The total of all annual statement reserves representing exposure to C–3 risk on Line (36) should equal the following:

Exhibit 5, Column 2, Line 0199999

– Page 2, Column 3, Line 6

+ Exhibit 5, Column 2, Line 0299999

+ Exhibit 5, Column 2, Line 0399999

+ Exhibit 7, Column 1, Line 14

+ Separate Accounts Page 3, Column 1, Line 1 plus Line 2 after deducting (a) funds in unitized separate accounts with no underlying guaranteed minimum return and no unreinsured guaranteed living benefits; (b) non-indexed separate accounts that are not cash flow tested with guarantees less than 4 percent; (c) non-cash-flow-tested experience rated pension reserves/liabilities; and (d) guaranteed indexed separate accounts using a Class II investment strategy.

– Non policyholder reserves reported on Exhibit 7

+ Exhibit 5, Column 2, Line 0799997

+ Schedule S, Part 1, Section 1, Column **12**

– Schedule S, Part 3, Section 1, Column **14**

HEALTH CREDIT RISK

FR028

Basis of Factors

The Health Credit Risk is an offset to some portions of the managed care discount factor. Since the managed care discount factor assumes that health risks are transferred to health care providers through fixed prepaid amounts, the Health Credit Risk compares these capitation payments to security the company holds. To the extent that the security does not completely cover the credit risk of capitated payments, a risk charge is applied to the exposed portion. There is no credit risk for any portion of the managed care discount factor for Stand-Alone Medicare Part D Coverage.

<u>Capitations – Line (1) through Line (6)</u>

Credit risk arises from capitations paid directly to providers or intermediaries. The risk is that the company will pay the capitation but will not receive the agreed-upon services and will encounter unexpected expenses in arranging for alternative coverage. The credit risk RBC requirement for capitations paid directly to providers is 2 percent of the amount of capitations reported as paid claims in FR022 Underwriting Risk – Managed Care Credit. This amount is roughly equal to two weeks of paid capitations.

However, a company can make arrangements with its providers that mitigate the credit risk, such as obtaining acceptable letters of credit or withholding funds. Where the company obtains these protections for a specific provider, the amount of capitations paid to that provider are exempted from the credit risk charge. A separate worksheet is provided to calculate this exemption, but a company is not obligated to complete the worksheet.

The credit risk RBC requirement for capitations to intermediaries is 4 percent of the capitated payments reported as paid claims in FR022 Underwriting Risk – Managed Care Credit. However, as with capitations paid directly to providers, the regulated insurer can eliminate some or all of the credit risk that arises from capitations to intermediaries by obtaining acceptable letters of credit or withheld funds.

Specific Instructions for Application of the Formula

<u>Line (1) - Total Capitations Paid Directly to Providers</u>

This is the amount reported in FR022 Underwriting Risk – Managed Care Credit Column (2), Line (5).

<u>Line (2) - Less Secured Capitations to Providers</u>

This includes all capitations to providers that are secured by funds withheld or by acceptable letters of credit equal to 8 percent of annual claims paid to the provider. If lesser protection is provided (e.g., an acceptable letter of credit equal to 2 percent of annual claims paid to that provider), then the amount of capitation is prorated. The exemption is calculated separately for each provider and intermediary. A sample worksheet to calculate the exemption is shown in Figure (14).

<u>Line (3) - Net Capitations to Providers Subject to Credit Risk Charge</u>

Line (1) minus Line (2).

<u>Line (4) - Total Capitations to Intermediaries</u>

From Line (6) and Line (7) of FR022 Underwriting Risk – Managed Care Credit, this includes all capitation payments to intermediaries.

<u>Line (5) - Less Secured Capitations to Intermediaries</u>

This includes all capitations to providers that are secured by funds withheld or by acceptable letters of credit equal to 16 percent of annual claims paid to the provider. If lesser protection is provided (e.g., an acceptable letter of credit equal to 5 percent of annual claims paid to that provider), then the amount of capitation is prorated. The exemption is calculated separately for each provider and intermediary. Sample worksheets to calculate the exemption are shown in Figure (15) and Figure (16).

(Figure 14)

Capitations Paid Directly to Providers

Number	Name of Provider	(A) Paid Capitations During Year	(B) Letter of Credit Amount	(C) Funds Withheld	(D) =(B+C)/A Protection Percentage	(E) =A*Min(1,D/8%) Exempt Capitations
1	Denise Sampson	125,000	5,000	0	4%	62,500
2	James Jones	50,000	5,000	0	10%	50,000
3	Dr. Dunleavy	750,000	5,000	50,000	7%	687,500
4	Dr. Clements	25,000	0	0	0%	0
5	All others	2,500,000				0
1999999	Total to Providers	3,450,000	xxx	xxx	xxx	800,000

(Figure 15)

Capitations Paid to Non-regulated Intermediaries

Number	Name of Provider	(A) Paid Capitations During Year	(B) Letter of Credit Amount	(C) Funds Withheld	(D) =(B+C)/A Protection Percentage	(E) =A*Min(1,D/16%) Exempt Capitations
1	Mercy Hospital	2,500,000	200,000	300,000	20%	2,500,000
2	General	1,000,000	100,000	0	10%	625.000
3	Physicians Clinic	4,500,000	0	500,000	11%	3,125,000
4	Joes' HMO	3,500,000	0	0	0%	0
5	All others	2,500,000				0
2999999	Total to Unregulated Intermediaries	14,000,000	xxx	xxx	xxx	6,250,000

(Figure 16)

Capitations Paid to Regulated Intermediaries

Number	Name of Provider	Paid Capitations During Year	Domiciliary State			Exempt Capitations
1	Freds' HMO	2,500,000	NY			2,500,000
2	Blue Cross of Guam	50,000	GU			50,000
3999999	Total to Regulated Intermediaries	2,550,000	xxx	xxx	xxx	2,550,000
9999999	Total of Figures (14), (15) and (16)	20,000,000	xxx	xxx	xxx	9,600,000

Divide the "Protection Percentage" by 8 percent (providers) or by 16 percent (unregulated intermediaries) to obtain the percentage of the capitation payments that are exempt. If the protection percentage is greater than 100 percent, the entire capitation payment amount is exempt. All capitations to regulated intermediaries qualify for the exemption (Figure 16).

The "Exempt Capitation" amount from Line 1999999 of $800,000 would be reported on Line (2) "Less Secured Capitations to Providers" in FR028 Health Credit Risk. The total of the "Exempt Capitation" amount from Line 2999999 plus Line 3999999 ($6,250,000+$2,550,000=$8,800,000) would be reported on Line (5) "Less Secured Capitations to Intermediaries" in FR028 Health Credit Risk.

BUSINESS RISK
FR029

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 **2.53** percent of Schedule T life premiums and annuity considerations before taxes. A smaller pre-tax factor of **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 (52) and (53) 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 **0.06** 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.

GROWTH OPERATIONAL RISK
(For Informational Purposes Only)
FR029-A

A growth operational risk component will be assessed based on the increase in gross direct premium (direct + assumed) from the prior year to the current year and will apply a risk factor to those premiums in excess of 120% [125% for Health in LRBC] of prior year gross premiums. Negative results will be reported as a zero value.

NOTE: Data will be collected to identify premiums assumed from subsidiaries and other affiliates subject to RBC requirements by the reporting entity to avoid duplication of RBC requirements captured in the C-0 component.

Growth risk will be calculated separately for Life and A&H business. Growth risk may be established as a separate component to the formula for Life and A&H.

The threshold for health growth risk is higher than the threshold for life or property and casualty growth risk due to the expectation that medical inflation will have a greater impact on health premiums than general inflation has on Life or P&C premiums.

Additional analysis will be performed in 2017 before final methodology and factors are proposed.

The line references are generally self-explanatory. Where the formula lines include annual statement references, the instructions for that line are consistent with those in the annual statement unless otherwise noted.

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL

FR031

Basis of Factors

The purpose of the formula is to estimate the risk-based capital levels required to manage losses that can be caused by a series of catastrophic financial events. However, it is remote that all such losses will occur simultaneously. The covariance adjustment states that the combined effect of the C-1o, C-1cs, C-2 and C-3 and a portion of the C-4 risks are not equal to their sum but are equal to the square root calculation described below. It is statistically assumed that the C-1o risk and a portion of the C-3 risk are correlated, while the C-1cs risk, the C-2 risk, the balance of the C-3 risk and a portion of the C-4 risk are independent of both. The split of the C-3 and C-4 risks allows for general consistency with the health RBC formula. This assumption provides a reasonable approximation of the capital requirements needed at any particular level of losses.

The covariance formula is applied on Line (67) on LR031 before adding operational risk and Primary Security Shortfall Calculated in Accordance With Actuarial Guideline XLVIII:

RBC after Covariance Before Operational Risk = $C0 + C4a + \text{Square Root of } [(C1o + C3a)^2 + (C\text{-}1cs + C\text{-}3c)^2 + (C2)^2 + (C3b)^2 + C4b)^2]$

Operational Risk:

Operational risk is defined as the risk of financial loss resulting from operational events, such as the inadequacy or failure of internal systems, personnel, procedures or controls, as well as external events. Operational risk includes legal risk but excludes reputational risk and risk arising from strategic decisions. Operational risk has been identified as a risk that should be explicitly addressed in the RBC formulas. The Operational Risk charge is intended to account for operational risks that are not already reflected in existing risk categories.

A Gross Operational Risk charge will be reported on Line 68 using a percentage of RBC on "add-on" approach that will apply a risk factor of **3**.00% to the amount reported in Line (67) – Total RBC after Covariance Before Operational Risk reported on page LR031. The result will represent a**n** **initial value** of operational risk. Because the current C-4a risk charge is assumed to include some operational risk, a company's C-4a – Post Tax reported on Line (63) is offset against operational risk. **A further reduction to the operational risk charge equal to the sum of the C-4a offset amounts reported by direct life RBC filing insurance subsidiaries (Page LR031, Lines (63 + 69)), adjusted for the percentage of ownership in the direct life insurance subsidiary, will be reported on Page LR031 in Line (69).**

Net Operational risk after C-4a offset is reported on Line (**70**)**, but not less than zero.**

Total RBC After Covariance including Operational Risk will be reported in Line (71) as the sum of lines (67), (69) and (70) - Primary Security Shortfall Calculated in Accordance With Actuarial Guideline XLVIII as described below.

Total Risk-Based Capital After Covariance is the sum of items A plus B plus C where:

> "A" equals C-0 plus the C-4a risk-based capital and the square root of the sum of the C-1o and C-3a risk-based capital squared, the C-1cs and C-3c risk-based capital squared, the C-2 risk-based capital squared, the C-3b risk-based capital squared and the C-4b risk-based capital squared **as reported on Line (67)** and,
>
> "B" equals the amount of operational risk after C-4a offset as reported on Line (**70**) and
>
> "C" equals the greater of zero and the amount of Primary Security shortfalls for all cessions covered by Actuarial Guideline XLVIII (AG 48) multiplied by two on Line (**71**).

The intent of this addend is to produce a dollar for dollar increase in the Authorized Control Level for the total of AG 48 Primary Security shortfall. This Authorized Control Level increase for the amount of Primary Security shortfall applies to all insurers and all cessions of Covered Policies as defined in AG 48, that do not fall within an exemption set forth in AG 48, regardless of whether a state may have chosen to waive all or part of AG 48. For example, if a cession is of Covered Policies and no exemption is available under the terms of AG 48 for a particular insurer or transaction, but a state nevertheless determines that the insurer or Appointed Actuary will not be required to comply in full with the Guideline, then for RBC a computation of shortfall, if any, will still be required and an increase to Authorized Control Level for any such shortfall will still apply.

The information reported should be consistent with the information that will be included in Part 2B, Column 19, of the annual statement Supplemental Term and Universal Life Insurance Reinsurance Exhibit.

Specific Instructions for Application of the Formula

All amounts reflected for the Calculation of Authorized Control Level Risk-Based Capital will be calculated automatically by the software.

In recognition of the exclusion of the carrying value of Alien Insurance Subsidiaries – Other from Total Adjusted Capital, the carrying value of these entities is also to be excluded from the calculation of C-O risk-based capital.

CALCULATION OF TOTAL ADJUSTED CAPITAL
FR033

The following instructions for the Calculation of Total Adjusted Capital 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

In determining the C–1 risk factors, availability of the AVR and voluntary investment reserves to absorb specific losses was not assumed. Therefore, the AVR is counted as capital for the purposes of the formula although it represents a liability and is not usable against general contingencies. The portion of the AVR that can be counted as capital is limited to the amount not utilized in asset adequacy testing in support of the Actuarial Opinion for reserves. Voluntary investment reserves were eliminated from Total Adjusted Capital for the 1997 risk-based capital formula.

The annual statement provision for future dividends can provide a general cushion against potentially adverse future experience. As a reflection of this possible cushion, 50 percent of the annual statement dividend liability is included. However, when a block is reinsured, such credit to Total Adjusted Capital will not be allowed to either company unless the company has total control over the dividend decision and the full benefit of a change in the dividend scale flows to the company. A factor of 25 percent of the dividend liability is used in sensitivity testing.

Subsidiary amounts other than the carrying value of Alien Insurance Subsidiaries – Other, are included as appropriate, recognizing that this surplus is included within the surplus of the parent. The carrying value of Alien Insurance Subsidiaries – Other should be excluded from the surplus of the parent for purposes of computing Total Adjusted Capital. Property and casualty subsidiaries should subtract all non-tabular discounts from surplus to arrive at the adjusted surplus figure. This adjustment to surplus was phased in over a five-year period by subtracting 20 percent of the non-tabular discount the first year and an additional 20 percent each year thereafter. Beginning with the 1998 risk-based capital formula, the adjustment to surplus is 100 percent. The same adjustment is made to the surplus of a company having ownership of a property and casualty subsidiary.

Total Adjusted Capital is to be reduced by the amount of all XXX/AXXX reinsurance RBC shortfalls.

Specific Instructions for Application of the Formula

<u>Lines (3) and (4)</u>
When reinsurance is involved, modified coinsurance, coinsurance with funds withheld, or any similar arrangement is involved, the amount of the dividend liability credit included in Total Adjusted Capital by the ceding company should not be allowed in the event the ceding company cannot realize the financial benefits associated with a reduction in the dividend liability. At the same time, the reinsurer should not be allowed a credit to Total Adjusted Capital for any of the dividend liability, even if the direct writer cannot take the Total Adjusted Capital credit, unless the reinsurer can demonstrate control over the dividend decision of the direct writer.

A "no" answer to either of the following two questions eliminates the company's ability to take the dividend liability credit related to such reinsurance:

1. Does the company have "total control" over the dividend decision?
2. Does the full benefit of any future ability to change the dividend scale flow to the company? (In considering the answer to this question, the company should consider the retained and reinsured portions separately.)

