to rate expiration." This may result in this being a more manual task than perhaps anticipated, so we'd welcome some allowance for best efforts around this split.

Reinsurance: For some companies, reinsurance on older inforce blocks or on older administrative systems may be challenging to appropriately categorize net amount at risk. Such business tends to be on one bill and may take substantial amount of research to break out correctly. We therefore request allocation be treated as a "best effort."

Categorization of products between buckets: We would like to seek clarification around how products should be categorized under the bucketing methodology and what is acceptable under this bucketing methodology.

- Assuming a company has the ability to allocate exposure into different buckets by duration, should the policy's classification be based on duration? For example, a level term product with guaranteed rates for 10 years followed by non-guaranteed YRT rates potentially could be bucketed two ways:
  1. When the policy is in the level (guaranteed) period, it would be categorized as Term without pricing flexibility. Then, in the (non-guaranteed) post-level-term period, shift the policy into Life with pricing flexibility. In this case, the policy would start in one bucket then be recategorized in later durations. This approach may be operationally

   challenging for some companies to do such an allocation, so if this is the intended approach guidance should be provided to treat the allocation as a best effort.
2. Alternatively, this policy could be viewed as Term without pricing flexibility in all durations since the product has the initial guaranteed period.

- If the intended approach is the first option, is there any concern for a company to bucket the product into the Perm without Pricing Flexibility bucket which should produce a greater RBC requirement?
- Similarly, how should the Group Life buckets be treated: if a company cannot easily classify between the Less Than 36 Month vs Greater Than 36 Month buckets, can the company bucket into the Greater Than 36 Month bucket?

We appreciate the consideration of our comments and look forward to discussing on a future call. Thank you.

Sincerely,

cc: Dave Fleming, NAIC

3700 S Stonebridge Dr
PO Box 8080
McKinney, TX 75070-8080

Attachment 2

May 25, 2022

Mr. Philip Barlow
Chair, NAIC Life Risk-Based Capital (E) Working Group

Re: C-2 Mortality Factor Proposal

Dear Mr. Barlow:

Globe Life appreciates the opportunity to comment on the proposed changes to the mortality factors and draft instructions in the C-2 component of the NAIC RBC calculation for life companies. We recommend and request a more complete analysis be conducted to determine the appropriate level of charges in order to avoid unintended consequences on both individual companies and consumers, in particular those with limited resources to purchase life insurance. We offer the following in support of this recommendation.

1. **No Apparent Need for Urgency** – We are unware of any solvency issues with carriers which have been driven by inadequate target capital levels related to mortality risk, even with heightened COVID death claims in the past few years. That said, lowering mortality capital charges in a pandemic for any group of companies or products should not be expedited without careful review and analysis. While the factors within the current RBC model are indeed dated, changes of the magnitude contained in the proposal are best founded on a complete analysis using a total asset requirement.
2. **Analysis Based Complete Total Asset Requirement** – It is not clear that a total asset adequacy analysis has been conducted. Such an analysis has important benefits:
   a. Both assets backing statutory reserves and capital requirements are considered to ensure that the resulting capital requirement reflects the degree of adequacy in minimum reserve requirements
   b. The expected profitability profile generated by different product groups is not fully reflected in the development of the capital requirements. The working group's own summary acknowledged modeling limitations for important product groups. In our view, that includes combining all non-participating and participating into separate categories regardless of the variation in profitability profiles (participating policies with low to no dividends, non-participating policies with conservative reserves and strong profits). There should be no rush to benefit one type of insurer. It appears that this limitation was not fully considered.

   A principle-based approach, that is product based, should reflect *both* the ability to increase revenue sufficiently and the underlying profit characteristics before dividends over a relatively short period of time (12 to 24 months) to generate capital. Only stronger profit profiles would qualify for lower factors. This should be based on a supporting asset adequacy analysis. Given the lack of urgency for change, we recommend these important limitations be considered to ensure that proper factors are generated that do not cause unintended consequences.
3. **High Level Product Differences** – The differentiation with the new factors focuses on a concept referred to as "pricing flexibility". This could be greatly improved by using a more tangible feature of "revenue

flexibility." Specifically, increasing non-guaranteed cost of insurance charges on a universal life contract exhibits *both* pricing and revenue flexibility. Reducing illustrated dividends on a participating whole life product does not exhibit revenue flexibility; to the extent participating policies pay dividends, the underlying profitability profile before dividends may be sufficient to warrant lower capital requirements. In addition, non-participating policies may also exhibit a profitability profile before shareholder dividends which are sufficient to warrant a lower capital requirement. A complete total asset requirement analysis covers the full profitability profile, which would provide better support of the need for tiered factors by product type. Again, we believe that the process is moving too fast given that much judgment has been made regarding product differentiation and the lack of a complete total asset requirement analysis.

We look forward to continued industry dialogue about producing changes that can minimize the unintended consequences noted above.

Regards,

Thomas P. Kalmbach

Tom Kalmbach
Executive Vice President and Chief Actuary
Globe Life Inc.

AMERICAN ACADEMY of ACTUARIES

Objective. Independent. Effective.™

June 3, 2022

Mr. Philip Barlow
Chair, Life Risk-Based Capital (E) Working Group (LRBCWG)
National Association of Insurance Commissioners (NAIC)
Via email: Dave Fleming (dfleming@naic.org)

Re: Instructions Updates to Life RBC C-2 Mortality

Dear Philip,

On behalf of the C-2 Mortality Work Group (work group) of the American Academy of Actuaries, we are providing recommended instructions updates to life risk-based capital (RBC) C-2 mortality under the adopted option 2 structure. These updates are subject to acceptance by LRBCWG. The two updates are:

1. The addition of the description of aggregate tiering by net amount of risk and proportionate allocation of size tiers to each factor category.
2. Additional instructions for determining pricing flexibility for individual life insurance.

The placement of group permanent life with individual life insurance was not made with the instruction updates. While investigating this change, the work group determined that this update would require structural updates to the LR025 calculations because the credit for premium stabilization reserves on LR026 is subject to a maximum of the calculated group life C-2 amount. Under the newly adopted structure, if group permanent life with individual life insurance is shifted to the individual life categories, then the ability to separately identify the group permanent C-2 amount would be lost because it would be combined with individual and industrial life. The C-2 Mortality Work Group recommends deferring this update for consideration in 2023 to allow for structural updates to be made.

Sincerely,

Chris Trost, MAAA, FSA
Chairperson, C-2 Mortality Work Group

Ryan Fleming, MAAA, FSA
Vice Chairperson, C-2 Mortality Work Group

American Academy of Actuaries

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LIFE INSURANCE - OPTION 2

LR025

Basis of Factors

The factors developed represent surplus needed to provide for life insurance mortality risk, which is defined as adverse variance in life insurance deaths (i.e., insureds dying sooner than expected) over the remaining lifetime of a block of business while appropriately reflecting the pricing flexibility to adjust current mortality rates for emerging experience. The mortality risks included in the development of the factors were volatility, level, trend, and catastrophe. The factors were developed by stochastically simulating the run-off of in force life insurance blocks typical of U.S. life insurers.

The capital need, expressed as a dollar amount, is determined as the greatest present value of accumulated deficiencies at the 95th percentile of the stochastic distribution of scenarios over the remaining lifetime of a block of business while appropriately reflecting the pricing flexibility to adjust current mortality rates. Statutory losses are defined as the after-tax quantification of gross death benefits minus reserves released minus mortality margin present in reserves. The after-tax statutory losses are discounted to the present by using 20-year averages for U.S. swap rates. By selecting the largest present value accumulated loss across all projection years, the solved for capital ensures non-negative capital at all projection periods. Earlier period losses are not allowed to be offset by later period gains to reduce capital. The 95th percentile is the commonly accepted statistical safety level used for Life RBC C-2 mortality risk to identify weakly capitalized companies. The after-tax capital needs are translated to a factor expressed as a percentage of the net amount at risk (NAR). The pre-tax factor is determined by taking the after-tax factor divided by (1 minus the tax rate).

The factors are differentiated between individual & industrial life and group & credit life, and by in force block size. Within individual & industrial life, the factors are differentiated into categories by contract type depending on the degree of pricing flexibility. Within group & credit life, the factors are differentiated into categories by the remaining length of the premium rate term by group contract. There are distinct factors for contracts that have remaining premium rate terms 36 months and under and for contracts that have remaining premium rate terms over 36 months. The Federal Employees' Group Life Insurance (FEGLI) and Servicemembers' Group Life Insurance (SGLI) receive a separate factor applied to the amounts in force.

Specific Instructions for Application of the Formula

Lines 2, 5 and 21-41 are not applicable to Fraternal Benefit Societies.

The NAR is derived for each of the factor categories using annual statement sources and company records. In Force and Reserves amounts are net of reinsurance throughout. The In Force amounts throughout derived from company records need to be consistent with the Exhibit of Life Insurance. The Reserves amounts throughout derived from company records need to be consistent with Exhibit 5, Separate Accounts Exhibit, and Schedule S.

