

The Analysis of a 3-year phase in was performed on 2024 Health filings and 2025 Health filings received as of March 10, 2026. The following tables present the first year of the 3-year phase in for factors and premium tier increases.

	Initial Factor				
	Original	New	Difference	1/3	Phase in
Comprehensive Ind	15.00%	24.70%	9.70%	3.23%	18.23%
Comprehensive Group	15.00%	25.10%	10.10%	3.37%	18.37%
Title XVIII Medicare	15.00%	29.60%	14.60%	4.87%	19.87%
Title XIX Medicaid	15.00%	8.30%	-6.70%	-2.23%	12.77%
Medicare Supplement	10.50%	36.90%	26.40%	8.80%	19.30%
Stand-Alone Part D	25.10%	26.70%	1.60%	0.53%	25.63%
Dental Only	12.00%	16.40%	4.40%	1.47%	13.47%
Vision Only	12.00%	9.40%	-2.60%	-0.87%	11.13%

	Excess Factor				
	Original	New	Difference	1/3	Phase in
Comprehensive Ind	9.00%	13.80%	4.80%	1.60%	10.60%
Comprehensive Group	9.00%	4.80%	-4.20%	-1.40%	7.60%
Title XVIII Medicare	9.00%	4.40%	-4.60%	-1.53%	7.47%
Title XIX Medicaid	9.00%	8.30%	-0.70%	-0.23%	8.77%
Medicare Supplement	6.70%	0.50%	-6.20%	-2.07%	4.63%
Stand-Alone Part D	15.10%	6.00%	-9.10%	-3.03%	12.07%
Dental Only	7.60%	1.10%	-6.50%	-2.17%	5.43%
Vision Only	7.60%	-5.70%	-13.30%	-4.43%	3.17%

	Premium Tier (In Millions)				
	Original	New	Difference	1/3	Phase in
Comprehensive Ind	25.00	100.00	75.00	25.00	50.00
Comprehensive Group	25.00	100.00	75.00	25.00	50.00
Title XVIII Medicare	25.00	100.00	75.00	25.00	50.00
Title XIX Medicaid Medicare Supplement	25.00	100.00	75.00	25.00	50.00
Stand-Alone Part D	3.00	10.00	7.00	2.33	5.33
Dental Only	25.00	100.00	75.00	25.00	50.00
Vision Only	3.00	10.00	7.00	2.33	5.33

The analysis was performed with both the current premium tiers and an increase to the tiers equal to a third of the increase the Academy included in the H2 Underwriting Risk Report.

The following assumptions were used:

- Investment Income Adjustment factors remain the same for new factors, utilizing the stand-alone factor methodology.
- Alternate Risk Change is implementation from 2025-15-CA MOD.
- 2024 uses a 5.5% investment yield, 2025 uses a 4.5% investment yield.

		2025						
Original vs No Tier Change	No Tier Change		CAL	RAL	ACL	MCL	Grand Total	
	No Action	Trend Test						
No Action	983	16	3				1002	
Trend Test	1	5	2				8	
CAL	1		2	2			5	
RAL				1	1		2	
ACL				1			1	
MCL						7	7	
<b>Grand Total</b>	<b>985</b>	<b>21</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>1025</b>	
Total Adverse:							24	

		2025						
Original vs Tier Change	Tier Change		CAL	RAL	ACL	MCL	Grand Total	
	No Action	Trend Test						
No Action	969	28	4	1			1002	
Trend Test		4	3	1			8	
CAL	1		2	2			5	
RAL				1		1	2	
ACL				1			1	
MCL						7	7	
<b>Grand Total</b>	<b>970</b>	<b>32</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>8</b>	<b>1025</b>	
Total Adverse:							40	

*The 2025 data was pulled on March 10, 2026.*

The number of Health Risk-Based Capital filings for 2025 is expected to increase through April 2026. Complete data for 2025 would be available during the early summer if additional analyses are requested.

2024

Original vs No Tier Change Original Filing	No Tier Change						Grand Total
	No Action	Trend Test	CAL	RAL	ACL	MCL	
No Action	1084	21					1105
Trend Test	3	8	5				16
CAL			7	1			8
RAL				3			3
ACL				1	6		7
MCL						4	4
<b>Grand Total</b>	<b>1087</b>	<b>29</b>	<b>12</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>1143</b>

Total Adverse: 27

Original vs Tier Change Original Filing	Tier Change						Grand Total
	No Action	Trend Test	CAL	RAL	ACL	MCL	
No Action	1062	39	4				1105
Trend Test	3	7	4	2			16
CAL			4	4			8
RAL				2	1		3
ACL				1	3	3	7
MCL						4	4
<b>Grand Total</b>	<b>1065</b>	<b>46</b>	<b>12</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>1143</b>

Total Adverse: 57

Increasing the tiers along with the factors approximately doubles the amount of companies who experience an adverse change in their RBC Action Level. In the initial analysis, the total number of companies that experienced adverse change to their RBC Action Level was 153 companies when utilizing the full factor change and full premium tier change from the Academy report, when using a third of the factor and tier increase for 2024 filings 57 companies experience adverse change to their RBC Action Level.

Discussion about the inclusion of a diversification factor for companies that write multiple lines of business reported on page XR013 of the Health Risk-Based Capital report has been part of the factor discussions. Included below is a table of 2024 filings with the number of lines of business written by each company that appear on XR013 if they were to report in the structure presented in 2025-15-CA MOD. As an example:

- A Company writing Comprehensive Group and Comprehensive Individual writes 2 lines of business.
- A company writing Title XIX Medicaid, Dental, and Stand-alone Medicare Part D writes 3 lines of business.

2024

Number of XR013 Business Lines	Number of Companies	% of Filers
0	130	11.4%
1	489	42.8%
2	200	17.5%
3	140	12.2%
4	85	7.4%
5	36	3.1%
6	26	2.3%
7	24	2.1%
8	9	0.8%
9	4	0.3%
10	0	0.0%
Total	1143	100.0%