Capital Adequacy (E) Task Force

RBC Proposal Form

[ ] Capital Adequacy (E) Task Force	[ ] Health RBC (E) Working Group	[X] Life RBC (E) Working Group
[ ] Catastrophe Risk (E) Subgroup	[ ] Investment RBC (E) Working Group	[ ] Operational Risk (E) Subgroup
[ ] C3 Phase II/ AG43 (E/A) Subgroup	[ ] P/C RBC (E) Working Group	[ ] Longevity Risk (A/E) Subgroup

	DATE: **4/30/18**	**FOR NAIC USE ONLY**
CONTACT PERSON:	**Dave Fleming**	Agenda Item # 2018-13-L
TELEPHONE:	**816-783-8121**	Year 2018
EMAIL ADDRESS:	**dfleming@naic.org**	**DISPOSITION**
ON BEHALF OF:	**Life Risk-Based Capital (E) Working Group**	[x] ADOPTED 6-28-18
NAME:	**Philip Barlow**	[ ] REJECTED
TITLE:	**Chair**	[ ] DEFERRED TO
AFFILIATION:	**District of Columbia**	[ ] REFERRED TO OTHER NAIC GROUP
ADDRESS:		[X] EXPOSED 4-26-18
		[ ] OTHER (SPECIFY)

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

[ ] Health RBC Blanks	[ ] Property/Casualty RBC Blanks	[X] Life RBC Instructions
[X] Fraternal RBC Blanks	[ ] Health RBC Instructions	[ ] Property/Casualty RBC Instructions
[X] Life RBC Blanks	[X] Fraternal RBC Instructions	[ ] OTHER ______________

DESCRIPTION OF CHANGE(S)

Address the changes necessitated for the life and fraternal RBC factors and instructions by the implementation of the Tax Cuts and Jobs Act.

REASON OR JUSTIFICATION FOR CHANGE **

The life and fraternal formulas are tax-affected and are currently based on the tax code prior to the reform adopted in December 2017. This proposal adjusts factors and instructions that were based upon the previous tax environment to reflect the current environment.

Additional Staff Comments:

- 04-26-18: Proposal was exposed for 40 days ending June 5, 2018 (DBF)
- 06-8-18: Proposal was adopted by the Working Group (DBF)
  Companion AVR proposal adopted by the Working Group and sent to the Blanks (E) Working Group (DBF)
- 6-28-18: The Capital Adequacy (E) Task Force adopted the proposal.

The supporting calculations for the factor changes are shown below:

Factor Adjustment Calculations for 2018 Tax Changes													
					2017				2018				
					Factor				Factor				
Tax Factors	Full Factor				0.3500				0.2100				
									X				
	Reduced for DTA effectiveness								0.7500				
									=				
	Adjusted Factor								0.1575				
Pre-Tax Factors	Bonds			NAIC 1	0.0040	X	0.9700	=	0.0039				
	(also applies to preferred stock, hybrids, surplus and capital			NAIC 2	0.0130	X	0.9700	=	0.0126				
	notes, derivatives and off balance sheet collateral)			NAIC 3	0.0460	X	0.9700	=	0.0446				
				NAIC 4	0.1000	X	0.9700	=	0.0970				
				NAIC 5	0.2300	X	0.9700	=	0.2231				
				NAIC 6	0.3000	X	0.9700	=	0.2910				
	Reinsurance				0.0080	X	0.9700	=	0.0078				
	Life Insurance (LR025 Instructions)		Line (8)	Individual & Industrial									
				First 500 Million	0.0023	X	0.9700	=	0.0022				
				Next 4,500 Million	0.0015	X	0.9700	=	0.0015				
				Next 20,000 Million	0.0012	X	0.9700	=	0.0012				
				Over 25,000 Million	0.0009	X	0.9700	=	0.0009				
			Line (20)	Group & Credit									
				First 500 Million	0.0018	X	0.9700	=	0.0017				
				Next 4,500 Million	0.0012	X	0.9700	=	0.0012				
				Next 20,000 Million	0.0009	X	0.9700	=	0.0009				
				Over 25,000 Million	0.0008	X	0.9700	=	0.0008				
	LTC, DI and Claim Reserve												
		0.5390	0.2310	0.3850	0.1080	0.3080	0.0460	0.1540	0.1230	0.5690	0.1850	0.0770	0.0500
	X	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900
	=	0.6823	0.2924	0.4873	0.1367	0.3899	0.0582	0.1949	0.1557	0.7203	0.2342	0.0975	0.0633
	/	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
	= new base factor	0.4435	0.1901	0.3168	0.0889	0.2534	0.0378	0.1267	0.1012	0.4682	0.1522	0.0634	0.0411
	Check												
	Current base factor	0.5390	0.2310	0.3850	0.1080	0.3080	0.0460	0.1540	0.1230	0.5690	0.1850	0.0770	0.0500
	X	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
	=	0.1887	0.0809	0.1348	0.0378	0.1078	0.0161	0.0539	0.0431	0.1992	0.0648	0.0270	0.0175
	Current after-tax factor	0.3504	0.1502	0.2503	0.0702	0.2002	0.0299	0.1001	0.0800	0.3699	0.1203	0.0501	0.0325
	New base factor	0.4435	0.1901	0.3168	0.0889	0.2534	0.0378	0.1267	0.1012	0.4682	0.1522	0.0634	0.0411
	X	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
	=	0.0931	0.0399	0.0665	0.0187	0.0532	0.0079	0.0266	0.0213	0.0983	0.0320	0.0133	0.0086
	New after-tax factor	0.3504	0.1502	0.2503	0.0702	0.2002	0.0299	0.1001	0.0800	0.3699	0.1203	0.0501	0.0325
	Interest Rate Risk (base factors)		Original factors		Adj. for .65				Adj. for .79				
			0.0050	0.6500	0.0077		0.0050	0.7900	0.0063				
					0.0115								
				% increase for qualified	0.6689				0.0095				
			0.0100	0.6500	0.0154		0.0100	0.7900	0.0127				
					0.0231								
				% increase for qualified	0.6660				0.0190				
			0.0200	0.6500	0.0308		0.0200	0.7900	0.0253				
					0.0462								
				% increase for qualified	0.6660				0.0380				
	Business Risk				Adj. for .65				Adj. for .79				
		Life & Annuity	0.0200	0.6500	0.0308		0.0200	0.7900	0.0253				
		Health	0.0050	0.6500	0.0077		0.0050	0.7900	0.0063				
		Separate Accts	0.0005	0.6500	0.0008		0.0005	0.7900	0.0006				

BONDS

	SVO Bond Designation Category	Annual Statement Source	(1) Book / Adjusted Carrying Value		Factor		(2) RBC Requirement
	Long Term Bonds						
(1)	Exempt Obligations	AVR Default Component Column 1 Line 1		X	0.0000	=	
(2)	Asset NAIC 1	AVR Default Component Column 1 Line 2 - Schedule D Part 1A Section 1 Column 7 Line 7.1		X	**0.0039**	=	
(3)	Asset NAIC 2	AVR Default Component Column 1 Line 3 - Schedule D Part 1A Section 1 Column 7 Line 7.2		X	**0.0126**	=	
(4)	Asset NAIC 3	AVR Default Component Column 1 Line 4 - Schedule D Part 1A Section 1 Column 7 Line 7.3		X	**0.0446**	=	
(5)	Asset NAIC 4	AVR Default Component Column 1 Line 5 - Schedule D Part 1A Section 1 Column 7 Line 7.4		X	**0.0970**	=	
(6)	Asset NAIC 5	AVR Default Component Column 1 Line 6 - Schedule D Part 1A Section 1 Column 7 Line 7.5		X	**0.2231**	=	
(7)	Asset NAIC 6	AVR Default Component Column 1 Line 7 - Schedule D Part 1A Section 1 Column 7 Line 7.6		X	0.3000	=	
(8)	Total Long-Term Bonds	Sum of Lines (1) through (7)					
	(Column (1) should equal Page 2 Column 3 Line 1 + Schedule DL Part 1 Column 6 Line 6699999 - Schedule D Part 1A Section 1 Column 7 line 7.7)						
	Short Term Bonds						
(9)	Exempt Obligations	AVR Default Component Column 1 Line 18		X	0.0000	=	
(10)	Asset NAIC 1	AVR Default Component Column 1 Line 19		X	**0.0039**	=	
(11)	Asset NAIC 2	AVR Default Component Column 1 Line 20		X	**0.0126**	=	
(12)	Asset NAIC 3	AVR Default Component Column 1 Line 21		X	**0.0446**	=	
(13)	Asset NAIC 4	AVR Default Component Column 1 Line 22		X	**0.0970**	=	
(14)	Asset NAIC 5	AVR Default Component Column 1 Line 23		X	**0.2231**	=	
(15)	Asset NAIC 6	AVR Default Component Column 1 Line 24		X	0.3000	=	
(16)	Total Short-Term Bonds	Sum of Lines (9) through (15)					
	(Column (1) should equal Schedule DA Part 1 Column **7** Line 8399999 + Schedule DL Part 1 Column 6 Line 8999999 + LR012 Miscellaneous Assets Column (1) Line (2.2))						
(17)	Total Long-Term and Short-Term Bonds (pre-MODCO/Funds Withheld)	Line (8) + (16)					
(18)	Credit for Hedging	LR014 Hedged Asset Bond Schedule Column 13 Line 0399999					
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	LR045 Modco or Funds Withheld Reinsurance Ceded - Bonds C-1o Column (4) Line (9999999)					
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	LR046 Modco or Funds Withheld Reinsurance Assumed - Bonds C-1o Column (4) Line (9999999)					
(21)	Total Long-Term and Short-Term Bonds (including MODCO/FundsWithheld and Credit for Hedging adjustments.)	Lines (17) - (18) - (19) + (20)					
(22)	Non-exempt Asset NAIC 1 U.S. Government Agency Bonds	Schedule D Part 1 NAIC 1 Bonds and Schedule DA Part 1 NAIC 1 Bonds, in part†		X	**0.0039**	=	
(23)	Bonds Subject to Size Factor	Line (21) - Line (1) - Line (9) - Line (22)					
(24)	Number of Issuers	Company Records					
(25)	Size Factor for Bonds						
(26)	Bonds Subject to Size Factor after the Size Factor is Applied	Line (23**)** x Line (25)					
(27)	Total Bonds	Line (22) + Line (26)					

† Only investments in NAIC 1 U.S. Government agency bonds previously reported in Lines (2) and (10), net of those included on Line (19), plus the portion of Line (20) attributable to ceding companies' Lines (2) and (10) should be included on Line (22). No other NAIC 1 bonds should be included on this line. Exempt U.S. Government bonds shown on Lines (1) and (9) should not be included on Line (22). Refer to the bond section of the risk-based capital instructions for more clarification.

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

UNAFFILIATED PREFERRED AND COMMON STOCK

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Less Affiliated Preferred Stock Without AVR	(3) RBC Subtotal	(4) Factor	(5) RBC Requirement
	Unaffiliated Preferred Stock						
(1)	Preferred Stock Asset NAIC 1	AVR Default Component Column 1 Line 10				X 0.0039 =	
(2)	Preferred Stock Asset NAIC 2	AVR Default Component Column 1 Line 11				X 0.0126 =	
(3)	Preferred Stock Asset NAIC 3	AVR Default Component Column 1 Line 12				X 0.0446 =	
(4)	Preferred Stock Asset NAIC 4	AVR Default Component Column 1 Line 13				X 0.0970 =	
(5)	Preferred Stock Asset NAIC 5	AVR Default Component Column 1 Line 14				X 0.2231 =	
(6)	Preferred Stock Asset NAIC 6	AVR Default Component Column 1 Line 15				X 0.3000 =	
(7)	Total Unaffiliated Preferred Stock (pre-MODCO/Funds Withheld)	Sum of Lines (1) through (6)					
	(Column (1) should equal Page 2 Column 3 Line 2.1 less Asset Valuation Reserve Default Component Column 1 Line 16.)						
	(Column (2) should equal Schedule D Summary Column 1 Line 18 less Asset Valuation Reserve Default Component Column 1 Line 16.)						
	Hybrid Securities						
(8)	Hybrid Securities Asset NAIC 1	Schedule D Part 1A Section 1 Column 7 Line 7.1				X 0.0039 =	
(9)	Hybrid Securities Asset NAIC 2	Schedule D Part 1A Section 1 Column 7 Line 7.2				X 0.0126 =	
(10)	Hybrid Securities Asset NAIC 3	Schedule D Part 1A Section 1 Column 7 Line 7.3				X 0.0446 =	
(11)	Hybrid Securities Asset NAIC 4	Schedule D Part 1A Section 1 Column 7 Line 7.4				X 0.0970 =	
(12)	Hybrid Securities Asset NAIC 5	Schedule D Part 1A Section 1 Column 7 Line 7.5				X 0.2231 =	
(13)	Hybrid Securities Asset NAIC 6	Schedule D Part 1A Section 1 Column 7 Line 7.6				X 0.3000 =	
(14)	Total Hybrid Securities (pre-MODCO/Funds Withheld)	Sum of Lines (8) through (13)					
(15)	Total Unaffiliated Preferred Stock and Hybrid Securities (pre-MODCO/Funds Withheld)	Line (7) + Line (14)					
(16)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					
(17)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					
(18)	Total Unaffiliated Preferred Stock and Hybrid Securities (including MODCO/Funds Withheld.)	Lines (15) - (16) + (17)					
	Unaffiliated Common Stock						
(19)	Total Common Stock	Schedule D Summary Column 1 Line 25					
(20)	Less Affiliated Common Stock	Schedule D Summary Column 1 Line 24					
(21)	Less Non-Admitted Unaffiliated Common Stock included in Line (19)	Company Records					
(22)	Less Money Market Mutual Funds	Schedule E Part 2 Column 7 Line 8699999				X 0.000 =	
(23)	Less Federal Home Loan Bank Common Stock	AVR Equity Component Column 1 Line 3				X 0.011 =	
(24)	Less Unaffiliated Private Common Stock	AVR Equity Component Column 1 Line 2				X 0.300 =	
(25)	Net Other Unaffiliated Public Common Stock	Lines (19) - (20) - (21) - (22) - (23) - (24)				X † =	
(26)	Total Admitted Unaffiliated Common Stock (pre-MODCO/Funds Withheld)	Lines (22) + (23) + (24) + (25)					
	(Column 1 should equal Schedule D Summary by Country Column 1 Line 25 less Line 24 less Line (21))						
(27)	Credit for Hedging	LR015 Hedged Asset Common Stock Schedule Column 10 Line 0299999					
(28)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					
(29)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					
(30)	Total Admitted Unaffiliated Common Stock (including MODCO/Funds Withheld and Credit for Hedging.)	Lines (26) - (27) - (28) + (29)					

† The factor for publicly traded common stock should equal 30 percent adjusted up or down by the weighted average beta for the publicly traded common stock portfolio subject to a minimum of 22.5 percent and a maximum of 45 percent in the same manner that the similar 13 percent factor for publicly traded common stock in the Asset Valuation Reserve (AVR) calculation is adjusted up or down. The rules for calculating the beta adjustment are set forth in the AVR section of the annual statement instructions.

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

OTHER LONG-TERM ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †		(4) Factor		(5) RBC Requirement
	Schedule BA - Fixed Income - Bonds								
(1)	Exempt Obligations	AVR Equity Component Column 1 Line 22				X	0.0000	=	
(2)	Asset NAIC 1	AVR Equity Component Column 1 Line 23				X	**0.0039**	=	
(3)	Asset NAIC 2	AVR Equity Component Column 1 Line 24				X	**0.0126**	=	
(4)	Asset NAIC 3	AVR Equity Component Column 1 Line 25				X	**0.0446**	=	
(5)	Asset NAIC 4	AVR Equity Component Column 1 Line 26				X	**0.0970**	=	
(6)	Asset NAIC 5	AVR Equity Component Column 1 Line 27				X	**0.2231**	=	
(7)	Asset NAIC 6	AVR Equity Component Column 1 Line 28				X	0.3000	=	
(8)	Total Schedule BA Bonds (pre-MODCO/Funds Withheld)	Sum of Lines (1) through (7)							
(9)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)							
(10)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)							
(11)	Total Schedule BA Bonds (including MODCO/Funds Withheld.)	Lines (8) - (9) + (10)							
	Schedule BA - Fixed Income - Preferred Stock								
(12.1)	Asset NAIC 1	AVR Equity Component Column 1 Line 30							
(12.2)	Less Rated/Designated NAIC 1 Surplus Notes and Capital Notes	Column (1) Line (22) + Column (1) Line (32)							
(12.3)	Net Asset NAIC 1	Line (12.1) - (12.2)				X	**0.0039**	=	
(13)	Asset NAIC 2	AVR Equity Component Column 1 Line 31				X	**0.0126**	=	
(14)	Asset NAIC 3	AVR Equity Component Column 1 Line 32				X	**0.0446**	=	
(15)	Asset NAIC 4	AVR Equity Component Column 1 Line 33				X	**0.0970**	=	
(16)	Asset NAIC 5	AVR Equity Component Column 1 Line 34				X	**0.2231**	=	
(17)	Asset NAIC 6	AVR Equity Component Column 1 Line 35				X	0.3000	=	
(18)	Total Schedule BA Preferred Stock (pre-MODCO/Funds Withheld)	Sum of Lines (12.3) through (17)							
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)							
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)							
(21)	Total Schedule BA Preferred Stock (including MODCO/Funds Withheld.)	Lines (18) - (19) + (20)							

† Fixed income instruments and surplus notes designated by the NAIC Capital Markets and Investment Analysis Office or considered exempt from filing as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* should be reported in Column (3).

‡ Column (2) is calculated as Column (1) less Column (3) for Lines (1) through (17). Column (2) equals Column (3) - Column (1) for Line (52.3).