The NAR size bands apply to the total amounts for individual & industrial life and group term & credit life. The size bands are allocated proportionately to the NAR for each of the factor categories. Size band 1 is for NAR amounts up to $500 million. Size band 2 is for NAR amounts greater than $500 million and up to $25 billion. Size band 3 is for NAR amounts greater than $25 billion.

Pricing Flexibility for Individual Life Insurance is defined as the ability to materially adjust rates on in force contracts through changing premiums and/or non-guaranteed elements as of the valuation date and within the next 5 policy years~~,~~ and reflecting typical business practices. Direct insurers may assess pricing flexibility for gross amounts at either the contract level or at the cohort level used to make pricing decisions. The categorization for ceded amounts for direct insurers should be based on the terms of each reinsurance treaty. Non-affiliated reinsurers are to assess the flexibility to adjust rates on in force contracts based on the terms of each reinsurance treaty and constraints based on typical business practices. For example, if a non-affiliated reinsurer has historical precedent for changing in force rates, then that may provide support for assigning policies to the category with pricing flexibility. Affiliated reinsurers are to assign the factor category based on the direct policies. In force contracts may move between categories throughout their remaining lifetime if the degree of pricing flexibility changes as of each valuation date. A material rate adjustment is defined as the ability to recover, on a present value basis, the difference in mortality provided for in the factors below for contracts with and without pricing flexibility. These differences in factors are shown in the Line (13) table below in the Permanent Life Flexibility Factor and Term Life Flexibility Factor columns. The flexibility factor for each category multiplied by the NAR results in the minimum dollar margin needed for a material rate adjustment, which can then be compared against margins available to adjust rates. In force contracts that have margin available that is greater than or equal to the minimum dollar margin needed may be assigned to the category for policies with pricing flexibility. Insurers may choose to assign contracts to the categories without pricing flexibility if the evaluation of margins is not completed or if the degree of pricing flexibility is uncertain.

Lines (11) and (12) Life Policies with Pricing Flexibility In Force and Reserves are derived from company records. Examples of products intended for this category include, but aren't limited to, participating whole life insurance, universal life insurance without secondary guarantees, and yearly renewable term insurance where scheduled premiums may be changed on an annual basis from the date of issue. The table below illustrates the RBC requirement calculation embedded in Line (13) for Life Policies with Pricing Flexibility.

Line (13)	Life Policies with Pricing Flexibility	(1) Statement Value	Factor	(2) RBC Requirement	Permanent Life Flexibility Factor	Term Life Flexibility Factor
	Allocation of First $500 Million	________________	X 0.00190 =	________________	0.00200	0.00080
	Allocation of Next $24,500 Million	________________	X 0.00075 =	________________	0.00090	0.00035
	Allocation of Over $25,000 Million	________________	X 0.00050 =	________________	0.00060	0.00025
	Total Life Policies with Pricing Flexibility Net Amount at Risk	________________		________________		

Lines (14) and (15) Term Life Policies without Pricing Flexibility In Force and Reserves are derived from company records. Examples of products intended for this category include, but aren't limited to, level term insurance with guaranteed level premiums and yearly renewable term insurance where scheduled premiums may not be changed. The table below illustrates the RBC requirement calculation embedded in Line (16) for Term Life Policies without Pricing Flexibility.

Line (16)	Term Life Policies without Pricing Flexibility	(1) Statement Value	Factor	(2) RBC Requirement
	Allocation of First $500 Million	________________	X 0.00270 =	________________
	Allocation of Next $24,500 Million	________________	X 0.00110 =	________________
	Allocation of Over $25,000 Million	________________	X 0.00075 =	________________
	Total Term Life Policies without Pricing Flexibility Net Amount at Risk	________________		________________

Lines (17) and (18) Permanent Life Policies without Pricing Flexibility In Force and Reserves are derived from the aggregate amounts derived in lines (1) to (10) minus the amounts recorded in the other individual life categories. Examples of products intended for this category include, but aren't limited to, universal life with secondary guarantees and non-participating whole life insurance. Policies that aren't recorded in the other individual life categories default to this category which has the highest factors. The table below illustrates the RBC requirement calculation embedded in Line (19) for Permanent Life Policies without Pricing Flexibility.

Line (19)	Permanent Life Policies without Pricing Flexibility	(1) Statement Value	Factor	(2) RBC Requirement
	Allocation of First $500 Million	________________	X 0.00390 =	________________
	Allocation of Next $24,500 Million	________________	X 0.00165 =	________________
	Allocation of Over $25,000 Million	________________	X 0.00110 =	________________
	Total Permanent Life Policies without Pricing Flexibility Net Amount at Risk	________________		________________

Lines (35) and (36) Group & Credit Life In Force and Reserves with Remaining Rate Terms 36 Months and Under are derived from company records. This category includes group contracts where the premium terms have 36 months or fewer until expiration or renewal. Insurers may choose to assign contracts to the category for remaining rate terms over 36 months if the evaluation of remaining rate terms is not completed. The in force amount classified in this category needs to be consistent with the Exhibit of Life Insurance. The reserves amount classified in this category needs to be consistent with Exhibit 5 used for Lines (28) and (29), Separate Accounts Exhibit used for Line (30), and Schedule S used for Lines (31) and (32). Federal Employees' Group Life Insurance (FEGLI) and Servicemembers' Group Life Insurance (SGLI) contracts are excluded. The table below

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illustrates the RBC requirement calculation embedded in Line (37) for Group & Credit Life Net Amount at Risk with Remaining Rate Terms 36 Months and Under.

		(1)		(2)
Line (37)	Group & Credit Life with Remaining Rate Terms 36 Months and Under	Statement Value	Factor	RBC Requirement
	Allocation of First $500 Million	________________	X 0.00130 =	________________
	Allocation of Next $24,500 Million	________________	X 0.00045 =	________________
	Allocation of Over $25,000 Million	________________	X 0.00030 =	________________
	Total Group & Credit Life Net Amount at Risk with Remaining Rate Terms 36 Months and Under	================		================

Lines (38) and (39) Group & Credit Life In Force and Reserves with Remaining Rate Terms Over 36 Months are derived from the aggregate amounts derived in lines (21) to (34) minus the Group & Credit Life In Force and Reserves with Remaining Rate Terms 36 Months and Under in lines (35) and (36). FEGLI and SGLI contracts are excluded. The table below illustrates the RBC requirement calculation embedded in Line (40) for Group & Credit Life Net Amount at Risk with Remaining Rate Terms Over 36 Months.

		(1)		(2)
Line (40)	Group & Credit Life with Remaining Rate Terms Over 36 Months	Statement Value	Factor	RBC Requirement
	Allocation of First $500 Million	________________	X 0.00180 =	________________
	Allocation of Next $24,500 Million	________________	X 0.00070 =	________________
	Allocation of Over $25,000 Million	________________	X 0.00045 =	________________
	Total Group & Credit Life Net Amount at Risk with Remaining Rate Terms Over 36 Months	================		================

Line (41) FEGLI/SGLI In Force amounts are retrieved from the Exhibit of Life Insurance. The capital factor assigned is the same as the largest size band for group & credit life contracts with remaining rate terms 36 months and under.

		(1)		(2)
Line (41)	FEGLI/SGLI	Statement Value	Factor	RBC Requirement
	In Force	________________	X 0.00030 =	________________

All amounts should be entered as required. The risk-based capital software will calculate the RBC requirement for individual and industrial and for group and credit.

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OTHER LONG-TERM ASSETS

LR008

Basis of Factors

Recognizing the diverse nature of Schedule BA assets, the RBC is calculated by assigning different risk factors according to the different type of assets. Assets with underlying characteristics of bonds and preferred stocks designated by the NAIC Capital Markets and Investment Analysis Office have different factors according to the NAIC assigned classification. Unrated fixed-income securities will be treated the same as Other Schedule BA Assets and assessed a 30 percent pre-tax charge. Rated surplus and capital notes have the same factors applied as Schedule BA assets with the characteristics of preferred stock. Where it is not possible to determine the RBC classification of an asset, a 30 percent pre-tax factor is applied.

Specific Instructions for Application of the Formula

Line (49.1)
Schedule BA affiliated common stock – all other should be included in C-1cs. Specifically this means that all subs with an affiliate code 13 in the current life-based framework and "holding company in excess of indirect subsidiaries" or subsidiaries with affiliate code 7 are to be included in C-1cs.

Line (49.2)
New lines were added to Schedule BA and the AVR Equity Component to capture amounts related to residual tranches or interests. For life RBC reporting, AVR Equity Component, Column 1, Line 93 is included in Line (49.2).

Line (57)
Total Schedule BA assets [LR008 Other Long-Term Assets Column (1) Line (57) plus LR007 Real Estate Column (1) Line (14) plus Lines (17) through Line (21) plus LR009 Schedule BA Mortgages Column (1) Line (20)] should equal the total Schedule BA assets reported in the Annual Statement Page 2, Column 3, Line 8.

