

Draft date: 6/11/26

Virtual Meeting

**JOINT MEETING OF THE PROPERTY AND CASUALTY RISK-BASED CAPITAL (E) WORKING GROUP
AND CATASTROPHE RISK (E) SUBGROUP**

Wednesday, June 17, 2026

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

ROLL CALL

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

Tom Botsko, Chair	Ohio	Melissa Robertson	New Mexico
Wanchin Chou, Vice Chair	Connecticut	Ni Qin	New York
Charles Hale	Alabama	Will Davis	South Carolina
Rolf Kaumann/Eric Unger	Colorado	Rebecca Armon	Texas
Jane Nelson	Florida	Adrian Jaramillo	Wisconsin
Sandra Darby	Maine		

NAIC Support Staff: Eva Yeung

CATASTROPHE RISK (E) SUBGROUP

Wanchin Chou, Chair	Connecticut	Alexander Vajda	New York
Jane Nelson, Vice Chair	Florida	Tom Botsko	Ohio
Rolf Kaumann/Eric Unger	Colorado	Andrew Schallhorn	Oklahoma
Travis Grassel	Iowa	Will Davis	South Carolina
Sandra Darby	Maine	Rebecca Armon	Texas
Melissa Robertson/Elouisa Tyler	New Mexico		

NAIC Support Staff: Eva Yeung

AGENDA

1. Consider Adoption of Proposal 2026-11-P (Underwriting Risk Line 1 Factors)—*Tom Botsko (OH)* Attachment A
2. Consider Adoption of Proposal 2025-21-P (Premium and Loss Concentration Factors)—*Tom Botsko (OH)* Attachment B
3. Hear Updates on the Severe Convective Storms Impact Analysis—*Wanchin Chou (CT) and Jason Butke (Travelers)* Attachment C

4. Discuss Climate Impact Disclosures — *Wanchin Chou (CT)*
5. Discuss Any Other Matters Brought Before the Working Group—*Tom Botsko (OH) and Wanchin Chou (CT)*
6. Adjournment

Capital Adequacy (E) Task Force

RBC Proposal Form

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

<p style="text-align: right;">DATE: <u>4/24/26</u></p> <p>CONTACT PERSON: <u>Eva Yeung</u></p> <p>TELEPHONE: <u>816-783-8407</u></p> <p>EMAIL ADDRESS: <u>eyeung@naic.org</u></p> <p>ON BEHALF OF: <u>P/C RBC (E) Working Group</u></p> <p>NAME: <u>Tom Botsko</u></p> <p>TITLE: <u>Chair</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50 West Town Street, Suite 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2026-11-P</u> Year <u>2026</u></p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>ADOPTED:</p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WF) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p>EXPOSED:</p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WG) <u>05/12/2026</u></p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p>REJECTED:</p> <p><input type="checkbox"/> TF <input type="checkbox"/> WG <input type="checkbox"/> SG _____</p> <p>OTHER:</p> <p><input type="checkbox"/> DEFERRED TO _____</p> <p><input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____</p> <p><input type="checkbox"/> (SPECIFY) _____</p>
--	---

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

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

The proposed change aims to deliver a routine annual update to the industry underwriting factors, including premium and reserve, within the PCRBC formula.

Additional Staff Comments:

** This section must be completed on all forms.

Revised 2-2023

Schedule P Line of Business	LOB	Proposed for adoption - 2026 Industry Average Development Ratio	2025 Industry Average Development	2024 Industry Average Development	2023 Industry Average Development	2022 Industry Average Development	2021 Industry Average Development	2020 Industry Average Development	2019 Industry Average Development	2018 Industry Average Development	2017 Industry Average Development
H/F	A	0.998	0.997	1.020	0.999	1.001	0.998	0.993	0.989	0.989	0.984
PPA	B	1.074	1.072	1.061	1.047	1.022	1.025	1.035	1.026	1.022	1.012
CA	C	1.114	1.110	1.115	1.106	1.082	1.083	1.078	1.087	1.060	1.034
WC	D	0.921	0.912	0.882	0.873	0.906	0.912	0.916	0.955	0.952	0.971
CMP	E	1.008	1.018	1.024	1.026	1.037	0.999	1.016	0.992	0.967	0.956
MM Occurrence	F1	0.923	0.914	0.910	0.906	0.887	0.874	0.861	0.864	0.871	0.868
MM Clms Made	F2	1.035	1.024	0.996	0.984	0.983	0.973	0.940	0.907	0.886	0.854
SL	G	0.989	0.995	0.996	0.994	0.990	0.976	0.963	0.938	0.933	0.926
OL	H	0.984	0.995	0.993	0.969	0.995	0.964	0.968	0.971	0.966	0.952
Fidelity / Surety	K	0.879	0.875	0.875	0.852	0.842	0.915	0.907	0.995	0.996	1.016
Special Property/Pet Insurance Plan	I/U	0.956	0.985	0.989	0.983	0.993	0.978	0.977	0.972	0.971	0.982
Auto Physical Damage	J	0.984	1.002	0.999	1.016	1.011	0.989	0.993	0.996	1.000	1.001
Other (Credut, A&H)	L	0.938	0.938	0.942	0.946	0.955	0.965	0.971	0.973	0.976	0.981
Financial / Mortgage Guaranty	S	0.525	0.486	0.493	0.674	0.694	0.723	0.682	0.788	0.870	0.820
Intl	M	1.579	1.927	2.168	2.414	3.041	1.104	1.162	1.037	0.851	0.855
Rein. Property & Financial Lines	NP	0.915	0.925	0.930	0.924	0.917	0.893	0.886	0.872	0.834	0.814
Rein. Liability	O	1.077	1.090	1.054	1.024	1.008	0.989	0.985	0.955	0.945	0.914
PL	R	0.897	0.911	0.882	0.874	0.867	0.879	0.900	0.913	0.921	0.935
Warranty	T	0.985	0.978	0.991	0.995	0.998	1.007	1.013	1.017	1.015	0.989

