What RBC Pages Should Be Submitted?

For year-end 2013 health RBC, submit hard copies of pages (XR001) through (XR026) to any state that requests a hard copy in addition to the electronic filing. Starting with the year-end 2007 RBC, a hard copy was not required to be submitted to the NAIC.

Other pages, such as the capitations worksheet, do not need to be submitted. Those pages would need to be retained by the company as documentation.

Schedule S Line Changes Made to Page XR019 Credit Risk

As a result of the adoption of agenda item 2013-11BWG by the Blanks (E) Working Group during a June 13, 2013, conference call, changes were made to the line references of page (XR019) Credit Risk.

Agenda item 2013-11BWG added new lines to the financial annual statement Schedule S to capture reinsurance data related to captive companies. These new line references were added to Lines (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (13), (14) and (15).

Low Income Housing Tax Credits

A proposal to make changes for Low Income Housing Tax Credits was adopted during a Nov. 30, 2012, meeting of the Capital Adequacy (E) Task Force.

Page (XR007) Changes:
New Lines (27), (28), (29), (30) and (31) were added to page (XR007) Miscellaneous Fixed Income Assets.

These new lines add RBC charges for Low Income Housing Tax Credits as follows:

(27) Federal Guaranteed Low Income Housing Tax Credits (taken from Schedule BA Part 1, Column 12, Lines 3199999 + 3299999)  
Factor = 0.0014

(28) Federal Non-Guaranteed Low Income Housing Tax Credit (taken from Schedule BA Part 1, Column 12, Lines 3399999 + 3499999)  
Factor = 0.0260

(29) State Guaranteed Low Income Housing Tax Credits (taken from Schedule BA Part 1, Column 12, Lines 3599999 + 3699999)  
Factor = 0.0014

(30) State Non-Guaranteed Low Income Housing Tax Credits (taken from Schedule BA Part 1, Column 12, Lines 3799999 + 3899999)  
Factor = 0.0260

(31) All Other Low Income Housing Tax Credits (taken from Schedule BA Part 1, Column 12, Lines 3999999 + 4099999)  
Factor = 0.0150

The Annual Statement Source Line Reference for Miscellaneous Assets (XR007), Line (27), (28), (29), (30) and (31) were updated as a result of the addition of two categories of the financial annual statement Schedule BA adopted during the Blanks (E) Working Group conference call held June 13, 2013.
Working Capital Finance Investments

Page (XR007) and (XR011) Changes:
A proposal to make changes for Working Capital Finance Investments was adopted by the Capital Adequacy (E) Task Force during conference calls held April 7, 2013, and June 25, 2013.

Page XR007 Changes:
New Lines (24) and (25) were added to page (XR007) Miscellaneous Fixed Income Assets. Line (26) was edited to exclude collateral loans and working capital finance investments.

These new lines add RBC charges for working capital finance investments as follows:

(24) Class 01 Working Capital Finance Investments (taken from Company Records)
Factor = 0.0038

(25) Class 02 Working Capital Finance Investments (taken from Company Records)
Factor = 0.125

Page (XR011) Changes:
New Line (16) was added to page (XR011) Asset Concentration.

The new line adds an RBC charge for working capital finance investments as follows:

(16) Class 02 Working Capital Finance Investments
Factor = 0.0125

Changed “Class” to “NAIC” and “Rating” to “Designation”

To be consistent with the terminology used in the Purposes and Procedures Manual of the NAIC Securities Valuation Office and changes being made within the Annual Statement Instructions, the word “class” when used with NAIC designations has been modified to “NAIC” and the word “rating” when used in reference to an NAIC designation has been changed to “designations” in the health RBC Overview and Instructions, Blanks and Forecasting.

Mandatory Convertible Securities

Page (XR008) Changes:
A referral to change “mandatorily” to “mandatory” on page (XR008) Replications/Mandatorily Convertible Securities from the Valuation of Securities (E) Task Force was adopted May 30, 2013, by the Capital Adequacy (E) Task Force. Additional instructions were adopted to define “mandatory convertible securities.”

Page (XR008) Changes:
Replaced the word “mandatorily” with “mandatory.”

Pandemic and Biological Risk Interrogatories (For Informational Purposes Only)

The Health Risk-Based Capital (E) Working Group was charged by the Solvency Modernization Initiative Risk-Based Capital (E) Subgroup in 2011 to look at catastrophe risks (such as pandemic and biological risks) and to consider the impact to a health insurer should a major health catastrophe occur. The proposal adopted is for informational purposes only and designed to provide preliminary data for the Working Group to use in analysis purposes of the charge given to them.

NEW Page (XR026):
A proposal to add page (XR026) Pandemic and Biological Risk Interrogatories (For Informational Purposes Only) was adopted March 4, 2013, by the Health Risk-Based Capital (E) Working Group.