Capital Adequacy (E) Task Force
RBC Proposal Form

☒ Capital Adequacy (E) Task Force
☐ Catastrophe Risk (E) Subgroup
☐ Variable Annuities Capital. & Reserve (E/A) Subgroup
☐ Health RBC (E) Working Group
☐ P/C RBC (E) Working Group
☐ Economic Scenarios (E/A) Subgroup
☐ Life RBC (E) Working Group
☐ Longevity Risk (A/E) Subgroup
☐ RBC Investment Risk & Evaluation (E) Working Group

DATE:	**9/8/26**
CONTACT PERSON:	**Maggie Chang**
TELEPHONE:	
EMAIL ADDRESS:	**mchang@naic.org**
ON BEHALF OF:	
NAME:	**Ben Slutsker**
TITLE:	**Chair**
AFFILIATION:	**Minnesota Department of Commerce**
ADDRESS:	**85 7th Place East, Suite 280, St. Paul, MN 55101**

FOR NAIC USE ONLY

Agenda Item # 2026-16-CA
Year 2027 Version 1

DISPOSITION

ADOPTED:
☐ TASK FORCE (TF)
☐ WORKING GROUP (WG)
☐ SUBGROUP (SG)

EXPOSED:
☒ TASK FORCE (TF) 11/03/2026
☐ WORKING GROUP (WG)
☐ SUBGROUP (SG)

REJECTED:
☐ TF ☐ WG ☐ SG

OTHER:
☐ DEFERRED TO
☐ 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)

This proposal incorporated changes to RBC Blanks and Instructions for LR017, LR018, PR014, PR015, XR005 and XR006 pages, resulted from adoption of SAPWG Agenda item #2026-05 Securities Lending Restricted Asset Reporting and Blanks Agenda item 2026-17BWG. With these adoptions, Annual General Interrogatory 25.04 & 25.05 are updated from "amount of collateral" to "assets lent" under security lending agreements. This proposal seeks to achieve consistency in terminologies, wherever deemed necessary.

In addition, NAIC Committee Support performed a review of the pages above and identified the following warrant editing/mentioning:

(1) LR017 Blank Footnote "#" needs to be updated to reflect adoption of proposal 2017-03-L MOD.
(2) Off-Balance Sheet Collateral received in connection with Security Lending transactions are reported in LR018, PR015 and XR006 Column (1). There is currently no direct tie-out to Annual Statement (either because Footnote 5E(6) is not data capturable and/or the footnote disclosure does not disclose BACV but fair value of off-balance sheet collaterals)
(3) PR015 Instruction – Staff is seeking feedback on sufficiency of guidance in relation to Bond Size Factor Adjustment.
(4) Other minor editorial updates.

Additional Staff Comments:

©2026 National Association of Insurance Commissioners

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

©2026 National Association of Insurance Commissioners

Noncontrolled Assets, Off-Balance Sheet and Other Items
XR005

Off-balance sheet items, such as contingent liabilities, pose a risk to insurers. A 1% factor was chosen on a judgment basis to allow for this risk. For securities lending programs, a reduced charge may apply to certain programs that meet the criteria as outlined below.

Specific Instructions for Application of the Formula

Line (1) – Securities lending programs that have all of the following elements are eligible for a lower noncontrolled asset ~~off-balance sheet~~ charge:

1. A written plan adopted by the Board of Directors that outlines the extent to which the insurer can engage in securities lending activities and how cash collateral received will be invested.

2. Written operational procedures to monitor and control the risk associated with securities lending. Safeguards to be addressed should, at a minimum, provide assurance of the following:

    a. Documented investment guidelines between lender and investment manager with established procedure for review of compliance

    b. Investment guidelines for cash collateral that clearly delineate liquidity, diversification, credit quality, and average life/duration requirements

    c. Approved borrower lists and limits to allow for adequate diversification

    d. Holding excess collateral with margin percentages in line with industry standards, which are currently 102% (or 105% for cross currency loans)

    e. Daily mark-to-market of lent securities and obtaining additional collateral needed to maintain a margin of 102% of market

    f. Not subject to any automatic stay in bankruptcy and may be closed out and terminated immediately upon the bankruptcy of any party

3. A binding securities lending agreement (standard “Master Securities Lending Agreement” from Securities Industry and Financial Markets Association) in writing between the insurer, or its agent on behalf of the insurer, and the borrowers.

4. Acceptable collateral is defined as cash, cash equivalents, direct obligations of, or securities that are fully guaranteed as to principal and interest by the government of the United States or any agency of the United States, or by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and NAIC 1-rated securities. Affiliate-issued collateral would not be deemed acceptable. In all cases the collateral held must be permitted investments in the state of domicile for the respective insurer.

~~Collateral~~ Securities loaned to others in conforming securities lending programs are reported~~included~~ in General Interrogatories Part 1, Line 25.04 of the annual statement and should be ~~included~~ reported in Line (1).

Line (2) – ~~Collateral~~ Securities loaned to others in~~from~~ all other securities lending programs ~~should be~~are reported in General Interrogatories Part 1, Line 25.05 and should be ~~included~~ reported in Line (2).

