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June 8, 2026

Steve Drutz, Chair
Health Risk-Based Capital (E) Working Group
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

Via email: Derek Noe, dnoe@naic.org
Maggie Chang, mchang@naic.org
Steve Drutz, steve.drutz@oic.wa.gov
Danielle Smith, danielle.k.smith@insurance.mo.gov

Re: Exposure of [Request for Additional Data Analysis Ideas](#)

Dear Mr. Drutz:

On behalf of AHIP¹, we appreciate the opportunity to provide comments on the above referenced item that was exposed (Exposure) during the May 7 meeting of the Health Risk-Based Capital (E) Working Group Working Group.

AHIP acknowledges the significant work done to date by the Working Group, NAIC Staff and the American Academy of Actuaries (AAA) on this complex project. Following are our comments on the Exposure:

Additional Data and Impact Analysis. AHIP appreciates the data included in the Exposure with respect to the historical numbers and percentages of companies with underwriting gains/losses. In our prior comment letter dated April 22, 2026, AHIP requested consideration be given to providing additional impact analysis to better understand the classification and magnitude of the future impacts of factor and tier changes on insurers and insurance markets. As a reminder, AHIP's suggestions were to consider breaking out the impact analysis by company size (for example, separating companies into four groupings based upon company size) as well as including an average percentage change in RBC for each of the breakout groups and in total.

An additional comment would be that consideration should be given to using the updated RBC factors that were developed with the 3-year or 5-year time horizons. Such time horizons would better represent the economic cycle of the business.

AHIP also reserves the right to provide additional feedback following responses by AAA to the questions raised by the Working Group in their February 2026 letter.

Additional Comments Regarding Implementation Timing of H-2 Underwriting RBC Factors/Tiers. AHIP also respectfully requests that additional discussion and consideration be

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given to the phase-in of the proposed factor and tier changes. For example, consideration should be given to delaying any factor changes until the full new formula is developed, refined and finalized, including finalizing the work relative to the Managed Care credit and Product Diversification credits. Consideration should also be given to a longer phase-in period. For instance, a 5-year phase-in should allow insurers to better absorb the early phase impacts in their current reinsurance arrangements and address the full impact of RBC formula updates as these reinsurance arrangements are renewed.

Thank you for the opportunity to provide these comments. AHIP looks forward to continuing the deliberate and thoughtful work with the Working Group on these important matters in the future.

Sincerely,

LaCosta Wix
AHIP Senior Regulatory Counsel
State Affairs and Policy

Cc: Miranda Motter, AHIP Senior Vice President of State Affairs and Policy
Raymond Nelson, AHIP Consultant

¹AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

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June 5, 2026

Mr. Steven Drutz, Chair
Health Risk-Based Capital (E) Working Group
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Via electronic mail to Derek Noe.

Re: Underwriting profit & loss analysis.

Dear Mr. Drutz:

I am writing on behalf of UnitedHealth Group with regard to the underwriting profit and loss data that were exposed for comment by the Health Risk-Based Capital (E) Working Group (“Working Group”) on May 8, 2026. We understand that the Working Group is specifically interested in comments as to how the profit and loss data could be further analyzed to provide more insight into how underwriting risk may have changed in recent years. We offer the following suggestions in that regard.

1. Profit and loss should be calculated as a percentage of premium at various percentiles.

The exposure document indicates the percentage of companies that experienced a loss in each year, but gives no indication of whether and how the severity of the losses has changed over time. To understand the severity of the losses, profit and loss should be calculated as a percentage of premium income. Since Risk-Based Capital (“RBC”) is intended to cover losses with a high degree of probability, it would be helpful to see the profit/loss percentages at various percentiles, preferably those used in the April 2025 report of the American Academy of Actuaries (“the Academy”): 50th, 75th, 87.5th, 90th, 95th, 97.5th, 98th, 99th, and 99.5th.

2. Profit and loss should also be calculated as a percentage of Company Action Level RBC.

This calculation would give an indication of how the severity of the losses relates to current RBC requirements. Ideally, the underwriting losses would be compared to the

underwriting risk component of RBC; however, the distinct components of the RBC calculation are confidential information, whereas Authorized Control Level RBC is published in each company's Annual Statement, so that Company Action Level RBC could be readily determined. For most if not all of the companies included in the analysis, underwriting risk will be the predominant component of Company Action Level RBC, so that results based on the latter are likely to parallel results based on the former.

Again, it would be most useful to see this information at the percentiles indicated above. This would give some idea of the degree to which losses are likely to exceed the existing RBC benchmark.

3. Exclude companies that do not have business on page XR013 of the RBC Report.

The phase-in analysis previously released by the Working Group indicated that in 2024, 11.4% of filers of the Health Annual Statement did not report any business on page XR013. Since at present we are concerned with the underwriting risk factors used on page XR013, it would be appropriate to exclude the companies that do not report any business on that page.

The exposure document notes that companies with zero underwriting profit were excluded from the analysis. It is not clear to what extent this set of companies coincides with the companies that do not have business on page XR013. While it seems unlikely that a company would have business on page XR013 but coincidentally have an underwriting profit of zero, any such companies that exist should be included in the analysis.

4. Companies should be stratified by size (premium volume).

The Academy's analysis confirmed that higher underwriting risk factors are needed for smaller volumes of business, as measured by premium income. Accordingly, it would be helpful to have the analysis performed not only in aggregate, but also with the companies stratified by size. We suggest that the best approach to stratification would be to group companies into quintiles for each year. That should result in a sufficient number of companies in each grouping to allow meaningful differences in percentiles.

5. Companies should separately be stratified by number of XR013 business lines.

As stated in item #3 above, we are proposing that companies should be excluded from the analysis if they did not report any business on page XR013. The companies that did report business on page XR013 may have reported anywhere between 1 and 9 separate lines of business. We suggest performing an analysis stratifying companies according to the number of lines of business that were reported. While this approach would not eliminate the need for a formal study of the correlation between losses in different lines of business, it might give some insight as to whether writing multiple lines of business affects the probability that the company will experience a loss. The number of lines of

business is not a precise measure of diversification, but it is easy to determine and to understand.

6. Losses could be attributed to specific lines of business.

For entities that did experience a loss, it might be useful to see which lines of business were responsible for the loss. The exposed underwriting profit and loss results were taken from page 7 (“Analysis of Operations by Lines of Business”) of the companies’ Annual Statements, so detail by line of business should be available. This analysis might indicate whether recent changes in experience are largely attributable to one or a few lines of business or whether they are more widespread.

Thank you for the opportunity to provide these comments. We would be happy to discuss these comments with you and the Working Group.

Sincerely,

A handwritten signature in cursive script that reads "James R. Braue".

James R. Braue
Vice President, Actuarial Services
UnitedHealth Group

cc: Derek Noe, NAIC
Alena Yankouskaya, UnitedHealth Group
Mollie Zito, UnitedHealth Group