Capital Adequacy (E) Task Force
RBC Proposal Form

☐ Capital Adequacy (E) Task Force   ☐ Health RBC (E) Working Group   ☒ Life RBC (E) Working Group

☐ Catastrophe Risk (E) Subgroup   ☐ P/C RBC (E) Working Group   ☐ Longevity Risk (A/E) Subgroup

☐ Variable Annuities Capital. & Reserve   ☐ Economic Scenarios (E/A) Subgroup   ☐ RBC Investment Risk & Evaluation
(E/A) Subgroup   (E) Working Group

DATE: 8/26/2025	**FOR NAIC USE ONLY**
CONTACT PERSON: Kazeem Okosun	Agenda Item # 2025-16-L Year 2026 or later
TELEPHONE: 816-783-8981	**DISPOSITION**
EMAIL ADDRESS: kokosun@naic.org	**ADOPTED:** ☐ TASK FORCE (TF) ☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
ON BEHALF OF: Life Risk-Based Capital (E) Working Group	
NAME: Philip Barlow, Chair	**EXPOSED:** ☐ TASK FORCE (TF)
TITLE: Associate Commissioner of Insurance	☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
AFFILIATION: District of Columbia	**REJECTED:** ☐ TF ☐ WG ☐ SG
ADDRESS: 1050 First Street, NE Suite 801	**OTHER:** ☐ DEFERRED TO
Washington, DC 20002	☐ REFERRED TO OTHER NAIC GROUP ☐ (SPECIFY)

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

☐ Health RBC Blanks   ☐ Property/Casualty RBC Blanks   ☒ Life and Fraternal RBC Blanks

☐ Health RBC Instructions   ☐ Property/Casualty RBC Instructions ☒ Life and Fraternal RBC Instructions

☐ Health RBC Formula   ☐ Property/Casualty RBC Formula   ☒ Life and Fraternal RBC Formula

☐ OTHER _____

DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

Life RBC (E) Working Group met June 18, 2025 and received a referral from Statutory Accounting Principles (E) Working Group regarding collateral loan schedule BA reporting changes (Attachment A). As a result of the referral, NAIC staff drafted the proposal with the following objectives:

(1) To make changes to Life RBC Blanks so as to reflect the adopted changes in Schedule BA and Asset Valuation Reserve (AVR) reporting effective 2026.

(2) To explore the potential need to revisit RBC and AVR factors based on the risk characteristics of the collaterals backing the collateral loans

See Additional Staff Comments section below for Drafting Notes.

Additional Staff Comments:

8/26/25: NAIC Staff Drafting Note:

2026 AVR EQ & OIA Lines references	LR008 Categories	Proposed RBC Charges (for 2026 or later)	AVR Factors considerations (for 2026 or later)
Line 100 & 101 – Collateral loans backed by Mortgage loans	New Line (51.1) – Schedule BA Collateral loans backed by mortgage loans	0.03, this is the charge when the BA fund structure is unaffiliated to the reporting entity and the mortgage loans are NOT primarily senior. (Note 1)	Use the same AVR factors for AVR EQ/OIA line 60 (Unaffiliated BA Mortgage – In Good Standing – All Other) (Note 1)
Line 102 & 103 – Collateral loans backed by investments in JV/LP/LLC	Grafted into Line (43) – Schedule BA Unaffiliated Common Stock-Private	0.3, this is the charge for BA unaffiliated stock.	Use the same AVR factors for AVR EQ/OIA line 66 (Schedule BA Common Stock – unaffiliated private).
Line 104 & 105 – Collateral loans backed by residual tranches	Grafted into Line (45) – Total residual tranches or interests	0.45, this is the charge for residual tranches/interests.	Use the same AVR factors for AVR EQ/OIA line 80-91 (Residual Tranches or Interests)
Line 106 to 111	New Line (51.2) – All Other Schedule BA Collateral loans	0.068, this is the existing charge for collateral loans. (Note 2)	TBD. Historically, collateral loans have been intentionally excluded from AVR reporting (i.e. no AVR factor) (Note 3)

Note 1 SAPWG referral provided historical background to this group of collateral loans:

For collateral loans backed by mortgage loans, during the bond project, the SAPWG learned that companies were not reporting these loans on the dedicated "collateral loan" reporting line but were instead reporting these items on Schedule BA as "Private Equity Funds" so that they would flow through AVR to obtain more desirable RBC. The private equity fund reporting line was eliminated with the bond project, and an interim provision was allowed to permit these loans to be reported in AVR lines 38-64 (Schedule BA investments with underlying characteristics of mortgage loans) based on the mortgage loan details. As reporting entities have been classifying these collateral loans in accordance with the underlying mortgage loan details pursuant to the interim provision, this could be considered for a permanent option, with potential of a default category if the reporting entity does not know the mortgage loan details for granular reporting.

It is not clear to NAIC staff whether reporting entities that own collateral loans backed by mortgage loans have mortgage loan details for granular reporting on LR009. For BA structures that hold mortgage loans (Sch BA lines 2399999 & 2499999) , the general presumption is that loan level information (e.g. LTV, DCR and NOI etc….) is available for affiliated BA structure, as the reporting entity has control over the LP/LLC/JV. As it comes to collateral loans, **2024 data pull shows that over 94% of the collateral loans backed by mortgage loans are issued by underlined unaffiliated issuers. As such, the proposed charge of 0.03 reflects risk charge for BA mortgage structures that are unaffiliated with the reporting entity and the underlying loans are NOT primarily senior.** NAIC staff believe this charge (CM3) is prudent and

reasonable as the underlying mortgage loans backing the collateral loans could have a wide range of outcomes should loan-by-loan reporting is opted, from 0.0014 for Insured or Guaranteed loans to 0.13 for foreclosed mortgage loans. Note that the "interim provision" was first adopted for 2024 RBC filings but it is not discernible from the filing data how reporting entities categorized the underlying mortgage loans backing collateral loans.

Note 2 Note that no differentiated charges based on underlying collaterals are proposed for this group of collateral loans. Based on 2024 filing data, this group accounts for approximately one-third of the collateral loans reported.

Note 3 The RBC Working Group can consider the following options:

Option 1 - continue the current practice of setting AVR Basic Contribution, Reserve Objective and Maximum Reserve to zero.

Option 2 – use AVR factors for BA assets that are not categorized as stocks/ preferred stocks/mortgage loans/ fixed income etc. (i.e. AVR EQ/OIA line 102 Other Invested Assets – Schedule BA)… This essentially will be the same AVR treatment for residual tranches/interests.