Schedule P Line of Business	LOB	Proposed 2026 Industry Average Loss & Expense Ratio	2025 Industry Average Loss & Expense Ratio	2024 Industry Average Loss & Expense Ratio	2023 Industry Average Loss & Expense Ratio	2022 Industry Average Loss & Expense Ratio	2021 Industry Average Loss & Expense Ratio	2020 Industry Average Loss & Expense Ratio	2019 Industry Average Loss & Expense Ratio	2018 Industry Average Loss & Expense Ratio	2017 Industry Average Loss & Expense Ratio
H/F	A	0.698	0.700	0.695	0.679	0.665	0.681	0.678	0.681	0.687	0.688
PPA	B	0.805	0.807	0.799	0.791	0.793	0.795	0.810	0.810	0.806	0.800
CA	C	0.805	0.792	0.787	0.777	0.761	0.761	0.759	0.737	0.724	0.706
WC	D	0.657	0.649	0.646	0.651	0.664	0.682	0.705	0.726	0.744	0.751
CMP	E	0.677	0.683	0.684	0.671	0.661	0.673	0.672	0.666	0.664	0.647
MM Occurrence	F1	0.763	0.763	0.752	0.767	0.750	0.731	0.726	0.730	0.780	0.777
MM Clms Made	F2	0.844	0.840	0.828	0.815	0.829	0.821	0.797	0.768	0.747	0.722
SL	G	0.562	0.565	0.583	0.578	0.585	0.593	0.603	0.593	0.569	0.567
OL	H	0.675	0.664	0.649	0.641	0.637	0.635	0.639	0.638	0.633	0.629
Fidelity / Surety	K	0.376	0.374	0.375	0.363	0.366	0.394	0.384	0.399	0.417	0.430
Special Property/Pet Insurance Plan	I/U	0.552	0.552	0.552	0.550	0.547	0.559	0.553	0.554	0.563	0.555
Auto Physical Damage	J	0.715	0.731	0.733	0.727	0.718	0.726	0.732	0.730	0.732	0.727
Other (Credit, A&H)	L	0.714	0.714	0.711	0.702	0.698	0.693	0.684	0.682	0.709	0.712
Financial / Mortgage Guaranty	S	0.181	0.159	0.158	0.209	0.203	0.252	0.513	0.811	1.099	1.175
Intl	M	0.994	1.184	1.153	1.136	1.166	0.769	0.758	0.795	0.584	0.565
Rein. Property & Financial Lines	NP	0.601	0.597	0.587	0.578	0.566	0.558	0.534	0.522	0.486	0.459
Rein. Liability	O	0.842	0.788	0.760	0.743	0.725	0.713	0.708	0.679	0.666	0.609
PL	R	0.611	0.609	0.594	0.597	0.601	0.617	0.645	0.656	0.671	0.670
Warranty	T	0.653	0.641	0.641	0.652	0.665	0.681	0.691	0.695	0.732	0.645

