

*Virtual Meeting
(in lieu of meeting at 2020 Fall National Meeting)*

PROPERTY AND CASUALTY RISK-BASED CAPITAL (E) WORKING GROUP

Tuesday, October 27, 2020

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

Summary Report

The Property and Casualty Risk-Based Capital (E) Working Group met Oct. 27, 2020. During this meeting, the Working Group:

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Catastrophe Risk (E) Subgroup, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Exposed proposal 2020-08-CR (Clarification to PR027 Interrogatories).
 - c. Discussed the possibility of adding wildfire peril to the Rcat component.
 - d. Discussed the internal catastrophe model evaluation process.
 - e. Adopted its Feb. 3 minutes, which included the following action:
 - i. Adopted its Feb. 3 minutes.
 - ii. Heard a presentation from Karen Clark & Company (KCC) on its catastrophe model.
 - iii. Discussed the possibility of allowing additional third-party commercial vendor models.
 - iv. Discussed the internal catastrophe model evaluation process.
3. Adopted the 2020 Property/Casualty (P/C) Risk-Based Capital (RBC) Newsletter.
4. Exposed proposal 2020-11-CR (Remove Operational Risk Factor from Rcat).
5. Discussed Ref #2019-49: Retroactive Reinsurance Exception from the Statutory Accounting Principles (E) Working Group.
6. Discussed a referral from the Restructuring Mechanisms (E) Subgroup.
7. Discussed its 2020 working agenda.
8. Discussed line 1 underwriting risk reserves and premium methodology.

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