Capital Adequacy (E) Task Force
RBC Proposal Form

☐ Capital Adequacy (E) Task Force   ☐ Health RBC (E) Working Group   ☐ Life RBC (E) Working Group

☐ Catastrophe Risk (E) Subgroup   ☐ P/C RBC (E) Working Group   ☐ Longevity Risk (A/E) Subgroup

☐ Variable Annuities Capital. & Reserve (E/A) Subgroup   ☐ Economic Scenarios (E/A) Subgroup   ☒ RBC Investment Risk & Evaluation (E) Working Group

DATE: 11/11/2025	**FOR NAIC USE ONLY**
CONTACT PERSON: Maggie Chang	Agenda Item # 2025-22-IRE MOD Year 2026 or later
TELEPHONE: 816-783-8976	**DISPOSITION**
EMAIL ADDRESS: mchang@naic.org	**ADOPTED:** ☐ TASK FORCE (TF) ☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
ON BEHALF OF: Risk-Based Capital Investment Risk and Evaluation (E) Working Group	**EXPOSED:** ☐ TASK FORCE (TF) ☒ WORKING GROUP (WG) 12/15/25 ☐ SUBGROUP (SG)
NAME: Philip Barlow, Chair	
TITLE: Associate Commissioner of Insurance	
AFFILIATION: District of Columbia	**REJECTED:** ☐ TF ☐ WG ☐ SG
ADDRESS: 1050 First Street, NE Suite 801 Washington, DC 20002	**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 incorporates a more granular reporting of Long-Term Bonds into two buckets: i) collateralized loan obligations (CLOs) and ii) all other Long-Term Bonds on the LR002 Bonds page. The expanded presentation of bonds is a result of the work of Risk-Based Capital Investment Risk and Evaluation (E) Working Group under Working Agenda item: Evaluate the appropriate RBC treatment of Asset-Backed Securities (ABS), including Collateralized Loan Obligations (CLO), collateralized fund obligations (CFOs), or other similar securities carrying similar types of tail risk (Complex Assets).

Please note that this proposal does not contemplate any changes to factors. Any changes of factors, if deemed necessary, will be dealt with by a separate proposal. Likewise, residual tranche structural changes, if any, are to be contemplated in separate proposal form.

The accompanying changes proposed to the instructions and blanks of the AVR – Default Component & Equity and Other Invested Asset Component tables are under purview of NAIC Blanks (E) Working Group. As such, the proposed changes to "Annual Statement Source" in LR002 are contingent on the adoption of such Blanks proposal.

Additional Staff Comments:

12/15/25 – exposed by Working Group (mkc)

3/23/26 – modified to incorporate tranche thickness as comparable attributes (mkc). All modifications are <mark>highlighted in yellow</mark>

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

BONDS
LR002

Basis of Factors

The bond factors are based on cash flow modeling using historically adjusted default rates for each bond category. For each of 2,000 trials, annual economic conditions were generated for the 10-year modeling period. Each bond of a 400-bond portfolio was annually tested for default (based on a "roll of the dice") where the default probability varies by designation category and that year's economic environment. When a default takes place, the actual loss considers the expected principal loss by category, the time until the sale actually occurs and the assumed tax consequences.

Actual surplus needs are reduced by incorporating anticipated annual contributions to the asset valuation reserve (AVR) as offsetting cash flow. Required surplus for a given trial is calculated as the amount of initial surplus funds needed so that the accumulation with interest of this initial amount and subsequent cash flows will not become negative at any point throughout the modeling period. The factors chosen for the proposed formula produce a level of surplus at least as much as needed in 92% of the trials by category and a 96% level for the entire bond portfolio.

The factor for NAIC 6 bonds recognizes that the book/adjusted carrying value of these bonds reflects a loss of value upon default by being marked to market.

Specific Instructions for Application of the Formula

Lines (1) through (7)
The book/adjusted carrying value of all bonds, excluding collateralized loan obligations (CLOs), Collateralized Bond Obligations (CBOs), and Collateralized Debt Obligations (CDOs) ~~and related fixed-income investments~~ should be reported in Column (1). The bonds are split into seven different risk classifications. For long-term bonds, these classifications are found on Lines A1 through A7 of the Asset Valuation Reserve Default Component, ~~Page 30~~ of the annual statement.

