

## Capital Adequacy (E) Task Force RBC Proposal Form

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

<p style="text-align: right;">DATE: <u>02/04/2026</u></p> <p><b>CONTACT PERSON:</b> <u>Kazeem Okosun</u></p> <p><b>TELEPHONE:</b> <u>816-783-8981</u></p> <p><b>EMAIL ADDRESS:</b> <u>kokosun@naic.org</u></p> <p><b>ON BEHALF OF:</b> <u>Life Risk-Based Capital (E) Working Group</u></p> <p><b>NAME:</b> <u>Ben Slutsker, Chair</u></p> <p><b>TITLE:</b> <u>Director of Life Actuarial Valuation</u></p> <p><b>AFFILIATION:</b> <u>Minnesota Department of Commerce</u></p> <p><b>ADDRESS:</b> <u>85 7<sup>th</sup> Place East, Suite 280</u> <u>Saint Paul, MN 55101</u></p>	<p style="text-align: center;"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2025-16-L MOD V.3 with editorial updates</u></p> <p>Year <u>2027</u></p> <p style="text-align: center;"><b>DISPOSITION</b></p> <p><b>ADOPTED:</b></p> <p><input checked="" type="checkbox"/> TASK FORCE (TF) <u>06-30-2026</u></p> <p><input checked="" type="checkbox"/> WORKING GROUP (WG) <u>06-11-2026</u></p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>EXPOSED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input checked="" type="checkbox"/> WORKING GROUP (WG) <u>11/14/2025</u> <u>02-10-2026 (V.1)</u> <u>03-22-2026 (V.2)</u> <u>04-23-2026 (V.3)</u></p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>REJECTED:</b></p> <p><input type="checkbox"/> TF <input type="checkbox"/> WG <input type="checkbox"/> SG _____</p> <p><b>OTHER:</b></p> <p><input type="checkbox"/> DEFERRED TO _____</p> <p><input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____</p> <p><input type="checkbox"/> (SPECIFY) _____</p>
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**IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED**

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

The proposal 2025-16-L MOD was exposed at the Working Group on Feb 10 for a 24-day public comment period ending March 06, 2026. The modified proposal is in response to ACLI comment. Staff then layer in LR010 consideration.

**Additional Staff Comments:**

- 11-14-2025: Proposal was exposed with comments due 01-27-2026 - 4 comment letters received (KO)

- 02-10-2026: Proposal was modified (V.1) and re-exposed with comments due 03-06-2026 - 4 comment letters received (KO)
- 03-22-2026: The modified proposal (V.2) is in response to ACLI comment. Staff then layer in LR010 consideration.
- 04-30-2026: The proposal is further modified (V.3) to incorporate comments from ACLI, ACC and regulators. This modified proposal was exposed for 21-day public comment period ending 5/14/2026. Key changes from V.2 are highlighted in yellow within Blanks.
- 06-11-2026: **The Working Group adopted OPTION 2.** NAIC Staff incorporated the downstream impact of this adoption to LR010 Asset Concentration, LR030 Calculation of Tax Effect and LR031 Calculation of Authorized Control Level Risk-Based Capital pages. In addition, certain references in RBC Blanks and/or instructions are corrected in response to interested parties' informal feedback. **Key changes from the proposal adopted by the Working Group on June 11 are highlighted in yellow in the BLANKS**

Option 2 – Alternative Option to Consider. This option shifted tiering structure such that LTV 80% is in the mid-point of the tier. It also streamlined LTV Bands and provided a floor to address regulators' concerns

OCC	LTV Band	Midpoint	Haircut	RBC Charge for Collateral Loans backed by LP/LLC/JV interests	RBC Charge for Collateral Loans backed by residuals
OC < 111%	>90% or no independent verification	N/A	0%	30%	45%
OC ≥ 111% and < 143%	>70% - 90%	80%	20%	24%	36%
OC ≥ 143% and < 200%	>50%-70%	60%	40%	18%	27%
OC ≥ 200%	50% or below	25% <sup>1</sup>	50% <sup>1</sup>	15%	22.5%

<sup>1</sup> Haircut of 50% is chosen to ensure the minimum RBC charge is capped at 50% of the base charge.