Line (5)
Fair Value TAC Adjustment - In order to mitigate the effects of derivative accounting mismatches an adjustment to total adjusted capital is required when all of the following conditions exist:

- the bond is not carried at fair value,
- the bond is hedged with a credit derivative and RBC is being reduced for the hedge,
- the credit derivative is carried at fair value, and
- the bond has never been written-down pursuant to the recording of an other-than-temporary impairment.

When these conditions exist, the adjustment shall never be less than zero and shall be based on any unrealized gain of the credit derivative determined as the lesser of 1 or 2 below:

1. Book/Adjusted Carrying Value of the credit derivative from Schedule DB minus the sum of the Prior Year and Current Year Initial Cost of the credit derivative from Schedule DB,
2. The reduction in RBC arising from the hedge.

This Fair Value TAC Adjustment shall be applied to basic and intermediate hedging relationships as described in the Instructions to the Spreadsheet Computation of Risk Reduction. In the case of an intermediate hedging relationship any unrealized gain attributable to the index-based credit derivative shall be determined as required in "1." above then allocated to the individual bonds named in the index-based credit derivative on the basis of their par values compared to the total par value represented by the index. Each allocated unrealized gain will then be used as "1." above for purposes of determining the Fair Value TAC Adjustment for that bond and hedge within the intermediate hedging relationship.

<u>Lines (6) through (8)</u>
The source for subsidiary amounts should be reported from the subsidiaries' annual statements. These amounts should be adjusted by percentage of ownership before entering. All U.S. life, property and casualty and investment subsidiaries should be included. An adjustment to reduce the Total Adjusted Capital for the carrying value of Alien Insurance Subsidiaries – Other should be made for the parent company on Line (8).

<u>Lines (10.1) through (10.4) and (13) and (14)</u>
Not applicable to Fraternal.

<u>Line (11)</u>
Line (11) should include all XXX/AXXX reinsurance RBC shortfalls as reported in FR033 XXX XXX/AXXX Captive Reinsurance Consolidated Exhibit Column (10) Line (10).

Lines (22) through (25) are used for the ACA sensitivity test. The ACA sensitivity test provides a "what if" scenario eliminating the ACA fee from the Calculation of Total Adjusted Capital. The ACA fee included on Line (22) is the estimated data year amount that is to be paid in the fee year. The ACA fee sensitivity test has no effect on the risk-based capital amounts reported in the annual statement. Column (2), Line (22) should equal the annual statement Notes to Financial Statement, Note 22B, Column 1.

RISK-BASED CAPITAL LEVEL OF ACTION

FR034

Basis of Factors

This section of the risk-based capital report compares amounts previously developed and thus determines the level of regulatory attention, if any, applicable to the company.

Specific Instructions for Application of the Formula

This section will be calculated automatically by the software, indicating the Level of Action:

Company Action Level RBC
Regulatory Action Level RBC
Authorized Control Level RBC
Mandatory Control Level RBC
None

The indicators are different event levels as defined in the Risk-Based Capital (RBC) for Insurers Model Act. Refer to the model act for further elaboration.

An indicator of None requires no action.

Company Action Level requires the company to prepare and submit an RBC Plan to the commissioner of the state of domicile. After review, the commissioner will notify the company if the plan is satisfactory.

Regulatory Action Level requires the insurer to submit to the commissioner of the state of domicile an RBC Plan, or if applicable, a Revised RBC Plan. After examination or analysis, the commissioner will issue an order specifying corrective actions (Corrective Order) to be taken.

Authorized Control Level authorizes the commissioner of the state of domicile to take whatever regulatory actions considered necessary to protect the best interest of the policyholders and creditors of the insurer.

Mandatory Control Level authorizes the commissioner of the state of domicile to take actions necessary to place the company under regulatory control (i.e., rehabilitation or liquidation).

<u>Tax Sensitivity Test</u>
The tax sensitivity test provides a "what if" scenario that calculates the different RBC levels using pre-tax factors and eliminates deferred tax assets and liabilities from the calculation of Total Adjusted Capital. The sensitivity test has no effect on the risk-based capital amounts reported in the annual statement.

TREND TEST

FR035

Basis of Factors

Societies whose Total Adjusted Capital is between 2.0 and 2.5 times the Authorized Control Level Risk-Based Capital are subject to a trend test. The trend test calculates the greater of the decrease in the margin between the current year and the prior year and the average of the past three years. It assumes that the decrease could occur again in the coming year. Any company that trends below 1.9 times the Authorized Control Level Risk-Based Capital would trigger Company Action Level RBC regulatory action.

Specific Instructions for Application of the Formula

The trend test will utilize two of the previous three years of information.

XXX/AXXX REINSURANCE PRIMARY SECURITY SHORTFALL BY CESSION

FR036

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This calculation is not required for cessions covered by the state equivalent of the NAIC Term and Universal Life Insurance Reserve Financing Model Regulation (Model #787) so long as the state equivalent regulation has the following similarities to Model #787: the same definition of Primary Security, the same definition of Required Level of Primary Security, the same definition of Covered Policies, the same Exemptions (Section 4), the same Actuarial Method (Section 6), and the same requirement that cessions without sufficient Primary Security and Other Security (Sections 7A3 and 7A4) must directly establish a liability for the difference between the credit for reinsurance taken and the actual Primary Security held. Such cessions should not be listed. In the event that such a cession also includes policies that are regulated by AG 48, only list the portion of the cession regulated by AG 48.

The information reported for this RBC schedule should be consistent with the information that will be included in Part 2B, Columns 13, 14, 15, and 19 of the annual statement Supplemental Term and Universal Life Insurance Reinsurance Exhibit.

Cessions shall be reported on a treaty by treaty basis.

The terms below shall have the following definitions for the purposes of this RBC schedule:

A. Actuarial Method: The methodology used to determine the Required Level of Primary Security, as described in Section 5 of AG 48.

B. Covered Policies: Subject to the exemptions described in Section 3 of AG 48, Covered Policies are those policies of the following policy types: (1) life insurance policies with guaranteed nonlevel gross premiums and/or guaranteed nonlevel benefits, except for flexible premium universal life insurance policies or (2) flexible premium universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period; provided, however, that Covered Policies shall not include policies that were both (1) issued prior to 1/1/2015 and (2) ceded so that they were part of a reinsurance arrangement, as of 12/31/2014, that would not qualify for exemption as described in Section 3 of AG 48.

C. Required Level of Primary Security: The dollar amount determined by applying the Actuarial Method to the risks ceded with respect to Covered Policies, but not more than the total reserves ceded.

D. Primary Security: The following forms of security:

1. Cash meeting the requirements of Section 3.A. of the NAIC Credit for Reinsurance Model Law (Model 785);

2. SVO-listed securities meeting the requirements of Section 3.B. of Model 785, but excluding any synthetic letter of credit, contingent note, credit-linked note or other similar security that operates in a manner similar to a letter of credit and excluding any securities issued by the ceding insurer or any of its affiliates; and

3. For security held in connection with funds-withheld and modified coinsurance reinsurance arrangements:
   a. Commercial loans in good standing of CM3 quality and higher;
   b. Policy Loans; and
   c. Derivatives acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty.

Column 1 – Cession ID

Enter a unique Cession ID for each line (01 – 99).

Column 2 – NAIC Company Code

Provide the NAIC code of the assuming insurer.

Column 3 – ID Number

Enter one of the following as appropriate for the assuming insurer being reported on the schedule. See the Schedule S General Instructions for more information on these identification numbers.

Federal Employer Identification Number	(FEIN)
Alien Insurer Identification Number	(AIIN)
Certified Reinsurer Identification Number	(CRIN)

Column 4 – Name of Company

Provide the name of the assuming insurer.

Column 5 – Required Level of Primary Security

State the Required Level of Primary Security applicable to the statutory policy reserves as of the current annual statement date.

Column 6 – Primary Security and Remediation Adjustments

Reflect the values as of the current annual statement date of the Primary Security as defined in D. above held by or on behalf of the reporting entity. Also reflect any amounts qualifying as Remediation Adjustments as provided for in AG 48, Section 6.B.1:

1. Additional Primary Security added on or before March 1 of the year in which the actuarial opinion is being filed, held by or on behalf of the ceding insurer, as security under the cession, on a funds withheld, Trust, or modified coinsurance basis; or
2. Any liability established equal to some or all of the difference between the Primary Security held pursuant to AG 48, Section 6.A.1 and the Required Level of Primary Security.

Column 7 – Primary Security Shortfall

For a given cession the Column 7 Primary Security Shortfall equals the greater of (a) zero and (b) Column 5 Required Level of Primary Security less Column 6 Primary Security and Remediation Adjustments. The total for line (9999999) will be doubled and added to line (68) of FR031 Calculation of Authorized Control Level Risk-Based Capital. The adjustment will result in a dollar for dollar increase in Authorized Control Level for the total of all primary security shortfalls.

XXX/AXXX CAPTIVE REINSURANCE CONSOLIDATED EXHIBIT

FR037

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.

<u>For Captives that file RBC Reports</u>

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**) 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).

For Captives that do not file RBC Reports

The following situations may exist:

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 at 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 Primary Security must meet the requirements of Primary Security as defined in AG 48, and Assets not backing 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 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 Primary Security (adjusted VM-20 reserve);
      3) Adjusted Assets are calculated using the value of the Assets backing 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 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 FR033) 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**) 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 FR010 & and FR011 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 second paragraph of instructions for this exhibit) in issuers that are among the ceding company 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 FR010 and FR011. 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 Fraternal 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 factor 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** 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** 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.

Line (8) is the ACL for the Captive based on the above values (including adjustments noted).

Line (9) is the Benchmark RBC level for setting RBC Shortfall. It is set equal to 300% of Authorized Control Level for each Captive.

Line (10) is the RBC Shortfall of the Captive. It is the difference between the Total Adjusted Capital and the Benchmark RBC level. It is Line (9) minus Line (7), floored at zero, for each Captive.

Line (11) is the Final Total Adjusted Capital of the Ceding Company. It is not applicable to the Captive.

Fill a separate column for each Captive. In the event that the Captive assumes business from more than one ceding company, or in the event that only a portion of the business at the Captive is subject to the scope of AG 48, use a pro rata portion of the total C-0, C-1, C-2, C-3a, C-3b, C-3c, C-4a, and C-4b risks, as well as Total Adjusted Capital for Lines (1), (2), (4), (5.1), (5.2), (5.3), (6.1) and (6.2), and (7). Re-calculate the Authorized Control Level (Line 8) for the pro rata portion. Use reserves ceded by the ceding company and total reserves of the Captive to determine pro rata amounts.

Column (10): Consolidated amounts

Line (10) column (10) is the sum of columns (2) through (9).

SENSITIVITY TESTS

FR038, FR039 and FR040

The sensitivity tests provide a "what if" scenario recalculating 50% of the Calculated RBC Amount or Total Adjusted Capital using a specified alternative for a particular factor in the formula.

The amounts reported in the sensitivity tests will be an actual recalculation of the 50% of the Calculated RBC Amount and Total Adjusted Surplus. If a company does not have any of these specified items, the amounts reported will be the same as the 50% of the Calculated RBC Amount and Total Adjusted Surplus as originally calculated.

Other affiliates, noncontrolled assets, guarantees for affiliates, contingent liabilities, long-term leases and interest swaps reported elsewhere will automatically trigger recalculations of the RBC. Societies who own lower-tier subsidiaries should enter the referenced amounts from the subsidiaries' RBC report or annual statement times the percent of ownership.

Affiliated investments owned by the company, other than preferred and common stock, should be reported on Line (7.1). Companies owning lower-tier subsidiaries should report the referenced amounts from the subsidiaries' annual statement multiplied by the percent of ownership on Line (7.2).

Surplus notes reported on Page 3 should be reported where indicated. Societies who own lower-tier subsidiaries should report the referenced amounts from the subsidiaries' annual statement times percent of ownership (as defined in the affiliated stock section).

The amounts reported on this page for subsidiaries should include only those subsidiaries that are subject to a "look through" risk-based capital calculation (i.e., insurance and investment subsidiaries). Other subsidiaries have a fixed RBC factor and therefore, have no impact on the sensitivity tests.

FEDERAL ACA RISK ADJUSTMENT SENSITIVITY TEST

FR041

The federal ACA Risk Adjustment Sensitivity Test is used to adjust TAC for the risk adjustment receivable or payable. The sensitivity test identifies the potential impact to an insurer's RBC ratio due to the risk of misestimating the ACA risk adjustment by the insurer. The sensitivity test looks at both the risk of overestimation and underestimation by the insurer for both receivables and payables**)**. Lines (1) through (**8**) look at the risk of overestimation while Lines (**9**) through (**16**) look at the risk of underestimation by decreasing and increasing the amount reported in the Notes to Financial Statement by 25 percent. The sensitivity test provides a "what if" scenario that has no effect on the risk-based capital amounts reported in the annual statement. The Health Risk-Based Capital (E) Working Group determined that a 25 percent change in the annual statement amount and a 50 percent factor should be used to calculate the effect of the misestimation of the risk adjustment receivable and payable on the RBC ratio. The company can provide an explanation in the Footnote if the company believes the factors are not appropriate, with an explanation as to why the factors are inappropriate.

Line (1) and Line (**9**) – Premium Adjustments Receivable Due to ACA Risk Adjustment. This is the amount reported in the annual statement Notes to Financial Statement 24E2a1. Column (2) would equal Column (1) multiplied by the sensitivity amount.

Line (2) and Line (**10**) – Premium Adjustments Payable Due to ACA Risk Adjustment. This is the amount reported in the annual statement Notes to Financial Statement 24E2a3. Column (2) would equal Column (1) multiplied by the sensitivity amount.

Line (3) and Line (**11**) – Total ACA Risk Adjustments Receivable and Payable. Line (3) would be equal to Line (2) minus Line (1) and Line (**11**) would be equal to Line (**10**) minus Line (**9**).

Line (4) and Line (12) – Total Risk Adjustment. The absolute value of Line (4), Column (3) is equal to Line (3). The absolute value of Line (12), Column (3) is equal to Line (11).

Line (5) and Line (13) – FR033 Calculation of Total Adjusted Capital, Line (12)

Line (6) and Line (14) – Total Adjusted Capital Stressed for Risk Adjustments. Line (6) is equal to Line (5) minus Line (4) and Line (14) is equal to Line (13) minus Line (12).

Line (7) and Line (15) – FR034 Risk-Based Capital Level of Action, Line (4)

Line (8) and Line (16) – ACA Risk Adjusted ACL RBC Ratio. Line (8) is equal to Line (6) divided by Line (7) and Line (16) is equal to Line (14) divided by Line (15).

AFFILIATED INVESTMENTS

FR042, FR043 and FR044

Basis of Factors

Affiliated Preferred and Common Stock

The risk-based capital for U.S. life insurance companies, property and casualty insurance companies, health entities and investment subsidiaries is calculated on a "see through" basis (multiplied by the percent of ownership). This requires "looking through" all holding and subsidiary companies to the lowest level of ownership for each affiliated stock investment. The advantage of this approach is that where there is a choice of whether to have ownership of an asset in either the parent or the subsidiary, RBC results are unlikely to affect that decision.