Capital Adequacy (E) Task Force

RBC Proposal Form

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

<p style="text-align: right;">DATE: <u>4/24/26</u></p> <p>CONTACT PERSON: <u>Eva Yeung</u></p> <p>TELEPHONE: <u>816-783-8407</u></p> <p>EMAIL ADDRESS: <u>eyeung@naic.org</u></p> <p>ON BEHALF OF: <u>P/C RBC (E) Working Group</u></p> <p>NAME: <u>Tom Botsko</u></p> <p>TITLE: <u>Chair</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50 West Town Street, Suite 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2025-21-P</u> Year <u>2026</u></p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>ADOPTED:</p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WF) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p>EXPOSED:</p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WG) <u>05/12/2026</u></p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p>REJECTED:</p> <p><input type="checkbox"/> TF <input type="checkbox"/> WG <input type="checkbox"/> SG _____</p> <p>OTHER:</p> <p><input type="checkbox"/> DEFERRED TO _____</p> <p><input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____</p> <p><input type="checkbox"/> (SPECIFY) _____</p>
---	---

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

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

The proposed change would update the loss and premium concentration factors in the P/C RBC formula based on the Academy's findings. The Academy concluded that Maximum Diversification Credits (MDCs) of 45% for premium and 65% for reserves are reasonable and are better supported by current data than the existing 30% MDC.

Additional Staff Comments:

** This section must be completed on all forms.

Revised 2-2023

UNDERWRITING RISK - RESERVES PR017

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	#REF! (10)
	SCH P LINE OF BUSINESS	H/F	PPA	CA	WC	CMP	MPL OCCURRENCE	MPL CLMS MADE	SL	OL	FIDELITY / SURETY
(1)	INDUSTRY AVERAGE DEVELOPMENT	0.997	1.072	1.110	0.912	1.018	0.914	1.024	0.995	0.995	0.875
(2)	COMPANY DEVELOPMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(3)	(2)/(1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(4)	INDUSTRY LOSS & EXPENSE RBC %	0.226	0.205	0.360	0.382	0.475	0.271	0.172	0.401	0.496	0.586
(5)	COMPANY RBC % (4)*(3)*.5+(4)*.5	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(6)	LOSS & LOSS ADJUSTMENT EXPENSE UNPAID SCH. P PART 1 (in 000s)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(7)	OTHER DISCOUNT AMOUNT NOT INCLUDED IN LOSS & LOSS ADJUSTMENT EXPENSE UNPAID IN SCH. P PART 1 (in 000s)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(8)	ADJUSTMENT FOR INVESTMENT INCOME	0.951	0.937	0.926	0.783	0.898	0.861	0.896	0.884	0.864	0.908
(9)	BASE LOSS & LOSS ADJUSTMENT EXPENSE RESERVE RISK-BASED CAPITAL (000's) MAX {0,[(5)+1]*(8)-1}*[(6)+(7)] zero if Line [(6)+(7)] is negative	0	0	0	0	0	0	0	0	0	0
(10)	% DIRECT LOSS SENS	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(11)	% ASSUMED LOSS SENS	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(12)	LOSS SENSITIVE DISCOUNT (in 000s)	0	0	0	0	0	0	0	0	0	0
(13)	LOSS & LOSS ADJUSTMENT EXPENSE RBC AFTER DSCT (in 000s) L(09) - L(12)	0	0	0	0	0	0	0	0	0	0
(14)	LOSS CONCEN FACTOR										
(15)	TOTAL NET RESERVE RBC x1000 (converted to whole dollars)										

This worksheet is to show the results of the calculation of Underwriting Risk - Reserves
Enter data in PR035 through PR039, PR100 through PR701 and PROTH

UNDERWRITING RISK - RESERVES PR017

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
SCH P LINE OF BUSINESS	SPECIAL PROPERTY/PET INSURANCE PLANS	AUTO PHYSICAL DAMAGE	OTHER (INCLUDE CREDIT,A&H)	FINANCIAL / MORTGAGE GUARANTY	INTL	REIN. PROPERTY & FINANCIAL LINES	REIN. LIABILITY	PL	WARRANTY	TOTAL
(1) INDUSTRY AVERAGE DEVELOPMENT	0.985	1.002	0.938	0.486	1.927	0.925	1.090	0.911	0.978	XXX
(2) COMPANY DEVELOPMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(3) (2)/(1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(4) INDUSTRY LOSS & EXPENSE RBC %	0.272	0.137	0.225	0.146	0.669	0.319	0.596	1.226	0.355	XXX
(5) COMPANY RBC % (4)*(3)*.5+(4)*.5	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(6) LOSS & LOSS ADJUSTMENT EXPENSE UNPAID SCH. P PART 1 (in 000s)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0
(7) OTHER DISCOUNT AMOUNT NOT INCLUDED IN LOSS & LOSS ADJUSTMENT EXPENSE UNPAID IN SCH. P PART 1 (in 000s)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0
(8) ADJUSTMENT FOR INVESTMENT INCOME	0.954	0.978	0.936	0.916	0.881	0.913	0.793	0.844	0.961	XXX
(9) BASE LOSS & LOSS ADJUSTMENT EXPENSE RESERVE RISK-BASED CAPITAL (000's) MAX {0,[(5)+1]*(8)-1}*[(6)+(7)] zero if Line [(6)+(7)] is negative	0	0	0	0	0	0	0	0	0	0
(10) % DIRECT LOSS SENS	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	XXX
(11) % ASSUMED LOSS SENS	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	XXX
(12) LOSS SENSITIVE DISCOUNT (in 000s)	0	0	0	0	0	0	0	0	0	0
(13) LOSS & LOSS ADJUSTMENT EXPENSE RBC AFTER DSCT (in 000s) L(09) - L(12)	0	0	0	0	0	0	0	0	0	0
(14) LOSS CONCEN FACTOR										1.000
(15) TOTAL NET RESERVE RBC x1000 (converted to whole dollars)										0

