

Capital Adequacy (E) Task Force

RBC Proposal Form

- | | | |
|---|---|--|
| <input checked="" 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"/> C3 Phase II/ AG43 (E/A) Subgroup | <input type="checkbox"/> P/C RBC (E) Working Group | |

DATE: <u>3-17-21</u>	<u>FOR NAIC USE ONLY</u>
CONTACT PERSON: <u>Crystal Brown</u>	Agenda Item # <u>2021-04-CA</u>
TELEPHONE: <u>816-783-8146</u>	Year <u>2021</u>
EMAIL ADDRESS: <u>cbrown@naic.org</u>	<u>DISPOSITION</u>
ON BEHALF OF: <u>Health RBC (E) Working Group</u>	<input checked="" type="checkbox"/> ADOPTED <u>6/30/21</u> <u>7/28/21 MOD</u>
NAME: <u>Steve Drutz</u>	<input type="checkbox"/> REJECTED _____
TITLE: <u>Chief Financial Analyst/Chair</u>	<input type="checkbox"/> DEFERRED TO _____
AFFILIATION: <u>WA Office of Insurance Commissioner</u>	<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
ADDRESS: <u>PO Box 40255</u>	<input checked="" type="checkbox"/> EXPOSED <u>4-16-21, 5/21/21</u>
<u>Olympia, WA 98504-0255</u>	<input type="checkbox"/> OTHER (SPECIFY) _____

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

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

DESCRIPTION OF CHANGE(S)

Incorporate investment income into the Underwriting Risk – Experience Fluctuation Risk factors for columns 1-3. The base underwriting factors would be adjusted for Comprehensive Medical, Medicare Supplement and Dental and Vision.

MODIFICATION FOR ROUNDING: All ratios in Columns 1, 2 and 3 on pages XR013, LR020 and PR020 will be adjusted to round to the fourth decimal place.

Lines that will be adjusted include:

XR013 – 12, 13, and 15.

LR020 – 9, 10.3 and 12.

PR020 – 9, 10.3 and 12.

REASON OR JUSTIFICATION FOR CHANGE **

Incorporated investment income into Columns 1-3 on the Underwriting Risk – Experience Fluctuation Risk page. The American Academy of Actuaries provided recommended factors to the Working Group. The Academy found that due to no claims lag in Stand-Alone Medicare Part D coverage, the investment income adjustment would be negligible, and the RBC factors would not be impacted.

The Working Group will continue to work with the Academy to look at the potential to incorporate an investment income adjustment to the factors for the other health lines of business for 2022 or later.

MODIFICATION FOR ROUNDING: The UW Risk Fluctuation Factors on pages XR013, LR020 and PR020 were adjusted and adopted for 2021 reporting to go to the fourth decimal place. Due to the NAIC system constraints, the number of decimal places a ratio is displayed is determined by the column settings. Therefore, if one factor/ratio goes to four decimal places, all factors or ratios in that column must display at 4 decimal places.

As a result, the following lines will be impacted and need to be updated to round to four decimal places.

Lines that will be adjusted include:

XR013 – 12, 13, and 15. Lines 12 and 13 are formula based calculations which could result in slight differences to the amount.

Line 15 is a direct pull from page XR018 and only goes to 3 decimal places so it would end in “0”

LR020 – 9, 10.3 and 12. Lines 9 and 10.3 are formula based calculations which could result in slight differences to the amount.

Line 12 is a direct pull from page LR022 and only goes to 3 decimal places so it would end in “0”

PR020 – 9, 10.3 and 12. Lines 9 and 10.3 are formula based calculations which could result in slight differences to the amount.

Line 12 is a direct pull from page PR022 and only goes to 3 decimal places so it would end in “0”

Additional Staff Comments:

These changes will also need to be incorporated into the Life and P/C formula.

3-17-21 cgb The Working Group exposed the proposal for 30-days with comments due back on April 16, 2021.

4-23-21 cgb Two comment letters were received during the comment period from UHG and AHIP/BCBSA. The WG discussed the comments and agreed to refer the proposal to the Capital Adequacy (E) Task Force with the 0.5% investment yield for exposure for all lines of business.

04-27-21 cgb The American Academy of Actuaries provided an updated letter that included the factors to two-digit rounding for each tier. A copy of the letter is included in the proposal.