The pre-tax factor for common stock of other affiliates is set at 30 percent since many of these investments have risk characteristics similar to those of unaffiliated common stock. Conversely, due to management's knowledge and control, the capital remaining in the affiliate may be the minimum needed to properly conduct its normal course of business. For that reason, a separate sensitivity analysis is completed using a pre-tax factor of 100 percent. If an insurance subsidiary is owned by another affiliate, the RBC of the insurance subsidiary is calculated first, and the pre-tax 30 percent is applied to the difference between the carrying value of the other affiliate and the carrying value of the insurance subsidiary.

The pre-tax factor for publicly traded insurance subsidiaries held at fair value is 34.6 percent, and is applied to the excess of the statutorily haircut fair value over the book value of the subsidiary.

There are 14 categories of subsidiary and affiliated investments that are subject to an RBC requirement for common and preferred stock. Those 14 categories are:

1 Directly Owned U.S. Property and Casualty Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
2. Directly Owned U.S. Life Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
3. Directly and Indirectly Owned U.S. Health Entity Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
4. Indirectly Owned U.S. Property and Casualty Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
5. Indirectly Owned U.S. Life Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
6. Investment Subsidiaries
7. Holding Company Value in Excess of Indirectly Owned Insurance Subsidiaries
8. Alien Insurance Subsidiaries – Canadian Life
9. Alien Insurance Subsidiaries – Others
10. Investments in Upstream Affiliate (Parent)
11. Other Affiliated Investments – Property and Casualty Insurers not Subject to Risk-Based Capital
12. Other Affiliated Investments – Life Insurers not Subject to Risk-Based Capital
13. Other Affiliated Investments – Non-insurers
14. Publicly Traded Insurance Subsidiaries Held at Fair Value

Codes 1 through 13 appear in Column (2) of FR044 Details for Affiliated Investments.

The total of all reported affiliated stock should equal the amounts reported on Schedule D, Part 2, Section 1, Line 8599999 plus Schedule D, Part 2, Section 2, Line 9199999 and should also equal Schedule D, Part 6, Section 1, Line 0999999 plus Line 1899999.

Affiliated investments fall into two broad categories: (a) Insurance and investment subsidiaries that are subject to a look-through risk-based capital calculation; and (b) subsidiaries that are not subject to risk-based capital. The risk-based capital for these two broad groups differs. A third category of affiliates, publicly traded insurance subsidiaries held at fair value, has characteristics of both of the two broader categories. As a result, it has a two-part RBC calculation. The general treatment for each is explained below.

Insurance and Investment Subsidiaries that are Subject to a Look-Through Risk-Based Capital Calculation

The risk-based capital requirement for the reporting company for those insurance subsidiaries that are subject to a risk-based capital requirement is based on the Total Risk-Based Capital After Covariance of the subsidiary, prorated for the percent of ownership of that subsidiary. (Note: For life and investment subsidiaries, the Total Risk-Based Capital After Covariance and the Company Action Level Risk-Based Capital are identical.) For purposes of Affiliate Risk all references to Total Risk-Based Capital After Covariance of the subsidiary or affiliate means:

- For a Health subsidiary RBC filing, Total Risk-Based Capital After Covariance before Basic Operational Risk (XR025, Line (37));
- For a P/C subsidiary RBC filing, Total Risk-Based Capital After Covariance before Basic Operational Risk (PR032, Line (68)); and
- For a Life subsidiary RBC filing, the sum of
  - (a) Total Risk-Based Capital After Covariance before Basic Operational Risk (LR031, Line (67)), and
  - (b) Primary Security shortfalls for all cessions covered by Actuarial Guideline XLVIII (AG 48) multiplied by two (LR031, Line (71)).

The risk-based capital for those subsidiaries must be calculated prior to completing this risk-based capital worksheet. The subsidiaries affected by this rule are:

1. Directly Owned U.S. Property and Casualty Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
2. Directly Owned U.S. Life Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
3. Directly and Indirectly Owned U.S. Health Entity Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
4. Indirectly Owned U.S. Property and Casualty Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
5. Indirectly Owned U.S. Life Insurance Subsidiaries Subject to a Look-Through Risk-Based Capital Calculation
6. Investment Subsidiaries

<u>Directly Owned U.S. Property and Casualty Insurance Subsidiaries</u>

Report information regarding any top-layer directly owned U.S. property and casualty insurance subsidiaries in the schedule. For each subsidiary, report its name, NAIC company code, affiliate's Total Risk-Based Capital After Covariance, value of the common stock from Schedule D, Part 6, Section 1, Line 1199999 (less any amounts reported on the worksheet as affiliate code "11") in Columns (1) through (6). If no value is reported in the Total Value of Affiliate's Common Stock column (Column (6)), the program will assume 100 percent ownership. If the reporting entity does not own any of the affiliate's common stock but does own preferred stock, the Total Value of Affiliate's Common Stock in Column (6) must be reported so the program can calculate the percent of ownership. Subsidiaries reported in this section will be assigned an affiliate code of "1" for directly owned property and casualty insurers.

The carrying value of any preferred stock is reported in Column (7) and should equal the amount reported in Schedule D, Part 6, Section 1, Line 0299999 (less any amounts reported on the worksheet as affiliate code "11"). The total outstanding value of the affiliate's preferred stock is reported in Column (8). The percentage of ownership will be automatically calculated in Column (9). For entities owning preferred and common stock in the same subsidiary, the percent of ownership is calculated by summing the statement values of the owned preferred and common stock and dividing that amount by the sum of all outstanding preferred and common stock.

The risk-based capital to be reported for each subsidiary property and casualty insurer should be obtained by using a separate copy of the property and casualty risk-based capital program for each subsidiary. Title insurers, monoline financial guaranty insurers and monoline mortgage guaranty insurers are not subject to risk-based capital. Additionally, some insurers are granted exemptions from filing risk-based capital. These affiliates and other similar affiliates should be reported as Other Affiliated Investments – Property and Casualty insurers not subject to risk-based capital.

<u>Directly Owned U.S. Life Insurance Subsidiaries</u>
Report information regarding any top-layer directly owned U.S. life insurance affiliates in the schedule. For each affiliate, report the same information as required for directly owned property and casualty insurance affiliates that are subject to risk-based capital. The value of common stock should be the same as reported in Schedule D, Part 6, Section 1, Line 1299999 (less any amounts reported on the worksheet as affiliate code "12"). The amount of preferred stock reported should match Schedule D, Part 6, Section 1, Line 0399999 (less any amounts reported on the worksheet as affiliate code "12"). If the life insurance affiliate is not subject to risk-based capital, then it should be considered an Other Affiliated Investment. Subsidiaries reported in this section will be assigned an affiliate code of "2" for directly owned life insurers.

The risk-based capital of each life affiliate should be obtained by using a separate copy of the life risk-based capital program for each affiliate.

<u>Directly/Indirectly Owned U.S. Health Entity Subsidiaries/Affiliates</u>
The filing fraternal companies are responsible for providing the health RBC amount for its health entity subsidiaries/affiliates for use in the life RBC formula, even if the health entity is not required to file this calculation by its state of domicile. The health RBC times the fraternal company's percentage ownership of the health entity subsidiary will be used as the risk charge in this part of the fraternal RBC Formula. Subsidiaries reported in this section will be assigned an affiliate code of "3" for directly/indirectly owned health entities.

<u>Indirectly Owned U.S. Property and Casualty Insurance Affiliates</u>
The reporting company's book/adjusted carrying value of the holding company should be allocated between any top-layer, indirectly owned insurance affiliates and the Holding Company Value in Excess of Indirectly Owned Insurance Affiliates. The carrying value of the holding company should be first allocated based on the values shown on the holding company's balance sheet. The following example shows a hypothetical holding company, Holder, Inc., that is 100 percent owned by Big Insurance Company and illustrates the allocation of Holder's carrying value among these categories:

Balance Sheet
Holder, Inc.
12/31/XX

ABC Life	$ 4,000,000	Long-Term Debt	$ 14,000,000
XYZ Casualty	2,000,000	Other Liabilities	5,000,000
GX Todd Real Estate	10,000,000		
Cash	5,000,000	Equity	5,000,000
Other Assets	3,000,000		
Total Assets	$ 24,000,000	Total Liabilities and Equity	$ 24,000,000

Since ABC Life Insurance Company makes up one-sixth ($4,000,000 divided by $24,000,000) of the total assets for Holder, Inc., then this indirectly owned affiliate represents one-sixth of the carrying value of Holder, Inc. on the statement of Big Insurance Company. Similarly, XYZ Casualty represents one-twelfth of the carrying value ($2,000,000 divided by $24,000,000) of Holder on Big's annual statement. Three-fourths of the carrying value of Holder, Inc. ($18,000,000 divided by $24,000,000) represents the Holding Company Value in Excess of Indirectly Owned Insurance Affiliates. If Big Insurance Company carries Holder, Inc. on its annual statement at $30,000,000 (assume that this is the current market value of shares in Holder, which was a publicly traded corporation of which Big has just acquired 100 percent ownership), then Big will allocate one-sixth of the $30,000,000 to ABC Life, one-twelfth of the $30,000,000 to XYZ Casualty, and three-fourths to Holder under the category Holding Company Value in Excess of Indirectly Owned Insurance Affiliates. The RBC charge for the indirect ownership of common stock in ABC Life will be ABC's Total RBC After Covariance, adjusted for percent of ownership. (If Holder owns 50 percent of ABC Life the amount would be calculated as 100 percent times 50 percent times RBC after Covariance.) The RBC charge for the indirect ownership of XYZ Casualty would be computed in the same manner.

If Big only acquired 50 percent of the shares of Holder, then these values must be adjusted to reflect Big's partial ownership. The carrying value on Big's annual statement is $15,000,000 which is allocated as $2,500,000 to ABC Life (one-sixth of $15,000,000), $1,250,000 to XYZ Casualty (one-twelfth of $15,000,000), and $11,250,000 to Holder as the Holding Company Value in Excess of Indirectly Owned Affiliates. The RBC for the indirectly owned affiliates is also adjusted to reflect the fact that Big only owns 50 percent of the affiliates. There, Big will report $2,500,000 as the carrying value for ABC Life and in Column (5) and $5,000,000 ($2,500,000 divided by 0.50) as the total outstanding common stock in Column (6). (The RBC requirement for ABC Life then becomes 50 percent times 50 percent times ABC's Total RBC After Covariance.)

The information for all top-layer, indirectly owned U.S. property and casualty insurance affiliates and indirectly owned U.S. life insurance affiliates is reported in the appropriate columns within the worksheet. For each affiliate, report its name, NAIC company code and the pro-rated share of risk-based capital along with all other information required in Columns (1) through (6). Subsidiaries reported in this section will be assigned an affiliate code of "4" for indirectly owned property and casualty insurers.

Indirectly Owned U.S. Life Insurance Affiliates

Indirectly owned U.S. life insurance affiliates are treated in a manner similar to indirectly owned property and casualty insurance affiliates. Note that the insurance affiliate must be subject to risk-based capital and file a risk-based capital report to be included in this section. Otherwise, the affiliate's value will be included in the Holding Company Value in Excess of Insurance Affiliates section. Subsidiaries reported in this section will be assigned an affiliate code of "5" for indirectly owned life insurers.

Investment Affiliates

An investment affiliate is an affiliate that exists only to invest the funds of the parent company. The term "investment affiliate" is strictly defined in the NAIC's Annual Statement Instructions as any affiliate, other than a holding company, engaged or organized primarily to engage in the ownership and management of investments for the insurer. An investment affiliate shall not include any broker-dealer or a money management fund managing funds other than those of the parent company. The risk-based capital charge for the ownership of an investment affiliate is based on the risk-based capital of the underlying assets, pro-rated for the degree of ownership. The basis for this calculation is the assumption that the charge should be the same as it would be if the fraternal benefit society held the assets directly.

Report information regarding any investment affiliates. Subsidiaries reported in this section will be assigned an affiliate code of "6" for investment subsidiaries. The amount of reported common stock should be the same as Schedule D, Part 6, Section 1, Line 1699999. Preferred stock information should be the same as Schedule D, Part 6, Section 1, Line 0799999.

Affiliates that are not Subject to Risk-Based Capital

This category includes the following categories of affiliated investments:

7. Holding Company Value in Excess of Indirectly Owned Insurance Subsidiaries
8. Alien Insurance Subsidiaries – Canadian Life
9. Alien Insurance Subsidiaries – Other
10. Investments in Upstream Affiliates (Parent)
11. Other Affiliated Investments – Property and Casualty Insurers that are not Subject to Risk-Based Capital
12. Other Affiliated Investments – Life Insurers that are not Subject to Risk-Based Capital
13. Other Affiliated Investments – Non-insurers

Insurance affiliates that are not subject to risk-based capital, such as title insurers, monoline financial guaranty insurers, and monoline mortgage guaranty insurers are classified as Other Affiliated Investments under the appropriate classification.

The risk-based capital charge for these investments is calculated by multiplying a factor times the book/adjusted carrying value of the common and preferred stock of those affiliates. The risk-based capital factor for Alien Insurance Affiliates is 100 percent (except for Canadian Life insurers); the factor for Holding Company Value in Excess of Indirectly Owned Insurance Affiliates, Investments in Upstream Affiliate (Parent) and Other Affiliated Investments is 0.300 times the book/adjusted carrying value of the common and preferred stock of those affiliates.

<u>Holding Company Value in Excess of Indirectly Owned Insurance Affiliates</u>
The pre-tax risk-based capital charge for the parent insurer preparing the calculation is a 30 percent charge against the holding company value in excess of the indirectly owned insurance affiliates as calculated in the prior example.

Report information in the appropriate columns of the worksheet, omitting those columns that do not apply (Column (3) – NAIC Company Code and Column (4) affiliate's risk-based capital). Subsidiaries reported in this section will be assigned an affiliate code of "7" for Holding Company Value in Excess of Indirectly Owned Insurance Affiliates.

The total of Indirectly Owned Insurers (life and property and casualty) plus the amount of Holding Company Value in Excess of Indirectly Owned Insurance Affiliates should equal Schedule D, Part 6, Section 1, Line 0699999 for the reporting of preferred stock and Schedule D, Part 6, Section 1, Line 1599999 for common stock.

<u>Alien Insurance Affiliates – Canadian Life</u>
Canadian regulatory authorities have in place a Minimum Continuing Capital and Surplus Requirement (MCCSR) for Canadian life insurance companies. In addition to the MCCSR formula, Canadian regulators have the authority to adjust the capital requirements upward for companies where deemed appropriate. For purposes of the U.S. formula, MCCSR times percent of ownership is used to establish the risk-based capital requirement for Canadian life subsidiaries. If the MCCSR has been adjusted by regulatory authorities, this adjusted MCCSR is to be used. Canadian property and casualty companies will continue to be reported in the Alien Insurance Affiliates – Other section.

Report the Canadian life insurer name, alien insurer identification number, the book/adjusted carrying value of common and preferred stock and the total outstanding value of common and preferred stock. Companies reported in this section will be assigned an affiliate code of "8" for Canadian life insurers.