This worksheet is to show the results of the calculation of Underwriting Risk - Reserves
 Enter data in PR035 through PR039, PR100 through PR701 and PROTH

=ROUND(MIN(1,IF(E92>0,MAX(E69,E70,E71,E72,E73,E74,E75,E76,(E77+E78),(E79+E91),E80,E81,E82,E83,E84,E85,E86,(E87+E88),E89,E90)/E92,1)))*0.65+0.35,3)

UNDERWRITING RISK - NET WRITTEN PREMIUMS PR018

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	#REF! (10)
SCH P LINE OF BUSINESS	H/F	PPA	CA	WC	CMP	MPL OCCURRENCE	MPL CLMS MADE	SL	OL	FIDELITY / SURETY
(1) INDUSTRY AVERAGE LOSS & LOSS ADJUSTMENT EXPENSE RATIO	0.700	0.807	0.792	0.649	0.683	0.763	0.840	0.565	0.664	0.374
(2) COMPANY AVERAGE LOSS & LOSS ADJUSTMENT EXPENSE RATIO	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(3) (2)/(1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(4) INDUSTRY LOSSES & LOSS ADJUSTMENT EXPENSE RATIO	0.930	0.970	1.014	1.037	0.873	1.394	1.146	0.894	0.993	0.657
(5) COMPANY RBC LOSSES & LOSS ADJUSTMENT EXPENSE RATIO (3)*(4)*0.5+(4)*0.5	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(6) COMPANY UNDERWRITING EXPENSE RATIO	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(7) ADJUSTMENT FOR INVESTMENT INCOME	0.966	0.937	0.903	0.833	0.921	0.795	0.863	0.924	0.837	0.922
(8) C/Y NET WRITTEN PREMIUM (in 000s)	0	0	0	0	0	0	0	0	0	0
(9) BASE WRITTEN PREMIUM RISK-BASED CAPITAL (in 000s) MAX {0,(8)*[(5)*(7)+(6)-1]} zero if Line (8) is negative	0	0	0	0	0	0	0	0	0	0
(10) % DIRECT LOSS SENS WP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(11) % ASSUMED LOSS SENS WP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(12) LOSS SENSITIVE DSCT - WP (in 000s)	0	0	0	0	0	0	0	0	0	0
(13) NWP RBC AFTER DSCT (in 000s)	0	0	0	0	0	0	0	0	0	0
(14) PREMIUM CONCENTRATION FACTOR										
(15) NET WRITTEN PREMIUM RBC x 1000 (converted to whole dollars)										

This worksheet is to show the results of the calculation of Underwriting Risk - Net Written Premiums

Enter data in PR035 through PR039, PR100 through PR701 and PROTH

UNDERWRITING RISK - NET WRITTEN PREMIUMS PR018

		(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	#REF! (19)	(20)
SCH P LINE OF BUSINESS		SPECIAL PROPERTY/PET INSURANCE PLANS	AUTO PHYSICAL DAMAGE	OTHER (INCLUDE CREDIT,A&H)	FINANCIAL / MORTGAGE GUARANTY	INTL	REIN. PROPERTY & FINANCIAL LINES	REIN. LIABILITY	PL	WARRANTY	TOTAL
(1)	INDUSTRY AVERAGE LOSS & LOSS ADJUSTMENT EXPENSE RATIO	0.552	0.731	0.714	0.159	1.184	0.597	0.788	0.609	0.641	XXX
(2)	COMPANY AVERAGE LOSS & LOSS ADJUSTMENT EXPENSE RATIO	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(3)	(2)/(1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(4)	INDUSTRY LOSSES & LOSS ADJUSTMENT EXPENSE RATIO	0.795	0.835	0.926	2.012	1.476	0.973	1.183	1.194	0.985	XXX
(5)	COMPANY RBC LOSSES & LOSS ADJUSTMENT EXPENSE RATIO (3)*(4)*0.5+(4)*0.5	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(6)	COMPANY UNDERWRITING EXPENSE RATIO	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX
(7)	ADJUSTMENT FOR INVESTMENT INCOME	0.957	0.979	0.958	0.891	0.925	0.919	0.811	0.801	0.972	XXX
(8)	C/Y NET WRITTEN PREMIUM (in 000s)	0	0	0	0	0	0	0	0	0	0
(9)	BASE WRITTEN PREMIUM RISK-BASED CAPITAL (in 000s) MAX {0,(8)*[(5)*(7)+(6)-1]} zero if Line (8) is negative	0	0	0	0	0	0	0	0	0	0
(10)	% DIRECT LOSS SENS WP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	XXX
(11)	% ASSUMED LOSS SENS WP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	XXX
(12)	LOSS SENSITIVE DSCT - WP (in 000s)	0	0	0	0	0	0	0	0	0	0
(13)	NWP RBC AFTER DSCT (in 000s)	0	0	0	0	0	0	0	0	0	0
(14)	PREMIUM CONCENTRATION FACTOR										1.000
(15)	NET WRITTEN PREMIUM RBC x 1000 (converted to whole dollars)										0