4-29-21 cgb The TF exposed the proposal until 5/21/21.

5-25-21 cgb One comment letter was received from the TF exposure. The WG agreed to refer the proposal to the TF for consideration of adoption on the June 30 call.

5-25-21 cgb EDITORIAL NOTE: the factors are hard coded into page PR020 and LR020 of the blank and forecasting file. These pages were updated to reflect the new factors as were included in the instructions.

6/30/21 Proposal was adopted by the Task Force

7/28/21 Modified proposal for rounding to 4-decimal places was adopted by the Task Force

**** This section must be completed on all forms.**

Revised 2-2019

UNDERWRITING RISK

Experience Fluctuation Risk

		1	2	3	4	5	(6)	(7)
	Line of Business	Comprehensive Medical	Medicare Supplement	Dental & Vision	Stand-Alone Medicare Part D Coverage	Other Health	Other Non-Health	Total
(1)	† Premium							0
(2)	† Title XVIII-Medicare		XXX	XXX	XXX	XXX	XXX	0
(3)	† Title XIX-Medicaid		XXX	XXX	XXX	XXX	XXX	0
(4)	† Other Health Risk Revenue		XXX				XXX	0
(5)	Medicaid Pass-Through Payments Reported as Premiums		XXX	XXX	XXX	XXX	XXX	0
(6)	Underwriting Risk Revenue = Lines (1) + (2) + (3) + (4) - (5)	0	0	0	0	0	0	0
(7)	† Net Incurr						XXX	0
(8)	Medicaid					XXX	XXX	0
(9)	Total Net Payments	=ROUND(IF(AND(E17>0,E12>0),E17/E12,0),4)				0	XXX	0
(10)	† Fee-For-Service Offset						XXX	0
(11)	Underwriting Risk Incurred Claims = Lines (9) - (10)	0	0	0	0	0	XXX	0
(12)	Underwriting Risk Claims Ratio = For Column (1) through (5), Lines (11)/(6)	0.0000	0.0000	0.0000	0.000	0.000	1.000	XXX
(13)	Underwriting Risk Factor*	0.1493	0.1043	0.1195	0.251	0.130	0.130	XXX
(14)	Base Underwriting Risk RBC = Lines (6) x (12) x (13)	0	0	0	0			
(15)	Managed Care Discount Factor	1.0000	1.0000	1.0000	1.000			
(16)	RBC After Managed Care Discount = Lines (14) x (15)	0	0	0	0			
(17)	† Maximum Per-Individual Risk after Reinsurance						XXX	XXX
							XXX	XXX
							XXX	0
(21)	Net Underwriting Risk RBC (MAX{Line (16), Line (20)};) for Columns (1) through (5), Column (6), Line (14)	0	0	0	0	0	0	0

The formulas in Column 2 & 3 for Line 12 would be updated in a like manner. The cell is formatted to display four decimal places.

The line 15 amount pulls in from page XR018, therefore, only the formatting of the cell will change to display four decimal places.

The formulas in Column 2 & 3 for Line 13 would be updated in a like manner. The cell is formatted to display four decimal places.

TIERED RBC FACTORS *						
	Comprehensive Medical	Medicare Supplement	Dental & Vision	Stand-Alone Medicare Part D Coverage	Other Health	Other Non-Health
\$0 - \$3 Million	0.1493	0.1043	0.1195	0.251	0.130	0.130
\$3 - \$25 Million	0.1493	0.0663	0.0755	0.251	0.130	0.130
Over \$25 Million	0.0893	0.0663	0.0755	0.151	0.130	0.130
ALTERNATE RISK CHARGE**						
The Line (15) Alternate Risk Charge is calculated as follows:						
LESSER OF:	1,500,000 or 2 x Maximum Individual Risk	50,000 or 2 x Maximum Individual Risk	50,000 or 2 x Maximum Individual Risk	150,000 or 6 x Maximum Individual Risk	50,000 or 2 x Maximum Individual Risk	N/A

† The Annual Statement Sources are found on page XR014

* This column is for a single result for the Comprehensive Medical & Hospital, Medicare Supplement and Dental/Vision managed care discount factor.