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AFFILIATED/SUBSIDIARY STOCKS
LR042 – LR044

There are ten categories of affiliated/subsidiary investments that are subject to Risk-Based Capital requirements for common stock and preferred stock holdings. Those ten categories are:

1. Directly Owned U.S. Insurance Affiliates/Subsidiaries Subject to a Risk-Based Capital (RBC)-Look-Through Calculation
    a. Health Insurance Company or Health Entity
    b. Property and Casualty Insurance Company
    c. Life Insurance Company
2. Indirectly Owned U.S. Insurance Affiliates/Subsidiaries Subject to RBC-Look-Through Calculation
    a. Health Insurance Company or Health Entity
    b. Property and Casualty Insurance Company
    c. Life Insurance Company
3. Holding Company Value in Excess of Indirectly Owned Insurance Affiliates/Subsidiaries
4. Investment Subsidiaries
5. Directly Owned Alien Insurance Affiliates/Subsidiaries
    a. Health Insurance Company or Health Entity
    b. Property and Casualty Insurance Company
    c. Life Insurance Company
6. Indirectly Owned Alien Insurance Affiliates/Subsidiaries
    a. Health Insurance Company or Health Entity
    b. Property and Casualty Insurance Company
    c. Life Insurance Company
7. Investments in Upstream Affiliate (Parent)
8. Directly Owned U.S. Insurance Affiliates/Subsidiaries Not Subject to RBC
    a. Health Insurance Companies and Health Entities Not Subject to RBC
    b. Property and Casualty Insurance Companies Not Subject to RBC
    c. Life Insurance Companies Not Subject to RBC
9. Non-Insurance Affiliates/Subsidiaries Not Subject to RBC
    a. Entities with a capital requirement imposed by a regulatory body
    b. Other Financial Entities without regulatory capital requirements
    c. Non-financial entities
10. Publicly Traded Insurance Affiliates/Subsidiaries Held at Market Value

Enter applicable items for each affiliate/subsidiary in the Details for Affiliated/Subsidiary Stocks worksheet. The program will automatically calculate the risk-based capital charge for each affiliate/subsidiary. When the data is uploaded to the NAIC database, it will be cross-checked and the company will be required to correct any discrepancies and refile a corrected version with the NAIC and/or any state that requires the company to file RBC with its department. The RBC report will display the number of affiliates/subsidiaries. These numbers should be reviewed to ensure that all affiliates/subsidiaries are appropriately reported.

The total of all reported affiliate/subsidiary stock should equal the amounts reported on Schedule D, Part 2, Section 1, Line 4409999999 plus Schedule D, Part 2, Section 2, Line 5979999999 and should also equal Schedule D, Part 6, Section 1, Line 0999999 plus Line 1899999.

Affiliated/Subsidiary investments fall into two broad categories: (A) Insurance Affiliates/Subsidiaries that are Subject to risk-based capital; and (B) Affiliates/Subsidiaries that are Not Subject to risk-based capital. The risk-based capital for these two broad groups differs. Investment subsidiaries are a subset of category A in that they are subject to a risk-based capital charge that includes the life RBC risk factors applied only to the investments held by the investment subsidiary for its parent insurer. Publicly traded insurance affiliates/subsidiaries held at market value have characteristics of both broader categories. As a result, there is a two-part RBC calculation. The general treatment for each is explained below.

Directly owned insurance and health entity affiliates/subsidiaries are affiliates/subsidiaries in which the reporting company owns the stock of the affiliate/subsidiary. Indirectly owned insurance affiliates/subsidiaries and health entities are those where the reporting company owns stock in a holding company, which in turn owns the stock of the insurance affiliate/subsidiary or health entity. Note that there could be multiple holding companies that control the downstream insurance company.

Enter the book/adjusted carrying value of: the common stock in Column (5), the preferred stock in Column (7), the total outstanding common stock in Column (6) and the total outstanding preferred stock of that affiliate/subsidiary in Column (10) of the appropriate worksheet. The percentage of ownership is calculated by summing the book/adjusted carrying values of the owned preferred stock and common stock and dividing that amount by the sum of all outstanding preferred and common stock.

Insurance Affiliate/Subsidiaries that are Subject to RBC

1. Directly Owned U.S. Affiliates/Subsidiaries:

The risk-based capital requirement for the reporting company for those insurance affiliates/subsidiaries that are subject to a risk-based capital requirement is based on the Total Risk-Based Capital After Covariance of the affiliate/subsidiary, prorated for the percent of ownership of that affiliate/subsidiary.

For purposes of Subsidiary Risk all references to Total Risk-Based Capital After Covariance of the affiliate/subsidiary means:

a. For a Health affiliate/subsidiary RBC filing, Total Risk-Based Capital After Covariance before Basic Operational Risk (XR024, Line (37));
b. For a P/C affiliate/subsidiary RBC filing, Total Risk-Based Capital After Covariance before Basic Operational Risk (PR032, Line (68)); and
c. For a Life affiliate/subsidiary RBC filing, the sum of
    (a) Total Risk-Based Capital After Covariance before Basic Operational Risk (LR031, Line (67); and
    (b) Primary Security shortfalls for all cessions covered by Actuarial Guideline XLVIII (AG 48) multiplied by two (LR031, Line (71)).

For RBC purposes, the reporting insurer must determine the carrying value and the RBC requirement of directly owned RBC filing affiliate/subsidiary company, even if the RBC filing affiliate/subsidiary is non-admitted. The value reported in annual statement Schedule D, Part 6, Section 1 should be used for RBC purposes. In addition to RBC, the carrying value of the RBC filer must be reported in total adjusted carrying value for RBC purposes, in order to appropriately balance the numerator with the addition of the denominator value. Enter the carrying value of the insurer on Line XXX of the Calculation of Total Adjusted Capital page to satisfy these instructions.

Equity method Insurance Affiliates/Subsidiaries: Equity method is defined in SSAP No. 97, Paragraph 8b. as the underlying audited statutory equity of the respective entity's financial statements, adjusted for any unamortized goodwill as provided for in SSAP No. 68—Business Combinations and Goodwill. For those insurance Affiliates/Subsidiaries of the reporting company that are reported under the equity method, the C_0 charge of the ownership of the common and preferred stock in these Affiliates/Subsidiaries is limited to the lesser of:

- (a) the Total RBC After Covariance of the affiliate/subsidiary times the percentage of ownership, which is the total of common stock and preferred stock; or
- (b) the common and preferred stock book/adjusted carrying value at which the affiliate/subsidiary is carried.

Market Value (including discounted market value) Insurance Affiliates/Subsidiaries (See SSAP No. 97, Paragraph 8a.): See 10 below.

2. Indirectly Owned U.S. Insurance Affiliates/Subsidiaries

For Indirectly Owned U.S. Insurance Affiliates/Subsidiaries, the carrying value and RBC is calculated in the same manner as for directly owned U.S. Insurance Affiliates/Subsidiaries. The RBC for the indirect affiliates/subsidiaries must be calculated prior to completing this RBC report.

SSAP No. 97 provides guidance for the reporting and admittance requirements of SCAs. Accordingly, there may be cases where an indirectly owned RBC filer may not be separately reported in the statutory financial statements (e.g., they are captured within the carrying value of an intermediate holding company). The SSAP No. 97 guidance permits reporting SCAs at the directly owned holding company level or via look-through to the downstream entity (including where the downstream entity is an RBC filer), but an audit of the entity is required for admittance (i.e. if reporting is at the directly owned holding company level, the holding company must be audited, if the reporting is on a look-through basis then the downstream entity must be audited). Regardless of whether there is a look-through applied pursuant to Statutory Accounting Principles (SAP) for annual financial statement reporting, for RBC purposes the reporting insurer must "look-through" all intermediate holding and subsidiary companies to determine the carrying value and the RBC requirement of indirectly owned RBC filing affiliate/subsidiary company. This involves drilling down to the first RBC filing insurance affiliate/subsidiary and adjusting for percentage ownership of the intermediate entity directly owning the RBC filing affiliate/subsidiary. Both RBC and carrying value of the RBC filer must be reported for RBC purposes, in order to appropriately balance the numerator with the addition to the denominator value. Enter the carrying value of the insurer on Line XXX of the Calculation of Total Adjusted Capital page to satisfy these instructions.

The carrying value for each indirect insurance affiliate/subsidiary is established based on company records using the statutory value of the insurer as reported in the NAIC annual financial statement blank submitted by the affiliate/subsidiary or market value when applicable, and the RBC requirement as determined in its RBC Report adjusted for the ownership percentages (both the percentage of the indirectly owned RBC filing affiliate/subsidiary that is owned by the directly held downstream holding company and the reporting insurer's ownership percentage in that downstream entity). The value reported by the downstream holding company for the U.S. RBC filing insurer is the same as the statutory value established for the insurer on a look-through basis.

