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: 02/04/2026	**FOR NAIC USE ONLY**
CONTACT PERSON: Kazeem Okosun	Agenda Item # 2025-16-L MOD Year 2026 or later
TELEPHONE: 816-783-8981	**DISPOSITION**
EMAIL ADDRESS: kokosun@naic.org	**ADOPTED:** ☐ TASK FORCE (TF) ☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
ON BEHALF OF: Life Risk-Based Capital (E) Working Group	**EXPOSED:**
NAME: Ben Slutsker, Chair	☐ TASK FORCE (TF) ☒ WORKING GROUP (WG) 11/14/2025 ☐ SUBGROUP (SG)
TITLE: Director of Life Actuarial Valuation	**REJECTED:**
AFFILIATION: Minnesota Department of Commerce	☐ TF ☐ WG ☐ SG
ADDRESS: 85 7th Place East, Suite 280	**OTHER:**
Saint Paul, MN 55101	☐ 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)

Life RBC (E) Working Group met June 18, 2025 and received a referral from Statutory Accounting Principles (E) Working Group regarding collateral loan schedule BA reporting changes (Attachment A). As a result of the referral, NAIC staff drafted the proposal with the following objectives:

(1) To make changes to Life RBC Blanks so as to reflect the adopted changes in Schedule BA and Asset Valuation Reserve (AVR) reporting effective 2026.

(2) To explore the potential need to revisit RBC and AVR factors based on the risk characteristics of the collaterals backing the collateral loans

The proposal 2025-16-L was exposed at the Working Group on Nov 14 for a 74-day public comment period ending Jan 27, 2026. Based on comments received, a modified proposal is drafted.

Additional Staff Comments:

2/2/26: NAIC Staff Drafting Note:

Key highlights of the modified proposal:

1) Commenters stated that some states have maximum loan-to-values (LTV) limits for collateral loans. Initial outreach indicated that LTV limits vary by states, ranging from 0% to 90%. The modified proposal, henceforth, factored into a generic haircut of [20%] to the RBC factors originally proposed for i) collateral loans backed by residual tranches/interests and ii) collateral loans backed by investments in JV/LP/LLC. The final haircut % is subject to Working Group's discussions and discretion.

2) Commenters stated that collateral loans have other structural features that should be factored into when contemplating RBC factors based on risk characteristics of the collaterals. However, these structural features are bilaterally agreed upon between issuers and insurance companies (investors) and are not readily available public information. In order to avoid unnecessary complexity, no further consideration deemed necessary on other structure features apart from LTV as discussed above.

3) Given the representations that insurance companies have access to detailed loan level information for collateral loans backed by mortgage loans, the proposal is modified to allow treatment as per Proposal 2024-15-L adopted in 2024. (i.e. interim provision made permanent)

4) The Working Group had discussed AVR factors during Nov 14 meeting and was aware of historical precedence that AVR factors update trail behind RBC factors update. As such, Staff modified the proposal to set AVR Basic Contribution, Reserve Objective and Maximum Reserve to zero (i.e. continue the current practice) until otherwise advised by the American Academy of Actuary.

5) Asset Concentration Factor consideration: current life RBC framework doubles the charge for collateral loan (0.068). Staff modified the LR010 page to continue the current practice of doubling RBC charges, subject to 45% cap.

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

Company Name						Cocode: 00000

OTHER LONG-TERM ASSETS

			(1) Book / Adjusted	(2)	(3)	(4)	(5) RBC
		Annual Statement Source	Carrying Value	Unrated Items ‡	RBC Subtotal †	Factor	Requirement
	Schedule BA - Fixed Income - Bonds						
(1)	Exempt Obligations	AVR Equity Component Column 1 Line **C1**	$0	$0	$0 X	0.0000 =	$0
(2)	Asset NAIC 1	AVR Equity Component Column 1 Line **C2**	$0	$0	$0 X	0.0039 =	$0
(3)	Asset NAIC 2	AVR Equity Component Column 1 Line **C3**	$0	$0	$0 X	0.0126 =	$0
(4)	Asset NAIC 3	AVR Equity Component Column 1 Line **C4**	$0	$0	$0 X	0.0446 =	$0
(5)	Asset NAIC 4	AVR Equity Component Column 1 Line **C5**	$0	$0	$0 X	0.0970 =	$0
(6)	Asset NAIC 5	AVR Equity Component Column 1 Line **C6**	$0	$0	$0 X	0.2231 =	$0
(7)	Asset NAIC 6	AVR Equity Component Column 1 Line **C7**	$0	$0	$0 X	0.3000 =	$0
(8)	Total Schedule BA Bonds (pre-MODCO/Funds Withheld)	Sum of Lines (1) through (7)	$0		$0		$0
(9)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(10)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(11)	Total Schedule BA Bonds (including MODCO/Funds Withheld.)	Lines (8) - (9) + (10)	$0				$0
	Schedule BA - Fixed Income - Preferred Stock						
(12)	Asset NAIC 1	AVR Equity Component Column 1 Line **D1**	$0	$0	$0 X	0.0039 =	$0
(13)	Asset NAIC 2	AVR Equity Component Column 1 Line **D2**	$0	$0	$0 X	0.0126 =	$0
(14)	Asset NAIC 3	AVR Equity Component Column 1 Line **D3**	$0	$0	$0 X	0.0446 =	$0
(15)	Asset NAIC 4	AVR Equity Component Column 1 Line **D4**	$0	$0	$0 X	0.0970 =	$0
(16)	Asset NAIC 5	AVR Equity Component Column 1 Line **D5**	$0	$0	$0 X	0.2231 =	$0
(17)	Asset NAIC 6	AVR Equity Component Column 1 Line **D6**	$0	$0	$0 X	0.3000 =	$0
(18)	Total Schedule BA Preferred Stock (pre-MODCO/Funds Withheld)	Sum of Lines (12) through (17)	$0		$0		$0
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(21)	Total Schedule BA Preferred Stock (including MODCO/Funds Withheld.)	Lines (18) - (19) + (20)	$0				$0
	Rated Surplus Notes Classified by Designation Equivalent						
(22)	Rated NAIC 1 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.0039 =	$0
(23)	Rated NAIC 2 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.0126 =	$0

