

# Capital Adequacy (E) Task Force

## RBC Proposal Form

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

<p style="text-align: right;"><b>DATE:</b> <u>4/24/26</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>P/C RBC (E) Working Group</u></p> <p><b>NAME:</b> <u>Tom Botsko</u></p> <p><b>TITLE:</b> <u>Chair</u></p> <p><b>AFFILIATION:</b> <u>Ohio Department of Insurance</u></p> <p><b>ADDRESS:</b> <u>50 West Town Street, Suite 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;"><b><u>FOR NAIC USE ONLY</u></b></p> <hr/> <p>Agenda Item # <u>2026-11-P</u> Year <u>2026</u></p> <hr/> <p style="text-align: center;"><b><u>DISPOSITION</u></b></p> <p><b>ADOPTED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) _____</p> <p><input type="checkbox"/> WORKING GROUP (WF) _____</p> <p><input type="checkbox"/> SUBGROUP (SG) _____</p> <p><b>EXPOSED:</b></p> <p><input type="checkbox"/> TASK FORCE (TF) <u>05/12/2026</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 type="checkbox"/> Health RBC Blanks       | <input checked="" type="checkbox"/> Property/Casualty RBC Blanks  | <input type="checkbox"/> Life and Fraternal RBC Blanks       |
| <input type="checkbox"/> Health RBC Instructions | <input type="checkbox"/> Property/Casualty RBC Instructions       | <input type="checkbox"/> Life and Fraternal RBC Instructions |
| <input type="checkbox"/> Health RBC Formula      | <input checked="" type="checkbox"/> Property/Casualty RBC Formula | <input type="checkbox"/> Life and Fraternal RBC Formula      |
| <input type="checkbox"/> OTHER _____             |   |  |

### DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

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

### Additional Staff Comments:

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

Revised 2-2023

PR017 Line 1 Reserves

Schedule P Line of Business	LOB	Proposed for adoption - 2026 Industry Average Development Ratio	2025 Industry Average Development	2024 Industry Average Development	2023 Industry Average Development	2022 Industry Average Development	2021 Industry Average Development	2020 Industry Average Development	2019 Industry Average Development	2018 Industry Average Development	2017 Industry Average Development
H/F	A	0.998	0.997	1.020	0.999	1.001	0.998	0.993	0.989	0.989	0.984
PPA	B	1.074	1.072	1.061	1.047	1.022	1.025	1.035	1.026	1.022	1.012
CA	C	1.114	1.110	1.115	1.106	1.082	1.083	1.078	1.087	1.060	1.034
WC	D	0.921	0.912	0.882	0.873	0.906	0.912	0.916	0.955	0.952	0.971
CMP	E	1.008	1.018	1.024	1.026	1.037	0.999	1.016	0.992	0.967	0.956
MM Occurrence	F1	0.923	0.914	0.910	0.906	0.887	0.874	0.861	0.864	0.871	0.868
MM Clms Made	F2	1.035	1.024	0.996	0.984	0.983	0.973	0.940	0.907	0.886	0.854
SL	G	0.989	0.995	0.996	0.994	0.990	0.976	0.963	0.938	0.933	0.926
OL	H	0.984	0.995	0.993	0.969	0.995	0.964	0.968	0.971	0.966	0.952
Fidelity / Surety	K	0.879	0.875	0.875	0.852	0.842	0.915	0.907	0.995	0.996	1.016
Special Property/Pet Insurance Plan	I/U	0.956	0.985	0.989	0.983	0.993	0.978	0.977	0.972	0.971	0.982
Auto Physical Damage	J	0.984	1.002	0.999	1.016	1.011	0.989	0.993	0.996	1.000	1.001
Other (Credut, A&H)	L	0.938	0.938	0.942	0.946	0.955	0.965	0.971	0.973	0.976	0.981
Financial / Mortgage Guaranty	S	0.525	0.486	0.493	0.674	0.694	0.723	0.682	0.788	0.870	0.820
Intl	M	1.579	1.927	2.168	2.414	3.041	1.104	1.162	1.037	0.851	0.855
Rein. Property & Financial Lines	NP	0.915	0.925	0.930	0.924	0.917	0.893	0.886	0.872	0.834	0.814
Rein. Liability	O	1.077	1.090	1.054	1.024	1.008	0.989	0.985	0.955	0.945	0.914
PL	R	0.897	0.911	0.882	0.874	0.867	0.879	0.900	0.913	0.921	0.935
Warranty	T	0.985	0.978	0.991	0.995	0.998	1.007	1.013	1.017	1.015	0.989