The book/adjusted carrying value of all ~~collateralized loan obligations~~CLOs/CBOs/CDOs should be reported in Column 2. The ~~collateralized loan obligations~~ CLOs/CBOs/CDOs are split into six different risk classifications. These classifications are found on Lines A9.1 through A14 of the Asset Valuation Reserve Default Component, ~~Page 30~~ of the annual statement.

Line (7.2)
Amounts reported in Column (2) line (3.3), (4.1), (4.2), (4.3), (5.1), (5.2), (5.3), (6.1), (6.2), (6.3) should exclude book/adjusted carrying value of Broadly Syndicated Bank Loans (BSL) CLO tranches (as defined below) with [current] tranche thickness less than or equal to [4%] (as defined below). Such balances should be reported in Column (2) Line (7.2).

BSL are typically syndicated corporate loans distributed to a broad base of institutional investors and rated by credit rating agencies. BSL CLOs are primarily backed by syndicated corporate loans.

[Current] Tranche thickness is defined as the difference between the attachment point (AP) and the detachment point (DP) of a CLO tranche. AP refers to tranche's subordination percentage, and DP is the percentage of total par amount of the underlying portfolio including principal proceeds, that will completely write off the tranche. The current tranche thickness is to be measured using the most recent periodic report available, without being stale, as of the investment reporting date.

Report the Subtotal RBC Requirement in Column (4), Line (7.2) based on the following calculations:

NAIC Designation Categories of the thin tranche CLOs	Book/Adjusted Carrying Value		Factors		RBC Requirement
NAIC Designation Category 2.C	Company Record	X	TBD	=	
NAIC Designation Category 3.A	Company Record	X	TBD	=	

NAIC Designation Category 3.B	Company Record	X	TBD	=	
NAIC Designation Category 3.C	Company Record	X	TBD	=	
NAIC Designation Category 4.A	Company Record	X	TBD	=	
NAIC Designation Category 4.B	Company Record	X	TBD	=	
NAIC Designation Category 4.C	Company Record	X	TBD	=	
NAIC Designation Category 5.A	Company Record	X	TBD	=	
NAIC Designation Category 5.B	Company Record	X	TBD	=	
NAIC Designation Category 5.C	Company Record	X	TBD	=	
				Subtotal	
					====================

The total of Column (2) Lines (3.3), (4.1), (4.2), (4.3), (5.1), (5.2), (5.3) (6.1), (6.2) and (6.3) should agree to the total of AVR Default Component Column 1 Line A10.3, Line A11.1, Line A11.2, Line A11.3, Line A12.1, Line A12.2, Line A12.3, Line A13.1, Line A13.2, Line A13.3.

Line (8)
The total should equal long-term bonds and other fixed-income instruments reported on Page 2, Column 3, Line 1 plus Schedule DL Part 1, Column 6, Line 2009999999 of the annual statement.

Lines (9) through (15)
The book/adjusted carrying value of all short-term and cash equivalent bonds and related fixed-income investments should be reported in Column (1). The bonds are split into seven different risk classifications. For short-term bonds, these classifications are found on Lines 18 C1 through 24 C7 of the Asset Valuation Reserve Default Component, Page 30 of the annual statement. For cash equivalent bonds, these classifications are found in Footnotes to Schedule E, Part 2.

Line (16)
The total should equal short-term bonds reported on Schedule DA, Part 1, Column 6 Line 0509999999 plus Schedule DL Part 1, Column 6, Line 9509999999 plus Schedule E, Part 2, Column 7, Line 0509999999.

Line (22)
Class 1 bonds (highest quality) issued by a U.S. government agency that are not backed by the full faith and credit of the U.S. government should be reported on this line. The loan-backed securities of the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) would be examples of the securities reported on this line. Line (22) should not be larger than the sum of Lines (2) and (10). Exempt obligations should not be included on this line.

