

What Risk-Based Capital Pages Should Be Submitted?

For the year-end 2024 health risk-based capital (RBC) filing, submit hard copies of pages **XR001 through XR027** to any state that requests a hard copy in addition to the electronic filing. Beginning with year-end 2007, a hard copy of the RBC filings was not required to be submitted to the NAIC. Other pages, outside of pages XR001 through XR027, do not need to be submitted. Those pages would need to be retained by the company as documentation.



Modification of Fixed Income Assets – Miscellaneous (XR008) Structure for Residual Tranches or Interests

The Capital Adequacy (E) Task Force adopted proposal 2024-02-CA during its April 30 meeting to add a line in XR008 to include the total of residual tranches or interests on a standalone line with no factor proposed and, hence, deemed as structural change only.

Factor for Residual Tranches or Interests (XR008)

The Capital Adequacy (E) Task Force adopted proposal 2024-18-CA during its June 28 meeting to adopt a 20% factor for residual tranches or interests in XR008.

Modification to the Affiliated Investment Blanks (XR002)

The Capital Adequacy (E) Task Force adopted proposal 2024-08-CA during its April 30 meeting to remove the reference to “H0 Component” from the Column (12) heading on page 2 XR002. The “H0” references are misleading in that only affiliate

In This Issue:

- What Risk-Based Capital Pages Should Be Submitted? / 1
 - Modification of Fixed Income Assets – Miscellaneous (XR008) Structure for Residual Tranches or Interests / 1
 - Factor for Residual Tranches or Interests (XR008) / 1
 - Modification to the Affiliated Investment Blanks (XR002) / 1
 - Receivable for Securities Factor (XR008) / 2
 - Underwriting Risk Annual Statement Source (XR014) / 2
 - Health Care Receivables (XR021) Factor Changes / 2
 - Underwriting Risk Factors (XR013) – Investment Income Adjustment / 3
 - RBC Forecasting and Instructions / 3
 - Contact Information / 3
-

types 1, 2, 5, and 6 flow into H0, while affiliate types 3, 4, 7, 8, and 9 flow into H1.

In addition, the Task Force adopted proposal 2023-12-CA during its Dec. 2, 2023, meeting to adopt an editorial change made to remove the word “Common” in the heading of Column (13) of XR002 (Details for Affiliated Stocks). A corresponding change was made to XR010 (Equity Assets) and XR024 (Calculation of Total Risk-Based Capital After Covariance) by removing the word “Common” in line “Market Value in Excess Affiliated Stocks.” This line includes the affiliated amounts for both preferred and common stock.

Receivable for Securities Factor (XR008)

The Capital Adequacy (E) Task Force adopted proposal 2024-13-CA during its June 28 meeting, determining the factor for the Receivables for Securities (Line (11), Page XR008) to remain unchanged.

Underwriting Risk Annual Statement Source (XR014)

The Capital Adequacy (E) Task Force adopted proposal 2023-11-H during its Dec. 2, 2023, meeting.

The proposal adopted an editorial change made to the Annual Statement Source column on page XR014 for the following:

- a. Column (1), Line (4) Other Health Risk Revenue was updated to reference “Pg. 7, Col. 2+3+8+9, Line 4.”
- b. Column (1), Line (10) Fee-For-Service Offset was updated to reference “Pg. 7, Col. 2+3+8+9, Line 3.”

Health Care Receivables (XR021) Factor Changes

The Capital Adequacy (E) Task Force adopted proposal 2024-12-H (MOD) during its June 28 meeting. The modified proposal updated the factor for Pharmaceutical Health Care Receivables (line 26.1) to 20% on the first \$5 million and 3% on the amount over \$5 million. For non-pharmaceutical health care receivables (lines 26.2 through 26.6), tier factors are applied to those lines in the aggregate, with 40% applied on the first \$10 million and 5% on the amount over \$10 million.



Underwriting Risk Factors (XR013) – Investment Income Adjustment

The Capital Adequacy (E) Task Force adopted proposal 2024-09-CA during its June 28 meeting. This proposal updated the comprehensive medical, Medicare supplement, and dental and vision factors to include a 5.5% investment yield adjustment. The revised factors are:

	Comprehensive Medical	Medicare Supplement	Dental & Vision
\$0-\$3 Million	0.1427	0.0973	0.1143
\$3-\$25 Million	0.1427	0.0596	0.0706
Over \$25 Million	0.0832	0.0596	0.0706

Risk-Based Capital Forecasting and Instructions

The Health RBC forecasting spreadsheet calculates RBC using the same formula presented in the *2024 NAIC Health Risk-Based Capital Report Including Overview & Instructions for Companies*, and it can be downloaded from the [NAIC Account Manager](#). The *2024 NAIC Health Risk-Based Capital Report Including Overview & Instructions for Companies* publication is available for purchase in an electronic format through the NAIC Publications Department. This publication is available for purchase on or about November 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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