Option 3- Any other AVR factors as deemed appropriate for collateral loans

Othe considerations NOT captured in the draft proposal:

1. Asset Concentration Factor consideration: current life RBC framework doubles the charge for collateral loan (0.068). The proposed look-through RBC approach likely initiated a need to revisit Asset Concentration calculation for collateral loans.
2. Potential change to Schedule S, Part 8 to facilitate MODCO/FWH adjustments.
3. Note that should the draft proposal be advocated, the Working Group will sponsor changes to AVR Equity and Other Investment Asset Component page, i.e. changes to AVR factors for collateral loans.

**   This section must be completed on all forms.   **Revised 2-2023**

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

MEMORANDUM

TO: Mike Yanacheak, Chair of the Capital Adequacy (E) Task Force
Tom Botsko, Vice Chair of the Capital Adequacy (E) Task Force
Philip Barlow, Chair of the Life Risk-Based Capital (E) Working Group
Ben Slutsker, Vice Chair of the Life Risk-Based Capital (E) Working Group

FROM: Dale Bruggeman, Chair of the Statutory Accounting Principles (E) Working Group
Kevin Clark, Vice Chair of the Statutory Accounting Principles (E) Working Group

DATE: June 5, 2025

RE: Collateral Loan Schedule BA Reporting Changes

On May 29, 2025, the Blanks (E) Working Group adopted revisions to the Asset Valuation Reserve (AVR) and Schedule BA: Other Long-Term Assets to incorporate more granular reporting of collateral loans based on the type of underlying collateral that secures the loan. (These revisions are detailed in 2024-19BWGMOD). The revisions reflect the adopted recommendations from the Statutory Accounting Principles (E) Working Group (SAPWG) from agenda item 2023-28: Collateral Loan Reporting. With the revised reporting, the SAPWG requests consideration of updated AVR (for life companies) and RBC factors for collateral loans (for all companies). The SAPWG identified that some reporting entities were using collateral loans as a way to access certain types of investment structures while obtaining more favorable RBC than if they held the underlying collateral directly. As such, the ability to incorporate RBC parity for certain collateral loans to what would be incurred if the collateral was held directly was a focus of the project to incorporate more granular reporting lines.

The adopted AVR and Schedule BA reporting lines for collateral loans are as follows (all lines divided between unaffiliated and affiliated loans):

- Backed by Mortgage Loans
- Backed by Investments in Joint Ventures, Partnerships or Limited Liability Companies
- Backed by Residual Tranches or Interests
- Backed by Debt Securities
- Backed by Real Estate
- Backed by Other Collateral Types

There are also new Schedule BA reporting lines for non-collateral loans to separate related party loans, affiliated loans and other loans. These are believed to be captured in the 2025 AVR Schedule BA line 102 for "Other Invested Assets" and incur the standard Schedule BA RBC Charge (e.g., 30% in the Life formula).

A new disclosure was available for year-end 2024 to detail collateral loans based on certain types of collateral. The aggregated results from a review of that disclosure are provided:

An aggregate review of the 2024 collateral loan disclosure is as follows:
(This information is from the reported note only and does not include a comparison to Schedule BA.)

As shown in the detail below, collateral loans backed by "affiliated ICO bonds," unaffiliated mortgage loans" and "affiliated investments in joint ventures, LLCs and partnerships" are greater than 70% of the total.

Of the $27.8B in collateral loans, only $65M was disclosed as nonadmitted:

- Of the $10.6B reported as backed by affiliated JV, LLC or partnership investments, $3M was nonadmitted.
- Of the $309M reported as backed by affiliated other qualifying investments, $32.5M was nonadmitted.
- Of the $45.8M reported as backed by unaffiliated non-qualifying collateral, $28.5M was nonadmitted.

Collateral Backing Collateral Loan	Note Disclosure Total	% of Total
Unaffiliated Cash / CE & ST	$145,575,627	0.52%
Issuer Credit Obligations - Affiliated	$3,286,243,783	11.79%
Issuer Credit Obligations - Unaffiliated	$1,196,181,621	4.29%
Asset-Backed Securities - Affiliated	$1,292,104,481	4.63%
Asset-Backed Securities - Unaffiliated	$547,154,663	1.96%
Preferred Stocks - Affiliated	$25,000,000	0.09%
Preferred Stocks - Unaffiliated	$875,892,650	3.14%
Common Stocks - Affiliated	$10,089,663	0.04%
Common Stocks - Unaffiliated	$93,746,538	0.34%
Real Estate - Affiliated	$584,798,322	2.10%
Real Estate - Unaffiliated	$304,055,142	1.09%
Mortgage Loans - Affiliated	$377,120,058	1.35%
Mortgage Loans - Unaffiliated	$5,966,730,875	21.40%
JV, LLC & Partnerships - Affiliated	$10,603,824,022	38.04%
JV, LLC & Partnerships - Unaffiliated	$1,292,344,887	4.64%
Other Qualifying - Affiliated	$309,339,173	1.11%
Other Qualifying - Unaffiliated	$916,698,627	3.29%
Does Not Qualify - Affiliated	$4,912,141	0.02%
Does Not Qualify - Unaffiliated	$45,869,262	0.16%
Reported Note Total	**$27,877,681,535**	**100%**

The SAPWG highlights that mortgage loans and collateral reflecting investments that would be in scope of *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* represent the highest percentage of the collateral backing collateral loans.

For collateral loans backed by mortgage loans, during the bond project, the SAPWG learned that companies were not reporting these loans on the dedicated "collateral loan" reporting line but were instead reporting these items on Schedule BA as "Private Equity Funds" so that they would flow through AVR to obtain more desirable RBC. The private equity fund reporting line was eliminated with the bond project, and an interim provision was allowed to permit these loans to be reported in AVR lines 38-64 (Schedule BA investments with underlying characteristics of mortgage loans) based on the mortgage loan details. As reporting entities have been classifying these collateral loans in accordance with the underlying mortgage loan details pursuant to the interim provision, this could be considered for a permanent option, with potential of a default category if the reporting entity does not know the mortgage loan details for granular reporting.

Collateral loans backed by investments in scope of SSAP No. 48, representing the largest population of collateral loans, have the greatest potential for inequitable RBC as entities can structure the investment to reflect a collateral loan rather than reporting the SSAP No. 48 investment directly. Previous SAPWG actions have incorporated requirements to ensure that such designs are only admitted if the underlying collateral is audited, as audited support for these investments is a requirement for admittance under SSAP No. 48, but consideration of comparable RBC would assist in further ensuring appropriate reflection of the underlying risk of these items.

The SAPWG appreciates the focus on this referral, and the consideration of specific AVR and RBC factors for the different collateral loan reporting lines. If you have any questions, or would like to further discuss, please contact the Statutory Accounting Principles (E) Working Group chair or vice chair (Dale Bruggeman, or Kevin Clark), or NAIC staff Julie Gann (jgann@naic.org).

