Capital Adequacy (E) Task Force

RBC Proposal Form

[X] Capital Adequacy (E) Task Force	[X] Health RBC (E) Working Group	[ ] Life RBC (E) Working Group
[ ] Catastrophe Risk (E) Subgroup	[ ] Investment RBC (E) Working Group	[ ] Operational Risk (E) Subgroup
[ ] C3 Phase II/ AG43 (E/A) Subgroup	[X] P/C RBC (E) Working Group	[ ] Longevity Risk (A/E) Subgroup

DATE: 10-15-20

CONTACT PERSON: Jane Barr

TELEPHONE:

EMAIL ADDRESS:

ON BEHALF OF: Capital Adequacy Task Force

NAME: Tom Botsko

TITLE:

AFFILIATION:

ADDRESS:

FOR NAIC USE ONLY

Agenda Item # 2020-10-CA

Year 2021

DISPOSITION

[x] ADOPTED 3-23-21

[ ] REJECTED

[ ] DEFERRED TO

[ ] REFERRED TO OTHER NAIC GROUP

[X] EXPOSED 12/11/2020

[ ] OTHER (SPECIFY)

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

[X] Health RBC Blanks [X] Property/Casualty RBC Blanks [ ] Life and Fraternal RBC Instructions

[X] Health RBC Instructions [X] Property/Casualty RBC Instructions [ ] Life and Fraternal RBC Blanks

[ ] OTHER _____

DESCRIPTION OF CHANGE(S)

Modified the structure for the bonds to pull directly from Schedule D, Schedule DA and Schedule E footnotes for the 20 RBC bond designations. Exempt bonds (Line 1) is pulled direct from Schedule D, Part 1, Col. 11, Line 0599999; Schedule DA, Part 1, Col. 7, Line 0599999; and Schedule E, Part 2, Col. 7, Line 0599999 + 8599999.

Hybrid securities will be incorporated into the bonds.

P/C blanks and instruction pages impacted: PR006, PR007, PR011, PR015, PR030, PR031 and PR032.
Health blanks and instruction pages impacted: XR006, XR007.1, XR007.2, XR009, XR011, XR023 and XR024.

REASON OR JUSTIFICATION FOR CHANGE **

The structure of the bonds reported in the health and P/C RBC formulas will be modified to pull from the footnotes of Schedule D, Part 1; Schedule DA, Part 1; and Schedule E, Part 2 for greater consistency and transparency in the RBC reporting. Hybrid securities reported as in Schedule D, Part 1; Schedule DA, Part 1; and Schedule E, Part 2 will be reported as a bond in on the Bonds pages and removed as a separate section in the health and P/C RBC blanks (XR009 and PR007).

Once the factors have been finalized, they will be incorporated into the proposal.

Additional Staff Comments:

10/27/20 jdb Exposed for a 45-day comment period.
01/12/21 cgb Editorial change made to page XR008 to strike-through the "Schedule E, Part 2" in line description and "in part" reference in the Annual Statement Source column for Line (30).
03/23/21 cgb No comments received during comment period.
03/23/21 cgb The Capital Adequacy (E) Task Force adopted the proposal on the 03/23/2021 meeting lieu of the Spring National Meeting.

**** This section must be completed on all forms.** **Revised 2-2019**

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OFF-BALANCE SHEET SECURITY LENDING COLLATERAL AND SCHEDULE DL, PART 1 ASSETS
XR006

Security lending programs are required to maintain collateral. Some entities post the collateral supporting security lending programs on their financial statements and incur the related risk charges on those assets. Other entities have collateral that is not recorded on their financial statements. While not recorded on the financial statements of the company, such collateral has risks that are not otherwise captured in the RBC formula.

The collateral in these accounts is maintained by a third party (typically a bank or other agent). The collateral agent maintains on behalf of the company detail asset listings of the collateral assets, and this data is the source for preparation of this schedule. The company should maintain such asset listings, at a minimum CUSIP, market value, book/adjusted carrying value, and maturity date.

The asset risk charges are derived from existing RBC factors for bonds, preferred and common stocks, other invested assets, and invested assets not otherwise classified (aggregate write-ins).

Specific Instructions for Application of the Formula

Column (2) – Schedule DL, Part 1 Book/Adjusted Carrying Value comes from Annual Statement Schedule DL, Part 1, Column (6) Securities Lending Collateral Assets reported On-Balance Sheet (Assets Page, Line 10).

Off-balance sheet collateral included in General Interrogatories Part 1, Lines 24.05 and 24.06 of the annual statement should agree with Line (4022), Column (1).

Lines (1) through (279) – Bonds – Bond factors described on page XR007 – Fixed Income Assets.

Line (2810) through (3416) – Preferred Stock – Preferred stock factors described on page XR01009 – Equity Assets.

Line (3517) – Common Stock – Common stock factors described on page XR01009 – Equity Assets.

Line (3618) – Real Estate and Property and Equipment Assets – Real Estate and Property and Equipment Assets factors described on page XR0110 – Property & Equipment Assets.

Line (3719) – Other Invested Assets – Other invested assets factor described on page XR0087 – Fixed Income Assets.

Line (3820) – Mortgage Loans on Real Estate – Mortgage Loans on Real Estate factors described on page XR0078 – Fixed Income Assets.

Line (3921) – Cash, Cash Equivalents and Short-Term Investments – Cash, Cash Equivalents and Short-Term Investments factors described on page XR0078 – Fixed Income Assets.

FIXED INCOME ASSETS
XR007 AND XR008

The RBC requirement for fixed income assets is largely driven by the default risk on those assets. There are two major subcategories: Bonds and Miscellaneous. Bonds include item that meet the definition of a bond, regardless if the bond is long-term (reported on Schedule D-1), short-term (reported on schedule DA) or a cash equivalent

(reported on Schedule E-2.) ~~are obligations issued by business units, governmental units, and certain nonprofit units, having a fixed schedule for one or more future payments of money. This definition includes commercial paper, negotiable certificates of deposit, repurchase agreements, and equipment trust certificates.~~ Miscellaneous fixed income assets ~~are other assets with fixed repayments schedules, such as mortgages and collateral loans~~include non-bond items reported on the cash equivalent and short-term schedules, derivatives, mortgage loans, collateral loans, and other items reported on Schedule BA: Other Long-Term Invested Assets.

Bonds (XR007~~.1~~)

The bond factors for investment grade bonds (NAIC Designation Category (1.A-2.C) are based on cash flow modeling.~~ using historically adjusted default rates for each bond category. For each of 2,000 trials, annual economic conditions were generated for the ten year modeling period.~~ Each bond of a ~~400 bond~~ portfolio was annually tested for default (based on a "roll of the dice") where the default probability varies by NAIC ~~d~~Designation ~~category~~ Category and that year's economic environment~~. When a default takes place, the actual loss considers the expected principal loss by category, the time until the sale actually occurs, and the assumed tax consequences.~~The default probabilities were based on historical data intended to reflect a complete business cycle of favorable and unfavorable credit environments.~~. Only default risk is recognized in the RBC factors because, under statutory accounting, bonds are generally carried at their amortized value on the statutory annual statement, so changes in the market value of the bonds following swings in interest rates do not, as a general rule, affect the capital and surplus of the regulated entities unless the bonds are actually sold. The accounting for reporting entities can be substantially different from other regulated entities, but the RBC formula continues to recognize only default risk.~~ The risk of default was measured over a ____-year time horizon, based on the duration of assets or liabilities held for health companies.

The factors for NAIC Designation Category 3.A to 6 recognize that these non-investment grade bonds are ~~marked to market~~reported at the lower of amortized cost or fair value. These bond risk factors are based on the market value fluctuation for each of the NAIC designation category compared to the market value fluctuation of stocks during the 2008-2009 financial crisis.

While the life and property/casualty formulas have a separate calculation for the bond size factor (based on the number of issuers in the RBC filer's portfolio), the health formula does not include a separate calculation, instead a bond size component was incorporated into the bond factors. A representative portfolio of 382 issuers was used in calculating the bond risk factors.

There is no RBC requirement for bonds guaranteed by the full faith and credit of the United States, Other U.S. Government Obligations, and securities on the NAIC U.S. Government Money Market Fund List ~~of the NAIC Investment Analysis Office on the~~ because it is assumed that there is no default risk associated with U.S. Government issued securities.~~because there is virtually no default risk associated with these securities.~~

~~The factor for NAIC 06 bonds recognizes that the book/adjusted carrying value of these bonds reflects a loss of value upon default by being marked to market.~~

The book/adjusted carrying value of all bonds ~~and related fixed income investments~~ should be reported in Columns (1), (2) or (3).~~.~~ The bonds are split into ~~seven~~ twenty-one different risk classifications. These risk classifications are based on the ~~NAIC designations assigned~~ NAIC Designation Category ~~equivalent, available~~ as defined and permitted in the Purposes and Procedures Manual of the NAIC Investment Analysis Office.~~. For long-term bonds, these classifications are found on Lines 11.1 through 11.6 less the hybrids Lines 7.1 through 7.6 of Schedule D, Part 1A, Section 1 of the annual statement.~~

~~Enter the book/adjusted carrying value of the bonds, by NAIC Ddesignation categoryCategory, in Column (1), (2) andor (3) as applicable.~~ The subtotal of Columns (1), (2) and (3) will be calculated in Colum (4). The RBC requirement will be automatically calculated in Column (5~~2~~).

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Miscellaneous Fixed Income Assets (XR0087.2)

The factor for cash is 0.3 percent. It is recognized that there is a small risk related to possible insolvency of the bank where cash deposits are held. This factor was based on the original , equivalent to an unaffiliated NAIC 01 bond risk factor prior to the increased granularity of the bondNAIC Ddesignation Categoriess in 2021, and reflects the short-term nature of this risk. The required risk-based capital for cash will not be less than zero, even if the company's cash position is negative.

The Short-Term Investments to be included in this section are those short-term investments not reflected elsewhere in the formula. The 0.3 percent factor is equal to the factor for cash. The amount reported in Line (35) reflects the total from Schedule DA: Short-Term Investments (Line 33), less the short-term bonds (Line 34). reported in XR007.1. (The short-term bonds reported in Line (34) XR007.1 entered here should equal the total short-term investments found in Schedule DA, Part 1, Column 7, Line 8399999 less bonds that are contained in Schedule D, Part 1A, Section 1.)

