

## Capital Adequacy (E) Task Force

### RBC Proposal Form

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Capital Adequacy (E) Task Force | <input type="checkbox"/> Health RBC (E) Working Group     | <input type="checkbox"/> Life RBC (E) Working Group  |
| <input type="checkbox"/> Catastrophe Risk (E) Subgroup              | <input type="checkbox"/> Investment RBC (E) Working Group | <input type="checkbox"/> SMI RBC (E) Subgroup        |
| <input type="checkbox"/> C3 Phase II/ AG43 (E/A) Subgroup           | <input type="checkbox"/> P/C RBC (E) Working Group        | <input type="checkbox"/> Stress Testing (E) Subgroup |

<b>DATE:</b> <u>8-6-18</u>	<b><u>FOR NAIC USE ONLY</u></b>
<b>CONTACT PERSON:</b> <u>Crystal Brown</u>	Agenda Item # <u>2018-14-CA</u>
<b>TELEPHONE:</b> <u>816-783-8146</u>	Year <u>2019</u>
<b>EMAIL ADDRESS:</b> <u>cbrown@naic.org</u>	<b><u>DISPOSITION</u></b>
<b>ON BEHALF OF:</b> <u>Health RBC (E) Working Group</u>	<input type="checkbox"/> ADOPTED _____
<b>NAME:</b> <u>Patrick McNaughton</u>	<input type="checkbox"/> REJECTED _____
<b>TITLE:</b> <u>Chief Financial Examiner/Chair</u>	<input type="checkbox"/> DEFERRED TO _____
<b>AFFILIATION:</b> <u>WA Office of Insurance Commissioner</u>	<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
<b>ADDRESS:</b> <u>PO Box 40255</u>	<input type="checkbox"/> EXPOSED _____
<u>Olympia, WA 98504-0255</u>	<input type="checkbox"/> OTHER (SPECIFY) _____

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

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Health RBC Blanks    | <input checked="" type="checkbox"/> Property/Casualty RBC Blanks | <input checked="" type="checkbox"/> Life RBC Instructions              |
| <input checked="" type="checkbox"/> Fraternal RBC Blanks | <input checked="" type="checkbox"/> Health RBC Instructions      | <input checked="" type="checkbox"/> Property/Casualty RBC Instructions |
| <input checked="" type="checkbox"/> Life RBC Blanks      | <input checked="" type="checkbox"/> Fraternal RBC Instructions   | <input checked="" type="checkbox"/> OTHER _____                        |

#### DESCRIPTION OF CHANGE(S)

Revise Table 2 of the electronic only stop loss tables to be split out between specific stop loss and aggregate stop loss

#### REASON OR JUSTIFICATION FOR CHANGE \*\*

The table currently captures stop loss contracts by group size, this would include the number of groups, average specific attachment point and average aggregate attachment. The proposed change would allow for regulators to distinguish between aggregate and specific stop loss data.

#### Additional Staff Comments:

9-21-18 cgb HRBCWG discussed the proposal on the 9/21 WG call and agreed to refer the proposal to the TF for exposure for all LOB and any comments received to come back to the WG for discussion.

\*\* This section must be completed on all forms.

Revised 11-2013

**Table 2a - Calendar Year - ~~XXXX~~ Specific Stop Loss Contracts by Group Size**

Page XR014

	<b>Covered Lives in Group</b>	<b>Number of Groups</b>	<b>Average Specific Attachment Point (\$)</b>	<b>Average Aggregate Attachment (%)</b>
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2b - Calendar Year - ~~XXXX~~ Aggregate Stop Loss Contracts by Group Size**

Page XR014

	<b>Covered Lives in Group</b>	<b>Number of Groups</b>	<b>Average Specific Attachment Point (\$)</b>	<b>Average Aggregate Attachment (%)</b>
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2a - Calendar Year - ~~XXXX~~ Specific Stop Loss Contracts by Group Size**

Page XR014

	<b>Covered Lives in Group</b>	<b>Number of Groups</b>	<b>Average Specific Attachment Point (\$)</b>	<b>Average Aggregate Attachment (%)</b>
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2b - Calendar Year - ~~XXXX~~ Aggregate Stop Loss Contracts by Group Size**

Page XR014

	<b>Covered Lives in Group</b>	<b>Number of Groups</b>	<b>Average Specific Attachment Point (\$)</b>	<b>Average Aggregate Attachment (%)</b>
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2a - Calendar Year - ~~XXXX~~ Specific Stop Loss Contracts by Group Size**

Page XR014

	Covered Lives in Group	Number of Groups	Average Specific Attachment Point (\$)	Average Aggregate Attachment (%)
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2b - Calendar Year - ~~XXXX~~ Aggregate Stop Loss Contracts by Group Size**

Page XR014

	Covered Lives in Group	Number of Groups	Average Specific Attachment Point (\$)	Average Aggregate Attachment (%)
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2a - Calendar Year - ~~XXXX~~ Specific Stop Loss Contracts by Group Size**

Page XR014

	<b>Covered Lives in Group</b>	<b>Number of Groups</b>	<b>Average Specific Attachment Point (\$)</b>	<b>Average Aggregate Attachment (%)</b>
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Table 2b - Calendar Year - ~~XXXX~~ Aggregate Stop Loss Contracts by Group Size**

Page XR014

	<b>Covered Lives in Group</b>	<b>Number of Groups</b>	<b>Average Specific Attachment Point (\$)</b>	<b>Average Aggregate Attachment (%)</b>
1.	<10			
2.	10-24			
3.	25-49			
4.	50-99			
5.	100-499			
6.	>=500			

**Stop Loss Electronic Only Tables**  
**XR014, PR019, LR019, FR019**

**Electronic Only Table Instructions**

**Table 2a – Calendar Year Specific Stop Loss Contracts By Group Size and Table 2b – Calendar Year Aggregate Stop Loss Contracts by Group Size**

For those insurers where the stop loss gross premium written is both under \$2,000,000 and is less than 10% of the insurer's total gross premium written are exempt from completing Table 2.

**Table 2a should reflect the specific stop loss data and Table 2b should reflect the aggregate stop loss data.**

Report the number of groups, average specific attachment point and average aggregate attachment as of December 31<sup>st</sup> of the calendar (reporting) year.

The number of covered lives in a group (group size) should be based on the size of the group as of December 31 of the calendar year. The number of covered lives counted should include all enrolled members (that is, employees plus dependents).

Number of Groups – list the number of groups for each stop loss contract based on the number of covered lives in the group.

Average Specific Attachment Point - The average should be weighted by the number of covered lives in the respective group size bracket, excluding the count of covered lives within the denominator where specific/aggregate coverage was not provided.

Average Aggregate Attachment Percentage – Is based on expected claims. Subgroups of groups that have separate stop loss contracts should be aggregated in terms of determining the group size. The average should be weighted by the number of covered lives in the respective group size bracket, excluding the count of covered lives within the denominator where specific/aggregate coverage was not provided.