Cc: Julie Gann, Robin Marcotte, Jake Stultz, Jason Farr, Wil Oden, Eva Yeung, Maggie Chang, Kazeem Okosun, Derek Noe

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Desig-nation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK										
65		Unaffiliated Public	....	XXX	XXX	....	0.0000	....	0.1580(a)	....	0.1580(a)	....
66		Unaffiliated Private	....	XXX	XXX	....	0.0000	....	0.1945	....	0.1945	....
67		Affiliated Life with AVR	....	XXX	XXX	....	0.0000	....	0.0000	....	0.0000	....
68		Affiliated Certain Other (See SVO Purposes & Procedures Manual)	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
69		Affiliated Other - All Other		XXX	XXX		0.0000		0.1945		0.1945	
70		Total with Common Stock Characteristics (Sum of Lines 65 through 69)		XXX	XXX		XXX		XXX		XXX	
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE										
71		Home Office Property (General Account only)	....	....	....	....	0.0000	....	0.0912	....	0.0912	....
72		Investment Properties	....	....	....	....	0.0000	....	0.0912	....	0.0912	....
73		Properties Acquired in Satisfaction of Debt	....	....	....	....	0.0000		0.1337		0.1337	
74		Total with Real Estate Characteristics (Sum of Lines 71 through 73)					XXX		XXX		XXX	
		INVESTMENTS IN TAX CREDIT STRUCTURES										
75		Yield Guaranteed State Tax Credit Investments	....	....	....	....	0.0003	....	0.0006	....	0.0010	....
76		Qualifying Federal Tax Credit Investments	....	....	....	....	0.0063		0.0120		0.0190	....
77		Qualifying State Tax Credit Investments	....	....	....	....	0.0063		0.0120		0.0190	
78		Other Tax Credit Investments	....	....	....	....	0.0273		0.0600		0.0975	
79		Total Tax Credit Investments (Sum of Lines 75 through 78)					XXX		XXX		XXX	
		RESIDUAL TRANCHES OR INTERESTS										
80		Fixed Income Instruments – Unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
81		Fixed Income Instruments – Affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
82		Common Stock – Unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
83		Common Stock – Affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
84		Preferred Stock – Unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
85		Preferred Stock – Affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
86		Real Estate – Unaffiliated	....	....	....	....	0.0000	....	0.1580	....	0.1580	....
87		Real Estate – Affiliated	....	....	....	....	0.0000	....	0.1580	....	0.1580	....
88		Mortgage Loans – Unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
89		Mortgage Loans – Affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
90		Other – Unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
91		Other – Affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
92		Total Residual Tranches or Interests (Sum of Lines 80 through 91)					XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

			1	2	3	4	Basic Contribution		Reserve Objective		Maximum Reserve	
			Book/ Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Cols. 1+2+3)	5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
Line Number	NAIC Desig-nation	Description										
		SURPLUS NOTES AND CAPITAL NOTES										
93	1	Highest Quality...........................	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
94	2	High Quality..............................	....	XXX	XXX	....	0.0021	....	0.0064	....	0.0106	....
95	3	Medium Quality	....	XXX	XXX	....	0.0099	....	0.0263	....	0.0376	....
96	4	Low Quality................................	....	XXX	XXX	....	0.0245	....	0.0572	....	0.0817	....
97	5	Lower Quality.............................	....	XXX	XXX	....	0.0630	....	0.1128	....	0.1880	....
98	6	In or Near Default.......................	....	XXX	XXX	....	0.0000	....	0.2370	....	0.2370	....
99		Total with Bond Characteristics (Sum of Lines 93 through 98)		XXX	XXX		XXX		XXX		XXX	
		COLLATERAL LOANS										
100		Backed by Mortgage Loans – Unaffiliated	....	XXX	XXX	....	0.0069	....	0.0200	....	0.0257	....
101		Backed by Mortgage Loans – Affiliated................	....	XXX	XXX	....	0.0069	....	0.0200	....	0.0257	....
102		Backed by Joint Ventures, Partnerships, & Limited Liability Companies – Unaffiliated		XXX	XXX	....	0.0000	....	0.1945	....	0.1945	....
103		Backed by Joint Ventures, Partnerships, & Limited Liability Companies – Affiliated........	....	XXX	XXX	....	0.0000	....	0.1945	....	0.1945	....
104		Backed by Residual Tranches or Interests – Unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
105		Backed by Residual Tranches or Interests – Affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
106		Backed by Debt Securities – Unaffiliated	....	XXX	XXX	....	TBD	....	TBD	....	TBD	....
107		Backed by Debt Securities – Affiliated	....	XXX	XXX	....	TBD	....	TBD	....	TBD	....
108		Backed by Real Estate – Unaffiliated................	....	XXX	XXX	....	TBD	....	TBD	....	TBD	....
109		Backed by Real Estate – Affiliated................	....	XXX	XXX	....	TBD	....	TBD	....	TBD	....
110		Collateral Loans – All Other – Unaffiliated................	....	XXX	XXX	....	TBD	....	TBD	....	TBD	....
111		Collateral Loans – All Other – Affiliated................				....	TBD		TBD		TBD	
112		Total Collateral Loans (Sum of Lines 100 through 111)					XXX		XXX		XXX	
		ALL OTHER INVESTMENTS										
113		NAIC 1 Working Capital Finance Investments................	....	XXX	....	....	0.0000	....	0.0042	....	0.0042	....
114		NAIC 2 Working Capital Finance Investments................	....	XXX	....	....	0.0000	....	0.0137	....	0.0137	....
115		Other Invested Assets - Schedule BA	....	XXX	....	....	0.0000	....	0.1580	....	0.1580	....
116		Other Short-Term Invested Assets - Schedule DA	....	XXX			0.0000		0.1580		0.1580	
117		Total All Other (Sum of Lines 113, 114, 115 and 116)................		XXX			XXX		XXX		XXX	
118		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 29, 37, 64, 70, 74, 79, 92, 99, 112 and 117)					XXX		XXX		XXX	

*** Drafting Note – The section for Surplus Notes and Capital Notes was inadvertently left out with drafting this proposal.***

OTHER LONG-TERM ASSETS
LR008

Basis of Factors

Recognizing the diverse nature of Schedule BA assets, the RBC is calculated by assigning different risk factors according to the different type of assets. Assets with underlying characteristics of bonds and preferred stocks designated by the NAIC Capital Markets and Investment Analysis Office have different factors according to the NAIC assigned classification. Unrated fixed-income securities will be treated the same as Other Schedule BA Assets and assessed a 30% pre-tax charge. Rated surplus and capital notes have the same factors applied as Schedule BA assets with the characteristics of preferred stock. Where it is not possible to determine the RBC classification of an asset, a 30% pre-tax factor is applied.

