Meeting Summary Report

The Health Risk-Based Capital (E) Working Group met March 21, 2023. During this meeting, the Working Group:

1. Adopted its Feb. 7, 2023, minutes, which included the following action:
   A. Adopted its 2022 Fall National Meeting minutes.
   B. Adopted proposal 2022-14-H (Trend Test Instructions), which the Working Group exposed for a 30-day public comment period ending Dec. 7, 2022.
   C. Referred the runoff company response letter to the Capital Adequacy (E) Task Force.
   D. Exposed proposal 2022-16-CA (Underwriting Risk Factors – Investment Income Adjustment) for a 30-day public comment period ending March 9, 2023.
   E. Received an update from the American Academy of Actuaries (Academy) on the H2-Underwriting Risk Review project.

2. Adopted proposal 2022-15-H (Page XR008 Renumbering). This proposal renumbers the lines on page XR008 of the health risk-based capital (RBC) formula for easier updates in the future.

3. Referred proposal 2022-16-CA (Underwriting Risk Factors Investment Income Adjustment) to the Capital Adequacy (E) Task Force for a 30-day exposure for all lines of business.

4. Adopted its 2023 working agenda.

5. Exposed proposal 2023-01-CA (Stop Loss Instructions) for a 20-day public comment period ending April 10. The Working Group clarified the stop loss instructions for the stop loss line and the electronic-only stop loss tables.

6. Discussed the stop loss data and factors. The Working Group discussed how to use data collected to re-evaluate the stop loss factors and the coordination of this work with the Academy.

7. Received an update on the Health Test Ad Hoc Group and the draft proposal with revisions to the health test language and general interrogatories. The draft revisions clarify and create greater transparency in the calculation of both the numerator and denominator in both the premium and reserve ratio calculations.

9. Received an update on the H2-Underwriting Risk review. The Academy continues to work on the analysis and review of the H2-Underwriting Risk component.