Lines (3) through (14) – Non-controlled assets are any assets reported on the balance sheet that are not exclusively under the control of the company, or assets that have been sold or transferred subject to a put option contract currently in force. For Lines (12) and (13), include assets pledged as collateral reported in the General Interrogatories Part 1, Lines 26.30 and 26.31 other than assets related to the Federal Reserve's Term Asset Loan Facility (TALF).

Line (16) – Guarantees for Affiliates include loan guarantees or other undertakings for the benefit of an affiliate which results in a material contingent exposure of the company's or any affiliated insurer's assets. The definition of "material" exposure or financial effect is the same as for annual statement disclosure requirements.

Line (17) – Contingent liabilities include any material contingent liabilities that are disclosed in the Notes to Financial Statements. This category includes all structured securities for which the company has not received a full release of liability from a third party.

Line (18) – "Yes" means the entity which files the U.S. federal income tax return which includes the reporting entity is a regulated insurance company (including where the reporting entity is the direct filer of the tax return). "No" means the entity which files the U.S. Federal income tax return which includes the reporting entity is not a regulated insurance company (e.g., a non-insurance entity or holding company makes the filing). "N/A" means the entity is exempt from filing a U.S. Federal income tax return; Lines (19) and (20) should be zero in this case.

Lines (19) and (20) – Apply a 1% charge in the RBC formula, placed outside of the covariance adjustment, to admitted adjusted gross deferred tax assets (DTAs) as described in *SSAP No. 101—Income Taxes*, paragraphs 11.a. and 11.b. (lesser of paragraph 11.b(i) and 11.b(ii)). For the period in which the paragraph 11.a. component is determined, the charge is reduced to 0.5% when the insurance company either filed its own separate U.S. Federal income tax return or it was included in a consolidated U.S. Federal income tax of which the common parent is an insurance company. The source for the DTA amounts to use in the calculation is found in the annual statement, Notes to Financial Statements, Note 9, Part A, Section 2, Admission Calculation Components for SSAP No. 101. Paragraph 11.a. is found in Section 2, subpart (a), Paragraph 11.b. is found in Section 2, subpart (b).

Off-Balance Sheet Security Lending Collateral and Schedule DL, Part 1 Assets

XR006

Security lending programs are required to maintain collateral. Some entities post the collateral supporting security lending programs on their financial statements and incur the related risk charges on those assets. Other entities have collateral that is not recorded on their financial statements. While not recorded on the financial statements of the company, such collateral has risks that are not otherwise captured in the RBC formula.

The collateral in these accounts ~~is~~ could be maintained by a third party (typically a bank or other agent). The collateral agent maintains on behalf of the company detail asset listings of the collateral assets, and this data is the source for preparation of this schedule. The company should maintain such asset listings, at a minimum CUSIP, market value, book/adjusted carrying value, and maturity date.

The asset risk charges are derived from existing RBC factors for bonds, preferred and common stocks, other invested assets, and invested assets not otherwise classified (aggregate write-ins).

Specific Instructions for Application of the Formula

Column (2) – Schedule DL, Part 1 Book/Adjusted Carrying Value comes from annual statement Schedule DL, Part 1, Column ~~(~~6~~)~~ Securities Lending Collateral Assets reported On-Balance Sheet (Assets Page, Line 10). Line 9999999999 of column 6 should agree with XR006 Line (40), Column (2).

~~Off-balance sheet collateral included in General Interrogatories Part 1, Lines 25.04 and 25.05 of the annual statement should agree with Line (40), Column (1).~~

Lines (1) through (27) – Bonds – Bond factors described on page XR007 – Fixed Income Assets – Bonds.

Line (28) through (34) – Preferred Stock – Preferred stock factors described on page XR010 – Equity Assets.

Line (35) – Common Stock – Common stock factors described on page XR010 – Equity Assets.

Line (36) – Real Estate and Property and Equipment Assets – Real Estate and Property and Equipment Assets factors described on page XR011 – Property & Equipment Assets.

Line (37) – Other Invested Assets – Other invested assets factor described on page XR008 – Fixed Income Assets – Miscellaneous.

Line (38) – Mortgage Loans on Real Estate – Mortgage Loans on Real Estate factors described on page XR008 – Fixed Income Assets – Miscellaneous.

Line (39) – Cash, Cash Equivalents and Short-Term Investments – Cash, Cash Equivalents and Short-Term Investments factors described on page XR008 – Fixed Income Assets – Miscellaneous.

Noncontrolled Assets, Off-Balance Sheet and Other Items

LR017

Basis of Factors

The potential for risk exists in off-balance sheet items. For items other than derivative instruments, a 1.26**%** factor was chosen on a judgment basis. The 1.26**%** pre-tax factor will differentiate between the companies that have small and large exposures to this risk. Since there is no firm actuarial basis for assigning the 1.26**%** pre-tax factor to these risks, off-balance sheet items are included in the sensitivity analysis using a factor of 2%.~~3%, and l~~Leases are added as an additional off-balance sheet item with 0% factor chosen and included in the sensitivity analysis using a factor of 3%. For securities lending programs, a reduced charge may apply to certain programs that meet the criteria as outlined below.