Specific Instructions for Application of the Formula

Line (44)
Schedule BA affiliated common stock – all others should include all subs with an affiliate code 9 in the current life-based framework and "holding company in excess of indirect subsidiaries" or subsidiaries with affiliate code 3.

Line (51)
Exclude: any collateral loan amounts which have been included elsewhere in the RBC formula, e.g., BA mortgages.

Line (58)
Total Schedule BA assets [LR008 Other Long-Term Assets Column (1) Line (58) plus LR007 Real Estate Column (1) Line (14) plus Lines (17) through Line (20) plus LR009 Schedule BA Mortgages Column (1) Line (21)] should equal the total Schedule BA assets reported in the Annual Statement Page 2, Column 3, Line 8.

SCHEDULE BA MORTGAGES
LR009

Basis of Factors

For Affiliated Mortgages**,** Line 2499999, the factors used are the same as for commercial mortgages and are defined in Figure 9. Risk categories and factors are determined using a company generated worksheet (Figure 10).

For Unaffiliated Mortgages, Line 2399999, the factors used are the same as for commercial mortgages and are defined in Figure 9. Risk categories and factors are determined as follows:
1) For Investments that contain covenants whereby factors of maximum LTV and minimum DSC, or equivalent thresholds must be complied with and it can be determined that the Investments are in compliance, these investments would use the process for directly held mortgages using the maximum LTV and minimum DSC using the company generated worksheet and transferred to LR009 line (3) for mortgages with covenants that are in compliance.
2) Investments that are defeased with government securities will be assigned to CM1 and transferred to LR009, line (4).
3) Other investments comprised primarily of senior debt will be assigned to CM2 and transferred to LR009, line (5).
4) All other investments in this category will be assigned CM3 and transferred to LR009, line (6). This would include assets such as a mortgage fund that invests in mezzanine or sub debt, or investments that cannot be determined to be in compliance with the covenants.

Specific Instructions for Application of the Formula

Column (1)
Except for Line (1), (2), (13), and (17), calculations are done on an individual mortgage basis and then the summary amounts are entered in this column for each class of mortgage investment. Refer to the Schedule BA mortgage calculation worksheet (Figure 10) for how the individual mortgage calculations are completed. Line (21) should equal Schedule BA Part 1, Column 12, Lines 2399999 and 2499999~~., and collateral loans backed by mortgages, as reported in Notes to Financials 5S, Column 1 line 7a and 7b.~~

Column (2)
Companies are permitted to reduce the book/adjusted carrying value of mortgage loans reported in Schedule BA by any involuntary reserves. Involuntary reserves are equivalent to valuation allowances specified in the codification of statutory accounting principles. They are non-AVR reserves reported on Annual Statement Page 3, Line 25. These reserves are held as an offset for a particular troubled Schedule BA mortgage loan that would be required to be written down if the impairment was permanent.

Column (3)
Column (3) is calculated as the net of Column (1) less Column (2).

Column (4)
No longer used. Place "XXX" in any blanks for this column.

Column (5)
For Line (1), the pre-tax factor is 0.0014.
For Line (2), the pre-tax factor is 0.0068.
For Line (3), the average factor column is calculated as Column (6) divided by Column (3).
For Line (4), the pre-tax factor is 0.0090.
For Line (5), the pre-tax factor is 0.0175.
For Line (6), the pre-tax factor is 0.0300.
For Line (7), the pre-tax factor is 0.0090.

Detail Eliminated to Conserve Space

OTHER LONG-TERM ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
	Schedule BA - Fixed Income - Bonds						
(1)	Exempt Obligations	AVR Equity Component Column 1 Line 22	$0	$0	$0	X 0.0000 =	$0
(2)	Asset NAIC 1	AVR Equity Component Column 1 Line 23	$0	$0	$0	X 0.0039 =	$0
(3)	Asset NAIC 2	AVR Equity Component Column 1 Line 24	$0	$0	$0	X 0.0126 =	$0
(4)	Asset NAIC 3	AVR Equity Component Column 1 Line 25	$0	$0	$0	X 0.0446 =	$0
(5)	Asset NAIC 4	AVR Equity Component Column 1 Line 26	$0	$0	$0	X 0.0970 =	$0
(6)	Asset NAIC 5	AVR Equity Component Column 1 Line 27	$0	$0	$0	X 0.2231 =	$0
(7)	Asset NAIC 6	AVR Equity Component Column 1 Line 28	$0	$0	$0	X 0.3000 =	$0
(8)	Total Schedule BA Bonds (pre-MODCO/Funds Withheld)	Sum of Lines (1) through (7)	$0		$0		$0
(9)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(10)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(11)	Total Schedule BA Bonds (including MODCO/Funds Withheld.)	Lines (8) - (9) + (10)	$0				$0
	Schedule BA - Fixed Income - Preferred Stock						
(12)	Asset NAIC 1	AVR Equity Component Column 1 Line 30	$0	$0	$0	X 0.0039 =	$0
(13)	Asset NAIC 2	AVR Equity Component Column 1 Line 31	$0	$0	$0	X 0.0126 =	$0
(14)	Asset NAIC 3	AVR Equity Component Column 1 Line 32	$0	$0	$0	X 0.0446 =	$0
(15)	Asset NAIC 4	AVR Equity Component Column 1 Line 33	$0	$0	$0	X 0.0970 =	$0
(16)	Asset NAIC 5	AVR Equity Component Column 1 Line 34	$0	$0	$0	X 0.2231 =	$0
(17)	Asset NAIC 6	AVR Equity Component Column 1 Line 35	$0	$0	$0	X 0.3000 =	$0
(18)	Total Schedule BA Preferred Stock (pre-MODCO/Funds Withheld)	Sum of Lines (12) through (17)	$0		$0		$0
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(21)	Total Schedule BA Preferred Stock (including MODCO/Funds Withheld.)	Lines (18) - (19) + (20)	$0				$0
	Rated Surplus Notes Classified by Designation Equivalent						
(22)	Rated NAIC 1 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0	X 0.0039 =	$0
(23)	Rated NAIC 2 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0	X 0.0126 =	$0

