

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 ☐ Investment RBC (E) Working Group ☐ Operational Risk (E) Subgroup
☐ C3 Phase II/ AG43 (E/A) Subgroup ☐ P/C RBC (E) Working Group ☐ Longevity Risk (A/E) Subgroup

DATE: <u>4/7/19</u> CONTACT PERSON: <u>Eva Yeung</u> TELEPHONE: <u>816-783-8407</u> EMAIL ADDRESS: <u>eyeung@naic.org</u> ON BEHALF OF: <u>P/C RBC (E) Working Group</u> NAME: <u>Tom Botsko</u> TITLE: <u>Chair</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50 West Town Street, Suite 300</u> <u>Columbus, OH 43215</u>	<u>FOR NAIC USE ONLY</u> Agenda Item # <u>2019-05-P</u> Year <u>2019</u> <u>DISPOSITION</u> ☐ ADOPTED _____ ☐ REJECTED _____ ☐ DEFERRED TO _____ ☐ REFERRED TO OTHER NAIC GROUP _____ ☒ EXPOSED <u>4/7/19</u> ☐ OTHER (SPECIFY) _____
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IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

☐ Health RBC Blanks ☒ Property/Casualty RBC Blanks ☐ Life and Fraternal RBC Instructions
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☐ OTHER _____

DESCRIPTION OF CHANGE(S)

The proposed change would update the Line 1 Factors for PR017 and PR018.

REASON OR JUSTIFICATION FOR CHANGE **

The proposed change would provide routine annual update of the industry underwriting factors (premium and reserve) in the PCRBC formula.

Additional Staff Comments:

The P/C RBC WG exposed this proposal for a 30-day public comment period ending May 6.
 The P/C RBC WG adopted this proposal on May 17 conference call.

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

Revised 2-2019

PR017 Line 1 Reserves

Attachment Three

Schedule P Line of Business	LOB	Short tailed	Proposed for adoption - 2019 PR017 Line 1	2018 PR017 Line 1	2017 PR017 Line 1	2016 PR017 Line 1	2015 PR017 Line 1	2014 PR017 Line 1	2013 PR017 Line 1	2012 PR017 Line 1	2011 PR017 Line 1	2010 PR017 Line 1	2009 PR017 Line 1	2008 PR017 Line 1	2007 PR017 Line 1
H/F	A		0.989	0.989	0.984	0.972	0.962	0.967	0.960	0.949	0.962	0.984	0.983	0.983	0.995
PPA	B		1.026	1.022	1.012	1.002	1.002	0.994	0.986	0.991	0.989	0.992	0.998	1.003	1.007
CA	C		1.087	1.060	1.034	1.015	0.987	0.979	0.986	0.998	0.992	1.015	1.031	1.045	1.062
WC	D		0.955	0.952	0.971	0.971	0.961	0.986	0.980	0.990	0.999	1.005	1.016	1.033	1.051
CMP	E		0.992	0.967	0.956	0.942	0.938	0.941	0.927	0.932	0.952	0.962	0.993	1.034	1.037
MM Occurrence	F1		0.864	0.871	0.868	0.841	0.966	0.966	0.991	1.072	1.048	1.213	1.251	1.343	1.333
MM Clms Made	F2		0.907	0.886	0.854	0.822	0.839	0.808	0.824	0.887	0.925	0.981	1.033	1.083	1.140
SL	G		0.938	0.933	0.926	0.919	0.975	0.990	0.954	0.942	0.931	0.998	1.043	1.060	1.108
OL	H		0.971	0.966	0.952	0.929	0.923	0.916	0.919	0.914	0.954	0.959	0.963	1.006	1.015
Fidelity / Surety	K	X	0.995	0.996	1.016	1.035	1.016	1.050	1.126	1.194	1.191	1.253	1.247	1.290	1.274
Special Property	I	X	0.972	0.971	0.982	0.973	0.991	0.992	1.035	1.113	1.097	1.144	1.097	1.102	1.102
Auto Physical Damage	J	X	0.996	1.000	1.001	0.995	0.995	1.005	1.054	1.105	1.105	1.155	1.107	1.110	1.106
Other (Credit, A&H)	L	X	0.973	0.976	0.981	0.986	1.041	1.061	1.113	1.138	1.177	1.277	1.262	1.325	1.282
Financial / Mortgage Guaranty	S	X	0.788	0.870	0.820	0.853	1.185	1.444	1.256	1.087	1.276	0.841	0.893	1.483	1.495
Intl	M		1.037	0.851	0.855	0.897	1.350	0.742	0.813	0.869	1.015	1.102	1.181	1.175	1.291
Rein. Property & Financial Lines	NP		0.872	0.834	0.814	0.814	1.002	0.976	0.934	0.921	0.937	0.965	0.969	1.025	1.048
Rein. Liability	O		0.955	0.945	0.914	0.896	0.938	0.905	1.009	1.089	1.169	1.304	1.259	1.314	1.296
PL	R		0.913	0.921	0.935	0.937	1.072	1.018	0.981	0.978	1.009	1.063	1.073	1.109	1.112
Warranty	T	X	1.017	1.015	0.989	0.977	0.994	1.040	1.082	1.197	1.268	1.717	1.634	n/a	n/a