Collateral loans and mMortgage loans (reported on Schedule B) are generally a small portion of the total portfolio valueand Derivatives (reported on Schedule DB) receive . Aa factor of 5 percent. , is consistent with other risk-based capital formulas studied by the Wwworking groupGroup.

The following investment types are captured on Schedule BA: Other Long-Term Invested Assets. Specific factors have been established for certain Schedule BA assetsare established based on the nature of the investment. Those Schedule BA assets not with items not specifically identified below receiveing a 20 percent factor (Line (43)).:

- Collateral Loans reported on Line (40) receive a factor of 5 percent, consistent with other risk-based capital formulas studied by the Working Group.
- Working Capital Finance Investments: The book adjusted carrying value of NAIC 01 and 02 Working Capital Finance Investments, Lines (4123) and (4224), should equal the Notes to Financial Statement, Lines 5M(01a) and 5M(01b), Column 3 of the annual statement.

Other Long-Term Invested Assets are those that are listed in Schedule BA and are somewhat more speculative and risky than most other investments. Therefore, a 20 percent factor is consistent with other risk-based capital formulas studied by the working group.

- Low income housing tax credit investments are reported in Column (1) in accordance with *SSAP No. 93—Low Income Housing Tax Credit Property Investments*.
  - Federal Guaranteed Low-Income Housing Tax Credit (LIHTC) investments are to be included in Line (4426). There must be an all-inclusive guarantee from an ARO-rated entity that guarantees the yield on the investment.
  - Federal Non-Guaranteed LIHTC investments with the following risk mitigation factors are to be included in Line (4527):
    a) A level of leverage below 50 percent. For a LIHTC Fund, the level of leverage is measured at the fund level.
    b) There is a tax credit guarantee agreement from general partner or managing member. This agreement requires the general partner or managing member to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the life of the partnership. For an LIHTC fund, a tax credit guarantee is required from the developers of the lower-tier LIHTC properties to the upper-tier partnership.
  - State Guaranteed LIHTC investments that at a minimum meet the federal requirements for guaranteed LIHTC investments are to be included in Line (4628).
  - State Non-Guaranteed LIHTC investments that at a minimum meet the federal requirements for non-guaranteed LIHTC investments are to be included on Line (4729).

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- All Other LIHTC investments, state and federal LIHTC investments that do not meet the requirements of Lines (4427) through (4730) would be reported on Line (4830).

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EQUITY ASSETS

XR01009

Unaffiliated Preferred Stocks

Experience data to develop preferred stock factors is not readily available; however, it is believed that preferred stocks are somewhat more likely to default than bonds. The loss on default would be somewhat higher than that experienced on bonds; however, formula factors are equal to bond factors.

The RBC requirements for unaffiliated preferred stocks and hybrids are based on the NAIC designation. Column (1) amounts are from Schedule D, Part 2, Section 1 not including affiliated preferred stock. The preferred stocks and hybrids must be broken out by asset designation (NAIC 01 through NAIC 06) and these individual groups are to be entered in the appropriate lines. The total amount of unaffiliated preferred stock and hybrids reported should equal annual statement Page 2, Column 3, Line 2.1, less any affiliated preferred stock in Schedule D Summary by Country, Column 1, Line 18. The total amount of hybrid securities reported should equal annual statement Schedule D, Part 1A, Section 1, Column 7, Line 7.7.

Unaffiliated Common Stock

Federal Home Loan Bank Stock has characteristics more like a fixed income instrument rather than common stock. A 2.3 percent factor was chosen. The factor for other unaffiliated common stock is based on studies which indicate that a 10 percent to 12 percent factor is needed to provide capital to cover approximately 95 percent of the greatest losses in common stock over a one-year future period. The higher factor of 15 percent contained in the formula reflects the increased risk when testing a period in excess of one year. This factor assumes capital losses are unrealized and not subject to favorable tax treatment at the time of loss in market value.

ASSET CONCENTRATION

XR012~~1~~

The purpose of the asset concentration calculation is to reflect the additional risk of high concentrations of certain types of assets in single exposures, termed "issuers." An issuer is a single entity, such as IBM or the Ford Motor Company. When the reporting entity has a large portion of its asset portfolio concentrated in only a few issuers, there is a heightened risk of insolvency if one of those issuers should default. An issuer may be represented in the reporting entity's investment portfolio by a single security designation, such as a large block of NAIC Designation Category ~~0~~2.A bonds, or a combination of various securities, such as common stocks, preferred stocks, and bonds. The additional RBC for asset concentration is applied to the ten largest issuers.

Concentrated investments in certain types of assets are not expected to represent an additional risk over and above the general risk of the asset itself. Therefore, prior to determining the ten largest issuers, you should exclude those assets that are exempt from the asset concentration factor. Asset types that are excluded from the calculation include: NAIC 06 bonds, unaffiliated preferred stock and hybrids; affiliated common stock; affiliated preferred stock; property and equipment; U.S. government full faith and credit, other U.S. government obligations, and NAIC U.S. government money market fund list guaranteed bondssecurities; NAIC 01 bonds and unaffiliated preferred stock and hybrids; any other asset categories with risk-based capital factors less than 1 percent, and investment companies (mutual funds) and common trust funds that are diversified within the meaning of the federal Investment Company Act of 1940 [Section 5(b) (1)]. The pro rata share of individual securities within an investment company (mutual fund) or common trust fund are to be included in the determination of concentrated investments, subject to the exclusions identified.

Commented [BC1]: Subject to discussion

With respect to investment companies (mutual funds) and common trust funds, the reporting entity is responsible for maintaining the appropriate documentation as evidence that such is diversified within the meaning of the federal Investment Company Act and providing this information upon request of the Commissioner, Director

or Superintendent of the Department of Insurance. The reporting entity is also responsible for maintaining a listing of the individual securities and corresponding book/adjusted carrying values making up its investment companies (mutual funds) and common trust funds portfolio, in order to determine whether a concentration charge is necessary. This information should be provided to the Commissioner, Director or Superintendent upon request.

The assets that **ARE INCLUDED** in the calculation when determining the 10 largest issuers are as follows:

NAIC Designation Category 02.A – 2.C Bonds
NAIC Designation Category 03.A – 3.C Bonds
NAIC Designation Category 04.A – 4.C Bonds
NAIC Designation Category 05.A – 5.C Bonds
Collateral Loans
Mortgage Loans
NAIC 02 Unaffiliated Preferred Stock
NAIC 03 Unaffiliated Preferred Stock
NAIC 04 Unaffiliated Preferred Stock
NAIC 05 Unaffiliated Preferred Stock
~~NAIC 02 Hybrids~~
~~NAIC 03 Hybrids~~
~~NAIC 04 Hybrids~~
~~NAIC 05 Hybrids~~
Other Long-Term Assets
NAIC 02 Working Capital Finance Investments
Federal Guaranteed Low Income Housing Tax Credits
Federal Non-Guaranteed Low Income Housing Tax Credits
State Guaranteed Low Income Housing Tax Credits
State Non-Guaranteed Low Income Housing Tax Credits
All Other Low Income Housing Tax Credits
Unaffiliated Common Stock

The concentration factor basically doubles the risk-based capital factor (up to a maximum of 30 percent) for assets held in the 10 largest issuers. Since the risk-based capital of the assets included in the concentration factor has already been counted once in the basic formula, this factor itself only serves to add an additional risk-based capital requirement on these assets.

The name of each of the largest 10 issuers is entered at the top of the table and the appropriate statement amounts are entered in Column (2), Lines (1) through (226). Aggregate all similar asset types before entering the amount in Column (2). To determine the 10 largest issuers, first pool all of the assets subject to the concentration factor. From this pool, aggregate the various securities by issuer. The aggregate book/adjusted carrying values for the assets are computed, and the 10 largest are subject to the concentration factor. For example, an organization might own $610,000,000 in NAIC Designation Category 02.A bonds of IBM, ~~-~~plus $4,000,000 in NAIC Designation Category 2.C plus $5,000,000 of common stock. The total investment in that issuer is $15,000,000. If that is the largest issuer, then the identifier ("IBM Corporation") would be entered in the space allowed for the first Issuer Name, and the $610,000,000 would be entered under the book/adjusted carrying value column for Line (1) (NAIC Designation Category 02.A ~~unaffiliated Bb~~onds) $4,000,000 would be entered on Line (3) (NAIC Designation Category 2.C Bonds) and the $5,000,000 would be entered on Line (22) (U~~u~~naffiliated C~~c~~ommon S~~s~~tock).

Replicated assets other than synthetically created indices should be included in the asset concentration calculation in the same manner as other assets.