<u>Alien Insurance Affiliates – Other</u>
For purposes of this formula, the risk-based capital of each alien insurance affiliate is zero. Report information for any non-U.S. insurance affiliate, both life (except for Canadian life insurers) and property and casualty.

For each affiliate, report the name and alien insurer identification number. For purposes of this formula, the statement value of common and preferred stock and the total outstanding value of common and preferred stock for alien insurance affiliates should be entered as zero. Companies reported in this section will be assigned an affiliate code of "9" for alien insurers.

<u>Investment in Upstream Affiliate (Parent)</u>
The pre-tax risk-based capital for an investment in an upstream parent is 0.300 times the carrying value of the common and preferred stock regardless of whether that upstream parent is subject to risk-based capital. Report the appropriate information from Schedule D, Part 6, Section 1, Lines 0199999 and 1099999 in Columns (1) through (6). The affiliate code for an upstream parent is "10."

Other Affiliated Investments

The pre-tax risk-based capital for an investment in an Other Affiliated Investment is 0.300 times the carrying value of the common and preferred stock. All insurance affiliates that do not otherwise qualify for another section of this report, such as title insurance companies (code "11") or a life insurance affiliate that has been exempted from the risk-based capital system (code "12"), are to be included in these categories. The affiliate code for Other Affiliates is "13." Reported amounts use Schedule D, Part 6, Section 1, Line 0899999 and Line 1799999 as the basis of reporting and additionally include any life and property and casualty insurers not subject to risk-based capital (as discussed earlier).

Publicly Traded Insurance Affiliates Held at Fair Value

The risk-based capital for a publicly traded insurance affiliate held at fair value is calculated in two parts. First, calculate and report the risk-based capital of the affiliate according to the relevant instructions above for Insurance Affiliates that are Subject to a Look-Through RBC Calculation. Second, calculate the additional risk-based capital charge as 34.6 percent of the difference between the market (statement) value and the book value of the affiliate.

Report information regarding any publicly traded insurance affiliate held at fair value. The reported fair value of common stock should be the same as shown Schedule D, Part 2, Section 2, Column 8, line 9199999. The market value of preferred stock should be the same as shown in Schedule D, Part 2, Section 1, Column 10, line 8599999. The reported book value of common stock should be the same as shown in Schedule D, Part 2, Section 2, Column 6, line 9199999. The reported book value of preferred stock should be the same as Schedule D, Part 2, Section 1, Column 8, line 8599999.

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS

FR045, FR046, FR047 and FR048

References to MODCO and funds withheld reinsurance agreements apply to <u>all</u> treaties in effect.

Basis of Factors

When the default risk in modified coinsurance (MODCO) and other reinsurance transactions with funds withheld is transferred, this transfer should be recognized by reducing the RBC for the ceding insurer and increasing it for the assuming insurer. In the event that the entire asset credit and variability in statement value risk associated with the assets supporting the business reinsured is not transferred to the assuming insurer for the entire duration of the reinsurance treaty, the RBC for the ceding company should not be reduced.

<u>Assets</u>

The total RBC related to assets (i.e., bonds, mortgages, unaffiliated preferred and common stock, separate accounts, real estate and other long-term assets) in MODCO or Funds Withheld reinsurance agreements, should be reduced (increased) by the amounts of RBC ceded (assumed). There is a separate line in each asset section to achieve this reduction (i.e., "Reduction in RBC for MODCO or Funds Withheld reinsurance ceded agreements"). The amount ceded is determined using the assets supporting the ceded liabilities as of Dec. 31. (In some instances, there may be assets in a trust that exceed the amount needed to support the liabilities; only the portion of assets used to support the ceded liabilities is used to determine the ceded RBC). The ceding company will need to supply the assuming company with sufficient information in order for the assuming company to determine the amount of RBC assumed. With the exception of the impact of the size factor, the amount of RBC ceded should be equal to the amount of RBC assumed. Put another way, there should be "mirror imaging" of RBC, except for the impact of the size factor. For MODCO or Funds Withheld reinsurance agreements, there will be no specific, line-by-line inventory of ceded assets and corresponding ceded RBC; however, ceding and assuming companies must keep detailed records and be prepared to produce those records upon request. The ceding company is required to supply the assuming company with sufficient information in order for the assuming company to determine the amount of RBC assumed.

A reinsurer that has not received such information shall calculate MODCO adjustments for reinsurance assumed as follows:

- If the reinsurer has received data for periods prior to the effective date of the RBC filing, a "MODCO liability ratio" will be developed by comparing the MODCO liabilities at the filing date to the MODCO liabilities as of the last date for which data were received. The required capital for MODCO assumed is the required capital as calculated based on these data multiplied by the "MODCO liability ratio."
- If the reinsurer has never received data from the ceding company, a "MODCO liability ratio" will be developed by comparing the MODCO liabilities at the filing date to the reinsurer's total invested assets (Page 2, Line 11 of the blue blank, or its equivalent). The required capital for MODCO assumed is the reinsurer's required capital as calculated prior to MODCO ceded and assumed adjustments multiplied by the "MODCO liability ratio."

Adjustments for MODCO or Funds Withheld reinsurance agreements should be based on pre-tax factors.

<u>Size Factor</u>

Societies with MODCO or Funds Withheld reinsurance agreements should adjust the company's year-end size factors according to the way the bonds are handled in the treaties. The assuming insurer includes the bonds that support its share of the liabilities; the ceding insurer includes the bonds that support its share of the liabilities. No adjustment is made for bonds purchased subsequent to June 30 of the valuation year and that solely support ceded liabilities.

Mortgages
The amount of RBC for mortgages is based upon the ceding insurer's calculation for the mortgages, or portion of these mortgages, which support the ceded liabilities. Thus, the amount of RBC ceded is equal to the amount of RBC assumed.

Specific Instructions for Application of the Formula

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Ceded - Bonds C-1o
FR045

Column 4
Enter by reinsurer, the amount of C-1o RBC the company has ceded that is attributable to bonds. The "total" should equal the total amount of the reduction in C-1o RBC shown on Line (19) of page FR002 Bonds.

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Assumed - Bonds C-1o
FR046

Column 4
Enter by ceding company, the amount of C-1o RBC the company has assumed that is attributable to bonds. The "total" should equal the total amount of the increase in C-1o RBC shown on Line (20) of page FR002 Bonds.

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Ceded – All Other Assets C-0, C-1o And C-1cs
FR047

Column 4
Enter by reinsurer, the amount of C-0, C-1o And C-1cs RBC the company has ceded that is attributable to all assets except bonds. The "total" should equal the total amount of the reduction of C-0, C-1o And C-1cs RBC attributable to all assets except bonds for MODCO and funds withheld agreements.

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Assumed – All Other C-0, C-1o And C-1cs
FR048

Column 4
Enter by ceding company, the amount of C-0, C-1o And C-1cs RBC the company has assumed that is attributable to all assets except bonds. The "total" should equal the total amount of the increase in C-0, C-1o And C-1cs RBC attributable to all assets except bonds for MODCO and funds withheld agreements.

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 FR027 Interest Rate Risk and Market Risk. Line (5) is calculated as FR027 Interest Rate and Market Risk Column (3) Line (17) times **(1-enacted maximum federal corporate income tax rate)** plus FR027 Interest Rate and Market Risk Column (3) Line (16) times **(1-enacted maximum federal corporate income tax rate)** minus any equity indexed product amounts included in these totals times **(1-enacted maximum federal corporate income tax rate)**.

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 FR027 Interest Rate and Market Risk Column (3) (Line (22) + (27) + (29) + (30) + (31) + (35)) x **(1-enacted maximum federal corporate income tax rate)** 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 FR027 Interest Rate Risk and Market Risk. Line (16) is calculated as FR027 Interest Rate Risk and Market Risk Column (3) Line (17) times **(1-enacted maximum federal corporate income tax rate)** plus FR027 Interest Rate Risk and Market Risk Column (3) Line (16) times **(1-enacted maximum federal corporate income tax rate)** minus any equity-indexed product amounts included in these totals times **(1-enacted maximum federal corporate income tax rate)**.

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 FR027 Interest Rate Risk and Market Risk. Line (17) is calculated as FR027 Interest Rate Risk and Market Risk Column (3) Line (17) times 6.5 times **(1-enacted maximum federal corporate income tax rate)** minus any equity-indexed product amounts included in these totals times 6.5 times **(1-enacted maximum federal corporate income tax rate)**.

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 FR027 Interest Rate Risk and Market Risk Column (3) (Line (22) + (27) + (29) + (30) + (31) + (35)) x **(1-enacted maximum federal corporate income tax rate)** 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 not exempt from 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 rate income tax rate)** to put it on a pre-tax basis for FR027 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 C3P2 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 scenario testing methodology are contained in Appendix 1a.

- In order to allow time for the additional work effort, an estimated value is permitted for the year-end annual statement. For the RBC electronic filing, the actual results of the cash flow testing for C-3 RBC will be required. If the actual RBC value exceeds that estimated earlier in the blanks filing by more than 5 percent, or if the actual value triggers regulatory action, a revised filing with the NAIC and the state of domicile is required by June 15; otherwise, re-filing is permitted but not required.

- The risk-based capital submission is to be accompanied by a statement from the appointed actuary certifying that in his or her opinion the assumptions used for these calculations are not unreasonable for the products, scenarios and purpose being tested. This C-3 Assumption Statement is required from the appointed actuary even if the cash flow testing for C-3 RBC is done by a different actuary.

- The cash flow testing used for this purpose will use the same assumptions as to cash flows, assets associated with tested liabilities, future investment strategy, rate spreads, "as-of" date and how negative cash flow is reflected consistent with those used for cash flow testing for asset adequacy purposes (except that if negative cash flow is modeled by borrowing, the actuary needs to make sure that the amount and cost of borrowing are reasonable for that particular scenario of the C-3 testing). The other differences are the interest scenarios assumptions and how the results are used.

  It is important that assumptions be reviewed for reasonableness under the severe scenarios used for C-3 RBC cash flow testing. The assumptions used for cash flow testing may need to be modified so as to produce reasonable results in severe scenarios.

- The actuary must also ensure that the cash flow testing used for the 50 or 12 scenarios does not double-count cash flow offsets to the interest rate risks. That is, that the calculations do not reduce C-3 and another RBC component for the same margins. For example, certain reserve margins on some guaranteed separate account products serve an AVR role and are credited against the C-1o requirement. To that degree, these margins should be removed from the reserve used for C-3 RBC cash flow testing.

Appendix 1a – Cash Flow Testing for C-3 RBC Methodology

General Approach

1. The underlying asset and liability model(s) are those used for year-end Asset Adequacy Analysis cash flow testing, or a consistent model.

2. Run the scenarios (12 or 50) produced from the interest-rate scenario generator.

3. The statutory capital and surplus position, S(t), should be captured for every scenario for each calendar year-end of the testing horizon. The capital and surplus position is equal to statutory assets less statutory liabilities for the portfolio.

4. For each scenario, the C-3 measure is the most negative of the series of present values S(t)*pv(t), where pv(t) is the accumulated discount factor for t years using 105 percent of the after-tax one-year Treasury rates for that scenario. In other words:

$$pv(t) = \prod_{1}^{t} 1/(1+i_t)$$

5. Rank the scenario-specific C-3 measures in descending order, with scenario number 1's measure being the positive capital amount needed to equal the very worst present value measure.

6. Taking the weighted average of a subset of the scenario specific C-3 scores derives the final C-3 after-tax factor.

   (a) For the 50 scenario set, the C-3 scores are multiplied by the following series of weights:

   ---------------------------------- Weighting Table ----------------------------------

Scenario Rank:	17	16	15	14	13	12	11	10	9	8	7	6	5
Weight:	0.02	0.04	0.06	0.08	0.10	0.12	0.16	0.12	0.10	0.08	0.06	0.04	0.02

   The sum of these products is the C-3 charge for the product.

   (b) For the 12 scenario set, the charge is calculated as the average of the C-3 scores ranked 2 and 3, but cannot be less than half the worst scenario score.

7. If multiple asset/liability portfolios are tested and aggregated, an aggregate C-3 charge can be derived by first summing the S(t)'s from all the portfolios (<u>by scenario</u>) and then following Steps 2 through 6 above. An alternative method is to calculate the C-3 score by scenario for each product, sum them by scenario, then order them by rank and apply the above weights.

Single Scenario C-3 Measurement Considerations

1. GENERAL METHOD - This approach incorporates interim values, consistent with the approach used for bond, mortgage and mortality RBC factor quantification. The approach establishes the risk measure in terms of an absolute level of risk (e.g., solvency) rather than volatility around an expected level of risk. It also recognizes reserve conservatism, to the degree that such conservatism hasn't been used elsewhere.

2. INITIAL ASSETS = RESERVES - Consistent with appointed actuary practice, the cash flow models are run with initial assets equal to reserves; that is, no surplus assets are used.

3. AVR - Existing AVR-related assets should not be included in the initial assets used in the C-3 modeling. These assets are available for future credit loss deviations over and above expected credit losses. In cash flow modeling, expected credit losses are typically modeled without deviations. 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 cash flow modeling. (Deviations from expected are covered by both the AVR and the C-1 risk capital.)

4. IMR - IMR assets should be used for C-3 modeling. (Also see #9 – Disinvestment Strategy).

5. INTERIM MEASURE - Retained statutory surplus (i.e., statutory assets less statutory liabilities) is used as the year-to-year interim measure.

6. TESTING HORIZONS - Surplus adequacy should be tested over a period that extends to a point at which contributions to surplus on a closed block are immaterial in relationship to the analysis. If some products are being cash flow tested for Asset Adequacy Analysis over a longer period than the 30 years generated by the interest-rate scenario generator, the scenario rates should be held constant at the year 30 level for all future years. A consistent testing horizon is important for all lines if the C-3 results from different lines of business are aggregated.

7. TAX TREATMENT - The tax treatment should be consistent with that used in Asset Adequacy Analysis. Appropriate disclosure of tax assumptions may be required.

8. REINVESTMENT STRATEGY - The reinvestment strategy should be that used in Asset Adequacy Analysis modeling.

9. DISINVESTMENT STRATEGY - In general, negative cash flows should be handled just as they are in the Asset Adequacy Analysis. The one caveat is, since the RBC scenarios are more severe, models that depend on borrowing need to be reviewed to be confident that loans in the necessary volume are likely to be available under these circumstances at a rate consistent with the model's assumptions. If not, adjustments need to be made.

   If negative cash flows are handled by selling assets, then appropriate modeling of contributions and withdrawals to the IMR need to be reflected in the modeling.

10. STATUTORY PROFITS RETAINED - The measure is based on a profits retained model, anticipating that statutory net income earned one period is retained to support capital requirements in future periods. In other words, no stockholder dividends are withdrawn, but policyholder dividends, excess interest, declared rates, etc., are modeled realistically and assumed, paid or credited.

