

NAIC Life Risk-Based Capital Newsletter

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What RBC Pages Should Be Submitted?

For year-end 2016 life RBC, submit hardcopies of pages **LR001 through LR049** to any state that requests a hardcopy in addition to the electronic filing. Starting with year-end 2007 RBC, a hardcopy was not required to be submitted to the NAIC. However, a portable document format (PDF) file representing the hardcopy filing is part of the electronic filing.

If any actuarial certifications are required per the RBC instructions, those should be included as part of the hardcopy filing. Starting with year-end 2008 RBC, the actuarial certifications were also part of the electronic RBC filing as PDF files, similar to the financial annual statement actuarial opinion.

Other pages, such as the mortgage and real estate worksheets, do not need to be submitted, but they still need to be retained by the company as documentation.

LR010 Asset Concentration

As a result of the adoption of the agenda item 2015-18-CA by the Capital Adequacy (E) Task Force on its June 30 conference call, the factors in the Grand Total issuer were removed.

LR012 Miscellaneous Assets

As a result of adoption of agenda item 2016-18BWG MOD by the Blanks (E) Working Group on its June 16 conference call, the description for line (3.4) was changed to All Other Money Market Mutual Funds.

LR029-A Operational Risk

As a result of the adoption of agenda item 2016-05-O by the Capital Adequacy (E) Task Force on its June 30 conference call, the factors for Lines (3), (4) through (7), (20) and (21) were updated. The Operational Risk (E) Subgroup will continue to analyze and calculate a potential RBC requirement for the operational risk. Additional analysis will be performed before final factors and methodologies are considered.

LR037 XXX/XXXX Captive Reinsurance Consolidated Exhibit Instructional Change

As a result of the adoption of agenda item 2016-03-L by the Capital Adequacy (E) Task Force on its June 30 conference call, instructional changes were made to clarify that captive subsidiaries whose contribution to the ceding company's C-0 RBC component is based on the captive's carrying value are subject to the RBC shortfall calculation with a credit for the captive's actual C-0 contribution.

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Editorial Changes

1. On LR005, Unaffiliated Preferred and Common Stock, the Schedule D Summary line reference for line (7) was corrected.
2. On LR017, Off Balance Sheet and Other Items, the line (15) reference was corrected.
3. As a result of the adoption of agenda item 2016-18BWG—Modified by the Blanks (E) Working Group on its June 16 conference call. The Annual Statement Source references to Schedule D, Part 1A, Section 1, Column 6 in LR002 and LR005 were updated to Column 7. The RBC instructions were also updated to reflect these changes.
4. As a result of the adoption of agenda item 2016-01BWG by the Blanks (E) Working Group on its June 16 conference call. The Annual Statement Source references to Schedule D, Part 6, Section 1, Column 8 in LR043 was updated to Column 9.

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