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

OTHER LONG-TERM ASSETS (CONTINUED)

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †		(4) Factor		(5) RBC Requirement
	Rated Surplus Notes Classified by Designation Equivalent								
(22)	Rated NAIC 1 Surplus Notes	Schedule BA Part 1 Column 12 Line 2399999+2499999, in part				X	**0.0039**	=	
(23)	Rated NAIC 2 Surplus Notes	Schedule BA Part 1 Column 12 Line 2399999+2499999, in part				X	**0.0126**	=	
(24)	Rated NAIC 3 Surplus Notes	Schedule BA Part 1 Column 12 Line 2399999+2499999, in part				X	**0.0446**	=	
(25)	Rated NAIC 4 Surplus Notes	Schedule BA Part 1 Column 12 Line 2399999+2499999, in part				X	**0.0970**	=	
(26)	Rated NAIC 5 Surplus Notes	Schedule BA Part 1 Column 12 Line 2399999+2499999, in part				X	**0.2231**	=	
(27)	Rated NAIC 6 Surplus Notes	Schedule BA Part 1 Column 12 Line 2399999+2499999, in part				X	0.3000	=	
(28)	Total Rated Surplus Notes (pre-MODCO/Funds Withheld)	Sum of Lines (22) through (27)							
(29)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)							
(30)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)							
(31)	Total Rated Surplus Notes (including MODCO/Funds Withheld.)	Lines (28) - (29) + (30)							
	Rated Capital Notes Classified by Designation Equivalent								
(32)	Rated NAIC 1 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part				X	**0.0039**	=	
(33)	Rated NAIC 2 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part				X	**0.0126**	=	
(34)	Rated NAIC 3 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part				X	**0.0446**	=	
(35)	Rated NAIC 4 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part				X	**0.0970**	=	
(36)	Rated NAIC 5 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part				X	**0.2231**	=	
(37)	Rated NAIC 6 Capital Notes	Schedule BA Part 1 Column 12 Line 2999999+3099999, in part				X	0.3000	=	
(38)	Total Rated Capital Notes (pre-MODCO/Funds Withheld)	Sum of Lines (32) through (37)							
(39)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)							
(40)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)							
(41)	Total Rated Capital Notes (including MODCO/Funds Withheld.)	Lines (38) - (39) + (40)							

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‡ Column (2) is calculated as Column (1) less Column (3) for Lines (1) through (17). Column (2) equals Column (3) - Column (1) for Line (52.3).

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

OTHER LONG-TERM ASSETS (CONTINUED)

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) RBC Subtotal †		(4) Factor		(5) RBC Requirement
	Schedule BA - Unaffiliated Common Stock								
(42)	Schedule BA Unaffiliated Common Stock-Public	AVR Equity Component Column 1 Line 65				X	§	=	
(43)	Schedule BA Unaffiliated Common Stock-Private	AVR Equity Component Column 1 Line 66				X	0.3000	=	
(44)	Total Schedule BA Unaffiliated Common Stock (pre-MODCO/Funds Withheld)	Line (42) + (43)							
(45)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)							
(46)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)							
(47)	Total Schedule BA Unaffiliated Common Stock (including MODCO/Funds Withheld.)	Lines (44) - (45) + (46)							
	Schedule BA - All Other								
(48.1)	BA Affiliated Common Stock - Life with AVR	AVR Equity Component Column 1 Line 67							
(48.2)	BA Affiliated Common Stock - Certain Other	AVR Equity Component Column 1 Line 68							
(48.3)	Total Schedule BA Affiliated Common Stock - C-1o	Line (48.1) + (48.2)				X	0.3000	=	
(49.1)	BA Affiliated Common Stock - All Other	AVR Equity Component Column 1 Line 69							
(49.2)	Total Sch. BA Affiliated Common Stock - C-1cs	Line (49.1)				X	0.3000	=	
(50)	Schedule BA Collateral Loans	Schedule BA Part 1 Column 12 Line 2599999 + Line 2699999				X	0.0680	=	
(51.1)	NAIC 01 Working Capital Finance Notes	AVR Equity Component Column 1 Line 81				X	0.0050	=	
(51.2)	NAIC 02 Working Capital Finance Notes	AVR Equity Component Column 1 Line 82				X	0.0163	=	
(51.3)	Total Admitted Working Capital Finance Notes	Line (51.1) + (51.2)							
(52.1)	Other Schedule BA Assets	AVR Equity Component Column 1 Line 83							
(52.2)	Less NAIC 2 thru 6 Rated/Designated Surplus Notes and Capital Notes	Column (1) Lines (23) through (27) + Column (1) Lines (33) through (37)							
(52.3)	Net Other Schedule BA Assets	Line (52.1) less (52.2)				X	0.3000	=	
(53)	Total Schedule BA Assets C-1o (pre-MODCO/Funds Withheld)	Lines (11) + (21) + (31) + (41) + (48.3) + (50)+ (51.3) + (52.3)							
(54)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)							
(55)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)							
(56)	Total Schedule BA Assets C-1o (including MODCO/Funds Withheld.)	Lines (53) - (54) + (55)							
(57)	Total Schedule BA Assets Excluding Mortgages and Real Estate	Line (47) + (49.2) + (56)							

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‡ Column (2) is calculated as Column (1) less Column (3) for Lines (1) through (17). Column (2) equals Column (3) - Column (1) for Line (52.3).

§ The factor for Schedule BA publicly traded common stock should equal 30 percent adjusted up or down by the weighted average beta for the Schedule BA publicly traded common stock portfolio subject to a minimum of 22.5 percent and a maximum of 45 percent in the same manner that the similar 13 percent factor for Schedule BA publicly traded common stock in the Asset Valuation Reserve (AVR) calculation is adjusted up or down. The rules for calculating the beta adjustment are set forth in the AVR section of the annual statement instructions.

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

ASSET CONCENTRATION FACTOR

	(1) Asset Type	(2) Book / Adjusted Carrying Value		(3) Factor		(4) Additional RBC	(5) Adjustment/ Subsidiary RBC	(6) RBC Requirement
	Issuer Name:							
(1)	Bond Asset NAIC 2		X	**0.0126**	=			
(2)	Bond Asset NAIC 3		X	**0.0446**	=			
(3)	Bond Asset NAIC 4		X	**0.0970**	=			
(4)	Bond Asset NAIC 5		X	**0.2231**	=			
(5)	Bond Asset NAIC 6		X	0.1500	=			
(6)	Bond Asset NAIC 1 †		X	**0.0039**	=			
(7)	Unaffiliated Preferred Stock NAIC 2		X	**0.0126**	=			
(8)	Unaffiliated Preferred Stock NAIC 3		X	**0.0446**	=			
(9)	Unaffiliated Preferred Stock NAIC 4		X	**0.0970**	=			
(10)	Unaffiliated Preferred Stock NAIC 5		X	**0.2231**	=			
(11)	Unaffiliated Preferred Stock NAIC 6		X	0.1500	=			
(12)	Unaffiliated Preferred Stock NAIC 1 †		X	**0.0039**	=			
(13)	Hybrid Securities NAIC 2		X	**0.0126**	=			
(14)	Hybrid Securities NAIC 3		X	**0.0446**	=			
(15)	Hybrid Securities NAIC 4		X	**0.0970**	=			
(16)	Hybrid Securities NAIC 5		X	**0.2231**	=			
(17)	Hybrid Securities NAIC 6		X	0.1500	=			
(18)	Hybrid Securities NAIC 1 †		X	**0.0039**	=			
(19)	Collateral Loans		X	0.0680	=			
(20)	Receivable for Securities		X	0.0140	=			
(21)	Write-ins for Invested Assets		X	0.0680	=			
(22)	Premium Notes		X	0.0680	=			
(23)	Real Estate - Foreclosed							
(24)	Real Estate - Foreclosed Encumbrances		X	‡	=			
(25)	Real Estate - Investments							
(26)	Real Estate - Investment Encumbrances		X	‡	=			
(27)	Real Estate - Schedule BA							
(28)	Real Estate - Schedule BA Encumbrances		X	‡	=			
(29)	Farm Mortgages - Category CM2		X	0.0175	=			
(30)	Farm Mortgages - Category CM3		X	0.0300	=			
(31)	Farm Mortgages - Category CM4		X	0.0500	=			
(32)	Farm Mortgages - Category CM5		X	0.0750	=			
(33)	Commercial Mortgages - Category CM2		X	0.0175	=			
(34)	Commercial Mortgages - Category CM3		X	0.0300	=			
(35)	Commercial Mortgages - Category CM4		X	0.0500	=			
(36)	Commercial Mortgages - Category CM5		X	0.0750	=			

† After the ten largest issuer exposures are chosen, any NAIC 1 bonds or preferred stocks from any of these issuers should be included.

‡ Refer to the instructions for the Asset Concentration Factor for details of this calculation.

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

ASSET CONCENTRATION FACTOR (CONTINUED)

	(1) Asset Type	(2) Book / Adjusted Carrying Value		(3) Factor		(4) Additional RBC	(5) Adjustment/ Subsidiary RBC	(6) RBC Requirement
(37)	Farm Mortgages - 90 Days Overdue							
(38)	Farm Mortgages - 90 Days Overdue - Cumulative Writedowns		X	‡	=			
(39)	Residential Mortgages - 90 Days Overdue							
(40)	Residential Mortgages - 90 Days Overdue - Cumulative Writedowns		X	‡	=			
(41)	Commercial Mortgages - 90 Days Overdue							
(42)	Commercial Mortgages - 90 Days Overdue - Cumulative Writedowns		X	‡	=			
(43)	Farm Mortgages in Foreclosure							
(44)	Farm Mortgages in Foreclosure - Cumulative Writedowns		X	‡	=			
(45)	Residential Mortgages in Foreclosure							
(46)	Residential Mortgages in Foreclosure - Cumulative Writedowns		X	‡	=			
(47)	Commercial Mortgages in Foreclosure							
(48)	Commercial Mortgages in Foreclosure - Cumulative Writedowns		X	‡	=			
(49)	Unaffiliated Mortgages with Covenants		X	‡	=			
(50)	Unaffiliated Mortgages - Defeased with Government Securities		X	0.0090	=			
(51)	Unaffiliated Mortgages - Primarily Senior		X	0.0175	=			
(52)	Unaffiliated Mortgages - All Other		X	0.0300	=			
(53)	Affiliated Mortgages - Category CM2		X	0.0175	=			
(54)	Affiliated Mortgages - Category CM3		X	0.0300	=			
(55)	Affiliated Mortgages - Category CM4		X	0.0500	=			
(56)	Affiliated Mortgages - Category CM5		X	0.0750	=			
(57)	Schedule BA Mortgages 90 Days Overdue							
(58)	Schedule BA Mortgages 90 Days Overdue - Cumulative Writedowns		X	‡	=			
(59)	Schedule BA Mortgages in Process of Foreclosure							
(60)	Schedule BA Mortgages Foreclosed - Cumulative Writedowns		X	‡	=			
(61)	Federal Guaranteed Low Income Housing Tax Credits		X	0.0014	=			
(62)	Federal Non-Guaranteed Low Income Housing Tax Credits		X	0.0260	=			
(63)	State Guaranteed Low Income Housing Tax Credits		X	0.0014	=			
(64)	State Non-Guaranteed Low Income Housing Tax Credits		X	0.0260	=			
(65)	All Other Low Income Housing Tax Credits		X	0.1500	=			
(66)	NAIC 02 Working Capital Finance Notes		X	0.0163	=			
(67)	Other Schedule BA Assets		X	0.1500	=			
(68)	Total of Issuer = Sum of Lines (1) through (67)							

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.

‡ Refer to the instructions for the Asset Concentration Factor for details of this calculation.

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

MISCELLANEOUS ASSETS

		Annual Statement Source	(1) Book / Adjusted Carrying Value	Factor	(2) RBC Requirement
	Miscellaneous				
(1)	Cash	Page 2 Line 5, inside amount 1		X 0.0039	=
(2.1)	Cash Equivalents	Page 2 Line 5, inside amount 2			
(2.2)	Less Cash Equivalent Bonds Already Included with Page LR002 Bonds	Schedule E Part 2 Column 7 Line 8399999, in part			
(2.3)	Less Exempt Money Market Funds	Sch E, Part 2, C7, L8599999			
(2.4)	Net Cash Equivalents	Line (2.1) - Line (2.2) - Line (2.3)		X 0.0039	=
(3.1)	Short-Term Investments	Page 2 Line 5, inside amount 3			
(3.2)	Less Short-Term Bonds	Schedule DA Part 1 Column 7 Line 8399999			
(3.3)	Net Short-Term Investments	Lines (3.1) - (3.2)		X 0.0039	=
(4)	Premium Notes	Page 2 Line 6 first inside amount		X 0.068	=
(5)	Receivable for Securities	Page 2 Column 3 Line 9		X 0.014	=
(6.1)	Aggregate Write-ins for Invested Assets	Page 2 Column 3 Line 11			
(6.2)	Less Derivative Collateral Receivable	Page 2 Column 3 Line 11, Derivatives Collateral Receivable reported as part of total			
(6.3)	Net Write-ins for Invested Assets	Line (6.1) - Line (6.2)		X 0.068	=
(7)	Total Miscellaneous Excluding Derivative Instruments	Lines (1) + (**2.4**) + (**3.3**) + (4) + (5) + (6.3)			
	Derivative Instruments				
(8)	Collateral – Off Balance Sheet	Schedule DB Part D Section 1 Column 4 Line 0999999, in part		X 0.0039	=
(9)	Collateral – On Balance Sheet	Schedule DB Part D Section 1 Column 4 Line 0999999, in part		X 0.000	=
(10)	Exchange Traded and Centrally Cleared	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.0039	=
(11)	Over the Counter NAIC 1	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.0039	=
(12)	Over the Counter NAIC 2	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.0126	=
(13)	Over the Counter NAIC 3	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.0446	=
(14)	Over the Counter NAIC 4	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.0970	=
(15)	Over the Counter NAIC 5	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.2231	=
(16)	Over the Counter NAIC 6	Asset Valuation Reserve Default Component Column 1 Line 33, in part		X 0.3000	=
(17)	Total Derivative Instruments	Sum of Lines (8) through (16)			
(18)	Total Miscellaneous Assets (pre-MODCO/Funds Withheld)	Lines (7) + (17)			
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)			
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)			
(21)	Total Miscellaneous Assets (including MODCO/Funds Withheld.)	Lines (18) - (19) + (20)			

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

Company Name | Confidential when Completed | NAIC Company Code

HEDGED ASSET BOND SCHEDULE

As of:

Type of Hedged Asset	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Hedging Instruments				Hedged Asset - Bonds								RBC Credit	
Bonds	Description †	Notional Amount †	Relationship Type of the Hedging Instrument and Hedged Asset	Maturity Date †	Description †	CUSIP †	Book / Adjusted Carrying Value †	Overlap with Insurer's Bond Portfolio ‡	Maturity Date †	NAIC Designation †	RBC Factor §	Gross RBC Charge *	RBC Credit for Hedging Instruments £	Net RBC Charge **
(0100001)														
(0100002)														
(0100003)														
(0100004)														
(0100005)														
(0100006)														
(0100007)														
(0100008)														
(0100009)														
(0100010)														
(0100011)														
(0100012)														
(0100013)														
(0100014)														
(0100015)														
(0100016)														
(0100017)														
(0100018)														
(0100019)														
(0100020)														
(0100021)														
(0100022)														
(0100023)														
(0100024)														
(0100025)														
(0100026)														
(0100027)														
(0100028)														
(0100029)														
(0100030)														
(0199999)	Subtotal - NAIC 1 Through 5 Bonds		xxxxx	xxxxx	Subtotal	xxxxx			xxxxx	xxxxx	xxxxx			
(0299999)	Subtotal - NAIC 6 Bonds		xxxxx	xxxxx	Subtotal	xxxxx			xxxxx	xxxxx	xxxxx			
(0399999)	Total		xxxxx	xxxxx	Total	xxxxx			xxxxx	xxxxx	xxxxx			

Note: For the intermediate category of hedging, we recommend that the risk mitigation and resulting RBC credit be determined as if each specific security common to both the index/basket hedge and the portfolio is a basic hedge with the entire basic hedge methodology applied to each matching name. This includes the application of the maturity mismatch formula and the maximum RBC credit of 94% of the C-1 asset charge for fixed income hedges.

† Columns are derived from Investment schedules.
‡ The portion of Column (2) Notional Amount of the Hedging Instrument that hedges Column (7) Book / Adjusted Carrying Value. This amount cannot exceed Column (7) Book / Adjusted Carrying Value.
§ Factor based on Column (10) NAIC Designation and NAIC C-1 RBC factors table.
* Column (7) Book Adjusted Carrying Value multiplied by Column (11) RBC Factor.
£ Column (13) is calculated according to the risk-based capital instructions.
** Column (12) Gross RBC Charge minus Column (13) RBC Credit for Hedging Instruments.

Denotes manual entry items that do not come directly from the annual statement.

REINSURANCE

		Annual Statement Source	(1) Statement Value	(2) 100% Owned Affiliates	(3) RBC Subtotal		Factor		(4) RBC Requirement
	Reinsurance Ceded†								
(1)	Recoverable on Paid Losses (Life)	Schedule S Part 2 Column 6 Line 1199999				X	0.0078	=	
(2)	Recoverable on Paid Losses (A&H)	Schedule S Part 2 Column 6 Line 2299999				X	0.0078	=	
(3)	Recoverable on Unpaid Losses (Life)	Schedule S Part 2 Column 7 Line 1199999				X	0.0078	=	
(4)	Recoverable on Unpaid Losses (A&H)	Schedule S Part 2 Column 7 Line 2299999				X	0.0078	=	
(5)	Unearned Premiums (A&H)	Schedule S Part 3 Section 2 Column 9 Line 3499999				X	0.0078	=	
(6)	Other Reserve Credits (A&H)	Schedule S Part 3 Section 2 Column 10 Line 3499999				X	0.0078	=	
(7)	Reserve Credit (Life)	Schedule S Part 3 Section 1 Column 9 Line 3499999				X	0.0078	=	

			(1) Statement Value	(2) Other than 100% Owned Affiliates	(3) RBC Subtotal		Factor		(4) RBC Requirement
	Reinsurance Assumed Credit								
(8)	Affiliate Reserve Credit (Life)	Schedule S Part 1 Section 1 Column 8 Line 0799999				X	-0.0078	=	
(9)	Affiliate Reinsurance Payable (Life)	Schedule S Part 1 Section 1 Column 10 Line 0799999				X	-0.0078	=	
(10)	Reinsurance Assumed on Unearned Premiums (A&H)	Schedule S Part 1 Section 2 Column 8 Line 0799999				X	-0.0078	=	
(11)	Reinsurance Assumed Other Reserved Credits (A&H)	Schedule S Part 1 Section 2 Column 9 Line 0799999				X	-0.0078	=	
(12)	Reinsurance Assumed - Losses (A&H)	Schedule S Part 1 Section 2 Column 10 Line 0799999				X	-0.0078	=	
	Reinsurance Payable Credit								
(13)	Reinsurance in Unauthorized and Certified Companies	Page 3 Column 1 Line 24.02				X	-0.0078	=	
(14)	Funds Held in Unauthorized and Certified Reinsurers	Page 3 Column 1 Line 24.03				X	-0.0078	=	
(15)	Funds Held in Authorized Reinsurers and Trusteed Collateral Supporting Authorized Reinsurance	Page 3 Column 1 Line 25 in part and Company Records				X	-0.0078	=	
(16)	Other Reinsurance Recoverable or Reserves "Reestablished" on Page 3	Page 3 Column 1 Line 25 in part				X	-0.0078	=	
(17)	Total Reinsurance	Sum of Lines (1) through (16)							

† Statement values should be net of policy loans if policy loans are part of the reinsurance transaction.

