

## 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 |

<b>DATE:</b> <u>11-4-22</u>	<b><u>FOR NAIC USE ONLY</u></b>
<b>CONTACT PERSON:</b> <u>Crystal Brown</u>	Agenda Item # <u>2022-14-H</u>
<b>TELEPHONE:</b> <u>816-783-8146</u>	Year <u>2023</u>
<b>EMAIL ADDRESS:</b> <u>cbrown@naic.org</u>	<b><u>DISPOSITION</u></b>
<b>ON BEHALF OF:</b> <u>Health Risk-Based Capital (E) Working Grp</u>	<input type="checkbox"/> ADOPTED _____
<b>NAME:</b> <u>Steve Drutz</u>	<input type="checkbox"/> REJECTED _____
<b>TITLE:</b> <u>Chief Financial Analyst/Chair</u>	<input type="checkbox"/> DEFERRED TO _____
<b>AFFILIATION:</b> <u>WA Office of Insurance Commissioner</u>	<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
<b>ADDRESS:</b> <u>5000 Capitol Blvd SE</u>	<input type="checkbox"/> EXPOSED _____
<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:

\*\* 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.~~