LR008 MOD

Company Name							Cocode: 00000

OTHER LONG-TERM ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
(24)	Rated NAIC 3 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.0446	= $0
(25)	Rated NAIC 4 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.0970	= $0
(26)	Rated NAIC 5 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.2231	= $0
(27)	Rated NAIC 6 Surplus Notes	Schedule BA Part 1 Column 12 Line 2799999+2899999, in part	$0		$0 X	0.3000	= $0
(28)	Total Rated Surplus Notes (pre-MODCO/Funds Withheld)	Sum of Lines (22) through (27)	$0		$0		$0
(29)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(30)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(31)	Total Rated Surplus Notes (including MODCO/Funds Withheld.)	Lines (28) - (29) + (30)	$0				$0
	Rated Capital Notes Classified by Designation Equivalent						
(32)	Rated NAIC 1 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0039	= $0
(33)	Rated NAIC 2 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0126	= $0
(34)	Rated NAIC 3 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0446	= $0
(35)	Rated NAIC 4 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.0970	= $0
(36)	Rated NAIC 5 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.2231	= $0
(37)	Rated NAIC 6 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part	$0		$0 X	0.3000	= $0
(38)	Total Rated Capital Notes (pre-MODCO/Funds Withheld)	Sum of Lines (32) through (37)	$0		$0		$0
(39)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(40)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(41)	Total Rated Capital Notes (including MODCO/Funds Withheld.)	Lines (38) - (39) + (40)	$0				$0
	Schedule BA - Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs)						
(42)	Schedule BA Unaffiliated Common Stock-Public	AVR Equity Component Column 1 Line F1	$0		$0 X		§ = $0
(43.1)	Schedule BA Unaffiliated Common Stock-Private	AVR Equity Component Column 1 Line F2	$0		$0 X	0.3000	= $0

LR008 MOD

Company Name					Cocode: 00000

OTHER LONG-TERM ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †	(4) Factor	(5) RBC Requirement
(43.2)	**Schedule BA Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests**	**AVR Equity Component Column 1 Line K3 + K4**	**$0**		**$0** X	**0.2400** =	**$0**
(44)	Schedule BA Affiliated Common Stock - All Other	AVR Equity Component Column 1 Line **F5**	$0		$0 X	0.3000 =	$0
(45.1)	Total Residual Tranches or Interests	AVR Equity Component Column 1 Line **I13**	$0		$0 X	0.4500 =	$0
(45.2)	**Schedule BA Collateral Loans backed by Residual Tranches or Interests**	**AVR Equity Component Column 1 Line K5 + K6**	**$0**		**$0 X**	**0.3600** =	**$0**
(46)	Total Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs) (pre-MODCO/Funds Withheld)	Line (42) + **(43.1)** + **(43.2)**+ (44) + **(45.1)** + **(45.2)**	$0		$0		$0
(47)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(48)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(49)	Total Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs) (including MODCO/Funds Withheld.)	Lines (46) - (47) + (48)	$0				$0
	Schedule BA - All Other (C-1o)						
(50.1)	BA Affiliated Common Stock - Life with AVR	AVR Equity Component Column 1 Line **F3**	$0				
(50.2)	BA Affiliated Common Stock - Certain Other	AVR Equity Component Column 1 Line **F4**	$0				
(50.3)	Total Schedule BA Affiliated Common Stock - C-1o	Line (50.1) + (50.2)	$0		$0 X	0.3000 =	$0
(51)	**All Other Schedule BA Collateral Loans**	**AVR Equity Component Column 1 Line K7 + K8 + K9 + K10 + K11 + K12**	$0		$0 X	0.0680 =	$0
(52.1)	NAIC 01 Working Capital Finance Notes	AVR Equity Component Column 1 Line **L1**	$0		$0 X	0.0050 =	$0
(52.2)	NAIC 02 Working Capital Finance Notes	AVR Equity Component Column 1 Line **L2**	$0		$0 X	0.0163 =	$0
(52.3)	Total Admitted Working Capital Finance Notes	Line (52.1) + (52.2)	$0		$0		$0
(53.1)	Other Schedule BA Assets, including Surplus Notes and Capital Notes	AVR Equity Component Column 1 Line **J7** + **L3**	$0				
(53.2)	Less NAIC 1 thru 6 Rated/Designated Surplus Notes and Capital Notes	Column (1) Lines (22) through (27) + Column (1) Lines (32) through (37)	$0				
(53.3)	Net Other Schedule BA Assets	Line (53.1) less (53.2)	$0	$0	$0 X	0.3000 =	$0
(54)	Total Schedule BA Assets C-1o (pre-MODCO/Funds Withheld)	Lines (11) + (21) + (31) + (41) + (50.3) + (51) + (52.3) + (53.3)	$0				$0
(55)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					$0
(56)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					$0
(57)	Total Schedule BA Assets C-1o (including MODCO/Funds Withheld.)	Lines (54) - (55) + (56)	$0				$0
(58)	Total Schedule BA Assets Excluding Mortgages and Real Estate	Line (49)+ (57)	$0				$0

