

Capital Adequacy (E) Task Force

RBC Proposal Form

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|---|---|--|
| <input type="checkbox"/> Capital Adequacy (E) Task Force | <input type="checkbox"/> Health RBC (E) Working Group | <input type="checkbox"/> Life RBC (E) Working Group |
| <input type="checkbox"/> Catastrophe Risk (E) Subgroup | <input type="checkbox"/> Investment RBC (E) Working Group | <input type="checkbox"/> Operational Risk (E) Subgroup |
| <input type="checkbox"/> C3 Phase II/ AG43 (E/A) Subgroup | <input type="checkbox"/> P/C RBC (E) Working Group | <input type="checkbox"/> Longevity Risk (A/E) Subgroup |

DATE: <u>4/27/21</u>	<u>FOR NAIC USE ONLY</u>
CONTACT PERSON: <u>Eva Yeung</u> TELEPHONE: <u>816-783-8407</u> EMAIL ADDRESS: <u>eyeung@naic.org</u> ON BEHALF OF: <u>P/C RBC (E) Working Group</u> NAME: <u>Tom Botsko</u> TITLE: <u>Chair</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50 West Town Street, Suite 300</u> <u>Columbus, OH 43215</u>	Agenda Item # <u>2021-05-P</u> Year <u>2021</u> <b style="text-align: center;"><u>DISPOSITION</u> <input checked="" type="checkbox"/> ADOPTED <u>6/30/21</u> <input type="checkbox"/> REJECTED _____ <input type="checkbox"/> DEFERRED TO _____ <input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____ <input type="checkbox"/> EXPOSED _____ <input type="checkbox"/> OTHER (SPECIFY) _____

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

- | | | |
|--|--|--|
| <input type="checkbox"/> Health RBC Blanks | <input checked="" type="checkbox"/> Property/Casualty RBC Blanks | <input type="checkbox"/> Life and Fraternal RBC Instructions |
| <input type="checkbox"/> Health RBC Instructions | <input type="checkbox"/> Property/Casualty RBC Instructions | <input type="checkbox"/> Life and Fraternal RBC Blanks |
| <input type="checkbox"/> OTHER _____ | | |

DESCRIPTION OF CHANGE(S)

The proposed change would update the Line 1 Factors for PR017 and PR018.

REASON OR JUSTIFICATION FOR CHANGE **

The proposed change would provide routine annual update of the industry underwriting factors (premium and reserve) in the PCRBC formula.

Additional Staff Comments:

The P/C RBC WG exposed this proposal for a 30-day comment period ended by 5/26/21.
 The P/C RBC WG adopted this proposal on 6/9/21.
 6/30/21- (jdb) Factors were adopted by the Task Force.

** This section must be completed on all forms.

Revised 2-2019

PR017 Line 1 Reserves

Schedule P Line of Business	LOB	Proposed for adoption - 2021 PR017 Line 1	2020 PR017 Line 1	2019 PR017 Line 1	2018 PR017 Line 1	2017 PR017 Line 1	2016 PR017 Line 1	2015 PR017 Line 1	2014 PR017 Line 1	2013 PR017 Line 1	2012 PR017 Line 1	2011 PR017 Line 1	2010 PR017 Line 1	2009 PR017 Line 1	2008 PR017 Line 1	2007 PR017 Line 1
H/F	A	0.998	0.993	0.989	0.989	0.984	0.972	0.962	0.967	0.960	0.949	0.962	0.984	0.983	0.983	0.995
PPA	B	1.025	1.035	1.026	1.022	1.012	1.002	1.002	0.994	0.986	0.991	0.989	0.992	0.998	1.003	1.007
CA	C	1.083	1.078	1.087	1.060	1.034	1.015	0.987	0.979	0.986	0.998	0.992	1.015	1.031	1.045	1.062
WC	D	0.912	0.916	0.955	0.952	0.971	0.971	0.961	0.986	0.980	0.990	0.999	1.005	1.016	1.033	1.051
CMP	E	0.999	1.016	0.992	0.967	0.956	0.942	0.938	0.941	0.927	0.932	0.952	0.962	0.993	1.034	1.037
MM Occurrence	F1	0.874	0.861	0.864	0.871	0.868	0.841	0.966	0.966	0.991	1.072	1.048	1.213	1.251	1.343	1.333
MM Clms Made	F2	0.973	0.940	0.907	0.886	0.854	0.822	0.839	0.808	0.824	0.887	0.925	0.981	1.033	1.083	1.140
SL	G	0.976	0.963	0.938	0.933	0.926	0.919	0.975	0.990	0.954	0.942	0.931	0.998	1.043	1.060	1.108
OL	H	0.964	0.968	0.971	0.966	0.952	0.929	0.923	0.916	0.919	0.914	0.954	0.959	0.963	1.006	1.015
Fidelity / Surety	K	0.915	0.907	0.995	0.996	1.016	1.035	1.016	1.050	1.126	1.194	1.191	1.253	1.247	1.290	1.274
Special Property	I	0.978	0.977	0.972	0.971	0.982	0.973	0.991	0.992	1.035	1.113	1.097	1.144	1.097	1.102	1.102
Auto Physical Damage	J	0.989	0.993	0.996	1.000	1.001	0.995	0.995	1.005	1.054	1.105	1.105	1.155	1.107	1.110	1.106
Other (Credit, A&H)	L	0.965	0.971	0.973	0.976	0.981	0.986	1.041	1.061	1.113	1.138	1.177	1.277	1.262	1.325	1.282
Financial / Mortgage Guaranty	S	0.723	0.682	0.788	0.870	0.820	0.853	1.185	1.444	1.256	1.087	1.276	0.841	0.893	1.483	1.495
Intl	M	1.104	1.162	1.037	0.851	0.855	0.897	1.350	0.742	0.813	0.869	1.015	1.102	1.181	1.175	1.291
Rein. Property & Financial Lines	NP	0.893	0.886	0.872	0.834	0.814	0.814	1.002	0.976	0.934	0.921	0.937	0.965	0.969	1.025	1.048
Rein. Liability	O	0.989	0.985	0.955	0.945	0.914	0.896	0.938	0.905	1.009	1.089	1.169	1.304	1.259	1.314	1.296
PL	R	0.879	0.900	0.913	0.921	0.935	0.937	1.072	1.018	0.981	0.978	1.009	1.063	1.073	1.109	1.112
Warranty	T	1.007	1.013	1.017	1.015	0.989	0.977	0.994	1.040	1.082	1.197	1.268	1.717	1.634	n/a	n/a

