

NAIC Life Risk-Based Capital Newsletter

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What RBC Pages Should Be Submitted?

For year-end 2019 life and fraternal risk-based capital (RBC), submit hard copies of pages LR001 through LR049 to any state that requests a hard copy in addition to the electronic filing. Starting with year-end 2007 RBC, a hardcopy was not required to be submitted to the NAIC. However, a portable document format (PDF) file representing the hard copy filing is part of the electronic filing.

If any actuarial certifications are required per the RBC instructions, those should be included as part of the hard copy filing. Starting with year-end 2008 RBC, the actuarial certifications were also part of the electronic RBC filing as PDF files, similar to the financial annual statement actuarial opinion.

Other pages, such as the mortgage and real estate worksheets, do not need to be submitted. However, they still need to be retained by the company as documentation.

Combined Life and Fraternal RBC Formula

As a result of the adoption of proposal 2018-18-L by the Capital Adequacy (E) Task Force on its June 28 conference call, changes needed to incorporate fraternal benefit societies into the life RBC formula were made. The fraternal annual statement blank is being eliminated beginning with year-end 2019. The life and fraternal RBC formulas are nearly identical except for a few items that are not applicable to fraternals and references to the fraternal annual statement blank. A combined formula eliminates the need to maintain two sets of instructions and blank pages along with reducing time spent on maintenance of tables, specs and validation rules.

C-3 Instructional Changes to Implement the Variable Annuities Framework

As a result of the adoption of proposal 2019-10-L by the Capital Adequacy (E) Task Force on its June 28 conference call, changes developed by the Variable Annuities Capital and Reserve (E/A) Subgroup and recommended to the Life Risk-Based Capital (E) Working Group to implement the Variable Annuities Framework were incorporated into the life RBC instructions. The changes primarily relate to the instructions for LR027, Interest Rate Risk and Market Risk, and the addition of a new appendix. The RBC changes were developed in conjunction with the work done for reserves and resulting changes to *Actuarial Guideline XLIII—CARVM for Variable Annuities* (AG 43); VM-01, Definitions for Terms in Requirements; and VM-21, Requirements for Principle-Based Reserves for Variable Annuities.

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Operational Risk

The Capital Adequacy (E) Task Force adopted proposal 2019-01-O to remove the Operational Risk Informational Only Growth Risk page from the life RBC formula at the Spring National Meeting.

Label for C-0 Asset Risk

As a result of the adoption of proposal 2018-05-CA by the Capital Adequacy (E) Task Force during its June 28, 2018, conference call, the label for the C-0 component was modified to be more accurate and to prevent confusion and misunderstanding.

Stop-Loss Interrogatories

As a result of the adoption of proposal 2018-14-CA by the Capital Adequacy (E) Task Force at the 2019 Spring National Meeting, the electronic-only stop-loss table 2 was split out between specific stop loss and aggregate stop loss.

RBC Forecasting and Instructions

The NAIC *2019 Life Risk-Based Capital Forecasting & Instructions* is available for purchase through the NAIC Publications Department. Customers who purchase this publication can download the forecasting spreadsheet from the [NAIC Account Manager](#). This publication is available for purchase on or about Nov. 1 each year. The User Guide is no longer included in the Forecasting & Instructions.

WARNING: The RBC Forecasting Spreadsheet CANNOT be used to meet the year-end RBC electronic filing requirement. RBC filing software from an annual statement software vendor should be used to create the electronic filing. If the forecasting worksheet is sent instead of an electronic filing, it will not be accepted and the RBC will not have been filed.

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