

## Capital Adequacy (E) Task Force

### RBC Proposal Form

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

<p style="text-align: right;">DATE: <u>5/14/2026</u></p> <p><b>CONTACT PERSON:</b> <u>Eva Yeung</u></p> <p><b>TELEPHONE:</b> <u>816-783-8407</u></p> <p><b>EMAIL ADDRESS:</b> <u>eyeung@naic.org</u></p> <p><b>ON BEHALF OF:</b> <u>Capital Adequacy (E) Task Force</u></p> <p><b>NAME:</b> <u>Ben Slutsker</u></p> <p><b>TITLE:</b> <u>Chair</u></p> <p><b>AFFILIATION:</b> <u>Minnesota Department of Commerce</u></p> <p><b>ADDRESS:</b> <u>85 7th Place East, Suite 280, St. Paul, MN 55101</u></p>	<p style="text-align: center;"><b>FOR NAIC USE ONLY</b></p> <hr/> <p>Agenda Item # <u>Proposal 2026-10-CA</u></p> <p>Year <u>2026</u></p> <hr/> <p style="text-align: center;"><b>DISPOSITION</b></p> <p><b>ADOPTED:</b></p> <p><input checked="" type="checkbox"/> TASK FORCE (TF) <u>6/30/26</u></p> <p><input type="checkbox"/> WORKING GROUP (WG) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>EXPOSED:</b></p> <p><input checked="" type="checkbox"/> TASK FORCE (TF) <u>5/14/26</u></p> <p><input type="checkbox"/> WORKING GROUP (WG) _____</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 checked="" 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 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)

Incorporated changes to the Annual Statement Source for Collateral Loans, Residual Tranches or Interests, and Tax Credit Investments on pages XR008, PR008, and PR009 for the adoption of 2024-19BWG Modified by the Blanks (E) Working Group.


**Additional Staff Comments:**

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

**Revised 2-2023**

FIXED INCOME ASSETS - MISCELLANEOUS

	Annual Statement Source	(1) Bk/Adj Carrying Value	Factor	(2) RBC Requirement
(1) Cash	Page 2, Line 5, inside amount 1		0.0030	
(2) Cash Equivalents	Page 2, Line 5, inside amount 2			
(3) Less: Cash Equivalents, Total Bonds	Schedule E, Part 2, Column 7, Line 0509999999			
(4) Less: Exempt Money Market Mutual Funds as Identified by SVO	Schedule E, Part 2, Column 7, Line 8209999999			
(5) Net Cash Equivalents	Lines (2) - (3) - (4)		0.0030	
(6) Short-Term Investments	Page 2, Line 5, inside amount 3			
(7) Short-Term Bonds	Schedule DA, Part 1, Column 6, Line 0509999999			
(8) Total Other Short-Term Investments	Lines (6) - (7)		0.0030	
(9) Mortgage Loans - First Liens	Page 2, Column 3, Line 3.1		0.0500	
(10) Mortgage Loans - Other Than First Liens	Page 2, Column 3, Line 3.2		0.0500	
(11) Receivable for Securities	Page 2, Column 3, Line 9		0.0240	
(12) Aggregate Write-Ins for Invested Assets	Page 2, Column 3, Line 11		0.0500	
	Schedule BA Part 1, Column 12 Lines 3199999 + 3299999 + <b>3399999</b> + <b>3499999</b> + <b>3599999</b> + <b>3699999</b> + <b>3799999</b> + <b>3899999</b> + <b>3999999</b> + <b>4099999</b> + <b>4199999</b> + <b>4299999</b>			
(13) Collateral Loans				
(14) Less: Non-Admitted Collateral Loans	Notes to the Financial Statement 5S, Column 3 Line 11			
(15) Net Collateral Loans	Lines (13) - (14)		0.0500	
(16) NAIC 01 Working Capital Finance Investments	Notes to Financial Statement 5M(01a), Column 3		0.0038	
(17) NAIC 02 Working Capital Finance Investments	Notes to Financial Statement 5M(01b), Column 3		0.0125	
(18) Other Long-Term Invested Assets Excluding Collateral Loans, Tax Credit Investments, Residual Tranches or Interests and Working Capital Finance Investments	Included in Page 2, Column 3, Line 8		0.2000	
(19) Yield Guaranteed State Tax Credit Investments	Schedule BA Part 1, Column 12 Lines <b>4699999</b> + <b>4799999</b>		0.0014	
(20) Qualifying Federal Tax Credit Investments	Schedule BA Part 1, Column 12 Lines <b>4899999</b> + <b>4999999</b>		0.0260	
(21) Qualifying State Tax Credit Investments	Schedule BA Part 1, Column 12 Lines <b>5099999</b> + <b>5199999</b>		0.0260	
(22) Other Tax Credit Investments	Schedule BA Part 1, Column 12 Lines <b>5299999</b> + <b>5399999</b>		0.1500	
(23) Total Residual Tranches or Interests	Schedule BA, Part 1, Column 12 Lines <b>5599999</b> + <b>5699999</b> + <b>5799999</b> + <b>5899999</b> + <b>5999999</b> + <b>6099999</b> + <b>6199999</b> + <b>6299999</b> + <b>6399999</b> + <b>6499999</b> + <b>6599999</b> + <b>6699999</b>		0.2000	
(24) Total Other Long-Term Invested Assets (Page 2, Column 3, Line 8)	Lines (15) + (16) + (17) + (18) + (19) + (20) + (21) + (22) + (23)			
(25) Derivatives	Page 2, Column 3, Line 7		0.0500	
(26) Total Miscellaneous Fixed Income Assets RBC	Lines (1) + (5) + (8) + (9) + (10) + (11) + (12) + (24) + (25)			

 Denotes items that must be manually entered on filing software.