†   Fixed income instruments and surplus notes designated by the NAIC Capital Markets and Investment Analysis Office or considered exempt from filing as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* should be reported in Column (3).

Company Name					Cocode: 00000

OTHER LONG-TERM ASSETS

	(1)	(2)	(3)	(4)	(5)
	Book / Adjusted				RBC
Annual Statement Source	Carrying Value	Unrated Items ‡	RBC Subtotal †	Factor	Requirement

‡   Column (2) is calculated as Column (1) less Column (3) for Lines (1) through (17). Column (2) equals Column (3) - Column (1) for Line (53.3).

§   The factor for Schedule BA publicly traded common stock should equal 30 percent adjusted up or down by the weighted average beta for the Schedule BA publicly traded common stock portfolio subject to a minimum of 22.5 percent and a maximum of 45 percent in the same manner that the similar 15.8 percent factor for Schedule BA publicly traded common stock in the Asset Valuation Reserve (AVR) calculation is adjusted up or down. The rules for calculating the beta adjustment are set forth in the AVR section of the annual statement instructions.

LR008 MOD

Company Name   Cocode: 00000

ASSET CONCENTRATION FACTOR

Issuer		Asset Type	(1) Book / Adjusted Carrying Value		Factor (3)		(4) Additional RBC	(5) Adjustment/ Subsidiary RBC	(6) RBC Requirement
#01		Issuer Name:							
#01	(1.1)	Bond NAIC Designation Category 2.A	$0	X	0.01261	=	$0	$0	$0
#01	(1.2)	Bond NAIC Designation Category 2.B	$0	X	0.01523	=	$0	$0	$0
#01	(1.3)	Bond NAIC Designation Category 2.C	$0	X	0.02168	=	$0	$0	$0
#01	(2.1)	Bond NAIC Designation Category 3.A	$0	X	0.03151	=	$0	$0	$0
#01	(2.2)	Bond NAIC Designation Category 3.B	$0	X	0.04537	=	$0	$0	$0
#01	(2.3)	Bond NAIC Designation Category 3.C	$0	X	0.06017	=	$0	$0	$0
#01	(3.1)	Bond NAIC Designation Category 4.A	$0	X	0.07386	=	$0	$0	$0
#01	(3.2)	Bond NAIC Designation Category 4.B	$0	X	0.09535	=	$0	$0	$0
#01	(3.3)	Bond NAIC Designation Category 4.C	$0	X	0.12428	=	$0	$0	$0
#01	(4.1)	Bond NAIC Designation Category 5.A	$0	X	0.16942	=	$0	$0	$0
#01	(4.2)	Bond NAIC Designation Category 5.B	$0	X	0.21202	=	$0	$0	$0
#01	(4.3)	Bond NAIC Designation Category 5.C	$0	X	0.15000	=	$0	$0	$0
#01	(5)	Bond Asset NAIC 6	$0	X	0.15000	=	$0	$0	$0
#01	(6.1)	Bond NAIC Designation Category 1.A †	$0	X	0.00158	=	$0	$0	$0
#01	(6.2)	Bond NAIC Designation Category 1.B †	$0	X	0.00271	=	$0	$0	$0
#01	(6.3)	Bond NAIC Designation Category 1.C †	$0	X	0.00419	=	$0	$0	$0
#01	(6.4)	Bond NAIC Designation Category 1.D †	$0	X	0.00523	=	$0	$0	$0
#01	(6.5)	Bond NAIC Designation Category 1.E †	$0	X	0.00657	=	$0	$0	$0
#01	(6.6)	Bond NAIC Designation Category 1.F †	$0	X	0.00816	=	$0	$0	$0
#01	(6.7)	Bond NAIC Designation Category 1.G †	$0	X	0.01016	=	$0	$0	$0
#01	(7)	Unaffiliated Preferred Stock NAIC 2	$0	X	0.01260	=	$0	$0	$0