11. LIABILITY and ASSET ASSUMPTIONS - The liability and asset assumptions should be those used in Asset Adequacy Analysis modeling. Disclosure of these assumptions may be required.

12. SENSITIVITY TESTING - Key assumptions shall be stress tested (e.g., lapses increased by 50 percent) to evaluate sensitivity of the resulting C-3 requirement to the various assumptions made by the actuary. Disclosure of these results may be required.

Appendix 1b - Frequently Asked Questions for Cash Flow Testing for C-3 RBC

1. Where can the scenario generator be found? What is needed to run it?

   The scenario generator is a Microsoft Excel spreadsheet. By entering the Treasury yield curve at the date for which the testing is done, it will generate the sets of 50 or 12 scenarios. It requires Windows 95 or higher. This spreadsheet and instructions are available on the NAIC Web site at http://www.naic.org/cmte_e_lrbc.htm). It is also available on diskette from the American Academy of Actuaries.

2. The results of the scenario testing may be sensitive information in some instances. How can it be kept confidential?

   As provided for in Section 8 of the Risk-Based Capital (RBC) For Insurers Model Act, all information in support of and provided in the RBC reports (to the extent the information therein is not required to be set forth in a publicly available annual statement schedule) with respect to any domestic or foreign insurer, which is filed with the commissioner constitute information that might be damaging to the insurer if made available to its competitors, and therefore shall be kept confidential by the commissioner. This information shall not be made public or be subject to subpoena, other than by the commissioner and then only for the purpose of enforcement actions taken by the commissioner under the RBC For Insurers Model Act or any other provision of the insurance laws of the state.

3. The definition of the annuities category talks about "debt incurred for funding an investment account…" Could you give a specific description of what is intended?

   One example is a situation where an insurer is borrowing under an advance agreement with a federal home loan bank, under which agreement collateral, on a current fair value basis, is required to be maintained with the bank. This arrangement has many of the characteristics of a GIC, but is classified as debt.

4. The instructions specify that assumptions consistent with those used for Asset Adequacy Analysis testing be used for C-3 RBC, but my company cash flow tests a combination of universal life and annuities for that analysis and using the same assumptions will produce incorrect results. What was intended in this situation?

   Where this situation exists, assumptions should be used for the risk-based capital work that are consistent with those used for the Asset Adequacy Cash Flow Testing. In other words, the assumptions used should be appropriate to the annuity component being evaluated for RBC and consistent with the overall assumption set used for Asset Adequacy Analysis.

Appendix 2 - Commonly Used Health Insurance Terms

The Definitions Of Commonly Used Terms are frequently duplicates from the main body of the text. If there are any inconsistencies between the definitions in this section and the definitions in the main body of the instructions, the main body definition should be used.

Administrative Expenses - Costs associated with the overall management and operations of the insurer that are not directly related to, or in direct support of providing medical services. Expenses to administer ASC, ASO business and related revenue must be identified separately from underwritten business. Commission payments and premium taxes are excluded for RBC calculation purposes.

Administrative Services Contract (ASC) - A contract where the company agrees to provide administrative services, such as claims processing, for a third party that is at risk, and accordingly, the administrator has not issued an insurance policy, regardless of whether an identification card is issued. The administrator may arrange for provision of medical services through a contracted or employed provider network. The plan (whether insured by another reporting entity or self-insured) bears all of the insurance risk, and there is not possibility of loss or liability to the administrator caused by claims incurred related to the plan. Claims are paid from the reporting entity's own bank accounts, and only subsequently receives reimbursement from the uninsured plan sponsor.

ASC Reimbursements - Funds received by the company under an ASC contract as reimbursement for claims payments and for expenses associated with administering the contract.

Administrative Services Only (ASO) - A contract where the company agrees to provide administrative services, such as claims processing, for a third party that is at risk, and accordingly, the administrator has not issued an insurance policy, regardless of whether an identification card is issued. The administrator may arrange for provision of medical services through a contracted or employed provider network. The plan (whether insured by another reporting entity or self-insured) bears all of the insurance risk, and there is not possibility of loss or liability to the administrator caused by claims incurred related to the plan. Claims are paid from a bank account owned and funded directly by the uninsured plan sponsor; or, claims are paid from a bank account owned by the reporting entity, but only after the reporting entity has received funds from the uninsured plan sponsor that are adequate to fully cover the claim payments.

ASO Reimbursements - Funds received by the company under an ASO contract as fees for expenses associated with administering the contract.

Aggregate Cost Payments - The aggregate cost method of reimbursement is where a health plan has a reimbursement plan with a corporate entity that directly provides care, where (1) the health plan is contractually required to pay the total operating costs of the corporate entity, less any income to the entity from other users of services; and (2) there are mutual unlimited guarantees of solvency between the entity and the health plan, which put their respective capital and surplus at risk in guaranteeing each other.

Intermediary - An intermediary is a person, corporation or other business entity (not licensed as a medical provider) that arranges, by contracts with physicians and other licensed medical providers, to deliver health services for an insurer and its enrollees via a separate contract between the intermediary and the insurer.

Managed Care Organization (MCO) - Any person, corporation or other entity (other than an insurer) that enters into arrangements or agreements with licensed medical providers or intermediaries for the purpose of providing or offering to provide a plan of health benefits directly to individuals or employer groups in consideration for an advance periodic charge (premium) per member covered.

Maximum Retained Risk - The maximum level of potential claim exposure (capped at $750,000 for medical coverage and $25,000 for all other coverage) resulting from coverage on a single member of an insurer. Maximum retained risk for companies providing “professional component” (non-hospital) coverage will be capped at $375,000. Where specific stop-loss reinsurance protection is in place, this is equal to the highest attachment point on such stop-loss reinsurance, subject to the following:

> Where coverage under the stop-loss protection (plus retention) with the highest attachment point is capped at less than $750,000 per member ($375,000 for companies providing “professional component” coverage only), the maximum retained loss will be equal to the attachment point plus the difference between the coverage (plus retention) and $750,000.
>
> Where the stop-loss layer is subject to participation by the insurer, the maximum retained risk as calculated above will be increased by the insurer’s participation in the stop-loss layer (up to $750,000 less retention).

Professional Services - Health care services provided by a physician or other health care practitioner licensed, accredited or certified to perform specified health services consistent with state law.

Provider Stop-loss - Coverage afforded to a provider via the risk-sharing mechanisms within the contract with such provider in exchange for a reduced payment to the provider. Also includes insurance (not reinsurance) purchased by the provider (or an intermediary) directly from a licensed insurer.

Regulated Intermediary - A regulated intermediary is an intermediary (affiliated or not) subject to state regulation and required to file the MCO RBC formula with the state. (See also Intermediary.)

Risk Revenue - Amounts charged by the reporting insurer as a provider or intermediary for specified medical services provided to the policyholders or members of another insurer or MCO. Unlike premiums, which are collected from an employer group or individual member, risk revenue is the prepaid (usually on a capitated basis) payments, made by another insurer or MCO to the reporting company in exchange for services to be provided or offered by such organization. Payments to providers under risk revenue arrangements are included in the RBC calculation at the same factor as premiums and are subject to the same managed care credit categories. *NOTE: RISK REVENUE IS VERY SIMILAR TO REINSURANCE ASSUMED.*

Specified Disease Coverage - Coverage that provides primarily pre-determined benefits for expenses in the care of cancer and/or other specified diseases.

Stop-Loss Coverage - Coverage for a self-insured group plan, a provider/provider group or non-proportional reinsurance of a medical insurance product. Coverage may apply on a specific basis, an aggregate basis or both. Specific coverage means that the stop-loss carriers’ risk begins after a minimum of at least $5,000 of claims for any one covered life has been covered by the group plan, provider/provider group or direct writer. Aggregate coverage means that the stop-loss carriers’ risk begins after the group plan, provider/provider group or direct writer has retained at least 90 percent of expected claims or the economic equivalent.

APPENDIX 3 – COMMONLY USED TERMS FOR STAND-ALONE MEDICARE PART D COVERAGE

The federal Centers for Medicare and Medicaid Services (CMS) oversees the Stand-Alone Medicare Part D prescription drug coverage, including both coverage provided through a stand-alone Prescription Drug Plan (PDP) and coverage provided as part of a Medicare Advantage plan. **The** terms **are** defined **in INT 05-05: Accounting for Revenue under Medicare Part D Coverage.**

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Affix Bar Code Here

COMPANY INFORMATION PAGE (JURAT)
Fraternal Risk-Based Capital
For the Year Ending December 31, 2018

(A) Company Name

(B) NAIC Group Code

(C) NAIC Company Code

(D) Employer's ID Number

(E) Organized under the Laws of the State of

Contact Person for Risk-Based Capital:

(F) First Name

(G) Middle

(H) Last Name

(I) Mail Address of Contact Person

(Street and Number or P.O. Box)

(J) City

(K) State

(L) Zip

(M) Phone Number of RBC Contact Person

Extension

(N) E-mail Address of RBC Contact Person

(O) Date Prepared

(P) Preparer (if different than Contact)

First Name | Middle | Last Name

(Q) Is this filing an Original, Amended or Refiling?

(Q1) If Amended, Amendment Number:

(R) Were any items that come directly from the annual statement entered manually for this filing? (Yes or No)

Officers Name:

Officers Title:

Each says that they are the above described officers of the said reporting entity, and that this risk-based capital report is a true and fair representation of the reporting entity's affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief, respectively.

(Signature) | (Signature) | (Signature)

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

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 0.000	=
(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 0.300	=
(8)	Total Long-Term Bonds (Column (1) should equal Page 2 Column 3 Line 1 + Schedule DL Part 1 Column 6 Line 7099999 - Schedule D Part 1A Section 1 Column 7 line 7.7)	Sum of Lines (1) through (7)			
	Short Term Bonds				
(9)	Exempt Obligations	AVR Default Component Column 1 Line 18		X 0.000	=
(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 0.300	=
(16)	Total Short-Term Bonds (Column (1) should equal Schedule DA Part 1 Column 7 Line 8399999 + Schedule DL Part 1 Column 6 Line 8999999 + FR012 Miscellaneous Assets Column (1) Line (2.2))	Sum of Lines (9) through (15)			
(17)	Total Long-Term and Short-Term Bonds (pre-MODCO/Funds Withheld)	Line (8) + (16)			
(18)	Credit for Hedging	FR014 Hedged Asset Bond Schedule Column 13 Line 0399999			
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	FR045 Modco or Funds Withheld Reinsurance Ceded - Bonds C-1o Column (4) Line (9999999)			
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	FR046 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 in 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 manual entry items that do not come directly from the annual statement.

MORTGAGE EXPERIENCE ADJUSTMENT

Under the new RBC and AVR methodology for Commercial and Farm Mortgages this value will no longer be used and its determination is not necessary.

MORTGAGES

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Involuntary Reserve Adjustment†	(3) RBC Subtotal	(4) Cumulative Writedowns‡	(5) Average Factor	(6) RBC Requirement
	In Good Standing							
(1)	Residential Mortgages-Insured or Guaranteed	AVR Default Component Column 1 Line 40				XXX	X 0.0014 =	
(2)	Residential Mortgages-All Other	AVR Default Component Column 1 Line 41				XXX	X 0.0068 =	
(3)	Commercial Mortgages-Insured or Guaranteed	AVR Default Component Column 1 Line 42				XXX	X 0.0014 =	
(4)	Commercial Mortgages - All Other - Category CM1	AVR Default Component Column 1 Line 43				XXX	X 0.0090 =	
(5)	Commercial Mortgages - All Other - Category CM2	AVR Default Component Column 1 Line 44				XXX	X 0.0175 =	
(6)	Commercial Mortgages - All Other - Category CM3	AVR Default Component Column 1 Line 45				XXX	X 0.0300 =	
(7)	Commercial Mortgages - All Other - Category CM4	AVR Default Component Column 1 Line 46				XXX	X 0.0500 =	
(8)	Commercial Mortgages - All Other - Category CM5	AVR Default Component Column 1 Line 47				XXX	X 0.0750 =	
(9)	Total Commercial Mortgages-All Other	Lines (4) + (5) + (6) + (7) + (8)						
(10)	Farm Mortgages - Category CM1	AVR Default Component Column 1 Line 35				XXX	X 0.0090 =	
(11)	Farm Mortgages - Category CM2	AVR Default Component Column 1 Line 36				XXX	X 0.0175 =	
(12)	Farm Mortgages - Category CM3	AVR Default Component Column 1 Line 37				XXX	X 0.0300 =	
(13)	Farm Mortgages - Category CM4	AVR Default Component Column 1 Line 38				XXX	X 0.0500 =	
(14)	Farm Mortgages - Category CM5	AVR Default Component Column 1 Line 39				XXX	X 0.0750 =	
(15)	Total Farm Mortgages	Lines (10) + (11) + (12) + (13) + (14)						
	90 Days Overdue, Not in Process of Foreclosure							
(16)	Farm Mortgages - Category CM6	AVR Default Component Column 1 Line 48					X £ =	
(17)	Residential Mortgages-Insured or Guaranteed	AVR Default Component Column 1 Line 49					X £ =	
(18)	Residential Mortgages-All Other	AVR Default Component Column 1 Line 50					X £ =	
(19)	Commercial Mortgages-Insured or Guaranteed	AVR Default Component Column 1 Line 51					X £ =	
(20)	Commercial Mortgages-All Other - Category CM6	AVR Default Component Column 1 Line 52					X £ =	
	In Process of Foreclosure							
(21)	Farm Mortgages - Category CM7	AVR Default Component Column 1 Line 53					X £ =	
(22)	Residential Mortgages-Insured or Guaranteed	AVR Default Component Column 1 Line 54					X £ =	
(23)	Residential Mortgages-All Other	AVR Default Component Column 1 Line 55					X £ =	
(24)	Commercial Mortgages-Insured or Guaranteed	AVR Default Component Column 1 Line 56					X £ =	
(25)	Commercial Mortgages-All Other - Category CM7	AVR Default Component Column 1 Line 57					X £ =	
	Due and Unpaid Taxes							
(26)	Due and Unpaid Taxes on Mortgages Overdue, Not in Process of Foreclosure	Schedule B Part 1 Footnote #3 1st amount					X 1.000 =	
(27)	Due and Unpaid Taxes on Foreclosed Mortgages	Schedule B Part 1 Footnote #4 1st amount					X 1.000 =	
(28)	Total Mortgages (including due and unpaid taxes) (Column (1) should equal Page 2 Column 3 Lines 3.1 + 3.2 + Schedule B Part 1 Footnote #3 1st amount + Schedule B Part 1 Footnote #4 1st amount).	Lines (1) + (2) + (3) + (9) + (15) plus the Sum of Lines (16) 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 Mortgages (including MODCO/Funds Withheld.)	Lines (28) - (29) + (30)						

† Involuntary reserves are reserves that are held with respect to a particular asset that is clearly a troubled asset and are included on Page 3 Line 22 of the Annual Statement.
‡ Cumulative writedowns include the total amount of writedowns, non-admissions, and involuntary reserves that have been taken or established with respect to a particular mortgage.
£ For Lines (16) through (20) and Lines (21) through (25), Column (5) is calculated as Column (6) divided by Column (3).