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

OFF-BALANCE SHEET AND OTHER ITEMS

		Annual Statement Source	(1) Statement Value	(2) Less Noncontrolled Assets Funding Guaranteed Separate Accounts or Synthetic GIC's	(3) Subtotal		(4) Factor		(5) RBC Requirement	(6) Yes/No Response
	Noncontrolled Assets									
(1)	Loaned to Others - Conforming Securities Lending Program	General Interrogatories Part 1 Line 24.05				X	0.002	=		
(2)	Loaned to Others - Securities Lending Programs - Other	General Interrogatories Part 1 Line 24.06				X	0.0126	=		
(3)	Subject to Repurchase Agreements	General Interrogatories Part 1 Line 25.21				X	0.0126	=		
(4)	Subject to Reverse Repurchase Agreements	General Interrogatories Part 1 Line 25.22				X	0.0126	=		
(5)	Subject to Dollar Repurchase Agreements	General Interrogatories Part 1 Line 25.23				X	0.0126	=		
(6)	Subject to Reverse Dollar Repurchase Agreements	General Interrogatories Part 1 Line 25.24				X	0.0126	=		
(7)	Placed Under Option Agreements	General Interrogatories Part 1 Line 25.25				X	0.0126	=		
(8)	Letter Stock or Other Securities Restricted as to sale - excluding FHLB Capital Stock	General Interrogatories Part 1 Line 25.26				X	0.0126	=		
(9)	FHLB Capital Stock	General Interrogatories Part 1 Line 25.27				X	0.0126	=		
(10)	On Deposit with States	General Interrogatories Part 1 Line 25.28				X	0.0126	=		
(11)	On Deposit with Other Regulatory Bodies	General Interrogatories Part 1 Line 25.29				X	0.0126	=		
(12.1)	Pledged as Collateral - excluding Collateral Pledged to an FHLB	General Interrogatories Part 1 Line 25.30								
(12.2)	Less Derivative Collateral Pledged	Schedule DB Part D Section 2 Column 7, Line 0199999				X	0.0039	=		
(12.3)	Pledged as Collateral - excluding Collateral Pledged to an FHLB Less Derivatives Collateral Pledged	Line (12.1) - (12.2)				X	0.0126	=		
(13)	Pledged as Collateral to FHLB - including Assets Backing Funding Agreements	General Interrogatories Part 1 Line 25.31		†		X	0.0126	=		
(14)	Other	General Interrogatories Part 1 Line 25.32				X	0.0126	=		
(15)	Total Noncontrolled Assets	Sum of Lines (1) through (11) Plus Lines (12.2) through (14)								
	Derivative Instruments									
(16)	Exchange Traded and Centrally Cleared	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.0039	=		
(17)	Off-Balance Sheet Exposure NAIC 1	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.0039	=		
(18)	Off-Balance Sheet Exposure NAIC 2	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.0126	=		
(19)	Off-Balance Sheet Exposure NAIC 3	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.0446	=		
(20)	Off-Balance Sheet Exposure NAIC 4	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.0970	=		
(21)	Off-Balance Sheet Exposure NAIC 5	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.2231	=		
(22)	Off-Balance Sheet Exposure NAIC 6	Schedule DB Part D Section 1 Column 12, Line 0999999, in part				X	0.3000	=		
(23)	Total Derivative Instruments Off-Balance Sheet Exposure	Sum of Lines (16) through (22)								
(24)	Guarantees for Affiliates	Notes to Financial Statements Number 14A3c1				X	0.0126	=		
(25)	Contingent Liabilities	Notes to Financial Statements Number 14A1				X	0.0126	=		
(26)	Long Term Leases	Notes to Financial Statements Number 15A2a1				X	0.000	=		
(27)	Total Off-Balance Sheet Items (pre-MODCO/Funds Withheld)	Lines (15) + (23) + (24) + (25) + (26)								
(28)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)								
(29)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)								
(30)	Total Off-Balance Sheet Items (including MODCO/Funds Withheld.)	Lines (27) - (28) + (29)								
	Other Items									
(31)	Is the entity responsible for filing the U.S. Federal income tax return for the reporting insurer a regulated insurance company?	"Yes", "No" or "N/A" in Column (6)								
(32)	SSAP No. 101 Paragraph 11a Deferred Tax Assets	Notes to Financial Statements Item 9A2(a)				X	‡	=		
(33)	SSAP No. 101 Paragraph 11b Deferred Tax Assets	Notes to Financial Statements Item 9A2(b)				X	0.010	=		
(34)	Total Off-Balance Sheet and Other Items	Line (30) + Line (32) + Line (33)								

† For Column (2) Line (13), include assets pledged as collateral other than assets related to the Federal Reserve's Term Asset Loan Facility (TALF).

‡ If Line (31) Column (6) is "Yes", then the factor is 0.005. If Line (31) Column (6) is "No", then the factor is 0.010. If Line (31) Column (6) is "N/A", then the factor is 0.000.

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

OFF-BALANCE SHEET COLLATERAL

(Including any Schedule DL, Part 1 Assets not Included in the Asset Valuation Reserve)

		Annual Statement Source	(1) Book / Adjusted Carrying Value		(2) Factor		(3) RBC Requirement
	Fixed Income - Bonds						
(1)	Exempt Obligations	Company Records		X	0.000	=	
(2)	Asset NAIC 1	Company Records		X	**0.0039**	=	
(3)	Asset NAIC 2	Company Records		X	**0.0126**	=	
(4)	Asset NAIC 3	Company Records		X	**0.0446**	=	
(5)	Asset NAIC 4	Company Records		X	**0.0970**	=	
(6)	Asset NAIC 5	Company Records		X	**0.2231**	=	
(7)	Asset NAIC 6	Company Records		X	0.3000	=	
(8)	Total Bonds	Sum of Lines (1) through (7)					
	Fixed Income - Preferred Stock						
(9)	Asset NAIC 1	Company Records		X	**0.0039**	=	
(10)	Asset NAIC 2	Company Records		X	**0.0126**	=	
(11)	Asset NAIC 3	Company Records		X	**0.0446**	=	
(12)	Asset NAIC 4	Company Records		X	**0.0970**	=	
(13)	Asset NAIC 5	Company Records		X	**0.2231**	=	
(14)	Asset NAIC 6	Company Records		X	0.3000	=	
(15)	Total Preferred Stock	Sum of Lines (9) through (14)					
(16)	Common Stock	Company Records		X	0.450 †	=	
(17)	Schedule BA - Other Invested Assets	Company Records		X	0.300	=	
(18)	Other Invested Assets	Company Records		X	0.300	=	
(19)	Total Off-Balance Sheet Collateral	Lines (8) + (15) + (16) + (17) + (18)					

† The factor for common stock can vary depending on the type of stock. The factor would be subject to a minimum of 22.5 percent and a maximum of 45 percent.

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

HEALTH PREMIUMS

			Annual Statement Source	(1) Statement Value		Factor		(2) RBC Requirement
	Medical Insurance Premiums - Individual Morbidity							
(1)	Usual and Customary Major Medical and Hospital		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(2)	Medicare Supplement		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(3)	Dental and Vision		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(4)	Stand-Alone Medicare Part D Coverage		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(5)	Supplemental benefits within Stand-Alone Part D Coverage (Claims Incurred)		Company Records		X	0.500	=	
(6)	Medicaid Pass-Through Payments Reported as Premium		Company Records		X	0.020	=	
(7)	Hospital Indemnity and Specified Disease		Earned Premium (Schedule H Part 1 Line 2 in part)		X	*	=	
(8)	AD&D (Maximum Retained Risk Per Life	)	Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(9)	Other Accident		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.050	=	
	Medical Insurance Premiums - Group and Credit Morbidity							
(10)	Usual and Customary Major Medical, Hospital		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(11)	Dental and Vision		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(12)	Stop Loss and Minimum Premium		Earned Premium (Schedule H Part 1 Line 2 in part)		X	¥	=	
(13)	Medicare Supplement		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(14)	Stand-Alone Medicare Part D Coverage (see instructions for limits)		Earned Premium (Schedule H Part 1 Line 2 in part)			†		XXX
(15)	Supplemental benefits within Stand-Alone Part D Coverage (Claims Incurred)		Company Records		X	0.500	=	
(16)	Medicaid Pass-Through Payments Reported as Premium		Company Records		X	0.020	=	
(17)	Hospital Indemnity and Specified Disease		Earned Premium (Schedule H Part 1 Line 2 in part)		X	*	=	
(18)	AD&D (Maximum Retained Risk Per Life)	)	Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(19)	Other Accident		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.050	=	
(20)	Federal Employee Health Benefit Plan		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.000	=	
	Disability Income Premium							
(21)	Noncancellable Disability Income - Individual Morbidity		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(22)	Other Disability Income - Individual Morbidity		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(23)	Disability Income - Credit Monthly Balance Plans		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(24)	Disability Income - Group Long-Term		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(25)	Disability Income-Credit Single Premium with Additional Reserves		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(26)	Disability Income-Credit Single Premium without Additional Reserves		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
(27)	Disability Income - Group Short-Term		Earned Premium (Schedule H Part 1 Line 2 in part)		X	‡	=	
	Long-Term Care							
(28)	Noncancellable Long-Term Care Premium - Rate Risk**		Earned Premium (Schedule H Part 1 Line 2 in part)		X	**0.127****	=	
(29)	Other Long-Term Care Premium ‡‡		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.000	=	‡‡
	Health Premium With Limited Underwriting Risk							
(30)	ASC Business Reported as Revenue Premium		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.000	=	
	Other Health							
(31)	Workers Compensation Carve-Out		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.000	=	
(32)	Other Health		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.120	=	
(33)	Total Earned Premiums		Sum of Lines (1) through (30)					
	(Column (1) should equal Schedule H Part 1 Column 1 Line 2)							
(34)	Additional Reserves for Credit Disability Plans		Exhibit 6, Column 3, Line 2		§			
(35)	Additional Reserves for Credit Disability Plans, prior year		Exhibit 6, Column 3, Line 2, prior year		§			

† The premium amounts in these lines are transferred to LR020 Underwriting Risk – Experience Fluctuation Risk Lines (1.1) and (1.2) for the calculation of risk-based capital. The premium amounts are included here to assist in the balancing of total health premium. If managed care arrangements have been entered into, the company may also complete LR022 Underwriting Risk – Managed Care Credit. In which case, the company will also need to complete LR028 Health Credit Risk in the (C-3) portion of the formula. If there are amounts in any of lines (1), (2), (3), (10), (11) or (13) on page LR019 Health Premiums, the company will also be directed to complete the Health Administrative Expense portion of LR029 Business Risk in the (C-4) portion of the formula.

‡ The two tiered calculation is illustrated in the risk-based capital instructions for LR019 Health Premiums.

‡‡ The balance of the RBC requirement for Long Term Care - Morbidity Risk is calculated on page LR023. The premium is shown to allow totals to check to Schedule H.

* If there is premium included on either or both of these lines, the RBC requirement in Column (2) will include 3.5 percent of such premium and $50,000 (included in the line with the larger premium).

** The factor applies to all Noncancellable premium.

§ These amounts are used to adjust the premium base for single premium credit disability plans that carry additional tabular reserves.

¥ A factor of .350 will be applied to the first $25,000,000 in Column (1), Line (11) and a factor of .250 will be applied to the remaining premium in excess of $25,000,000.

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

LONG-TERM CARE

		Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
	Long-Term Care (LTC) Insurance Premium				
(1)	All LTC Premium - Morbidity Risk (to $50 million)	Line (4.1) Column (1) up to 50 million		**0.1267**	
(2)	LTC Premium (over $50 million) - Morbidity Risk	Remainder of Line (4.1) Column (1) over 50 million		**0.0378**	
(3)	Premium-based RBC	Column (2), Line (1) + Line (2)			

		Annual Statement Source	(1) Premiums	(2) Incurred Claims	3.0000 Col. (2)/(1) § Loss Ratio		(4) RBC Requirement
	Historical Loss Ratio Experience						
(4.1)	Current Year	Company Records					
(4.2)	Immediate Prior Year	Company Records					
(4.3)	Average Loss Ratio	If loss ratios are used, [Column (3) Line (4.1) + Line (4.2)]/2, otherwise zero					
(5)	Adjusted LTC Claims for RBC	If Column (3) Line (4.3) <> 0, then [Column (1) Line (1) + Line (2)] X Column (3) Line (4.3), else Column (2) Line (4.1)					
(5.1)	Claims (to $35 million) - Morbidity Risk	Lower of Column (2) Line (5) and $35 million			**0.3168**	†	
(5.2)	Claims (over $35 million) - Morbidity Risk	Excess of Column (2) Line (5) over $35 million			**0.1012**	‡	
(6)	Claims-based RBC	Line (5.1) + (5.2)					
(7)	LTC Morbidity Risk	Column (2) Line (3) + Column (4) Line (6)					

† If Column (1), Line (4.1) is positive, then a factor of **0.3168** is used. Otherwise, a higher factor of **0.4682** is used.

‡ If Column (1), Line (4.1) is positive, then a factor of **0.1012** is used. Otherwise, a higher factor of **0.1522** is used.

§ If Column (1), Line (4.1) or (4.2) are less than or equal to zero or if Column (2), Line (4.1) or (4.2) are less than zero, the loss ratios are not used and Column (3), Line (4.3) is set to zero.

Denotes manual entry items that do not come directly from the annual statement.

HEALTH CLAIMS RESERVES

		Annual Statement Source	(1) Statement Value	(2) Less Workers Compensation Carve Out	(3) RBC Subtotal		Factor		(4) RBC Requirement
	Individual Claim Reserves								
(1)	Exhibit 6 Collectively Renewable Claim Reserves	Exhibit 6 Column 4 Line 16							
(2)	Exhibit 6 Non-Cancellable Claim Reserves	Exhibit 6 Column 5 Line 16							
(3)	Exhibit 6 Guaranteed Renewable Claim Reserves	Exhibit 6 Column 6 Line 16							
(4)	Exhibit 6 Non-Renewable for Stated Reason Only Claim Reserves	Exhibit 6 Column 7 Line 16							
(5)	Exhibit 6 Other Accident Only Claim Reserves	Exhibit 6 Column 8 Line 16							
(6)	Exhibit 6 All Other Claim Reserves	Exhibit 6 Column 9 Line 16							
(7)	Modified Coinsurance Assumed Reserves	Schedule S Part 1 Section 2 Column 11, in part †							
(8)	Less Modified Coinsurance Ceded Reserves	Schedule S Part 3 Section 2 Column 13, in part †							
(9)	Disability Income and Long-Term Care Claim Reserves	Company Records				X	**0.063**	=	
(10)	Total Individual Claim Reserves	Lines (1) + (2) + (3) + (4) + (5) + (6) + (7) - (8) - (9)				X	**0.041**	=	
	Group and Credit Claim Reserves								
(11)	Exhibit 6 Group Claim Reserves	Exhibit 6 Column 2 Line 16							
(12)	Exhibit 6 Credit Claim Reserves	Exhibit 6 Column 3 Line 16							
(13)	Modified Coinsurance Assumed Reserves	Schedule S Part 1 Section 2 Column 11, in part †							
(14)	Less Modified Coinsurance Ceded Reserves	Schedule S Part 3 Section 2 Column 13, in part †							
(15)	Disability Income and Long-Term Care Claim Reserves	Company Records				X	**0.063**	=	
(16)	Total Exhibit 6 Group and Credit Claim Reserves	Lines (11) + (12) + (13) - (14) - (15)				X	**0.041**	=	
(17)	Total Claim Reserves	Lines (9) + (10) + (15) + (16)							
(18)	Total Health RBC	LR019 Health Premiums Column (2) Line (31) + LR020 Underwriting Risk Experience Fluctuation Risk Column (5) Line (18) + LR021 Underwriting Risk Other Column (2) Line (7) + LR023 Long-Term Care Morbidity Risk Column (4) Line (7) + LR024 Health Claim Reserves Column (4) Line (17)							

† Include only the portion which relates to claim reserves that, if written on a direct basis, would be included on Exhibit 6.

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

INTEREST RATE RISK AND MARKET RISK

			(1)			
(1.1)	Did the Company Submit an Unqualified Actuarial Opinion Based on Asset Adequacy Testing or One Qualified Due Solely to the Direction Provided in Actuarial Guideline XLVIII?	["Yes" or "No" in Column (1)]				
(1.2)	C-3 RBC Cash Flow Testing on Certain Products? (See the instructions for specific details)	["Yes" or "No" in Column (1)]				
(1.3)	If Line (1.2) is "Yes", is the Appointed Actuary C-3 Assumption Statement Attached?	["Yes" or "No" in Column (1)]				
(1.4)	If applicable, have the appropriate certifications been attached?	["Yes" or "No" or "N/A" in Column (1)]				

	RESERVES THAT WERE CASH FLOW TESTED FOR ASSET ADEQUACY (See Appendix 1 of the instructions for more details.)	Annual Statement Source	(2) Statement Value		Factor		(3) RBC Requirement
	Low Risk Category						
(2)	Annuity Reserve with Fair Value Adjustment (excluding unitized separate accounts)*	Notes to Financial Statements Item 32 Line A1, in part‡		X	**0.0095 or 0.0063†**	=	
(3)	Annuity Reserve not Withdrawable (excluding structured settlements)*	Notes to Financial Statements Item 32 Line B, in part‡		X	**0.0095 or 0.0063†**	=	
(4)	Guaranteed Investment Contract (GIC) Reserve within 1 Year of Maturity£	Notes to Financial Statements Item 32 Various Lines, in part‡		X	**0.0095 or 0.0063†**	=	
(5.1)	Single Premium Life Insurance Reserves Net of Reinsurance	Exhibit 5 Column 2 Line 0199999, in part					
(5.2)	Less Single Premium Life Insurance Reserves Policy Loans	Page 2 Line 6, in part					
(5.3)	Plus Modified Coinsurance Assumed Single Premium Life Reserves net of Modified Coinsurance Assumed Policy Loans	Schedule S Part 1 Section 1 Column 11, in part‡					
(5.4)	Less Modified Coinsurance Ceded Single Premium Life Reserves net of Modified Coinsurance Ceded Policy Loans	Schedule S Part 3 Section 1 Column 14, in part‡					
(5.5)	Single Premium Life Insurance Reserves	Line (5.1) - (5.2) + (5.3) - (5.4)		X	**0.0095 or 0.0063†**	=	
(6)	Total Low Risk	Lines (2) + (3) + (4) + (5.5)					
	Medium Risk Category						
(7)	Annuity Reserve at Book Value Less Surrender Charge of 5 Percent or More*	Notes to Financial Statements Item 32 Line A2, in part‡		X	**0.0190 or 0.0127†**	=	
(8)	Exhibit 7 Reserve not Included Elsewhere §	Exhibit 7 Line 14 amounts not included elsewhere in Interest Rate Risk (C-3)‡		X	**0.0190 or 0.0127†**	=	
(9)	Structured Settlements	Notes to Financial Statements Item 32 Line B, in part‡		X	**0.0190 or 0.0127†**	=	
(10)	Additional Actuarial Reserves for Annuities and Single Premium Life - Asset/Liability Analysis	Exhibit 5 Column 2 Line 0799997, in part		X	**0.0190 or 0.0127†**	=	
(11)	Total Medium Risk	Sum of Lines (7) through (10)					

† The factors are decreased by one-third if the company submits an unqualified actuarial opinion based on asset adequacy testing or one qualified due solely to the direction provided in Actuarial Guideline XLVIII. The RBC software automatically recalculates the factor, depending on the answer to Line (1.1).
‡ Net of reinsurance, less policy loans, plus modified coinsurance assumed reserves, less modified coinsurance ceded reserves.
§ Excluding any non-policyholder reserves (e.g., reserves that are not related to specific policies).
* Excluding GICs within 1 year of maturity.
£ Includes GICs within 1 year of maturity subtracted elsewhere.