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

Revised 2-2023

## 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.

The Lines (43.2) – (43.5) and Line (45.2) – (45.5) series are assigned RBC charges based on overcollateralization (OC) / loan-to-value (LTV) levels.

In order to be afforded RBC charges based on overcollateralization (OC) / Loan-to-value (LTV), independent verification of fair value is required. Independent verification approaches may include, individually or in combination:

- Compliance certifications from unaffiliated third parties confirming adherence to stated valuation policies and investment guidelines;
- Independent third-party valuations of the underlying collateral; and/or
- Independent reasonableness checks designed to assess whether reported fair values fall within an appropriate and supportable range.

Data on OC/LTV as well as whether independent verification was obtained are disclosed on Annual Statement Schedule BA Other Long-Term Invested Assets.

#### Line (51)

Exclude: any collateral loan amounts which have been included elsewhere in the RBC formula, e.g., collateral loans backed by mortgage loans, BA mortgages, collateral loans backed by Residual Tranches or Interest and collateral loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests.

#### 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.

OTHER LONG-TERM ASSETS

		(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
(43.1)	Schedule BA Unaffiliated Common Stock-Private <u>Schedule BA Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests</u>	AVR Equity Component Column 1 Line <b>F2</b>	\$0	\$0 X	0.3000	= \$0
(43.2)	OC < 111% or No independent verification obtained	Company Records	\$0	\$0 X	0.3000	= \$0
(43.3)	OC Percentage ≥ 111% and < 143%	Company Records	\$0	\$0 X	0.2400	= \$0
(43.4)	OC Percentage ≥ 143% and < 200%	Company Records	\$0	\$0 X	0.1800	= \$0
(43.5)	OC Percentage ≥ 200%	Company Records	\$0	\$0 X	0.1500	= \$0
(43.6)	<b>Total Schedule BA Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests (Column (1), line 43.6 should be equal to sum of AVR Equity Component lines K3 and K4)</b>	<b>Lines (43.2) + (43.3) + (43.4) + (43.5)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
(44)	Schedule BA Affiliated Common Stock - All Other	AVR Equity Component Column 1 Line <b>F5</b>	\$0	\$0 X	0.3000	= \$0
(45.1)	Total Residual Tranches or Interests <u>Schedule BA Collateral Loans backed by Residual Tranches or Interests</u>	AVR Equity Component Column 1 Line <b>I13</b>	\$0	\$0 X	0.4500	= \$0
(45.2)	OC < 111% or No independent verification obtained	Company Records	\$0	\$0 X	0.4500	= \$0
(45.3)	OC Percentage ≥ 111% and < 143%	Company Records	\$0	\$0 X	0.3600	= \$0
(45.4)	OC Percentage ≥ 143% and < 200%	Company Records	\$0	\$0 X	0.2700	= \$0
(45.5)	OC Percentage ≥ 200%	Company Records	\$0	\$0 X	0.2250	= \$0
(45.6)	<b>Total Schedule BA Collateral Loans backed by Residual Tranches or Interests (Column (1), line 45.6 should be equal to sum of AVR Equity Component lines K5 and K6)</b>	<b>Lines (45.2) + (45.3) + (45.4) + (45.5)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
(46)	Total Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs) (pre-MODCO/Funds Withheld)	Line (42) + (43.1) + (43.6) + (44) + (45.1) + (45.6)	\$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
<b>Schedule BA - All Other (C-1o)</b>						
(50.1)	BA Affiliated Common Stock - Life with AVR	AVR Equity Component Column 1 Line <b>F3</b>	\$0			
(50.2)	BA Affiliated Common Stock - Certain Other	AVR Equity Component Column 1 Line <b>F4</b>	\$0			
(50.3)	Total Schedule BA Affiliated Common Stock - C-1o	Line (50.1) + (50.2)	\$0	\$0 X	0.3000	= \$0
(51)	<b>All Other Schedule BA Collateral Loans</b>	<b>AVR Equity Component Column 1 Lines K7 + K8 + K9 + K10 + K11 + K12</b>	\$0	\$0 X	0.0680	= \$0
(52.1)	NAIC 01 Working Capital Finance Notes	AVR Equity Component Column 1 Line <b>L1</b>	\$0	\$0 X	0.0050	= \$0
(52.2)	NAIC 02 Working Capital Finance Notes	AVR Equity Component Column 1 Line <b>L2</b>	\$0	\$0 X	0.0163	= \$0
(52.3)	Total Admitted Working Capital Finance Notes Other Schedule BA Assets, including Surplus Notes and Capital	Line (52.1) + (52.2)	\$0	\$0		\$0
(53.1)	Notes	AVR Equity Component Column 1 Line <b>J7 + L3</b>	\$0			
(53.2)	Less NAIC 1 thru 6 Rated/Designated Surplus	Column (1) Lines (22) through (27) + Column (1)	\$0			