Line (24)
Bonds should be aggregated by issuer (the first six digits of the CUSIP number can be used). Exempt U.S. government bonds and bonds reported on Line (22) are not counted in determining the size factor. The RBC for those bonds will not be included in the base to which the size factor is applied. If this field is left blank, the maximum size factor adjustment of 2.40 will be used.

Line (25)
The size factor reflects the higher risk of a bond portfolio that contains relatively fewer bonds. The overall factor decreases as the portfolio size increases. The size factor is based on the weighted number of issuers. (The calculation shown below will not appear on the RBC filing software but will be calculated automatically.)

		(a)	(b)
Line (25)	Source	Number of Issuers (for bonds,	Weighted Issuers (for bonds, excluding CLOs/CBOs/CDOs)

		excluding CLOs/CBOs/CDOs)				
First 50	Company Records	_____	X	2.40	=	_____
Next 50	Company Records	_____	X	1.53	=	_____
Next 100	Company Records	_____	X	0.85	=	_____
Next 300	Company Records	_____	X	0.85	=	_____
Over 500	Company Records	_____	X	0.82	=	_____
(i) Total Number of Issuers from Line (23) Column (1)		_____				
(ii) Total Weighted Issuers (for bonds, excluding CLOs/CBOs/CDOs)						_____

	Source	(a) Number of Issuers (for CLOs/CBOs/CDOs)				(b) Weighted Issuers (for CLOs/CBOs/CDOs)
First XX*	Company Records	_____	X	TBD	=	_____
Next XX*	Company Records	_____	X	TBD	=	_____
Next XXX*	Company Records	_____	X	TBD	=	_____
Next XXX*	Company Records	_____	X	TBD	=	_____
Over XXX*	Company Records	_____	X	TBD	=	_____
(iii) Total Number of Issuers from Line (23) Column (2)		_____				
(iv) Total Weighted Issuers (for CLOs/CBOs/CDOs)						_____
Size Factor = Total Weighted Issuers (ii)+(iv) Divided by Total Number of Issuers (i)+(iii)						_____

* Total number of breakpoints, as well as weights assigned to each, is subject to American Academy of Actuaries' recommendation and Working Group's review.