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

INTEREST RATE RISK AND MARKET RISK (CONTINUED)

		Annual Statement Source	(2) Statement Value		Factor		(3) RBC Requirement
	High Risk Category						
(12)	Annuity Reserve at Book Value Without Adjustment (minimal or no charge or adjustment)*	Notes to Financial Statements Item 32 Line A5, in part‡		X	**0.0380 or 0.0253†**	=	
(13)	Debt with GIC-like Characteristics (see Appendix 1 & 1b instructions)	Company records (enter a pre-tax amount)					
(14)	Total High Risk	Line (12) + (13)					
	Synthetic GIC's						
(15)	Synthetic GIC's C-3 Requirement	Company records (enter a pre-tax amount)					
	Callable/Pre-Payable Assets						
(16)	Callable/Pre-Payable Assets Assigned to Products Categorized Above	Company records (enter a pre-tax amount)					
(17)	Subtotal of Factor Based RBC For Products Categorized Above	Lines (6) + (11) + (14) + (15)					
	ALL OTHER RESERVES (exclude statement amounts included in Lines (2) to (17) above)						
	Low Risk Category						
(18)	Annuity Reserve with Fair Value Adjustment (excluding unitized separate accounts and eligible experience rated pension and separate accounts with guarantees)*	Notes to Financial Statements Item 32 Line A1, in part‡		X	**0.0095 or 0.0063†**	=	
(19)	Annuity Reserve not Withdrawable (excluding structured settlements and eligible experience rated pension and separate accounts with guarantees)*	Notes to Financial Statements Item 32 Line B, in part‡		X	**0.0095 or 0.0063†**	=	
(20)	Guaranteed Investment Contract (GIC) Reserve within 1 Year of Maturity£	Notes to Financial Statements Item 32 Various Lines, in part‡		X	**0.0095 or 0.0063†**	=	
(21.1)	Life Insurance Reserves Net of Reinsurance	Exhibit 5 Column 2 Line 0199999, in part					
(21.2)	Less Life Insurance Reserves Policy Loans	Page 2 Line 6, in part					
(21.3)	Plus Modified Coinsurance Assumed Reserves net of Modified Coinsurance Assumed Policy Loans	Schedule S Part 1 Section 1 Column 11, in part‡					
(21.4)	Less Modified Coinsurance Ceded Reserves net of Modified Coinsurance Ceded Policy Loans	Schedule S Part 3 Section 1 Column 14, in part‡					
(21.5)	Life Insurance Reserves	Line (21.1) - (21.2) + (21.3) - (21.4)		X	**0.0095 or 0.0063†**	=	
(22)	Total Low Risk	Lines (18) + (19) + (20) + (21.5)					

† The factors are decreased by one-third if the company submits an unqualified actuarial opinion based on asset adequacy testing or one qualified due solely to the direction provided in Actuarial Guideline XLVIII. The RBC software automatically recalculates the factor, depending on the answer to Line (1.1).
‡ Net of reinsurance, less policy loans, plus modified coinsurance assumed reserves, less modified coinsurance ceded reserves.
§ Excluding any non-policyholder reserves (e.g., reserves that are not related to specific policies).
* Excluding GICs within 1 year of maturity.
£ Includes GICs within 1 year of maturity subtracted elsewhere.

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

INTEREST RATE RISK AND MARKET RISK (CONTINUED)

		Annual Statement Source	(2) Statement Value		Factor		(3) RBC Requirement
	Medium Risk Category						
(23)	Annuity Reserve at Book Value Less Surrender Charge of 5 Percent or More*	Notes to Financial Statements Item 32 Line A2, in part‡		X	**0.0190 or 0.0127†**	=	
(24)	Exhibit 7 Reserve not Included Elsewhere §	Exhibit 7 Line 14 amounts not included elsewhere in Interest Rate Risk (C-3)‡		X	**0.0190 or 0.0127†**	=	
(25)	Structured Settlements	Notes to Financial Statements Item 32 Line B, in part‡		X	**0.0190 or 0.0127†**	=	
(26)	Additional Actuarial Reserves - Asset/Liability Analysis	Exhibit 5 Column 2 Line 0799997, in part		X	**0.0190 or 0.0127†**	=	
(27)	Total Medium Risk	Sum of Lines (23) through (26)					
	High Risk Category						
(28)	Annuity Reserve at Book Value Without Adjustment (minimal or no charge or adjustment)*	Notes to Financial Statements Item 32 Line A5, in part‡		X	**0.0380 or 0.0253†**	=	
(29)	Total High Risk	Line (28)					
	Synthetic GIC's						
(30)	Synthetic GIC's C-3 Requirement	Company records (enter a pre-tax amount)			RBC x 1.000 (less "haircut")		
	Callable/Pre-Payable Assets						
(31)	Callable/Pre-Payable Assets Not Allocated to Line (16). Include Callable/Pre-Payable Assets Allocated to Surplus	Company records (enter a pre-tax amount)					
(32)	Interest Rate Risk Based Completely on Factors	Lines (16) + (17) + (22) + (27) + (29) + (30) + (31)					
(33)	C-3 RBC Cash Flow Testing Interest Rate Risk (If Line 1.2 = "Yes")	Company records (enter a pre-tax amount)			C-3 RBC Cash Flow Testing		
(34)	Sub-Total Interest Rate Risk	If Line (33) = 0, then Line (34) = Line (32). Otherwise, Line (34) = Line (32) + (33) - (16) - (17), subject to a minimum of 0.5 times Line (32)					
(35)	Interest Rate Risk Component (See the instructions for specific detail.)	Company Records (enter the pre-tax amount)					
(36)	Total Interest Rate Risk	Lines (34) + (35)					
(37)	Total Market Risk	Company Records (enter a pre-tax amount)					

† The factors are decreased by one-third if the company submits an unqualified actuarial opinion based on asset adequacy testing or one qualified due solely to the direction provided in Actuarial Guideline XLVIII. The RBC software automatically recalculates the factor, depending on the answer to Line (1.1).
‡ Net of reinsurance, less policy loans, plus modified coinsurance assumed reserves, less modified coinsurance ceded reserves.
§ Excluding any non-policyholder reserves (e.g., reserves that are not related to specific policies).
* Excluding GICs within 1 year of maturity.
£ Includes GICs within 1 year of maturity subtracted elsewhere.

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

BUSINESS RISK

		Annual Statement Source	(1) Statement Value	Factor	(2) RBC Requirement
	Life Insurance Premiums				
(1)	Total Life Premiums	Schedule T Column 2 Line 59			
(2)	Less American Samoa Life Premiums	Schedule T Column 2 Line 52			
(3)	Less Guam Life Premiums	Schedule T Column 2 Line 53			
(4)	Less Puerto Rico Life Premiums	Schedule T Column 2 Line 54			
(5)	Less U.S. Virgin Islands Life Premiums	Schedule T Column 2 Line 55			
(6)	Less Northern Mariana Islands Life Premiums	Schedule T Column 2 Line 56			
(7)	Less Canada Life Premiums	Schedule T Column 2 Line 57			
(8)	Less Other Alien Life Premiums	Schedule T Column 2 Line 58			
(9)	Subtotal Net Life Premiums	Line (1) less the Sum of Lines (2) through (8)			
(10)	Plus Foreign Variable and Other Life Premiums	See Instructions†			
(11)	Less Total Variable and Other Life Premiums	See Instructions†			
(12)	Net Life Premiums	Line (9) plus Line (10) less Line (11)		X **0.0253** =	
	Annuity Considerations				
(13)	Total Annuity Considerations	Schedule T Column 3 Line 59			
(14)	Less American Samoa Annuity Considerations	Schedule T Column 3 Line 52			
(15)	Less Guam Annuity Considerations	Schedule T Column 3 Line 53			
(16)	Less Puerto Rico Annuity Considerations	Schedule T Column 3 Line 54			
(17)	Less U.S. Virgin Islands Annuity Considerations	Schedule T Column 3 Line 55			
(18)	Less Northern Mariana Islands Annuity Considerations	Schedule T Column 3 Line 56			
(19)	Less Canada Annuity Considerations	Schedule T Column 3 Line 57			
(20)	Less Other Alien Annuity Considerations	Schedule T Column 3 Line 58			
(21)	Subtotal Net Annuity Considerations	Line (13) less the Sum of Lines (14) through (20)			
(22)	Plus Foreign Variable and Other Annuity Considerations	See Instructions†			
(23)	Less Total Variable and Other Annuity Considerations	See Instructions†			
(24)	Net Annuity Considerations	Line (21) plus Line (22) less Line (23)		X **0.0253** =	
	Accident and Health Premiums				
(25)	Total Accident and Health Premiums	Schedule T Column 4 Line 59			
(26)	Less American Samoa Accident and Health Premiums	Schedule T Column 4 Line 52			
(27)	Less Guam Accident and Health Premiums	Schedule T Column 4 Line 53			
(28)	Less Puerto Rico Accident and Health Premiums	Schedule T Column 4 Line 54			
(29)	Less U.S. Virgin Islands Accident and Health Premiums	Schedule T Column 4 Line 55			
(30)	Less Northern Mariana Islands Accident and Health Premiums	Schedule T Column 4 Line 56			
(31)	Less Canada Accident and Health Premiums	Schedule T Column 4 Line 57			
(32)	Less Other Alien Accident and Health Premiums	Schedule T Column 4 Line 58			
(33)	Subtotal Net Accident and Health Premiums	Line (25) less the Sum of Lines (26) through (32)			
(34)	Plus Foreign Variable and Other A&H Premiums	See Instructions†			
(35)	Less Total Variable and Other A&H Premiums	See Instructions†			
(36)	Net Accident and Health Premiums	Line (33) plus Line (34) less Line (35)		X **0.0063** =	

† Enter amounts only if included in Schedule T Column 2 (life), Column 3 (annuity) or Column 4 (accident and health).

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

BUSINESS RISK (CONTINUED)

		Annual Statement Source	(1) Statement Value	Factor	(2) RBC Requirement
	Separate Account Liabilities				
(37)	Total Liabilities from Separate Accounts Statement	Page 3 Column 1 Line 27			
(38)	Transfers to Separate Accounts Due or Accrued	Page 3 Column 1 Line 13			
(39)	Total Separate Account Liabilities	Line (37) plus Line (38)		X **0.0006** =	
(40)	Business Risk (C-4a)	Lines (12) + (24) + (36) + (39)			
	Administrative Expenses for Certain A&H Coverages				
(41)	Total Accident and Health Premiums	LR019 Health Premiums Column (1) Line (31)			
(42)	Accident and Health Premiums from Underwriting Risk	LR020 Underwriting Risk Column (5) Line (1.3)			
(43)	Accident and Health Premiums Factor	Line (42) / Line (41)			
(44)	Exhibit 2 Administrative Expenses for Health Insurance	Exhibit 2 Column 2 + Column 3 Line 10			
(45)	Exhibit 3 Administrative Expenses for Health Insurance	Exhibit 3 Column 2 Line 7			
(46)	Less Administrative Expenses for Administrative Service Contracts (ASC)	Included in Exhibit 2 Col. 2 + Col. 3 and Exhibit 3 Col. 2			
(47)	Less Administrative Expenses for Administrative Services Only (ASO) Business	Included in Exhibit 2 Col. 2 + Col. 3 and Exhibit 3 Col. 2			
(48)	Less Administrative Expenses for Commissions and Premium Taxes	Included in Exhibit 2 Col. 2 + Col. 3 and Exhibit 3 Col. 2			
(49)	Net Administrative Expenses	Lines (44) + (45) - (46) - (47) - (48)			
(50)	Composite Health Administrative Expense Risk Factor	7% of Line (42) up to $25 million + 4% of excess/Line (42)			
(51)	Administrative Expense Component for Health	Line (49) x factor Line (43) x factor Line (50)			
	Health ASO/ASC				
(52)	Administrative Expenses for ASC Business	Company Records§		X 0.0200 =	
(53)	Administrative Expenses for ASO Business	Company Records§		X 0.0200 =	
(54)	ASC Claims Reported as Incurred Claims	Company Records		X 0.0100 =	
(55)	Other Medical Costs Paid through ASC Arrangements	Company Records		X 0.0100 =	
(56)	Fee-for-Service Received from Health Entities	Company Records		X 0.0100 =	
(57)	Business Risk (C-4b)	Column (2) Lines (51) + (52) + (53) + (54) + (55) + (56)			

§ Line (52) should be greater than or equal to Line (46). Line (53) should be greater than or equal to Line (47).

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

CALCULATION OF TAX EFFECT FOR LIFE RISK-BASED CAPITAL

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
	ASSET RISKS							
	Bonds							
(001)	Long-term Bonds – NAIC 1	LR002 Bonds Column (2) Line (2) + LR018 Off-Balance Sheet Collateral Column (3) Line (2)		X	**0.1575**	=		
(002)	Long-term Bonds – NAIC 2	LR002 Bonds Column (2) Line (3) + LR018 Off-Balance Sheet Collateral Column (3) Line (3)		X	**0.1575**	=		
(003)	Long-term Bonds – NAIC 3	LR002 Bonds Column (2) Line (4) + LR018 Off-Balance Sheet Collateral Column (3) Line (4)		X	**0.1575**	=		
(004)	Long-term Bonds – NAIC 4	LR002 Bonds Column (2) Line (5) + LR018 Off-Balance Sheet Collateral Column (3) Line (5)		X	**0.1575**	=		
(005)	Long-term Bonds – NAIC 5	LR002 Bonds Column (2) Line (6) + LR018 Off-Balance Sheet Collateral Column (3) Line (6)		X	**0.1575**	=		
(006)	Long-term Bonds – NAIC 6	LR002 Bonds Column (2) Line (7) + LR018 Off-Balance Sheet Collateral Column (3) Line (7)		X	**0.2100**	=		
(007)	Short-term Bonds – NAIC 1	LR002 Bonds Column (2) Line (10)		X	**0.1575**	=		
(008)	Short-term Bonds – NAIC 2	LR002 Bonds Column (2) Line (11)		X	**0.1575**	=		
(009)	Short-term Bonds – NAIC 3	LR002 Bonds Column (2) Line (12)		X	**0.1575**	=		
(010)	Short-term Bonds – NAIC 4	LR002 Bonds Column (2) Line (13)		X	**0.1575**	=		
(011)	Short-term Bonds – NAIC 5	LR002 Bonds Column (2) Line (14)		X	**0.1575**	=		
(012)	Short-term Bonds – NAIC 6	LR002 Bonds Column (2) Line (15)		X	**0.2100**	=		
(013)	Credit for Hedging - NAIC 1 Through 5 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0199999)		X	**0.1575**	=		†
(014)	Credit for Hedging - NAIC 6 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0299999)		X	**0.2100**	=		†
(015)	Bond Reduction - Reinsurance	LR002 Bonds Column (2) Line (19)		X	**0.2100**	=		†
(016)	Bond Increase - Reinsurance	LR002 Bonds Column (2) Line (20)		X	**0.2100**	=		
(017)	Non-Exempt NAIC 1 U.S. Government Agency	LR002 Bonds Column (2) Line (22)		X	**0.1575**	=		
(018)	Bonds Size Factor	LR002 Bonds Column (2) Line (26) - LR002 Bonds Column (2) Line (21)		X	**0.1575**	=		
	Mortgages							
	In Good Standing							
(019)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (1)		X	**0.1575**	=		
(020)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (2)		X	**0.1575**	=		
(021)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (3)		X	**0.1575**	=		
(022)	Total Commercial Mortgages - All Other	LR004 Mortgages Column (6) Line (9)		X	**0.1575**	=		
(023)	Total Farm Mortgages	LR004 Mortgages Column (6) Line (15)		X	**0.1575**	=		
	90 Days Overdue							
(024)	Farm Mortgages	LR004 Mortgages Column (6) Line (16)		X	**0.1575**	=		
(025)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (17)		X	**0.1575**	=		
(026)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (18)		X	**0.1575**	=		
(027)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (19)		X	**0.1575**	=		
(028)	Commercial Mortgages - Other	LR004 Mortgages Column (6) Line (20)		X	**0.1575**	=		
	In Process of Foreclosure							
(029)	Farm Mortgages	LR004 Mortgages Column (6) Line (21)		X	**0.1575**	=		

† Denotes lines that are deducted from the total rather than added.