For assets pledged as collateral on funded Federal Home Loan Bank (FHLB) liabilities included in the C3 Phase 1 Cash Flow Testing, the C3 calculation already provides adequate provision for potential risks up to the Statement Value of the associated FHLB liabilities tested therein. For any excess of assets pledged as collateral above this Statement Value (FHLB liabilities included in C3 Phase 1 Cash Flow Testing) the potential exposure is proportionate to the credit risk assessed for the FHLB counterparty, making the bond factor associated with the NAIC designation assigned to the FHLB an appropriate risk provision. For FHLB advances that are not subject to the C3 Phase 1 Cash Flow Testing, the full amount of pledged collateral supporting those advances shall receive a C-0 RBC factor based on the credit standing of the FHLB. Excess assets held by a FHLB but not associated with a FHLB advance (i.e. assets above the required collateral amount and therefore available to be recalled by the insurer), do not present non-controlled asset risk and should be excluded.

Collateral supporting certain FHLB funding agreement activities might be subject to a higher non-controlled asset charge. If the amount of FHLB funded liabilities associated with funding agreement activities is greater than 5% of the company's total net admitted assets, the full amount of pledged collateral supporting FHLB funding agreements in excess of this 5% will receive a higher factor equal to the factor for an NAIC 2 Corporate Bond asset factor.

For derivative instruments, the book/adjusted carrying value exposure net of collateral (the balance sheet exposure) is included under miscellaneous C-1o risks. Because collars, swaps, forwards and futures can have book/adjusted carrying values that are positive, zero or negative, the potential exposure to default by the counterparty or exchange for these instruments cannot be measured by the book/adjusted carrying values. Schedule DB, therefore, includes a calculation of the potential exposure that is based on the March 1987 research paper "Potential Credit Exposure on Interest Rate and Foreign Exchange Rate Related Instruments," supporting the 1988 Bank of International Settlements framework for banks. The off-balance sheet exposure (Schedule DB, Part D, Section 1, Column ~~12~~13) will measure this potential exposure for risk-based capital

purposes. The factors applied to the derivatives off-balance sheet exposure are the same as those applied to bonds.

Specific Instructions for Application of the Formula

Column (2) – Assets directly funding guaranteed separate accounts or synthetic GIC contracts, as well as certain FHLB activities (see below), should be excluded from the noncontrolled assets computation.

Line (1) – Securities lending programs that have all of the following elements are eligible for a lower noncontrolled asset ~~off-balance sheet~~ charge:

1. A written plan adopted by the Board of Directors that outlines the extent to which the insurer can engage in securities lending activities and how cash collateral received will be invested.

2. Written operational procedures to monitor and control the risks associated with securities lending. Safeguards to be addressed should, at a minimum, provide assurance of the following:

    a. Documented investment guidelines, including, where applicable, those between lender and investment manager with established procedure for review of compliance.

    b. Investment guidelines for cash collateral that clearly delineate liquidity, diversification, credit quality, and average life/duration requirements.

    c. Approved borrower lists and loan limits to allow for adequate diversification.

    d. Holding excess collateral with margin percentages in line with industry standards, which are currently 102% (or 105% for cross currency loans).

    e. Daily mark-to-market of lent securities and obtaining additional collateral needed to ensure that collateral at all times exceeds the value of the loans to maintain margin of 102% of market.

    f. Not subject to any automatic stay in bankruptcy and may be closed out and terminated immediately upon the bankruptcy of any party.

3. A binding securities lending agreement (standard “Master Lending Agreement” from Securities Industry and Financial Markets Association) is in writing between the insurer, or its agent on behalf of the insurer, and the borrowers.

4. Acceptable collateral is defined as cash, cash equivalents, direct obligations of, or securities that are fully guaranteed as to principal and interest by, the government of the United States or any agency of the United States, or by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and NAIC 1-designated securities. Affiliate-issued collateral would not be deemed acceptable. In all cases the collateral held must be permitted investments in the state of domicile for the respective insurer.

   ~~Collateral~~ Securities loaned to others in conforming securities lending programs are reported~~included~~ in General Interrogatories, Part 1, Line 25.04 of the annual statement and should be ~~included~~ reported in Line (1).

Line (2) – ~~Collateral~~ Securities loaned to others in ~~from~~ all other securities lending programs ~~should be~~are reported General Interrogatories, Part 1, Line 25.05 and should be ~~included~~ reported in Line (2).