#01	(8)	Unaffiliated Preferred Stock NAIC 3	$0	X	0.04460	=	$0	$0	$0
#01	(9)	Unaffiliated Preferred Stock NAIC 4	$0	X	0.09700	=	$0	$0	$0
#01	(10)	Unaffiliated Preferred Stock NAIC 5	$0	X	0.22310	=	$0	$0	$0
#01	(11)	Unaffiliated Preferred Stock NAIC 6	$0	X	0.15000	=	$0	$0	$0
#01	(12)	Unaffiliated Preferred Stock NAIC 1 †	$0	X	0.00390	=	$0	$0	$0
#01	(13.1)	**Collateral Loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests**	$0	X	**0.21000**	=	$0	$0	$0
#01	(13.2)	**Collateral Loans backed by Residual Tranches or Interests**	$0	X	**0.09000**	=	$0	$0	$0
#01	(13.3)	**All Other BA Collateral Loans**	$0	X	0.06800	=	$0	$0	$0
#01	(14)	Receivable for Securities	$0	X	0.01600	=	$0	$0	$0
#01	(15)	Write-ins for Invested Assets	$0	X	0.06800	=	$0	$0	$0
#01	(16)	Premium Notes	$0	X	0.06800	=	$0	$0	$0
#01	(17)	Real Estate - Foreclosed	$0						
#01	(18)	Real Estate - Foreclosed Encumbrances	$0	X	0.00000	‡ =	$0	$0	$0
#01	(19)	Real Estate - Investments	$0						
#01	(20)	Real Estate - Investment Encumbrances	$0	X	0.00000	‡ =	$0	$0	$0
#01	(21)	Real Estate - Schedule BA	$0						
#01	(22)	Real Estate - Schedule BA Encumbrances	$0	X	0.00000	‡ =	$0	$0	$0
#01	(23)	Farm Mortgages - Category CM2	$0	X	0.01750	=	$0	$0	$0
#01	(24)	Farm Mortgages - Category CM3	$0	X	0.03000	=	$0	$0	$0
#01	(25)	Farm Mortgages - Category CM4	$0	X	0.05000	=	$0	$0	$0
#01	(26)	Farm Mortgages - Category CM5	$0	X	0.07500	=	$0	$0	$0
#01	(27)	Commercial Mortgages - Category CM2	$0	X	0.01750	=	$0	$0	$0
#01	(28)	Commercial Mortgages - Category CM3	$0	X	0.03000	=	$0	$0	$0
#01	(29)	Commercial Mortgages - Category CM4	$0	X	0.05000	=	$0	$0	$0
#01	(30)	Commercial Mortgages - Category CM5	$0	X	0.07500	=	$0	$0	$0
#01	(31)	Farm Mortgages - 90 Days Overdue	$0						
#01	(32)	Farm Mortgages - 90 Days Overdue - Cumulative Writedowns	$0	X	0.00000	‡ =	$0	$0	$0
#01	(33)	Residential Mortgages - 90 Days Overdue	$0						
#01	(34)	Residential Mortgages - 90 Days Overdue - Cumulative Writedowns	$0	X	0.00000	‡ =	$0	$0	$0
#01	(35)	Commercial Mortgages - 90 Days Overdue	$0						
#01	(36)	Commercial Mortgages - 90 Days Overdue - Cumulative Writedowns	$0	X	0.00000	‡ =	$0	$0	$0
#01	(37)	Farm Mortgages in Foreclosure	$0						
#01	(38)	Farm Mortgages in Foreclosure - Cumulative Writedowns	$0	X	0.00000	‡ =	$0	$0	$0
#01	(39)	Residential Mortgages in Foreclosure	$0						
#01	(40)	Residential Mortgages in Foreclosure - Cumulative Writedowns	$0	X	0.00000	‡ =	$0	$0	$0
#01	(41)	Commercial Mortgages in Foreclosure	$0						
#01	(42)	Commercial Mortgages in Foreclosure - Cumulative Writedowns	$0	X	0.00000	‡ =	$0	$0	$0
#01	(43)	Unaffiliated Mortgages with Covenants	$0	X	0.00000	‡ =	$0	$0	$0
#01	(44)	Unaffiliated Mortgages - Defeased with Government Securities	$0	X	0.00900	=	$0	$0	$0
#01	(45)	Unaffiliated Mortgages - Primarily Senior	$0	X	0.01750	=	$0	$0	$0