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

CALCULATION OF TAX EFFECT FOR LIFE RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(030)	Residential Mortgages - Insured	LR004 Mortgages Column (6) Line (22)		X	0.1575	=		
(031)	Residential Mortgages - Other	LR004 Mortgages Column (6) Line (23)		X	0.1575	=		
(032)	Commercial Mortgages - Insured	LR004 Mortgages Column (6) Line (24)		X	0.1575	=		
(033)	Commercial Mortgages - Other	LR004 Mortgages Column (6) Line (25)		X	0.1575	=		
(034)	Due & Unpaid Taxes Mortgages	LR004 Mortgages Column (6) Line (26)		X	0.1575	=		
(035)	Due & Unpaid Taxes - Foreclosures	LR004 Mortgages Column (6) Line (27)		X	0.1575	=		
(036)	Mortgage Reduction - Reinsurance	LR004 Mortgages Column (6) Line (29)		X	0.2100	=		†
(037)	Mortgage Increase - Reinsurance	LR004 Mortgages Column (6) Line (30)		X	0.2100	=		
	Preferred Stock and Hybrid Securities							
(038)	Unaffiliated Preferred Stock and Hybrids NAIC 1	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (1) + Line (8) + LR018 Off-Balance Sheet Collateral Column (3) Line (9)		X	0.1575	=		
(039)	Unaffiliated Preferred Stock and Hybrids NAIC 2	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (2) + Line (9) + LR018 Off-Balance Sheet Collateral Column (3) Line (10)		X	0.1575	=		
(040)	Unaffiliated Preferred Stock and Hybrids NAIC 3	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (3) + Line (10) + LR018 Off-Balance Sheet Collateral Column (3) Line (11)		X	0.1575	=		
(041)	Unaffiliated Preferred Stock and Hybrids NAIC 4	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (4) + Line (11) + LR018 Off-Balance Sheet Collateral Column (3) Line (12)		X	0.1575	=		
(042)	Unaffiliated Preferred Stock and Hybrids NAIC 5	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (5) + Line (12) + LR018 Off-Balance Sheet Collateral Column (3) Line (13)		X	0.1575	=		
(043)	Unaffiliated Preferred Stock and Hybrids NAIC 6	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (6) + Line (13) + LR018 Off-Balance Sheet Collateral Column (3) Line (14)		X	0.2100	=		
(044)	Preferred Stock Reduction-Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (16)		X	0.2100	=		†
(045)	Preferred Stock Increase-Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (17)		X	0.2100	=		
	Separate Accounts							
(046)	Guaranteed Index	LR006 Separate Accounts Column (3) Line (1)		X	0.1575	=		
(047)	Nonindex-Book Reserve	LR006 Separate Accounts Column (3) Line (2)		X	0.1575	=		
(048)	Separate Accounts Nonindex-Market Reserve	LR006 Separate Accounts Column (3) Line (3)		X	0.1575	=		
(049)	Separate Accounts Reduction-Reinsurance	LR006 Separate Accounts Column (3) Line (5)		X	0.2100	=		†
(050)	Separate Accounts Increase-Reinsurance	LR006 Separate Accounts Column (3) Line (6)		X	0.2100	=		
(051)	Synthetic GICs	LR006 Separate Accounts Column (3) Line (8)		X	0.1575	=		
(052)	Separate Account Surplus	LR006 Separate Accounts Column (3) Line (13)		X	0.1575	=		
	Real Estate							
(053)	Company Occupied Real Estate	LR007 Real Estate Column (3) Line (3)		X	0.2100	=		
(054)	Foreclosed Real Estate	LR007 Real Estate Column (3) Line (6)		X	0.2100	=		
(055)	Investment Real Estate	LR007 Real Estate Column (3) Line (9)		X	0.2100	=		
(056)	Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (11)		X	0.2100	=		†
(057)	Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (12)		X	0.2100	=		
	Schedule BA							
(058)	Sch BA Real Estate Excluding Low Income Housing Tax Credits	LR007 Real Estate Column (3) Line (16)		X	0.2100	=		
(059)	Guaranteed Low Income Housing Tax Credits	LR007 Real Estate Column (3) Line (17) + Line (19)		X	0.0000	=		
(060)	Non-Guaranteed and All Other Low Income Housing Tax Credits	LR007 Real Estate Column (3) Line (18) + Line (20) + Line (21)		X	0.0000	=		
(061)	Sch BA Real Estate Reduction - Reinsurance	LR007 Real Estate Column (3) Line (23)		X	0.2100	=		†
(062)	Sch BA Real Estate Increase - Reinsurance	LR007 Real Estate Column (3) Line (24)		X	0.2100	=		

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

CALCULATION OF TAX EFFECT FOR LIFE RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(063)	Sch BA Bond NAIC 1	LR008 Other Long-Term Assets Column (5) Line (2)		X	0.1575	=		
(064)	Sch BA Bond NAIC 2	LR008 Other Long-Term Assets Column (5) Line (3)		X	0.1575	=		
(065)	Sch BA Bond NAIC 3	LR008 Other Long-Term Assets Column (5) Line (4)		X	0.1575	=		
(066)	Sch BA Bond NAIC 4	LR008 Other Long-Term Assets Column (5) Line (5)		X	0.1575	=		
(067)	Sch BA Bond NAIC 5	LR008 Other Long-Term Assets Column (5) Line (6)		X	0.1575	=		
(068)	Sch BA Bond NAIC 6	LR008 Other Long-Term Assets Column (5) Line (7)		X	0.2100	=		
(069)	BA Bond Reduction - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (9)		X	0.2100	=		†
(070)	BA Bond Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (10)		X	0.2100	=		
(071)	BA Preferred Stock NAIC 1	LR008 Other Long-Term Assets Column (5) Line (12.3)		X	0.1575	=		
(072)	BA Preferred Stock NAIC 2	LR008 Other Long-Term Assets Column (5) Line (13)		X	0.1575	=		
(073)	BA Preferred Stock NAIC 3	LR008 Other Long-Term Assets Column (5) Line (14)		X	0.1575	=		
(074)	BA Preferred Stock NAIC 4	LR008 Other Long-Term Assets Column (5) Line (15)		X	0.1575	=		
(075)	BA Preferred Stock NAIC 5	LR008 Other Long-Term Assets Column (5) Line (16)		X	0.1575	=		
(076)	BA Preferred Stock NAIC 6	LR008 Other Long-Term Assets Column (5) Line (17)		X	0.2100	=		
(077)	BA Preferred Stock Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (19)		X	0.2100	=		†
(078)	BA Preferred Stock Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (20)		X	0.2100	=		
(079)	Rated Surplus Notes	LR008 Other Long-Term Assets Column (5) Line (31)		X	0.1575	=		
(080)	Rated Capital Notes	LR008 Other Long-Term Assets Column (5) Line (41)		X	0.1575	=		
(081)	BA Common Stock Affiliated	LR008 Other Long-Term Assets Column (5) Line (48.3)		X	0.2100	=		
(082)	BA Collateral Loans	LR008 Other Long-Term Assets Column (5) Line (50)		X	0.1575	=		
(083)	Other BA Assets	LR008 Other Long-Term Assets Column (5) Line (52.3) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)		X	0.2100	=		
(084)	Other BA Assets Reduction-Reinsurance	LR008 Other Long-Term Assets Column (5) Line (54)		X	0.2100	=		†
(085)	Other BA Assets Increase - Reinsurance	LR008 Other Long-Term Assets Column (5) Line (55)		X	0.2100	=		
(086)	BA Mortgages - In Good Standing	LR009 Schedule BA Mortgages Column (6) Line (11)		X	0.1575	=		
(087)	BA Mortgages - 90 Days Overdue	LR009 Schedule BA Mortgages Column (6) Line (15)		X	0.1575	=		
(088)	BA Mortgages - In Process of Foreclosure	LR009 Schedule BA Mortgages Column (6) Line (19)		X	0.1575	=		
(089)	Reduction - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (21)		X	0.2100	=		†
(090)	Increase - Reinsurance	LR009 Schedule BA Mortgages Column (6) Line (22)		X	0.2100	=		
	Miscellaneous							
(091)	Asset Concentration Factor	LR010 Asset Concentration Factor Column (6) Line (68) Grand Total Page		X	0.1575	=		
(092)	Miscellaneous Assets	LR012 Miscellaneous Assets Column (2) Line (7)		X	0.1575	=		
(093)	Derivatives - Collateral and Exchange Traded	LR012 Miscellaneous Assets Column (2) Lines (8) + (9) + (10)		X	0.1575	=		
(094)	Derivatives NAIC 1	LR012 Miscellaneous Assets Column (2) Line (11)		X	0.1575	=		
(095)	Derivatives NAIC 2	LR012 Miscellaneous Assets Column (2) Line (12)		X	0.1575	=		
(096)	Derivatives NAIC 3	LR012 Miscellaneous Assets Column (2) Line (13)		X	0.1575	=		
(097)	Derivatives NAIC 4	LR012 Miscellaneous Assets Column (2) Line (14)		X	0.1575	=		
(098)	Derivatives NAIC 5	LR012 Miscellaneous Assets Column (2) Line (15)		X	0.1575	=		
(099)	Derivatives NAIC 6	LR012 Miscellaneous Assets Column (2) Line (16)		X	0.2100	=		
(100)	Miscellaneous Assets Reduction-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (19)		X	0.2100	=		†
(101)	Miscellaneous Assets Increase-Reinsurance	LR012 Miscellaneous Assets Column (2) Line (20)		X	0.2100	=		

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

CALCULATION OF TAX EFFECT FOR LIFE RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(102)	Replications	LR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line (9999999)		X	0.1575	=		
(103)	Reinsurance	LR016 Reinsurance Column (4) Line (17)		X	0.2100	=		
(104)	Investment Affiliates	LR042 Summary for Affiliated Investments Column (4) Line (6)		X	0.2100	=		
(105)	Investment in Parent	LR042 Summary for Affiliated Investments Column (4) Line (10)		X	0.2100	=		
(106)	Other Affiliate: Property and Casualty Insurers not Subject to Risk-Based Capital	LR042 Summary for Affiliated Investments Column (4) Line (11)		X	0.2100	=		
(107)	Other Affiliate: Life Insurers not Subject to Risk-Based Capital	LR042 Summary for Affiliated Investments Column (4) Line (12)		X	0.2100	=		
(108)	Publicly Traded Insurance Affiliates	LR042 Summary for Affiliated Investments Column (4) Line (14)		X	0.2100	=		
(109)	Subtotal for C-1o Assets	Sum of Lines (001) through (108), Recognizing the Deduction of Lines (013), (014), (015), (036), (044), (049), (056), (061), (069), (077), (084), (089) and (100)						
	C-0 Affiliated Common Stock							
(110)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (27)		X	0.1575	=		
(111)	Off-Balance Sheet Items Reduction - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (28)		X	0.2100	=		†
(112)	Off-Balance Sheet Items Increase - Reinsurance	LR017 Off-Balance Sheet and Other Items Column (5) Line (29)		X	0.2100	=		
(113)	Affiliated US Property - Casualty Insurers Directly Owned	LR042 Summary for Affiliated Investments Column (4) Line (1)		X	0.2100	=		
(114)	Affiliated US Life Insurers Directly Owned	LR042 Summary for Affiliated Investments Column (4) Line (2)		X	0.2100	=		
(115)	Affiliated US Health Insurers Directly and Indirectly Owned	LR042 Summary for Affiliated Investments Column (4) Line (3)		X	0.2100	=		
(116)	Affiliated US Property - Casualty Insurers Indirectly Owned	LR042 Summary for Affiliated Investments Column (4) Line (4)		X	0.2100	=		
(117)	Affiliated US Life Insurers Indirectly Owned	LR042 Summary for Affiliated Investments Column (4) Line (5)		X	0.2100	=		
(118)	Affiliated Alien Life Insurers - Canadian	LR042 Summary for Affiliated Investments Column (4) Line (8)		X	0.2100	=		
(119)	Affiliated Alien Life Insurers - All Others	LR042 Summary for Affiliated Investments Column (4) Line (9)		X	0.0000	=		
(120)	Subtotal for C-0 Affiliated Common Stock	Lines (110)-(111)+(112)+(113)+(114)+(115)+(116)+(117)+(118)+(119)						
	Common Stock							
(121)	Unaffiliated Common Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (26) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)		X	0.2100	=		
(122)	Credit for Hedging - Common Stock	LR015 Hedged Asset Common Stock Schedule Column (10) Line (0299999)		X	0.2100	=		†
(123)	Stock Reduction - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (28)		X	0.2100	=		†
(124)	Stock Increase - Reinsurance	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (29)		X	0.2100	=		
(125)	BA Common Stock Unaffiliated	LR008 Other Long-Term Assets Column (5) Line (47)		X	0.2100	=		
(126)	BA Common Stock Affiliated - C-1cs	LR008 Other Long-Term Assets Column (5) Line (49.2)		X	0.2100	=		
(127)	Common Stock Concentration Factor	LR011 Common Stock Concentration Factor Column (6) Line (6)		X	0.2100	=		
(128)	NAIC 01 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (51.1)		X	0.1575	=		
(129)	NAIC 02 Working Capital Finance Notes	LR008 Other Long-Term Assets Column (5) Line (51.2)		X	0.1575	=		
(130)	Affiliated Preferred Stock and Common Stock - Holding Company in Excess of Indirect Subs	LR042 Summary for Affiliated Investments Column (4) Line (7)		X	0.2100	=		
(131)	Affiliated Preferred Stock and Common Stock - All Other	LR042 Summary for Affiliated Investments Column (4) Line (13)		X	0.2100	=		
(132)	Total for C-1cs Assets	Lines (121)-(122)-(123)+(124)+(125)+(126)+(127)+(128)+(129)+(130)+(131)						
	Insurance Risk							
(133)	Disability Income Premium	LR019 Health Premiums Column (2) Lines (19) through (25)		X	0.2100	=		

† Denotes lines that are deducted from the total rather than added.

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

CALCULATION OF TAX EFFECT FOR LIFE RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect
(134)	Long-Term Care	LR019 Health Premiums Column (2) Line (26) + LR023 Long-Term Care Column (4) Line (7)		X	**0.2100**	=	
(135)	Life Insurance C-2 Risk	LR025 Life Insurance Column (2) Line (8)		X	**0.2100**	=	
(136)	Group Insurance C-2 Risk	LR025 Life Insurance Column (2) Lines (20) and (21)		X	**0.2100**	=	
(137)	Disability and Long-Term Care Health Claim Reserves	LR024 Health Claim Reserves Column (4) Line (9) + Line (15)		X	**0.2100**	=	
(138)	Premium Stabilization Credit	LR026 Premium Stabilization Reserves Column (2) Line (10)		X	0.0000	=	
(139)	Total C-2 Risk	Lines (133) + (134) + (135) + (136) + (137) + (138)					
(140)	Interest Rate Risk	LR027 Interest Rate Risk Column (3) Line (36)		X	**0.2100**	=	
(141)	Health Credit Risk	LR028 Health Credit Risk Column (2) Line (7)		X	0.0000	=	
(142)	Market Risk	LR027 Interest Rate Risk Column (3) Line (37)		X	**0.2100**	=	
(143)	Business Risk	LR029 Business Risk Column (2) Line (40)		X	**0.2100**	=	
(144)	Health Administrative Expenses	LR029 Business Risk Column (2) Line (57)		X	0.0000	=	
(145)	Total Tax Effect	Lines (109) + (120) + (132) + (139) + (140) + (141) + (142) + (143) + (144)					

† Denotes lines that are deducted from the total rather than added.

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

SUMMARY FOR AFFILIATED INVESTMENTS

	Affiliate Type	Affiliate Code	(1) Book / Adjusted Carrying Value	(2) Book Value †	(3) Difference Col. (1) - (2)	RBC Basis	(4) RBC Requirement	Number of Companies
(1)	Direct U.S. Property and Casualty Subsidiaries	1		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / **0.79**		
(2)	Direct U.S. Life Subsidiaries	2		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / **0.79**		
(3)	Direct and Indirect U.S. Health Subsidiaries	3		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / **0.79**		
(4)	Indirect U.S. Property and Casualty Subsidiaries	4		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / **0.79**		
(5)	Indirect U.S. Life Subsidiaries	5		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / **0.79**		
(6)	Investment Subsidiaries	6		XXX	XXX	Subsidiaries' Total Risk-Based Capital After Covariance / **0.79**		
(7)	Holding Company in Excess of Indirect Subsidiaries	7		XXX	XXX	X 0.300 =		
(8)	Alien Insurance Subsidiaries: Canadian Life	8		XXX	XXX	Subsidiaries' MCCSR / **0.79**		
(9)	Alien Insurance Subsidiaries: Other	9		XXX	XXX	X 1.000 =		
(10)	Investment in Parent	10		XXX	XXX	X 0.300 =		
(11)	Other Affiliate: Property and Casualty Insurers not Subject to Risk-Based Capital	11		XXX	XXX	X 0.300 =		
(12)	Other Affiliate: Life Insurers not Subject to Risk-Based Capital	12		XXX	XXX	X 0.300 =		
(13)	Other Affiliates	13		XXX	XXX	X 0.300 =		
(14)	Publicly Traded Insurance Affiliates	14				X 0.346 =		
(15)	Total (Sum of Lines (1) through (14)	XXX		XXX		XXX		

† If different than book / adjusted carrying value.

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

DETAILS FOR AFFILIATED INVESTMENTS

Affiliate Type	Affiliate Code for Column (2)	RBC Basis	Affiliate Type	Affiliate Code for Column (2)	RBC Basis
Direct U.S. Property and Casualty Subsidiaries	1	Subs' RBC After Covariance / **0.79**	Alien Insurance Subsidiaries - Canadian Life	8	Subsidiaries' MCCSR / **0.79**
Direct U.S. Life Subsidiaries	2	Subs' RBC After Covariance / **0.79**	Alien Insurance Subsidiaries - Other	9	1.000 x Book/Adj. Carrying Value
Direct and Indirect U.S. Health Subsidiaries	3	Subs' RBC After Covariance / **0.79**	Investment in Parents	10	0.300 x Book/Adj. Carrying Value
Indirect U.S. Property and Casualty Subsidiaries	4	Subs' RBC After Covariance / **0.79**	Other Affiliate - P&C Insurers not subject to RBC	11	0.300 x Book/Adj. Carrying Value
Indirect U.S. Life Subsidiaries	5	Subs' RBC After Covariance / **0.79**	Other Affiliate - Life Insurers not subject to RBC	12	0.300 x Book/Adj. Carrying Value
Investment Subsidiaries	6	Subs' RBC After Covariance / **0.79**	Other Affiliate - All Other	13	0.300 x Book/Adj. Carrying Value
Holding Company in Excess of Indirect Subsidiaries	7	0.300 x Book/Adj. Carrying Value			

	(1) Name of Affiliate	(2) Affiliate Code (1 to 13)	(3) NAIC Company Code or Alien ID Number†	(4) Affiliate's RBC After Covariance‡ LR031, Lines (67)+(70), PR032, Line (73), XR025, Line (37)	(5) Book / Adjusted Carrying Value of Affiliate's Common Stock	(6) Total Value of Affiliate's Outstanding Common Stock	(7) Book / Adjusted Carrying Value of Affiliate's Preferred Stock	(8) Total Value of Affiliate's Outstanding Preferred Stock	(9) Percent Owned	(10) RBC Requirement*
(0000001)										
(0000002)										
(0000003)										
(0000004)										
(0000005)										
(0000006)										
(0000007)										
(0000008)										
(0000009)										
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(0000014)										
(0000015)										
(0000016)										
(0000017)										
(0000018)										
(0000019)										
(0000020)										
(9999999)	Total	xxxxx	xxxxx			xxxxx		xxxxx	xxxxx	

† If applicable.
‡ If applicable. For Canadian life subsidiaries, the Minimum Continuing Capital and Surplus Requirement (MCCSR) should be used.
* The RBC Requirement column is calculated on a pre-tax basis.

