

## Capital Adequacy (E) Task Force

### RBC Proposal Form

- |   |   |  |
|---|---|--|
| <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 |

<b>DATE:</b> <u>4/11/19</u>	<b><u>FOR NAIC USE ONLY</u></b>
<b>CONTACT PERSON:</b> <u>Eva Yeung</u>	Agenda Item # <u>2019-12-P</u>
<b>TELEPHONE:</b> <u>816-783-8407</u>	Year <u>2020</u>
<b>EMAIL ADDRESS:</b> <u>eyeung@naic.org</u>	<b><u>DISPOSITION</u></b>
<b>ON BEHALF OF:</b> <u>P/C RBC (E) Working Group</u>	<input checked="" type="checkbox"/> ADOPTED <u>12-8-19</u>
<b>NAME:</b> <u>Tom Botsko</u>	<input type="checkbox"/> REJECTED _____
<b>TITLE:</b> <u>Chair</u>	<input type="checkbox"/> DEFERRED TO _____
<b>AFFILIATION:</b> <u>Ohio Department of Insurance</u>	<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
<b>ADDRESS:</b> <u>50 West Town Street, Suite 300</u>	<input checked="" type="checkbox"/> EXPOSED <u>8-3-19</u>
<u>Columbus, OH 43215</u>	<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)

Eliminate PR038 Adjustment for Reinsurance Penalty for Affiliates Applicable to Schedule F.

#### REASON OR JUSTIFICATION FOR CHANGE \*\*

As the computation of RBC charge for reinsurance recoverable has been moved to the Annual Statement Schedule F, Part 3 in 2018 reporting, the adjustment for Reinsurance Penalty for Affiliates Applicable to Schedule F in PR038 is no longer needed.

#### Additional Staff Comments:

8-4-19 The PCRBCWG exposed proposal 2019-12-P until 9-3-19.

11-8-19 This proposal has been adopted at the Joint Catastrophe Risk Subgroup and Property/Casualty Risk-Based Capital Working Group conference call on Nov. 8.

12-8-19 cgb The Capital Adequacy Task Force adopted the proposal on

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

Revised 2-2019

**SCHEDULE 3 REINSURANCE CREDIT AND MEDICAL TABULAR RESERVE MEDICAL TABULAR RESERVE DISCOUNT - RESERVES PR038**

**Credit Risk for Receivables**

**PR012**

<u>Annual Statement Source</u>	<u>Line</u>	<u>Column</u>	<u>(+) Value</u>
Adjustment For Reinsurance Penalty For Affiliates Applicable To Schedule F			
1 Schedule F Part 3, L0199999, L0499999, L1599999, L1899999, L2999999 and L3299999			0
2 Schedule F Part 3, L1099999, Amounts Attributable To Exempt Pools-	13	2	0
3 Schedule F Part 3, L2499999, Amounts Attributable To Exempt Pools-	13	2	0
4 Schedule F Part 3, Line 3899999, Amounts Attributable to Exempt Pools	13	2	0

**Underwriting Risk - Reserves**

**PR017**

**Annual Statement Source: Medical Tabular Reserve Discount**

<u>Annual Statement Source</u>	<u>Line</u>	<u>Column</u>	<u>Value (000 Omitted)</u>
5 Homeowner/Farmowner	7	1	0
6 Private Pass Auto Liab	7	2	0
7 Comm Auto Liab	7	3	0
8 Workers' Comp	7	4	0
9 Comm Multi Peril	7	5	0
10 Medical Professional Liability - Occurrence	7	6	0
11 Medical Professional Liability - Claims-Made	7	7	0
12 Special Liab	7	8	0
13 Other Liab - Occurrence	7	9	0
14 Other Liab - Claims Made	7	9	0
15 Fidelity & Surety	7	10	0
16 Special Property	7	11	0
17 Auto Physical Damage	7	12	0
18 Other (Credit, A&H)	7	13	0
19 Fin Guaranty/Mrtg Guaranty	7	14	0
20 International	7	15	0
21 Medical Tabular Reserve Discount - Reinsurance :Property	7	16	0
22 Medical Tabular Reserve Discount - Reinsurance :Liability	7	17	0
23 Medical Tabular Reserve Discount - Reinsurance :Financial Lines	7	16	0
24 Product Liab - Occurence	7	18	0
25 Product Liab - Claims Made	7	18	0
26 Warranty	7	19	0
27 Total	7	20	0

**Underwriting Risk - Premiums**

**PR018**

**Annual Statement Source : STMTINCOME (page 4, col.1 ln 4)**

<u>Annual Statement Source</u>	<u>Line</u>	<u>Column</u>	<u>Value</u>
28 Other Underwriting Expenses Incurred	6	1	0

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