*** Limited to the largest of the applicable alternate risk adjustments, prorated if necessary.

Company Name

UNDERWRITING RISK

Experience Fluctuation Risk

	(1)	(2)	(3)	(4)	(5)
Line of Business	Comprehensive Medical	Medicare Supplement	Dental & Vision	Stand-Alone Medicare Part D Coverage	Total
(1.1) Premium – Individual	\$0	\$0	\$0	\$0	\$0
(1.2) Premium – Group	\$0	\$0	\$0	\$0	\$0
(1.3) Premium – Total = Line (1.1) + Line (1.2)	\$0	\$0	\$0	\$0	\$0
(2) Title XVIII-Medicare†		XXX	\$0	\$0	\$0
(3) Title XIX-Medicaid‡		XXX	\$0	\$0	\$0
(4) Other Health Risk Reve		XXX	\$0	\$0	\$0
(5) Underwriting Risk		\$0	\$0	\$0	\$0
(6) Net Incurred Claim	=IF(AND(D17>0,D14>0),ROUND(D17/D14,4),0)	\$0	\$0	\$0	\$0
(7) Fee-for-Service Of		XXX	\$0	\$0	\$0
(8) Underwriting Risk Incurred Claims = Line (6) – Line (7)	\$0	\$0	\$0	\$0	\$0
(9) Underwriting Risk Claims Ratio = Line (8) / Line (5)	0.0000	0.0000	0.0000		
(10.1) Underwriting Risk Factor for Initial Amounts Of Premium‡	0.1493	0.1043	0.1195		
(10.2) Underwriting Risk Factor for Excess of Initial Amount‡	0.0893	0.0663	0.0755	0.151	XXX
(10.3) Composite Underwriting Risk Factor	0.0000	0.0000	0.0000	0.000	XXX
(11) Base Underwriting Risk RBC = Line (5) x Line (9) x Line (10.3)	\$0	\$0	\$0		
(12) Managed Care Discount Factor = LR022 Line (17)	1.0000	1.0000	1.0000	1.000	
(13) Base RBC After Managed Care Discount = Line (11) x Line (12)	\$0	\$0	\$0		
(14) RBC A					
(15) Maximum RBC = IF(D14>0,ROUND((D19*MAX(0,MIN(D\$14,25000000))+D20*MAX(0,D\$14-25000000))/D14,4),0)					\$0
(16) Alternate Risk Charge			\$0	\$0	\$0
(17) Net Alternate Risk Charge£			\$0	\$0	\$0
(18) Net Underwriting Risk RBC (Maximum of Line (14))			\$0	\$0	\$0

The formulas in Column 2 & 3 for Line 9 would be updated in a like manner. The cell is formatted to display four decimal places.

The factors in Lines 10.1 and 10.2 Columns 1-3 are hard coded.

The line 12 amount pulls in from page LR022, therefore, only the formatting of the cell will change to display four decimal places.

The formulas in Column 2 & 3 for Line 10.3 would be updated in a like manner. The cell is formatted to display four decimal places.

† Source is company records unless already included in premiums.

‡ For Comprehensive Medical the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller. For Medicare Supplement and Dental & Vision, the Initial Premium Amount is \$3,000,000 or the amount in Line (1.3) if smaller. For Stand-Alone Medicare Part D the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller.

§ Formula applies only to Column (1), for all other columns Line (14) should equal Line (13).

* The Line (16) Alternate Risk Charge is calculated as follows:

LESSER OF:	\$1,500,000	\$50,000	\$50,000	\$150,000	Maximum of Columns (1), (2), (3) and (4)
	or	or	or	or	
	2 x Maximum Individual Risk	2 x Maximum Individual Risk	2 x Maximum Individual Risk	6 x Maximum Individual Risk	

£ Applicable only if Line (16) for a column equals Line (16) for Column (5), otherwise zero.