This worksheet is to show the results of the calculation of Underwriting Risk - Net Written Premiums

=ROUND(MIN(1,IF(E54>0,MAX(E31,E32,E33,E34,E35,E36,E37,E38,(E39+E40),(E41+E53),E42,E43,E44,E45,E46,E47,E48,(E49+E50),E51,E52)/E54,1))*0.45+0.55,3)

Enter data in PR035 through PR039, PR100 through PR701 and PROTH

Agenda

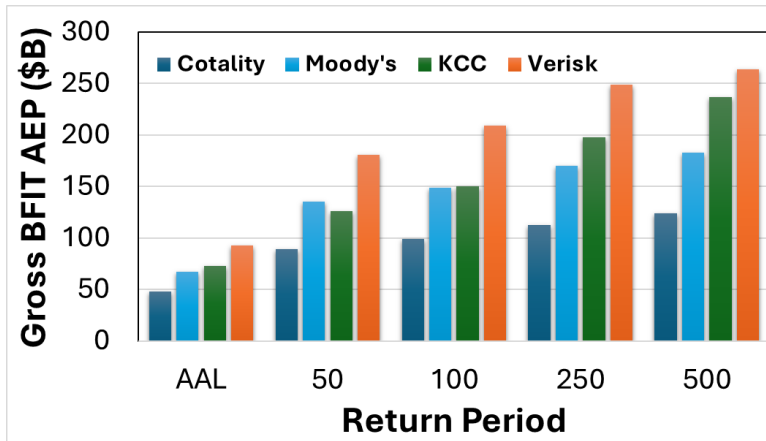
Reasonability Assessment:

- Loss Magnitude
- EP Curve (US)
- EP Curve (Regional)
- Hazard
- Vulnerability

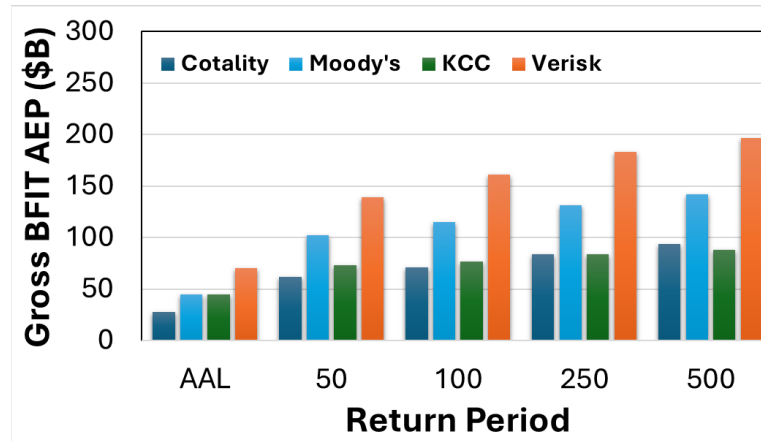


SCS Vendor Comparison: EP Curve Reasonability (US)