OTHER LONG-TERM ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
(24)	Rated NAIC 3 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.0446	= $0
(25)	Rated NAIC 4 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.0970	= $0
(26)	Rated NAIC 5 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.2231	= $0
(27)	Rated NAIC 6 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.3000	= $0
(28)	Total Rated Surplus Notes (pre-MODCO/Funds Withheld)	Sum of Lines (22) through (27)	$0		$0		$0
(29)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(30)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(31)	Total Rated Surplus Notes (including MODCO/Funds Withheld.)	Lines (28) - (29) + (30)	$0				$0
	Rated Capital Notes Classified by Designation Equivalent						
(32)	Rated NAIC 1 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0039	= $0
(33)	Rated NAIC 2 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0126	= $0
(34)	Rated NAIC 3 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0446	= $0
(35)	Rated NAIC 4 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0970	= $0
(36)	Rated NAIC 5 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.2231	= $0
(37)	Rated NAIC 6 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.3000	= $0
(38)	Total Rated Capital Notes (pre-MODCO/Funds Withheld)	Sum of Lines (32) through (37)	$0		$0		$0
(39)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(40)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(41)	Total Rated Capital Notes (including MODCO/Funds Withheld.)	Lines (38) - (39) + (40)	$0				$0
	Schedule BA - Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs)						
(42)	Schedule BA Unaffiliated Common Stock-Public	AVR Equity Component Column 1 Line 65	$0		$0 X	§	= $0
(43)	Schedule BA Unaffiliated Common Stock-Private/ **Schedule BA Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests**	AVR Equity Component Column 1 Line 66 **+ 102 +103**	$0		$0 X	0.3000	= $0

OTHER LONG-TERM ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
(44)	Schedule BA Affiliated Common Stock - All Other	AVR Equity Component Column 1 Line 69	$0		$0 X	0.3000 =	$0
(45)	Total Residual Tranches or Interests / **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	AVR Equity Component Column 1 Line 92 + **104 + 105**	$0		$0 X	0.4500 =	$0
(46)	Total Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs) (pre-MODCO/Funds Withheld)	Line (42) + (43) + (44) + (45)	$0		$0		$0
(47)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(48)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(49)	Total Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs) (including MODCO/Funds Withheld.)	Lines (46) - (47) + (48)	$0				$0
	Schedule BA - All Other (C-1o)						
(50.1)	BA Affiliated Common Stock - Life with AVR	AVR Equity Component Column 1 Line 67	$0				
(50.2)	BA Affiliated Common Stock - Certain Other	AVR Equity Component Column 1 Line 68	$0				
(50.3)	Total Schedule BA Affiliated Common Stock - C-1o	Line (50.1) + (50.2)	$0		$0 X	0.3000 =	$0
(51.1)	**Schedule BA Collateral Loans backed by Mortgage Loans**	**AVR Equity Component Column 1 Line 100 + 101**	**$0**		**$0 X**	**0.0300 =**	**$0**
(51.2)	**All Other Schedule BA Collateral Loans**	**AVR Equity Component Column 1 Line 106 to Line 111**	**$0**		**$0 X**	**0.0680 =**	**$0**
(51.3)	**Total Schedule BA Collateral Loans - C-1o**	**Line (51.1) + (51.2)**	**$0**		**$0**		**$0**
(52.1)	NAIC 01 Working Capital Finance Notes	AVR Equity Component Column 1 Line 100	$0		$0 X	0.0050 =	$0
(52.2)	NAIC 02 Working Capital Finance Notes	AVR Equity Component Column 1 Line 101	$0		$0 X	0.0163 =	$0
(52.3)	Total Admitted Working Capital Finance Notes	Line (52.1) + (52.2)	$0		$0		$0
(53.1)	Other Schedule BA Assets, including Surplus Notes and Capital Notes	AVR Equity Component Column 1 Line 99 + 102	$0				
(53.2)	Less NAIC 1 thru 6 Rated/Designated Surplus Notes and Capital Notes	Column (1) Lines (22) through (27) + Column (1) Lines (32) through (37)	$0				
(53.3)	Net Other Schedule BA Assets	Line (53.1) less (53.2)	$0	$0	$0 X	0.3000 =	$0
(54)	Total Schedule BA Assets C-1o (pre-MODCO/Funds Withheld)	Lines (11) + (21) + (31) + (41) + (50.3) + **(51.3)** + (52.3) + (53.3)	$0				$0
(55)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(56)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(57)	Total Schedule BA Assets C-1o (including MODCO/Funds Withheld.)	Lines (54) - (55) + (56)	$0				$0
(58)	Total Schedule BA Assets Excluding Mortgages and Real Estate	Line (49)+ (57)	$0				$0

†   Fixed income instruments and surplus notes designated by the NAIC Capital Markets and Investment Analysis Office or considered exempt from filing as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* should be reported in Column (3).

‡   Column (2) is calculated as Column (1) less Column (3) for Lines (1) through (17). Column (2) equals Column (3) - Column (1) for Line (**53.3**).

§   The factor for Schedule BA publicly traded common stock should equal 30 percent adjusted up or down by the weighted average beta for the Schedule BA publicly traded common stock portfolio subject to a minimum of 22.5 percent and a maximum of 45 percent in the same manner that the similar 15.8 percent factor for Schedule BA publicly traded common stock in the Asset Valuation

