

What Risk-Based Capital Pages Should Be Submitted?

For year-end 2025 property/casualty (P/C) risk-based capital (RBC) hard copies of pages **PR001-PR035**, as well as pages **PR038 and PR039**, should be submitted to any state that requests a hard copy. Beginning with year-end 2011 RBC, a hard copy was not required to be submitted to the NAIC, but a PDF representing the hard-copy filing is part of the electronic filing with the NAIC.



Investment Risk

Principle-Based Bond Definition

The Capital Adequacy (E) Task Force adopted proposal 2024-25-CA during its May 15 meeting. This proposal incorporates changes adopted by the Blanks (E) Working Group, namely #2023-06BWG MOD, #2023-07BWG MOD, and #2023-12BWG MOD. These changes resulted from the adoption of the principle-based bond definition by the Statutory Accounting Principles (E) Working Group.

The proposal impacts the following pages: PR005, PR006, PR007, PR008, PR009, PR015, and PR030.

Tax Credit Investments

The Capital Adequacy (E) Task Force adopted proposal 2024-26-CA during its May 15 meeting. This proposal updates the RBC instructions and blanks for the adopted Statutory Accounting Principles (E) Working Group's conceptual changes to Statement of Statutory Accounting Principles (SSAP) No. 93—Investments in Tax Credit Structures and SSAP No. 94—State and Federal Tax Credits resulting from the New Market Tax Credits project (SAPWG Ref# 2022-14) and the corresponding changes in annual statement blanks and instructions as per 2024-11BWG MOD adopted by the Blanks (E) Working Group.

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Accident and Health Business

Underwriting Risk Factors (PR020)

The Capital Adequacy (E) Task Force adopted proposal 2025-03-CA during its June 30 meeting. This proposal updated the comprehensive medical, Medicare supplement, and dental and vision factors to include a 4.5% investment yield adjustment. The revised factors are:

	Comprehensive Medical	Medicare Supplement	Dental & Vision
\$0-\$3 Million	0.1440	0.0987	0.1153
\$3-\$25 Million	0.1440	0.0609	0.0716
Over \$25 Million	0.0844	0.0609	0.0716

Trend Test

The Capital Adequacy (E) Task Force adopted proposal 2025-07-CA MOD during its May 15 meeting. This proposal expands the instructions for PR033 to facilitate consistent labeling of various company action levels across lines of business.

Underwriting Risk

Underwriting Risk Factors Lines 4 and 8

As a result of the adoption of proposal 2024-11-P by the Capital Adequacy (E) Task Force during its April 30, 2024, meeting, lines 4 and 8 factors were based on the 2023 American Academy of Actuaries' (Academy's) *Update to Property and Casualty Risk-Based Capital Underwriting Factors and Investment Income Adjustment Factors* report. During the Property and Casualty Risk-Based Capital (E) Working Group's April 25, 2024, meeting, the Working Group decided to use 100% indicated change with capped international and product liability lines for reserves and 100% indicated change with capped financial mortgage guaranty lines for premium for 2025 reporting.

PR017 Underwriting Risk - Reserves

Proposed Line (4), Industry Loss & Expense RBC Factors

Col.	Line of Business	2025 Factor	2024 Factor
(1)	H/F	0.226	0.220
(2)	PPA	0.205	0.192
(3)	CA	0.360	0.318
(4)	WC	0.382	0.363
(5)	CMP	0.475	0.485
(6)	MPL Occurrence	0.271	0.327
(7)	MPL Claims Made	0.172	0.224
(8)	SL	0.401	0.353
(9)	OL	0.496	0.514
(10)	Fidelity/Surety	0.586	0.479
(11)	Special Property/Pet Insurance Plan	0.272	0.259
(12)	Auto Physical Damage	0.137	0.146
(13)	Other (Credit A&H)	0.225	0.223
(14)	Financial/Mortgage Guaranty	0.146	0.163
(15)	INTL	0.669	0.514
(16)	REIN. P&F Lines	0.319	0.367
(17)	REIN. Liability	0.596	0.626
(18)	PL	1.226	1.014
(19)	Warranty	0.355	0.363

PR017 Underwriting Risk - Reserves

Proposed Line (8), Adjustment for Investment Income

Col.	Line of Business	2025 Factor	2024 Factor
(1)	H/F	0.951	0.945
(2)	PPA	0.937	0.933
(3)	CA	0.926	0.919
(4)	WC	0.783	0.807
(5)	CMP	0.898	0.887
(6)	MPL Occurrence	0.861	0.863
(7)	MPL Claims Made	0.896	0.890
(8)	SL	0.884	0.887
(9)	OL	0.864	0.858
(10)	Fidelity/Surety	0.908	0.924
(11)	Special Property/Pet Insurance Plan	0.954	0.960
(12)	Auto Physical Damage	0.978	0.977
(13)	Other (Credit A&H)	0.936	0.952
(14)	Financial/Mortgage Guaranty	0.916	0.921
(15)	INTL	0.881	0.878
(16)	REIN. P&F Lines	0.913	0.907
(17)	REIN. Liability	0.793	0.816
(18)	PL	0.844	0.843
(19)	Warranty	0.961	0.951

Underwriting Risk Factors Lines 4 and 8 (continued)