3**.** Holding Company Value in Excess of Indirectly Owned Insurance Affiliates/Subsidiaries **:**

The carrying value of a U.S. Insurance Affiliate/Subsidiary that is subject to RBC is deducted from the value of the directly held holding company or other entity that in turn directly owns the U.S. Insurance Affiliate/Subsidiary that is subject to RBC, based on the value reported for each insurance affiliate/subsidiary on the downstream immediate holding company or non-insurance owner's balance sheet. That value is prescribed by the NAIC Accounting Practices and Procedures Manual (SSAP No. 97, paragraph 22.a.). A similar exercise is required for each RBC filing insurer and each non-U.S. insurer in order to determine the remaining excess value of the holding company.

The remaining value of the directly held holding company is then subject to a charge that is calculated in accordance with the instructions for Holding Company Value in Excess of Indirectly Owned Insurance Affiliates/Subsidiaries as specified in the RBC formula. If the holding company is not admitted, report the excess carrying value as zero and the corresponding RBC charge will also be zero. If a negative excess value for the downstream holding company results from removing the value of U.S. RBC filing insurers from the downstream holding company's reported value, then the value of that holding company will be floored at zero and the corresponding RBC charge will also be zero.

The following hypothetical Balance Sheet indicates the view of a Holding Company - Holder, Inc. which is 100% owned by MEGA Life Insurance Company (it assumes that the value reported by the downstream holding company for the U.S. RBC filing insurer is the same as the statutory value established for the insurer on a look-through basis):

	Balance Sheet Holder, Inc. 12/31/XXXX				
Cm Stk:	ABC Life Company	10,000,000		Long Term Debt	5,000,000
	XYZ Casualty Company	15,000,000		Other Liabilities	2,000,000
	ANH Health Company	3,000,000			
	Other Common Stock	17,000,000		Total Liabilities	7,000,000
	Cash	7,000,000			
	Other Assets	5,000,000		Equity	50,000,000
	Total Assets	57,000,000		Total Liabilities & Equity	57,000,000

The RBC calculation for Holder, Inc.'s value in excess of the indirectly owned insurance affiliates is as follows:

Company	**Stat. Book value**	**Source:**
Holder, Inc.	50,000,000	MEGA Life Sch D - Part 6, Section 1
Holder, Inc. aff/subs subject to RBC		
ABC Life Company	10,000,000	Holder, Inc. Stat. balance sheet
XYZ Casualty Company	15,000,000	Holder, Inc. Stat. balance sheet
ANH Health Company	3,000,000	Holder, Inc. Stat. balance sheet
Subtotal	28,000,000	
Holder, Inc. excl. RBC aff/subs	22,000,000	*(amount subject to the 30.0% factor for Holding Company Value in Excess of Indirectly Owned Insurance Affiliates/Subsidiaries)*

The following table shows the LR044 entries that MEGA Life Insurance Company (which owns 100% owns of Holder, Inc.) would report for the indirectly owned insurance subsidiaries under Holder, Inc. This table assumes that Holder, Inc. owns 40%, 50% and 25% of ABC Life, XYZ Casualty, and ANH Health, respectively. The table also assumes that the RBC values shown for these subsidiaries at the 100% level are the correct RBC After Covariance but Before Operational Risk.

		LR044 Column				
		4	**5**	**6**	**9**	**10**
Affiliates/Subsidiaries	**Affiliates/Subsidiaries Type**	**100% RBC**	**Book Adjusted Carrying Value**	**Total Value of Affiliates/Subsidiaries**	**% Owned**	**RBC Required**
ABC Life Company	Indirect U.S. Life Aff/Sub	5,000,000	10,000,000	25,000,000	40%	2,000,000
XYZ Casualty Company	Indirect U.S. P&C Aff/Sub	12,000,000	15,000,000	30,000,000	50%	6,000,000
ANH Health Company	Indirect U.S. Health Aff/Sub	6,000,000	3,000,000	12,000,000	25%	1,500,000

The risk-based capital charge for the parent insurer preparing the calculation is a 30.0 percent charge against the holding company value in excess of the indirectly owned insurance affiliates/subsidiaries as calculated in the prior example. Enter information in the appropriate columns of the worksheet, omitting those columns that do not apply (Column (3) – NAIC Company Code or Alien ID Number and Column (4) Affiliate's RBC After Covariance).

4. Investment Subsidiaries

An investment subsidiary is a subsidiary that exists only to invest the funds of the parent company. The term "investment subsidiary" is defined in the NAIC's *Annual Statement Instructions* as any subsidiary, other than a holding company, engaged or organized primarily to engage in the ownership and management of investments for the insurer. An investment subsidiary shall not include any broker-dealer or a money management fund managing funds other than those of the parent company. The risk-based capital charge for the ownership of an investment subsidiary is based on the risk-based capital of the underlying assets, pro-rated for the degree of ownership. The basis for this calculation is the assumption that the charge should be the same as it would be if the life insurer held the assets directly.

Report information regarding any investment subsidiaries. Subsidiaries reported in this section will be assigned an affiliate code of "4" for investment subsidiaries. The amount of reported common stock should be the same as Schedule D, Part 6, Section 1, Line 1699999. Preferred stock information should be the same as Schedule D, Part 6, Section 1, Line 0799999.

Affiliates/Subsidiaries that are Not Subject to RBC

5. Directly Owned Alien Insurance Affiliates/Subsidiaries

For purposes of this formula, the risk-based capital of each alien insurance affiliate/subsidiary is zero. Report information for any non-U.S. insurance affiliate/subsidiary, both life and property and casualty.

For each affiliate/subsidiary, report the name and alien insurer identification number. For purposes of this formula, the statement value of common and preferred stock and the total outstanding value of common and preferred stock for alien insurance affiliates/subsidiaries should be entered as zero. Companies reported in this section will be assigned an affiliate/subsidiary code of "5" for alien insurers.

For each affiliate/subsidiary, enter the following information:

- Company Name,
- Alien Insurer Identification Number,

- Book Adjusted carrying value of common and preferred stock,
- Total Outstanding value of common and preferred stock,
- Book/adjusted carrying value of the common and preferred stock from Schedule D, Part 6, Section 1, Line 1499999. If no value is reported in the Total Value of Affiliate's/Subsidiary's common and preferred stock columns (6) and (8), the program will assume 100 percent ownership.

6. Indirectly Owned Alien Insurance Affiliates/Subsidiaries

Consistent with the treatment of Directly Owned Alien Insurance Subsidiaries / Affiliates, for purposes of this formula, the carrying value and risk-based capital charge of each alien insurance affiliate is zero.

For each affiliate/Subsidiary enter the following information:

- Company Name,
- Alien Insurer Identification Number,
- Book Adjusted carrying value of common and preferred stock,
- Total Outstanding value of common and preferred stock,
- Book/adjusted carrying value of the common and preferred stock from Schedule D, Part 6, Section 1, Lines 1499999 and 0599999. If no value is reported in the Total Value of Affiliate's/Subsidiary's Common and preferred stock columns (6) and (8), the program will assume 100 percent ownership.

7. Investment in Upstream Affiliate (Parent)

The pre-tax Risk-Based Capital (RBC) for an investment in an upstream parent is 30.0 percent of the book/adjusted carrying value of the common and preferred stock, regardless of whether that upstream parent is subject to RBC. Report the appropriate information from Schedule D, Part 6, Section 1, Lines 0199999 and 1099999 in Columns (1) through (6).

For each affiliate, enter the following information:

- Company Name,
- Affiliate Type,
- NAIC Company Code,
- Book Adjusted carrying value of common and preferred stock,
- Total Outstanding value of common and preferred stock.

8. Directly Owned U.S. Insurance Affiliates/Subsidiaries Not Subject to RBC

   a. Health Insurance Companies and Health Entities Not Subject to RBC
   b. Property and Casualty Insurance Companies Not Subject to RBC, such as title insurers, monoline financial guaranty insurers, and monoline mortgage guarantee insurers
   c. Life Insurance Companies Not Subject to RBC, such as life insurance affiliate/subsidiary exempted from RBC

The risk-based capital for insurers not subject to RBC is based on the underlying statute, regulation, or rule governing capital requirements for such entities. If not otherwise specified by statute, regulation or rule, the risk-based capital for an investment in a U.S. insurer that is not required to file an RBC formula Investment is 0.300 times the book/adjusted carrying value of the common and preferred stock.

9. Non-Insurance Affiliates/Subsidiaries Not Subject to RBC

   a. Financial entities with a capital requirement imposed by a regulatory body (e.g. a bank)
   b. Other financial entities without regulatory capital requirements
   c. Other Non-financial entities

The risk-based capital for entity types a, b, and c. is 0.300 times the book/adjusted carrying value of the common and preferred stock. The affiliate/subsidiary code for Non-Insurance Affiliates/Subsidiaries Not Subject to RBC is "9." Reported amounts use Schedule D, part 6, Schedule 1, Line 0899999, and Line 1799999 as the basis of reporting.