OFF-BALANCE SHEET SECURITY LENDING COLLATERAL AND SCHEDULE DL, PART 1 ASSETS

	Asset Category	Annual Statement Source	(1) Off-Balance Sheet Collateral Book/Adjusted Carrying Value	(2) Schedule DL, Part 1 Book/Adjusted Carrying Value	(3) Subtotal	Factor	(4) RBC Requirement
	Fixed Income Assets						
	Bonds						
(1)	**NAIC 1.A - U.S. Government Full Faith and Credit, Other U.S. Government Obligations, and NAIC U.S. Government Money Market Fund List (Refer to A/S Instructions)**	Company Records	0	0	0	0.000	0
(2)	NAIC Designation Category 1.A Bonds	Company Records	0	0	0	0.000	0
(3)	NAIC Designation Category 1.B Bonds	Company Records	0	0	0	0.000	0
(4)	NAIC Designation Category 1.C Bonds	Company Records	0	0	0	0.000	0
(5)	NAIC Designation Category 1.D Bonds	Company Records	0	0	0	0.000	0
(6)	NAIC Designation Category 1.E Bonds	Company Records	0	0	0	0.000	0
(7)	NAIC Designation Category 1.F Bonds	Company Records	0	0	0	0.000	0
(8)	NAIC Designation Category 1.G Bonds	Company Records	0	0	0	0.000	0
(9)	Total NAIC 01 Bonds	Sum of Lines (1) through (8)	0	0	0		0
(10)	NAIC Designation Category 2.A Bonds	Company Records	0	0	0	0.000	0
(11)	NAIC Designation Category 2.B Bonds	Company Records	0	0	0	0.000	0
(12)	NAIC Designation Category 2.C Bonds	Company Records	0	0	0	0.000	0
(13)	Total NAIC 02 Bonds	Sum of Lines (10) through (12)	0	0	0		0
(14)	NAIC Designation Category 3.A Bonds	Company Records	0	0	0	0.000	0
(15)	NAIC Designation Category 3.B Bonds	Company Records	0	0	0	0.000	0
(16)	NAIC Designation Category 3.C Bonds	Company Records	0	0	0	0.000	0
(17)	Total NAIC 03 Bonds	Sum of Lines (14) through (16)	0	0	0		0
(18)	NAIC Designation Category 4.A Bonds	Company Records	0	0	0	0.000	0
(19)	NAIC Designation Category 4.B Bonds	Company Records	0	0	0	0.000	0
(20)	NAIC Designation Category 4.C Bonds	Company Records	0	0	0	0.000	0
(21)	Total NAIC 04 Bonds	Sum of Lines (18) through (20)	0	0	0		0
(22)	NAIC Designation Category 5.A Bonds	Company Records	0	0	0	0.000	0
(23)	NAIC Designation Category 5.B Bonds	Company Records	0	0	0	0.000	0
(24)	NAIC Designation Category 5.C Bonds	Company Records	0	0	0	0.000	0
(25)	Total NAIC 05 Bonds	Sum of Lines (22) through (24)	0	0	0		0
(26)	Total NAIC 06 Bonds	Company Records	0	0	0	0.000	0
(27)	Total Bonds	**Lines (9) + (13) + (17) + (21) + (25) + (26)**	0	0	0		0
	Equity Assets						
	Preferred Stock - Unaffiliated						
(28)	NAIC 01 Unaffiliated Preferred Stock	Company Records			0	0.003	0
(29)	NAIC 02 Unaffiliated Preferred Stock	Company Records			0	0.010	0
(30)	NAIC 03 Unaffiliated Preferred Stock	Company Records			0	0.020	0
(31)	NAIC 04 Unaffiliated Preferred Stock	Company Records			0	0.045	0
(32)	NAIC 05 Unaffiliated Preferred Stock	Company Records			0	0.100	0
(33)	NAIC 06 Unaffiliated Preferred Stock	Company Records			0	0.300	0
(34)	Total Unaffiliated Preferred Stock	Sum of Lines (28) through (33)	0	0	0		0
(35)	Unaffiliated Common Stock	Company Records			0	0.150	0
(36)	Real Estate and Property & Equipment Assets	Company Records			0	0.100	0
(37)	Other Invested Assets	Company Records			0	0.200	0
(38)	Mortgage Loans on Real Estate	Company Records			0	0.050	0
(39)	Cash, Cash Equivalents and Short-Term Investments (Not reported on Bonds above)	Company Records			0	0.003	0
(40)	Total	Lines (27) + (34) + (35) + (36) + (37) + (38) + (39)	0	0	0		0

Denotes items that must be manually entered on the filing software

FIXED INCOME ASSETS

BONDS

		Annual Statement Source	(1) Long-Term Bonds Schedule D, Part 1 Book/Adjusted Carrying Value L2 thru 26 = Sch D Pt1F	(2) Short-Term Investments Schedule DA, Part 1 Book/Adjusted Carrying Value L2 thru 26 = Sch DA Pt1F	(3) Cash Equivalents Schedule E, Part 2 Book/Adjusted Carrying Value L2 thr 26 = Sch E Pt2F	(4) Subtotal C(1) + C(2) + C(3)	Factor	(5) RBC Requirement
(1)	NAIC 1.A - U.S. Government Full Faith and Credit, Other U.S. Government Obligations, and NAIC U.S. Government Money Market Fund List (Refer to A/S Instructions)	C(1)=Sch D, Pt 1, C11 L0599999 C(2)=Sch DA, Pt 1, C7 L0599999 C(3)=Sch E, Pt 2, C7 L0599999 + L8599999						
			0	0	0	0	0.000	0
(2)	NAIC Designation Category 1.A	Footnote Amt 1 L000001A- L(1)	0	0	0	0	0.000	0
(3)	NAIC Designation Category 1.B	Footnote Amt 2 L000001A	0	0	0	0	0.000	0
(4)	NAIC Designation Category 1.C	Footnote Amt 3 L000001A	0	0	0	0	0.000	0
(5)	NAIC Designation Category 1.D	Footnote Amt 4 L000001A	0	0	0	0	0.000	0
(6)	NAIC Designation Category 1.E	Footnote Amt 5 L000001A	0	0	0	0	0.000	0
(7)	NAIC Designation Category 1.F	Footnote Amt 6 L000001A	0	0	0	0	0.000	0
(8)	NAIC Designation Category 1.G	Footnote Amt 7 L000001A	0	0	0	0	0.000	0
(9)	Total NAIC 01 Bonds	Sum of Ls (1) through (8)	0	0	0	0		0
(10)	NAIC Designation Category 2.A	Footnote Amt 1 L000001B	0	0	0	0	0.000	0
(11)	NAIC Designation Category 2.B	Footnote Amt 2 L000001B	0	0	0	0	0.000	0
(12)	NAIC Designation Category 2.C	Footnote Amt 3 L000001B	0	0	0	0	0.000	0
(13)	Total NAIC 02 Bonds	Sum of Ls (10) through (12)	0	0	0	0		0
(14)	NAIC Designation Category 3.A	Footnote Amt 1 L000001C	0	0	0	0	0.000	0
(15)	NAIC Designation Category 3.B	Footnote Amt 2 L000001C	0	0	0	0	0.000	0
(16)	NAIC Designation Category 3.C	Footnote Amt 3 L000001C	0	0	0	0	0.000	0
(17)	Total NAIC 03 Bonds	Sum of Ls (14) through (16)	0	0	0	0		0
(18)	NAIC Designation Category 4.A	Footnote Amt 1 L000001D	0	0	0	0	0.000	0
(19)	NAIC Designation Category 4.B	Footnote Amt 2 L000001D	0	0	0	0	0.000	0
(20)	NAIC Designation Category 4.C	Footnote Amt 3 L000001D	0	0	0	0	0.000	0
(21)	Total NAIC 04 Bonds	Sum of Ls (18) through (20)	0	0	0	0		0
(22)	NAIC Designation Category 5.A	Footnote Amt 1 L000001E	0	0	0	0	0.000	0
(23)	NAIC Designation Category 5.B	Footnote Amt 2 L000001E	0	0	0	0	0.000	0
(24)	NAIC Designation Category 5.C	Footnote Amt 3 L000001E	0	0	0	0	0.000	0
(25)	Total NAIC 05 Bonds	Sum of Ls (22) through (24)	0	0	0	0	0.000	0
(26)	Total NAIC 06 Bonds	Footnote Amt 1 L000001F	0	0	0	0	0.000	0
(27)	Total Bonds RBC	L(9) + L(13) + L(17) + L(21) + L(25) + L(26)	0	0	0	0		0

Denotes items that must be vendor linked.

Page numbers have been updated based on proposal 2020-07-H that will be considered by the HRBCWG on the Oct. 29, 2020 call

FIXED INCOME ASSETS (cont.)

MISCELLANEOUS FIXED INCOME ASSETS

		Annual Statement Source	(1) Bk/Adj Carrying Value	Factor	(2) RBC Requirement
(28)	Cash	Page 2, Line 5, inside amount 1		0.0030	$0
(29)	Cash Equivalents	Page 2, Line 5, inside amount 2			
(30)	Less: Cash Equivalens, Total Bonds ~~included in Schedule D, Part 1/~~	Schedule E, Part 2, Column 7, Line 839999~~, in part~~			
(31)	Less: Exempt Money Market Mutual Funds~~*~~ as Identified by SVO	Schedule E, Part 2, Column 7, Line 859999			
(32)	Net Cash Equivalents	Lines (29) - (30) - (31)	$0	0.0030	$0
(33)	Short-Term Investments	Page 2, Line 5, inside amount 3			
(34)	Short-Term Bonds ~~*~~	Schedule DA, Part 1, Column 7, Line 839999			
(35)	Total Other Short -Term Investments	Lines (33) - (34)	$0	0.0030	$0
(36)	Mortgage Loans - First Liens	Page 2, Column 3, Line 3.1		0.0500	$0
(37)	Mortgage Loans - Other Than First Liens	Page 2, Column 3, Line 3.2		0.0500	$0
(38)	Receivable for Securities	Page 2, Column 3, Line 9		0.0250	$0
(39)	Aggregate Write-Ins for Invested Assets	Page 2, Column 3, Line 11		0.0500	$0
(40)	Collateral Loans	Included in Page 2, Column 3, Line 8		0.0500	$0
(41)	NAIC 01 Working Capital Finance Investments	Notes to Financial Statement 5M(01a), Column 3		0.0038	$0
(42)	NAIC 02 Working Capital Finance Investments	Notes to Financial Statement 5M(01b), Column 3		0.0125	$0
(43)	Other Long-Term Invested Assets Excluding Collateral Loans and Working Capital Finance Investme	Included in Page 2, Column 3, Line		0.2000	$0
(44)	Federal Guaranteed Low Income Housing Tax Credits	Schedule BA Part 1, Column 12 Lines 3599999 + 3699999		0.0014	$0
(45)	Federal Non-Guaranteed Low Income Housing Tax Credits	Schedule BA Part 1, Column 12 Lines 3799999 + 3899999		0.0260	$0
(46)	State Guaranteed Low Income Housing Tax Credits	Schedule BA Part 1, Column 12 Lines 3999999 + 4099999		0.0014	$0
(47)	State Non-Guaranteed Low Income Housing Tax Credits	Schedule BA Part 1, Column 12 Lines 4199999 + 4299999		0.0260	$0
(48)	All Other Low Income Housing Tax Credits	Schedule BA Part 1, Column 12 Lines 4399999 + 4499999		0.1500	$0
(49)	Total Other Long-Term Invested Assets (Page 2, Col 3, Line 8)	Lines (40) + (41) + (42) + (43) + (44) + (45) + (46) + (47) + (48)	$0		$0
(50)	Derivatives	Page 2, Column 3, Line 7		0.0500	$0
(51)	Total Fixed Income Assets RBC	Lines (27) + (28) + (32) + (35) + (36) + (37) + (38) + (39) + (49) + (50)			$0

Denotes items that must be manually entered on filing software.