Lines (3) through (14) – Noncontrolled assets are the amount of all assets not exclusively under the control of the company, or assets that have been sold or transferred subject to a put option contract currently in force. For Line (12.1) and (13) include assets pledged as collateral reported in the General Interrogatories Part 1 Line 26.30 and 26.31 other than assets related to the Federal Reserve's Term Asset Loan Facility (TALF). For Line (12.2), include all collateral pledged, both cash and securities, to derivative counterparties and/or central clearinghouses for initial margin and variation margin. In addition, include securities collateral pledged as initial margin for futures. Line (12.2) should agree to Schedule DB Part D Section 2 Column ~~7~~8, Line 0199999999. Line (12.3) should equal Line (12.1) minus Line (12.2). For Line (13) column (2) include excess assets held by a FHLB but not associated with a FHLB advance (i.e. assets above the required collateral amount and therefore available to be recalled by the insurer). For Line (13) column (2) also include an amount equal to the lessor of Statement Value of FHLB liabilities subject to C3P1 Cash Flow Testing or 5% of total net admitted assets. For Line (13) column (4), the Factor will be manually input. In most instances, the Factor will be based on the NAIC ratings category equivalent to an unsecured debt obligation of the FHLB. A higher factor applies if FHLB funded advance liabilities associated with funding agreement activities exceed 5% of total net admitted assets. If the higher factor is applicable, the Factor for column (4) is calculated as a blended factor prorated such that collateral in column (3) supporting FHLB funding agreement liabilities in excess of the limit is subject to the factor for an NAIC 2 corporate bond (Line (14) Column (4)). All other collateral in column (3) is subject to the factor based on the NAIC ratings category equivalent to an unsecured debt obligation of the FHLB.

Lines (16) through (23) – The off-balance sheet exposure for derivative instruments reported on Schedule DB, Part D, Section 1, Column 13, Lines 0199999999 through 0899999999. Off-balance sheet exposure is reported for aggregate exchange traded derivatives, OTC – bilateral derivatives aggregated by counterparty brought into each individual NAIC designation 1-6, and aggregated centrally cleared derivatives. Starting 2015, derivative balances subject to central clearing are to be included in Line (16) regardless of the category they are included in for Schedule DB, Part D, Section 1.

Line (24) – Guarantees for affiliates include guarantees for the benefit of an affiliate that result in a material† contingent exposure of the company's

assets to liability.

Line (26) – The exposure amount for long-term leases is the annual rental amount of all leases that could have a material† financial effect. If the rent expense is shared with affiliates, it should be allocated by company.

Line (31) – "Yes" means the entity which files the US Federal income tax return which includes the reporting entity is a regulated insurance company (including where the reporting entity is the direct filer of the tax return). "No" means the entity which files the US Federal income tax return which includes the reporting entity is not a regulated insurance company (e.g. a non-insurance entity or holding company makes the filing). "N/A" means the entity is exempt from filing a US federal income tax return; lines (32) and (33) should be zero in this case.

Lines (32) and (33) – These lines are not applicable to Fraternal Benefit Societies.

Apply a 1% charge in the RBC formula, placed outside of the covariance adjustment, to admitted adjusted gross deferred tax assets (DTAs) as described in *SSAP No. 101—Income Taxes*, paragraphs 11.a. and 11.b. (lesser of paragraph 11.b.i. and 11.b.ii.). For the period for which the paragraph 11.a. component is determined, the charge is reduced to 0.5% when the insurance company either filed its own separate Federal income tax return or it was included in a consolidated Federal income tax of which the common parent is an insurance company. The source for the DTA amounts to use in the calculation is found in the Annual Statement, Notes to Financial Statements, Note 9, Part A, Section 2, Admission Calculation Components for SSAP No. 101. Paragraph 11.a. is found in Section 2, subpart (a), Paragraph 11.b. is found in Section 2, subpart (b).

† The definition of "material" exposure or financial effect is the same as for annual statement disclosure requirements.

OFF-BALANCE SHEET COLLATERAL
(Including any Schedule DL, Part 1 Assets not Included in the Asset Valuation Reserve)
LR018

Basis of Factors

Security lending programs are required to maintain collateral. Some entities post the collateral supporting security lending programs on their financial statements and incur C-1 risk charges on those assets. Other entities have collateral that are not recorded on their financial statements. While not recorded on the financial statements of the company, such collateral has risks that are not otherwise captured in the RBC formula.

Annual Statement Schedule DL, Part 1, Securities Lending Collateral Assets reported on the balance sheet (Assets Page, Line 10) should be included on the schedule with the Off-Balance Sheet Collateral if they are not already reflected in the Asset Valuation Reserve and are reflected in another portion of the Life RBC formula.

The collateral in these accounts ~~is~~ could be maintained by a third-party (typically a bank or other agent). The collateral agent maintains on behalf of the company detail asset listings of the collateral assets, and this data is the source for preparation of this schedule. The company should maintain such asset listings, at a minimum CUSIP, market value, book/carrying value, and maturity date. The asset risk charges are derived from existing RBC factors for bonds, preferred and common stocks, other invested assets, and invested assets not otherwise classified (aggregate write-ins).

Specific Instructions for Application of the Formula

~~Off-balance sheet collateral included in General Interrogatories, Part 1, Lines 25.04 and 25.05 of the annual statement should agree with Line (19).~~

Lines (1) through (8) – Bonds
Bond factors are described on page LR002 Bonds.

Line (9) through (15) – Preferred Stocks

Preferred stock factors are described on page LR005 Unaffiliated Preferred and Common Stock.

Line (16) – Common Stock
Common stock factors are described on page LR005 Unaffiliated Preferred and Common Stock.

Line (17) – Schedule BA – Other Invested Assets
Other invested assets factors are described on page LR008 Other Long-Term Assets.

Line (18) – Aggregate Write-Ins for Other Invested Assets
Aggregate write-ins for other invested assets factors are described on page LR012 Miscellaneous Assets.