10. Publicly Traded Insurance Affiliates/Subsidiaries Held at Market Value

The risk-based capital for a publicly traded insurance affiliate/subsidiary held at market value after any "discount," is calculated in two parts. First, calculate and report the risk-based capital of the affiliate/subsidiary according to the relevant instructions above for Insurance Affiliates/Subsidiaries that are Subject to a RBC-look-through Calculation. Second, calculate the additional risk-based capital charge as 34.6 percent pre-tax of any excess of the market (statement) value over the book value of the affiliate/subsidiary. The result of the second calculation will be added to the C-1o component.

Report information regarding any publicly traded insurance affiliate/subsidiary held at market value. The reported market value of common stock should be the same as shown Schedule D, Part 2, Section 2, Column 8, Line 5919999999 plus Line 5929999999. The market value of preferred stock should be the same as shown in Schedule D, Part 2, Section 1, Column 10, line 4319999999 plus 4329999999. The reported book value of common stock should be the same as shown in Schedule D, Part 2, Section 2, Column 6, Line 5919999999 plus Line 5929999999. The reported book value of preferred stock should be the same as Schedule D, Part 2, Section 1, Column 8, Line 4319999999 plus 4329999999.

APPENDIX 3 – EXAMPLE USED FOR AFFILIATED/SUBSIDIARY STOCKS

To determine the value of total outstanding common stock or total outstanding preferred stock, divide the book/adjusted carrying value of the investment (found in Schedule D - Part 6 Section 1, Column 9) by the percentage of ownership (found in Schedule D – Part 6 – Section 1, Column 12). For example:

Subsidiary Insurance Company	Owner's Book / Adjusted Carrying Value	Percentage Ownership	Total Stock Outstanding
Subsidiary #1	$1,000,000	100%	$1,000,000
Subsidiary #2	$1,000,000	75%	$1,333,333
Subsidiary #3	$1,000,000	50%	$2,000,000
Subsidiary #4	$1,000,000	25%	$4,000,000
Subsidiary #5	$1,000,000	10%	$10,000,000

Attachment 6

Company Name | Confidential when Completed | NAIC Company Code

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

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
	ASSET RISKS							
	Bonds							
(001)	Long-term Bonds – NAIC 1	LR002 Bonds Column (2) Line (2.8) + LR018 Off-Balance Sheet Collateral Column (3) Line (2.8)		X	0.1680	=		
(002)	Long-term Bonds – NAIC 2	LR002 Bonds Column (2) Line (3.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (3.4)		X	0.1680	=		
(003)	Long-term Bonds – NAIC 3	LR002 Bonds Column (2) Line (4.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (4.4)		X	0.1680	=		
(004)	Long-term Bonds – NAIC 4	LR002 Bonds Column (2) Line (5.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (5.4)		X	0.1680	=		
(005)	Long-term Bonds – NAIC 5	LR002 Bonds Column (2) Line (6.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (6.4)		X	0.1680	=		
(006)	Long-term Bonds – NAIC 6	LR002 Bonds Column (2) Line (7) + LR018 Off-Balance Sheet Collateral Column (3) Line (7)		X	0.2100	=		
(007)	Short-term Bonds – NAIC 1	LR002 Bonds Column (2) Line (10.8)		X	0.1680	=		
(008)	Short-term Bonds – NAIC 2	LR002 Bonds Column (2) Line (11.4)		X	0.1680	=		
(009)	Short-term Bonds – NAIC 3	LR002 Bonds Column (2) Line (12.4)		X	0.1680	=		
(010)	Short-term Bonds – NAIC 4	LR002 Bonds Column (2) Line (13.4)		X	0.1680	=		
(011)	Short-term Bonds – NAIC 5	LR002 Bonds Column (2) Line (14.4)		X	0.1680	=		
(012)	Short-term Bonds – NAIC 6	LR002 Bonds Column (2) Line (15)		X	0.2100	=		
(013)	Credit for Hedging - NAIC 1 Through 5 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0199999)		X	0.1680	=		†
(014)	Credit for Hedging - NAIC 6 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0299999)		X	0.2100	=		†
(015)	Bond Reduction - Reinsurance	LR002 Bonds Column (2) Line (19)		X	0.2100	=		†
(016)	Bond Increase - Reinsurance	LR002 Bonds Column (2) Line (20)		X	0.2100	=		
(017)	Non-Exempt NAIC 1 U.S. Government Agency	LR002 Bonds Column (2) Line (22)		X	0.1680	=		
(018)	Bonds Size Factor	LR002 Bonds Column (2) Line (26) - LR002 Bonds Column (2) Line (21)		X	0.1680	=		
	Mortgages							
	In Good Standing							
(019)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (1)		X	0.1575	=		
(020)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (2)		X	0.1575	=		
(021)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (3)		X	0.1575	=		
(022)	Total Commercial Mortgages - All Other	LR004 Mortgages Column (6) Line (9)		X	0.1575	=		
(023)	Total Farm Mortgages	LR004 Mortgages Column (6) Line (15)		X	0.1575	=		
	90 Days Overdue							
(024)	Farm Mortgages	LR004 Mortgages Column (6) Line (16)		X	0.1575	=		
(025)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (17)		X	0.1575	=		
(026)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (18)		X	0.1575	=		
(027)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (19)		X	0.1575	=		
(028)	Commercial Mortgages - Other	LR004 Mortgages Column (6) Line (20)		X	0.1575	=		
	In Process of Foreclosure							
(029)	Farm Mortgages	LR004 Mortgages Column (6) Line (21)		X	0.1575	=		

† Denotes lines that are deducted from the total rather than added.

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

Company Name | Confidential when Completed | NAIC Company Code

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

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(030)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (22)		X	0.1575	=		
(031)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (23)		X	0.1575	=		
(032)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (24)		X	0.1575	=		
(033)	Commercial Mortgages - Other	LR004 Mortgages Column (6) Line (25)		X	0.1575	=		
(034)	Due & Unpaid Taxes Mortgages	LR004 Mortgages Column (6) Line (26)		X	0.1575	=		
(035)	Due & Unpaid Taxes - Foreclosures	LR004 Mortgages Column (6) Line (27)		X	0.1575	=		
(036)	Mortgage Reduction - Reinsurance	LR004 Mortgages Column (6) Line (29)		X	0.2100	=		†
(037)	Mortgage Increase - Reinsurance	LR004 Mortgages Column (6) Line (30)		X	0.2100	=		
	Preferred Stock							
(038)	Unaffiliated Preferred Stock NAIC 1	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (1) + LR018 Off-Balance Sheet Collateral Column (3) Line (9)		X	0.1575	=		
(039)	Unaffiliated Preferred Stock NAIC 2	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (2) + LR018 Off-Balance Sheet Collateral Column (3) Line (10)		X	0.1575	=		
(040)	Unaffiliated Preferred Stock NAIC 3	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (3) + LR018 Off-Balance Sheet Collateral Column (3) Line (11)		X	0.1575	=		
(041)	Unaffiliated Preferred Stock NAIC 4	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (4) + LR018 Off-Balance Sheet Collateral Column (3) Line (12)		X	0.1575	=		
(042)	Unaffiliated Preferred Stock NAIC 5	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (5) + LR018 Off-Balance Sheet Collateral Column (3) Line (13)		X	0.1575	=		
(043)	Unaffiliated Preferred Stock NAIC 6	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (6) + LR018 Off-Balance Sheet Collateral Column (3) Line (14)		X	0.2100	=		
(044)	Preferred Stock Reduction-Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (8)		X	0.2100	=		†
(045)	Preferred Stock Increase-Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (9)		X	0.2100	=		
	Separate Accounts							
(046)	Guaranteed Index	LR006 Separate Accounts Column (3) Line (1)		X	0.1575	=		
(047)	Nonindex-Book Reserve	LR006 Separate Accounts Column (3) Line (2)		X	0.1575	=		
(048)	Separate Accounts Nonindex-Market Reserve	LR006 Separate Accounts Column (3) Line (3)		X	0.1575	=		
(049)	Separate Accounts Reduction-Reinsurance	LR006 Separate Accounts Column (3) Line (5)		X	0.2100	=		†
(050)	Separate Accounts Increase-Reinsurance	LR006 Separate Accounts Column (3) Line (6)		X	0.2100	=		
(051)	Synthetic GICs	LR006 Separate Accounts Column (3) Line (8)		X	0.1575	=		
(052)	Separate Account Surplus	LR006 Separate Accounts Column (3) Line (13)		X	0.1575	=		
	Real Estate							
(053)	Company Occupied Real Estate	LR007 Real Estate Column (3) Line (3)		X	0.2100	=		
(054)	Foreclosed Real Estate	LR007 Real Estate Column (3) Line (6)		X	0.2100	=		
(055)	Investment Real Estate	LR007 Real Estate Column (3) Line (9)		X	0.2100	=		
(056)	Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (11)		X	0.2100	=		†
(057)	Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (12)		X	0.2100	=		
	Schedule BA							
(058)	Sch BA Real Estate Excluding Low Income Housing Tax Credits	LR007 Real Estate Column (3) Line (16)		X	0.2100	=		
(059)	Guaranteed Low Income Housing Tax Credits	LR007 Real Estate Column (3) Line (17) + Line (19)		X	0.0000	=		
(060)	Non-Guaranteed and All Other Low Income Housing Tax Credits	LR007 Real Estate Column (3) Line (18) + Line (20) + Line (21)		X	0.0000	=		
(061)	Sch BA Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (23)		X	0.2100	=		†
(062)	Sch BA Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (24)		X	0.2100	=		