CALCULATION OF TAX EFFECT FOR LIFE AND FRATERNAL RISK-BASED CAPITAL

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect	
	ASSET RISKS					
	Bonds					
(001)	Long-term Bonds – NAIC 1	LR002 Bonds Column (2) Line (2.8) + LR018 Off-Balance Sheet Collateral Column (3) Line (2.8)	$0 X	0.1680	= $0	
(002)	Long-term Bonds – NAIC 2	LR002 Bonds Column (2) Line (3.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (3.4)	$0 X	0.1680	= $0	
(003)	Long-term Bonds – NAIC 3	LR002 Bonds Column (2) Line (4.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (4.4)	$0 X	0.1680	= $0	
(004)	Long-term Bonds – NAIC 4	LR002 Bonds Column (2) Line (5.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (5.4)	$0 X	0.1680	= $0	
(005)	Long-term Bonds – NAIC 5	LR002 Bonds Column (2) Line (6.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (6.4)	$0 X	0.1680	= $0	
(006)	Long-term Bonds – NAIC 6	LR002 Bonds Column (2) Line (7) + LR018 Off-Balance Sheet Collateral Column (3) Line (7)	$0 X	0.2100	= $0	
(007)	Short-term Bonds – NAIC 1	LR002 Bonds Column (2) Line (10.8)	$0 X	0.1680	= $0	
(008)	Short-term Bonds – NAIC 2	LR002 Bonds Column (2) Line (11.4)	$0 X	0.1680	= $0	
(009)	Short-term Bonds – NAIC 3	LR002 Bonds Column (2) Line (12.4)	$0 X	0.1680	= $0	
(010)	Short-term Bonds – NAIC 4	LR002 Bonds Column (2) Line (13.4)	$0 X	0.1680	= $0	
(011)	Short-term Bonds – NAIC 5	LR002 Bonds Column (2) Line (14.4)	$0 X	0.1680	= $0	
(012)	Short-term Bonds – NAIC 6	LR002 Bonds Column (2) Line (15)	$0 X	0.2100	= $0	
(013)	Credit for Hedging - NAIC 1 Through 5 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0199999)	$0 X	0.1680	= $0	†
(014)	Credit for Hedging - NAIC 6 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0299999)	$0 X	0.2100	= $0	†
(015)	Bond Reduction - Reinsurance	LR002 Bonds Column (2) Line (19)	$0 X	0.2100	= $0	†
(016)	Bond Increase - Reinsurance	LR002 Bonds Column (2) Line (20)	$0 X	0.2100	= $0	
(017)	Non-Exempt NAIC 1 U.S. Government Agency	LR002 Bonds Column (2) Line (22)	$0 X	0.1680	= $0	
(018)	Bonds Size Factor	LR002 Bonds Column (2) Line (26) - LR002 Bonds Column (2) Line (21)	$0 X	0.1680	= $0	
	Mortgages					
	In Good Standing					
(019)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (1)	$0 X	0.1575	= $0	
(020)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (2)	$0 X	0.1575	= $0	
(021)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (3)	$0 X	0.1575	= $0	
(022)	Total Commercial Mortgages - All Other	LR004 Mortgages Column (6) Line (9)	$0 X	0.1575	= $0	
(023)	Total Farm Mortgages	LR004 Mortgages Column (6) Line (15)	$0 X	0.1575	= $0	
	90 Days Overdue					
(024)	Farm Mortgages	LR004 Mortgages Column (6) Line (16)	$0 X	0.1575	= $0	
(025)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (17)	$0 X	0.1575	= $0	
(026)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (18)	$0 X	0.1575	= $0	
(027)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (19)	$0 X	0.1575	= $0	
(028)	Commercial Mortgages - Other	LR004 Mortgages Column (6) Line (20)	$0 X	0.1575	= $0	
	In Process of Foreclosure					
(029)	Farm Mortgages	LR004 Mortgages Column (6) Line (21)	$0 X	0.1575	= $0	
(030)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (22)	$0 X	0.1575	= $0	
(031)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (23)	$0 X	0.1575	= $0	
(032)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (24)	$0 X	0.1575	= $0	
(033)	Commercial Mortgages - Other	LR004 Mortgages Column (6) Line (25)	$0 X	0.1575	= $0	
(034)	Due & Unpaid Taxes Mortgages	LR004 Mortgages Column (6) Line (26)	$0 X	0.1575	= $0	
(035)	Due & Unpaid Taxes - Foreclosures	LR004 Mortgages Column (6) Line (27)	$0 X	0.1575	= $0	
(036)	Mortgage Reduction - Reinsurance	LR004 Mortgages Column (6) Line (29)	$0 X	0.2100	= $0	†
(037)	Mortgage Increase - Reinsurance	LR004 Mortgages Column (6) Line (30)	$0 X	0.2100	= $0	
	Preferred Stock					
(038)	Unaffiliated Preferred Stock NAIC 1	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (1) + LR018 Off-Balance Sheet Collateral Column (3) Line (9)	$0 X	0.1575	= $0	
(039)	Unaffiliated Preferred Stock NAIC 2	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (2) + LR018 Off-Balance Sheet Collateral Column (3) Line (10)	$0 X	0.1575	= $0	
(040)	Unaffiliated Preferred Stock-NAIC 3	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (3) + LR018 Off-Balance Sheet Collateral Column (3) Line (11)	$0 X	0.1575	= $0	
(041)	Unaffiliated Preferred Stock NAIC 4	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (4) + LR018 Off-Balance Sheet Collateral Column (3) Line (12)	$0 X	0.1575	= $0	
(042)	Unaffiliated Preferred Stock NAIC 5	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (5) + LR018 Off-Balance Sheet Collateral Column (3) Line (13)	$0 X	0.1575	= $0	