PR014 – Noncontrolled Assets, Off-Balance Sheet and Other Items

Off-balance sheet items, such as contingent liabilities, pose a risk to insurers. A 1% factor was chosen on a judgment basis to allow for this risk. For securities lending programs, a reduced charge may apply to certain programs that meet the criteria as outlined below.

Specific Instructions for Application of the Formula

Line (1) – Securities lending programs that have all of the following elements are eligible for a lower ~~off-balance sheet~~ noncontrolled asset charge:

1. A written plan adopted by the Board of Directors that outlines the extent to which the insurer can engage in securities lending activities and how cash collateral received will be invested.

2. Written operational procedures to monitor and control the risks associated with securities lending. Safeguards to be addressed should, at a minimum, provide assurance of the following:

    a) Documented investment guidelines between lender and investment manager with established procedure for review of compliance.

    b) Investment guidelines for cash collateral that clearly delineate liquidity, diversification, credit quality, and average life/duration requirements.

    c) Approved borrower lists and limits to allow for adequate diversification.

    d) Holding excess collateral with margin percentages in line with industry standards which are currently 102% (or 105% for cross currency loans).

e) Daily mark-to-market of lent securities and obtaining additional collateral needed to maintain margin of 102% of market.

f) Not subject to any automatic stay in bankruptcy and may be closed out and terminated immediately upon the bankruptcy of any party.

3. A binding securities lending agreement (standard "Master Securities Lending Agreement" from Securities Industry and Financial Markets Association) in writing between the insurer, or its agent on behalf of the insurer, and the borrowers.

4. Acceptable collateral is defined as cash, cash equivalents, direct obligations of, or securities that are fully guaranteed as to principal and interest by the government of the United States or any agency of the United States, or by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and NAIC 1 rated securities. Affiliate issued collateral would not be deemed acceptable. In all cases the collateral held must be permitted investments in the state of domicile for the respective insurer.

~~Collateral~~ Securities loaned to others in conforming securities lending programs are ~~included~~ reported in General Interrogatories Part 1, Line 25.04 of the annual statement and should be ~~included~~ reported ~~on~~ in Line (1).

Line (2) – ~~Collateral~~ Securities loaned to others in ~~from~~ all other securities lending programs ~~should be~~are reported in General Interrogatories Part 1, Line 25.05 and should be ~~included~~ reported in Line (2).

Lines (3) through (14) – Non controlled assets are any assets reported on the balance sheet that are not exclusively under the control of the company, or assets that have been sold or transferred subject to a put option contract currently in force. For Line (12), include assets pledged as collateral reported in the General Interrogatories Part 1, Line 26.30 other than assets related to the Federal Reserve's Term Asset Loan Facility (TALF).

Line (16) – Guarantees for affiliates include guarantees for the benefit of an affiliate which result in a material contingent exposure of the company's assets to liability. The definition of "material" exposure or financial effect is the same as for annual statement disclosure requirements.

Line (17) – Contingent liabilities include any material contingent liabilities that are disclosed in the Notes to Financial Statements. This category includes all structured securities for which the company has not received a full release from liability from a third party.

Line (18) – "Yes" means the entity which files the U.S. Federal income tax return which includes the reporting entity is a regulated insurance company (including where the reporting entity is the direct filer of the tax return). "No" means the entity which files the US federal income tax return which includes the reporting entity is not a regulated insurance company (e.g. a non-insurance entity or holding company makes the filing). "N/A" means the entity is exempt from filing a US federal income tax return; lines (16) and (17) should be zero in this case.

Lines (19) and (20) – Apply a 1% charge in the RBC formula, placed outside of the covariance adjustment, to admitted adjusted gross deferred tax assets (DTAs) as described in *SSAP No. 101—Income Taxes*, paragraphs 11.a. and 11.b. (lesser of paragraph 11.b.(i) and 11.b.(ii)). For the period for which the paragraph 11.a. component is determined, the charge is reduced to 0.5% when the insurance company either filed its own separate Federal income tax return or it was included in a consolidated Federal income tax of which the common parent is an insurance company. The source for the DTA amounts to use in the calculation is found in the annual statement, Notes to Financial Statements, Note 9, Part A, Section 2, Admission Calculation Components for SSAP No. 101. Paragraph 11.a. is found in Section 2, subpart (a). Paragraph 11.b. is found in Section 2, subpart (b).

OFF-BALANCE SHEET COLLATERAL AND SCHEDULE DL, PART 1 ASSETS
PR015

Security lending programs are required to maintain collateral. Some entities post the collateral supporting security lending programs on their financial statements and incur the related risk charges on those assets. Other entities have collateral that is not recorded on their financial statements. While not recorded on the financial statements of the company, such collateral has risks that are not otherwise captured in the RBC formula.

The collateral in these accounts ~~is~~ could be maintained by a third party (typically a bank or other agent). The collateral agent maintains on behalf of the company detail asset listings of the collateral assets, and this data is the source for preparation of this schedule. The company should maintain such asset listings, at a minimum CUSIP, market value, book/carrying value, and maturity date.

The asset risk charges are derived from existing RBC factors for bonds, preferred and common stocks, other invested assets, and invested assets not otherwise classified (aggregate write-ins).