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

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

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(063)	Sch BA Bond NAIC 1	LR008 Other Long-Term Assets Column (5) Line (2)		X	0.1575	=		
(064)	Sch BA Bond NAIC 2	LR008 Other Long-Term Assets Column (5) Line (3)		X	0.1575	=		
(065)	Sch BA Bond NAIC 3	LR008 Other Long-Term Assets Column (5) Line (4)		X	0.1575	=		
(066)	Sch BA Bond NAIC 4	LR008 Other Long-Term Assets Column (5) Line (5)		X	0.1575	=		
(067)	Sch BA Bond NAIC 5	LR008 Other Long-Term Assets Column (5) Line (6)		X	0.1575	=		
(068)	Sch BA Bond NAIC 6	LR008 Other Long-Term Assets Column (5) Line (7)		X	0.2100	=		
(069)	BA Bond Reduction - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (9)		X	0.2100	=		†
(070)	BA Bond Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (10)		X	0.2100	=		
(071)	BA Preferred Stock NAIC 1	LR008 Other Long-Term Assets Column (5) Line (12.3)		X	0.1575	=		
(072)	BA Preferred Stock NAIC 2	LR008 Other Long-Term Assets Column (5) Line (13)		X	0.1575	=		
(073)	BA Preferred Stock NAIC 3	LR008 Other Long-Term Assets Column (5) Line (14)		X	0.1575	=		
(074)	BA Preferred Stock NAIC 4	LR008 Other Long-Term Assets Column (5) Line (15)		X	0.1575	=		
(075)	BA Preferred Stock NAIC 5	LR008 Other Long-Term Assets Column (5) Line (16)		X	0.1575	=		
(076)	BA Preferred Stock NAIC 6	LR008 Other Long-Term Assets Column (5) Line (17)		X	0.2100	=		
(077)	BA Preferred Stock Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (19)		X	0.2100	=		†
(078)	BA Preferred Stock Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (20)		X	0.2100	=		
(079)	Rated Surplus Notes	LR008 Other Long-Term Assets Column (5) Line (31)		X	0.1575	=		
(080)	Rated Capital Notes	LR008 Other Long-Term Assets Column (5) Line (41)		X	0.1575	=		
(081)	BA Common Stock Affiliated	LR008 Other Long-Term Assets Column (5) Line (48.3)		X	0.2100	=		
(082)	BA Collateral Loans	LR008 Other Long-Term Assets Column (5) Line (50)		X	0.1575	=		
(083)	Other BA Assets	LR008 Other Long-Term Assets Column (5) Line (52.3) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)		X	0.2100	=		
(084)	Other BA Assets Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (54)		X	0.2100	=		†
(085)	Other BA Assets Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (55)		X	0.2100	=		
(086)	BA Mortgages - In Good Standing	LR009 Schedule BA Mortgages Column (6) Line (11)		X	0.1575	=		
(087)	BA Mortgages - 90 Days Overdue	LR009 Schedule BA Mortgages Column (6) Line (15)		X	0.1575	=		
(088)	BA Mortgages - In Process of Foreclosure	LR009 Schedule BA Mortgages Column (6) Line (19)		X	0.1575	=		
(089)	Reduction - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (21)		X	0.2100	=		†
(090)	Increase - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (22)		X	0.2100	=		
	Miscellaneous							
(091)	Asset Concentration Factor	LR010 Asset Concentration Factor Column (6) Line (62) Grand Total Page		X	0.1575	=		
(092)	Miscellaneous Assets	LR012 Miscellaneous Assets Column (2) Line (7)		X	0.1575	=		
(093)	Derivatives - Collateral and Exchange Traded	LR012 Miscellaneous Assets Column (2) Lines (8) + (9) + (10)		X	0.1575	=		
(094)	Derivatives NAIC 1	LR012 Miscellaneous Assets Column (2) Line (11)		X	0.1575	=		
(095)	Derivatives NAIC 2	LR012 Miscellaneous Assets Column (2) Line (12)		X	0.1575	=		
(096)	Derivatives NAIC 3	LR012 Miscellaneous Assets Column (2) Line (13)		X	0.1575	=		
(097)	Derivatives NAIC 4	LR012 Miscellaneous Assets Column (2) Line (14)		X	0.1575	=		
(098)	Derivatives NAIC 5	LR012 Miscellaneous Assets Column (2) Line (15)		X	0.1575	=		
(099)	Derivatives NAIC 6	LR012 Miscellaneous Assets Column (2) Line (16)		X	0.2100	=		
(100)	Miscellaneous Assets Reduction-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (19)		X	0.2100	=		†
(101)	Miscellaneous Assets Increase-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (20)		X	0.2100	=		

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

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

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(102)	Replications	LR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line (9999999)		X	0.1575	=		
(103)	Reinsurance	LR016 Reinsurance Column (4) Line (17)		X	0.2100	=		
(104)	Investment Affiliates	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (8)**		X	0.2100	=		
(105)	**Investment in Upstream Affiliate (Parent)**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (15)**		X	0.2100	=		
(106)	**Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (16)**		X	0.2100	=		
(107)	**Directly Owned Property and Casualty Insurance Companies Not Subject to RBC**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (17)**		X	0.2100	=		
(108)	**Directly Owned Life Insurance Companies Not Subject to RBC**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (18)**		X	0.2100	=		
(109)	Publicly Traded Insurance Affiliates	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (22)**		X	0.2100	=		
(110)	Subtotal for C-1o Assets	Sum of Lines (001) through (**109**), Recognizing the Deduction of Lines (013), (014), (015), (036), (044), (049), (056), (061), (069), (077), (084), (089) and (100)						
	C-0 Affiliated Common Stock							
(111)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (27)		X	0.1575	=		
(112)	Off-Balance Sheet Items Reduction - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (28)		X	0.2100	=		†
(113)	Off-Balance Sheet Items Increase - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (29)		X	0.2100	=		
(114)	**Directly Owned Health Insurance Companies or Health Entities**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)**		**X**	**0.2100**	**=**		
(115)	**Directly Owned Property and Casualty Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)**		**X**	**0.2100**	**=**		
(116)	**Directly Owned Life Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)**		**X**	**0.2100**	**=**		
(117)	**Indirectly Owned Health Insurance Companies or Health Entities**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)**		**X**	**0.2100**	**=**		
(118)	**Indirectly Owned Property and Casualty Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)**		**X**	**0.2100**	**=**		
(119)	**Indirectly Owned Life Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)**		**X**	**0.2100**	**=**		
(120)	**Affiliated Alien Insurers - Directly Owned**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)**		**X**	**0.0000**	**=**		
(121)	**Affiliated Alien Insurers - Indirectly Owned**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)**		**X**	**0.0000**	**=**		
(122)	Subtotal for C-0 Affiliated Common Stock	**Lines (111)-(112)+(113)+(114)+(115)+(116)+(117)+(118)+(119)+(120)+(121)**						
	Common Stock							
(123)	Unaffiliated Common Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (17) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)		X	0.2100	=		
(124)	Credit for Hedging - Common Stock	LR015 Hedged Asset Common Stock Schedule Column (10) Line (0299999)		X	0.2100	=		†
(125)	Stock Reduction - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (19)		X	0.2100	=		†
(126)	Stock Increase - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (20)		X	0.2100	=		
(127)	BA Common Stock Unaffiliated	LR008 Other Long-Term Assets Column (5) Line (47)		X	0.2100	=		
(128)	BA Common Stock Affiliated - C-1cs	LR008 Other Long-Term Assets Column (5) Line (49.2)		X	0.2100	=		
(129)	Common Stock Concentration Factor	LR011 Common Stock Concentration Factor Column (6) Line (6)		X	0.2100	=		
(130)	NAIC 01 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (51.1)		X	0.1575	=		
(131)	NAIC 02 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (51.2)		X	0.1575	=		
(132)	**Holding Company in Excess of Indirect Subs**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)**		X	0.2100	=		
(133)	**Affiliated Non-Insurers**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)**		X	0.2100	=		
(134)	Total for C-1cs Assets	**Lines (123)-(124)-(125)+(126)+(127)+(128)+(129)+(130)+(131)+(132)+(133)**						
	Insurance Risk							
(135)	Disability Income Premium	LR019 Health Premiums Column (2) Lines (21) through (27)		X	0.2100	=		

† Denotes lines that are deducted from the total rather than added.