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 0.300 =	
(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 0.300 =	
(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 Federal Home Loan Bank Common Stock	AVR Equity Component Column 1 Line 3				X 0.011 =	
(23)	Less Unaffiliated Private Common Stock	AVR Equity Component Column 1 Line 2				X 0.300 =	
(24)	Net Other Unaffiliated Public Common Stock	Lines (19) - (20) - (21) - (22) - (23)				X † =	
(25)	Total Admitted Unaffiliated Common Stock (pre-MODCO/Funds Withheld)	Lines (22) + (23) + (24)					
	(Column 1 should equal Schedule D Summary by Country Column 1 Line 25 less Line 24 less Line (21))						
(26)	Credit for Hedging	LR015 Hedged Asset Common Stock Schedule Column 10 Line 0299999					
(27)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					
(28)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					
(29)	Total Admitted Unaffiliated Common Stock (including MODCO/Funds Withheld and Credit for Hedging.)	Lines (25) - (26) - (27) + (28)					

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

SEPARATE ACCOUNTS

			(1) Book / Adjusted Carrying Value		(2) Factor or Calc§		(3) RBC Requirement
	Separate Accounts with Guarantees	Annual Statement Source					
(1)	Guaranteed Indexed	Page 2 Column 3 Line 27 in part		X	§	=	*
(2)	Non-Indexed, Reserved at Book Value	Company records			RBC x 1.000		
(3)	Non-Indexed, Reserved at Fair Value	Company records			RBC x 1.000 (less "haircut")		
(4)	Total Assets in Separate Accounts with Guarantees† (pre-MODCO/Funds Withheld)	Lines (1) + (2) + (3)					
(5)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					
(6)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					
(7)	Total Assets in Separate Accounts with Guarantees (including MODCO/Funds Withheld.)	Lines (4) - (5) + (6)					
	Synthetic GIC's						
(8)	Synthetic GIC's C-1 Requirement	Company Records (enter a pre-tax amount)			RBC x 1.000 (less "haircut")		
	Surplus in Non-Guaranteed Separate Accounts						
(9)	Assets in Separate Accounts	Page 2 Column 3 Line 27 in part		X	0.110	=	
(10)	Less Liabilities in Separate Accounts	Page 3 Column 1 Line [illegible] in part		X	0.110	=	
(11)	Expense Allowance Transfers - All Other	Page 3 Column 1 Line 12‡ in part		X	0.110	=	
(12)	Expense Allowance Transfers - Surrender Charge Based on Fund Contribution and the Fund Balance Exceeds the Sum of the Premiums Less Withdrawals	Page 3 Column 1 Line 12‡ in part		X	0.024	=	
(13)	Total Surplus in Non-Guaranteed Separate Accounts†	Lines (9) - (10) + (11) + (12)					
(14)	Total Separate Accounts Assets (Column (1) should equal Page 2 Column 3 Line 27)	Lines (4) + (13)					

† The amount reported in Column (1) should not be less than zero.
‡ The expense allowance transfers for Lines (11) and (12) should be entered as a positive value in Column (1).
§ If Column (1) is not equal to zero, Column (2) is calculated as Column (3) divided by Column (1).
* Column (3) is calculated according to the risk-based capital instructions.

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

REAL ESTATE

		Annual Statement Source	(1) Book / Adjusted Carrying Value		(2) Average Factor		(3) RBC Requirement ‡
	Real Estate						
(1)	Company Occupied Real Estate	AVR Equity Component Column 1 Line 18					
(2)	Company Occupied Encumbrances	AVR Equity Component Column 3 Line 18					
(3)	Total Company Occupied Real Estate	Line (1) + (2)		X		=	
(4)	Foreclosed Real Estate	AVR Equity Component Column 1 Line 20					
(5)	Foreclosed Encumbrances	AVR Equity Component Column 3 Line 20					
(6)	Total Foreclosed Real Estate	Line (4) + (5)		X	†	=	
(7)	Investment Real Estate	AVR Equity Component Column 1 Line 19					
(8)	Investment Encumbrances	AVR Equity Component Column 3 Line 19					
(9)	Total Investment Real Estate	Line (7) + (8)		X	†	=	
(10)	Total Real Estate (pre-MODCO/Funds Withheld)	Lines (3) + (6) + (9)					
(11)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					
(12)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					
(13)	Total Real Estate (including MODCO/Funds Withheld.)	Lines (10) - (11) + (12)					
	Schedule BA Real Estate						
(14)	Schedule BA Real Estate	Schedule BA Part 1 Column 11 Line 1799999 + Line 1899999, in part					
(15)	Schedule BA Real Estate Encumbrances	Schedule BA Part 1 Column 12 Line 1799999 + Line 1899999, in part					
(16)	Total Schedule BA Real Estate Excluding Low Income Housing Tax Credits Included Below	Line (14) + (15)		X	†	=	
(17)	Federal Guaranteed Low Income Housing Tax Credits	AVR Equity Component Column 1 Line 75		X	0.0014	=	
(18)	Federal Non-Guaranteed Low Income Housing Tax Credits	AVR Equity Component Column 1 Line 76		X	0.0260	=	
(19)	State Guaranteed Low Income Housing Tax Credits	AVR Equity Component Column 1 Line 77		X	0.0014	=	
(20)	State Non-Guaranteed Low Income Housing Tax Credits	AVR Equity Component Column 1 Line 78		X	0.0260	=	
(21)	All Other Low Income Housing Tax Credits	AVR Equity Component Column 1 Line 79		X	0.1500	=	
(22)	Total Schedule BA Real Estate (pre-MODCO/Funds Withheld)	Lines (16) + (17) + (18) + (19) + (20) + (21)					
(23)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)					
(24)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)					
(25)	Total Schedule BA Real Estate (including MODCO/Funds Withheld)	Lines (22) - (23) + (24)					

† Column (2) is calculated as Column (3) divided by Column (1).
‡ The RBC requirement is calculated for each individual property and then summarized on this page. Refer to the worksheet included in the Real Estate portion of the instructions.

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

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

OTHER LONG-TERM ASSETS (CONTINUED)

Line	Description	Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) NAIC 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)					

† 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 [illegible] through (17). Column (2) equals Column (3) - Column (1) for Line (52.3).

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

OTHER LONG-TERM ASSETS (CONTINUED)

		Annual Statement Source	(1) Book / Adjusted Carrying Value	(2) Unrated Items ‡	(3) NAIC 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 [illegible]					
(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)					

† 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).

§ 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 37.5 percent in the same manner that the similar 15.8 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 manual entry items that do not come directly from the annual statement.

SCHEDULE BA MORTGAGES

	Annual Statement Value	(1) Book / Adjusted Carrying Value	(2) Involuntary Reserve Adjustment †	(3) RBC Subtotal	(4) Cumulative Writedowns ‡		(5) Average Factor		(6) RBC Requirement
In Good Standing									
(1) Insured or Guaranteed	AVR Equity Component Column 1 Line 43 + Line 45				XXX	X	0.0014	=	
(2) Unaffiliated Mortgages with Covenants	AVR Equity Component Column 1 Line 57				XXX	X	*	=	
(3) Unaffiliated Mortgages - Defeased with Government Securities	AVR Equity Component Column 1 Line 58				XXX	X	0.0090	=	
(4) Unaffiliated Mortgages - Primarily Senior	AVR Equity Component Column 1 Line 59				XXX	X	0.0175	=	
(5) Unaffiliated Mortgages - All Other	AVR Equity Component Column 1 Line 60				XXX	X	0.0300	=	
(6) Affiliated Mortgages - Category CM1	AVR Equity Component Column 1 Line 38				XXX	X	0.0090	=	
(7) Affiliated Mortgages - Category CM2	AVR Equity Component Column 1 Line 39				XXX	X	0.0175	=	
(8) Affiliated Mortgages - Category CM3	AVR Equity Component Column 1 Line 40				XXX	X	0.0300	=	
(9) Affiliated Mortgages - Category CM4	AVR Equity Component Column 1 Line 41				XXX	X	0.0500	=	
(10) Affiliated Mortgages - Category CM5	AVR Equity Component Column 1 Line 42				XXX	X	0.0750	=	
(11) Total In Good Standing	Sum of Lines (1) through (10)								
90 Days Overdue, Not in Process of Foreclosure									
(12) Insured or Guaranteed 90 Days Overdue	AVR Equity Component Column 1 Line 47 + Line 49					X	£	=	
(13) All Other 90 Days Overdue - Unaffiliated	AVR Equity Component Column 1 Line 61					X	£	=	
(14) All Other 90 Days Overdue - Affiliated	AVR Equity Component Column 1 Line 48 + Line 50					X	£	=	
(15) Total 90 Days Overdue, Not in Process of Foreclosure	Lines (12) + (13) + (14)								
In Process of Foreclosure									
(16) Insured or Guaranteed in Process of Foreclosure	AVR Equity Component Column 1 Line 52 + Line 54					X	£	=	
(17) All Other in Process of Foreclosure - Unaffiliated	AVR Equity Component Column 1 Line 62					X	£	=	
(18) All Other in Process of Foreclosure - Affiliated	AVR Equity Component Column 1 Line 53 + Line 55					X	£	=	
(19) Total In Process of Foreclosure	Lines (16) + (17) + (18)								
(20) Total Schedule BA Mortgages (pre-MODCO/Funds Withheld)	Lines (11) + (15) + (19)								
(21) Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	Company Records (enter a pre-tax amount)								
(22) Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	Company Records (enter a pre-tax amount)								
(23) Total Schedule BA Mortgages (including MODCO/Funds Withheld.)	Lines (20) - (21) + (22)								

† Involuntary reserves are reserves that are [illegible]lar asset that is clearly a troubled asset and are included on Page 3 Line 22 of the Annual Statement.
‡ Cumulative writedowns include the total amount of writedowns, non-admissions, and involuntary reserves that have been taken or established with respect to a particular mortgage.
* This will be the factor associated with the risk category determined in the company generated worksheet.
£ For Lines (12) through (14) and Lines (16) through (18), Column (5) is calculated as Column (6) divided by Column (3).

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 in[illegible]t 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 for 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.

COMMON STOCK CONCENTRATION FACTOR

		(1)	(2)		(3)		(4)	(5)	(6)
		Issuer Name	Book / Adjusted Carrying Value		Factor		Additional RBC	Adjustment/ Subsidiary RBC	RBC Requirement
(1)	Issuer #1			X	†	=			
(2)	Issuer #2			X	†	=			
(3)	Issuer #3			X	†	=			
(4)	Issuer #4			X	†	=			
(5)	Issuer #5			X	†	=			
(6)	Sum of Lines (1) through (5)								

† The factor for each common stock holding should equal 15 percent adjusted in the case of publicly traded common stock by the beta of a particular holding subject to a minimum of 11.25 percent and a maximum of 22.5 percent. The rules for calculating the beta adjustment are set forth in the Asset Valuation Reserve (AVR) section of the annual statement instructions.

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 0.300 =	
(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.

REPLICATION (SYNTHETIC ASSET) TRANSACTIONS AND MANDATORY CONVERTIBLE SECURITIES

	(1) RSAT Number	(2) Type	(3) CUSIP	(4) Description of Assets	(5) NAIC Designation or Other Description of Asset	(6) Value of Asset	(7) RBC Requirement
(0000001)							
(0000002)							
(0000003)							
(0000004)							
(0000005)							
(0000006)							
(0000007)							
(0000008)							
(0000009)							
(0000010)							
(0000011)							
(0000012)							
(0000013)							
(0000014)							
(0000015)							
(0000016)							
(0000017)							
(0000018)							
(0000019)							
(0000020)							
(0000021)							
(0000022)							
(0000023)							
(0000024)							
(0000025)							
(0000026)							
(0000027)							
(0000028)							
(0000029)							
(0000030)							
(0000031)							
(0000032)							
(0000033)							
(0000034)							
(0000035)							
(9999999)	xxxxx	xxxxx	xxxxx	Total	xxxxx		

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

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 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.

HEDGED ASSET COMMON STOCK SCHEDULE

	Hedging Instruments			Hedged Asset - Common Stock						RBC Credit	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Common Stock	Description †	Notional Amount †	Relationship Type of the Hedging Instrument and Hedged Asset	Description †	CUSIP †	Book / Adjusted Carrying Value †	Overlap with Insurer's Stock Portfolio ‡	RBC Factor §	Gross RBC Charge *	RBC Credit for Hedging Instruments £	Net RBC Charge **
(0200001)											
(0200002)											
(0200003)											
(0200004)											
(0200005)											
(0200006)											
(0200007)											
(0200008)											
(0200009)											
(0200010)											
(0200011)											
(0200012)											
(0200013)											
(0200014)											
(0200015)											
(0200016)											
(0200017)											
(0200018)											
(0200019)											
(0200020)											
(0200021)											
(0200022)											
(0200023)											
(0200024)											
(0200025)											
(0200026)											
(0200027)											
(0200028)											
(0200029)											
(0200030)											
(0299999)	Total		xxxxx	Total	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 maximum RBC credit of 94% of the C-1 asset charge for common stock hedges.

† Columns are derived from Investment Schedule.
‡ The portion of Column (2) Notional Amount of the Hedging Instrument that hedges Column (6) Book / Adjusted Carrying Value. This amount cannot exceed the Column (6) Book / Adjusted Carrying Value.
§ Factor based on NAIC C-1 RBC factors table.
* Column (6) Book Adjusted Carrying Value multiplied by Column (8) RBC Factor.
£ RBC credit for equity market risk reduction is limited to 94% of the C-1 Asset charge. Calculation: Column (7) Overlap with Insurer's Stock Portfolio multiplied by Column (8) RBC Factor multiplied by 94%.
** Column (9) Gross RBC Charge minus Column (10) 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	=	

		Annual Statement Source	(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 9 Line 0799999				X	-0.0078	=	
(9)	Affiliate Reinsurance Payable (Life)	Schedule S Part 1 Section 1 Column 11 Line 0799999				X	-0.0078	=	
(10)	Reinsurance Assumed on Unearned Premiums (A&H)	Schedule S Part 1 Section 2 Column 9 Line 0799999				X	-0.0078	=	
(11)	Reinsurance Assumed Other Reserved Credits (A&H)	Schedule S Part 1 Section 2 Column 10 Line 0799999				X	-0.0078	=	
(12)	Reinsurance Assumed - Losses (A&H)	Schedule S Part 1 Section 2 Column 11 Line 0799999				X	-0.0078	=	
	Reinsurance Payable Credit								
(13)	Reinsurance in Unauthorized and Certified Companies	Page 3 Column 1 Line 21.2				X	-0.0078	=	
(14)	Funds Held in Unauthorized and Certified Reinsurers	Page 3 Column 1 Line 21.3				X	-0.0078	=	
(15)	Funds Held in Authorized Reinsurers and Trusteed Collateral Supporting Authorized Reinsurance	Page 3 Column 1 Line 22 in part and Company Records				X	-0.0078	=	
(16)	Other Reinsurance Recoverable or Reserves "Reestablished" on Page 3	Page 3 Column 1 Line 22 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 manual entry items that do not come directly from the annual statement.