BONDS

Company Name   Cocode: 00000

BONDS

	SVO Bond Designation Category	Annual Statement Source	(1) Non-CLOs/CBOs/CDOs Book / Adjusted Carrying Value	Factor	(2) CLOs/CBOs/CDOs Book / Adjusted Carrying Value		Factor		(4) RBC Requirement
	Long Term Bonds						(3)		
(1)	Exempt Obligations	C(1) AVR Default Component Column 1 Line A1	$0 X	0.00000	XXX		XXX	=	$0
		C(1) AVR Default Component Column 1 Line A2.1							
(2.1)	NAIC Designation Category 1.A	C(2) AVR Default Component Column 1 Line A9.1	$0 X	0.00158	$0	X	TBD	=	$0 =ROUND(MAX(0,D10)*F10 + MAX(0,G10)*I10,0)
		C(1) AVR Default Component Column 1 Line A2.2							
(2.2)	NAIC Designation Category 1.B	C(2) AVR Default Component Column 1 Line A9.2	$0 X	0.00271	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.3							
(2.3)	NAIC Designation Category 1.C	C(2) AVR Default Component Column 1 Line A9.3	$0 X	0.00419	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.4							
(2.4)	NAIC Designation Category 1.D	C(2) AVR Default Component Column 1 Line A9.4	$0 X	0.00523	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.5							
(2.5)	NAIC Designation Category 1.E	C(2) AVR Default Component Column 1 Line A9.5	$0 X	0.00657	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.6							
(2.6)	NAIC Designation Category 1.F	C(2) AVR Default Component Column 1 Line A9.6	$0 X	0.00816	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.7							
(2.7)	NAIC Designation Category 1.G	C(2) AVR Default Component Column 1 Line A9.7	$0 X	0.01016	$0	X	TBD	=	$0
(2.8)	Subtotal NAIC 1	Sum of Lines (2.1) through (2.7)	$0		$0				$0
		C(1) AVR Default Component Column 1 Line A3.1							
(3.1)	NAIC Designation Category 2.A	C(2) AVR Default Component Column 1 Line A10.1	$0 X	0.01261	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A3.2							
(3.2)	NAIC Designation Category 2.B	C(2) AVR Default Component Column 1 Line A10.2	$0 X	0.01523	$0	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A3.3							
(3.3)	NAIC Designation Category 2.C	C(2) AVR Default Component Column 1 Line A10.3, in part	$0 X	0.02168	$0 ‡	X	TBD	=	$0
(3.4)	Subtotal NAIC 2	Sum of Lines (3.1) through (3.3)	$0		$0				$0
		C(1) AVR Default Component Column 1 Line A4.1							
(4.1)	NAIC Designation Category 3.A	C(2) AVR Default Component Column 1 Line A11.1, in part	$0 X	0.03151	$0 ‡	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A4.2							
(4.2)	NAIC Designation Category 3.B	C(2) AVR Default Component Column 1 Line A11.2, in part	$0 X	0.04537	$0 ‡	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A4.3							
(4.3)	NAIC Designation Category 3.C	C(2) AVR Default Component Column 1 Line A11.3, in part	$0 X	0.06017	$0 ‡	X	TBD	=	$0
(4.4)	Subtotal NAIC 3	Sum of Lines (4.1) through (4.3)	$0		$0				$0
		C(1) AVR Default Component Column 1 Line A5.1							
(5.1)	NAIC Designation Category 4.A	C(2) AVR Default Component Column 1 Line A12.1, in part	$0 X	0.07386	$0 ‡	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A5.2							
(5.2)	NAIC Designation Category 4.B	C(2) AVR Default Component Column 1 Line A12.2, in part	$0 X	0.09535	$0 ‡	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A5.3							
(5.3)	NAIC Designation Category 4.C	C(2) AVR Default Component Column 1 Line A12.3, in part	$0 X	0.12428	$0 ‡	X	TBD	=	$0
(5.4)	Subtotal NAIC 4	Sum of Lines (5.1) through (5.3)	$0		$0				$0
		C(1) AVR Default Component Column 1 Line A6.1							
(6.1)	NAIC Designation Category 5.A	C(2) AVR Default Component Column 1 Line A13.1, in part	$0 X	0.16942	$0 ‡	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A6.2							
(6.2)	NAIC Designation Category 5.B	C(2) AVR Default Component Column 1 Line A13.2, in part	$0 X	0.23798	$0 ‡	X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A6.3							
(6.3)	NAIC Designation Category 5.C	C(2) AVR Default Component Column 1 Line A13.3, in part	$0 X	0.30000	$0 ‡	X	TBD	=	$0
(6.4)	Subtotal NAIC 5	Sum of Lines (6.1) through (6.3)	$0		$0				$0
		C(1) AVR Default Component Column 1 Line A7							
(7.1)	NAIC 6	C(2) AVR Default Component Column 1 Line A14	$0 X	0.30000	$0	X	TBD	=	$0
(7.2)	CLO in NAIC Designation Category 2.C or below, with thin tranches (See Instruction)	C(2) AVR Default Component Column 1 Line A10.3, in part + Line A11.1, in part + Line A11.2, in part + Line A11.3, in part + Line A12.1, in part + Line A12.2, in part + Line A12.3, in part + Line A13.1, in part + Line A13.2, in part + Line A13.3, in part	XXX	XXX		X	Composite Factor '§	=	
(8)	Total Long-Term Bonds	Sum of Lines (1) + (2.8) + (3.4) + (4.4) + (5.4) + (6.4) + (7.1) + (7.2)	$0		$0				$0

(Column (1) + **Column (2)** should equal Page 2 Column 3 Line 1 + Schedule DL Part 1 Column 6 Line 2009999999)