←   Details Eliminated to Conserve Space   →

LR010 MOD

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

Details Eliminated to Conserve Space

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect	
	Separate Accounts					
(046)	Guaranteed Index	LR006 Separate Accounts Column (3) Line (1)	$0 X	0.1575	= $0	
(047)	Nonindex-Book Reserve	LR006 Separate Accounts Column (3) Line (2)	$0 X	0.1575	= $0	
(048)	Separate Accounts Nonindex-Market Reserve	LR006 Separate Accounts Column (3) Line (3)	$0 X	0.1575	= $0	
(049)	Separate Accounts Reduction-Reinsurance	LR006 Separate Accounts Column (3) Line (5)	$0 X	0.2100	= $0	†
(050)	Separate Accounts Increase-Reinsurance	LR006 Separate Accounts Column (3) Line (6)	$0 X	0.2100	= $0	
(051)	Synthetic GICs	LR006 Separate Accounts Column (3) Line (8)	$0 X	0.1575	= $0	
(052)	Separate Account Surplus	LR006 Separate Accounts Column (3) Line (13)	$0 X	0.1575	= $0	
	Real Estate					
(053)	Company Occupied Real Estate	LR007 Real Estate Column (3) Line (3)	$0 X	0.2100	= $0	
(054)	Foreclosed Real Estate	LR007 Real Estate Column (3) Line (6)	$0 X	0.2100	= $0	
(055)	Investment Real Estate	LR007 Real Estate Column (3) Line (9)	$0 X	0.2100	= $0	
(056)	Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (11)	$0 X	0.2100	= $0	†
(057)	Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (12)	$0 X	0.2100	= $0	
	Schedule BA					
(058)	Sch BA Real Estate Excluding	LR007 Real Estate Column (3) Line (16)	$0 X	0.2100	= $0	
	Tax Credit Investments					
(059)	Yield Guaranteed State Tax Credit Investments	LR007 Real Estate Column (3) Line (17)	$0 X	0.0000	= $0	
(060)	Qualifying and Other Tax Credit Investments	LR007 Real Estate Column (3) Line (18) + Line (19) + Line (20)	$0 X	0.0000	= $0	
(061)	Sch BA Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (23)	$0 X	0.2100	= $0	†
(062)	Sch BA Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (24)	$0 X	0.2100	= $0	
(063)	Sch BA Bond NAIC 1	LR008 Other Long-Term Assets Column (5) Line (2)	$0 X	0.1575	= $0	
(064)	Sch BA Bond NAIC 2	LR008 Other Long-Term Assets Column (5) Line (3)	$0 X	0.1575	= $0	
(065)	Sch BA Bond NAIC 3	LR008 Other Long-Term Assets Column (5) Line (4)	$0 X	0.1575	= $0	
(066)	Sch BA Bond NAIC 4	LR008 Other Long-Term Assets Column (5) Line (5)	$0 X	0.1575	= $0	
(067)	Sch BA Bond NAIC 5	LR008 Other Long-Term Assets Column (5) Line (6)	$0 X	0.1575	= $0	
(068)	Sch BA Bond NAIC 6	LR008 Other Long-Term Assets Column (5) Line (7)	$0 X	0.2100	= $0	
(069)	BA Bond Reduction - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (9)	$0 X	0.2100	= $0	†
(070)	BA Bond Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (10)	$0 X	0.2100	= $0	
(071)	BA Preferred Stock NAIC 1	LR008 Other Long-Term Assets Column (5) Line (12)	$0 X	0.1575	= $0	
(072)	BA Preferred Stock NAIC 2	LR008 Other Long-Term Assets Column (5) Line (13)	$0 X	0.1575	= $0	
(073)	BA Preferred Stock NAIC 3	LR008 Other Long-Term Assets Column (5) Line (14)	$0 X	0.1575	= $0	
(074)	BA Preferred Stock NAIC 4	LR008 Other Long-Term Assets Column (5) Line (15)	$0 X	0.1575	= $0	
(075)	BA Preferred Stock NAIC 5	LR008 Other Long-Term Assets Column (5) Line (16)	$0 X	0.1575	= $0	
(076)	BA Preferred Stock NAIC 6	LR008 Other Long-Term Assets Column (5) Line (17)	$0 X	0.2100	= $0	
(077)	BA Preferred Stock Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (19)	$0 X	0.2100	= $0	†
(078)	BA Preferred Stock Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (20)	$0 X	0.2100	= $0	
(079)	Rated Surplus Notes	LR008 Other Long-Term Assets Column (5) Line (31)	$0 X	0.1575	= $0	
(080)	Rated Capital Notes	LR008 Other Long-Term Assets Column (5) Line (41)	$0 X	0.1575	= $0	
(081)	BA Common Stock Affiliated - C-1o	LR008 Other Long-Term Assets Column (5) Line (50.3)	**$0** X	0.2100	= $0	
(082)	**All Other Schedule BA Collateral Loans** - C-1o	LR008 Other Long-Term Assets Column (5) Line (51)	**$0** X	0.1575	= $0	
(083)	Other BA Assets	LR008 Other Long-Term Assets Column (5) Line (53.3) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)	$0 X	0.2100	= $0	
(084)	Other BA Assets Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (55)	$0 X	0.2100	= $0	†
(085)	Other BA Assets Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (56)	$0 X	0.2100	= $0	
(086)	BA Mortgages - In Good Standing	LR009 Schedule BA Mortgages Column (6) Line (12)	$0 X	0.1575	= $0	
(087)	BA Mortgages - 90 Days Overdue	LR009 Schedule BA Mortgages Column (6) Line (16)	$0 X	0.1575	= $0	
(088)	BA Mortgages - In Process of Foreclosure	LR009 Schedule BA Mortgages Column (6) Line (20)	$0 X	0.1575	= $0	
(089)	Reduction - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (22)	$0 X	0.2100	= $0	†
(090)	Increase - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (23)	$0 X	0.2100	= $0	
	Miscellaneous					
(091)	Asset Concentration Factor	LR010 Asset Concentration Factor Column (6) Line (61) Grand Total Page	$0 X	0.1575	= $0	
(092)	Miscellaneous Assets	LR012 Miscellaneous Assets Column (2) Line (7)	$0 X	0.1575	= $0	
(093)	Derivatives - Collateral and Exchange Traded	LR012 Miscellaneous Assets Column (2) Lines (8) + (9) + (10)	$0 X	0.1575	= $0	
(094)	Derivatives NAIC 1	LR012 Miscellaneous Assets Column (2) Line (11)	$0 X	0.1575	= $0	
(095)	Derivatives NAIC 2	LR012 Miscellaneous Assets Column (2) Line (12)	$0 X	0.1575	= $0	
(096)	Derivatives NAIC 3	LR012 Miscellaneous Assets Column (2) Line (13)	$0 X	0.1575	= $0	
(097)	Derivatives NAIC 4	LR012 Miscellaneous Assets Column (2) Line (14)	$0 X	0.1575	= $0	
(098)	Derivatives NAIC 5	LR012 Miscellaneous Assets Column (2) Line (15)	$0 X	0.1575	= $0	
(099)	Derivatives NAIC 6	LR012 Miscellaneous Assets Column (2) Line (16)	$0 X	0.2100	= $0	
(100)	Miscellaneous Assets Reduction-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (19)	$0 X	0.2100	= $0	†
(101)	Miscellaneous Assets Increase-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (20)	$0 X	0.2100	= $0	
(102)	Replications	LR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line (9999999)	$0 X	0.1575	= $0	
(103)	Reinsurance	LR016 Reinsurance Column (4) Line (17)	$0 X	0.2100	= $0	