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

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

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect
(136)	Long-Term Care	LR019 Health Premiums Column (2) Line (28) + LR023 Long-Term Care Column (4) Line (7)		X	0.2100	=	
(137)	Life Insurance C-2 Risk	LR025 Life Insurance Column (2) Line (8)		X	0.2100	=	
(138)	Group Insurance C-2 Risk	LR025 Life Insurance Column (2) Lines (20) and (21)		X	0.2100	=	
(138b)	Longevity C-2 Risk	LR025-A Longevity Risk Column (2) Line (5)		X	0.2100	=	
(139)	Disability and Long-Term Care Health Claim Reserves	LR024 Health Claim Reserves Column (4) Line (9) + Line (15)		X	0.2100	=	
(140)	Premium Stabilization Credit	LR026 Premium Stabilization Reserves Column (2) Line (10)		X	0.0000	=	
(141)	Total C-2 Risk	**L(135) + L(136) + L(139) + L(140) + Greatest of [Guardrail Factor * (L(137)+L(138)), Guardrail Factor * L(138b), Square Root of [(L(137) + L(138))2 + L(138b)2 + 2 * (Correlation Factor) * (L(137) + L(138)) * L(138b)]]**					
(142)	Interest Rate Risk	LR027 Interest Rate Risk Column (3) Line (36)		X	0.2100	=	
(143)	Health Credit Risk	LR028 Health Credit Risk Column (2) Line (7)		X	0.0000	=	
(144)	Market Risk	LR027 Interest Rate Risk Column (3) Line (37)		X	0.2100	=	
(145)	Business Risk	LR029 Business Risk Column (2) Line (40)		X	0.2100	=	
(146)	Health Administrative Expenses	LR029 Business Risk Column (2) Line (57)		X	0.0000	=	
(147)	Total Tax Effect	**Lines (110) + (122) + (134) + (141) + (142) + (143) + (144) + (145) + (146)**					

† Denotes lines that are deducted from the total rather than added.

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

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL

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		Source	(1) RBC Requirement
	Insurance Affiliates and Misc. Other Amounts (C-0)		
(1)	**Directly Owned Health Insurance Companies or Health Entities**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)**	
(2)	**Directly Owned Property and Casualty Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)**	
(3)	**Directly Owned Life Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)**	
(4)	**Indirectly Owned Health Insurance Companies or Health Entities**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)**	
(5)	**Indirectly Owned Property and Casualty Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)**	
(6)	**Indirectly Owned Life Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)**	
(7)	**Affiliated Alien Insurers - Directly Owned**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)**	
(8)	**Affiliated Alien Insurers - Indirectly Owned**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)**	
(9)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (34)	
(10)	Total (C-0) - Pre-Tax	Sum of Lines (1) through (**9**)	
(11)	(C-0) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (**122**)	
(12)	Net (C-0) - Post-Tax	Line (**10**) - Line (**11**)	
	Asset Risk – Unaffiliated Common Stock and Affiliated Non-Insurance Stock (C-1cs)		
(13)	Schedule D Unaffiliated Common Stock	LR005 Unaffiliated Common Stock Column (5) Line (21) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	
(14)	Schedule BA Unaffiliated Common Stock	LR008 Other Long-Term Assets Column (5) line (47)	
(15)	Schedule BA Affiliated Common Stock - C-1cs	LR008 Other Long-Term Assets Column (5) line (49.2)	
(16)	Common Stock Concentration Factor	LR011 Common Stock Concentration Factor Column (6) Line (6)	
(17)	**Holding Company in Excess of Indirect Subs**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)**	
(18)	**Affiliated Non-Insurers**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)**	
(19)	Total (C-1cs) - Pre-Tax	Sum of Lines (**13**) through (**18**)	
(20)	(C-1cs) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (**134**)	
(21)	Net (C-1cs) - Post-Tax	Line (**19**) - Line (**20**)	
	Asset Risk - All Other (C-1o)		
(22)	Bonds after Size Factor	LR002 Bonds Column (2) Line (27) + LR018 Off-Balance Sheet Collateral Column (3) Line (8)	
(23)	Mortgages (including past due and unpaid taxes)	LR004 Mortgages Column (6) Line (31)	
(24)	Unaffiliated Preferred Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (10) + LR018 Off-Balance Sheet Collateral Column (3) Line (15)	
(25)	**Investment Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (8)**	
(26)	**Investment in Upstream Affiliate (Parent)**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (15)**	
(27)	**Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (16)**	
(28)	**Directly Owned Property and Casualty Insurance Companies Not Subject to RBC**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (17)**	
(29)	**Directly Owned Life Insurance Companies Not Subject to RBC**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (18)**	
(30)	**Publicly Traded Insurance Affiliates**	**LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (22)**	
(31)	Separate Accounts with Guarantees	LR006 Separate Accounts Column (3) Line (7)	

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		Source	(1) RBC Requirement
(32)	Synthetic GIC's (C-1o)	LR006 Separate Accounts Column (3) Line (8)	
(33)	Surplus in Non-Guaranteed Separate Accounts	LR006 Separate Accounts Column (3) Line (13)	
(34)	Real Estate (gross of encumbrances)	LR007 Real Estate Column (3) Line (13)	
(35)	Schedule BA Real Estate (gross of encumbrances)	LR007 Real Estate Column (3) Line (25)	
(36)	Other Long-Term Assets	LR008 Other Long-Term Assets Column (5) Line (56) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)	
(37)	Schedule BA Mortgages	LR009 Schedule BA Mortgages Column (6) Line (23)	
(38)	Concentration Factor	LR010 Asset Concentration Factor Column (6) Line (62) Grand Total Page	
(39)	Miscellaneous	LR012 Miscellaneous Assets Column (2) Line (21)	
(40)	Replication Transactions and Mandatory Convertible Securities	LR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line (9999999)	
(41)	Reinsurance	LR016 Reinsurance Column (4) Line (17)	
(42)	Total (C-1o) - Pre-Tax	Sum of Lines (22) through (41)	
(43)	(C-1o) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (110)	
(44)	Net (C-1o) - Post-Tax	Line (42) - Line (43)	
	Insurance Risk (C-2)		
(45)	Individual and Industrial Life Insurance	LR025 Life Insurance Column (2) Line (8)	
(46)	Group and Credit Life Insurance and FEGI/SGLI	LR025 Life Insurance Column (2) Lines (20) and (21)	
(46b)	Longevity Risk	LR025-A Longevity Risk Column (2) Line (5)	
(47)	Total Health Insurance	LR024 Health Claim Reserves Column (4) Line (18)	
(48)	Premium Stabilization Reserve Credit	LR026 Premium Stabilization Reserves Column (2) Line (10)	
(49)	Total (C-2) - Pre-Tax	L(47) + L(48) + Greatest of [Guardrail Factor * (L(45)+L(46)), Guardrail Factor * L(46b), Square Root of [(L(45) + L(46))2 + L(46b)2 + 2 * (Correlation Factor) * (L(45) + L(46)) * L(46b)]]	
(50)	(C-2) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (141)	
(51)	Net (C-2) - Post-Tax	Line (49) - Line (50)	
	Interest Rate Risk (C-3a)		
(52)	Total Interest Rate Risk - Pre-Tax	LR027 Interest Rate Risk Column (3) Line (36)	
(53)	(C-3a) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (142)	
(54)	Net (C-3a) - Post-Tax	Line (52) - Line (53)	
	Health Credit Risk (C-3b)		
(55)	Total Health Credit Risk - Pre-Tax	LR028 Health Credit Risk Column (2) Line (7)	
(56)	(C-3b) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (143)	
(57)	Net (C-3b) - Post-Tax	Line (55) - Line (56)	
	Market Risk (C-3c)		
(58)	Total Market Risk - Pre-Tax	LR027 Interest Rate Risk Column (3) Line (37)	
(59)	(C-3c) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (144)	
(60)	Net (C-3c) - Post-Tax	Line (58) - Line (59)	

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

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Requirement
	Business Risk (C-4a)		
(61)	Premium Component	LR029 Business Risk Column (2) Lines (12) + (24) + (36)	
(62)	Liability Component	LR029 Business Risk Column (2) Line (39)	
(63)	Subtotal Business Risk (C-4a) - Pre-Tax	Lines (61) + (62)	
(64)	(C-4a) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (145)	
(65)	Net (C-4a) - Post-Tax	Line (63) - Line (64)	
	Business Risk (C-4b)		
(66)	Health Administrative Expense Component of Business Risk (C-4b) - Pre-Tax	LR029 Business Risk Column (2) Line (57)	
(67)	(C-4b) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (146)	
(68)	Net (C-4b) - Post-Tax	Line (66) - Line (67)	
	Total Risk-Based Capital After Covariance Before Basic Operational Risk		
(69)	C-0 + C-4a + Square Root of [(C-1o + C-3a)^2 + (C-1cs + C-3c)^2 + (C-2)^2 + (C-3b)^2 + (C-4b)^2]	REPORT AMOUNT ON PARENT COMPANY'S RBC IF APPLICABLE **L(12)+L(65) + Square Root of [(L(44) + L(54))^2 + (L(21) + L(60))^2 + L(51)^2 + L(57)^2 + L(68)^2]**	
(70)	Gross Basic Operational Risk	0.03 x L(69)	
(71)	C-4a of U.S. Life Insurance Subsidiaries	Company Records	
(72)	Net Basic Operational Risk	Line (70) - (Line (65) + Line (71)) (Not less than zero)	
(73)	Primary Security Shortfall Calculated in Accordance With Actuarial Guideline XLVIII Multiplied by 2	LR036 XXX/AXXX Reinsurance Primary Security Shortfall by Cession Column (7) Line (9999999) Multiplied by 2	
(74)	Total Risk-Based Capital After Covariance (Including Basic Operational Risk and Primary Security Shortfall multiplied by 2)	Line (69) + Line (72) + Line (73)	
	Authorized Control Level Risk-Based Capital (After Covariance Adjustment and Shortfall)		
(75)	Total Risk-Based Capital After Covariance Times Fifty Percent	Line (74) x 0.50	
	Tax Sensitivity Test		
(76)	Tax Sensitivity Test: Total Risk-Based Capital After Covariance	**L(10)+L(63) + Square Root of [(L(42) + L(52))^2 + (L(19) + L(58))^2 + L(49)^2 + L(55)^2 + L(66)^2]**	
(77)	Tax Sensitivity Test: Authorized Control Level Risk-Based Capital	Line (76) x 0.50	