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

EXEMPTION TEST: CASH FLOW TESTING FOR C-3 RBC

		Source	(1) Amount	(2) Yes/No Response	(3) Equity Indexed Annuities Adjustment (Pre-Tax)
	C-3 Significance Test				
(1)	C-0 Asset Risk - Affiliated Amounts	LR031 Calculation of Total Authorized Control Level Capital Column (1) Line (11)			
(2)	C-1cs Asset Risk - Unaffiliated Common Stock	LR031 Calculation of Total Authorized Control Level Capital Column (1) Line (20)			
(3)	C-1o Asset Risk - All Other	LR031 Calculation of Total Authorized Control Level Capital Column (1) Line (42)			
(4)	C-2 Insurance Risk	LR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (49)			
(5)	C-3a Factor-Based Interest Rate Risk Single Premium and Annuity Reserves (Excluding Equity Indexed Annuities)	LR027 Interest Rate Risk Column (3) Line (17) x **(1-enacted maximum federal corporate income tax rate)** + LR027 Interest Rate Risk Column (3) Line (16) x **(1-enacted maximum federal corporate income tax rate)**			
(6)	C-3a Interest Rate Risk All Other Reserves	LR027 Interest Rate Risk [Column (3) Line (22) + (27) + (29) + (30) + (31) + (35)] x **(1-enacted maximum federal corporate income tax rate)**			
(7)	C-3b Health Credit Risk	LR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (55)			
(8)	C-3c Market Risk	LR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (58)			
(9)	C-4a Business Risk: Premium and Liability Components	LR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (63)			
(10)	C-4b Business Risk: Health Administrative Risk	LR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (66)			
(11)	Total	Sum of Lines (1) through (10)			
(12)	C-3a Interest Rate Risk	Line (5) + Line (6)			
(13)	C-3a Percentage	Line (12) divided by Line (11)			
(14)	Is Line (13) greater than 40 percent? (Complete cash flow testing for C-3 RBC on Page LR027 Interest Rate Risk Column (3) Line (33) if "Yes.")	"Yes" or "No" in Column (2)			
	C-3 Stress Test				
(15)	Total Adjusted Capital	LR033 Calculation of Total Adjusted Capital Column (2) Line (12)			
(16)	C-3a Factor-Based Interest Rate Risk Single Premium and Annuity Reserves (Excluding Equity Indexed Annuities)	LR027 Interest Rate Risk Column (3) Line (17) x **0.79** + LR027 Interest Rate Risk Column (3) Line (16) x **(1-enacted maximum federal corporate income tax rate)**			
(17)	6.5 Times C-3a Factor-Based Interest Rate Risk Single Premium and Annuity Reserves	LR027 Interest Rate Risk Column (3) Line (17) x 6.5 x **(1-enacted maximum federal corporate income tax rate)**			
(18)	C-3a Interest Rate Risk All Other Reserves	LR027 Interest Rate Risk [Column (3) Line (22) + (27) + (29) + (30) + (31) + (35)] x **(1-enacted maximum federal corporate income tax rate)**			
(19)	Adjusted C-3a Interest Rate Risk	Line (16) + Line (17) + Line (18)			
(20)	RBC After Covariance with Line (19) in C-3a Formula	Line (1) + Line (9) + Square Root of [(Line (3) + Line (19))^2 + (Line (2) + Line (8))^2 + Line (4)^2 + Line (7)^2 + Line (10)^2]			
(21)	Total	Line (15) / Line (20)			
(22)	Is Line (21) less than 100 percent and not equal to zero? (Complete cash flow testing for C-3 RBC on Page LR027 Interest Rate Risk Column (3) Line (33) if "Yes.")	"Yes" or "No" in Column (2)			
(23)	Has the company elected to quantify RBC for Certain Annuities and Single Premium Life Insurance using Cash Flow Testing?	"Yes" or "No" in Column (2)			

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2017 NAIC Life Risk-Based Capital Report

Including

Forecasting and Instructions for Companies

as of December 31, 2017

Confidential
when Completed

NAIC

National Association
of Insurance Commissioners

Detail Eliminated To Conserve Space

MORTGAGES

LR004

Basis of Factors

Mortgages in Good Standing

The pre-tax factors for commercial mortgages were developed based on analysis using the Commercial Mortgage Metrics model of Moody's Analytics and documented in a report from the American Council of Life Insurers on March 27, 2013. The factors provide for differing levels of risk, the levels determined by a contemporaneous debt service coverage ratio and the contemporaneous loan-to-value. The 0.14 percent pre-tax factor on insured and guaranteed mortgages represents approximately 30-60 days interest lost due to possible delay in recovery on default. The pre-tax factor of 0.68 percent for residential mortgages reflects a significantly lower risk than commercial mortgages. The pre-tax factors were developed by dividing the post-tax factor by 0.7375 (0.7375 is calculated by taking 1.0 less the result of 0.75 multiplied by 0.35). **The pre-tax factors are not changing for 2018 due to tax reform.**

Mortgages 90 Days Overdue, Not in Process of Foreclosure

The category pre-tax factor for commercial and farm mortgages of 18 percent is based on data taken from the Society of Actuaries "Commercial Mortgage Credit Risk Study." For insured and guaranteed or residential mortgages, factors are set at twice the level for those "in good standing" to reflect the increased likelihood of default losses.

Mortgages in Process of Foreclosure

Mortgages in process of foreclosure are considered to be as risky as NAIC 5 bonds and are assigned the same category pre-tax factor of 23 percent for commercial and farm mortgages.

Due and Unpaid Taxes on Overdue Mortgages and Mortgages in Foreclosure

The factor for due and unpaid taxes on overdue mortgages and mortgages in foreclosure is 100 percent.

Specific Instructions for Application of the Formula

Column (1)

Insured or guaranteed mortgages should be reported separately from residential and commercial mortgages. Insured or guaranteed loans include only those mortgage loans insured or guaranteed by the Federal Housing Administration, under the National Housing Act (Canada) or by the Veterans Administration (exclusive of any portion insured by FHA). Mortgage loans guaranteed by another company (affiliated or unaffiliated) are not to be included in the insured or guaranteed category.

Detail Eliminated To Conserve Space

REAL ESTATE
LR007

Basis of Factors

Companies that have developed their own risk-based capital factors for real estate have used a range of factors from 5 percent to 20 percent. One study indicated real estate volatility is about 60 percent of common stock, suggesting a factor in the range of 18 percent. Assuming a full tax effect for losses, a pre-tax factor of 15 percent was chosen. Foreclosed real estate would carry a somewhat higher risk at 23 percent pre-tax. Schedule BA real estate also has a 23 percent factor pre-tax because of the additional risks inherent in owning real estate through a partnership. The pre-tax factors were developed by dividing the post-tax factor by 0.65 (0.65 is calculated by taking 1.0 less 0.35). **The pre-tax factors are not changing for 2018 due to tax reform.**

Encumbrances have been included in the real estate base since the value of the property subject to loss would include encumbrances. Encumbrances receive a factor of 12 percent pre-tax for real estate encumbrances not in foreclosure and 20 percent pre-tax for real estate encumbrances in foreclosure and encumbrances on Schedule BA real estate.

All references to involuntary reserves as it relates to real estate were removed to comply with the codification of statutory accounting principles.

Detail Eliminated To Conserve Space

MISCELLANEOUS ASSETS
LR012

Basis of Factors

Lines (1) through (3.5)
The pre-tax factor for cash is ~~0.4~~**0.39** percent. It is recognized that there is a small risk related to possible insolvency of the bank where cash deposits are held. The ~~0.4~~**0.39** percent pre-tax factor, equivalent to a NAIC 1 bond, reflects the short-term nature of this risk.

The short-term investments to be included here are those not reflected elsewhere in the formula. Commercial paper, repurchase agreements, collateralized mortgage obligations (CMOs), mortgage participation certificates (MPCs), interest-only and principal-only certificates (IOs and POs), and equipment trust certificates should be included in appropriate bond classifications (NAIC 1 through NAIC 6) on LR002 Bonds and should be excluded from short-term investments. The ~~0.4~~**0.39** percent pre-tax factor is equal to the factor for cash.

Lines (4) through (7)
Premium notes, receivables for securities and write-ins for invested assets are generally a small proportion of total portfolio value. A pre-tax factor of 6.8 percent is consistent with other risk-based capital formulas studied by the working group. The total amount of derivatives cash collateral receivable (pledged to counterparty and/or central clearinghouse) included in Line (6.1)(from Line 11, page 2) should be included on Line (6.2) resulting in Line (6.3) including no derivative collateral receivable amounts. Pledged collateral is reported in LR017, Off-Balance Sheet and Other Items.

Lines (8) through (16)
Derivative instrument book/adjusted carrying value exposure net of collateral held on the balance sheet from Schedule DB Part D Section 1 Column 7 Line 0999999, for each NAIC designation, is subject to the bond RBC factor for that category to reflect the amount held on the balance sheet exposed to loss upon default of the Over the Counter (OTC-bilateral) counterparty, central clearinghouse or exchange. For 2015, derivative balances subject to central clearing are to be included in Line (10) regardless of the category they are included in for the AVR. Acceptable collateral is subject to an RBC charge at the same level as NAIC 1 Bonds. The collateral from Schedule DB Part D Section 1 Column 4 Line 0999999 should be reported in Lines (8) and (9). The split between Lines (8) and (9) will be that Line (8) will include collateral not on the balance sheet, and will be subject to an RBC charge of 0.4%, while Line (9) will include collateral held on the balance sheet and subject to an RBC charge as an admitted asset. Amounts reported in line 9 will be assessed RBC based on their characteristics as an asset elsewhere in the RBC instructions. "Acceptable collateral" means cash, cash equivalents, securities issued or guaranteed by the United States or Canadian governments or their government-sponsored enterprises, publicly traded obligations designated 1 by the NAIC, government money market mutual funds, and such other items as may be defined as acceptable collateral in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*.

Detail Eliminated To Conserve Space

HEDGED ASSET BOND AND COMMON STOCK SCHEDULES

LR014 and LR015

(Instructions related to intermediate hedges are in italics.)

Hedging

The concept of hedging credit, equity and other risks is widely accepted and understood among insurers and their regulators. In order for regulators to distinguish between insurers that have effectively reduced their risks from those insurers that have not, the risk based capital computation should be sensitive to such differences. Increasing or decreasing exposure to different asset classes in relation to a benchmark asset allocation tailored to meet the long term obligations to policy owners is critical to successfully managing an insurance company. Hedging is the process of using derivative instruments to most efficiently limit risk associated with a particular asset in a manner consistent with the insurer's long term objectives. The relative advantage of using cash market transactions versus derivative market transactions depends upon market conditions.

Detail Eliminated To Conserve Space

Factors Table
As determined by the NAIC

NAIC Designation	Internal Designation	Factor
		0.0000
1	1	**0.0039**
2	2	**0.0126**
3	3	**0.0446**
4	4	**0.0970**
5	5	**0.2231**
6	6	0.3000
		0.0000
5	5*	**0.2231**
6	6*	0.3000
		0.0000
1	1F	**0.0039**
2	2F	**0.0126**
3	3F	**0.0446**
4	4F	**0.0970**
5	5F	**0.2231**
6	6F	0.3000
		0.0000
1	1FE	**0.0039**
2	2FE	**0.0126**
3	3FE	**0.0446**
4	4FE	**0.0970**
5	5FE	**0.2231**
6	6FE	0.3000

NAIC Designation	Internal Designation	Factor
		0.0000
1	1AM	**0.0039**
2	2AM	**0.0126**
3	3AM	**0.0446**
4	4AM	**0.0970**
5	5AM	**0.2231**
6	6AM	0.3000
		0.0000
1	1FM	**0.0039**
2	2FM	**0.0126**
3	3FM	**0.0446**
4	4FM	**0.0970**
5	5FM	**0.2231**
6	6FM	0.3000
		0.0000
1	1S	**0.0039**
2	2S	**0.0126**
3	3S	**0.0446**
4	4S	**0.0970**
5	5S	**0.2231**
6	6S	0.3000
5	5*S	**0.2231**
6	6*S	0.3000
5	5*GI	**0.2231**

NAIC Designation	Internal Designation	Factor
		0.0000
1	1Z	**0.0039**
2	2Z	**0.0126**
3	3Z	**0.0446**
4	4Z	**0.0970**
5	5Z	**0.2231**
6	6Z	0.3000
		0.0000
1	1Z*	**0.0039**
2	2Z*	**0.0126**
3	3Z*	**0.0446**
4	4Z*	**0.0970**
5	5Z*	**0.2231**
6	6Z*	0.3000

Common Stock Type	Factor	
Other Unaffiliated Public Common S	0.4500	†
Money Market Mutual Funds	0.0040	
Federal Home Loan Bank Common S	0.0110	
Unaffiliated Private Common Stock	0.3000	

† - 30 percent adjusted up or down by the weighted average beta for the publicly traded common stock portfolio subject to a minimum of 22.5 percent and a maximum of 45 percent.

REINSURANCE

LR016

Basis of Factors

There is a risk associated with recoverability of amounts from reinsurers. The risk is deemed comparable to that represented by bonds between risk classes 1 and 2 and is assigned a pre-tax factor of ~~0.8~~0.78 percent. To avoid an overstatement of risk-based capital, the formula gives a ~~0.8~~0.78 percent pre-tax credit for reinsurance with non-authorized and certified companies, for reinsurance among affiliated companies, for reinsurance with funds withheld or reinsurance with authorized reinsurers that is supported by equivalent trusteed collateral that meets the requirements stipulated in Appendix A-785 (Credit for Reinsurance), where there have been regular bona fide withdrawals from such trusteed collateral to pay claims or recover payments of claims during the calendar year covered by the RBC report, and for reinsurance involving policy loans. Withdrawals from trusteed collateral that are less than the amounts due the ceding company shall be deemed to not be bona fide withdrawals.

Specific Instructions for Application of the Formula

Lines (1) through (7)
The first seven components of the reinsurance formula are charged against all reinsurance recoverables and ceded reserve credits as reported in Schedule S.

Lines (8) through (12)
A negative ~~0.8~~0.78 percent pre-tax factor is applied to these five components. These adjustments should only be applied to business assumed from subsidiaries of the company. The adjustment should be multiplied by the proportion of the ceding company owned by the parent. The subsidiary's RBC is part of the individual company's RBC, and sister affiliate reinsurers should NOT be included. In addition, no adjustment should be made where an adjustment has already been taken in the re-established liability components above. This would be the case if the subsidiary reinsurer was unauthorized or the treaty with the company involved funds held.

Lines (13) through (16)
The last four components are Page 3 liabilities (including Line 24.02 – Reinsurance in Unauthorized and Certified Companies and Line 24.03 – Funds Held under Reinsurance Treaties with Unauthorized and Certified Reinsurers). A pre-tax factor of negative ~~0.8~~0.78 percent is applied. This considers that these liabilities reported on Page 3 have been reestablished in the balance sheet offsetting the reinsurance ceded reserve credits taken elsewhere.

OFF-BALANCE SHEET AND OTHER ITEMS

LR017

Basis of Factors

The potential for risk exists in off-balance sheet items. For items other than derivative instruments, a ~~1.3~~1.26 percent factor was chosen on a judgment basis. The ~~1.3~~1.26 percent pre-tax factor will differentiate between the companies that have small and large exposures to this risk. Since there is no firm actuarial basis for assigning the ~~1.3~~1.26 percent pre-tax factor to these risks, off-balance sheet items are included in the sensitivity analysis using a factor of 3 percent, and leases are added as an additional off-balance sheet item. For securities lending programs, a reduced charge may apply to certain programs that meet the criteria as outlined below.

Detail Eliminated To Conserve Space

HEALTH PREMIUMS and HEALTH CLAIMS RESERVES

LR019, LR023 and LR024

Basis of Factors

Risk-based capital factors for health insurance are applied to medical and disability income, long-term care insurance and other types of health insurance premiums and Exhibit 6 claim reserves with an offset for premium stabilization reserves. For health coverage that does not fit into one of the defined categories for risk-based capital, the "Other Health" category is to be used.

Detail Eliminated To Conserve Space

The following table describes the calculation process used to assign RBC charges to disability income business. The reference to line numbers (e.g., Line 19) represent the actual line numbers used in the formula page, but the subdivisions of those lines [e.g., a), b) etc.] do not exist in the formula page. The total RBC Requirement shown in the last (Total) subdivision of each line will be included in Column (2) for that line in the formula page.

		Disability Income Premium	Annual Statement Source	(1) Statement Value	Factor	(2) RBC Requirement
Line (19)		Noncancellable Disability Income - Individual Morbidity	Earned Premium included in Schedule H, Part 1, Line 2, in part	______		
	a)	First $50 Million Earned Premium of Line (19)	Company Records	______	X 0.~~539~~ 4435 =	______
	b)	Over $50 Million Earned Premium of Line (19)	Company Records	______	X ~~0.231~~0.1901 =	______
	c)	Total Noncancellable Disability Income - Individual Morbidity	a) of Line (19) + b) of Line (19), Column (2)			______
Line (20)		Other Disability Income - Individual Morbidity	Earned Premium included in Schedule H, Part 1, Line 2, in part	______		

a)	Earned Premium in Line (20) [up to $50 million less premium in a) of Line (19)]	Company Records	____________	X ~~0.3850~~0.3168 =	____________
b)	Earned Premium in Line (20) not included in a) of Line (20)	Company Records	____________	X ~~0.1080~~0.0889 =	____________
c)	Total Other Disability Income - Individual Morbidity	a) of Line (20) + b) of Line (20), Column (2)			____________
Line (21)	Disability Income - Credit Monthly Balance	Earned Premium included in Schedule H, Part 1, Line 2, in part	____________		
a)	First $50 Million Earned Premium of Line (21)	Company Records	____________	X ~~0.3080~~0.2534 =	____________
b)	Over $50 Million Earned Premium of Line (21)	Company Records	____________	X ~~0.0460~~0.0378 =	____________
c)	Total Disability Income - Credit Monthly Balance	a) of Line (21) + b) of Line (21), Column (2)	____________		____________
Line (22)	Disability Income – Group Long-Term	Earned Premium included in Schedule H, Part 1, Line 2, in part	____________		
a)	Earned Premium in Line (22) [up to $50 million less premium in a) of Line (21)]	Company Records	____________	X ~~0.2310~~0.1901 =	____________
b)	Earned Premium in Line (22) not included in a) of Line (22)	Company Records	____________	X ~~0.0460~~0.0378 =	____________
c)	Total Disability Income – Group Long-Term	a) of Line (22) + b) of Line (22), Column (2)	____________		____________
Line (23)	Disability Income - Credit Single Premium with Additional Reserves	Earned Premium included in Schedule H, Part 1, Line 2, in part. This amount to be reported on LR019 Health Premiums, Line (23)	____________		
a)	Additional Reserves for Credit Disability Plans	LR019 Health Premiums Column (1) Line (32)	____________		
b)	Additional Reserves for Credit Disability Plans, Prior Year	LR019 Health Premiums Column (1) Line (33)	____________		
c)	Subtotal Disability Income - Credit Single Premium with Additional Reserves	Line (23) - a) of Line (23) + b) of Line (23)	____________		
d)	Earned Premium in c) [up to $50 million less	Company Records			

	premium in a) of Line (21) + a) of Line (22)]		______	X ~~0.231~~0.1901 =	______
e)	Earned Premium in c) of Line (23) not included in d) of Line (23)	Company Records	______	X ~~0.046~~0.0378 =	______
f)	Total Disability Income - Credit Single Premium with Additional Reserves	d) of Line (23) + e) of Line (23), Column (2)			══════
Line (24)	Disability Income – Credit Single Premium without Additional Reserves	Earned Premium included in Schedule H, Part 1, Line 2, in part	______		
a)	Earned Premium in Line (24) [up to $50 million less premium in a) of Line (21) + a) of Line (22) + d) of Line (23)]	Company Records	______	X ~~0.154~~0.1267 =	______
b)	Earned Premium in Line (24) not included in a) of Line (24)	Company Records	______	X ~~0.046~~0.0378 =	______
c)	Total Disability Income – Credit Single Premium without Additional Reserves	a) of Line (24) + b) of Line (24), Column (2)	══════		══════
Line (25)	Disability Income – Group Short-Term	Earned Premium included in Schedule H, Part 1, Line 2, in part	______		
a)	Earned Premium in Line (25) [up to $50 million less premium in a) of Line (21) + a) of Line (22) + d) of Line (23) + a) of Line (24)]	Company Records	______	X ~~0.077~~0.0634 =	______
b)	Earned Premium in Line (25) not included in a) of Line (25)	Company Records	______	X ~~0.046~~0.0378 =	______
c)	Total Disability Income – Group Short-Term	a) of Line (25) + b) of Line (25), Column (2)	══════		══════

Detail Eliminated To Conserve Space

LIFE INSURANCE

LR025

Basis of Factors

The factors chosen represent surplus needed to provide for excess claims over expected, both from random fluctuations and from inaccurate pricing for future levels of claims. For a large number of trials, each insured either lives or dies based on a “roll of the dice” reflecting the probability of death from both normal and excess claims. The present value of the claims generated by this process, less expected claims, will be the amount of surplus needed under that trial. The factors chosen under the formula produce a level of surplus at least as much as needed in 95 percent of the trials.