~~* These bonds appear in page XR007 Schedule D Part 1A Section 1 and are already recognized in the Bond portion of the formula.~~

Page numbers have been updated based on proposal 2020-07-H that will be considered by the HRBCWG on the Oct. 29, 2020 call

EQUITY ASSETS

		Annual Statement Source	(1) Bk/Adj Carrying Value	Factor	(2) RBC Requirement
PREFERRED STOCK - UNAFFILIATED					
(1)	NAIC 01 Preferred Stock	Included in Schedule D, Part 2, Section 1		0.003	
(2)	NAIC 02 Preferred Stock	Included in Schedule D, Part 2, Section 1		0.010	
(3)	NAIC 03 Preferred Stock	Included in Schedule D, Part 2, Section 1		0.020	
(4)	NAIC 04 Preferred Stock	Included in Schedule D, Part 2, Section 1		0.045	
(5)	NAIC 05 Preferred Stock	Included in Schedule D, Part 2, Section 1		0.100	
(6)	NAIC 06 Preferred Stock	Included in Schedule D, Part 2, Section 1		0.300	
(7)	~~Sub~~**Total** - Unaffiliated Preferred Stock	Sum of Lines (1) through (6)			
(Should equal Page 2, Column 3, Line 2.1 less Sch D Sum, Column 1, Line 18)					
~~**HYBRID SECURITIES - UNAFFILIATED**~~					
~~(8)~~	~~NAIC 01 Hybrid Securities~~	~~Schedule D, Part 1A, Section 1, Column 7, Line 7.1~~		~~0.003~~	
~~(9)~~	~~NAIC 02 Hybrid Securities~~	~~Schedule D, Part 1A, Section 1, Column 7, Line 7.2~~		~~0.010~~	
~~(10)~~	~~NAIC 03 Hybrid Securities~~	~~Schedule D, Part 1A, Section 1, Column 7, Line 7.3~~		~~0.020~~	
~~(11)~~	~~NAIC 04 Hybrid Securities~~	~~Schedule D, Part 1A, Section 1, Column 7, Line 7.4~~		~~0.045~~	
~~(12)~~	~~NAIC 05 Hybrid Securities~~	~~Schedule D, Part 1A, Section 1, Column 7, Line 7.5~~		~~0.100~~	
~~(13)~~	~~NAIC 06 Hybrid Securities~~	~~Schedule D, Part 1A, Section 1, Column 7, Line 7.6~~		~~0.300~~	
~~(14)~~	~~Subtotal - Hybrid Securities~~	~~Sum of Lines (8) through (13)~~			
~~(15)~~	~~Total Unaffiliated Preferred Stock and Hybrids~~	~~Lines (7) + (14)~~			
COMMON STOCK - UNAFFILIATED					
(8)	Federal Home Loan Bank Stock	Company Records		0.023	
(9)	Total Common Stock	Schedule D, Summary, Column 1, Line 25			
(10)	Affiliated Common Stock	Schedule D, Summary, Column 1, Line 24			
(11)	Other Unaffiliated Common Stock	**Lines (9) - (8) - (10)**		0.150	
(12)	Total Unaffiliated Common Stock	**Lines (8) + (11)**			

Denotes items that must be manually entered on filing software.

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ASSET CONCENTRATION

		(1)	(2)		(3)
	Issuer Name				
Issuer			Bk/Adj Carrying Value	Factor	Additional RBC
01	**(1) NAIC Designation Category 2.A Bonds**			**0.0000**	**$0**
01	**(2) NAIC Designation Category 2.B Bonds**			**0.0000**	**$0**
01	**(3) NAIC Designation Category 2.C Bonds**			**0.0000**	**$0**
01	**(4) NAIC Designation Category 3.A Bonds**			**0.0000**	**$0**
01	**(5) NAIC Designation Category 3.B Bonds**			**0.0000**	**$0**
01	**(6) NAIC Designation Category 3.C Bonds**			**0.0000**	**$0**
01	**(7) NAIC Designation Category 4.A Bonds**			**0.0000**	**$0**
01	**(8) NAIC Designation Category 4.B Bonds**			**0.0000**	**$0**
01	**(9) NAIC Designation Category 4.C Bonds**			**0.0000**	**$0**
01	**(10) NAIC Designation Category 5.A Bonds**			**0.0000**	**$0**
01	**(11) NAIC Designation Category 5.B Bonds**			**0.0000**	**$0**
01	**(12) NAIC Designation Category 5.C Bonds**			**0.0000**	**$0**
01	**(13)** Collateral Loans			0.0500	$0
01	**(14)** Mortgages			0.0500	$0
01	**(15)** NAIC 02 Unaffiliated Preferred Stock			0.0100	$0
01	**(16)** NAIC 03 Unaffiliated Preferred Stock			0.0200	$0
01	**(17)** NAIC 04 Unaffiliated Preferred Stock			0.0450	$0
01	**(18)** NAIC 05 Unaffiliated Preferred Stock			0.1000	$0
~~01~~	~~**(19)** NAIC 02 Hybrid Securities~~			~~0.0100~~	~~$0~~
~~01~~	~~**(20)** NAIC 03 Hybrid Securities~~			~~0.0200~~	~~$0~~
~~01~~	~~**(21)** NAIC 04 Hybrid Securities~~			~~0.0450~~	~~$0~~
~~01~~	~~**(22)** NAIC 05 Hybrid Securities~~			~~0.1000~~	~~$0~~
01	**(19)** Other Long-Term Invested Assets			0.1000	$0
01	**(20)** NAIC 02 Working Capital Finance Investments			0.0125	$0
01	**(21)** Federal Guaranteed Low Income Housing Tax Credits			0.0014	$0
01	**(22)** Federal Non-Guaranteed Low Income Housing Tax Credits			0.0260	$0
01	**(23)** State Guaranteed Low Income Housing Tax Credits			0.0014	$0
01	**(24)** State Non-Guaranteed Low Income Housing Tax Credits			0.0260	$0
01	**(25)** All Other Low Income Housing Tax Credits			0.1500	$0
01	**(26)** Unaffiliated Common Stock			0.1500	$0
01	**(27)** Total of Issuer = Lines (1) through **(26)**		$0		$0

Denotes items that must be manually entered on filing software.

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CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE

			(1) RBC Amount
H0 - INSURANCE AFFILIATES AND MISC. OTHER AMOUNTS			
(1)	Off-Balance Sheet Items	XR005, Off-Balance Sheet Page, Line (21)	$0
(2)	Directly Owned Insurer Subject to RBC	XR003, Affiliates Page, Line (1)	$0
(3)	Indirectly Owned Insurer Subject to RBC	XR003, Affiliates Page, Line (2)	$0
(4)	Directly Owned Health Entity Subject to RBC	XR003, Affiliates Page, Line (3)	$0
(5)	Indirectly Owned Health Entity Subject to RBC	XR003, Affiliates Page, Line (4)	$0
(6)	Directly Owned Alien Insurer	XR003, Affiliates Page, Line (7)	$0
(7)	Indirectly Owned Alien Insurers	XR003, Affiliates Page, Line (8)	$0
(8)	Total H0	Sum Lines (1) through (7)	$0
H1 - ASSET RISK - OTHER			
(9)	Investment Affiliates	XR003, Affiliates Page, Line (5)	$0
(10)	Holding Company Excess of Subsidiaries	XR003, Affiliates Page, Line (6)	$0
(11)	Investment in Parent	XR003, Affiliates Page, Line (9)	$0
(12)	Other Affiliates	XR003, Affiliates Page, Line (10)	$0
(13)	Fair Value Excess Affiliate Common Stock	XR003, Affiliates Page, Line (11)	$0
(14)	Fixed Income Assets	XR006, Off-Balance Sheet Collateral, Lines (27) + (37) + (38) + (39) + **XR008**, Fixed Income Assets Page Line (51)	$0
(15)	Replication & Mandatory Convertible Securities	**XR009**, Replication/MCS Page, Line (9999999)	$0
(16)	Unaffiliated Preferred Stock ~~**and Hybrid Securities**~~	XR006, Off-Balance Sheet Collateral, Line (34) + **XR010**, Equity Assets Page, Line **(7)**	$0
(17)	Unaffiliated Common Stock	XR006, Off-Balance Sheet Collateral, Line (35) + **XR010**, Equity Assets Page, Line **(12)**	$0
(18)	Property & Equipment	XR006, Off-Balance Sheet Collateral, Line (36) + **XR011**, Prop/Equip Assets Page, Line (9)	$0
(19)	Asset Concentration	**XR012**, Grand Total Asset Concentration Page, Line **(27)**	$0
(20)	Total H1	Sum Lines (9) through (19)	$0
H2 - UNDERWRITING RISK			
(21)	Net Underwriting Risk	**XR013**, Underwriting Risk Page, Line (21)	$0
(22)	Other Underwriting Risk	**XR015**, Underwriting Risk Page, Line (25.3)	$0
(23)	Disability Income	**XR015**, Underwriting Risk Page, Lines (26.3) + (27.3) + (28.3) + (29.3) + (30.6) + (31.3) + (32.3)	$0
(24)	Long-Term Care	**XR016**, Underwriting Risk Page, Line (41)	$0
(25)	Limited Benefit Plans	**XR017,** Underwriting Risk Page, Lines (42.2) + (43.6) + (44)	$0
(26)	Premium Stabilization Reserve	**XR017**, Underwriting Risk Page, Line (45)	$0
(27)	Total H2	Sum Lines (21) through (26)	$0

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CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE

			(1) RBC Amount
H3 - CREDIT RISK			
(28)	Total Reinsurance RBC	**XR020**, Credit Risk Page, Line (17)	$0
(29)	Intermediaries Credit Risk RBC	**XR020**, Credit Risk Page, Line (24)	$0
(30)	Total Other Receivables RBC	**XR021**, Credit Risk Page, Line (30)	$0
(31)	Total H3	Sum Lines (28) through (30)	$0
H4 - BUSINESS RISK			
(32)	Administrative Expense RBC	**XR022**, Business Risk Page, Line (7)	$0
(33)	Non-Underwritten and Limited Risk Business RBC	**XR022**, Business Risk Page, Line (11)	$0
(34)	Premiums Subject to Guaranty Fund Assessments	**XR022**, Business Risk Page, Line (12)	$0
(35)	Excessive Growth RBC	**XR022**, Business Risk Page, Line (19)	$0
(36)	Total H4	Sum Lines (32) through (35)	$0
(37)	RBC after Covariance Before Basic Operational Risk	H0 + Square Root of ($H1^2 + H2^2 + H3^2 + H4^2$)	$0
(38)	Basic Operational Risk	0.030 x Line (37)	$0
(39)	C-4a of U.S. Life Insurance Subsidiaries	Company Records	
(40)	Net Basic Operational Risk	Line (38) - (39) (Not less than zero)	$0
(41)	RBC After Covariance Including Basic Operational Risk	Lines (37) + (40)	$0
(42)	Authorized Control Level RBC	.50 x Line (41)	$0

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~~UNAFFILIATED~~ ASSETS
PR006 – PR014

PR006 - ~~Unaffiliated~~ Bonds and Bond Size Factor Adjustment

Basis of General Bond Factors

~~These~~ The bond risk factors for investment grade bonds (NAIC ~~Classes~~Designation Category 1.A – 2.C) are based on cash flow modeling~~ using historically adjusted default rates for each bond category. For each of 210,000 trials, annual economic conditions were generated for the 10-year modeling period.~~ Each bond of a ~~400-bond~~ portfolio was annually tested for default (based on a "roll of the dice") where the default probability varies by NAIC Designation category and that year's economic environment. The default probabilities were based on historical data intended to reflect a complete cycle of favorable and unfavorable credit environments. The risk of default was measured over a 5-year time horizon, selected considering the duration of property/casualty assets and liabilities.

The factors for NAIC ~~Classes~~Designation Category 3.A to 6~~03 through 06~~ recognize that these non-investment grade bonds are reported at the lower of amortized cost or fair value.~~marked to market.~~ These bond risk factors are based on the market value fluctuation for each of the NAIC ~~classes~~designation category compared to the market value fluctuation of stocks during the 2008-2009 financial crisis.

The bond risk factors are selected with consideration of the effect of the bond size factors.

Bond Size Factor

The bond factors assume a portfolio of 802 issuers. The size factor reflects ~~additional modeling for different size portfolios~~ that ~~shows~~ the risk increases as the number of bond issuers decreases. ~~Because most insurers' bond portfolios are considerably smaller than the portfolio used to develop the model bond risk, the basic bond factors understate the true default risk of these assets.~~ The bond size factor adjusts the computed RBC for those bonds that are subject to the size factor to more accurately reflect the risk.

The bond size factor is to be multiplied by the risk-based capital of the bonds subject to the size factor. This calculation produces the *additional* RBC required for a portfolio that has 801 or less ~~than 1,300~~801 bonds in it. Portfolios with 803 or more ~~than 1,300~~803 issuers will receive a discount. The bond size factor was developed as a step factor (as in a tax table) so that the overall factor decreases as the portfolio size increases. The bond size factors are the same for property/casualty and life insurance RBC Formulas.

Bonds should be aggregated by issuer (the first six digits of the CUSIP number should be used for aggregation). In determining the total number of issuers, do not count:

- U.S. government bonds that are direct and guaranteed and backed by the full faith and credit of the U.S. government, other U.S. Government Obligations, and NAIC U.S. Government Money Market Fund List ~~and SVO Identified funds~~ which receive a zero factor (Definitions of these categories are in the ~~see~~ Annual Statement Instructions).
- ~~Bonds in NAIC 01 (highest quality) which are issued by a U.S. government agency but that are not backed by the full faith and credit of the U.S. government. Examples of these bonds are: FNMA and FHLMC collateralized mortgage obligations.~~
- ~~Bonds of parents, subsidiaries and affiliates.~~

The calculation shown below will not appear in the software but will be calculated automatically. However, you must enter the total number of issuers in the appropriate field on the ~~CD-ROM~~RBC filing software. If you leave this field blank, the program will assume that there are less than ~~50~~ 10 issuers and will default to the maximum bond size factor adjustment. The calculation to derive the bond size factor is:

		(a)		(b)
	Source	No of Issuers		Wgtd Issuers
First ~~50~~10	Co Records	_____	X ~~2.5~~7.8=	_____

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Next ~~50~~90	Co Records	_____	X	1.~~3~~75=	_____
Next ~~300~~100	Co Records	_____	X	1.0 =	_____
~~Over~~Next	Co Records	_____	X	0.~~9~~8 =	_____
~~400~~300	Co Records	_____	X	0.75 =	_____
Over 500					
Total	Co Records	_____			_____

Size Factor = Total Weighted Issuers/Total No of Issuers less 1

PR007 - Unaffiliated Preferred and ~~,~~ Common Stock ~~and Hybrid Securities~~

Unaffiliated Preferred Stock

Detailed information on unaffiliated preferred stocks ~~and Hybrid Securities are~~is found in Schedule D Part 2 Section 1 ~~and Schedule D Part 1A Section 1~~ of the annual statement ~~respectively~~. The preferred stocks ~~and hybrid securities~~ must be broken out by NAIC Designation (NAIC 01 through NAIC 06) and these individual groups are to be entered in the appropriate lines of the RBC software. The total amount of unaffiliated preferred stock reported should equal annual statement P2 L2.1 C3 less any affiliated preferred stock in Schedule D-Summary by Country C1 L18. ~~The total amount of hybrid securities reported should equal annual statement Schedule D Part 1A Section 1 C6 L7.7.~~

Unaffiliated Common Stock

~~Unaffiliated common stocks are subdivided into non-government money market funds and all other unaffiliated common stocks. Non-government money market funds are more like cash than common stocks so it is appropriate to use the same factor as for cash. Amounts reported as non-government money market funds should reflect only those money market funds not qualifying for Schedule DA treatment. (Refer to the NAIC Annual Statement Instructions.)~~ The factor for other unaffiliated common stock is based on studies that indicate a 10 percent to 12 percent factor is needed to provide capital to cover approximately 95 percent of the greatest losses in common stock value over a one-year future period. The higher factor of 15 percent contained in the formula reflects the increased risk when testing a period in excess of one year. This factor assumes capital losses are unrealized and not subject to favorable tax treatment at the time loss in fair value occurs.

The total of all unaffiliated common stock reported should be equal to the total value of common stock in Schedule D-Summary by Country C1 L25 less the sum of Schedule D-Summary by Country C1 L24 and PR007, Column 1, Line 18.

PR009 - Miscellaneous Assets

Collateral loans and write-ins for invested assets are generally a small proportion of total portfolio value. A factor of 5 percent is consistent with other risk-based capital formulas studied by the working group.

The factor for cash is 0.3%. It is recognized that there is a small risk related to possible insolvency of the bank where cash deposits are held. This factor was based on the ~~original unaffiliated~~ original unaffiliated NAIC 01 bond risk factor prior to the increased granularity of the NAIC Designation Categories in 2021, and reflects the short-term nature of this risk. The required risk-based capital for cash will not be less than zero, even if the company's cash position is negative.

If the book/adjusted carrying value of Aggregate Write-ins for Invested Assets (Page 2, Line 11, Column 3 of the annual statement) is less than zero, the RBC amount will be zero.

The Short-Term Investments to be included in this section are those short-term investments not reflected elsewhere in the formula. The 0.3% factor is equal to the factor for cash. The amount entered ~~here~~ for short-term bonds should equal the total short-term investments found in Schedule DA Part 1 C7 L8399999. This amount is subtracted from the total of short-term investments, as they are captured with bonds on PR006.

Commented [YEK1]: Subject to change based on Life profolio adjustment study.

Commented [BC2]: Should a similar instruction be added for cash equivalent bonds?

PR011 - Asset Concentration

The purpose of the concentration factor is to reflect the additional risk of high concentrations in single exposures (represented by an issuer of a security or a mortgage borrower, etc.). The concentration factor basically doubles the risk-based capital factor (up to a maximum of 30 percent) of the 10 largest asset exposures excluding various low-risk categories or categories which already have a 30 percent factor. Since the risk-based capital of the assets included in the concentration factor has already been counted once in the basic formula, this factor itself only serves to add an additional risk-based capital requirement on these assets.

Concentrated investments in certain types of assets are not expected to represent an additional risk over and above the general risk of the asset itself. Therefore, prior to determining the 10 largest issuers, you should exclude those assets that are exempt from the asset concentration factor. Asset types that are excluded from the calculation include: NAIC 06 bonds~~, hybrids~~ and preferred stock, affiliated common stock, affiliated preferred stock, ~~affiliated bonds,~~ property and equipment, U.S. government guaranteed bonds, ~~SVO Identified Funds,~~ NAIC 01 bonds~~, hybrids~~ or preferred stock, any other asset categories with risk-based capital factors less that 1 percent, and investment companies (mutual funds) and common trust funds that are diversified within the meaning of the Investment Company Act of 1940 [Section 5(b) (1)]. The pro rata share of individual securities within an investment company (mutual fund) or common trust fund are to be included in the determination of concentrated investments, subject to the exclusions identified.

Commented [YEK3]: Subject to discussion

With respect to investment companies (mutual funds) and common trust funds, the reporting company is responsible for maintaining the appropriate documentation as evidence that such is diversified within the meaning of the Investment Company Act and provide this information upon request of the commissioner, director or superintendent of the department of insurance. The reporting company is also responsible for maintaining a listing of the individual securities and corresponding book/adjusted carrying values making up its investment companies (mutual funds) and common trust funds portfolio, in order to determine whether a concentration charge is necessary. This information should be provided to the commissioner, director or superintendent upon request.