OTHER LONG-TERM ASSETS

		(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
	<u>Annual Statement Source</u>					
	Notes and Capital Notes					
(53.3)	Net Other Schedule BA Assets	Line (53.1) less (53.2)	\$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) + (52.3) + (53.3)	<u>\$0</u>			<u>\$0</u>
(55)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)				<u>\$0</u>
(56)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)				<u>\$0</u>
(57)	Total Schedule BA Assets C-1o (including MODCO/Funds Withheld.)	Lines (54) - (55) + (56)	<u>\$0</u>			<u>\$0</u>
(58)	Total Schedule BA Assets Excluding Mortgages and Real Estate	Line (49)+ (57)	<u>\$0</u>			<u>\$0</u>

† 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 Reserve (AVR) calculation is adjusted up or down. The rules for calculating the beta adjustment are set forth in the AVR section of the annual statement instructions.

ASSET CONCENTRATION FACTOR

Issuer	Asset Type	(1)	(2) Book / Adjusted Carrying Value	(3) Factor	(4) Additional RBC	(5) Adjustment/ Subsidiary RBC	(6) RBC Requirement
#01	Issuer Name:						
#01	(1.1) Bond NAIC Designation Category 2.A		\$0 X	0.01261	\$0	\$0	\$0
#01	(1.2) Bond NAIC Designation Category 2.B		\$0 X	0.01523	\$0	\$0	\$0
#01	(1.3) Bond NAIC Designation Category 2.C		\$0 X	0.02168	\$0	\$0	\$0
#01	(2.1) Bond NAIC Designation Category 3.A		\$0 X	0.03151	\$0	\$0	\$0
#01	(2.2) Bond NAIC Designation Category 3.B		\$0 X	0.04537	\$0	\$0	\$0
#01	(2.3) Bond NAIC Designation Category 3.C		\$0 X	0.06017	\$0	\$0	\$0
#01	(3.1) Bond NAIC Designation Category 4.A		\$0 X	0.07386	\$0	\$0	\$0
#01	(3.2) Bond NAIC Designation Category 4.B		\$0 X	0.09535	\$0	\$0	\$0
#01	(3.3) Bond NAIC Designation Category 4.C		\$0 X	0.12428	\$0	\$0	\$0
#01	(4.1) Bond NAIC Designation Category 5.A		\$0 X	0.16942	\$0	\$0	\$0
#01	(4.2) Bond NAIC Designation Category 5.B		\$0 X	0.21202	\$0	\$0	\$0
#01	(4.3) Bond NAIC Designation Category 5.C		\$0 X	0.15000	\$0	\$0	\$0
#01	(5) Bond Asset NAIC 6		\$0 X	0.15000	\$0	\$0	\$0
#01	(6.1) Bond NAIC Designation Category 1.A †		\$0 X	0.00158	\$0	\$0	\$0
#01	(6.2) Bond NAIC Designation Category 1.B †		\$0 X	0.00271	\$0	\$0	\$0
#01	(6.3) Bond NAIC Designation Category 1.C †		\$0 X	0.00419	\$0	\$0	\$0
#01	(6.4) Bond NAIC Designation Category 1.D †		\$0 X	0.00523	\$0	\$0	\$0
#01	(6.5) Bond NAIC Designation Category 1.E †		\$0 X	0.00657	\$0	\$0	\$0
#01	(6.6) Bond NAIC Designation Category 1.F †		\$0 X	0.00816	\$0	\$0	\$0