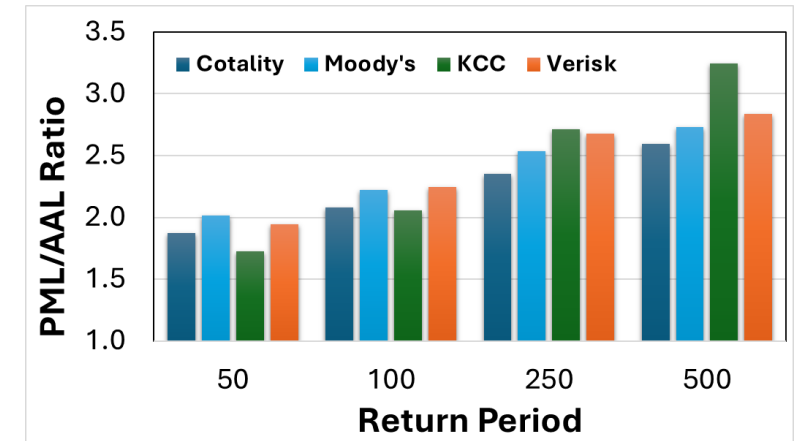
All Peril Combined



Hail Only



PML/AAL Ratio All Peril Combined



Vendor loss magnitudes vary meaningfully (2x)

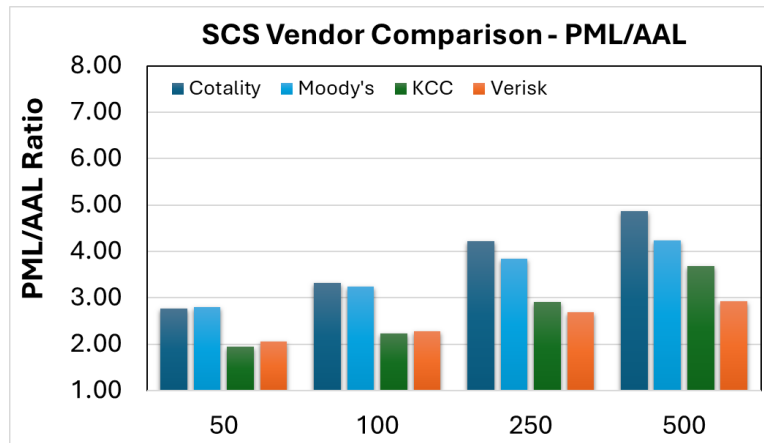
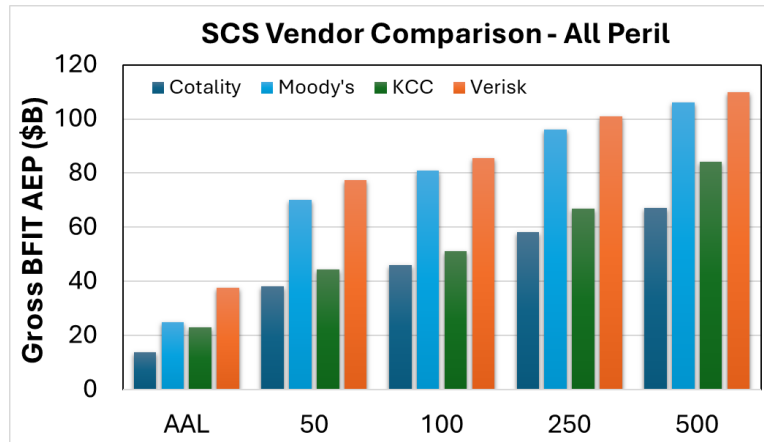
Hail as % of Average Annual Loss: Vendors range from 57% to 76%

PML/AAL ratios are relatively consistent across vendors



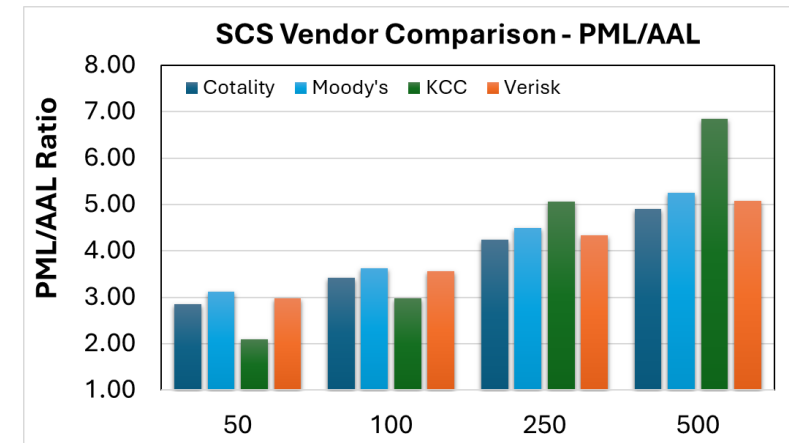
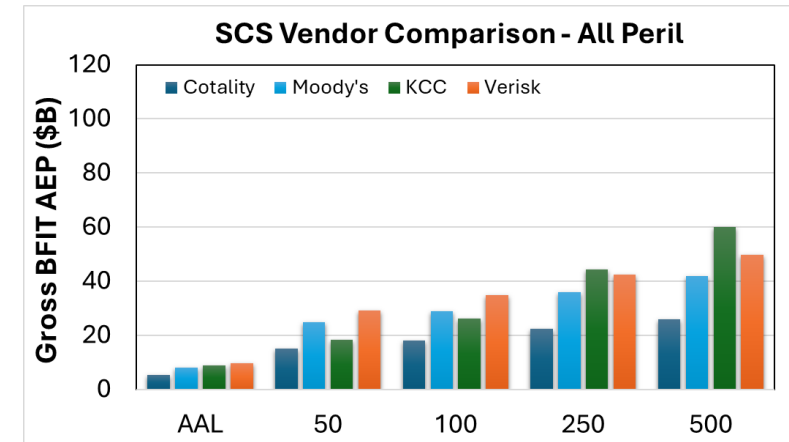
SCS Vendor Comparison: EP Curve Reasonability (Regional)