Specific Instructions for Application of the Formula

Column (2) – Schedule DL, Part 1 Book/Adjusted Carrying Value – Comes from annual statement Schedule DL, Part 1, Column ~~(~~6~~)~~ Securities Lending Collateral Assets reported On-Balance Sheet (Assets Page, Line 10). Line 9999999999 of column 6 should agree with PR015 Line (40), Column (2).

~~Off-balance sheet collateral included in General Interrogatories Part 1, Lines 25.04 and 25.05 of the annual statement should agree with Line (40), Column (1).~~

Lines (1) through (26) – Bonds – Bond factors described on PR006 – Bonds and Bond Size Factor Adjustment

[Drafting Note: Staff are seeking feedback as to whether explicit guidance is needed on Bond Size Factor Adjustment. Staff interpreted the existing guidance above being expectation that reporting companies should include Security Lending Collaterals reported in Schedule DL, Part 1 when calculating Bond Adjustment Factor. This appears to be consistent with Life RBC application and create level playing field, regardless whether one-line reporting of security lending collateral is used or not.]

Line (28) through (33) – Preferred Stocks – Preferred stock factors described on PR007 – Unaffiliated Preferred and Common Stock

Lines (35) – Common Stock – Common stock factors described on PR007 – Unaffiliated Preferred and Common Stock

Line (36) – Real Estate and Schedule BA - Other Invested Assets – Real Estate and other invested asset factors described on PR008 – Other Long-Term Assets

Line (37) – Other Invested Assets – Other invested assets factors described on PR009 – Miscellaneous Assets

Line (38) – Mortgage Loans on Real Estate – Mortgage Loans on Real Estate factor described on ~~PR009~~ PR008 – ~~Miscellaneous~~ Other Long-Term Assets

Line (39) – Cash, Cash Equivalents Short-Term Investments – Cash, Cash Equivalents and Short-Term Investments factors described on ~~PR007 – Unaffiliated Preferred and Common and~~ PR009 – Miscellaneous Assets

NONCONTROLLED ASSETS, OFF-BALANCE SHEET AND OTHER ITEMS

		Annual Statement Source	(1) Bk/Adj Carrying Value	(2) Factor		(3) RBC Requirement	(4) Yes/No Response
	Noncontrolled Assets						
(1)	Loaned to Others - Conforming Securities Lending Programs	General Interrogatories Part 1 Line 25.04		0.002		$0	
(2)	Loaned to Others - Securities Lending Programs - Other	General Interrogatories Part 1 Line 25.05		0.010		$0	
(3)	Subject to Repurchase Agreements	General Interrogatories Part 1 Line 26.21		0.010		$0	
(4)	Subject to Reverse Repurchase Agreements	General Interrogatories Part 1 Line 26.22		0.010		$0	
(5)	Subject to Dollar Repurchase Agreements	General Interrogatories Part 1 Line 26.23		0.010		$0	
(6)	Subject to Reverse Dollar Repurchase Agreements	General Interrogatories Part 1 Line 26.24		0.010		$0	
(7)	Placed Under Option ~~Agreements~~ Contracts	General Interrogatories Part 1 Line 26.25		0.010		$0	
(8)	Letter Stock or Securities Restricted as to Sale - Excluding FHLB Capital Stock	General Interrogatories Part 1 Line 26.26		0.010		$0	
(9)	FHLB Capital Stock	General Interrogatories Part 1 Line 26.27		0.010		$0	
(10)	On Deposit with States	General Interrogatories Part 1 Line 26.28		0.010		$0	
(11)	On Deposit with Other Regulatory Bodies	General Interrogatories Part 1 Line 26.29		0.010		$0	
(12)	Pledged as Collateral - Excluding Collateral Pledged to an FHLB	General Interrogatories Part 1 Line 26.30		0.010		$0	
(13)	Pledged as Collateral to FHLB (Including Assets Backing Funding Agreements)	General Interrogatories Part 1 Line 26.31		0.010		$0	
(14)	Other	General Interrogatories Part 1 Line 26.32		0.010		$0	
(15)	Total Noncontrolled Assets	Sum of Lines (1) through (14)	$0			$0	
	Off-Balance Sheet and Other Items						
(16)	Guarantees for Affiliates	Notes to Financial Statements 14A(03C1), Column 2		0.010		$0	
(17)	Contingent Liabilities	Notes to Financial Statements 14A(1), Column 2		0.010		$0	
(18)	Is the entity responsible for filing the U.S. Federal income tax return for the reporting insurer a regulated insurance company?	"Yes", "No" or "N/A" in Column (4)					
(19)	SSAP No. 101 Paragraph 11a Deferred Tax Assets	Notes to Financial Statements, Item 9A2(a), Column 3		0.010	†	$0	
(20)	SSAP No. 101 Paragraph 11b Deferred Tax Assets	Notes to Financial Statements, Item 9A2(b), Column 3		0.010		$0	
(21)	Total Noncontrolled Assets, ~~Miscellaneous~~ Off-Balance Sheet and Other Items	Lines (15) + (16) + (17) + (19) + (20)	$0			$0	

† If Line (18) Column (4) is "Yes," then the factor is 0.005. If Line (18) Column (4) is "No", then the factor is 0.010. If Line (18) Column (4) is "N/A", then the factor is 0.000.