	Short Term and Cash Equivalent Bonds								
(9)	Exempt Obligations	AVR Default Component Column 1 Line C1 + Schedule E, Part 2, Column 7, Line 0019999999	$0 X	0.000	XXX		XXX	=	$0
(10.1)	NAIC Designation Category 1.A	AVR Default Component Column 1 Line C2.1 + Schedule E, Part 2, Footnote L000001A, Amount 1 - Schedule E, Part 2, Column 7, Line 0019999999	$0 X	0.00158	XXX		XXX	=	$0
(10.2)	NAIC Designation Category 1.B	AVR Default Component Column 1 Line C2.2 + Schedule E, Part 2, Footnote L000001A, Amount 2	$0 X	0.00271	XXX		XXX	=	$0
(10.3)	NAIC Designation Category 1.C	AVR Default Component Column 1 Line C2.3 + Schedule E, Part 2, Footnote L000001A, Amount 3	$0 X	0.00419	XXX		XXX	=	$0
(10.4)	NAIC Designation Category 1.D	AVR Default Component Column 1 Line C2.4 + Schedule E, Part 2, Footnote L000001A, Amount 4	$0 X	0.00523	XXX		XXX	=	$0
(10.5)	NAIC Designation Category 1.E	AVR Default Component Column 1 Line C2.5 + Schedule E, Part 2, Footnote L000001A, Amount 5	$0 X	0.00657	XXX		XXX	=	$0
(10.6)	NAIC Designation Category 1.F	AVR Default Component Column 1 Line C2.6 + Schedule E, Part 2, Footnote L000001A, Amount 6	$0 X	0.00816	XXX		XXX	=	$0
(10.7)	NAIC Designation Category 1.G	AVR Default Component Column 1 Line C2.7 + Schedule E, Part 2, Footnote L000001A, Amount 7	$0 X	0.01016	XXX		XXX	=	$0
(10.8)	Subtotal NAIC 1	Sum of Lines (10.1) through (10.7)	$0						$0

