

## Capital Adequacy (E) Task Force

### RBC Proposal Form

- |   |   |  |
|---|---|--|
| <input 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"/> Operational Risk (E) Subgroup |
| <input type="checkbox"/> C3 Phase II/ AG43 (E/A) Subgroup | <input checked="" type="checkbox"/> P/C RBC (E) Working Group | <input type="checkbox"/> Stress Testing (E) Subgroup   |

<b>DATE:</b> <u>12/6/2018</u>	<b><u>FOR NAIC USE ONLY</u></b>
<b>CONTACT PERSON:</b> <u>Eva Yeung</u> <b>TELEPHONE:</b> <u>816-783-8407</u> <b>EMAIL ADDRESS:</b> <u>eyeung@naic.org</u> <b>ON BEHALF OF:</b> <u>P/C RBC WG</u> <b>NAME:</b> <u>Tom Botsko</u> <b>TITLE:</b> <u>Chair</u> <b>AFFILIATION:</b> <u>Ohio Department of Insurance</u> <b>ADDRESS:</b> <u>50 W. Town Street, Third Floor – Suite 300</u> <u>Columbus, OH 43215</u>	Agenda Item # <u>2018-20-P</u> Year <u>2019</u>  <b style="text-align: center;"><u>DISPOSITION</u></b> <input type="checkbox"/> ADOPTED _____ <input type="checkbox"/> REJECTED _____ <input type="checkbox"/> DEFERRED TO _____ <input type="checkbox"/> REFERRED TO OTHER NAIC GROUP _____ <input checked="" type="checkbox"/> EXPOSED <u>3/22/19</u> <input type="checkbox"/> OTHER (SPECIFY) _____

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

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Health RBC Blanks    | <input checked="" 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 checked="" 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)

Update the PR011 Blanks and Instructions Asset Concentration Preferred Stock and Hybrid Securities line descriptions to Unaffiliated Preferred Stock and Hybrid Securities.

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

Change the line descriptions to be consistent with the PR011 instructions.

#### Additional Staff Comments:

2/20/19 – Per discussion in the Joint PC RBC WG and Cat Risk SG call, the members agreed to expose this proposal for 30 days comment period.

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

Revised 11-2013

**ASSET CONCENTRATION PR011**

(1)		(2)		(3)
ISSUER #1 <span style="background-color: #f08080; display: inline-block; width: 100px; height: 1em;"></span>		<u>Book/Adjusted Carrying Value</u>	<u>Factor</u>	<u>Additional RBC</u>
(1)	NAIC 02 Bonds	0	0.0100	0
(2)	NAIC 03 Bonds	0	0.0200	0
(3)	NAIC 04 Bonds	0	0.0450	0
(4)	NAIC 05 Bonds	0	0.1000	0
(5)	Collateral Loans	0	0.0500	0
(6)	Mortgage Loans	0	0.0500	0
(7)	NAIC 02 Working Capital Finance Investments	0	0.0125	0
(8)	Federal Guaranteed Low Income Housing Tax Credits	0	0.0014	0
(9)	Federal Non-Guaranteed Low Income Housing Tax Credits	0	0.0260	0
(10)	State Guaranteed Low Income Housing Tax Credits	0	0.0014	0
(11)	State Non-Guaranteed Low Income Housing Tax Credits	0	0.0260	0
(12)	All Other Low Income Housing Tax Credits	0	0.1500	0
(13)	SUBTOTAL - FIXED INCOME	0		0
(14)	NAIC 02 <b>Unaffiliated</b> Preferred Stock	0	0.0100	0
(15)	NAIC 03 <b>Unaffiliated</b> Preferred Stock	0	0.0200	0
(16)	NAIC 04 <b>Unaffiliated</b> Preferred Stock	0	0.0450	0
(17)	NAIC 05 <b>Unaffiliated</b> Preferred Stock	0	0.1000	0
(18)	NAIC 02 Hybrid Securities	0	0.0100	0
(19)	NAIC 03 Hybrid Securities	0	0.0200	0
(20)	NAIC 04 Hybrid Securities	0	0.0450	0
(21)	NAIC 05 Hybrid Securities	0	0.1000	0
(22)	Property Held For Production of Income or For Sale Excluding Home Office	0	0.1000	0
(23)	Property Held For Production of Income or For Sale Encumbrances Excluding Home Office	0	0.1000	0
(24)	Schedule BA Assets	0	0.1000	0
(25)	Receivable for Securities	0	0.0250	0
(26)	Aggregate Write-Ins for Invested Assets	0	0.0500	0
(27)	Derivatives	0	0.0500	0
(28)	Unaffiliated Common Stock	0	0.1500	0
(29)	SUBTOTAL - EQUITY	0		0
(30)	TOTAL - ISSUER #1 (L13+L29)	0		0

NOTE: Ten issuer sections and a grand total page will be available on the filing software. The grand total page is calculated as the sum of issuers 1-10 by asset type.

Denotes items that must be manually entered on the filing software.

PR011 - Asset Concentration

**Detail Eliminated To Conserve Space**

The assets that ARE INCLUDED in the calculation are divided into two categories – Fixed Income Assets and Equity Assets. The following asset types should be aggregated to determine the 10 largest issuers:

**FIXED INCOME ASSETS**

Bonds –NAIC 02  
 Bonds –NAIC 03  
 Bonds –NAIC 04  
 Bonds –NAIC 05  
 Collateral Loans  
 Mortgage Loans  
 Working Capital Finance Investments – NAIC 02  
 Federal Guaranteed Low Income Housing Tax Credits  
 Federal Non-Guaranteed Low Income Housing Tax Credits  
 State Guaranteed Low Income Housing Tax Credits  
 State Non-Guaranteed Low Income Housing Tax Credits  
 All Other Low Income Housing Tax Credits

**EQUITY ASSETS**

Unaffiliated Preferred Stock –NAIC 02  
 Unaffiliated Preferred Stock –NAIC 03  
 Unaffiliated Preferred Stock –NAIC 04  
 Unaffiliated Preferred Stock –NAIC 05  
~~Unaffiliated~~ Hybrid Securities –NAIC 02  
~~Unaffiliated~~ Hybrid Securities –NAIC 03  
~~Unaffiliated~~ Hybrid Securities –NAIC 04  
~~Unaffiliated~~ Hybrid Securities –NAIC 05  
 Unaffiliated Common Stock  
 Investment Real Estate  
 Encumbrances on Inv. Real Estate  
 Schedule BA Assets (excluding Collateral Loans)  
 Receivable for Securities  
 Aggr Write-ins for Invested Assets  
 Derivatives

The name of each of the largest 10 issuers is entered at the top of the table and the appropriate statement amounts are entered in C(2) Ls (01) through (12) for fixed income assets and C(2), Ls (14) through (28) for equity assets. Aggregate all similar asset types before entering the amount in C(2). For instance, if you own five separate \$1,000,000 NAIC 03 bonds from Issuer #1, enter \$5,000,000 in C(2)L(02) – NAIC 03 Unaffiliated Bonds.