LR030 MOD

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
(104)	Investment Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (8)	$0 X	0.2100 =	$0
(105)	Investment in Upstream Affiliate (Parent)	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (15)	$0 X	0.2100 =	$0
(106)	Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (16)	$0 X	0.2100 =	$0
(107)	Directly Owned Property and Casualty Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (17)	$0 X	0.2100 =	$0
(108)	Directly Owned Life Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (18)	$0 X	0.2100 =	$0
(109)	Publicly Traded Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (22)	$0 X	0.2100 =	$0
(110)	Subtotal for C-1o Assets	Sum of Lines (001) through (109), Recognizing the Deduction of Lines (013), (014), (015), (036), (044), (049), (056), (061), (069), (077), (084), (089) and (100)	$0		$0

C-0 Affiliated Common Stock

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect
(111)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (27)	$0 X	0.1575 =	$0
(112)	Off-Balance Sheet Items Reduction - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (28)	$0 X	0.2100 =	$0 †
(113)	Off-Balance Sheet Items Increase - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (29)	$0 X	0.2100 =	$0
(114)	Directly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)	$0 X	0.2100 =	$0
(115)	Directly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)	$0 X	0.2100 =	$0
(116)	Directly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)	$0 X	0.2100 =	$0
(117)	Indirectly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)	$0 X	0.2100 =	$0
(118)	Indirectly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)	$0 X	0.2100 =	$0
(119)	Indirectly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)	$0 X	0.2100 =	$0
(120)	Affiliated Alien Insurers - Directly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)	$0 X	0.0000 =	$0
(121)	Affiliated Alien Insurers - Indirectly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)	$0 X	0.0000 =	$0
(122)	Subtotal for C-0 Affiliated Common Stock	Lines (111)-(112)+(113)+(114)+(115)+(116)+(117)+(118)+(119)+(120)+(121)	$0		$0

Common Stock

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect
(123)	Unaffiliated Common Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (17) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	$0 X	0.2100 =	$0
(124)	Credit for Hedging - Common Stock	LR015 Hedged Asset Common Stock Schedule Column (10) Line (0299999)	$0 X	0.2100 =	$0 †
(125)	Stock Reduction - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (19)	$0 X	0.2100 =	$0 †
(126)	Stock Increase - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (20)	$0 X	0.2100 =	$0
(127)	Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding Residual Tranches or Interests/ **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) **Line (49) - Line (45.1) - Line (45.2)**	$0 X	0.2100 =	$0
(128)	Total Residual Tranches or Interests/ **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) Line **(45.1) + Line (45.2)**	$0 X	0.2100 =	$0
(129)	Common Stock Concentration Factor	LR011 Common Stock Concentration Column (6) Line (6)	$0 X	0.2100 =	$0
(130)	NAIC 01 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (52.1)	$0 X	0.1575 =	$0
(131)	NAIC 02 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (52.2)	$0 X	0.1575 =	$0
(132)	Holding Company in Excess of Indirect Subs	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)	$0 X	0.2100 =	$0
(133)	Affiliated Non-Insurers	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)	$0 X	0.2100 =	$0
(134)	Total for C-1cs Assets	Lines (123)-(124)-(125)+(126)+(127)+(128)+(129)+(130)+(131)+(132)+(133)	$0		$0