Line	Description	Reference	(1)					(4)
(11.1)	NAIC Designation Category 2.A	AVR Default Component Column 1 Line **C3**.1 + Schedule E, Part 2, Footnote L000001B, Amount 1	$0	X 0.01261	XXX	XXX	=	$0
(11.2)	NAIC Designation Category 2.B	AVR Default Component Column 1 Line **C3**.2 + Schedule E, Part 2, Footnote L000001B, Amount 2	$0	X 0.01523	XXX	XXX	=	$0
(11.3)	NAIC Designation Category 2.C	AVR Default Component Column 1 Line **C3**.3 + Schedule E, Part 2, Footnote L000001B, Amount 3	$0	X 0.02168	XXX	XXX	=	$0
(11.4)	Subtotal NAIC 2	Sum of Lines (11.1) through (11.3)	$0					$0
(12.1)	NAIC Designation Category 3.A	AVR Default Component Column 1 Line **C4**.1 + Schedule E, Part 2, Footnote L000001C, Amount 1	$0	X 0.03151	XXX	XXX	=	$0
(12.2)	NAIC Designation Category 3.B	AVR Default Component Column 1 Line **C4**.2 + Schedule E, Part 2, Footnote L000001C, Amount 2	$0	X 0.04537	XXX	XXX	=	$0
(12.3)	NAIC Designation Category 3.C	AVR Default Component Column 1 Line **C4**.3 + Schedule E, Part 2, Footnote L000001C, Amount 3	$0	X 0.06017	XXX	XXX	=	$0
(12.4)	Subtotal NAIC 3	Sum of Lines (12.1) through (12.3)	$0					$0
(13.1)	NAIC Designation Category 4.A	AVR Default Component Column 1 Line **C5**.1 + Schedule E, Part 2, Footnote L000001D, Amount 1	$0	X 0.07386	XXX	XXX	=	$0
(13.2)	NAIC Designation Category 4.B	AVR Default Component Column 1 Line **C5**.2 + Schedule E, Part 2, Footnote L000001D, Amount 2	$0	X 0.09535	XXX	XXX	=	$0
(13.3)	NAIC Designation Category 4.C	AVR Default Component Column 1 Line **C5**.3 + Schedule E, Part 2, Footnote L000001D, Amount 3	$0	X 0.12428	XXX	XXX	=	$0
(13.4)	Subtotal NAIC 4	Sum of Lines (13.1) through (13.3)	$0					$0
(14.1)	NAIC Designation Category 5.A	AVR Default Component Column 1 Line **C6**.1 + Schedule E, Part 2, Footnote L000001E, Amount 1	$0	X 0.16942	XXX	XXX	=	$0
(14.2)	NAIC Designation Category 5.B	AVR Default Component Column 1 Line **C6**.2 + Schedule E, Part 2, Footnote L000001E, Amount 2	$0	X 0.23798	XXX	XXX	=	$0
(14.3)	NAIC Designation Category 5.C	AVR Default Component Column 1 Line **C6**.3 + Schedule E, Part 2, Footnote L000001E, Amount 3	$0	X 0.30000	XXX	XXX	=	$0
(14.4)	Subtotal NAIC 5	Sum of Lines (14.1) through (14.3)	$0					$0
(15)	NAIC 6	AVR Default Component Column 1 Line **C7** + Schedule E, Part 2, Footnote L000001F, Amount 1	$0	X 0.300	XXX	XXX	=	$0
(16)	Total Short-Term and Cash Equivalent Bonds	Sum of Lines (9) + (10.8) + (11.4) + (12.4) + (13.4) + (14.4) + (15)	$0					$0
	(Column (1) should equal Schedule DA Part 1 Column 6 Line 0509999999 + Schedule DL Part 1 Column 6 9509999999 + Schedule E Part 2 Column 7 Line 0509999999)							
(17)	Total Long-Term and Short-Term Bonds (pre-MODCO/Funds Withheld)	Line (8) + (16)	$0		$0			$0
(18)	Credit for Hedging	LR014 Hedged Asset Bond Schedule Column (13) Line (0399999)						$0
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	LR045 Modco or Funds Withheld Reinsurance Ceded - Bonds C-1o Column (4) Line (9999999)						$0
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	LR046 Modco or Funds Withheld Reinsurance Assumed - Bonds C-1o Column (4) Line (9999999)						$0
(21)	Total Long-Term and Short-Term Bonds (including MODCO/FundsWithheld and Credit for Hedging adjustments.)	Lines (17) - (18) - (19) + (20)	$0		$0			$0
(22)	Non-exempt U.S. Government Agency Bonds	Schedule D Part 1 Section 1 and Section 2, Schedule DA Part 1 and Schedule E Part 2, in part†	$0	X 0.00158			=	$0
(23)	Bonds Subject to Size Factor	Line (21) - Line (1) - Line (9) - Line (22)	$0		$0			$0
(24)	Number of Issuers	Company Records	$0		$0			
(25)	Size Factor for Bonds							2.4
(26)	Bonds Subject to Size Factor after the Size Factor is Applied	Line (23) x Line (25)						$0
(27)	Total Bonds	Line (22) + Line (26)						$0

Formula subjects to change once breakpoints & weights are finalized

† Only investments in U.S. Government agency bonds previously reported in Lines (2.8) and (10.8), net of those included on Line (19), plus the portion of Line (20) attributable to ceding companies' Lines (2.8) and (10.8) should be included on Line (22). No other bonds should be included on this line. Exempt U.S. Government bonds shown on Lines (1) and (9) should not be included on Line (22). Refer to the bond section of the risk-based capital instructions for more clarification.

‡ Exclude BSL CLO tranches with current tranche thickness less than or equal to 4% . Refer to Instruction for details.

'§ Column (3) is calculated as Column (4) divided by Column (2).

Denotes items that must be manually entered on the filing software.