UNDERWRITING RISK - PREMIUM RISK FOR COMPREHENSIVE MEDICAL, MEDICARE SUPPLEMENT AND DENTAL & VISION PR020

(Experience Fluctuation Risk in Life RBC Formula)

	(1)	(2)	(3)	(4)	(5)
Line of Business	Comprehensive Medical	Medicare Supplement	Dental & Vision	Stand-Alone Medicare Part D Coverage	TOTAL
(1.1) Premium – Individual	0	0	0	0	0
(1.2) Premium – Group	0	0	0	0	0
(1.3) Premium – Total = Line (1.1) + Line (1.2)	0	0	0	0	0
(2) Title XVIII-Medicare†	0	XXX	XXX	XXX	0
(3) Title XIX-Medicaid†	0	XXX	XXX	XXX	0
(4) Other Health Risk Revenue†	0	XXX	0	0	0
(5) Underwriting Risk		0	0	0	0
(6) Net Incurred Claim	=IF(AND(D18>0,D15>0),ROUND(D18/D15,4),0)				
(7) Fee-for-Service Of		XXX	0	0	0
(8) Underwriting Risk		0	0	0	0
(9) Underwriting Risk Claims Ratio = Line (8) / Line (5)	0.0000	0.0000	0.0000		
(10.1) Underwriting Risk Factor for Initial Amounts Of Premium‡	0.1493	0.1043	0.1195		
(10.2) Underwriting Risk Factor for Excess of Initial Amount‡	0.0893	0.0663	0.0755	0.151	XXX
(10.3) Composite Underwriting Risk Factor	0.0000	0.0000	0.0000	0.000	XXX
(11) Base Underwriting Risk RBC = Line (5) x Line (9) x Line (10.3)	0	0	0		
(12) Managed Care Discount Factor = PR021 Line (12)	0.0000	0.0000	0.0000		
(13) Base RBC After Managed Care Discount = Line (11) x Line (12)	0	0	0		
(14) RBC Adjustment For Individual –				0	0
(15) Maxin	=IF(D15>0,ROUND((D20*MAX(0,MIN(D\$15,25000000))+D21*MAX(0,D\$15-25000000))/D15,4),0)				
(16) Altern				0	0
(17) Net Alternate Risk Charge‡		0	0	0	0
(18) Net Underwriting Risk RBC (Maximum of Line (14) or I		0	0	0	0

The formulas in Column 2 & 3 for Line 9 would be updated in a like manner. The cell is formatted to display four decimal places.

The factors in Lines 10.1 and 10.2 Columns 1-3 are hard coded.

The line 12 amount pulls in from page PR022, therefore, only the formatting of the cell will change to display four decimal places.

The formulas in Column 2 & 3 for Line 10.3 would be updated in a like manner. The cell is formatted to display four decimal places.

† Source is company records unless already included in premium schedule.
 ‡ For Comprehensive Medical the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller. For Medicare Supplement and Dental & Vision the Initial Premium Amount is \$3,000,000 or the amount in Line (1.3) if smaller. For Stand-Alone Medicare Part D the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller.
 § Formula applies only to Column (1), for all other columns Line (14) should equal Line (13).
 * The Line (16) Alternate Risk Charge is calculated as follows:

LESSER OF:	\$1,500,000	\$50,000	\$50,000	\$150,000	Maximum of Columns (1), (2), (3) and (4)
	or	or	or	or	
	2 x Maximum Individual Risk	2 x Maximum Individual Risk	2 x Maximum Individual Risk	6 x Maximum Individual Risk	

£ Applicable only if Line (16) for a column equals Line (16) for Column (5), otherwise zero.
 Denotes items that must be manually entered on the filing software.

A&H Experience Exhibit	2021	2020	2019
	PREMWRTN C6	PREMWRTN C6	PREMWRTN C6
A&H Net Written Premiums	0	0	0
Total Net Written Premiums	0	0	0
Percent A&H Business	0.000%	0.000%	0.000%