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SUMMARY FOR AFFILIATED/SUBSIDIARY ~~INVESTMENTS~~ STOCKS

			(1)	(2)	(3)		(4)	
	Affiliate Type	Affiliate Code	Book / Adjusted Carrying Value	Book Value †	Difference Col. (1) - (2)	RBC Basis	RBC Requirement	Number of Companies
(1)	**Directly Owned Health Insurance Companies or Health Entities**	**1a**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(2)	**Directly Owned Property and Casualty Insurance Affiliates**	**1b**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(3)	**Directly Owned Life Insurance Affiliates**	**1c**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(4)	**Indirectly Owned Health Insurance Companies or Health Entities**	**2a**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(5)	**Indirectly Owned Property and Casualty Insurance Affiliates**	**2b**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(6)	**Indirectly Owned Life Insurance Affiliates**	**2c**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(7)	**Holding Company in Excess of Indirect Subs**	**3**		XXX	XXX	X 0.300 =		
(8)	**Investment Subsidiary**	**4**		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / 0.79		
(9)	**Directly Owned Alien Health Insurance Companies or Health Entities**	**5a**		XXX	XXX	X 1.000 =		
(10)	**Directly Owned Alien Property and Casualty Insurance Affiliates**	**5b**		XXX	XXX	X 1.000 =		
(11)	**Directly Owned Alien Life Insurance Affiliates**	**5c**		XXX	XXX	X 1.000 =		
(12)	**Indirectly Owned Alien Health Insurance Companies or Health Entities**	**6a**		XXX	XXX	X 1.000 =		
(13)	**Indirectly Owned Alien Property and Casualty Insurance Affiliates**	**6b**		XXX	XXX	X 1.000 =		
(14)	**Indirectly Owned Alien Life Insurance Affiliates**	**6c**		XXX	XXX	X 1.000 =		
(15)	**Investment in Upstream Affiliate (Parent)**	**7**		XXX	XXX	X 0.300 =		
(16)	**Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC**	**8a**		XXX	XXX	X 0.300 =		
(17)	**Directly Owned Property and Casualty Insurance Companies Not Subject to RBC**	**8b**		XXX	XXX	X 0.300 =		
(18)	**Directly Owned Life Insurance Companies Not Subject to RBC**	**8c**		XXX	XXX	X 0.300 =		
(19)	**Non-Insurance Entities with a Capital Eequirement Imposed by a Regulatory Body**	**9a**		XXX	XXX	X 0.300 =		
(20)	**Non-Insurance Other Financial Entities without Regulatory Capital Requirements**	**9b**		XXX	XXX	X 0.300 =		
(21)	**Other Non-financial Entites**	**9c**		XXX	XXX	X 0.300 =		
(22)	**Publicly Traded Insurance Affiliates**	**10**				X 0.346 =		
(23)	Total (Sum of Lines (1) through (22)	XXX		XXX		XXX		

† If different than book / adjusted carrying value.

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CROSSCHECKING FOR AFFILIATED/SUBSIDIARY ~~INVESTMENTS~~ STOCKS

Affiliated Preferred Stock

	Schedule D Part 6 Section 1 Type	Annual Statement Line Number	(1) Annual Statement Total Preferred Stock†	(2) Total from Life and Fraternal Risk-Based Capital Report‡	(3) Difference
(1)	Parent	0199999			
(2)	U.S. Property and Casualty Insurer	0299999			
(3)	U.S. Life Insurer	0399999			
(4)	U.S. Health Entity	0499999			
(5)	Alien Insurer	0599999			
(6)	Non-Insurer Which Controls Insurer	0699999			
(7)	Investment Subsidiary	0799999			
(8)	Other Affiliates	0899999			
(9)	Total (Sum of Lines (1) through (8))				

Affiliated Common Stock

	Schedule D Part 6 Section 1 Type	Annual Statement Line Number	(1) Annual Statement Total Common Stock†	(2) Total from Life and Fraternal Risk-Based Capital Report§	(3) Difference
(10)	Parent	1099999			
(11)	U.S. Property and Casualty Insurer	1199999			
(12)	U.S. Life Insurer	1299999			
(13)	U.S. Health Entity	1399999			
(14)	Alien Insurer	1499999			
(15)	Non-Insurer Which Controls Insurer	1599999			
(16)	Investment Subsidiary	1699999			
(17)	Other Affiliates	1799999			
(18)	Total (Sum of Lines (10) through (17))				

† Column (1) Lines (1) through (8) and (10) through (17) come from Schedule D Part 6 Section 1 Column 7 of the annual statement.
‡ Column (2) Lines (1) through (8) come from LR044 Details for Affiliated Investments Column (7).
§ Column (2) Lines (10) through (17) come from LR044 Details for Affiliated Investments Column (5).

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DETAILS FOR AFFILIATED/SUBSIDIARY ~~INVESTMENTS~~ STOCKS

~~Affiliate Type~~	~~Affiliate Code for Column (2)~~	~~RBC Basis~~	~~Affiliate Type~~	~~Affiliate Code for Column (2)~~	~~RBC Basis~~
~~Direct U.S. Property and Casualty Subsidiaries~~	~~1~~	~~Subs' RBC After Covariance / 0.79~~	~~Alien Insurance Subsidiaries - Canadian Life~~	~~8~~	~~Subsidiaries' MCCSR / 0.79~~
~~Direct U.S. Life Subsidiaries~~	~~2~~	~~Subs' RBC After Covariance / 0.79~~	~~Alien Insurance Subsidiaries - Other~~	~~9~~	~~1.000 x Book/Adj. Carrying Value~~
~~Direct and Indirect U.S. Health Subsidiaries~~	~~3~~	~~Subs' RBC After Covariance / 0.79~~	~~Investment in Parents~~	~~10~~	~~0.300 x Book/Adj. Carrying Value~~
~~Indirect U.S. Property and Casualty Subsidiaries~~	~~4~~	~~Subs' RBC After Covariance / 0.79~~	~~Other Affiliate - P&C Insurers not subject to RBC~~	~~11~~	~~0.300 x Book/Adj. Carrying Value~~
~~Indirect U.S. Life Subsidiaries~~	~~5~~	~~Subs' RBC After Covariance / 0.79~~	~~Other Affiliate - Life Insurers not subject to RBC~~	~~12~~	~~0.300 x Book/Adj. Carrying Value~~
~~Investment Subsidiaries~~	~~6~~	~~Subs' RBC After Covariance / 0.79~~	~~Other Affiliate - All Other~~	~~13~~	~~0.300 x Book/Adj. Carrying Value~~
~~Holding Company in Excess of Indirect Subsidiaries~~	~~7~~	~~0.300 x Book/Adj. Carrying Value~~			

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Name of Affiliate	Affiliate Code (1 to 21)	NAIC Company Code or Alien ID Number†	Affiliate's RBC After Covariance‡ LR031, Lines (67)+(71), PR032, Line (67), XR025, Line (37)	Book / Adjusted Carrying Value of Affiliate's Common Stock	Total Value of Affiliate's Outstanding Common Stock	Book / Adjusted Carrying Value of Affiliate's Preferred Stock	Total Value of Affiliate's Outstanding Preferred Stock	Percent Owned	RBC Requirement*
(0000001)										
(0000002)										
(0000003)										
(0000004)										
(0000005)										
(0000006)										
(0000007)										
(0000008)										
(0000009)										
(0000010)										
(0000011)										
(0000012)										
(0000013)										
(0000014)										
(0000015)										
(0000016)										
(0000017)										
(0000018)										
(0000019)										
(0000020)										
(9999999)	Total	xxxxx	xxxxx			xxxxx		xxxxx	xxxxx	

† If applicable.
‡ If applicable. For Canadian life subsidiaries, the Minimum Continuing Capital and Surplus Requirement (MCCSR) should be used.
* The RBC Requirement column is calculated on a pre-tax basis.

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