

**PROCEDURES OF THE FINANCIAL CONDITION (E) COMMITTEE'S  
CAPITAL ADEQUACY TASK FORCE IN CONNECTION WITH PROPOSED AMENDMENTS TO RISK-BASED CAPITAL  
BLANKS AND INSTRUCTIONS**

The following establishes procedures and rules of the Financial Condition (E) Committee's Capital Adequacy Task Force (Task Force) and its Working Groups with respect to proposed amendments to the NAIC RBC Forecasting (blanks) and Instructions.

1. The Task Force may consider relevant proposals to change the RBC blanks and instructions at the national meeting or designated interim meeting as scheduled by the Task Force.
2. All proposals for suggested changes and amendments shall use NAIC Proposal Forms and shall be stated in a concise and complete manner and include the appropriate blank and instruction modifications. The Proposal Form and its instructions are available online under related documents and resources at [https://content.naic.org/cmte\\_e\\_capad.htm](https://content.naic.org/cmte_e_capad.htm). All interested party proposals should be emailed to the appropriate NAIC staff support with a completed proposal form and mocked-up changes.

The following guidelines apply:

- Any proposal that affects an RBC blank must be exposed by the Task Force or its Working Groups by January 31 of the effective year of the change. In only rare instances, where the structure change is urgent, may the exposure deadline be extended to March 15 for either the Task Force or Working Groups. The proposal must be adopted by the Task Force no later than April 30 of the effective year of the change.
- Any proposal that only affects the instructions or factors must be exposed by the Task Force / Working Group by April 30 and adopted by the Task Force by June 30 of the current year.
- Only the Task Force may extend the June 30<sup>th</sup> adoption deadline for previously considered proposals regarding instructions or factors upon a super majority (two-thirds) consent of the Task Force members present where such extension can be no later than July 30<sup>th</sup> of the current year. This would be considered only in rare circumstances where urgency of such adoption is high. The super majority consent applies only in the instance of a Task Force vote that is outside of the standard RBC adoption deadlines (April 30 and June 30).

An illustration of the proposed change to the RBC blank or instructions should accompany the Proposal Form. In addition, an impact analysis will be required for any factor change. If another NAIC Committee, Task Force or Working Group is known to have considered this proposal, that Committee, Task Force or Working Group should provide any relevant information.

The Task Force/Working Groups will review the proposal and determine whether to receive the proposal and expose for public comment (initial exposure of at least 30-days to ensure adequate time to provide comment on any structural change, unless a shorter exposure is approved by the Task Force or Working Groups) or to reject the proposal. The comment period ends at least 3 business days prior to the next designated national or interim meetings of the Task Force/ Working Group. The Task Force/Working Group will consider comments received on each proposal at its next meeting. Proposals under consideration may be deferred by the Task Force/Working Group if there is general consensus among members that the proposal has merit but warrants additional work or input. However, the Task Force will limit the number of deferrals to two. The proposal must be acted upon after the second deferral, or absent action, the proposal is deemed to have been rejected and will be removed from the agenda. The Task Force may also refer proposals to other NAIC groups due to their technical expertise or for additional review. If a proposal has been referred to another NAIC group, the proposal will be reprioritized on the working agenda and will be considered again in the form of a modified or new proposal after comments/recommendations are received. The Task Force will review and adopt the working agenda at each National Meeting, if necessary, to ensure all items designated as a priority 1 are being addressed, to add or delete items that have been addressed or to reprioritize the remaining items on the working agenda.

3. Interested Party proposals filed with the appropriate NAIC staff support shall be considered at the next regularly scheduled meeting of the Task Force/Working Group if the proposal is filed at least ten days prior to the meeting.
4. The NAIC staff support shall prepare the meeting materials including all suggested proposals. Interim meeting materials will be posted no later than three business days prior to the scheduled meeting on the NAIC website. Initial national meeting materials will be posted ten business days before the first day of each National Meeting on the NAIC website.
5. At each meeting, the Task Force/Working Group will review comments that were received by the comment exposure due date for suggested proposals.

6. NAIC staff support will incorporate any non-substantive changes discovered in the annual updates of the RBC formulas e.g., reference changes due to new SSAPs or annual statement references. These changes will be reflected in RBC newsletters that will be presented to the Working Group for adoption at the Summer National Meeting. NAIC staff support may also request that the Task Force/Working Group reconsider items adopted, if these items contain substantial errors.
7. The Task Force/Working Group may, when deemed necessary, appoint an Ad Hoc Group to study proposals and/or certain issues.
8. The NAIC will publish the RBC Forecasting and Instructions for the next subsequent year on, or about November 1 each year. The following documentation will be posted to the NAIC Web site:
  - RBC Proposals adopted by the Task Force (after each interim and National Meeting)
  - Annual RBC Newsletters (after Summer National Meeting)
  - Annual RBC Statistics (after Summer National Meeting)
  - Working Agenda (after each National Meeting)
  - Any subsequent corrections to these publications (as needed)