UNDERWRITING RISK

Experience Fluctuation Risk

	(1) Comprehensive Medical	(2) Medicare Supplement	(3) Dental & Vision	(4) Stand-Alone Medicare Part D Coverage	(5) Other Health	(6) Other Non-Health	(7) Total
(1) † Premium							
(2) † Title XVIII-Medicare		XXX	XXX	XXX	XXX	XXX	
(3) † Title XIX-Medicaid		XXX	XXX	XXX	XXX	XXX	
(4) † Other Health Risk Revenue		XXX				XXX	
(5) Medicaid Pass-Through Payments Reported as Premiums		XXX	XXX	XXX	XXX	XXX	
(6) Underwriting Risk Revenue = Lines (1) + (2) + (3) + (4) - (5)							
(7) † Net Incurred Claims						XXX	
(8) Medicaid Pass-Through Payments Reported as Claims		XXX	XXX	XXX	XXX	XXX	
(9) Total Net Incurred Claims Less Medicaid Pass-Through Payments Reported as Claims = Lines (7) - (8)						XXX	
(10) † Fee-For-Service Offset		XXX				XXX	
(11) Underwriting Risk Incurred Claims = Lines (9) - (10)						XXX	
(12) Underwriting Risk Claims Ratio = For Column (1) through (5), Line (11)/(6)						1.000	XXX
(13) Underwriting Risk Factor*					0.130	0.130	XXX
(14) Base Underwriting Risk RBC = Lines (6) x (12) x (13)							
(15) Managed Care Discount Factor						XXX	XXX
(16) RBC After Managed Care Discount = Lines (14) x (15)						XXX	
(17) † Maximum Per-Individual Risk After Reinsurance						XXX	XXX
(18) Alternate Risk Charge **						XXX	XXX
(19) Alternate Risk Adjustment						XXX	XXX
(20) Net Alternate Risk Charge***						XXX	
(21) Net Underwriting Risk RBC (MAX {Line (16), Line (20)}) for Columns (1) through (5), Column (6), Line (14)							

ADJUSTED RBC FACTORS*						
	Comprehensive Medical	Medicare Supplement	Dental & Vision	Stand-Alone Medicare Part D Coverage	Other Health	Other Non-Health
\$0 - \$3 Million	0.1493	0.1043	0.1195	0.251	0.130	0.130
\$3 - \$25 Million	0.1493	0.0663	0.0755	0.251	0.130	0.130
Over \$25 Million	0.0893	0.0663	0.0755	0.151	0.130	0.130

ALTERNATE RISK CHARGE**						
** The Line (15) Alternate Risk Charge is calculated as follows:						
LESSER OF:	\$1,500,000 or 2 x Maximum Individual Risk	\$50,000 or 2 x Maximum Individual Risk	\$50,000 or 2 x Maximum Individual Risk	\$150,000 or 6 x Maximum Individual Risk	\$50,000 or 2 x Maximum Individual Risk	N/A

Denotes items that must be manually entered on filing software.

† The Annual Statement Sources are found on page XR013.

* This column is for a single result for the Comprehensive Medical & Hospital, Medicare Supplement and Dental/Vision managed care discount factor.

*** Limited to the largest of the applicable alternate risk adjustments, prorated if necessary.

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UNDERWRITING RISK - PREMIUM RISK FOR COMPREHENSIVE MEDICAL, MEDICARE SUPPLEMENT AND DENTAL & VISION PR020

(Experience Fluctuation Risk in Life RBC Formula)

	(1)	(2)	(3)	(4)	(5)
Line of Business	Comprehensive Medical	Medicare Supplement	Dental & Vision	Stand-Alone Medicare Part D Coverage	TOTAL
(1.1) Premium – Individual	Statement Value	0	0	0	0
(1.2) Premium – Group	0	0	0	0	0
(1.3) Premium – Total = Line (1.1) + Line (1.2)	0	0	0	0	0
(2) Title XVIII-Medicare†	0	XXX	XXX	XXX	0
(3) Title XIX-Medicaid†	0	XXX	XXX	XXX	0
(4) Other Health Risk Revenue†	0	XXX	0	0	0
(5) Underwriting Risk Revenue = Lines (1.3) + (2) + (3) + (4)	0	0	0	0	0
(6) Net Incurred Claims	0	0	0	0	0
(7) Fee-for-Service Offset†	0	XXX	0	0	0
(8) Underwriting Risk Incurred Claims = Line (6) – Line (7)	0	0	0	0	0
(9) Underwriting Risk Claims Ratio = Line (8) / Line (5)	0.000	0.000	0.000	0.000	XXX
(10.1) Underwriting Risk Factor for Initial Amounts Of Premium‡	0.1493	0.1043	0.1195	0.251	XXX
(10.2) Underwriting Risk Factor for Excess of Initial Amount‡	0.0893	0.0667	0.0760	0.151	XXX
(10.3) Composite Underwriting Risk Factor	0.000	0.000	0.000	0.000	XXX
(11) Base Underwriting Risk RBC = Line (5) x Line (9) x Line (10.3)	0	0	0	0	0
(12) Managed Care Discount Factor = PR021 Line (12)	0.000	0.000	0.000	0.000	XXX
(13) Base RBC After Managed Care Discount = Line (11) x Line (12)	0	0	0	0	0
(14) RBC Adjustment For Individual = [Line(1.1) x 1.2 + Line (1.2)] / Line (1.3)] x Line (13)§	0	0	0	0	0
(15) Maximum Per-Individual Risk After Reinsurance†	0	0	0	0	XXX
(16) Alternate Risk Charge*	0	0	0	0	0
(17) Net Alternate Risk Charge‡	0	0	0	0	0
(18) Net Underwriting Risk RBC (Maximum of Line (14) or Line (15)¶)	0	0	0	0	0

