

# NAIC Life Risk-Based Capital Newsletter

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## What RBC Pages Should Be Submitted?

For year-end 2020 life and fraternal risk-based capital (RBC), submit hard copies of pages LR001 through LR049 to any state that requests a hard copy 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 hard copy 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 hard copy 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. However, they still need to be retained by the company as documentation.

## Bond Designation Structure

The Capital Adequacy (E) Task Force adopted proposal 2019-16-CA to incorporate the 20 designation categories for bonds into the life and fraternal RBC formula to be used in conducting an impact analysis study for year-end 2020 reporting during its April 30, 2020 conference call. The 20 bond designation categories were incorporated into the Bonds page (LR002), Asset Concentration page (LR010) and Off Balance Sheet Collateral page (LR017).

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## Longevity Risk

As a result of the adoption of proposal 2019-13-L by the Capital Adequacy (E) Task Force on its April 30, 2020 conference call, changes developed by the Longevity Risk (E/A) Subgroup and recommended to the Life Risk-Based Capital (E) Working Group to implement the structure for a longevity risk charge were incorporated into the life RBC formula. On its June 30, 2020 conference call, the Task Force adopted the instructions with proposal 2020-06-L, which includes factors of zero for 2020. The structure adopted will provide information to be used in the ultimate determination of factors for 2021 reporting.

## Capitation Tables

The Capital Adequacy (E) Task Force adopted proposal 2018-17-CA to capture the Capitation Tables electronically through the file submission of the life RBC formula during its June 28, 2019 conference call.

## RBC Preamble

As a result of the adoption of proposal 2019-07-CA by the Capital Adequacy (E) Task Force at the 2019 Fall National Meeting, the Risk-Based Capital Preamble was added to the RBC instructions to provide a clear understanding of the purpose of RBC and goals of RBC as the Capital Adequacy (E) Task Force and RBC Working Groups review referrals and proposals.

## Overview and Table of Contents

As a result of the adoption of proposal 2020-05-CA by the Capital Adequacy (E) Task Force during its June 30, 2020 conference call, the page iv instructions were modified to insert the word “Overview” in the page heading and the Table of Contents were modified to include only the page heading and delete references to the individual sections of the Overview.

## C-3 Instructions and C-3 Guidance

As a result of the adoption of proposal 2020-03-L by the Capital Adequacy (E) Task Force during its 2020 Summer National Meeting, C-3 instructions specific to the yearend 2019 RBC filing were deleted and the associated guidance adopted.

## RBC Forecasting and Instructions

The Life and Fraternal RBC forecasting spreadsheet calculates RBC using the same formula presented in the *2020 NAIC Life and Fraternal Risk-Based Capital Forecasting & Instructions for Companies*, and is available to download from [NAIC Account Manager](#). The *2020 Life and Fraternal Risk-Based Capital Forecasting & Instructions for Companies* publication is available for purchase in hardcopy or electronic format through the NAIC Publications Department. This publication is available on or about Nov. 1 each year. The User Guide is no longer included in the Forecasting & Instructions.

**WARNING:** The RBC Forecasting Spreadsheet CANNOT be used to meet the year-end RBC electronic filing requirement. RBC filing software from an annual statement software vendor should be used to create the electronic filing. If the forecasting worksheet is sent instead of an electronic filing, it will not be accepted and the RBC will not have been filed.

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