

Capital Adequacy (E) Task Force

RBC Proposal Form

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

DATE: <u>4/16/25</u>		FOR NAIC USE ONLY
CONTACT PERSON: <u>Eva Yeung</u>		Agenda Item # <u>2025-09-P</u>
TELEPHONE: <u>816-783-8407</u>		Year <u>2025</u>
EMAIL ADDRESS: <u>eyeung@naic.org</u>		DISPOSITION
ON BEHALF OF: <u>P/C RBC (E) Working Group</u>		ADOPTED:
NAME: <u>Tom Botsko</u>		<input checked="" type="checkbox"/> TASK FORCE (TF) <u>06/30/25</u>
TITLE: <u>Chair</u>		<input checked="" type="checkbox"/> WORKING GROUP (WF) <u>06/11/25</u>
AFFILIATION: <u>Ohio Department of Insurance</u>		<input checked="" type="checkbox"/> SUBGROUP (SG) _____
ADDRESS: <u>50 West Town Street, Suite 300</u>		EXPOSED:
<u>Columbus, OH 43215</u>		<input type="checkbox"/> TASK FORCE (TF) _____
		<input checked="" type="checkbox"/> WORKING GROUP (WG) <u>05/02/25</u>
		<input checked="" type="checkbox"/> SUBGROUP (SG) <u>05/02/25</u>
		REJECTED:
		<input type="checkbox"/> TF <input type="checkbox"/> WG <input type="checkbox"/> SG _____
		OTHER:
		<input type="checkbox"/> DEFERRED TO _____
		<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
		<input type="checkbox"/> (SPECIFY) _____

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

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

DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

The proposed change aims to deliver a routine annual update to the industry underwriting factors, including premium and reserve, within the PCRBC formula.

Additional Staff Comments:

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

Revised 2-2023

PR017 Line 1 Reserves

Schedule P Line of Business	LOB	Proposed for adoption - 2025 Industry Average Development	2024 Industry Average Development	2023 Industry Average Development	2022 Industry Average Development	2021 Industry Average Development	2020 Industry Average Development	2019 Industry Average Development	2018 Industry Average Development	2017 Industry Average Development	2016 Industry Average Development
H/F	A	0.997	1.020	0.999	1.001	0.998	0.993	0.989	0.989	0.984	0.972
PPA	B	1.072	1.061	1.047	1.022	1.025	1.035	1.026	1.022	1.012	1.002
CA	C	1.110	1.115	1.106	1.082	1.083	1.078	1.087	1.060	1.034	1.015
WC	D	0.912	0.882	0.873	0.906	0.912	0.916	0.955	0.952	0.971	0.971
CMP	E	1.018	1.024	1.026	1.037	0.999	1.016	0.992	0.967	0.956	0.942
MM Occurrence	F1	0.914	0.910	0.906	0.887	0.874	0.861	0.864	0.871	0.868	0.841
MM Clms Made	F2	1.024	0.996	0.984	0.983	0.973	0.940	0.907	0.886	0.854	0.822
SL	G	0.995	0.996	0.994	0.990	0.976	0.963	0.938	0.933	0.926	0.919
OL	H	0.995	0.993	0.969	0.995	0.964	0.968	0.971	0.966	0.952	0.929
Fidelity / Surety	K	0.875	0.875	0.852	0.842	0.915	0.907	0.995	0.996	1.016	1.035
Special Property/Pet Insurance Plan	I/U	0.985	0.989	0.983	0.993	0.978	0.977	0.972	0.971	0.982	0.973
Auto Physical Damage	J	1.002	0.999	1.016	1.011	0.989	0.993	0.996	1.000	1.001	0.995
Other (Credut, A&H)	L	0.938	0.942	0.946	0.955	0.965	0.971	0.973	0.976	0.981	0.986
Financial / Mortgage Guaranty	S	0.486	0.493	0.674	0.694	0.723	0.682	0.788	0.870	0.820	0.853
Intl	M	1.927	2.168	2.414	3.041	1.104	1.162	1.037	0.851	0.855	0.897
Rein. Property & Financial Lines	N/P	0.925	0.930	0.924	0.917	0.893	0.886	0.872	0.834	0.814	0.814
Rein. Liability	O	1.090	1.054	1.024	1.008	0.989	0.985	0.955	0.945	0.914	0.896
PL	R	0.911	0.882	0.874	0.867	0.879	0.900	0.913	0.921	0.935	0.937
Warranty	T	0.978	0.991	0.995	0.998	1.007	1.013	1.017	1.015	0.989	0.977

PR018 Line 1 Premiums

Schedule P Line of Business	LOB	Proposed for Adoption - 2025 Industry Average Loss & Expense Ratio	2024 Industry Average Loss & Expense Ratio	2023 Industry Average Loss & Expense Ratio	2022 Industry Average Loss & Expense Ratio	2021 Industry Average Loss & Expense Ratio	2020 Industry Average Loss & Expense Ratio	2019 Industry Average Loss & Expense Ratio	2018 Industry Average Loss & Expense Ratio	2017 Industry Average Loss & Expense Ratio	2016 Industry Average Loss & Expense Ratio
H/F	A	0.700	0.695	0.679	0.665	0.681	0.678	0.681	0.687	0.688	0.701
PPA	B	0.807	0.799	0.791	0.793	0.795	0.810	0.810	0.806	0.800	0.792
CA	C	0.792	0.787	0.777	0.761	0.761	0.759	0.737	0.724	0.706	0.689
WC	D	0.649	0.646	0.651	0.664	0.682	0.705	0.726	0.744	0.751	0.752
CMP	E	0.683	0.684	0.671	0.661	0.673	0.672	0.666	0.664	0.647	0.648
MM Occurrence	F1	0.763	0.752	0.767	0.750	0.731	0.726	0.730	0.780	0.777	0.767
MM Clms Made	F2	0.840	0.828	0.815	0.829	0.821	0.797	0.768	0.747	0.722	0.691
SL	G	0.565	0.583	0.578	0.585	0.593	0.603	0.593	0.569	0.567	0.572
OL	H	0.664	0.649	0.641	0.637	0.635	0.639	0.638	0.633	0.629	0.618
Fidelity / Surety	K	0.374	0.375	0.363	0.366	0.394	0.384	0.399	0.417	0.430	0.464
Special Property/Pet Insurance Plan	I/U	0.552	0.559	0.550	0.547	0.559	0.553	0.554	0.563	0.555	0.559
Auto Physical Damage	J	0.731	0.733	0.727	0.718	0.726	0.732	0.730	0.732	0.727	0.711
Other (Credit, A&H)	L	0.714	0.711	0.702	0.698	0.693	0.684	0.682	0.709	0.712	0.699
Financial / Mortgage Guaranty	S	0.159	0.158	0.209	0.203	0.252	0.513	0.811	1.099	1.175	1.293
Intl	M	1.184	1.153	1.136	1.166	0.769	0.758	0.795	0.584	0.565	0.607
Rein. Property & Financial Lines	N/P	0.597	0.587	0.578	0.566	0.558	0.534	0.522	0.486	0.459	0.512
Rein. Liability	O	0.788	0.760	0.743	0.725	0.713	0.708	0.679	0.666	0.609	0.600
PL	R	0.609	0.594	0.597	0.601	0.617	0.645	0.656	0.671	0.670	0.684
Warranty	T	0.641	0.641	0.652	0.665	0.681	0.691	0.695	0.732	0.645	0.611