PR018 Underwriting Risk - Premiums

Proposed Line (4), Industry Losses & Loss Adjustment Expense Ratio

Col.	Line of Business	2025 Factor	2024 Factor
(1)*	H/F	0.930	0.933
(2)	PPA	0.970	0.970
(3)	CA	1.014	1.012
(4)	WC	1.037	1.041
(5)*	CMP	0.873	0.878
(6)	MPL Occurrence	1.394	1.531
(7)	MPL Claims Made	1.146	1.138
(8)*	SL	0.894	0.908
(9)	OL	0.993	1.003
(10)	Fidelity/Surety	0.657	0.756
(11)*	Special Property/Pet Insurance	0.795	0.829
(12)	Auto Physical Damage	0.835	0.836
(13)	Other (Credit A&H)	0.926	0.931
(14)	Financial/Mortgage Guaranty	2.012	1.805
(15)*	INTL	1.476	1.355
(16)*	REIN. P&F Lines	0.973	1.072
(17)*	REIN. Liability	1.183	1.253
(18)	PL	1.194	1.229
(19)	Warranty	0.985	0.920

PR018 Underwriting Risk - Premiums

Proposed Line (7), Adjustment for Investment Income

Col.	Line of Business	2025 Factor	2024 Factor
(1)*	H/F	0.966	0.960
(2)	PPA	0.937	0.931
(3)	CA	0.903	0.897
(4)	WC	0.833	0.836
(5)*	CMP	0.921	0.909
(6)	MPL Occurrence	0.795	0.781
(7)	MPL Claims Made	0.863	0.845
(8)*	SL	0.924	0.911
(9)	OL	0.837	0.827
(10)	Fidelity/Surety	0.922	0.913
(11)*	Special Property/Pet Insurance	0.957	0.953
(12)	Auto Physical Damage	0.979	0.975
(13)	Other (Credit A&H)	0.958	0.953
(14)	Financial/Mortgage Guaranty	0.891	0.888
(15)*	INTL	0.925	0.915
(16)*	REIN. P&F Lines	0.919	0.906
(17)*	REIN. Liability	0.811	0.794
(18)	PL	0.801	0.788
(19)	Warranty	0.972	0.938

* Cat Lines

New Industry Average Risk Factors - Annual Update

During its June 30 meeting, the Capital Adequacy (E) Task Force adopted the annual update of industry average development factors.

PR017 Underwriting Risk - Reserves

Line (1), Industry Development Factors

Col.	Line of Business	2025 Factor	2024 Factor
(1)	H/F	0.997	1.020
(2)	PPA	1.072	1.061
(3)	CA	1.110	1.115
(4)	WC	0.912	0.882
(5)	CMP	1.018	1.024
(6)	MPL Occurrence	0.914	0.910
(7)	MPL Claims Made	1.024	0.996
(8)	SL	0.995	0.996
(9)	OL	0.995	0.993
(10)	Fidelity/Surety	0.875	0.875
(11)	Special Property/Pet Insurance	0.985	0.989
(12)	Auto Physical Damage	1.002	0.999
(13)	Other (Credit A&H)	0.938	0.942
(14)	Financial/Mortgage Guaranty	0.486	0.493
(15)	INTL	1.927	2.168
(16)	REIN. P&F Lines	0.925	0.930
(17)	REIN. Liability	1.090	1.054
(18)	PL	0.911	0.882
(19)	Warranty	0.978	0.991

PR018 Underwriting Risk - Net Written Premiums

Line (1), Industry Average Loss and Expense Ratios

Col.	Line of Business	2025 Factor	2024 Factor
(1)*	H/F	0.700	0.695
(2)	PPA	0.807	0.799
(3)	CA	0.792	0.787
(4)	WC	0.649	0.646
(5)*	CMP	0.683	0.684
(6)	MPL Occurrence	0.763	0.752
(7)	MPL Claims Made	0.840	0.828
(8)*	SL	0.565	0.583
(9)	OL	0.664	0.649
(10)	Fidelity/Surety	0.374	0.375
(11)*	Special Property/Pet Insurance	0.552	0.559
(12)	Auto Physical Damage	0.731	0.733
(13)	Other (Credit A&H)	0.714	0.711
(14)	Financial/Mortgage Guaranty	0.159	0.158
(15)*	INTL	1.184	1.153
(16)*	REIN. P&F Lines	0.597	0.587
(17)*	REIN. Liability	0.788	0.760
(18)	PL	0.609	0.594
(19)	Warranty	0.641	0.641

* Cat Lines

Catastrophe Risk

Disclosure of Climate-Conditioned Catastrophe Exposure Instruction

The Capital Adequacy (E) Task Force adopted proposal 2025-06-CR during its meeting on May 15. This proposal ensures that the information provided by companies is accurately reflected on an annual basis.

Catastrophe Modeling Attestation (PR002)

The Capital Adequacy (E) Task Force adopted proposal 2025-11-CR during its June 30 meeting. The proposal updates the PR002 Attestation by incorporating the newly identified wildfire and severe convective storm perils from PR027 for informational purposes only.

Editorial Changes

Updated the annual statement reference for line 1, column 2, of page PR006 to Schedule D, part 1, section 2, column 8, line 1019999999 and line 1029999999

Risk-Based Capital Forecasting and Instructions

The P/C RBC forecasting spreadsheet calculates RBC using the same formula presented in the *2025 NAIC Property & Casualty Risk-Based Capital Report Including Overview & Instructions for Companies*, and is available to download from the NAIC publications web page at <https://content.naic.org/publications> in a PDF or CSV format. This publication is available for on or around Nov. 1 each year. The user guide is no longer included in the RBC publications.

WARNING: The RBC forecasting spreadsheet CANNOT be used to meet the year-end RBC electronic filing requirement. RBC filing software from an annual financial statement software vendor should be used to create the electronic filing. If the forecasting worksheet is sent instead of an electronic filing, it will not be accepted, and the RBC will not be filed.