The assets that ARE INCLUDED in the calculation are divided into two categories – Fixed Income Assets and Equity Assets. The following asset types should be aggregated to determine the 10 largest issuers:

FIXED INCOME ASSETS
~~Unaffiliated~~ Bonds – NAIC ~~02~~Designation Category 2.A
Bonds – NAIC Designation Category 2.B
Bonds – NAIC Designation Category 2.C
~~Unaffiliated~~ Bonds – NAIC ~~03~~Designation Category 3.A
Bonds – NAIC Designation Category 3.B
Bonds – NAIC Designation Category 3.C
~~Unaffiliated~~ Bonds –NAIC ~~04~~Designation Category 4.A
Bonds – NAIC Designation Category 4.B
Bonds – NAIC Designation Category 4.C
~~Unaffiliated~~ Bonds –NAIC ~~05~~Designation Category 5.A
Bonds – NAIC Designation Category 5.B
Bonds – NAIC Designation Category 5.C
Collateral Loans
Mortgage Loans
Working Capital Finance Investments – NAIC 02
Federal Guaranteed Low Income Housing Tax Credits
Federal Non-Guaranteed Low Income Housing Tax Credits
State Guaranteed Low Income Housing Tax Credits
State Non-Guaranteed Low Income Housing Tax Credits
All Other Low Income Housing Tax Credits

EQUITY ASSETS
Unaffiliated Preferred Stock –NAIC 02
Unaffiliated Preferred Stock –NAIC 03
Unaffiliated Preferred Stock –NAIC 04
Unaffiliated Preferred Stock –NAIC 05
~~Unaffiliated Hybrid Securities – NAIC 03~~
~~Unaffiliated Hybrid Securities – NAIC 04~~
~~Unaffiliated Hybrid Securities- NAIC 05~~
Unaffiliated Common Stock
Investment Real Estate
Encumbrances on Inv. Real Estate
Schedule BA Assets (excluding Collateral Loans)
Receivable for Securities
Aggregate Write-ins for Invested Assets
Derivatives

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The name of each of the largest 10 issuers is entered at the top of the table and the appropriate statement amounts are entered in C(2) Ls (01) through (0620) for fixed income assets and C(2), Ls (0822) through (2832) for equity assets. Aggregate all similar asset types before entering the amount in C(2). For instance, if you own five separate $1,000,000 NAIC 03.A bonds from Issuer #1, enter $5,000,000 in C(2)L(02) – NAIC 03.A Unaffiliated Bonds.

OFF-BALANCE SHEET COLLATERAL AND SCHEDULE DL, PART 1 ASSETS
PR015

Security lending programs are required to maintain collateral. Some entities post the collateral supporting security lending programs on their financial statements, and incur the related risk charges on those assets. Other entities have collateral that is not recorded on their financial statements. While not recorded on the financial statements of the company, such collateral has risks that are not otherwise captured in the RBC formula.

The collateral in these accounts is maintained by a third party (typically a bank or other agent). The collateral agent maintains on behalf of the company detail asset listings of the collateral assets, and this data is the source for preparation of this schedule. The company should maintain such asset listings, at a minimum CUSIP, market value, book/carrying value, and maturity date.

The asset risk charges are derived from existing RBC factors for bonds, preferred and common stocks, other invested assets, and invested assets not otherwise classified (aggregate write-ins).

Specific Instructions for Application of the Formula

Column (2) – Schedule DL, Part 1 Book/Adjusted Carrying Value comes from Annual Statement Schedule DL, Part 1, Column (6) Securities Lending Collateral Assets reported On-Balance Sheet (Assets Page, Line 10).

Off-balance sheet collateral included in General Interrogatories Part 1, Lines 24.05 and 24.06 of the Annual Statement should agree with Line (2241), Column (1).

Lines (1) through (926) – Bonds
Bond factors described on PR006 – Unaffiliated Bonds and Bond Size Factor Adjustment

Line (1028) through (1633) – Preferred Stocks
Preferred stock factors described on PR007 – Unaffiliated Preferred and Common Stock

Lines (1735) – Common Stock
Common stock factors described on PR007 – Unaffiliated Preferred and Common Stock

Line (1836) – Real Estate and Schedule BA - Other Invested Assets
Real Estate and other invested asset factors described on PR008 – Other Long-Term Assets

Line (1937) – Other Invested Assets
Other invested assets factors described on PR009 – Miscellaneous Assets

Line (2038) – Mortgage Loans on Real Estate

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Mortgage Loans on Real Estate factor described on PR009 – Miscellaneous Assets

Line (~~21~~39) – Cash, Cash Equivalents~~, Non-Government Money Market Fund~~ and Short-Term Investments
Cash, Cash Equivalents~~, Non-Government Money Market Fund~~ and Short-Term Investments factors described on PR007 – Unaffiliated Preferred, Common Stock and Hybrid Securities and PR009 – Miscellaneous Assets

BONDS PR006

		Annual Statement Source	(1) Long-Term Bonds Schedule D, Part 1 Book/Adjusted Carrying Value L2 thru 26 = Sch D Pt1F	(2) Short-Term Investments Schedule DA, Part 1 Book/Adjusted Carrying Value L2 thru 26 = Sch DA Pt1F	(3) Cash Equivalents Schedule E, Part 2 Book/Adjusted Carrying Value L2 thr 26 = Sch E Pt2F	(4) Subtotal C(1) + C(2) + C(3)	Factor	(5) RBC Requirement
(1)	NAIC 1.A - U.S. Government Full Faith and Credit, Other U.S. Government Obligations, and NAIC U.S. Government Money Market Fund List (Refer to A/S Instructions)	C(1)=Sch D, Pt 1, C11 L0599999 C(2)=Sch DA, Pt 1, C7 L0599999 C(3)=Sch E, Pt 2, C7 L0599999 + L8599999	0	0	0	0	0.000	0
(2)	NAIC Designation Category 1.A	Footnote Amt 1 L000001A- L(1)	0	0	0	0	0.000	0
(3)	NAIC Designation Category 1.B	Footnote Amt 2 L000001A	0	0	0	0	0.000	0
(4)	NAIC Designation Category 1.C	Footnote Amt 3 L000001A	0	0	0	0	0.000	0
(5)	NAIC Designation Category 1.D	Footnote Amt 4 L000001A	0	0	0	0	0.000	0
(6)	NAIC Designation Category 1.E	Footnote Amt 5 L000001A	0	0	0	0	0.000	0
(7)	NAIC Designation Category 1.F	Footnote Amt 6 L000001A	0	0	0	0	0.000	0
(8)	NAIC Designation Category 1.G	Footnote Amt 7 L000001A	0	0	0	0	0.000	0
(9)	Total NAIC 01 Bonds	Sum of Ls (1) through (8)	0	0	0	0		0
(10)	NAIC Designation Category 2.A	Footnote Amt 1 L000001B	0	0	0	0	0.000	0
(11)	NAIC Designation Category 2.B	Footnote Amt 2 L000001B	0	0	0	0	0.000	0
(12)	NAIC Designation Category 2.C	Footnote Amt 3 L000001B	0	0	0	0	0.000	0
(13)	Total NAIC 02 Bonds	Sum of Ls (10) through (12)	0	0	0	0		0
(14)	NAIC Designation Category 3.A	Footnote Amt 1 L000001C	0	0	0	0	0.000	0
(15)	NAIC Designation Category 3.B	Footnote Amt 2 L000001C	0	0	0	0	0.000	0
(16)	NAIC Designation Category 3.C	Footnote Amt 3 L000001C	0	0	0	0	0.000	0
(17)	Total NAIC 03 Bonds	Sum of Ls (14) through (16)	0	0	0	0		0
(18)	NAIC Designation Category 4.A	Footnote Amt 1 L000001D	0	0	0	0	0.000	0
(19)	NAIC Designation Category 4.B	Footnote Amt 2 L000001D	0	0	0	0	0.000	0
(20)	NAIC Designation Category 4.C	Footnote Amt 3 L000001D	0	0	0	0	0.000	0
(21)	Total NAIC 04 Bonds	Sum of Ls (18) through (20)	0	0	0	0		0
(22)	NAIC Designation Category 5.A	Footnote Amt 1 L000001E	0	0	0	0	0.000	0
(23)	NAIC Designation Category 5.B	Footnote Amt 2 L000001E	0	0	0	0	0.000	0
(24)	NAIC Designation Category 5.C	Footnote Amt 3 L000001E	0	0	0	0	0.000	0
(25)	Total NAIC 05 Bonds	Sum of Ls (22) through (24)	0	0	0	0	0.000	0
(26)	Total NAIC 06 Bonds	Footnote Amt 1 L000001F	0	0	0	0	0.000	0
(27)	Subtotal - Bonds Subject to Bond Size Factor	L(9) - L(1) + L(13) + L(17) + L(21) + L(25) + L(26)	0	0	0	0		0
(28)	Number of Issuers		0	0	0	0		
(29)	Bond Size Factor							6.800
(30)	Bond Size Factor RBC	C(5)L(27) x C(5)L(29)						0
(31)	Total Bonds RBC	L(27) + L(30)						0

Denotes items that must be vendor linked.

Denotes items that must be manually entered on the filing software.

