

Capital Adequacy (E) Task Force

RBC Proposal Form

- | | | |
|---|--|---|
| <input type="checkbox"/> Capital Adequacy (E) Task Force | <input checked="" 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"/> Variable Annuities Capital. & Reserve (E/A) Subgroup | <input type="checkbox"/> P/C RBC (E) Working Group | <input type="checkbox"/> RBC Investment Risk & Evaluation (E) Working Group |

DATE: <u>11-4-22</u>	<u>FOR NAIC USE ONLY</u>
CONTACT PERSON: <u>Crystal Brown</u>	Agenda Item # <u>2022-14-H</u>
TELEPHONE: <u>816-783-8146</u>	Year <u>2023</u>
EMAIL ADDRESS: <u>cbrown@naic.org</u>	<u>DISPOSITION</u>
ON BEHALF OF: <u>Health Risk-Based Capital (E) Working Grp</u>	<input checked="" type="checkbox"/> ADOPTED <u>HRBC 2/7/23, TF 3/23/23</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>5000 Capitol Blvd SE</u>	<input checked="" type="checkbox"/> EXPOSED <u>11-7-22</u>
<u>Tumwater, WA 98501</u>	<input type="checkbox"/> OTHER (SPECIFY) _____

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

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

DESCRIPTION OF CHANGE(S)

Remove the trend test for information only instructions.

REASON OR JUSTIFICATION FOR CHANGE **

All states are in compliance with the Health Trend Test. This is part of the Accreditation Standards.

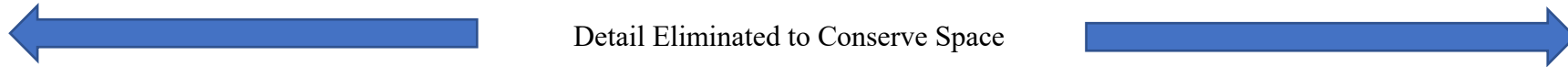
Additional Staff Comments:

11-7-22 cgb Exposed for 30-day comment period
 12-7-22 cgb No comments received
 2-7-23 cgb Health Risk-Based Capital Working Group adopted
 3-23-23 cgb The Task Force adopted the proposal on 3/23/23

** This section must be completed on all forms.

Revised 7-2022

COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL
XR027



Detail Eliminated to Conserve Space

Trend Test

A company whose RBC ratio is between 200 percent and 300 percent and combined ratio is greater than 105 percent could trigger a Company Action Level RBC regulatory action per the Trend Test. ~~The calculation is informational only until state statutes are implemented so that the trend test would trigger a Company Action Level RBC regulatory action per the statute.~~