Schedule P Line of Business	LOB	Cat Lines	Short tailed	Proposed for adoption 2019 PR018 Line 1	2018 PR018 Line 1	2017 PR018 Line 1	2016 PR018 Line 1	2016 PR018A Line 1	2015 PR018 Line 1	2015 PR018A Line 1	2014 PR018 Line 1	2014 PR018A Line 1	2013 PR018 Line 1	2013 PR018A Line 1	2012 PR018 Line 1	2011 PR018 Line 1	2010 PR018 Line 1	2009 PR018 Line 1	2008 PR018 Line 1	2007 PR018 Line 1
H/F	A	*		0.681	0.687	0.688	0.701	0.687	0.701	0.680	0.713	0.684	0.725	0.693	0.728	0.726	0.736	0.737	0.742	0.750
PPA	B			0.810	0.806	0.800	0.792	0.792	0.786	0.786	0.780	0.780	0.784	0.784	0.792	0.804	0.815	0.821	0.831	0.836
CA	C			0.737	0.724	0.706	0.689	0.689	0.684	0.684	0.676	0.676	0.668	0.668	0.669	0.679	0.705	0.737	0.763	0.784
WC	D			0.726	0.744	0.751	0.752	0.752	0.751	0.751	0.749	0.749	0.750	0.750	0.755	0.766	0.78	0.805	0.83	0.847
CMP	E	*		0.666	0.664	0.647	0.648	0.647	0.655	0.638	0.652	0.633	0.653	0.631	0.644	0.654	0.674	0.695	0.710	0.727
MM Occurrence	F1			0.730	0.780	0.777	0.767	0.767	0.880	0.880	0.883	0.882	0.874	0.874	0.916	0.952	1.031	1.104	1.195	1.231
MM Clms Made	F2			0.768	0.747	0.722	0.691	0.691	0.697	0.697	0.680	0.687	0.695	0.695	0.718	0.771	0.860	0.928	1.003	1.091
SL	G	*		0.593	0.569	0.567	0.572	0.562	0.630	0.609	0.645	0.621	0.649	0.629	0.597	0.599	0.582	0.673	0.709	0.732
OL	H			0.638	0.633	0.629	0.618	0.618	0.616	0.616	0.617	0.617	0.620	0.620	0.637	0.662	0.687	0.714	0.738	0.758
Fidelity / Surety	K		X	0.399	0.417	0.430	0.464	0.464	0.462	0.462	0.473	0.473	0.496	0.496	0.528	0.555	0.584	0.586	0.583	0.582
Special Property	I	*	X	0.554	0.563	0.555	0.559	0.549	0.571	0.551	0.572	0.548	0.574	0.551	0.562	0.559	0.565	0.575	0.590	0.568
Auto Physical Damage	J		X	0.730	0.732	0.727	0.711	0.711	0.703	0.703	0.686	0.683	0.681	0.676	0.683	0.681	0.692	0.697	0.705	0.716
Other (Credit, A&H)	L		X	0.682	0.709	0.712	0.699	0.699	0.706	0.706	0.754	0.754	0.778	0.778	0.794	0.786	0.691	0.697	0.737	0.789
Financial / Mortgage Guaranty	S		X	0.811	1.099	1.175	1.293	1.293	1.096	1.096	1.242	1.242	1.271	1.271	1.206	1.142	0.738	0.605	0.805	0.827
Intl	M	*		0.795	0.584	0.565	0.607	0.563	1.150	1.142	1.131	1.117	1.093	1.080	0.931	0.937	0.954	0.956	0.930	0.874
Rein. Property & Financial Lines	NP	*		0.522	0.486	0.459	0.512	0.440	0.723	0.648	0.764	0.665	0.766	0.699	0.757	0.805	0.828	0.924	0.977	0.994
Rein. Liability	O	*		0.679	0.666	0.609	0.600	0.588	0.749	0.743	0.748	0.736	0.782	0.782	0.841	0.915	1.010	1.107	1.165	1.164
PL	R			0.656	0.671	0.670	0.684	0.684	0.715	0.715	0.716	0.716	0.683	0.683	0.697	0.714	0.747	0.780	0.802	0.822
Warranty	T		X	0.695	0.732	0.645	0.611	0.611	0.799	0.799	0.789	0.789	0.864	0.864	0.862	0.916	0.860	0.800	n/a	n/a