Denotes items that must be manually entered on filing software.
Denotes items that must be vendor linked.

© 1998-2026 National Association of Insurance Commissioners

NONCONTROLLED ASSETS, OFF-BALANCE SHEET AND OTHER ITEMS

			(1)	(2) Less Noncontrolled Assets Funding Guaranteed Separate Accounts, Synthetic GIC's and Certain FHLB Liabilities	(3)	(4)		(5) RBC	(6) Yes/No
		Annual Statement Source	Statement Value		Subtotal	Factor		Requirement	Response
	Noncontrolled Assets								
(1)	Loaned to Others - Conforming Securities Lending Program	General Interrogatories Part 1 Line 25.04	$0	$0	$0	X 0.0020	=	$0	
(2)	Loaned to Others - Securities Lending Programs - Other	General Interrogatories Part 1 Line 25.05	$0	$0	$0	X 0.0126	=	$0	
(3)	Subject to Repurchase Agreements	General Interrogatories Part 1 Line 26.21	$0	$0	$0	X 0.0126	=	$0	
(4)	Subject to Reverse Repurchase Agreements	General Interrogatories Part 1 Line 26.22	$0	$0	$0	X 0.0126	=	$0	
(5)	Subject to Dollar Repurchase Agreements	General Interrogatories Part 1 Line 26.23	$0	$0	$0	X 0.0126	=	$0	
(6)	Subject to Reverse Dollar Repurchase Agreements	General Interrogatories Part 1 Line 26.24	$0	$0	$0	X 0.0126	=	$0	
(7)	Placed Under Option ~~Agreements~~ Contracts	General Interrogatories Part 1 Line 26.25	$0	$0	$0	X 0.0126	=	$0	
(8)	Letter Stock or Other Securities Restricted as to sale - excluding FHLB Capital Stock	General Interrogatories Part 1 Line 26.26	$0	$0	$0	X 0.0126	=	$0	
(9)	FHLB Capital Stock	General Interrogatories Part 1 Line 26.27	$0	$0	$0	X 0.0126	=	$0	
(10)	On Deposit with States	General Interrogatories Part 1 Line 26.28	$0	$0	$0	X 0.0126	=	$0	
(11)	On Deposit with Other Regulatory Bodies	General Interrogatories Part 1 Line 26.29	$0	$0	$0	X 0.0126	=	$0	
(12.1)	Pledged as Collateral - excluding Collateral Pledged to an FHLB	General Interrogatories Part 1 Line 26.30	$0	$0	$0				
(12.2)	Less Derivative Collateral Pledged	Schedule DB Part D Section 2 Column 7, Line 0199999999	$0	$0	$0	X 0.0039	=	$0	
(12.3)	Pledged as Collateral - excluding Collateral Pledged to an FHLB Less Derivatives Collateral Pledged	Line (12.1) - (12.2)	$0	$0	$0	X 0.0126	=	$0	
(13)	Pledged as Collateral to FHLB - including Assets Backing Funding Agreements	General Interrogatories Part 1 Line 26.31	$0	$0 †	$0	X 0.0000 #	=	$0	
(14)	Other	General Interrogatories Part 1 Line 26.32	$0	$0	$0	X 0.0126	=	$0	
(15)	Total Noncontrolled Assets	Sum of Lines (1) through (11) Plus Lines (12.2) through (14)	$0	$0	$0			$0	
	Derivative Instruments								
(16)	Exchange Traded and Centrally Cleared	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.0039	=	$0	
(17)	Off-Balance Sheet Exposure NAIC 1	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.0039	=	$0	
(18)	Off-Balance Sheet Exposure NAIC 2	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.0126	=	$0	
(19)	Off-Balance Sheet Exposure NAIC 3	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.0446	=	$0	
(20)	Off-Balance Sheet Exposure NAIC 4	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.0970	=	$0	
(21)	Off-Balance Sheet Exposure NAIC 5	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.2231	=	$0	
(22)	Off-Balance Sheet Exposure NAIC 6	Schedule DB Part D Section 1 Column 13, Line 0999999999, in part	$0		$0	X 0.3000	=	$0	
(23)	Total Derivative Instruments Off-Balance Sheet Exposure	Sum of Lines (16) through (22)	$0		$0			$0	
(24)	Guarantees for Affiliates	Notes to Financial Statements Number 14A3c1	$0		$0	X 0.0126	=	$0	
(25)	Contingent Liabilities	Notes to Financial Statements Number 14A1	$0		$0	X 0.0126	=	$0	
(26)	Long Term Leases	Notes to Financial Statements Number 15A2a1	$0		$0	X 0.0000	=	$0	
(27)	Total **Noncontrolled Assets and** Off-Balance Sheet Items (pre-MODCO/Funds Withheld)	Lines (15) + (23) + (24) + (25) + (26)	$0		$0			$0	
(28)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)						$0	
(29)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)						$0	
(30)	Total **Noncontrolled Assets and** Off-Balance Sheet Items (including MODCO/Funds Withheld.)	Lines (27) - (28) + (29)	$0		$0			$0	
	Other Items								
(31)	Is the entity responsible for filing the U.S. Federal income tax return for the reporting insurer a regulated insurance company?	"Yes", "No" or "N/A" in Column (6)							
(32)	SSAP No. 101 Paragraph 11a Deferred Tax Assets	Notes to Financial Statements Item 9A2(a)	$0		$0	X 0.0100 ‡	=	$0	
(33)	SSAP No. 101 Paragraph 11b Deferred Tax Assets	Notes to Financial Statements Item 9A2(b)	$0		$0	X 0.0100	=	$0	
(34)	Total **Noncontrolled Assets,** Off-Balance Sheet and Other Items	Line (30) + Line (32) + Line (33)	$0		$0			$0	

