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 [x] P/C RBC (E) Working Group [ ] Longevity Risk (A/E) Subgroup

DATE: 3/23/2022	**FOR NAIC USE ONLY**
CONTACT PERSON: Eva Yeung	Agenda Item # 2022-01-P
TELEPHONE: 816-783-8407	Year 2022
EMAIL ADDRESS: eyeung@naic.org	**DISPOSITION**
ON BEHALF OF: P/C RBC (E) Working Group	[x] ADOPTED TF adopted 4/28/22
NAME: Tom Botsko	[ ] REJECTED
TITLE: Chair	[ ] DEFERRED TO
AFFILIATION: Ohio Department of Insurance	[ ] REFERRED TO OTHER NAIC GROUP
ADDRESS: 50 W. Town Street, Third Floor – Suite 300	[ ] EXPOSED
Columbus, OH 43215	[ ] OTHER (SPECIFY)

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

[ ] Health RBC Blanks [x] Property/Casualty RBC Blanks [ ] Life and Fraternal RBC Instructions
[ ] Health RBC Instructions [ ] Property/Casualty RBC Instructions [ ] Life and Fraternal RBC Blanks
[ ] OTHER _____

DESCRIPTION OF CHANGE(S)

The proposed change would remove the trend test for information only footnote in PR033.

REASON OR JUSTIFICATION FOR CHANGE **

All States in U.S are in compliance on PC Trend Test. This became part of the Accreditation Standards effective Jan 1, 2012.

Additional Staff Comments:

3/23/22 – The PCRBCWG exposed for comment.
4/26/22 – No comments were received.
4/26/22 – The PCRBCWG adopted the proposal on 4/26/22.
4/28/22 – The CapAd TF adopted the proposal on 4/28/22.

**** This section must be completed on all forms.** **Revised 2-2019**

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TREND TEST PR033

		Annual Statement Source	(1) Amount	(2) Result
	Original RBC % Before Applying Trend Test			
(1)	Authorized Control Level Risk-Based Capital Including Basic Operational Risk	PR032, C(1) L(72)	0	
(2)	Total Adjusted Capital	PR029, C(2) L(14)	0	
(3)	RBC %	L(2)C(1) / L(1)C(1)	0.000%	
	Combined Ratio Data			
(4)	Premiums Earned	Pg 4, Col 1, L 1	0	
(5)	Losses Incurred	Pg 4, Col 1, L 2	0	
(6)	Loss Expenses Incurred	Pg 4, Col 1, L 3	0	
(7)	Other Underwriting Expenses Incurred	Pg 4, Col 1, L 4	0	
(8)	Aggregate Write-ins for Underwriting Deductions	Pg 4, Col 1, L 5	0	
(9)	Dividends to Policyholders	Pg 4, Col 1, L 17	0	
(10)	Net Written Premiums	Pg 8, Col 6, L 35	0	
	Combined Ratio Calculation			
(11)	Loss Ratio	[Pg 4, Col 1, L 2 + Pg 4, Col 1, L 3] / Pg 4, Col 1, L 1	0.000%	
(12)	Dividend Ratio	Pg 4, Col 1, L 17 / Pg 4, Col 1, L 1	0.000%	
(13)	Expenses Ratio	[Pg 4, Col 1, L 4 + Pg 4, Col 1, L 5] / Pg 8, Col 6, L 35	0.000%	
(14)	Combined Ratio	L(11) + L(12) + L(13)	0.000%	
(15)	Trend Test Result †	If L(3) Between 200% & 300% & L(14) >120%, L(15), YES, Otherwise, NO		

†The Trend Test applies only if L(15) = YES

‡If result = YES, the company triggers regulatory attention at the Company Action Level based on the trend test.

~~**NOTE:** This page is for information only until the modifications made by Capital Adequacy Task Force to the *Risk-Based Capital (RBC) for Insurers Model Act* are implemented by states.~~