Insurance Risk

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect
(135)	Disability Income Premium	LR019 Health Premiums Column (2) Lines (21) through (27)	$0 X	0.2100 =	$0
(136)	Long-Term Care	LR019 Health Premiums Column (2) Line (28) + LR023 Long-Term Care Column (4) Line (7)	$0 X	0.2100 =	$0
(137)	Individual & Industrial Life Insurance C-2 Risk	LR025 Life Insurance Column (2) Line (5)	$0 X	0.2100 =	$0
(138)	Group & Credit Life Insurance C-2 Risk	LR025 Life Insurance Column (2) Line (12)	$0 X	0.2100 =	$0
(138b)	Longevity C-2 Risk	LR025-A Longevity Risk Column (2) Line (5)	$0 X	0.2100 =	$0
(139)	Disability and Long-Term Care Health Claim Reserves	LR024 Health Claim Reserves Column (4) Line (9) + Line (15)	$0 X	0.2100 =	$0
(140)	Premium Stabilization Credit	LR026 Premium Stabilization Reserves Column (2) Line (10)	$0 X	0.0000 =	$0
(141)	Total C-2 Risk	L(135) + L(136) + L(139) + L(140) + Greatest of [Guardrail Factor * (L(137)+L(138)), Guardrail Factor * L(138b), Square Root of [(L(137) + L(138))2 + L(138b)2 + 2 * (Correlation Factor) * (L(137) + L(138)) * L(138b)]]	$0		$0
(142)	Interest Rate Risk	LR027 Interest Rate Risk Column (3) Line (36)	$0 X	0.2100 =	$0
(143)	Health Credit Risk	LR028 Health Credit Risk Column (2) Line (7)	$0 X	0.0000 =	$0
(144)	Market Risk	LR027 Interest Rate Risk Column (3) Line (37)	$0 X	0.2100 =	$0
(145)	Business Risk	LR029 Business Risk Column (2) Line (40)	$0 X	0.2100 =	$0
(146)	Health Administrative Expenses	LR029 Business Risk Column (2) Line (57)	$0 X	0.0000 =	$0
(147)	Total Tax Effect	Lines (110) + (122) + (134) + (141) + (142) + (143) + (144) + (145) + (146)	$0		$0

† Denotes lines that are deducted from the total rather than added.

Company Name

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL

Cocode: 00000

		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
(14)	Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding Residual Tranches or Interests/ **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) **Line (49) - Line (45.1) - Line (45.2)**	$0
(15)	Total Residual Tranches or Interests / **Schedule BA Collateral Loans backed by Residiual Tranches or Interests**	LR008 Other Long-Term Assets Column (5) line **(45.1) + Line (45.2)**	$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 (2) 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

Details Eliminated to Conserve Space

LR031 MOD

OTHER LONG-TERM ASSETS
LR008

Basis of Factors

Recognizing the diverse nature of Schedule BA assets, the RBC is calculated by assigning different risk factors according to the different type of assets. Assets with underlying characteristics of bonds and preferred stocks designated by the NAIC Capital Markets and Investment Analysis Office have different factors according to the NAIC assigned classification. Unrated fixed-income securities will be treated the same as Other Schedule BA Assets and assessed a 30% pre-tax charge. Rated surplus and capital notes have the same factors applied as Schedule BA assets with the characteristics of preferred stock. Where it is not possible to determine the RBC classification of an asset, a 30% pre-tax factor is applied.

Specific Instructions for Application of the Formula

Line (44)
Schedule BA affiliated common stock – all others should include all subs with an affiliate code 9 in the current life-based framework and "holding company in excess of indirect subsidiaries" or subsidiaries with affiliate code 3.

Line (51)
Exclude: any collateral loan amounts which have been included elsewhere in the RBC formula, e.g., collateral loans backed by mortgage loans, BA mortgages, collateral loans backed by Residual Tranches or Interest and collateral loans backed by Joint Ventures', Limited Partnerships' and Limited Liability Companies' Interests.

Line (58)
Total Schedule BA assets [LR008 Other Long-Term Assets Column (1) Line (58) plus LR007 Real Estate Column (1) Line (14) plus Lines (17) through Line (20) plus LR009 Schedule BA Mortgages Column (1) Line (21)] should equal the total Schedule BA assets reported in the Annual Statement Page 2, Column 3, Line 8.

SCHEDULE BA MORTGAGES
LR009

Basis of Factors

For Affiliated Mortgages**,** Line 2499999, the factors used are the same as for commercial mortgages and are defined in Figure 9. Risk categories and factors are determined using a company generated worksheet (Figure 10).

