The Health Risk-Based Capital (E) Working Group met Dec. 8, 2019. During this meeting, the Working Group:

1. Adopted its Oct. 21 and Sept. 9 minutes, which included the following action:
   a. Reported that the Working Group met Oct. 10 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
   b. Exposed the Health Test Proposal to the Health Risk-Based Capital (E) Working Group and the Life Risk-Based Capital (E) Working Group for a 30-day comment period ending Nov. 20.
   c. Agreed to move forward with field-testing of the health test.
   d. Referred the Long-Term Care HMO Guaranty Fund Memo to the Capital Adequacy (E) Task Force.
   f. Heard comments on the excessive growth charge.
   g. Heard comments on the draft health bond structure.
   h. Discussed the managed care credit.
   i. Received an update from the Health Test Ad Hoc Group.

2. Discussed the draft health bond structure, specifically how to address if investment income is included in the current health formula; the proposed factor of 0.1% for Aaa and Aa1 investment grade bonds; and the inclusion of the bond portfolio adjustment within the factors for speculative grade bonds. The Working Group agreed to continue this discussion.

3. Heard comments on the Health Test Language Proposal from the American Council of Life Insurers (ACLI). The Working Group agreed to send the comments to the Health Test Ad Hoc Group for further consideration in its discussions related to the health test language.


5. Adopted updates to its 2020 working agenda.

6. Received an update from the Excessive Growth Charge Ad Hoc Group regarding its plan to move forward on the referral from the Operational Risk (E) Subgroup to evaluate the current excessive growth and to consider possible changes to the charge.