CALCULATION OF TAX EFFECT FOR LIFE AND FRATERNAL RISK-BASED CAPITAL

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect	
(043)	Unaffiliated Preferred Stock NAIC 6	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (6) + LR018 Off-Balance Sheet Collateral Column (3) Line (14)	$0 X	0.2100	= $0	
(044)	Preferred Stock Reduction-Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (8)	$0 X	0.2100	= $0	†
(045)	Preferred Stock Increase-Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (9)	$0 X	0.2100	= $0	
	Separate Accounts					
(046)	Guaranteed Index	LR006 Separate Accounts Column (3) Line (1)	$0 X	0.1575	= $0	
(047)	Nonindex-Book Reserve	LR006 Separate Accounts Column (3) Line (2)	$0 X	0.1575	= $0	
(048)	Separate Accounts Nonindex-Market Reserve	LR006 Separate Accounts Column (3) Line (3)	$0 X	0.1575	= $0	
(049)	Separate Accounts Reduction-Reinsurance	LR006 Separate Accounts Column (3) Line (5)	$0 X	0.2100	= $0	†
(050)	Separate Accounts Increase-Reinsurance	LR006 Separate Accounts Column (3) Line (6)	$0 X	0.2100	= $0	
(051)	Synthetic GICs	LR006 Separate Accounts Column (3) Line (8)	$0 X	0.1575	= $0	
(052)	Separate Account Surplus	LR006 Separate Accounts Column (3) Line (13)	$0 X	0.1575	= $0	
	Real Estate					
(053)	Company Occupied Real Estate	LR007 Real Estate Column (3) Line (3)	$0 X	0.2100	= $0	
(054)	Foreclosed Real Estate	LR007 Real Estate Column (3) Line (6)	$0 X	0.2100	= $0	
(055)	Investment Real Estate	LR007 Real Estate Column (3) Line (9)	$0 X	0.2100	= $0	
(056)	Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (11)	$0 X	0.2100	= $0	†
(057)	Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (12)	$0 X	0.2100	= $0	
	Schedule BA					
(058)	Sch BA Real Estate Excluding	LR007 Real Estate Column (3) Line (16)	$0 X	0.2100	= $0	
	Tax Credit Investments					
(059)	Yield Guaranteed State Tax Credit Investments	LR007 Real Estate Column (3) Line (17)	$0 X	0.0000	= $0	
(060)	Qualifying and Other Tax Credit Investments	LR007 Real Estate Column (3) Line (18) + Line (19) + Line (20)	$0 X	0.0000	= $0	
(061)	Sch BA Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (23)	$0 X	0.2100	= $0	†
(062)	Sch BA Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (24)	$0 X	0.2100	= $0	
(063)	Sch BA Bond NAIC 1	LR008 Other Long-Term Assets Column (5) Line (2)	$0 X	0.1575	= $0	
(064)	Sch BA Bond NAIC 2	LR008 Other Long-Term Assets Column (5) Line (3)	$0 X	0.1575	= $0	
(065)	Sch BA Bond NAIC 3	LR008 Other Long-Term Assets Column (5) Line (4)	$0 X	0.1575	= $0	
(066)	Sch BA Bond NAIC 4	LR008 Other Long-Term Assets Column (5) Line (5)	$0 X	0.1575	= $0	
(067)	Sch BA Bond NAIC 5	LR008 Other Long-Term Assets Column (5) Line (6)	$0 X	0.1575	= $0	
(068)	Sch BA Bond NAIC 6	LR008 Other Long-Term Assets Column (5) Line (7)	$0 X	0.2100	= $0	
(069)	BA Bond Reduction - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (9)	$0 X	0.2100	= $0	†
(070)	BA Bond Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (10)	$0 X	0.2100	= $0	
(071)	BA Preferred Stock NAIC 1	LR008 Other Long-Term Assets Column (5) Line (12)	$0 X	0.1575	= $0	
(072)	BA Preferred Stock NAIC 2	LR008 Other Long-Term Assets Column (5) Line (13)	$0 X	0.1575	= $0	
(073)	BA Preferred Stock NAIC 3	LR008 Other Long-Term Assets Column (5) Line (14)	$0 X	0.1575	= $0	
(074)	BA Preferred Stock NAIC 4	LR008 Other Long-Term Assets Column (5) Line (15)	$0 X	0.1575	= $0	
(075)	BA Preferred Stock NAIC 5	LR008 Other Long-Term Assets Column (5) Line (16)	$0 X	0.1575	= $0	
(076)	BA Preferred Stock NAIC 6	LR008 Other Long-Term Assets Column (5) Line (17)	$0 X	0.2100	= $0	
(077)	BA Preferred Stock Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (19)	$0 X	0.2100	= $0	†
(078)	BA Preferred Stock Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (20)	$0 X	0.2100	= $0	
(079)	Rated Surplus Notes	LR008 Other Long-Term Assets Column (5) Line (31)	$0 X	0.1575	= $0	
(080)	Rated Capital Notes	LR008 Other Long-Term Assets Column (5) Line (41)	$0 X	0.1575	= $0	
(081)	BA Common Stock Affiliated - **C-1o**	LR008 Other Long-Term Assets Column (5) Line (50.3)	**$0** X	0.2100	= $0	
(082)	**Schedule BA Collateral Loans - C-1o (51.3)**	LR008 Other Long-Term Assets Column (5) Line (51.3)	**$0** X	0.1575	= $0	
(083)	Other BA Assets	LR008 Other Long-Term Assets Column (5) Line (53.3) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)	$0 X	0.2100	= $0	
(084)	Other BA Assets Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (55)	$0 X	0.2100	= $0	†
(085)	Other BA Assets Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (56)	$0 X	0.2100	= $0	
(086)	BA Mortgages - In Good Standing	LR009 Schedule BA Mortgages Column (6) Line (12)	$0 X	0.1575	= $0	
(087)	BA Mortgages - 90 Days Overdue	LR009 Schedule BA Mortgages Column (6) Line (16)	$0 X	0.1575	= $0	
(088)	BA Mortgages - In Process of Foreclosure	LR009 Schedule BA Mortgages Column (6) Line (20)	$0 X	0.1575	= $0	
(089)	Reduction - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (22)	$0 X	0.2100	= $0	†
(090)	Increase - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (23)	$0 X	0.2100	= $0	
	Miscellaneous					
(091)	Asset Concentration Factor	LR010 Asset Concentration Factor Column (6) Line (61) Grand Total Page	$0 X	0.1575	= $0	
(092)	Miscellaneous Assets	LR012 Miscellaneous Assets Column (2) Line (7)	$0 X	0.1575	= $0	
(093)	Derivatives - Collateral and Exchange Traded	LR012 Miscellaneous Assets Column (2) Lines (8) + (9) + (10)	$0 X	0.1575	= $0	
(094)	Derivatives NAIC 1	LR012 Miscellaneous Assets Column (2) Line (11)	$0 X	0.1575	= $0	
(095)	Derivatives NAIC 2	LR012 Miscellaneous Assets Column (2) Line (12)	$0 X	0.1575	= $0	
(096)	Derivatives NAIC 3	LR012 Miscellaneous Assets Column (2) Line (13)	$0 X	0.1575	= $0	
(097)	Derivatives NAIC 4	LR012 Miscellaneous Assets Column (2) Line (14)	$0 X	0.1575	= $0	
(098)	Derivatives NAIC 5	LR012 Miscellaneous Assets Column (2) Line (15)	$0 X	0.1575	= $0	
(099)	Derivatives NAIC 6	LR012 Miscellaneous Assets Column (2) Line (16)	$0 X	0.2100	= $0	
(100)	Miscellaneous Assets Reduction-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (19)	$0 X	0.2100	= $0	†
(101)	Miscellaneous Assets Increase-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (20)	$0 X	0.2100	= $0	
(102)	Replications	LR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line (9999999)	$0 X	0.1575	= $0	
(103)	Reinsurance	LR016 Reinsurance Column (4) Line (17)	$0 X	0.2100	= $0	
(104)	Investment Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (8)	$0 X	0.2100	= $0	