For Unaffiliated Mortgages, Line 2399999, the factors used are the same as for commercial mortgages and are defined in Figure 9. Risk categories and factors are determined as follows:

1) For Investments that contain covenants whereby factors of maximum LTV and minimum DSC, or equivalent thresholds must be complied with and it can be determined that the Investments are in compliance, these investments would use the process for directly held mortgages using the maximum LTV and minimum DSC using the company generated worksheet and transferred to LR009 line (3) for mortgages with covenants that are in compliance.

2) Investments that are defeased with government securities will be assigned to CM1 and transferred to LR009, line (4).

3) Other investments comprised primarily of senior debt will be assigned to CM2 and transferred to LR009, line (5).

4) All other investments in this category will be assigned CM3 and transferred to LR009, line (6). This would include assets such as a mortgage fund that invests in mezzanine or sub debt, or investments that cannot be determined to be in compliance with the covenants.

Specific Instructions for Application of the Formula

Column (1)
Except for Line (1), (2), (13), and (17), calculations are done on an individual mortgage basis and then the summary amounts are entered in this column for each class of mortgage investment. Refer to the Schedule BA mortgage calculation worksheet (Figure 10) for how the individual mortgage calculations are completed. Line (21) should equal Schedule BA Part 1, Column 12, Lines 2399999 and 2499999, and collateral loans backed by mortgages, as reported in Asset Valuation Reserve Equity and Other Invested Asset Component Column 1, line K1 and K2. Notes to Financials 5S, Column 1 line 7a and 7b.

Column (2)
Companies are permitted to reduce the book/adjusted carrying value of mortgage loans reported in Schedule BA by any involuntary reserves. Involuntary reserves are equivalent to valuation allowances specified in the codification of statutory accounting principles. They are non-AVR reserves reported on Annual Statement Page 3, Line 25. These reserves are held as an offset for a particular troubled Schedule BA mortgage loan that would be required to be written down if the impairment was permanent.

Column (3)
Column (3) is calculated as the net of Column (1) less Column (2).

Column (4)
No longer used. Place "XXX" in any blanks for this column.

Column (5)
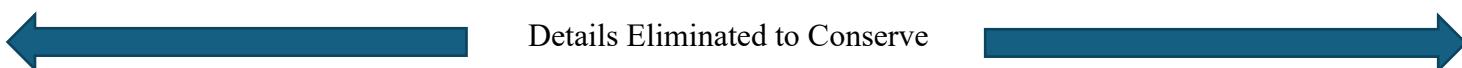For Line (1), the pre-tax factor is 0.0014.
For Line (2), the pre-tax factor is 0.0068.
For Line (3), the average factor column is calculated as Column (6) divided by Column (3).
For Line (4), the pre-tax factor is 0.0090.
For Line (5), the pre-tax factor is 0.0175.
For Line (6), the pre-tax factor is 0.0300.

Details Eliminated to Conserve

Details Eliminated to Conserve

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

SECTION K		COLLATERAL LOANS								
1		Backed by mortgage loans – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
2		Backed by mortgage loans – collateral loans – affiliated	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
3		Backed by joint ventures, partnerships, & limited liability companies – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
4		Backed by joint ventures, partnerships, & limited liability companies – collateral loans – affiliated	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
5		Backed by residual tranches or interests – collateral loans – unaffiliated............	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
6		Backed by residual tranches or interests – collateral loans – affiliated............	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
7		Backed by debt securities – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
8		Backed by debt securities – collateral loans – affiliated	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
9		Backed by real estate – collateral loans – unaffiliated............	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
10		Backed by real estate – collateral loans – affiliated............	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
11		Collateral loans – all other – unaffiliated............	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
12		Collateral loans – all other – affiliated............	....	XXX	XXX	....	0.0000	....	0.00000.0680	....	0.00000.0680	....
13		Total collateral loans (Sum of Lines K1 through K12)		XXX	XXX		XXX		XXX		XXX	
SECTION L		ALL OTHER INVESTMENTS								
1~~00~~		NAIC 1 working capital finance investments	....	XXX	....	....	0.0000	....	0.0042	....	0.0042	....
2~~101~~		NAIC 2 working capital finance investments	....	XXX	....	....	0.0000	....	0.0137	....	0.0137	....
3~~102~~		Other invested assets - Schedule BA	....	XXX	....	....	0.0000	....	0.1580	....	0.1580	....
4~~103~~		Other short-term invested assets - Schedule DA		XXX			0.0000		0.1580		0.1580	
5~~104~~		Total all other (Sum of Lines L1~~00~~ through L4~~103~~)		XXX			XXX		XXX		XXX	
6~~105~~		Total other invested assets - Schedules BA & DA (Sum of Lines ~~29, 37, 64, 70, 74, 79, 92, 99 and 104~~C8, D8, E27, F6, G4, H5, I13, J7, and K13)					XXX		XXX		XXX	

(a)   Times the company's weighted average portfolio beta (Minimum .1215, Maximum .2431).
(b)   Determined using same factors and breakdowns used for directly owned real estate.
(c)   This will be the factor associated with the risk category determined in the company generated worksheet.

Details Eliminated to Conserve