Tornado Alley



Vendor loss magnitudes & PML/AAL ratios vary meaningfully (1.5-3x)

Southeast

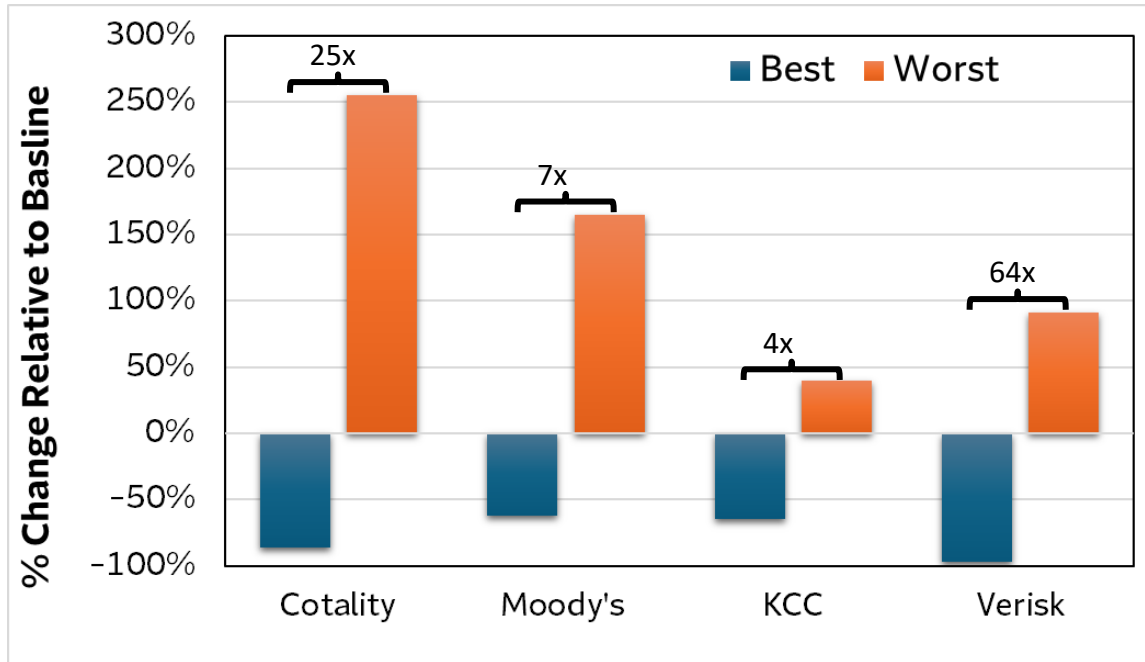


Vendor loss magnitudes & PML/AAL ratios closely aligned

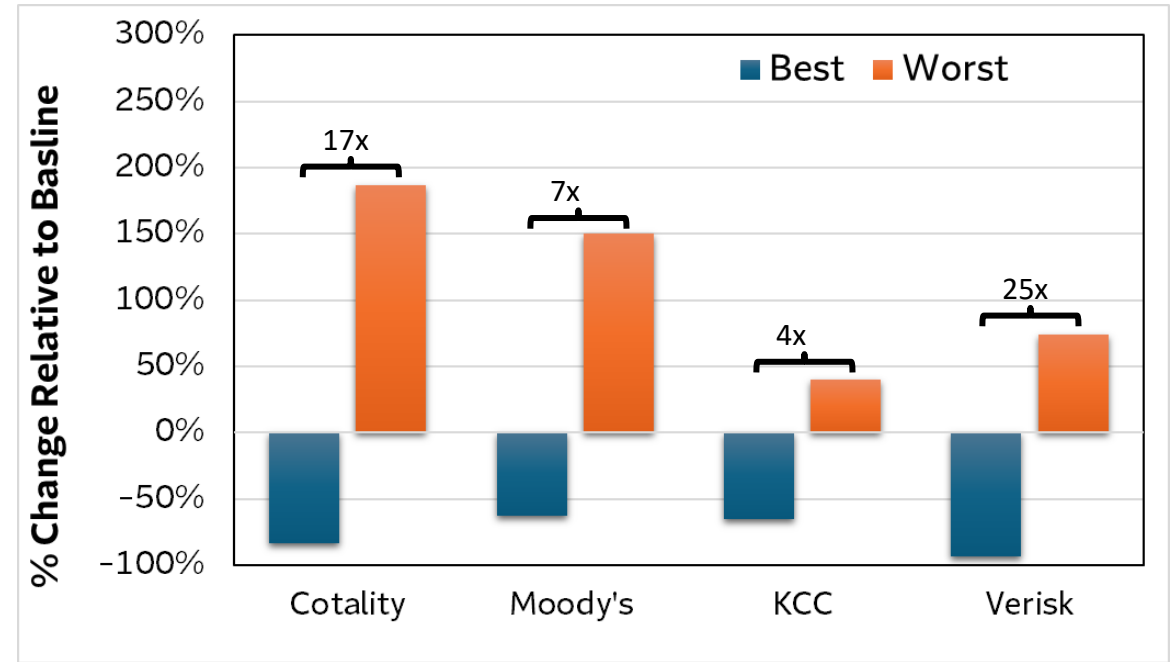


SCS Vendor Comparison: Vulnerability Reasonability (Best/Worst)

Tornado Alley



Southeast



Vendor vulnerability ranges between “Best” and “Worst” combinations vary significantly



SCS Vendor Comparison: Vulnerability Reasonability

Moody's: Cosmetic Damage

- TODMGPROVISION: option 1 - Cosmetic damage - fully covered
- TODMGPROVISION: option 5 - Cosmetic damage - excluded

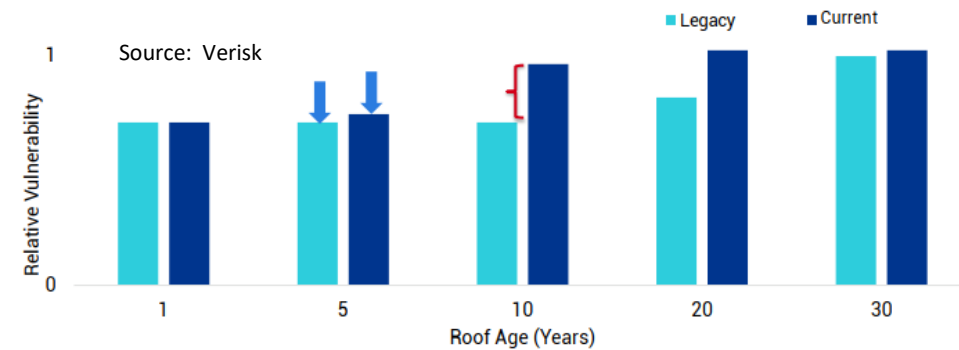
