MANAGEMENT DISCUSSION AND ANALYSIS

Each company has the opportunity to prepare a written analysis of its risk-based capital results. A company may explain special situations as it deems warranted. Companies should also give explanations where totals of line items do not reconcile with totals that are referenced to annual statement sources. However, modification of the risk-based capital formula is not acceptable. Factors, RBC amounts that go to the Calculation of Total Risk-Based capital After Covariance page (R0, R1, R2, R3, R4, R5, R6, R7), and the Total Adjusted Capital amount should not be overwritten. This written analysis should not be construed as the “RBC Plan” required in the Risk-Based Capital (RBC) for Insurers Model Act.