UNAFFILIATED PREFERRED AND COMMON STOCK ~~AND HYBRID SECURITIES~~ PR007

	Unaffiliated Preferred Stock	Annual Statement Source	(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
(1)	NAIC 01 Preferred Stock	Sch D Pt 2 Sn 1	0	0.003	0
(2)	NAIC 02 Preferred Stock	Sch D Pt 2 Sn 1	0	0.010	0
(3)	NAIC 03 Preferred Stock	Sch D Pt 2 Sn 1	0	0.020	0
(4)	NAIC 04 Preferred Stock	Sch D Pt 2 Sn 1	0	0.045	0
(5)	NAIC 05 Preferred Stock	Sch D Pt 2 Sn 1	0	0.100	0
(6)	NAIC 06 Preferred Stock	Sch D Pt 2 Sn 1	0	0.300	0
(7)	~~SUB~~TOTAL - UNAFFILIATED PREFERRED STOCK (should equal P2 L2.1 C3 less Sch D-Sum C1 L18)	Sum of Ls(1) through (6)	0		0
~~(8)~~	~~NAIC 01 Hybrid Securities~~	~~Sch D Pt 1A Sn 1 C(7) L (7.1)~~	~~0~~	~~0.003~~	~~0~~
~~(9)~~	~~NAIC 02 Hybrid Securities~~	~~Sch D Pt 1A Sn 1 C(7) L (7.2)~~	~~0~~	~~0.010~~	~~0~~
~~(10)~~	~~NAIC 03 Hybrid Securities~~	~~Sch D Pt 1A Sn 1 C(7) L (7.3)~~	~~0~~	~~0.020~~	~~0~~
~~(11)~~	~~NAIC 04 Hybrid Securities~~	~~Sch D Pt 1A Sn 1 C(7) L (7.4)~~	~~0~~	~~0.045~~	~~0~~
~~(12)~~	~~NAIC 05 Hybrid Securities~~	~~Sch D Pt 1A Sn 1 C(7) L (7.5)~~	~~0~~	~~0.100~~	~~0~~
~~(13)~~	~~NAIC 06 Hybrid Securities~~	~~Sch D Pt 1A Sn 1 C(7) L (7.6)~~	~~0~~	~~0.300~~	~~0~~
~~(14)~~	~~SUBTOTAL - HYBRID SECURITIES~~	~~Sum of Ls(8) through (13)~~	~~0~~		~~0~~
~~(15)~~	~~Total Unaffiliated Preferred Stock and Hybrid Securities~~	~~Line (7) + Line (14)~~	~~0~~		~~0~~

	Unaffiliated Common Stock				
(8)	Total Common Stock	Sch D - Summary C1 L25	0		
(9)	Affiliated Common Stock	Sch D - Summary C1 L24	0		
(10)	Non-Admitted Unaffilated Common Stock	P2 C2 L2.2 - Sch D Pt6 Sn1 C10 L1899999	0		
(11)	Admitted Unaffiliated Common Stock	**L(8) - L(9) - L(10)**	0	0.150	0
(12)	Fair Value Excess Affiliated Common Stock	PR003 C(14) L(9999999)			0
(13)	Total Unaffiliated Common Stock	**L(11) + L(12)**	0		0

MISCELLANEOUS ASSETS PR009

		Annual Statement Source	(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
(1)	Receivable for Securities	P2C3L9	0	0.025	0
(2)	Aggregate W/I for Invest Assets	P2C3 L11	0	0.050	0
(3)	Cash	P2 L5, inside amt 1	0	0.003	0
(4)	Cash Equivalents	P2 L5, inside amt 2	0		
(5)	**Less: Cash Equivalents, Total Bonds**	Sch E Pt 2 C7 L8399999	0		
(6)	**Less: Exempt Money Market Mutual Funds as Identified by SVO**	Sch E Pt 2 C7 L8599999	0		
(7)	Net Cash Equivalents	L(4)-L(5)-L(6)	0	0.003	0
(8)	Short-Term Investments	P2 L5, inside amt 3	0		
(9)	**Short-Term Bonds**	Sch DA Pt 1 C7 L8399999	0		
(10)	Total Other Short-Term Investments	L(8)-L(9)	0	0.003	0
(11)	Collateral Loans	Sch BA Pt1 C12 L2999999+3099999	0		
(12)	Less: Non-Admitted Collateral Loans	P2 L8 C2 in part	0		
(13)	Net Admitted Collateral Loans	L(11) - L(12)	0	0.050	0
(14)	Derivatives	P2C3 L7	0	0.050	0
(15)	Total Miscellaneous Assets	L(1)+L(2)+L(3)+L(7)+L(10)+L(13)+L(14)	0		0

~~*** These bonds appear in Schedule D Part 1A Section 1 and are already recognized in the Bonds portion of the formula.**~~

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ASSET CONCENTRATION PR011

		(1)	(2)		(3)
	ISSUER #1		Book/Adjusted Carrying Value	Factor	Additional RBC
(1)	NAIC Designation Category 2.A Bonds		0	0.0000	0
(2)	NAIC Designation Category 2.B Bonds		0	0.0000	0
(3)	NAIC Designation Category 2.C Bonds		0	0.0000	0
(4)	NAIC Designation Category 3.A Bonds		0	0.0000	0
(5)	NAIC Designation Category 3.B Bonds		0	0.0000	0
(6)	NAIC Designation Category 3.C Bonds		0	0.0000	0
(7)	NAIC Designation Category 4.A Bonds		0	0.0000	0
(8)	NAIC Designation Category 4.B Bonds		0	0.0000	0
(9)	NAIC Designation Category 4.C Bonds		0	0.0000	0
(10)	NAIC Designation Category 5.A Bonds		0	0.0000	0
(11)	NAIC Designation Category 5.B Bonds		0	0.0000	0
(12)	NAIC Designation Category 5.C Bonds		0	0.0000	0
(13)	Collateral Loans		0	0.0500	0
(14)	Mortgage Loans		0	0.0500	0
(15)	NAIC 02 Working Capital Finance Investments		0	0.0125	0
(16)	Federal Guaranteed Low Income Housing Tax Credits		0	0.0014	0
(17)	Federal Non-Guaranteed Low Income Housing Tax Credits		0	0.0260	0
(18)	State Guaranteed Low Income Housing Tax Credits		0	0.0014	0
(19)	State Non-Guaranteed Low Income Housing Tax Credits		0	0.0260	0
(20)	All Other Low Income Housing Tax Credits		0	0.1500	0
(21)	SUBTOTAL - FIXED INCOME		0		0
(22)	NAIC 02 Unaffiliated Preferred Stock		0	0.0100	0
(23)	NAIC 03 Unaffiliated Preferred Stock		0	0.0200	0
(24)	NAIC 04 Unaffiliated Preferred Stock		0	0.0450	0
(25)	NAIC 05 Unaffiliated Preferred Stock		0	0.1000	0
~~(26)~~	~~NAIC 02 Hybrid Securities~~		~~0~~	~~0.0100~~	~~0~~
~~(27)~~	~~NAIC 03 Hybrid Securities~~		~~0~~	~~0.0200~~	~~0~~
~~(28)~~	~~NAIC 04 Hybrid Securities~~		~~0~~	~~0.0450~~	~~0~~
~~(29)~~	~~NAIC 05 Hybrid Securities~~		~~0~~	~~0.1000~~	~~0~~
(26)	Property Held For Production of Income or For Sale Excluding Home Office		0	0.1000	0
(27)	Property Held For Production of Income or For Sale Encumbrances Excluding Home Office		0	0.1000	0
(28)	Schedule BA Assets		0	0.1000	0
(29)	Receivable for Securities		0	0.0250	0
(30)	Aggregate Write-Ins for Invested Assets		0	0.0500	0
(31)	Derivatives		0	0.0500	0
(32)	Unaffiliated Common Stock		0	0.1500	0
(33)	SUBTOTAL - EQUITY		0		0
(34)	TOTAL - ISSUER #1 (L21+L33)		0		0

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OFF-BALANCE SHEET COLLATERAL AND SCHEDULE DL, PART 1 ASSETS PR015

	Asset Category	Annual Statement Source	(1) Off-Balance Sheet Collateral Book/Adjusted Carrying Value	(2) Schedule DL, Part 1 Book/Adjusted Carrying Value	(3) Subtotal	Factor	(4) RBC Requirement
	Fixed Income Assets						
	Bonds						
(1)	**NAIC 1.A - U.S. Government Full Faith and Credit, Other U.S. Government Obligations, and NAIC U.S. Government Money Market Fund List (Refer to A/S Instructions)**	Company Records	0	0	0	0.000	0
(2)	NAIC Designation Category 1.A	Company Records	0	0	0	0.000	0
(3)	NAIC Designation Category 1.B	Company Records	0	0	0	0.000	0
(4)	NAIC Designation Category 1.C	Company Records	0	0	0	0.000	0
(5)	NAIC Designation Category 1.D	Company Records	0	0	0	0.000	0
(6)	NAIC Designation Category 1.E	Company Records	0	0	0	0.000	0
(7)	NAIC Designation Category 1.F	Company Records	0	0	0	0.000	0
(8)	NAIC Designation Category 1.G	Company Records	0	0	0	0.000	0
(9)	Total NAIC 01 Bonds	Sum of Ls (1) through (8)	0	0	0		0
(10)	NAIC Designation Category 2.A	Company Records	0	0	0	0.000	0
(11)	NAIC Designation Category 2.B	Company Records	0	0	0	0.000	0
(12)	NAIC Designation Category 2.C	Company Records	0	0	0	0.000	0
(13)	Total NAIC 02 Bonds	Sum of Ls (10) through (12)	0	0	0		0
(14)	NAIC Designation Category 3.A	Company Records	0	0	0	0.000	0
(15)	NAIC Designation Category 3.B	Company Records	0	0	0	0.000	0
(16)	NAIC Designation Category 3.C	Company Records	0	0	0	0.000	0
(17)	Total NAIC 03 Bonds	Sum of Ls (14) through (16)	0	0	0		0
(18)	NAIC Designation Category 4.A	Company Records	0	0	0	0.000	0
(19)	NAIC Designation Category 4.B	Company Records	0	0	0	0.000	0
(20)	NAIC Designation Category 4.C	Company Records	0	0	0	0.000	0
(21)	Total NAIC 04 Bonds	Sum of Ls (18) through (20)	0	0	0		0
(22)	NAIC Designation Category 5.A	Company Records	0	0	0	0.000	0
(23)	NAIC Designation Category 5.B	Company Records	0	0	0	0.000	0
(24)	NAIC Designation Category 5.C	Company Records	0	0	0	0.000	0
(25)	Total NAIC 05 Bonds	Sum of Ls (22) through (24)	0	0	0		0
(26)	Total NAIC 06 Bonds	Company Records	0	0	0	0.000	0
(27)	Total Bonds	**L(9) + (13) + (17) + (21) + (25) + (26)**	0	0	0		0
	Equity Assets						
	Preferred Stock - Unaffiliated						
(28)	NAIC 01 Unaffiliated Preferred Stock	Company Records	0	0	0	0.003	0
(29)	NAIC 02 Unaffiliated Preferred Stock	Company Records	0	0	0	0.010	0
(30)	NAIC 03 Unaffiliated Preferred Stock	Company Records	0	0	0	0.020	0
(31)	NAIC 04 Unaffiliated Preferred Stock	Company Records	0	0	0	0.045	0
(32)	NAIC 05 Unaffiliated Preferred Stock	Company Records	0	0	0	0.100	0
(33)	NAIC 06 Unaffiliated Preferred Stock	Company Records	0	0	0	0.300	0
(34)	Total Unaffiliated Preferred Stock	Sum of Ls (28) through (33)	0	0	0		0
(35)	Unaffiliated Common Stock	Company Records	0	0	0	0.150	0
(36)	Real Estate and Schedule BA - Other Invested Assets	Company Records	0	0	0	0.200	0
(37)	Other Invested Assets	Company Records	0	0	0	0.200	0
(38)	Mortgage Loans on Real Estate	Company Records	0	0	0	0.050	0
(39)	**Cash, Cash Equivalents and Short-Term Investments** (Not reported as Bonds above)	Company Records	0	0	0	0.003	0
(40)	Total	**L(27)+L(34)+L(35)+L(36)+L(37)+L(38)+L(39)**	0	0	0		0