Cosmetic damage exclusions are very common for metal roofs and increasing for all roof material types

Moody's: Roof Condition

- ROOFMAINT option 1- Significant signs of material deterioration
- ROOFMAINT option 4 - Excellent roof condition

Remotely sensed property attributes are increasingly available in the market

Verisk/Moody's/KCC: Roof Age



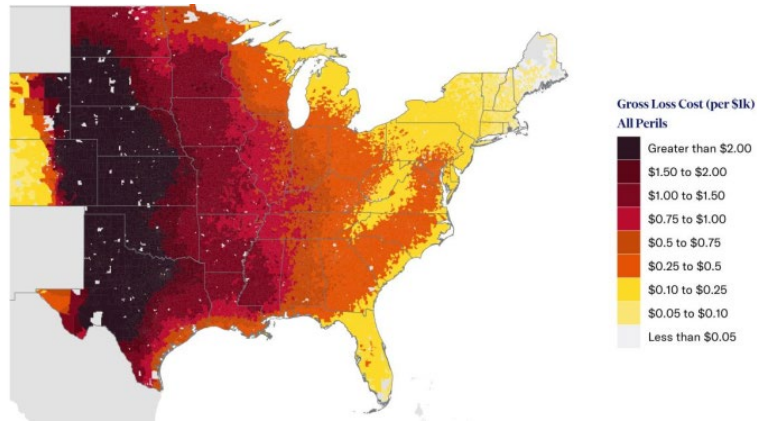
Per IBHS roof aging farm data, asphalt shingle sealants degrade, and wind resistance declines by year 10; natural weathering reduces hail impact performance over time



SCS Vendor Comparison: Hazard Reasonability

Moody's

Verisk



KCC

Cotality

Hazard representation is generally consistent across vendors with a peak in the Central and Western Great Plains