OFF-BALANCE SHEET AND OTHER ITEMS

		Annual Statement Source	(1) Statement Value	(2) Less Noncontrolled Assets Funding Guaranteed Separate Accounts Synthetic GIC's and Certain FHLB Liabilities	(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 # =		
(14)	Other	General Interrogatories Part 1 Line 25.32				X 0.0126 =		
(15)	Total Noncontrolled Assets	Sum of Lines (1) through (11) Plus Lines (12.3) through (14)						
	Derivative Instruments							
(16)	Exchange Traded and Centrally Cleared	Schedule DB Part D Section 1 Column [illegible], 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 0.300 =		
(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	Not Applicable to Fraternal				X ‡ =		
(33)	SSAP No. 101 Paragraph 11b Deferred Tax Assets	Not Applicable to Fraternal				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). For Column (2) include excess assets held by a FHLB but not associated with a FHLB advance (i.e. assets above the required collateral amount and therefore available to be recalled by the insurer). For Column (2) also include an amount equal to the lessor of Statement Value of FHLB liabilities subject to C3P1 Cash Flow Testing or 5% of total net admitted assets.**

‡ 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.

\# **In most instances, apply a factor based on the NAIC rating equivalent to an unsecured debt obligation of the FHLB. A higher factor applies if FHLB funded advance liabilities associated with spread-lending activities exceed 5% of total net admitted assets. This higher factor shall equal the factor for a Baa corporate bond asset factor (Line 14 Column 4). If the higher factor is applicable, the blended factor for column 4 shall be prorated based on the collateral in column 3 subject to the typical factor (i.e. liquidity and spread-lending below the limit) and the higher factor (only spread-lending above the limit).**

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	0.300		=	
(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	0.300		=	
(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		Not Applicable to Fraternal			†	=	XXX
(11)	Dental and Vision		Not Applicable to Fraternal			†	=	XXX
(12)	Stop Loss and Minimum Premium		Not Applicable to Fraternal		X	¥	=	
(13)	Medicare Supplement		Not Applicable to Fraternal			†	=	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		Not Applicable to Fraternal		X	*	=	
(18)	AD&D (Maximum Retained Risk Per Life	)	Not Applicable to Fraternal		X	‡	=	
(19)	Other Accident		Not Applicable to Fraternal		X	0.050	=	
(20)	Federal Employee Health Benefit Plan		Not Applicable to Fraternal		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		Not Applicable to Fraternal		X	‡	=	
(24)	Disability Income - Group Long-Term		Not Applicable to Fraternal		X	‡	=	
(25)	Disability Income-Credit Single Premium with Additional Reserves		Not Applicable to Fraternal		X	‡	=	
(26)	Disability Income-Credit Single Premium without Additional Reserves		Not Applicable to Fraternal		X	‡	=	
(27)	Disability Income - Group Short-Term		Not Applicable to Fraternal		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		Not Applicable to Fraternal		X	0.000	=	
(32)	Other Health		Earned Premium (Schedule H Part 1 Line 2 in part)		X	0.120	=	
(33)	Total Earned Premiums (Column (1) should equal Schedule H Part 1 Column 1 Line 2)		Sum of Lines (1) through (32)					
(34)	Additional Reserves for Credit Disability Plans		Not Applicable to Fraternal	§				
(35)	Additional Reserves for Credit Disability Plans, prior year		Not Applicable to Fraternal	§				

† The premium amounts in these lines are transferred to FR020 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 FR022 Underwriting Risk – Managed Care Credit. In which case, the company will also complete FR028 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 FR019 Health Premiums, the company will also be directed to complete the Health Administrative Expense portion of FR029 Business Risk in the (C-4) portion of the formula.

‡ The two tiered calculation is illustrated in the risk-based capital instructions for FR019 Health Premiums.

‡‡ The balance of the RBC requirement for Long-Term Care Morbidity Risk is calculated on page FR023. 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 [illegible] 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 (12) and a factor of .250 will be applied to the remaining premium in excess of $25,000,000.

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

UNDERWRITING RISK

Experience Fluctuation Risk

	Line of Business	(1) Comprehensive Medical	(2) Medicare Supplement	(3) Dental & Vision	(4) Stand-Alone Medicare Part D Coverage	(5) Total
(1.1)	Premium – Individual					
(1.2)	Premium – Group (Not Applicable to Fraternal)					
(1.3)	Premium – Total = Line (1.1) + Line (1.2)					
(2)	Title XVIII-Medicare†		XXX			
(3)	Title XIX-Medicaid†		XXX			
(4)	Other Health Risk Revenue†		XXX			
(5)	Underwriting Risk Revenue = Lines (1.3) + (2) + (3) + (4)					
(6)	Net Incurred Claims					
(7)	Fee-for-Service Offset†		XXX			
(8)	Underwriting Risk Incurred Claims = Line (6) – Line (7)					
(9)	Underwriting Risk Claims Ratio = Line (8) / Line (5)					XXX
(10.1)	Underwriting Risk Factor for Initial Amounts Of Premium‡	0.150	0.105	0.120	0.251	XXX
(10.2)	Underwriting Risk Factor for Excess of Initial Amount‡	0.0[illegible]	0.067	0.076	0.151	XXX
(10.3)	Composite Underwriting Risk Factor					XXX
(11)	Base Underwriting Risk RBC = Line (5) x Line (9) x Line (10.3)					
(12)	Managed Care Discount Factor = FR022 Line (17)					XXX
(13)	Base RBC After Managed Care Discount = Line (11) x Line (12)					
(14)	RBC Adjustment For Individual = [{Line(1.1) x 1.2 + Line (1.2)} / Line (1.3)] x Line (13)§					
(15)	Maximum Per-Individual Risk After Reinsurance†					XXX
(16)	Alternate Risk Charge*					
(17)	Net Alternate Risk Charge£					
(18)	Net Underwriting Risk RBC (Maximum of Line (14) or Line (17))					

† Source is company records unless already included in premiums.

‡ For Comprehensive Medical the Initial Premium Amount is $25,000,000 or the amount in Line (1.3) if smaller. For Medicare Supplement and Dental & Vision, the Initial Premium Amount is $3,000,000 or the amount in Line (1.3) if smaller. For Stand-Alone Medicare Part D the Initial Premium Amount is $25,000,000 or the amount in Line (1.3) if smaller.

§ Formula applies only to Column (1), for all other columns Line (14) should equal Line (13).

* The Line (16) Alternate Risk Charge is calculated as follows:

LESSER OF:	$1,500,000 or 2 x Maximum Individual Risk	$50,000 or 2 x Maximum Individual Risk	$50,000 or 2 x Maximum Individual Risk	$150,000 or 6 x Maximum Individual Risk	Maximum of Columns (1), (2), (3) and (4)

£ Applicable only if Line (16) for a column equals Line (16) for Column (5), otherwise zero.

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

UNDERWRITING RISK - OTHER

			(1)				(2)
		Annual Statement Source	Amount		Factor		RBC Requirement
(1)	Business with Rate Guarantees Between 15-36 Months	Company Records		X	0.024	=	
(2)	Business with Rate Guarantees Over 36 Months	Company Records		X	0.064	=	
(3)	Federal Employees Health Benefit Program (FEHBP) Claims Incurred	Company Records		X	0.020	=	
	Workers Compensation Carve-Out Risk						
(4)	Net Premiums Written	Not Applicable to Fraternal		X	0.364	=	
(5)	Claim Liability and Reserve	Not Applicable to Fraternal		X	0.347	=	
(6.1)	Reinsurance Recoverable Balances	Not Applicable to Fraternal					
(6.2)	Reinsurance Recoverable for Qualifying Voluntary Pools	Not Applicable to Fraternal					
(6.3)	All Other Reinsurance Recoverable Balances	Line (6.1) - Line (6.2)		X	0.060	=	
(7)	Total, Other Underwriting Risk	Lines (1) + (2) + (3) + (4) + (5) + (6.3)					

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

UNDERWRITING RISK – MANAGED CARE CREDIT

	Comprehensive Medical, Medicare Supplement and Dental Claim Payments	Annual Statement Source	(2) Paid Claims		Factor		(3) Weighted Claims*	(4) Part D Weighted Claims**
(1)	Category 0 - Arrangements not Included in Other Categories	Company records		X	0.000	=		
(2)	Category 1 - Payments Made According to Contractual Arrangements	Company records		X	0.150	=		
(3)	Category 2a - Subject to Withholds or Bonuses – Otherwise Category 0	Company records		X	†	=		
(4)	Category 2b - Subject to Withholds or Bonuses – Otherwise Category 1	Company records		X	‡	=		
(5)	Category 3a - Capitated Payments Directly to Providers	Company records		X	0.600	=		
(6)	Category 3b - Capitated Payments to Regulated Intermediaries	Company records		X	0.600	=		
(7)	Category 3c - Capitated Payments to Non-Regulated Intermediaries	Company records		X	0.600	=		
(8)	Category 4 - Medical & Hospital Expense Paid as Salary to Providers	Company records		X	0.750	=		
(9)	Subtotal Paid Claims	Sum of Lines (1) through (8)						
	Stand-Alone Medicare Part D Coverage Claim Payments							
(10)	Category 0 - No Federal Reinsurance or Risk Corridor Protection	Company records	XXX	X	xxx	=		XXX
(11)	Category 1 - Federal Reinsurance but no Risk Corridor Protection	Company records	XXX	X	xxx	=		XXX
(12)	Category 2a - No Federal Reinsurance but Risk Corridor Protection	Company records		X	0.667	=		
(13)	Category 3a - Federal Reinsurance and Risk Corridor Protection apply	Company records		X	0.767	=		
(14)	Subtotal Stand-Alone Medicare Part D Paid Claims	Sum of Lines (10) through (13)						
(15)	Total Paid Claims	Line (9) + Line (14)						
(16)	Weighted Average Managed Care Discount	Column (3) = Column (3) Line (9) / Column (2) Line (9); Column (4) = Column (4) Line (14) / Column (2) Line (14)						
(17)	Weighted Average Managed Care Risk Adjustment Factor	1.0 - Line (16)						

	Calculation of Category 2 Managed Care Factor (Comprehensive Medical and Dental only)		(1) Amount
(18)	Withhold & bonus payments, prior year	Company Records	
(19)	Withhold & bonuses available, prior year	Company Records	
(20)	Managed Care Credit Multiplier – average withhold returned	Line (18) / Line (19)	
(21)	Withholds & bonuses available, prior year	Line (19)	
(22)	Claims payments subject to withhold, prior year	Company Records	
(23)	Average withhold rate, prior year	Line (21) / Line (22)	
(24)	Managed Care Credit Discount Factor, Category 2	Minimum of 0.25 or Line (20) x Line (23)	

† Category 2 Managed Care Factor calculated on Line (24).
‡ Category 2 Managed Care Factor calculated on Line (24) with a minimum factor of 15 percent.
* This column is for a single result for the Comprehensive Medical & Hospital, Medicare Supplement and Dental managed care discount factor.
** This column is for the Stand-Alone Medicare Part D managed care discount factor.

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

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) 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 (4.1) + 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.[illegible]682** is used.

‡ If Column (1), Line (4.1) is positive, then a factor of **0.1012** is used. Otherwise, a higher factor of **0.[illegible]522** 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.

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 2 Line 15							
(2)	Exhibit 6 Non-Cancellable Claim Reserves	Exhibit 6 Column 3 Line 15							
(3)	Exhibit 6 Guaranteed Renewable Claim Reserves	Exhibit 6 Column 4 Line 15							
(4)	Exhibit 6 Non-Renewable for Stated Reason Only Claim Reserves	Exhibit 6 Column 5 Line 15							
(5)	Exhibit 6 Other Accident Only Claim Reserves	Exhibit 6 Column 6 Line 15							
(6)	Exhibit 6 All Other Claim Reserves	Exhibit 6 Column 7 Line 15							
(7)	Modified Coinsurance Assumed Reserves	Schedule S Part 1 Section 2 Column 12, 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	0.050	=	
	Group and Credit Claim Reserves								
(11)	Exhibit 6 Group Claim Reserves	Not Applicable to Fraternal							
(12)	Exhibit 6 Credit Claim Reserves	Not Applicable to Fraternal							
(13)	Modified Coinsurance Assumed Reserves	Schedule S Part 1 Section 2 Column 12, 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	0.050	=	
(17)	Total Claim Reserves	Lines (9) + (10) + (15) + (16)							
(18)	Total Health RBC	FR019 Health Premiums Column (3) Line (33) + FR020 Underwriting Risk Experience Fluctuation Risk Column (5) Line (18) + FR021 Underwriting Risk Other Column (2) Line (7) + FR023 Long-Term Care Morbidity Risk Column (4) Line (7) + FR024 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.

LIFE INSURANCE

		Annual Statement Source	(1) Statement Value		Factor		(2) RBC Requirement
	Individual & Industrial Net Amount at Risk						
(1)	Ordinary Life In Force	Exhibit of Life Insurance Column 2 Line 23 x 1000					
(2)	Less Ordinary Life Reserves	Exhibit 5 Column 4 Line 0199999					
(3)	Plus Industrial Life In Force	Not Applicable to Fraternal					
(4)	Less Industrial Life Reserves	Not Applicable to Fraternal					
(5)	Less Separate Accounts	Separate Accounts Exhibit 3 Column 3 Line 0199999					
(6)	Less Modified Coinsurance Assumed Reserves	Schedule S Part 1 Section 1 Column 12, in part ‡					
(7)	Plus Modified Coinsurance Ceded Reserves	Schedule S Part 3 Section 1 Column 14, in part ‡					
(8)	Total Individual and Industrial Net Amount at Risk	Lines (1) + (3) + (7) - (2) - (4) - (5) - (6)		X	†	=	
	Group and Credit Net Amount at Risk						
(9)	Group Life In Force	Not Applicable to Fraternal					
(10)	Less Group FEGLI	Not Applicable to Fraternal					
(11)	Less Group SGLI	Not Applicable to Fraternal					
(12)	Less Group Life Reserves	Not Applicable to Fraternal					
(13)	Plus Credit Life In Force	Not Applicable to Fraternal					
(14)	Less Credit FEGLI	Not Applicable to Fraternal					
(15)	Less Credit SGLI	Not Applicable to Fraternal					
(16)	Less Credit Life Reserves	Not Applicable to Fraternal					
(17)	Less Separate Accounts	Not Applicable to Fraternal					
(18)	Less Modified Coinsurance Assumed Reserves	Not Applicable to Fraternal					
(19)	Plus Modified Coinsurance Ceded Reserves	Not Applicable to Fraternal					
(20)	Total Group and Credit Net Amount at Risk	Lines (9) + (13) + (19) - (10) - (11) - (12) - (14) - (15) - (16) - (17) - (18)		X	†	=	
(21)	FEGLI/SGLI Life In Force	Not Applicable to Fraternal		X	0.0008	=	
(22)	Total Life	Lines (8) + (20) + (21)					

† The tiered calculation [illegible] the Life Insurance section of the risk-based capital instructions.