Denotes items that must be manually entered on the filing software.

CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE PR030 R0-R1

R0 —Subsidiary Insurance Companies and Misc. Other Amounts		PRBC O&I Reference	(1) RBC Amount
(1)	Affiliated US P&C Insurers - Directly Owned	PR004 L(1)C(4)	0
(2)	Affiliated US P&C Insurers - Indirectly Owned	PR004 L(4)C(4)	0
(3)	Affiliated US Life Insurers - Directly Owned	PR004 L(2)C(4)	0
(4)	Affiliated US Life Insurers - Indirectly Owned	PR004 L(5)C(4)	0
(5)	Affiliated US Health Insurer - Directly Owned	PR004 L(3)C(4)	0
(6)	Affiliated US Health Insurer - Indirectly Owned	PR004 L(6)C(4)	0
(7)	Affiliated Alien Insurers - Directly Owned	PR004 L(8)C(4)	0
(8)	Affiliated Alien Insurers - Indirectly Owned	PR004 L(9)C(4)	0
(9)	Misc Off-Balance Sheet - Non-Controlled Assets	PR014 L(15) C(3)	0
(10)	Misc Off-Balance Sheet - Guarantees for Affiliates	PR014 L(16) C(3)	0
(11)	Misc Off-Balance Sheet - Contingent Liabilities	PR014 L(17) C(3)	0
(12)	Misc Off-Balance Sheet - SSAP No.101 Par. 11A DTA	PR014 L(19) C(3)	0
(13)	Misc Off-Balance Sheet - SSAP No.101 Par. 11B DTA	PR014 L(20) C(3)	0
(14)	Total R0	L(1)+L(2)+L(3)+L(4)+L(5)+L(6)+L(7)+L(8)+L(9)+L(10)+L(11)+L(12)+L(13)	0
R1 - Asset Risk - Fixed Income			
~~(15)~~	~~NAIC 01 U.S. Government Agency Bonds~~	~~PR006 L(2A)C(2)~~	~~0~~
(15)	Bonds Subject to Size Factor	PR006 L(27)C(**5**)	0
(16)	Bond Size Factor RBC	PR006 L(30)C(**5**)	0
(17)	Off-balance Sheet Collateral & Sch DL, PT1 - Total Bonds	PR015 L(27)C(4)	0
(18)	Off-balance Sheet Collateral & Sch DL, PT1 - Cash, Cash Equi, non-govt MMF & S.T. Invest and Mort Loans on Real Est.	PR015 L(38)+(39)C(4)	0
(19)	Other Long- Term Assets - Mortgage Loans, LIHTC & WCFI	PR008 L(10)+L(13)+L(14)+L(15)+L(16)+L(17)+L(20)+L(21)C(2)	0
(20)	Misc Assets - Collateral Loans	PR009 L(13)C(2)	0
(21)	Misc Assets - Cash	PR009 L(3)C(2)	0
(22)	Misc Assets - Cash Equivalents	PR009 L(7)C(2)	0
(23)	Misc Assets - Other Short-Term Investments	PR009 L(10)C(2)	0
(24)	Replication -Synthetic Asset: One Half	PR010 L(9999999)C(7)	0
(25)	Asset Concentration RBC - Fixed Income	PR011 L(21)C(3) Grand Total Page	0
(26)	Total R1	L(15)+L(16)+L(17)+L(18)+L(19)+L(20)+L(21)+L(22)+L(23)+L(24)+L(25)	0

CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE PR031 R2-R3

R2 - Asset Risk - Equity		PRBC O&I Reference	RBC Amount
(27)	Common - Affiliate Investment Subsidiary	PR004 L(7)C(2)	0
(28)	Common - Affiliate Hold. Company. in excess of Ins. Subs.	PR004 L(10)C(2)	0
(29)	Common - Investment in Parent	PR004 L(11)C(2)	0
(30)	Common - Aff'd US P&C Not Subj to RBC	PR004 L(12)C(2)	0
(31)	Common - Affil US Life Not Subj to RBC	PR004 L(13)C(2)	0
(32)	Common - Affil US Health Insurer Not Subj to RBC	PR004 L(14)C(2)	0
(33)	Common - Aff'd Non-insurer	PR004 L(15)C(2)	0
(34)	Preferred - Aff'd Invest Sub	PR004 L(7)C(3)	0
(35)	Preferred - Aff'd Hold. Co. in excess of Ins. Subs.	PR004 L(10)C(3)	0
(36)	Preferred - Investment in Parent	PR004 L(11)C(3)	0
(37)	Preferred - Affil US P&C Not Subj to RBC	PR004 L(12)C(3)	0
(38)	Preferred - Affil US Life Not Subj to RBC	PR004 L(13)C(3)	0
(39)	Preferred - Affil US Health Insurer Not Subj to RBC	PR004 L(14)C(3)	0
(40)	Preferred - Affil Non-insurer	PR004 L(15)C(3)	0
(41)	Unaffiliated Preferred Stock ~~and Hybrid Securities~~	PR007 L(7)C(2)+PR015 L(34)C(4)	0
(42)	Unaffiliated Common Stock	PR007 L(21)C(2)+PR015 L(35)C(4)	0
(43)	Other Long -Term Assets - Real Estate	PR008 L(7)C(2)	0
(44)	Other Long-Term Assets - Schedule BA Assets	PR008 L(19)C(2)+PR015 L(36)+L(37)C(4)	0
(45)	Misc Assets - Receivable for Securities	PR009 L(1)C(2)	0
(46)	Misc Assets - Aggregate Write-ins for Invested Assets	PR009 L(2)C(2)	0
(47)	Misc Assets - Derivatives	PR009 L(14)C(2)	0
(48)	Replication - Synthetic Asset: One Half	PR010 L(9999999)(7)	0
(49)	Asset Concentration RBC - Equity	PR011 L(34)C(3) Grand Total Page	0
(50)	Total R2	**L(27)+L(28)+L(29)+L(30)+L(31)+L(32)+L(33)+L(34) +L(35)+L(36)+L(37)+L(38)+L(39)+L(40)+L(41)+L(42) +L(43)+L(44)+L(45)+L(46)+L(47)+L(48)+L(49)**	0
R3 - Asset Risk - Credit			
(51)	Other Credit RBC	PR012 L(8))-L(1)-L(2)C(2)	0
(52)	One half of Rein Recoverables	0.5 x (PR012 L(1)+L(2)C(2))	0
(53)	Other half of Rein Recoverables	**If R4 L(57)>(R3 L(51) + R3 L(52)), 0, otherwise, R3 L(52)**	0
(54)	Health Credit Risk	PR013 L(12)C(2)	0
(55)	Total R3	**L(51) + L(52) + L(53) + L(54)**	0

CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE PR032 R4-Rcat

			(1)
R4 - Underwriting Risk - Reserves		PRBC O&I Reference	RBC Amount
(56)	One half of Reinsurance RBC	If R4 L(57)>(R3 L(51) + R3 L(52)), R3 L(52), otherwise, 0	0
(57)	Total Adjusted Unpaid Loss/Expense Reserve RBC	PR0017 L(15)C(20)	0
(58)	Excessive Premium Growth - Loss/Expense Reserve	PR016 L(13) C(8)	0
(59)	A&H Claims Reserves Adjusted for LCF	PR024 L(5) C(2) + PR023 L(6) C(4)	0
(60)	Total R4	**L(56)+L(57)+L(58)+L(59)**	0
R5 - Underwriting Risk - Net Written Premium			
(61)	Total Adjusted NWP RBC	PR018 L(15)C(20)	0
(62)	Excessive Premium Growth - Written Premiums Charge	PR016 L(14)C(8)	0
(63)	Total Net Health Premium RBC	PR022 L(21)C(2)	0
(64)	Health Stabilization Reserves	PR025 L(8)C(2) + PR023 L(3) C(2)	0
(65)	Total R5	**L(61)+L(62)+L(63)+L(64)**	0

Rcat- Catastrophe Risk			
(66)	Total Rcat	PR027 L(3) C(1)	0

(67)	Total RBC After Covariance Before Basic Operational Risk = R0+SQRT(R1^2+R2^2+R3^2+R4^2+R5^2+Rcat^2)	0

(68)	**Basic Operational Risk = 0.030 x L(67)**	0
(69)	C-4a of U.S. Life Insurance Subsidiaries (from Company records)	0
(70)	**Net Basic Operational Risk = Line (68) - Line (69) (Not less than zero)**	0
(71)	**Total RBC After Covariance including Basic Operational Risk = L(67)+ L(68)**	0

(72)	**Authorized Control Level RBC including Basic Operational Risk = .5 x L(71)**	0