† Source is company records unless already included in premiums.

‡ For Comprehensive Medical the Initial Premium Amount is \$5,000,000 or the amount in Line (1.3) if smaller. For Medicare Supplement and Dental & Vision the Initial Premium Amount is \$3,000,000 or the amount in Line (1.3) if smaller. For Stand-Alone Medicare Part D the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller.

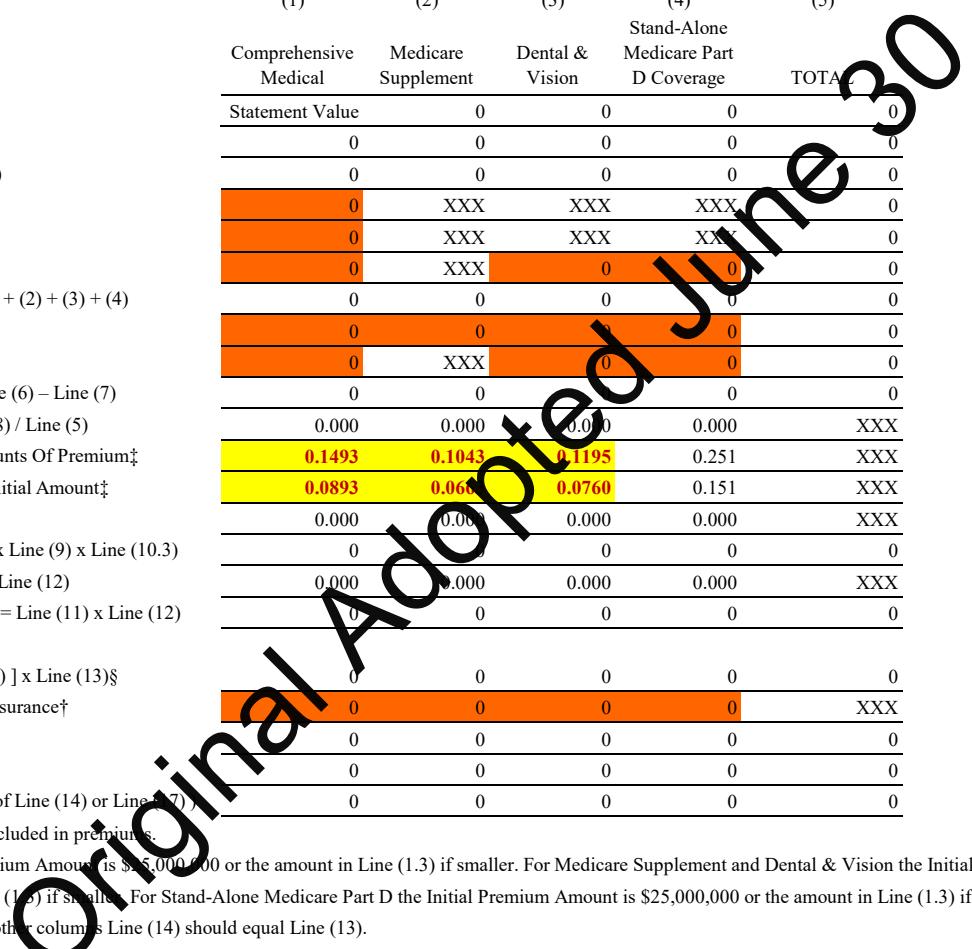
§ Formula applies only to Column (1), for all other columns Line (14) should equal Line (13).