#01	(6.7) Bond NAIC Designation Category 1.G †		\$0 X	0.01016	\$0	\$0	\$0
#01	(7) Unaffiliated Preferred Stock NAIC 2		\$0 X	0.01260	\$0	\$0	\$0
#01	(8) Unaffiliated Preferred Stock NAIC 3		\$0 X	0.04460	\$0	\$0	\$0
#01	(9) Unaffiliated Preferred Stock NAIC 4		\$0 X	0.09700	\$0	\$0	\$0
#01	(10) Unaffiliated Preferred Stock NAIC 5		\$0 X	0.22310	\$0	\$0	\$0
#01	(11) Unaffiliated Preferred Stock NAIC 6		\$0 X	0.15000	\$0	\$0	\$0
#01	(12) Unaffiliated Preferred Stock NAIC 1 †		\$0 X	0.00390	\$0	\$0	\$0
#01	(13.1) Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests (OC Percentage < 111% or no independent verification obtained)		\$0 X	0.15000	\$0	\$0	\$0
#01	(13.2) Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests (OC Percentage ≥ 111% and < 143%)		\$0 X	0.21000	\$0	\$0	\$0
#01	(13.3) Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests (OC Percentage ≥ 143% and < 200%)		\$0 X	0.18000	\$0	\$0	\$0
#01	(13.4) Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests (OC Percentage ≥ 200%)		\$0 X	0.15000	\$0	\$0	\$0
#01	(13.5) Collateral Loans backed by Residual Tranches or Interests (OC Percentage ≥ 111% and < 143%)		\$0 X	0.09000	\$0	\$0	\$0
#01	(13.6) Collateral Loans backed by Residual Tranches or Interests (OC Percentage ≥ 143% and < 200%)		\$0 X	0.18000	\$0	\$0	\$0
#01	(13.7) Collateral Loans backed by Residual Tranches or Interests (OC Percentage ≥ 200%)		\$0 X	0.22500	\$0	\$0	\$0
#01	(13.8) All Other BA Collateral Loans		\$0 X	0.06800	\$0	\$0	\$0
#01	(14) Receivable for Securities		\$0 X	0.01600	\$0	\$0	\$0
#01	(15) Write-ins for Invested Assets		\$0 X	0.06800	\$0	\$0	\$0
#01	(16) Premium Notes		\$0 X	0.06800	\$0	\$0	\$0
#01	(17) Real Estate - Foreclosed		\$0				
#01	(18) Real Estate - Foreclosed Encumbrances		\$0 X	0.00000	\$0	\$0	\$0
#01	(19) Real Estate - Investments		\$0				
#01	(20) Real Estate - Investment Encumbrances		\$0 X	0.00000	\$0	\$0	\$0
#01	(21) Real Estate - Schedule BA		\$0				
#01	(22) Real Estate - Schedule BA Encumbrances		\$0 X	0.00000	\$0	\$0	\$0
#01	(23) Farm Mortgages - Category CM2		\$0 X	0.01750	\$0	\$0	\$0
#01	(24) Farm Mortgages - Category CM3		\$0 X	0.03000	\$0	\$0	\$0
#01	(25) Farm Mortgages - Category CM4		\$0 X	0.05000	\$0	\$0	\$0
#01	(26) Farm Mortgages - Category CM5		\$0 X	0.07500	\$0	\$0	\$0
#01	(27) Commercial Mortgages - Category CM2		\$0 X	0.01750	\$0	\$0	\$0
#01	(28) Commercial Mortgages - Category CM3		\$0 X	0.03000	\$0	\$0	\$0

