

What RBC Pages Should Be Submitted?

For year-end 2022 property/casualty (P/C) risk-based capital (RBC), hard copies of pages PR001–PR035, as well as pages PR038 and PR039, should be submitted to any state that requests a hard copy. Beginning with the year-end 2011 RBC, a hard copy was not required to be submitted to the NAIC, but a portable document format (PDF) file representing the hard copy filing is part of the electronic filing with the NAIC.

Credit Risk

R3 Factor Adjustment

The Capital Adequacy (E) Task Force adopted proposal 2021-14-P to remove the embedded 2% operational risk contained in the R3 credit risk component during its March 28, 2022, meeting.

Trend Test

Remove Trend Test for Information-Only Footnote

The Capital Adequacy (E) Task Force adopted proposal 2022-01-P to remove the trend test for the information-only footnote in PR033 during its April 28, 2022, meeting.

Catastrophe Risk

Adding KCC Model

As a result of the adoption of proposal 2021-15-CR by the Capital Adequacy (E) Task Force during its March 28, 2022, meeting, the Karen Clark & Company (KCC) catastrophe model was included as one of the approved third-party commercial vendor catastrophe models.

Adding Wildfire Peril for Informational Purposes Only

As a result of the adoption of proposal 2021-17-CR by the Capital Adequacy (E) Task Force during its March 28, 2022, meeting, the wildfire peril was added as one of the catastrophe risk perils for informational purposes only in the Rcat component.

After further discussion, the Working Group agreed that the modeling requirements would impose a cost and compliance burden to the smaller companies during the for informational purposes only reporting years. Therefore, the Capital Adequacy (E) Task Force adopted the modification of this proposal to allow an exemption option during the informational purposes period only.

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New Industry Average Risk Factors - Annual Update

During its June 30, 2022, meeting, the Capital Adequacy (E) Task Force adopted the annual update of industry average development factors:

PR017 Underwriting Risk - Reserves

Line (1), Industry Average Development Factors

Col.	Line of Business	2022 Factor	2021 Factor
(1)	H/F	1.001	0.998
(2)	PPA	1.022	1.025
(3)	CA	1.082	1.083
(4)	WC	0.906	0.912
(5)	CMP	1.037	0.999
(6)	MPL Occurrence	0.887	0.874
(7)	MPL Claims Made	0.983	0.973
(8)	SL	0.990	0.976
(9)	OL	0.995	0.964
(10)	Fidelity/Surety	0.842	0.915
(11)	Special Property	0.993	0.978
(12)	Auto Physical Damage	1.011	0.989
(13)	Other (Credit A&H)	0.955	0.965
(14)	Financial/Mortgage Guaranty	0.694	0.723
(15)	INTL	3.041	1.104
(16)	REIN. P&F Lines	0.917	0.893
(17)	REIN. Liability	1.008	0.989
(18)	PL	0.867	0.879
(19)	Warranty	0.998	1.007

PR018 Underwriting Risk - Net Written Premiums

Line (1), Industry Average Loss and Expense Ratios

Col.	Line of Business	2022 Factor	2021 Factor
(1) *	H/F	0.665	0.681
(2)	PPA	0.793	0.795
(3)	CA	0.761	0.761
(4)	WC	0.664	0.682
(5) *	CMP	0.661	0.673
(6)	MPL Occurrence	0.750	0.731
(7)	MPL Claims Made	0.829	0.821
(8) *	SL	0.585	0.593
(9)	OL	0.637	0.635
(10)	Fidelity/Surety	0.366	0.394
(11) *	Special Property	0.547	0.559
(12)	Auto Physical Damage	0.718	0.726
(13)	Other (Credit A&H)	0.698	0.693
(14)	Financial/Mortgage Guaranty	0.203	0.252
(15) *	INTL	1.166	0.769
(16) *	REIN. P&F Lines	0.566	0.558
(17) *	REIN. Liability	0.725	0.713
(18)	PL	0.601	0.617
(19)	Warranty	0.665	0.681

* Cat Lines

Editorial Changes

Underwriting and Investment Exhibit - Premiums Written (PR035)

As a result of the adoption of the Annual Statement proposal 2020-33BWG, the annual statement lines were modified to provide consistency in the granularity of reporting of annual statement lines in different pages. The amounts reported in PR035 Column (1) should agree with the amounts reported for the identical line in Column 1 of the Annual Statement Underwriting and Investment Exhibit, Part 1B, with the following exceptions:

PR035, Line 2 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 2.1 through 2.5.

PR035, Line 5 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 5.1 and 5.2.

PR035, Line 13 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 13.1 and 13.2.

PR035, Line 15 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 15.1 through 15.9.

PR035, Line 19.1 and 19.2 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 19.1 and 19.2.

PR035, Line 19.3 and 19.4 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 19.3 and 19.4.

PR035, Line 21.1 and 21.2 should equal Annual Statement Underwriting and Investment Exhibit, Part 1B, Column 6, the sum of Lines 21.1 and 21.2.

RBC Forecasting and Instructions

The P/C RBC forecasting spreadsheet calculates RBC using the same formula presented in the *2022 NAIC Property & Casualty Risk-Based Capital Forecasting & Instructions for Companies*, and it is available to download from the [NAIC Account Manager](#). The *2022 NAIC Property & Casualty Risk-Based Capital Forecasting & Instructions for Companies* publication is available for purchase in electronic format through the NAIC Publications Department. This publication is available on or about November 1 each year. The User Guide is no longer included in the Forecasting & Instructions.

WARNING: The RBC forecasting spreadsheet CANNOT be used to meet the year-end RBC electronic filing requirement. RBC filing software from an annual financial statement software vendor should be used to create the electronic filing. If the forecasting worksheet is sent instead of an electronic filing, it will not be accepted, and the RBC will not have been filed.



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