PR018 Line 1 Premiums

Schedule P Line of Business	LOB	Proposed 2026 Industry Average Loss & Expense Ratio	2025 Industry Average Loss & Expense Ratio	2024 Industry Average Loss & Expense Ratio	2023 Industry Average Loss & Expense Ratio	2022 Industry Average Loss & Expense Ratio	2021 Industry Average Loss & Expense Ratio	2020 Industry Average Loss & Expense Ratio	2019 Industry Average Loss & Expense Ratio	2018 Industry Average Loss & Expense Ratio	2017 Industry Average Loss & Expense Ratio
H/F	A	<b>0.698</b>	0.700	0.695	0.679	0.665	0.681	0.678	0.681	0.687	0.688
PPA	B	<b>0.805</b>	0.807	0.799	0.791	0.793	0.795	0.810	0.810	0.806	0.800
CA	C	<b>0.805</b>	0.792	0.787	0.777	0.761	0.761	0.759	0.737	0.724	0.706
WC	D	<b>0.657</b>	0.649	0.646	0.651	0.664	0.682	0.705	0.726	0.744	0.751
CMP	E	<b>0.677</b>	0.683	0.684	0.671	0.661	0.673	0.672	0.666	0.664	0.647
MM Occurrence	F1	<b>0.763</b>	0.763	0.752	0.767	0.750	0.731	0.726	0.730	0.780	0.777
MM Clms Made	F2	<b>0.844</b>	0.840	0.828	0.815	0.829	0.821	0.797	0.768	0.747	0.722
SL	G	<b>0.562</b>	0.565	0.583	0.578	0.585	0.593	0.603	0.593	0.569	0.567
OL	H	<b>0.675</b>	0.664	0.649	0.641	0.637	0.635	0.639	0.638	0.633	0.629
Fidelity / Surety	K	<b>0.376</b>	0.374	0.375	0.363	0.366	0.394	0.384	0.399	0.417	0.430
Special Property/Pet Insurance Plan	I/U	<b>0.552</b>	0.552	0.552	0.550	0.547	0.559	0.553	0.554	0.563	0.555
Auto Physical Damage	J	<b>0.715</b>	0.731	0.733	0.727	0.718	0.726	0.732	0.730	0.732	0.727
Other (Credit, A&H)	L	<b>0.714</b>	0.714	0.711	0.702	0.698	0.693	0.684	0.682	0.709	0.712
Financial / Mortgage Guaranty	S	<b>0.181</b>	0.159	0.158	0.209	0.203	0.252	0.513	0.811	1.099	1.175
Intl	M	<b>0.994</b>	1.184	1.153	1.136	1.166	0.769	0.758	0.795	0.584	0.565
Rein. Property & Financial Lines	NP	<b>0.601</b>	0.597	0.587	0.578	0.566	0.558	0.534	0.522	0.486	0.459
Rein. Liability	O	<b>0.842</b>	0.788	0.760	0.743	0.725	0.713	0.708	0.679	0.666	0.609
PL	R	<b>0.611</b>	0.609	0.594	0.597	0.601	0.617	0.645	0.656	0.671	0.670
Warranty	T	<b>0.653</b>	0.641	0.641	0.652	0.665	0.681	0.691	0.695	0.732	0.645