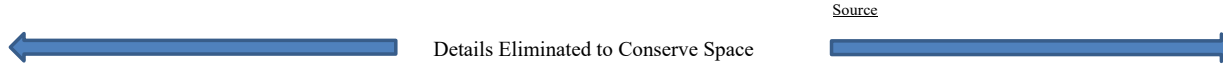
← Details Eliminated to Conserve Space →

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

	Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect	
	<b>Details Eliminated to Conserve Space</b>				
(123) Common Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (17) +	\$0	X 0.2100	=	\$0
(123) Unaffiliated Common Stock	LR018 Off-Balance Sheet Collateral Column (3) Line (16)				
(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-es), excluding Residual	LR008 Other Long-Term Assets Column (5) Line (49) - Line (45,1) - Line (45,6)	\$0	X 0.2100	=	\$0
(127) Tranches or Interests/ Schedule BA Collateral Loans backed by Residual Tranches or Interests	LR008 Other Long-Term Assets Column (5) Line (45,1) + Line (45,6)	\$0	X 0.2100	=	\$0
(128) Total Residual Tranches or Interests/ Schedule BA Collateral Loans backed by Residual Tranches or Interests	LR011 Common Stock Concentration Factor Column (6) Line (6)	\$0	X 0.2100	=	\$0
(129) Common Stock Concentration Factor	LR008 Other Long-Term Assets Column (5) Line (52,1)	\$0	X 0.1575	=	\$0
(130) NAIC 01 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (52,2)	\$0	X 0.1575	=	\$0
(131) NAIC 02 Working Capital Finance Notes	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)	\$0	X 0.2100	=	\$0
(132) Holding Company in Excess of Indirect Subs	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)	\$0	X 0.2100	=	\$0
(133) Affiliated Non-Insurers	Lines (123)-(124)-(125)-(126)-(127)-(128)-(129)+(130)+(131)-(132)+(133)	\$0		=	\$0
(134) Total for C-1-es Assets		\$0		=	\$0
(135) Insurance Risk	LR019 Health Premiums Column (2) Lines (21) through (27)	\$0	X 0.2100	=	\$0
(135) Disability Income Premium	LR019 Health Premiums Column (2) Line (28) + LR023 Long-Term Care	\$0	X 0.2100	=	\$0
(136) 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	LR024 Health Claim Reserves Column (4) Line (9) + Line (15)	\$0	X 0.2100	=	\$0
(140) Claim Reserves		\$0		=	\$0
(140) Premium Stabilization Credit	LR026 Premium Stabilization Reserves Column (2) Line (10)	\$0	X 0.0000	=	\$0
(141) Total C-2 Risk	$L(135) + L(136) + L(139) + L(140) + \text{Greatest of (Guardrail Factor} * (L(137)+L(138)), \text{Guardrail Factor} * (L(138b), \text{Square Root of} [(L(137) + L(138))^2 + L(138b)^2 + 2 * (\text{Correlation Factor} * (L(137) + L(138)) * L(138b)] ]$	\$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)	#REF!		=	#REF!

Guardrail F 0.0  
Correlation -0.25

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



	Source	
<u>Asset Risk – Unaffiliated Common Stock and Affiliated Non-Insurance Stock (C-1cs)</u>		
(13) Schedule D Unaffiliated Common Stock	LR005 Unaffiliated Common Stock Column (5) Line (21) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	\$0
<b>Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding</b>		
(14) Residual Tranches or Interests/ <b>Schedule BA Collateral Loans backed by Residual Tranches or Interests</b>	LR008 Other Long-Term Assets Column (5) <b>Line (49) - Line (45.1) - Line (45.6)</b>	\$0
(15) <b>Total Residual Tranches or Interests / Schedule BA Collateral Loans backed by Residual Tranches or Interests</b>	LR008 Other Long-Term Assets Column (5) <b>line (45.1) + Line (45.6)</b>	\$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
<u>Asset Risk - All Other (C-1o)</u>		
(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