† For Column (2) Line (13), include assets pledged as collateral other than assets related to the Federal Reserve's Term Asset Loan Facility (TALF). For Column (2) include excess assets held by a FHLB but not associated with a FHLB advance (i.e. assets above the required collateral amount and therefore available to be recalled by the insurer). For Column (2) also include an amount equal to the lessor of Statement Value of FHLB liabilities subject to C3P1 Cash Flow Testing or 5% of total net admitted assets.

‡ If Line (31) Column (6) is "Yes", then the factor is 0.005. If Line (31) Column (6) is "No", then the factor is 0.010. If Line (31) Column (6) is "N/A", then the factor is 0.000.

#

In most instances, apply a factor based on the NAIC ratings category equivalent to an unsecured debt obligation of the FHLB. **A higher factor applies if FHLB funded advance liabilities associated with funding agreement activities exceed 5% of total net admitted assets.This higher factor shall equal the factor for a NAIC 2 corporate bond asset factor (Line 14 Column 4). If the higher factor is applicable, the blended factor for column 4 shall be prorated based on the collateral in column 3 subject to the typical factor (i.e. liquidity and funding agreements below the limit) and the higher factor (only funding agreements above the limit).**

© 2019-2026 National Association of Insurance Commissioners

NONCONTROLLED ASSETS, OFF-BALANCE SHEET ITEMS AND OTHER ITEMS PR014

		Annual Statement Source	(1) Statement Value	(2) Factor	(3) RBC Requirement	(4) Yes/No Response
	Non-Controlled Assets					
(1)	Conforming Securities Lending Programs	General Interrogatories Part 1 L25.04	0	0.002	0	
(2)	Securities Lending Programs - Other	General Interrogatories Part 1 L25.05	0	0.010	0	
(3)	Subject to Repurchase Agreements	General Interrogatories Part 1 L26.21	0	0.010	0	
(4)	Subject to Reverse Repurchase Agreements	General Interrogatories Part 1 L26.22	0	0.010	0	
(5)	Subject to Dollar Repurchase Agreements	General Interrogatories Part 1 L26.23	0	0.010	0	
(6)	Subject to Reverse Dollar Repurchase Agreements	General Interrogatories Part 1 L26.24	0	0.010	0	
(7)	Placed Under Option ~~Agreements~~ Contracts	General Interrogatories Part 1 L26.25	0	0.010	0	
(8)	Letter Stock or Other Securities Restricted as to sale - excluding FHLB Capital Stock	General Interrogatories Part 1 L26.26	0	0.010	0	
(9)	FHLB Capital Stock	General Interrogatories Part 1 L26.27	0	0.010	0	
(10)	On Deposit with States	General Interrogatories Part 1 L26.28	0	0.010	0	
(11)	On Deposit with Other Regulatory Bodies	General Interrogatories Part 1 L26.29	0	0.010	0	
(12)	Pledged as Collateral - Excluding Collateral Pledged to an FHLB	General Interrogatories Part 1 L26.30	0	0.010	0	
(13)	Pledged as Collateral to FHLB - Including Assets Backing Funding Agreements	General Interrogatories Part 1 L26.31	0	0.010	0	
(14)	Other	General Interrogatories Part 1 L26.32	0	0.010	0	
(15)	Total Non-Controlled Assets	Sum of L(1) through L(14)	0		0	
(16)	Guarantees for Affiliates	Notes to Financial Statements Item 14A(03c1)	0	0.010	0	
(17)	Contingent Liabilities	Notes to Financial Statements Item 14a1+Item 27a Amount 2 Unrecorded Loss Contingencies	0	0.010	0	
(18)	Is the entity responsible for filing the U.S. Federal income tax return for the reporting insurer a regulated insurance company?	"Yes", "No" or "N/A" in Column (4)				
(19)	SSAP No. 101 Paragraph 11A Deferred Tax Assets	Notes to Financial Statements Item 9A2(a)	0	0.010	† 0	
(20)	SSAP No. 101 Paragraph 11B Deferred Tax Assets	Notes to Financial Statements Item 9A2(b)	0	0.010	0	
(21)	Total ~~Miscellaneous~~ Noncontrolled Assets, Off Balance Sheet and Other Items	L(15)+L(16)+L(17)+L(19)+L(20)	0		0	

† If Line (18) Column (4) is "Yes", then the factor is 0.005. If Line (18) Column (4) is "No", then the factor is 0.010. If Line (18) Column (4) is "N/A", then the factor is 0.000.