* The Line (16) Alternate Risk Charge is calculated as follows:

LESSER OF:	\$1,500,000	\$50,000	\$50,000	\$150,000	Maximum of Columns (1), (2), (3) and (4)
	or 2 x Maximum Individual Risk	or 2 x Maximum Individual Risk	or 2 x Maximum Individual Risk	or 6 x Maximum Individual Risk	

¶ Applicable only if Line (16) for a column equals Line (16) for Column (5), otherwise zero.

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



UNDERWRITING RISK

Experience Fluctuation Risk

	Line of Business	(1) Comprehensive Medical	(2) Medicare Supplement	(3) Dental & Vision	(4) Stand-Alone Medicare Part D Coverage	(5) Total
(1.1)	Premium – Individual	\$0	\$0	\$0	\$0	\$0
(1.2)	Premium – Group	\$0	\$0	\$0	\$0	\$0
(1.3)	Premium – Total = Line (1.1) + Line (1.2)	\$0	\$0	\$0	\$0	\$0
(2)	Title XVIII-Medicare†	\$0	XXX	\$0	\$0	\$0
(3)	Title XIX-Medicaid†	\$0	XXX	\$0	\$0	\$0
(4)	Other Health Risk Revenue†	\$0	XXX	\$0	\$0	\$0
(5)	Underwriting Risk Revenue = Lines (1.3) + (2) + (3) + (4)	\$0	\$0	\$0	\$0	\$0
(6)	Net Incurred Claims	\$0	\$0	\$0	\$0	\$0
(7)	Fee-for-Service Offset†	\$0	XXX	\$0	\$0	\$0
(8)	Underwriting Risk Incurred Claims = Line (6) – Line (7)	\$0	\$0	\$0	\$0	\$0
(9)	Underwriting Risk Claims Ratio = Line (8) / Line (5)	0.000	0.000	0.000	0.000	XXX
(10.1)	Underwriting Risk Factor for Initial Amounts Of Premium‡	0.1493	0.1043	0.1195	0.251	XXX
(10.2)	Underwriting Risk Factor for Excess of Initial Amount‡	0.0893	0.0663	0.0755	0.151	XXX
(10.3)	Composite Underwriting Risk Factor	0.000	0.000	0.000	0.000	XXX
(11)	Base Underwriting Risk RBC = Line (5) x Line (9) x Line (10.3)	\$0	\$0	\$0	\$0	\$0
(12)	Managed Care Discount Factor = LR022 Line (17)	0.000	0.000	0.000	0.000	XXX
(13)	Base RBC After Managed Care Discount = Line (11) x Line (12)	\$0	\$0	\$0	\$0	\$0
(14)	RBC Adjustment For Individual = [{Line(1.1) x 1.2 + Line (1.2)} / Line (1.3)] x Line (13)§	\$0	\$0	\$0	\$0	\$0
(15)	Maximum Per-Individual Risk After Reinsurance†	\$0	\$0	\$0	\$0	XXX
(16)	Alternate Risk Charge*	\$0	\$0	\$0	\$0	\$0
(17)	Net Alternate Risk Charge£	\$0	\$0	\$0	\$0	\$0
(18)	Net Underwriting Risk RBC (Maximum of Line (14) or Line (15))	\$0	\$0	\$0	\$0	\$0

† Source is company records unless already included in premium.

‡ For Comprehensive Medical the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller. For Medicare Supplement and Dental & Vision, the Initial Premium Amount is \$3,000,000 or the amount in Line (1.3) if smaller. For Stand-Alone Medicare Part D the Initial Premium Amount is \$25,000,000 or the amount in Line (1.3) if smaller.

§ Formula applies only to Column (1), for all other columns Line (14) should equal Line (13).

* The Line (16) Alternate Risk Charge is calculated as follows:

LESSER OF:	\$1,500,000	\$50,000	\$50,000	\$150,000	Maximum of Columns 1), (2), (3) and (4)
	or 2 x Maximum Individual Risk	or 2 x Maximum Individual Risk	or 2 x Maximum Individual Risk	or 6 x Maximum Individual Risk	

£ Applicable only if Line (16) for a column equals Line (16) for Column (5), otherwise zero.