PR018 Line 1 Premiums

PR018 Line 1 Factors

Schedule P Line of Business	LOB	Cat Lines	Proposed for adoption - 2021 PR018 Line 1	2020 PR018 Line 1	2019 PR018 Line 1	2018 PR018 Line 1	2017 PR018 Line 1	2016 PR018 Line 1	2015 PR018 Line 1	2014 PR018 Line 1	2013 PR018 Line 1	2012 PR018 Line 1	2011 PR018 Line 1	2010 PR018 Line 1	2009 PR018 Line 1	2008 PR018 Line 1
H/F	A	*	0.681	0.678	0.681	0.687	0.688	0.701	0.701	0.713	0.725	0.728	0.726	0.736	0.737	0.742
PPA	B		0.795	0.810	0.810	0.806	0.800	0.792	0.786	0.780	0.784	0.792	0.804	0.815	0.821	0.831
CA	C		0.761	0.759	0.737	0.724	0.706	0.689	0.684	0.676	0.668	0.669	0.679	0.705	0.737	0.763
WC	D		0.682	0.705	0.726	0.744	0.751	0.752	0.751	0.749	0.750	0.755	0.766	0.78	0.805	0.83
CMP	E	*	0.673	0.672	0.666	0.664	0.647	0.648	0.655	0.652	0.653	0.644	0.654	0.674	0.695	0.710
MM Occurrence	F1		0.731	0.726	0.730	0.780	0.777	0.767	0.880	0.883	0.874	0.916	0.952	1.031	1.104	1.195
MM Clms Made	F2		0.821	0.797	0.768	0.747	0.722	0.691	0.697	0.680	0.695	0.718	0.771	0.860	0.928	1.003
SL	G	*	0.593	0.603	0.593	0.569	0.567	0.572	0.630	0.645	0.649	0.597	0.599	0.582	0.673	0.709
OL	H		0.635	0.639	0.638	0.633	0.629	0.618	0.616	0.617	0.620	0.637	0.662	0.687	0.714	0.738
Fidelity / Surety	K		0.394	0.384	0.399	0.417	0.430	0.464	0.462	0.473	0.496	0.528	0.555	0.584	0.586	0.583
Special Property	I	*	0.559	0.553	0.554	0.563	0.555	0.559	0.571	0.572	0.574	0.562	0.559	0.565	0.575	0.590
Auto Physical Damage	J		0.726	0.732	0.730	0.732	0.727	0.711	0.703	0.686	0.681	0.683	0.681	0.692	0.697	0.705
Other (Credit, A&H)	L		0.693	0.684	0.682	0.709	0.712	0.699	0.706	0.754	0.778	0.794	0.786	0.691	0.697	0.737
Financial / Mortgage Guaranty	S		0.252	0.513	0.811	1.099	1.175	1.293	1.096	1.242	1.271	1.206	1.142	0.738	0.605	0.805
Intl	M	*	0.769	0.758	0.795	0.584	0.565	0.607	1.150	1.131	1.093	0.931	0.937	0.954	0.956	0.930
Rein. Property & Financial Lines	NP	*	0.558	0.534	0.522	0.486	0.459	0.512	0.723	0.764	0.766	0.757	0.805	0.828	0.924	0.977
Rein. Liability	O	*	0.713	0.708	0.679	0.666	0.609	0.600	0.749	0.748	0.782	0.841	0.915	1.010	1.107	1.165
PL	R		0.617	0.645	0.656	0.671	0.670	0.684	0.715	0.716	0.683	0.697	0.714	0.747	0.780	0.802
Warranty	T		0.681	0.691	0.695	0.732	0.645	0.611	0.799	0.789	0.864	0.862	0.916	0.860	0.800	n/a