Health Risk-Based Capital / Newsletter

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What Risk-Based Capital Pages Should Be Submitted?

For the year-end 2026 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. Other pages outside of XR001 through XR027 do not need to be submitted but should be retained by the company as documentation. Beginning with year-end 2007 RBC, hard copies of RBC filings are no longer required to be submitted to the NAIC.

RBC Preamble

The Risk-Based Capital Model Governance (EX) Task Force and Capital Adequacy (E) Task Force adopted revisions to the RBC Preamble during their joint meeting on June 18. The purpose of the revisions was to better articulate the purpose, use, and limitations of the RBC formula and filings. The revised RBC Preamble included a newly developed section titled "Principles for RBC Requirements." These principles are intended to provide a shared framework for how the Task Forces consider transparency, consistency, and accountability in the RBC adjustment process.

Accident and Health Underwriting Risk Structure Change

The Capital Adequacy (E) Task Force adopted proposal 2025-15-CA MOD during its May 14 meeting. This proposal incorporates the structural and alternate risk charge changes presented in the American Academy of Actuaries' (Academy's) *H2–Underwriting Risk Component and Managed Care Credit Calculation in the Health Risk-Based Capital Formula Report*. The proposal separates comprehensive medical and dental and vision columns into the individual lines of business, matching the Analysis of Operations by Lines of Business on page 7 of the annual statement. The proposal impacts the following pages: XR013, XR014, XR015, XR016, XR017, XR022, and XR024.

Remove Investment Affiliate Code 4

The Capital Adequacy (E) Task Force adopted proposal 2026-05-CA during its May 15 meeting. This proposal updates the RBC instructions and blanks for items adopted by the Statutory Accounting Principles (E) Working Group (Ref #2024-21) and Blanks (E) Working Group (2025-20BWG). The proposal removes Affiliate Type 4, Investment Subsidiary, from the Affiliated Investments pages. This proposal affects pages XR002, XR003, XR004, XR024, and XR025.

In This Issue:

Underwriting Risk Factors (XR013)—Investment Income Adjustment

The Capital Adequacy (E) Task Force adopted proposal 2026-03-CA during its June 30 meeting. This proposal updated the comprehensive medical, Medicare supplement, and dental and vision factors to include a 4.0% investment yield adjustment. The proposal also included lines to separately incorporate the investment adjustment factors from the underwriting factors at the request of interested parties. The investment income adjustment factors are:

	Comprehensive Medical	Medicare Supplement	Dental & Vision
Initial Premium	0.9647	0.9467	0.9650
Excess Premium	0.9444	0.9194	0.9474

Collateral Loan Source Update

The Capital Adequacy (E) Task Force adopted proposal 2026-10-CA during its June 30 meeting. This proposal updates the annual statement sources for schedule BA assets on page XR008 due to the expansion of reporting lines for collateral loan obligations (CLOs) adopted in the Blanks (E) Working Group proposal 2024-19BWG.

Editorial Changes

Updated the instructions for page XR017 line 43, Other Accident, to refer to line 42.

Updated the remark at the bottom of page XR002 to reference affiliate types 7a, 7b, and 7c.

Update the descriptions on lines 8 and 9 on page XR024. The line 8 description refers to XR003 lines 8, 9, and 10. The line 9 description refers to XR003 lines 11,12, and 13.

RBC Forecasting and Instructions

The Health RBC forecasting spreadsheet calculates RBC using the same formula presented in the *2026 NAIC Health Risk-Based Capital Report Including Overview and Instructions for Companies*. This publication is typically published around Nov. 1 each year and is available to download in PDF or CSV format from the NAIC Resource Center at https://content.naic.org/publications. Please note that the user guide is no longer included in the Forecasting and 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 provided instead of an electronic filing, it will not be accepted, and the RBC will not be filed.

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