

Capital Adequacy (E) Task Force**RBC Proposal Form**

- | | | |
|---|--|--|
| <input type="checkbox"/> Capital Adequacy (E) Task Force | <input checked="" 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 |

DATE: <u>5-16-18</u>	<u>FOR NAIC USE ONLY</u>
CONTACT PERSON: <u>Crystal Brown</u>	Agenda Item # <u>2018-12-H</u>
TELEPHONE: <u>816-783-8146</u>	Year <u>2019</u>
EMAIL ADDRESS: <u>cbrown@naic.org</u>	<u>DISPOSITION</u>
ON BEHALF OF: <u>Health RBC (E) Working Group</u>	<input type="checkbox"/> ADOPTED _____
NAME: <u>Patrick McNaughton</u>	<input type="checkbox"/> REJECTED _____
TITLE: <u>Chief Financial Examiner/Chair</u>	<input type="checkbox"/> DEFERRED TO _____
AFFILIATION: <u>WA Office of Insurance Commissioner</u>	<input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____
ADDRESS: <u>PO Box 40255</u>	<input checked="" type="checkbox"/> EXPOSED <u>30 days</u>
<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 type="checkbox"/> Property/Casualty RBC Blanks | <input type="checkbox"/> Life RBC Instructions |
| <input type="checkbox"/> Fraternal RBC Blanks | <input type="checkbox"/> Health RBC Instructions | <input type="checkbox"/> Property/Casualty RBC Instructions |
| <input type="checkbox"/> Life RBC Blanks | <input type="checkbox"/> Fraternal RBC Instructions | <input type="checkbox"/> OTHER _____ |

DESCRIPTION OF CHANGE(S)

Correct the Bond and Preferred Stock descriptions on page XR011.

REASON OR JUSTIFICATION FOR CHANGE **

The bond descriptions on page XR011 have included the term “unaffiliated” since the formula’s inception in 1998, however, all bonds (affiliated and unaffiliated) should be included in the asset concentration consistent with the bond reporting on page XR007 which includes all bonds.

The preferred stock description should have the term “unaffiliated” added to the blanks page to be consistent with the RBC instructions for the asset concentration.

Additional Staff Comments:

5-18-18 cgb The WG agreed to expose the proposal for a 30 day comment period, ending June 19, 2018

6-19-18 cgb One comment letter was received from CT.

6-29-18 cgb Suggested modifications to insert “and hybrids” and delete “affiliated bonds” in paragraph 2 of the instructions has been included in the revised draft.

7-12-18 cgb the WG adopted proposal 2018-12-H, with modifications to add the terms “and hybrids” and delete the terms “affiliated bonds” from the second paragraph

** This section must be completed on all forms.

Revised 11-2013

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