

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 ☐ Stress Testing (E) Subgroup

DATE: <u>12/6/2018</u>	<u>FOR NAIC USE ONLY</u>
CONTACT PERSON: <u>Eva Yeung</u>	Agenda Item # <u>2018-20-P</u>
TELEPHONE: <u>816-783-8407</u>	Year <u>2019</u>
EMAIL ADDRESS: <u>eyeung@naic.org</u>	<u>DISPOSITION</u>
ON BEHALF OF: <u>P/C RBC WG</u>	<input checked="" type="checkbox"/> ADOPTED <u>04/07/2019</u>
NAME: <u>Tom Botsko</u>	<input type="checkbox"/> REJECTED _____
TITLE: <u>Chair</u>	<input type="checkbox"/> DEFERRED TO _____
AFFILIATION: <u>Ohio Department of Insurance</u>	<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
ADDRESS: <u>50 W. Town Street, Third Floor – Suite 300</u>	<input checked="" type="checkbox"/> EXPOSED <u>3/22/19</u>
<u>Columbus, OH 43215</u>	<input type="checkbox"/> OTHER (SPECIFY) _____

IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

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

DESCRIPTION OF CHANGE(S)

Update the PR011 Blanks and Instructions Asset Concentration Preferred Stock and Hybrid Securities line descriptions to Unaffiliated Preferred Stock and Hybrid Securities.

REASON OR JUSTIFICATION FOR CHANGE **

Change the line descriptions to be consistent with the PR011 instructions.

Additional Staff Comments:

2/20/19 – Per discussion in the Joint PC RBC WG and Cat Risk SG call, the members agreed to expose this proposal for 30 days comment period.

04/07/2019 cgb The Capital Adequacy (E) Task Force adopted the proposal on 4/7/2019.

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

Revised 11-2013

ASSET CONCENTRATION PR011

(1)		(2)		(3)
ISSUER #1				
		<u>Book/Adjusted Carrying Value</u>	<u>Factor</u>	<u>Additional RBC</u>
(1)	NAIC 02 Bonds	0	0.0100	0
(2)	NAIC 03 Bonds	0	0.0200	0
(3)	NAIC 04 Bonds	0	0.0450	0
(4)	NAIC 05 Bonds	0	0.1000	0
(5)	Collateral Loans	0	0.0500	0
(6)	Mortgage Loans	0	0.0500	0
(7)	NAIC 02 Working Capital Finance Investments	0	0.0125	0
(8)	Federal Guaranteed Low Income Housing Tax Credits	0	0.0014	0
(9)	Federal Non-Guaranteed Low Income Housing Tax Credits	0	0.0260	0
(10)	State Guaranteed Low Income Housing Tax Credits	0	0.0014	0
(11)	State Non-Guaranteed Low Income Housing Tax Credits	0	0.0260	0
(12)	All Other Low Income Housing Tax Credits	0	0.1500	0
(13)	SUBTOTAL - FIXED INCOME	0		0
(14)	NAIC 02 Unaffiliated Preferred Stock	0	0.0100	0
(15)	NAIC 03 Unaffiliated Preferred Stock	0	0.0200	0
(16)	NAIC 04 Unaffiliated Preferred Stock	0	0.0450	0
(17)	NAIC 05 Unaffiliated Preferred Stock	0	0.1000	0
(18)	NAIC 02 Hybrid Securities	0	0.0100	0
(19)	NAIC 03 Hybrid Securities	0	0.0200	0
(20)	NAIC 04 Hybrid Securities	0	0.0450	0
(21)	NAIC 05 Hybrid Securities	0	0.1000	0
(22)	Property Held For Production of Income or For Sale Excluding Home Office	0	0.1000	0
(23)	Property Held For Production of Income or For Sale Encumbrances Excluding Home Office	0	0.1000	0
(24)	Schedule BA Assets	0	0.1000	0
(25)	Receivable for Securities	0	0.0250	0
(26)	Aggregate Write-Ins for Invested Assets	0	0.0500	0
(27)	Derivatives	0	0.0500	0
(28)	Unaffiliated Common Stock	0	0.1500	0
(29)	SUBTOTAL - EQUITY	0		0
(30)	TOTAL - ISSUER #1 (L13+L29)	0		0

NOTE: Ten issuer sections and a grand total page will be available on the filing software. The grand total page is calculated as the sum of issuers 1-10 by asset type.

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

PR011 - Asset Concentration



Detail Eliminated To Conserve Space



The assets that ARE INCLUDED in the calculation are divided into two categories – Fixed Income Assets and Equity Assets. The following asset types should be aggregated to determine the 10 largest issuers:

FIXED INCOME ASSETS

- Bonds –NAIC 02
- Bonds –NAIC 03
- Bonds –NAIC 04
- Bonds –NAIC 05
- Collateral Loans
- Mortgage Loans
- Working Capital Finance Investments – NAIC 02
- Federal Guaranteed Low Income Housing Tax Credits
- Federal Non-Guaranteed Low Income Housing Tax Credits
- State Guaranteed Low Income Housing Tax Credits
- State Non-Guaranteed Low Income Housing Tax Credits
- All Other Low Income Housing Tax Credits

EQUITY ASSETS

- Unaffiliated Preferred Stock –NAIC 02
- Unaffiliated Preferred Stock –NAIC 03
- Unaffiliated Preferred Stock –NAIC 04
- Unaffiliated Preferred Stock –NAIC 05
- ~~Unaffiliated~~ Hybrid Securities –NAIC 02
- ~~Unaffiliated~~ Hybrid Securities –NAIC 03
- ~~Unaffiliated~~ Hybrid Securities –NAIC 04
- ~~Unaffiliated~~ Hybrid Securities –NAIC 05
- Unaffiliated Common Stock
- Investment Real Estate
- Encumbrances on Inv. Real Estate
- Schedule BA Assets (excluding Collateral Loans)
- Receivable for Securities
- Aggr Write-ins for Invested Assets
- Derivatives

The name of each of the largest 10 issuers is entered at the top of the table and the appropriate statement amounts are entered in C(2) Ls (01) through (12) for fixed income assets and C(2), Ls (14) through (28) for equity assets. Aggregate all similar asset types before entering the amount in C(2). For instance, if you own five separate \$1,000,000 NAIC 03 bonds from Issuer #1, enter \$5,000,000 in C(2)L(02) – NAIC 03 Unaffiliated Bonds.