The model was developed for portfolios of 10,000, 100,000 and one million lives, and it was found that the surplus needs decreased with larger portfolios, consistent with the law of large numbers.

Net amount at risk was chosen as a base because expected claims are difficult to calculate on a consistent basis from company to company.

Specific Instructions for Application of the Formula

Annual statement reference is for the total net amount at risk for the category (e.g., Individual & Industrial is one category). The net amount at risk is then further broken down by size as in a tax table to reflect the decrease in risk for larger blocks of life insurance. This breakdown will not appear on the RBC filing software or on the printed copy, as the application of factors to amounts in force is completed automatically. The calculation is as follows:

		(1)		(2)
Line (8)	Individual & Industrial	Statement Value	Factor	RBC Requirement
	First 500 Million	________	X ~~0.0023~~0.00223 =	________
	Next 4,500 Million	________	X ~~0.0015~~0.00146 =	________
	Next 20,000 Million	________	X 0.~~0012~~ 0.00116 =	________
	Over 25,000 Million	________	X ~~0.0009~~0.00087 =	________
	Total Individual & Industrial Net Amount at Risk	________		________
Line (20)	Group & Credit	Statement Value	Factor	RBC Requirement
	First 500 Million	________	X ~~0.0018~~0.00175 =	________
	Next 4,500 Million	________	X ~~0.0012~~0.00116 =	________
	Next 20,000 Million	________	X ~~0.0009~~.00087 =	________
	Over 25,000 Million	________	X ~~0.0008~~0.00078 =	________
	Total Group & Credit Net Amount at Risk (less FEGLI & SGLI in force)	________		________

All amounts should be entered as required. The risk-based capital software will calculate the RBC requirement for individual and industrial and for group and credit.

Detail Eliminated To Conserve Space

INTEREST RATE RISK AND MARKET RISK

LR027

The following instructions for the Interest Rate Risk and Market Risk will remain effective independent of the status of the sunset provision, Section 8, of AG 48 in a particular state or jurisdiction. This instruction will be considered for change once the amendment referenced in AG 48, Section 8, regarding credit for reinsurance, is adopted by the NAIC.

Basis of Factors

The interest rate risk is the risk of losses due to changes in interest rate levels. The factors chosen represent the surplus necessary to provide for a lack of synchronization of asset and liability cash flows.

Detail Eliminated To Conserve Space

Line (37)

Overview

The amount reported on Line (37) is calculated using a nine-step process. As in Step 3 of the Single Scenario C-3 Measurement Considerations section of Appendix 1a – CashFlow Testing for C-3 RBC Methodology, existing AVR-related assets should not be included in the initial assets used in the C-3 modeling unless AVR has been excluded from TAC due to its use in the asset adequacy analysis supporting reserves. AVR-related assets may be included with C-3 testing to the extent that the AVR has been used in the cash flow testing and is therefore excluded from TAC, and that portion of the AVR-related assets relates to the business being tested. These assets are available for future credit loss deviations over and above expected credit losses. These deviations are covered by C-1 risk capital. Similarly, future AVR contributions should not be modeled. However, the expected credit losses should be in the C-3 modeling. (Deviations from expected are covered by both the AVR and C-1 risk capital and should not be modeled).

IMR assets should be used for C-3 modeling. If negative cash flows are handled by selling assets, then appropriate modeling of contributions to and amortization of the IMR need to be reflected in the modeling.

(1) The first step is determined by applying the methodology described in the report "Recommended Approach for Setting Risk-Based Capital Requirements for Variable Annuities and Similar Products Presented by the American Academy of Actuaries' Life Capital Adequacy Subcommittee to the National Association of Insurance Commissioners' Capital Adequacy Task Force (June 2005)" to calculate the total asset requirement. Although Appendix 2 in the Report notes path dependent models under a different set of initialization parameters might produce scenarios that do not satisfy all the calibration points shown in Table 1, to be in compliance with the requirements in this first step, the actual scenarios used for diversified U.S. equity funds must meet the calibration criteria. The scenarios need not strictly satisfy all calibration points in Table 1 of Appendix 2, but the actuary should be satisfied that any differences do not materially reduce the resulting capital requirements. See the Preamble to the *Accounting Practices and Procedures Manual* for an explanation of materiality. Include the Tax Adjustment as described in the report **using the enacted maximum federal corporate income tax rate. If using the Alternative Method for GMDB Risks, use 1 minus the enacted maximum federal corporate income tax rate in place of the 65% adjustment contained in paragraph 4 (page 55) and the enacted maximum federal corporate income tax rate in place of 35% Income Tax Rate shown in Table 8-9 (page 78). The discount rate in Table 8-9 should also be adjusted for the appropriate enacted maximum federal corporate income tax rate**.

(2) The second step is to reduce the amount calculated in (1) above by the interest rate portion of the risk (i.e., only the separate account market risk is included in this step).

(3) The third step is to calculate the Standard Scenario Amount.

(4) Take the greater of the amounts from steps (2) and (3).

(5) Apply the smoothing and transition rules (if applicable) to the amount in step (4).

(6) Add the general account interest rate portion of the risk to the amount in step (5).

(7) Subtract the reported statutory reserves for the business subject to the Report from the amount calculated in step (6). Floor this amount at $0.

(8) Divide the result from step (7) by **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ to arrive at a pre-tax amount.

(9) Split the result from step (8) into an interest rate risk portion and a market risk portion. Note that the interest rate portion may not equal the interest rate portion of the risk used in steps (2) and (6) above even after adjusting these to a pre-tax basis. The interest rate portion of the risk should be included in Line (35) and the market risk portion in Line (37).

The lines on the alternative calculations page will not be required for 2017.

Calculation of the Total Asset Requirement

The method of calculating the Total Asset Requirement is explained in detail in the AAA's June 2005 report, referenced above. In summary, it is as follows:

A. Aggregate the results of running stochastic scenarios using prudent best estimate assumptions (the more reliable the underlying data is, the smaller the need for margins for conservatism) and calibrated fund performance distribution functions. If utilizing prepackaged scenarios as outlined in the American Academy of Actuaries' report, *Construction and Use of Pre-Packaged Scenarios to Support the Determination of Regulatory Risk Based Capital Requirements for Variable Annuities and Similar Products*, Jan. 13, 2006, the Enhanced C-3 Phase I Interest Rate Generator should be used in generating any interest rate scenarios or regenerating pre-packaged fund scenarios for funds that include the impact of bond yields. Details concerning the Enhanced C-3 Phase I Interest Rate Generator can be found on the American Academy of Actuaries webpage at the following address http://www.actuary.org/pdf/life/c3supp_jan06.pdf. The Enhanced C-3 Phase 1 Interest Rate Generator with its ability to use the yield curve as of the run date and to regenerate pre-packaged fund returns using interest rate scenarios based on the current yield curve replaces the usage of the March 2005 pre-packaged scenarios.

B. Calculate required capital for each scenario by calculating accumulated statutory surplus, including the effect of federal income taxes **at the enacted maximum federal corporate income tax rate**~~at a rate of 35 percent~~, for each calendar year-end and its present value. The negative of the lowest of these present values is the asset requirement for that scenario. These values are recorded for each scenario and the scenarios are then sorted on this measure. For this purpose, statutory surplus is modeled as if the statutory reserve were equal to the working reserve.

Detail Eliminated To Conserve Space

I) Standard Scenario Amount - Application of the Standard Scenario Method

A) General

Where not inconsistent with the guidance given here, the process and methods used to determine results under the Standard Scenario Method shall be the same as required in the calculation under the modeling methodology required by the Report. Any additional assumptions needed to apply the Standard Scenario Method to the inforce shall be explicitly documented.

B) Results for the Standard Scenario Method.

The Standard Scenario Amount is equal to (1) + (2) – (3) where:

1) Is the sum of the Basic Adjusted Reserve as described in Section II for all contracts for which the Standard Scenario Amount is being determined,

2) Is zero or if greater the aggregate greatest present value for all contracts measured as of the end of each projection year of the negative of the Accumulated Net Revenue described below using the assumptions described in Subsection III(D) and a discount rate equal to the Accumulation Rate, AR. The Accumulated Net Revenue at the end of a projection year equals (i) + (ii) - (iii) where:

(i) Is the Accumulated Net Revenue at the end of the prior projection year accumulated at the rate AR to the end of the current projection year. The Accumulated Net Revenue at the beginning of the projection (i.e., time 0) is zero.

(ii) Are the margins generated during the projection year on account values as defined in paragraph III(D)(1) multiplied by one minus the tax rate and accumulated at rate AR to the end of current projection year, and

(iii) Are the contract benefits paid in excess of account value applied plus the Individual reinsurance premiums (ceded less assumed) less the Individual reinsurance benefits (ceded less assumed) payable or receivable during the projection year multiplied by one minus the tax rate and accumulated at rate AR to the end of current projection year. Individual reinsurance is defined in paragraph III(D)(2).

3) Is the value of approved hedges and Aggregate reinsurance as described in paragraph III(E)(2). Aggregate reinsurance is defined in paragraph III(D)(2).

C) The actuary shall determine the projected reinsurance premiums and benefits reflecting all treaty limitations and assuming any options in the treaty to the other party are exercised to decrease the value of reinsurance to the reporting company (e.g., options to increase premiums or terminate coverage). The positive value of any reinsurance treaty that is not guaranteed to the insurer or its successor shall be excluded from the value of reinsurance. The commissioner may require the exclusion of any portion of the value of reinsurance if the terms of the reinsurance treaties are too restrictive (e.g., time or amount limits on benefits correlate to the Standard Scenario Method).

D) Assumptions for Paragraph III (B) (2) Margins and Account Values.

1) Margins on Account Values. The bases for return assumptions on assets supporting account values are shown in Table I. The Initial returns shall be applied to the account values assigned to each asset class on the valuation date as immediate drops, resulting in the Account Values at time 0. The "Year 1" and "Year 2+" returns are gross annual effective rates of return and are used (along with other decrements and/or increases) to produce the Account Values as of the end of each projection year. For purposes of this section, money market funds shall be considered part of the Bond class.

The Fixed Fund rate is the greater of the minimum rate guaranteed in the contract or 3.5 percent but not greater than the current rates being credited to Fixed Funds on the valuation date.

Account Values shall be accumulated after the initial drop using the rates from Table I with appropriate reductions applied to the supporting assets. The appropriate reductions for account values supported by assets in the Equity, Bond or Balance Classes are all fund and contract charges according to the provisions of the funds and contracts. The appropriate reduction for Account Values supported by Fixed Funds is zero.

The margins on Account Values are defined as follows:

a) During the Surrender Charge Period:

i. 0.10% of Account Value; plus

ii. The maximum of:

- 0.20% of Account Value; or
- Explicit and optional contract charges for guaranteed living and death benefits.

b) After the Surrender Charge Period:

i. The amount determined in (a) above; plus

ii. The lesser of:

- 0.65% of Account Values; and
- 50% of the excess, if any, of all contract charges over (a) above.

However, on fixed funds after the surrender charge period, a margin of up to the amount in (a) above plus 0.4% may be used.

Table I

	Initial	Year 1	Year 2+
Equity Class	-20%	0%	3%
Bond Class	0	0	4.85%
Balanced Class	-12%	0%	3.74%
Fixed Separate Accounts and General Account		Fixed Fund Rate	Fixed Fund Rate

2) Reinsurance Credit. Individual reinsurance is defined as reinsurance where the total premiums for and benefits of the reinsurance can be determined by applying the terms of the reinsurance to each contract covered without reference to the premiums or benefits of any other contract covered and summing the results over all contracts covered. Reinsurance that is not Individual reinsurance is Aggregate reinsurance.

Individual reinsurance premiums projected to be payable on ceded risk and receivable on assumed risk shall be included in the subparagraph III(B)(2)(iii). Similarly, Individual reinsurance benefits projected to be receivable on ceded risk and payable on assumed risk shall be included in subparagraph III(B)(2)(iii). No Aggregate reinsurance shall be included in subparagraph III(B)(2)(iii).

3) Lapses, Partial Withdrawals, and Moneyness. Partial withdrawals elected as guaranteed living benefits or required contractually (e.g., a contract operating under an automatic withdrawal provision on the valuation date) are to be included in subparagraph III(B)(2)(iii). No other partial withdrawals, including free partial withdrawals, are to be included. All lapse rates shall be applied as full contract surrenders.

A contract is in the money (ITM) if it includes a guaranteed living benefit and at any time the portion of the future projected account value under the Standard Scenario Method required to obtain the benefit would be less than the value of the guaranteed benefit at the time of exercise or payment. If the projected account value is 90 percent of the value of the guaranteed benefit at the time of exercise or payment, the contract is said to be 10 percent in the money. If the income from applying the projected account value to guaranteed purchase rates exceeds the income from applying the projected benefit base to GMIB purchase rates for the same type of annuity, then there is no GMIB cost and the GMIB is not in the money. A contract not in the money is out of the money (OTM). If a contract has multiple living benefit guarantees then the contract is ITM to the extent that any of the living benefit guarantees are ITM. Lapses shall be at the annual effective rates given in Table II.

Table II – Lapse Assumptions

	During Surrender Charge Period	After Surrender Charge Period		
Death Benefit Only Contracts	5%	10%		
All Guaranteed Living Benefits OTM	5%	10%		
		ITM< 10%	10% ≤ ITM< 20%	20% ≤ ITM
Any Guaranteed Account Balance Benefits ITM	0%	0%	0%	0%
Any Other Guaranteed Living Benefits ITM	3%	7%	5%	2%

4) Account Transfers and Future Deposits. No transfers between funds shall be assumed to determine the greatest present value amount required under paragraph III(B)(2) unless required by the contract (e.g., transfers from a dollar cost averaging fund or contractual rights given to the insurer to implement a contractually specified portfolio insurance management strategy or a contract operating under an automatic re-balancing option). When transfers must be modeled, to the extent not inconsistent with contract language, the allocation of transfers to funds must be in proportion to the contract's current allocation to funds.

Margins generated during a projection year on funds supporting account values are transferred to the Accumulation of Net Revenue at year-end and are subsequently accumulated at the Accumulation Rate. Assets for each class supporting account values are to be reduced in proportion to the amount held in each asset class at the time of transfer of margins or any portion of Account Value applied to the payment of benefits.

No future deposits shall be assumed unless required by the terms of the contract to prevent contract or guaranteed benefit lapse, in which case they must be modeled. When future deposits must be modeled, to the extent not inconsistent with contract language, the allocation of the deposit to funds must be in proportion to the contract's current allocation to funds.

5) Mortality. Mortality at 80 percent of the 1994 MGDB tables through age 95 increasing by 1 percent each year to 100 percent of the 1994 MGDB table at age 115 shall be assumed in the projection used to the determine the greatest present value amount required under paragraph III(B)(2).

6) Projection Frequency. The projection used to determine the greatest present value amount required under paragraph III(B)(2) shall be calculated using an annual or more frequent time step, such as quarterly. For time steps more frequent than annual, assets supporting Account Values at the start of each projection year may be retained in such funds until year-end (i.e., pre-tax margin earned during the year will earn the fund rates instead of the Discount Rate until year-end) or removed after each time step. However, the same approach shall be applied for all years. Subsequent to each projection year-end, Accumulated Net Revenues for the year shall earn the Accumulation Rate. Similarly, projected benefits, lapses, elections and other contract activity can be assumed to occur annually or at the end of each time step, but the approach shall be consistent for all years.

7) Surrender Charge Period. If the surrender charge for the contract is determined based on individual contributions or deposits to the contracts, the surrender charge amortization period may be estimated for projection purposes. Such estimated period shall not be less than the remaining duration based on the normal amortization pattern for the remaining total contract charge assuming it resulted from a single deposit, plus one year.

8) Contract Holder Election Rates. Contract holder election rates to determine amounts in subparagraph III(B)(2)(iii) shall be 15 percent per annum for any elective ITM benefit except guaranteed withdrawal benefits, but only to the extent such election does not terminate a more valuable benefit subject to election. Guaranteed Minimum Death Benefits are not benefits subject to election. Exception: Contract holder election rates shall be 100 percent at the last opportunity to elect an ITM benefit, but only to the extent such election does not terminate a more valuable benefit subject to election. A benefit is more valuable if it is more ITM in absolute dollars using the definition of ITM in paragraph III(D)(3).

For guaranteed minimum withdrawal benefits, a partial withdrawal equal to the applicable percentage in Table III applied to the contract's maximum allowable partial withdrawal shall be assumed in subparagraph III(B)(2)(iii). However, if the contract's minimum allowable partial withdrawal exceeds the partial withdrawal from applying the rate in Table III to the contract's maximum allowable partial withdrawal, then the contract's minimum allowable partial withdrawal shall be assumed in subparagraph III(B)(2)(iii).

Table III – Guaranteed Withdrawal Assumptions

	Attained Age Less than 50	Attained Age 50 to 59	Attained Age 60 or Greater
Withdrawals do not reduce other elective Guarantees that are in the money	50%	75%	100%
Withdrawals reduce elective Guarantees that are in the money	25%	50%	75%

9) GMIBs. For subparagraph III(B)(2)(iii), GMIB cost at the time of election shall be the excess, if positive, of the reserve required for the projected annuitization stream over the available account value. If the reserve required is less than the account value, the GMIB cost shall be zero. The reserve required shall be determined using the Annuity 2000 Mortality Table and a valuation interest rate equal to the Discount Rate. If more than one annuity option is available, chose the option with a reserve closest to the reserve for a life annuity with 10 years of certain payments.