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

Company Name   Cocode: 00000

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

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect	
	ASSET RISKS					
	Bonds					
(001)	Long-term Bonds – NAIC 1	LR002 Bonds Column (4) Line (2.8) + LR018 Off-Balance Sheet Collateral Column (3) Line (2.8)	$0 X	0.1680	= $0	
(002)	Long-term Bonds – NAIC 2	LR002 Bonds Column (4) Line (3.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (3.4)	$0 X	0.1680	= $0	
(003)	Long-term Bonds – NAIC 3	LR002 Bonds Column (4) Line (4.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (4.4)	$0 X	0.1680	= $0	
(004)	Long-term Bonds – NAIC 4	LR002 Bonds Column (4) Line (5.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (5.4)	$0 X	0.1680	= $0	
(005)	Long-term Bonds – NAIC 5 **& Others**	LR002 Bonds Column (4) Line (6.4) & **(7.2)** + LR018 Off-Balance Sheet Collateral Column (3) Line (6.4)	$0 X	0.1680	= $0	
(006)	Long-term Bonds – NAIC 6	LR002 Bonds Column (4) Line (7.1) + LR018 Off-Balance Sheet Collateral Column (3) Line (7)	$0 X	0.2100	= $0	
(007)	Short-term Bonds – NAIC 1	LR002 Bonds Column (4) Line (10.8)	$0 X	0.1680	= $0	
(008)	Short-term Bonds – NAIC 2	LR002 Bonds Column (4) Line (11.4)	$0 X	0.1680	= $0	
(009)	Short-term Bonds – NAIC 3	LR002 Bonds Column (4) Line (12.4)	$0 X	0.1680	= $0	
(010)	Short-term Bonds – NAIC 4	LR002 Bonds Column (4) Line (13.4)	$0 X	0.1680	= $0	
(011)	Short-term Bonds – NAIC 5	LR002 Bonds Column (4) Line (14.4)	$0 X	0.1680	= $0	
(012)	Short-term Bonds – NAIC 6	LR002 Bonds Column (4) Line (15)	$0 X	0.2100	= $0	
(013)	Credit for Hedging - NAIC 1 Through 5 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0199999)	$0 X	0.1680	= $0	†
(014)	Credit for Hedging - NAIC 6 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0299999)	$0 X	0.2100	= $0	†
(015)	Bond Reduction - Reinsurance	LR002 Bonds Column (4) Line (19)	$0 X	0.2100	= $0	†
(016)	Bond Increase - Reinsurance	LR002 Bonds Column (4) Line (20)	$0 X	0.2100	= $0	
(017)	Non-Exempt NAIC 1 U.S. Government Agency	LR002 Bonds Column (4) Line (22)	$0 X	0.1680	= $0	
(018)	Bonds Size Factor	LR002 Bonds Column (4) Line (26) - LR002 Bonds Column (4) Line (21)	$0 X	0.1680	= $0	
	Mortgages					
	In Good Standing					
(019)	Residential Mortgages - Insured		$0 X	0.1575	= $0	
(020)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (2)	$0 X	0.1575	= $0	
(021)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (3)	$0 X	0.1575	= $0	

Detail Eliminated to Conserve Space

LR030

Company Name   Cocode: 00000

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL

		Source	(1) RBC Requirement
	Insurance Affiliates and Misc. Other Amounts (C-0)		
(1)	Directly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)	$0
(2)	Directly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)	$0
(3)	Directly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)	$0
(4)	Indirectly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)	$0
(5)	Indirectly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)	$0
(6)	Indirectly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)	$0
(7)	Affiliated Alien Insurers - Directly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)	$0
(8)	Affiliated Alien Insurers - Indirectly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)	$0
(9)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (34)	$0
(10)	Total (C-0) - Pre-Tax	Sum of Lines (1) through (9)	$0
(11)	(C-0) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (122)	$0
(12)	Net (C-0) - Post-Tax	Line (10) - Line (11)	$0
	Asset Risk – Unaffiliated Common Stock and Affiliated Non-Insurance Stock (C-1cs)		
(13)	Schedule D Unaffiliated Common Stock	LR005 Unaffiliated Common Stock Column (5) Line (21) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	$0
	Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding		
(14)	Residual Tranches or Interests	LR008 Other Long-Term Assets Column (5) line (49) - (45)	$0
(15)	Total Residual Tranches or Interests	LR008 Other Long-Term Assets Column (5) line (45)	$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
	Asset Risk - All Other (C-1o)		
(22)	Bonds after Size Factor	LR002 Bonds Column (4) 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

LR031