**OTHER LONG-TERM ASSETS PR008**

	Annual Statement Source	(1) <u>Book/Adjusted</u> <u>Carrying Value</u>	Factor	(2) <u>RBC Requirement</u>
(1) Company Occupied Real Estate	P2 L4.1 C3	0	0.100	0
(2) Encumbrances	P2 L4.1, inside item	0	0.100	0
(3) Property Held For the Production of Income	P2 L4.2 C3	0	0.100	0
(4) Property Held For Sale	P2 L4.3 C3	0	0.100	0
(5) Encumbrances (Property Held For the Production of Income)	P2 L4.2, inside item	0	0.100	0
(6) Encumbrances (Property Held For Sale)	P2 L4.3, inside item	0	0.100	0
(7) Total Real Estate	L(1)+L(2)+L(3)+L(4)+L(5)+L(6)	0		0
(8) Mortgage Loans - First Liens	P2 L3.1 C3	0	0.050	0
(9) Mortgage Loans - Other Than First Liens	P2 L3.2 C3	0	0.050	0
(10) Total Mortgage Loans	L(8) + L(9)	0		0
(11) Schedule BA Assets - Total	P2 L8 C3	0		
(12) Less: Collateral Loans	PR009 L(13)	0		
(13) Yield Guaranteed State Tax Credit Investments	Schedule BA Part 1, C12 <b>L4699999</b> <b>+L4799999</b>	0	0.0014	0
(14) Qualifying Federal Tax Credit Investments	Schedule BA Part 1, C12 <b>L4899999</b> <b>+L4999999</b>	0	0.0260	0
(15) Qualifying State Tax Credit Investments	Schedule BA Part 1, C12 <b>L5099999</b> <b>+L5199999</b>	0	0.0260	0
(16) Other Tax Credit Investments	Schedule BA Part 1, C12 <b>L5299999</b> <b>+L5399999</b>	0	0.1500	0
(17) Working Capital Finance Investments	L(20)+L(21)	0		
(18) Total Residual Tranches or Interests	Schedule BA, Part 1, Column 12 Lines <b>5599999 + 5699999 + 5799999 + 5899999 + 5999999 + 6099999 + 6199999 + 6299999 + 6399999 + 6499999 + 6599999 + 6699999</b>	0	0.2000	0
(19) Schedule BA Assets Excluding Collateral Loans, Tax Credit Investments, WCFI, & Residual Tranches or Interests	L(11)-L(12)-L(13)-L(14)-L(15) -L(16)-L(17)-L(18)	0	0.2000	0
(20) NAIC 01 Working Capital Finance Investments	Notes to Financial Statement Item L5M(01a) C3	0	0.0038	0
(21) NAIC 02 Working Capital Finance Investments	Notes to Financial Statement Item L5M(01b) C3	0	0.0125	0
(22) Total Other Long-Term Assets	L(7)+L(10)+L(13)+L(14)+L(15) +L(16)+L(18)+L(19)+L(20)+L(21)	0		0

**MISCELLANEOUS ASSETS PR009**

	Annual Statement Source	(1) <u>Book/Adjusted</u> <u>Carrying Value</u>	Factor	(2) <u>RBC Requirement</u>
(1) Receivable for Securities	P2C3L9	0	0.025	0
(2) Aggregate W/I for Invest Assets	P2C3 L11	0	0.050	0
(3) Cash	P2 L5, inside amt 1	0	0.003	0
(4) Cash Equivalents	P2 L5, inside amt 2	0		
(5) Less: Cash Equivalents, Total Bonds	Sch E Pt 2 C7 L0509999999	0		
(6) Less: Exempt Money Market Mutual Funds as Identified by SVO	Sch E Pt 2 C7 L8209999999	0		
(7) Net Cash Equivalents	L(4)-L(5)-L(6)	0	0.003	0
(8) Short-Term Investments	P2 L5, inside amt 3	0		
(9) Short-Term Bonds	Sch DA Pt 1 C6 L0509999999	0		
(10) Total Other Short-Term Investments	L(8)-L(9) Sch BA Pt1 C12 <b>Lines 3199999 + 3299999 + 3399999</b> <b>+ 3499999 + 3599999 + 3699999 + 3799999 + 3899999</b> <b>+ 3999999 + 4099999 + 4199999 + 4299999</b>	0	0.003	0
(11) Collateral Loans	Notes to Financial Statement Item 5S C3 L11	0		
(12) Less: Non-Admitted Collateral Loans	L(11) - L(12)	0	0.050	0
(13) Net Admitted Collateral Loans	P2C3 L7	0	0.050	0
(14) Derivatives				
(15) Total Miscellaneous Assets	L(1)+L(2)+L(3)+L(7)+L(10)+L(13)+L(14)	0		0