10) Indices. If an interest index is required to determine projected benefits or reinsurance obligations, the index must assume interest rates have not changed since the last reported rates before the valuation date. If an equity index is required, the index shall be consistent with the last reported index before the valuation date, the initial drop in equity returns and the subsequent equity returns in the standard scenario projection up to the time the index is used. The sources of information and how the information is used to determine indexes shall be documented and, to the extent possible, consistent from year to year.

11) Taxes. **All taxes shall be based on the enacted maximum federal corporate income tax rate**~~**All taxes shall be based on a tax rate of 35 percent**~~.

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BUSINESS RISK

LR029

Basis of Factors

General business risk is based on premium income, annuity considerations and separate account liabilities. The formula factors were based on considering a company's exposure to guaranty fund assessments without attempting to exactly mirror the assessment formulas. Also considered were other general business risk exposures; e.g., litigation, etc.

For life and annuity business, the RBC pre-tax contribution is ~~3.08~~**2.53** percent of Schedule T life premiums and annuity considerations before taxes. A smaller pre-tax factor of ~~0.77~~**0.63** percent is applied against Schedule T accident and health premiums. The smaller factor for accident and health business recognizes that general business risk exposure is, in part, a function of reserves. Since life and annuity business typically carries higher reserves than accident and health business, a lower factor is used to achieve the same relative risk coverage as for life and annuity business.

To maintain general consistency with the health RBC formula, an amount is determined as risk related to the potential that actual expenses of administering certain types of health insurance will exceed the portion of the premium allocated to cover these expenses. Not all administrative expenses are included (commissions, premium taxes and other expenses defined and paid as a percentage of premium are not included and the expenses for administrative services contracts (ASC) and administrative service only (ASO) business have separate lower factors) and the factor is graded based on a two-tier formula related to health insurance premium to which this risk is applied. ASC is considered to have a separate business risk related to the use of the company's funds with an expectation of later recovery of all amounts from the contractholder but this does not include Stand-Alone Medicare Part D coverage. Lines (54) and (55) apply a small factor to amounts reported as incurred claims for ASC contracts and separately for other medical costs. This separation allows for the cross-checking of incurred claims between Schedule H and the RBC filing.

Deposit-type funds shown on Schedule T are not included in the risk-based capital calculation.

For separate account business, a pre-tax factor of ~~0.08~~**0.06** percent is applied to separate account liabilities. Separate account business is generally not subject to guaranty fund assessments. As a result, most of the exposure in the separate account is reserve based. A lower factor is used here and applied to a higher number; i.e., reserves versus the use of premiums above, to achieve an appropriate level of risk coverage for a company's exposure to the general business risk in the separate account.

Since the RBC calculation is applied to separate account liabilities, Variable and Other Premiums and Considerations are excluded from the pre-tax 3.08 percent or 0.77 percent factors above. Variable and Other Premiums and Considerations are those on all variable business life, annuity and health (both fixed and variable components), as well as on other business ultimately reserved for in the separate account. This information can be found on the annual statement.

Specific Instructions for Application of the Formula

Amounts reported for Business Risk should equal the annual statement references indicated. No adjustments are to be made.

Detail Eliminated To Conserve Space

XXX/AXXX CAPTIVE REINSURANCE CONSOLIDATED EXHIBIT

LR037

The following instructions for the XXX/AXXX Captive Reinsurance Consolidated Exhibit will remain effective independent of the status of the sunset provision, Section 8, of AG 48 in a particular state or jurisdiction. This instruction will be considered for change once the amendment referenced in AG 48, Section 8, regarding credit for reinsurance, is adopted by the NAIC.

Columns 2 through 9 only need to be calculated for entities reinsuring covered policies (as defined in AG 48, excluding entities assuming only risks exempted per Section 3 of AG 48). For the purposes of the descriptions below, the term "Captive" is to mean the assuming insurer of non-exempt transactions as defined in AG 48. In the event that a Captive reinsures non-covered policies or covered policies reinsured from a different ceding company, a proration of all Captive liabilities and assets shall be used, with the pro rata portion based upon the reserves ceded for the covered policies compared to total reserves assumed by the Captive.

For Captives that file RBC Reports**:**

The following situations may exist:

1. For instances where the ceding company is already calculating and holding a C-0 charge that reflects the RBC calculation for the Captive:

   a. Use the RBC calculations underlying the determination of the ceding company C-0 charge to fill in Columns 2 through 9 (as applicable).

   b. For subsidiaries that are less than 100% owned, increase adjusted TAC by the C-0 charge (**times 1-the enacted maximum federal corporate income tax rate to tax effect and then times the .5 ACL factor**~~**times .65 to tax-affect and then times the .5 ACL factor**~~) to the ceding company attributable to that Captive (drafting note: intent had been to decrease Benchmark RBC, but ACL & Benchmark RBC formulas had already been locked down in RBC calculations: thus the decision to increase TAC in lieu of decreasing Benchmark RBC)

   c. For 100% owned subsidiaries, set TAC equal to the greater of the calculated TAC and the Benchmark RBC. The purpose of this is to zero out the shortfall since the Captive's TAC and RBC are reflected in the ceding company's C-0 and TAC.

   d. Assets in excess of the total Primary Security and Other Security may not be considered assets unless they would be normally admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices. Therefore, TAC must be adjusted for (b) and (c) above to remove any impact of such assets as follows:

      i. Calculate the excess of statutory reserves of the Captive over the Required Level of Primary Security of the Captive. This is the maximum amount allowed of assets that would not normally be admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices.

ii. Next, calculate the actual value of the assets of the Captive that would not normally be admitted on the balance sheet of the reporting entity without prescribed or permitted practices.

iii. Next, calculate the excess of (d.ii) over (d.i), not less than zero.

iv. Multiply the percentage ownership of the Captive by the amount in (d.iii).

v. Reduce the amounts calculated for TAC in (b) or (c) above by the amount calculated in (d.iv).

2. Otherwise:

a. Use the RBC reports to fill in Columns 2 through 9 (as applicable).

b. Assets in excess of the total Primary Security and Other Security may not be considered assets unless they would be normally admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices. Therefore, TAC must be adjusted for 2(a) above to remove any impact of such assets as follows:

i. Calculate the excess of statutory reserves of the Captive over the Required Level of Primary Security of the Captive. This is the maximum amount allowed of assets that would not normally be admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices.

ii. Next, calculate the actual value of the assets of the Captive that would not normally be admitted on the balance sheet of the reporting entity without prescribed or permitted practices.

iii. Next, calculate the excess of (b.ii) over (b.i), not less than zero.

iv. Reduce the amounts calculated for TAC in (2.a.) above by the amount calculated in (b.iii).

<u>For Captives that do not file RBC Reports</u>

1. Regardless of whether or not the ceding company is already calculating and holding a C-0 charge for the Captive:

a. If the Captive reports its financial condition to its regulator using U.S. Statutory Accounting: Calculate RBC using NAIC RBC instructions to determine Authorized Control Level and Total Adjusted Capital for the Captive, even though no RBC report is filed. In both the RBC and Total Adjusted Capital calculations, liabilities are to be based on the Required Level of Primary Security (adjusted VM-20 reserve) rather than statutory reserves. Assets backing a Primary Security must meet the requirements of Primary Security as defined in AG 48, and Assets not backing a Primary Security may not be considered assets unless they would be normally admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices. If the Captive does not file an NAIC Annual Statement Blank, the company will have to rely on company records rather than line items from the Statement Blank.

b. If the Captive does not report its financial condition to its regulator using U.S. Statutory Accounting: Ceding company is to use company records to develop a pro forma statutory statement for the Captive, and use the NAIC RBC Instructions and paragraph 1.a. of this section to develop pro forma RBC values. In the calculation of Total Adjusted Capital (TAC) of the Captive, use the following:

1) TAC = Adjusted Assets – Adjusted Liabilities + Other Adjustments; where,
2) Adjusted Liabilities are calculated using the Required Level of the Primary Security (adjusted VM-20 reserve);
3) Adjusted Assets are calculated using the value of the Assets backing the Primary Security (as used in AG-48 to determine the Required Level of Primary Security) and any additional assets held by the Captive that would normally be admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices. Asset values are to be determined according to statutory accounting procedures under the NAIC *Accounting Practices and Procedures Manual* as if such assets were held in the reporting entity's general account. If there is a normal NAIC statutory valuation reasonably available for an asset, then that value is to be used for the RBC shortfall calculation. Any asset should have a cost basis available for tax purposes – this value should be used for any Captive asset that 1) would be a normally admitted asset if on the ceding company's books, 2) was acquired by the Captive prior to 9/30/15, and 3) does not have a reasonably available NAIC statutory valuation. Any asset acquired by a Captive after 9/30/15 should be valued as if it were on the ceding company's books, with a normal statutory valuation if it would be a normally admitted asset if it were on the ceding company's books and with a value of zero if it would not be a normally admitted asset. It is expected that for the vast majority of Captives' assets, normal NAIC statutory valuations will be used for the RBC shortfall calculation. If monitoring reveals this to not be the case then these rules will be subject to revision.
4) Other Adjustments are those adjustments in the RBC Instructions (from Page LR033) made to Capital and Surplus to get Total Adjusted Capital.

c. Increase adjusted TAC by any C-0 charge (**times 1-the enacted maximum federal corporate income tax rate to tax effect and then times the .5 ACL factor**~~**times .65 to tax-affect and then times the .5 ACL factor**~~) to the ceding company attributable to that Captive.

Treatment of the Concentration Factor

The ceding company shall identify its 10 largest asset exposures & 5 largest common stock exposures consistent with LR010 & and LR011 except without consolidating with subsidiaries.

For each Captive, the C-1o & C-1cs concentration factor amounts shall be those associated with any holdings (pro-rated, if/as appropriate, per the second paragraph of the instructions for this exhibit) in issuers that are among the ceding company's top 10 asset or top 5 common stock exposures. There are no additional concentration factor amounts for other issuers in a Captive's holdings.

The C-1o and C-1cs amounts to be included on Lines (2) and (3) include concentration factors based on the instructions for LR010 and LR011. These concentration factor amounts are to be shown on Lines (2.1) and (3.1). The Captive "consolidated" concentration factor amounts calculated based on the preceding paragraph are to be entered on Lines (2.2) & (3.2). Lines (2.3) and (3.3) will calculate new C-1o and C-1cs amounts which include only the concentration factor amounts related to the ceding company's top 10 asset or top 5 common stock exposures and will equal Line (2) – Line (2.1) + Line (2.2) or Line (3) – Line (3.1) + Line (3.2), respectively.

Specific Instructions for Application of the Formula

For the purposes of this page, the term "Captives" refers to the assuming insurer of covered policies in non-exempt transactions as defined in AG 48.

Column 1: Ceding Company

Lines (1), (2), (3), (4), (5.1), (5.2), (5.3), (6.1) and (6.2): Take the values from the RBC forms for C-0, C-1o, C-1cs, C-2, C-3a, C-3b, C-3c, C-4a, and C-4b.
Lines (2.1), (2.2), (3.1) and (3.2) are to be zero for the ceding company.
Line (2.3) equals Line (2). Line (3.3) equals Line (3).
Line (7): Take the value from the RBC form for Total Adjusted Capital.
Line (8): Take the value from the RBC form for Authorized Control Level.
Line (9) and Line (10) are not applicable to the ceding company (N/A).
Line (11) is the Final Total Adjusted Capital of the Ceding Company, and reflects the RBC Cushion. It is Line (7) of Column (1) minus Line (10) of Column (10).

Columns 2 through 9: Pro Rata Portion of Captive Reinsurer

The amounts included in these columns are to be calculated generally in accordance with the Life RBC Forecasting and Instructions publication, with exceptions noted in line-specific comments below.

Workpapers needed to prepare these amounts should be retained and available for examination in accordance with record retention requirements of the domestic state laws or regulations.

RBC Cushion only needs to be calculated for entities reinsuring Covered Policies (as defined in AG 48, excluding entities assuming only risks exempted per Section 3 of AG 48). Entities not meeting this definition should not be reported on this page.

The line instructions below also apply to the individual Captive calculations aggregated in column (9). Ceding companies shall not reduce the aggregate RBC shortfall by selectively aggregating cessions in column (9).

Lines (1), (2), (3), (4), (5.1), (5.2), (5.3), (6.1), and (6.2): Take the values from the RBC forms for C-0, C-1, C-2, C-3a, C-3b, C-3c, C-4a, and C-4b.
Lines (2.1) and (3.1) are the C-1 concentration factors for the captive, calculated per the standard RBC formula.
Lines (2.2) and (3.2) are calculated per Treatment of Concentration Factor section above.
Line (2.3) is equal to Line (2) minus Line (2.1) plus Line (2.2). Line (3.3) is equal to Line (3) minus Line (3.1) plus Line (3.2). This replaces potential double-counting of concentration factor amounts with a more refined reflection of diversification across ceding company and Captive assets.
Line (7) is the value from the RBC forms for Total Adjusted Capital. For subsidiary Captives that are less than 100% owned, Line (7) is to be increased by any C-0 amount (**times 1-the enacted maximum federal corporate income tax rate to tax effect and then times.5** ~~times .65 to tax-affect and then times.5~~ to adjust to ACL value) charged to the ceding company due to that Captive. For 100% owned subsidiary Captives where the ceding company has taken a C-0 charge based on the subsidiary Captive's RBC calculation, Line (7) is equal to the greater of the calculated Total Adjusted Capital and the Benchmark RBC. For other subsidiary Captives (eg where the ceding company has taken a C-0 charge based on the subsidiary Captive's carrying value), Line (7) should be increased by any C-0 amount (**times 1-the enacted maximum federal corporate income tax rate to tax effect and then times the .5** ~~times .65 to tax-effect and then times .5~~ to adjust to ACL value) charged to the ceding company due to that Captive. In all cases, assets in excess of the total Primary Security and Other Security may not be considered assets unless they would be normally admitted on the balance sheet of the reporting entity without taking into account any prescribed or permitted practices, and Line (7) should be reduced to reflect any such occurrence.

Detail Eliminated To Conserve Space

EXEMPTION TEST: CASH FLOW TESTING FOR C-3 RBC

LR049

Specific Instructions for Application of the Formula

Line (5)

Column (1) Line (5) will need to be manual entry if the company has any equity-indexed product amounts included in the totals from LR027 Interest Rate Risk and Market Risk. Line (5) is calculated as LR027 Interest Rate Risk and Market Risk Column (3) Line (17) times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ plus LR027 Interest Rate Risk and Market Risk Column (3) Line (16) times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ minus any equity indexed product amounts included in these totals times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~**.**

Line (6)

Column (1) Line (6) will also be manual entry if the company has any equity-indexed product amounts subtracted from Line (5) above. Line (6) is calculated as LR027 Interest Rate Risk and Market Risk Column (3) (Line (22) + (27) + (29) + (30) + (31) + (35)) x **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ plus any equity-indexed amounts subtracted in the Line (5) calculation.

Line (16)

Column (1) Line (16) will need to be manual entry if the company has any equity-indexed product amounts included in the totals from LR027 Interest Rate Risk and Market Risk. Line (16) is calculated as LR027 Interest Rate Risk and Market Risk Column (3) Line (17) times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ plus LR027 Interest Rate Risk and Market Risk Column (3) Line (16) times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ minus any equity-indexed product amounts included in these totals times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~**.**

Line (17)

Column (1) Line (17) will need to be manual entry if the company has any equity indexed product amounts included in the totals from LR027 Interest Rate Risk and Market Risk. Line (17) is calculated as LR027 Interest Rate Risk and Market Risk Column (3) Line (17) times 6.5 times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ minus any equity-indexed product amounts included in these totals times 6.5 times **(1-enacted maximum federal corporate income tax rate)**~~0.65~~.

Line (18)

Column (1) Line (18) will also be manual entry if the company has any equity-indexed product amounts subtracted from Line (16) above. Line (18) is calculated as LR027 Interest Rate Risk and Market Risk Column (3) (Line (22) + (27) + (29) + (30) + (31) + (35)) x **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ plus any equity-indexed amounts subtracted in the Line (5) calculation.

Appendix 1 – Cash Flow Testing for C-3 RBC

This appendix is applicable for all companies who do Cash Flow Testing for C-3 RBC.

The method of developing the C-3 component is building on the work of the asset adequacy modeling, but using interest scenarios designed to help approximate the 95th percentile C- 3 risk.

The C-3 component is to be calculated as the sum of four amounts, but subject to a minimum. The calculation is:

(a) For Certain Annuities or Single Premium Life Insurance products other than equity-indexed products, whether written directly or assumed through reinsurance, that the company tests for asset adequacy analysis using cash flow testing, an actuary should calculate the C-3 requirement based on the same cash flow models and assumptions used and same "as-of" date as for asset adequacy, but with a different set of interest scenarios and a different measurement of results. A weighted average of a subset of the scenario-specific results is used to determine the C-3 requirement. The result is to be divided by **(1-enacted maximum federal corporate income tax rate)**~~0.65~~ to put it on a pre-tax basis for LR027 Interest Rate Risk and Market Risk Column (2) Line (33).

If the "as-of" date of this testing is not Dec. 31, the ratio of the C-3 requirement to reserves on the "as-of" date is applied to the year-end reserves, similarly grouped, to determine the year-end C-3 requirement for this category.

(b) Equity-indexed products are to use the existing C-3 RBC factors, not the results of cash flow testing.

(c) For all other products (either non-cash-flow-tested or those outside the product scope defined above) the C-3 requirements are calculated using current existing C-3 RBC factors and instructions.

(d) For callable/pre-payable assets (including IOs and similar investments other than those used for testing in component a) above, the C-3 requirement is 76.9 percent of the excess, if any, of book/adjusted carrying value above current call price. The calculation is to be done on an asset-by-asset basis. For callable/pre-payable assets used for testing in component a) above as well as those used in C-3P2 testing, the C-3 factor requirement is zero.

The total C-3 component is the sum of (a), (b), (c) and (d), but not less than half the C-3 component based on current factors and instructions.

- For this C-3 calculation, "Certain Annuities" means products with the characteristics of deferred and immediate annuities, structured settlements, guaranteed separate accounts (excluding guaranteed indexed separate accounts following a Class II investment strategy) and GICs (including synthetic GICs and funding agreements). Debt incurred for funding an investment account is included if cash flow testing of the arrangement is required by the insurer's state of domicile for asset adequacy analysis. The equity-based portions of variable products are not to be included, but guaranteed fixed options within such products are. See Appendix 1b for further discussion.

- The company may use either a standard 50 scenario set of interest rates or an alternative, but more conservative, 12 scenario set (for part a, above). It may use the smaller set for some products and the larger one for others. Details of the cash flow testing for C-3 RBC methodology are contained in Appendix 1a.