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CALCULATION OF TAX EFFECT FOR LIFE AND FRATERNAL RISK-BASED CAPITAL

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect	
(105)	Investment in Upstream Affiliate (Parent)	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (15)	$0 X	0.2100 =	$0	
(106)	Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (16)	$0 X	0.2100 =	$0	
(107)	Directly Owned Property and Casualty Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (17)	$0 X	0.2100 =	$0	
(108)	Directly Owned Life Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (18)	$0 X	0.2100 =	$0	
(109)	Publicly Traded Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (22)	$0 X	0.2100 =	$0	
(110)	Subtotal for C-1o Assets	Sum of Lines (001) through (109), Recognizing the Deduction of Lines (013), (014), (015), (036), (044), (049), (056), (061), (069), (077), (084), (089) and (100)	$0		$0	
	C-0 Affiliated Common Stock					
(111)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (27)	$0 X	0.1575 =	$0	
(112)	Off-Balance Sheet Items Reduction - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (28)	$0 X	0.2100 =	$0	†
(113)	Off-Balance Sheet Items Increase - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (29)	$0 X	0.2100 =	$0	
(114)	Directly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)	$0 X	0.2100 =	$0	
(115)	Directly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)	$0 X	0.2100 =	$0	
(116)	Directly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)	$0 X	0.2100 =	$0	
(117)	Indirectly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)	$0 X	0.2100 =	$0	
(118)	Indirectly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)	$0 X	0.2100 =	$0	
(119)	Indirectly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)	$0 X	0.2100 =	$0	
(120)	Affiliated Alien Insurers - Directly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)	$0 X	0.0000 =	$0	
(121)	Affiliated Alien Insurers - Indirectly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)	$0 X	0.0000 =	$0	
(122)	Subtotal for C-0 Affiliated Common Stock	Lines (111)-(112)+(113)+(114)+(115)+(116)+(117)+(118)+(119)+(120)+(121)	$0		$0	
	Common Stock					
(123)	Unaffiliated Common Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (17) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	$0 X	0.2100 =	$0	
(124)	Credit for Hedging - Common Stock	LR015 Hedged Asset Common Stock Schedule Column (10) Line (0299999)	$0 X	0.2100 =	$0	†
(125)	Stock Reduction - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (19)	$0 X	0.2100 =	$0	†
(126)	Stock Increase - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (20)	$0 X	0.2100 =	$0	
(127)	Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding Residual Tranches or Interests**/ Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) Line (49) - Line (45)	$0 X	0.2100 =	$0	
(128)	Total Residual Tranches or Interests**/ Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) Line (45)	$0 X	0.2100 =	$0	
(129)	Common Stock Concentration Factor	LR011 Common Stock Concentration Factor Column (6) Line (6)	$0 X	0.2100 =	$0	
(130)	NAIC 01 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (52.1)	$0 X	0.2100 =	$0	
(131)	NAIC 02 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (52.2)	$0 X	0.1575 =	$0	
(132)	Holding Company in Excess of Indirect Subs	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)	$0 X	0.2100 =	$0	
(133)	Affiliated Non-Insurers	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)	$0 X	0.2100 =	$0	
(134)	Total for C-1cs Assets	Lines (123)-(124)-(125)+(126)+(127)+(128)+(129)+(130)+(131)+(132)+(133)	$0		$0	
	Insurance Risk					
(135)	Disability Income Premium	LR019 Health Premiums Column (2) Lines (21) through (27)	$0 X	0.2100 =	$0	
(136)	Long-Term Care	LR019 Health Premiums Column (2) Line (28) + LR023 Long-Term Care Column (4) Line (7)	$0 X	0.2100 =	$0	
(137)	Individual & Industrial Life Insurance C-2 Risk	LR025 Life Insurance Column (2) Line (5)	$0 X	0.2100 =	$0	
(138)	Group & Credit Life Insurance C-2 Risk	LR025 Life Insurance Column (2) Line (12)	$0 X	0.2100 =	$0	
(138b)	Longevity C-2 Risk	LR025-A Longevity Risk Column (2) Line (5)	$0 X	0.2100 =	$0	
(139)	Disability and Long-Term Care Health Claim Reserves	LR024 Health Claim Reserves Column (4) Line (9) + Line (15)	$0 X	0.2100 =	$0	
(140)	Premium Stabilization Credit	LR026 Premium Stabilization Reserves Column (2) Line (10)	$0 X	0.0000 =	$0	
(141)	Total C-2 Risk	L(135) + L(136) + L(139) + L(140) + Greatest of [Guardrail Factor * (L(137)+L(138)), Guardrail Factor * L(138b), Square Root of [(L(137) + L(138))2 + L(138b)2 + 2 * (Correlation Factor) * (L(137) + L(138)) * L(138b)]]	$0		$0	
(142)	Interest Rate Risk	LR027 Interest Rate Risk Column (3) Line (36)	$0 X	0.2100 =	$0	
(143)	Health Credit Risk	LR028 Health Credit Risk Column (2) Line (7)	$0 X	0.0000 =	$0	
(144)	Market Risk	LR027 Interest Rate Risk Column (3) Line (37)	$0 X	0.2100 =	$0	
(145)	Business Risk	LR029 Business Risk Column (2) Line (40)	$0 X	0.2100 =	$0	
(146)	Health Administrative Expenses	LR029 Business Risk Column (2) Line (57)	$0 X	0.0000 =	$0	
(147)	Total Tax Effect	Lines (110) + (122) + (134) + (141) + (142) + (143) + (144) + (145) + (146)	$0		$0	

†   Denotes lines that are deducted from the total rather than added.

Company Name

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL

		Source	(1) RBC Requirement
	Insurance Affiliates and Misc. Other Amounts (C-0)		
(1)	Directly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)	$0
(2)	Directly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)	$0
(3)	Directly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)	$0
(4)	Indirectly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)	$0
(5)	Indirectly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)	$0
(6)	Indirectly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)	$0
(7)	Affiliated Alien Insurers - Directly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)	$0
(8)	Affiliated Alien Insurers - Indirectly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)	$0
(9)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (34)	$0
(10)	Total (C-0) - Pre-Tax	Sum of Lines (1) through (9)	$0
(11)	(C-0) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (122)	$0
(12)	Net (C-0) - Post-Tax	Line (10) - Line (11)	$0
	Asset Risk – Unaffiliated Common Stock and Affiliated Non-Insurance Stock (C-1cs)		
(13)	Schedule D Unaffiliated Common Stock	LR005 Unaffiliated Common Stock Column (5) Line (21) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	$0
	Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding		
(14)	Residual Tranches or Interests/ **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) line (49) - (45)	$0
(15)	Total Residual Tranches or Interests / **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) line (45)	$0
(16)	Common Stock Concentration Factor	LR011 Common Stock Concentration Factor Column (6) Line (6)	$0
(17)	Holding Company in Excess of Indirect Subs	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)	$0
(18)	Affiliated Non-Insurers	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)	$0
(19)	Total (C-1cs) - Pre-Tax	Sum of Lines (13) through (18)	$0
(20)	(C-1cs) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (134)	$0
(21)	Net (C-1cs) - Post-Tax	Line (19) - Line (20)	$0
	Asset Risk - All Other (C-1o)		
(22)	Bonds after Size Factor	LR002 Bonds Column (2) Line (27) + LR018 Off-Balance Sheet Collateral Column (3) Line (8)	$0
(23)	Mortgages (including past due and unpaid taxes)	LR004 Mortgages Column (6) Line (31)	$0
(24)	Unaffiliated Preferred Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (10) + LR018 Off-Balance Sheet Collateral Column (3) Line (15)	$0
(25)	Investment Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (8)	$0
(26)	Investment in Upstream Affiliate (Parent)	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (15)	$0
(27)	Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (16)	$0
(28)	Directly Owned Property and Casualty Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (17)	$0
(29)	Directly Owned Life Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (18)	$0
(30)	Publicly Traded Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (22)	$0
(31)	Separate Accounts with Guarantees	LR006 Separate Accounts Column (3) Line (7)	$0
(32)	Synthetic GIC's (C-1o)	LR006 Separate Accounts Column (3) Line (8)	$0
(33)	Surplus in Non-Guaranteed Separate Accounts	LR006 Separate Accounts Column (3) Line (13)	$0
(34)	Real Estate (gross of encumbrances)	LR007 Real Estate Column (3) Line (13)	$0
(35)	Schedule BA Real Estate (gross of encumbrances)	LR007 Real Estate Column (3) Line (25)	$0
(36)	Other Long-Term Assets	LR008 Other Long-Term Assets Column (5) Line (57) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)	$0

Detail Eliminated to Conserve Space

LR031