‡ Include only the portion which relates to policy reserves that, if written on a direct basis, would be included on Exhibit 5.

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

PREMIUM STABILIZATION RESERVES

		Annual Statement Source	(1) Statement Value		Factor		(2) RBC Requirement
	Group and Credit Life and Health Reported Premium Stabilization Reserves						
(1)	Stabilization Reserves and Experience Rating Refunds included in Line 3	Not Applicable to Fraternal		X	0.500	=	
(2)	Provision for Experience Rating Refunds	Not Applicable to Fraternal		X	0.500	=	
(3)	Reserve for Group Rate Credits	Not Applicable to Fraternal		X	0.500	=	
(4)	Reserve for Credit Rate Credits	Not Applicable to Fraternal		X	0.500	=	
(5)	Premium Stabilization Reserves	Not Applicable to Fraternal		X	0.500	=	
(6)	Total of Preliminary Premium Stabilization Reserve Credit	Sum of Lines (1) through (5)					
	Group & Credit Life and Health Risk-Based Capital						
(7)	Life	FR025 Life Insurance Column (2) Line (20)					
(8)	Health	FR024 Health Claim Reserves Column (4) Line (16) + [FR024 Column (4) Line (15) x 0.[illegible]5] + FR019 Health Premiums Column (2) Lines (**12**), (**17**), (**18**) and (**19**) + [FR019 Column (2) Lines (**23**), (**24**), and (**27**)] x 0.6[illegible] + [FR020 Underwriting Risk - Experience Fluctuation Risk Column (5) Line (18) - Column (4) Line (18) x Line (1.2) / Line (1.3)]					
(9)	Maximum Risk-Based Capital	Lines (7) + (8)					
(10)	Final Premium Stabilization Reserve	Column (2) Line (6), but not more than Column (1) Line (9)		X	-1.000	=	

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

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 insturctions 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 12, 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 [illegible] 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 [illegible] Line [illegible], 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 I[illegible]m 32 L[illegible]B, in part‡		X 0.0095 or 0.0063† =	
(20)	Guaranteed Investment Contract (GIC) Reserve within 1 Year of Maturity£	Notes to Financial Sta[illegible]ts Ite[illegible] Various Lines, in part‡		X 0.0095 or 0.0063† =	
(21.1)	Life Insurance Reserves Net of Reinsurance	Exhibit 5 Column 2 [illegible] 019[illegible], i[illegible] part			
(21.2)	Less Life Insurance Reserves Policy Loans	Page 2 Line 6, in [illegible]art			
(21.3)	Plus Modified Coinsurance Assumed Reserves net of Modified Coinsurance Assumed Policy Loans	Schedu[illegible] S Part [illegible] Sec[illegible] [illegible]lumn 12, in part‡			
(21.4)	Less Modified Coinsurance Ceded Reserves net of Modified Coinsurance Ceded Policy Loans	Schedule S [illegible] 3 Sect[illegible] Column 14, [illegible]			
(21.5)	Life Insurance Reserves	Line (21.1[illegible]21.2) [illegible]21.3) - (21.4)		X 0.0095 or 0.0063† =	
(22)	Total Low Risk	Lines (18) + [illegible]) + (20) + (21.5)			

† The factors are decreased by one-third if the company submits an unqualified actuarial opini[illegible]ed o[illegible]et 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 [illegible]1).

‡ Net of reinsurance, less policy loans, plus modified coinsurance assumed reserv[illegible] less m[illegible]ified coin[illegible]ance ceded reserves.

§ Excluding any non-policyholder reserves (e.g., reserves that are not related to sp[illegible] pol[illegible]).

* 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) + [illegible] + (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 [illegible] times Line (32)			
(35)	Interest Rate Risk Component (See the instructions for specific detail.)	Company Records (enter a 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 [illegible]

‡ 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 (Alternative)
C-3 RBC Cash Flow Testing Alternative Calculations
(For Informational Purposes Only)

		Source	(1) RBC Requirement
(1)	C-3 RBC Cash Flow Testing Interest Rate Risk	FR027 Interest Rate Risk and Market Risk Column (3) Line (33)	
(2)	C-3 RBC Cash Flow Testing Interest Rate Risk	The Line (1) Equivalent Calculated Using Version 7.1.2014[illegible] of the American Academy of Actuaries Scenario Generator †† §§	
(3)	C-3 RBC Cash Flow Testing Interest Rate Risk	The Line (1) Equivalent Calculated Using a Proprietary Generator ‡‡ §§	

(4) Please Describe Proprietary Generator Used, Calibration Criteria, and Number of Scenarios:

†† This information is not required for **2018.**
‡‡ This information is requested, if applicable, on a voluntary basis.
§§ This information is not required for **2018.**
Denotes items that must be manually entered on the filing software.

HEALTH CREDIT RISK

		Annual Statement Source	(1) Amount		Factor		(2) RBC Requirement
	Capitations to Intermediaries						
(1)	Total Capitations Paid Directly to Providers	FR022 Underwriting Risk Managed Care Credit Column (2) Line (5)					
(2)	Less Secured Capitations to Providers	Company Records †					
(3)	Net Capitations to Providers Subject to Credit Risk Charge	Line (1) – Line (2)		X	0.020	=	
(4)	Total Capitations to Intermediaries	FR022 Column (2) Lines (6) + (7)					
(5)	Less Secured Capitations to Intermediaries	Company Records †					
(6)	Net Capitations to Intermediaries Subject to Credit Risk Charge	Line(4) – Line (5)		X	0.040	=	
(7)	Capitation Credit Risk RBC	Line (3) + Line (6)					

† Amounts entered on capitation worksheets.

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

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

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 24			
(38)	Transfers to Separate Accounts Due or Accrued	Page 3 Column 1 Line 12			
(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	FR019 Health Premiums Column (1) Line (33)			
(42)	Accident and Health Premiums from Underwriting Risk	FR020 Underwriting Risk Column (5) Line (13)			
(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 6			
(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 manual entry items that do not come directly from the annual statement.

GROWTH OPERATIONAL RISK
(For Informational Purposes Only)

		Source	(1) Statement Value	(2) Factor	(3) RBC Requirement
	Life Insurance and Annuities				
(1)	Direct Premium Life Insurance and Annuities	Exhibit 1, Part 1, Columns 2 and 3, Line 20.1			
(2)	Assumed Premium From Affiliates Life Insurance and Annuities	Schedule S, Part 1, Section 1, Column 10, Line 0799999			
(3)	Assumed Premium From Non-Affiliates Life Insurance and Annuities	Schedule S, Part 1, Section 1, Column 10, Line 1099999			
(4)	Total Direct and Assumed Premium From Non-Affiliates Life Insurance and Annuities	Lines (1) and (3)			
(5)	Prior Year Direct Premium Life Insurance and Annuities	Prior Year Exhibit 1, Part 1, Columns 2 and 3, Line 20.1			
(6)	Prior Year Assumed Premium From Affiliates Life Insurance and Annuities	Prior Year Schedule S, Part 1, Section 1, Column 9, Line 0799999			
(7)	Prior Year Assumed Premium From Non-Affiliates Life Insurance and Annuities	Prior Year Schedule S, Part 1, Section 1, Column 9, Line 1099999			
(8)	Prior Year Total Direct and Assumed Premium From Non-Affiliates Life Insurance and Annuities	Lines (5) and (7)			
(9)	Direct and Assumed Premium From Non-Affiliates Life Insurance and Annuities in Excess of 120% of Prior Year Direct and Assumed Premium From Non-Affiliates Life Insurance and Annuities	Line (4) minus (120% multiplied by Line (8))		0.050	
	Accident and Health				
(10)	Direct Premium Accident and Health	Exhibit 1, Part 1, Column 4, Line 20.1			
(11)	Assumed Premium From Affiliates Accident and Health	Schedule S, Part 1, Section 2, Column 8, Line 0799999			
(12)	Assumed Premium From Non-Affiliates Accident and Health	Schedule S, Part 1, Section 2, Column 8, Line 1099999			
(13)	Total Direct and Assumed Premium From Non-Affiliates Accident and Health	Lines (10) and (12)			
(14)	Prior Year Direct Premium Accident and Health	Prior Year Exhibit 1, Part 1, Column 4, Line 20.1			
(15)	Prior Year Assumed Premium From Affiliates Accident and Health	Prior Year Schedule S, Part 1, Section 2, Column 7, Line 0799999			
(16)	Prior Year Assumed Premium From Non-Affiliates Accident and Health	Prior Year Schedule S, Part 1, Section 2, Column 7, Line 1099999			
(17)	Prior Year Total Direct and Assumed Premium From Non-Affiliates Accident and Health	Lines (14) and (16)			
(18)	Direct and Assumed Premium From Non-Affiliates in Excess of 125% of Prior Year Direct and Assumed Premium From Non-Affiliates Accident and Health	Line (13) minus (125% multiplied by Line (17))		0.020	
(19)	Total Growth Operational Risk Charge	Column (3), Line (9) plus Line (18)			

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

CALCULATION OF TAX EFFECT FOR RISK-BASED CAPITAL

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
	ASSET RISKS							
	Bonds							
(001)	Long-term Bonds – NAIC 1	FR002 Bonds Column (2) Line (2) + FR018 Off-Balance Sheet Collateral Column (3) Line (2)		X	0.1575	=		
(002)	Long-term Bonds – NAIC 2	FR002 Bonds Column (2) Line (3) + FR018 Off-Balance Sheet Collateral Column (3) Line (3)		X	0.1575	=		
(003)	Long-term Bonds – NAIC 3	FR002 Bonds Column (2) Line (4) + FR018 Off-Balance Sheet Collateral Column (3) Line (4)		X	0.1575	=		
(004)	Long-term Bonds – NAIC 4	FR002 Bonds Column (2) Line (5) + FR018 Off-Balance Sheet Collateral Column (3) Line (5)		X	0.1575	=		
(005)	Long-term Bonds – NAIC 5	FR002 Bonds Column (2) Line (6) + FR018 Off-Balance Sheet Collateral Column (3) Line (6)		X	0.1575	=		
(006)	Long-term Bonds – NAIC 6	FR002 Bonds Column (2) Line (7) + FR018 Off-Balance Sheet Collateral Column (3) Line (7)		X	0.2100	=		
(007)	Short-term Bonds – NAIC 1	FR002 Bonds Column (2) Line (10)		X	0.1575	=		
(008)	Short-term Bonds – NAIC 2	FR002 Bonds Column (2) Line (11)		X	0.1575	=		
(009)	Short-term Bonds – NAIC 3	FR002 Bonds Column (2) Line (12)		X	0.1575	=		
(010)	Short-term Bonds – NAIC 4	FR002 Bonds Column (2) Line (13)		X	0.1575	=		
(011)	Short-term Bonds – NAIC 5	FR002 Bonds Column (2) Line (14)		X	0.1575	=		
(012)	Short-term Bonds – NAIC 6	FR002 Bonds Column (2) Line (15)		X	0.2100	=		
(013)	Credit for Hedging - NAIC 1 Through 5 Bonds	FR014 Hedged Asset Bond Schedule Column (13) Line (0199[illegible])		X	0.1575	=		†
(014)	Credit for Hedging - NAIC 6 Bonds	FR014 Hedged Asset Bond Schedule Column (1[illegible]) Line ([illegible]9999)		X	0.2100	=		†
(015)	Bond Reduction - Reinsurance	FR002 Bonds Column (2) Line (19)		X	0.2100	=		†
(016)	Bond Increase - Reinsurance	FR002 Bonds Column (2) Line (20)		X	0.2100	=		
(017)	Non-Exempt NAIC 1 U.S. Government Agency	FR002 Bonds Column (2) Line (2[illegible])		X	0.1575	=		
(018)	Bonds Size Factor	FR002 Bonds Column (2) Line (26) - FR002 Bonds Column (2) Line (21)		X	0.1575	=		
	Mortgages							
	In Good Standing							
(019)	Residential Mortgages - Insured	FR004 Mortgages Column (6) Line (1)		X	0.1575	=		
(020)	Residential Mortgages - Other	FR004 Mortgages Column (6) Line (2)		X	0.1575	=		
(021)	Commercial Mortgages - Insured	FR004 Mortgages Column (6) Line (3)		X	0.1575	=		
(022)	Total Commercial Mortgages - All Other	FR004 Mortgages Column (6) Line (9)		X	0.1575	=		
(023)	Total Farm Mortgages	FR004 Mortgages Column (6) Line (15)		X	0.1575	=		
	90 Days Overdue							
(024)	Farm Mortgages	FR004 Mortgages Column (6) Line (16)		X	0.1575	=		
(025)	Residential Mortgages - Insured	FR004 Mortgages Column (6) Line (17)		X	0.1575	=		
(026)	Residential Mortgages - Other	FR004 Mortgages Column (6) Line (18)		X	0.1575	=		
(027)	Commercial Mortgages - Insured	FR004 Mortgages Column (6) Line (19)		X	0.1575	=		
(028)	Commercial Mortgages - Other	FR004 Mortgages Column (6) Line (20)		X	0.1575	=		
	In Process of Foreclosure							
(029)	Farm Mortgages	FR004 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 RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(030)	Residential Mortgages - Insured	FR004 Mortgages Column (6) Line (22)		X	0.1575	=		
(031)	Residential Mortgages - Other	FR004 Mortgages Column (6) Line (23)		X	0.1575	=		
(032)	Commercial Mortgages - Insured	FR004 Mortgages Column (6) Line (24)		X	0.1575	=		
(033)	Commercial Mortgages - Other	FR004 Mortgages Column (6) Line (25)		X	0.1575	=		
(034)	Due & Unpaid Taxes Mortgages	FR004 Mortgages Column (6) Line (26)		X	0.1575	=		
(035)	Due & Unpaid Taxes - Foreclosures	FR004 Mortgages Column (6) Line (27)		X	0.1575	=		
(036)	Mortgage Reduction - Reinsurance	FR004 Mortgages Column (6) Line (29)		X	0.2100	=		†
(037)	Mortgage Increase - Reinsurance	FR004 Mortgages Column (6) Line (30)		X	0.2100	=		
	Preferred Stock and Hybrid Securities							
(038)	Unaffiliated Preferred Stock and Hybrids NAIC 1	FR005 Unaffiliated Preferred and Common Stock Column (5) Line (1) + Line (8) + FR018 Off-Balance Sheet Collateral Column (3) Line (9)		X	0.1575	=		
(039)	Unaffiliated Preferred Stock and Hybrids NAIC 2	FR005 Unaffiliated Preferred and Common Stock Column (5) Line (2) + Line (9) + FR018 Off-Balance Sheet Collateral Column (3) Line (10)		X	0.1575	=		
(040)	Unaffiliated Preferred Stock and Hybrids NAIC 3	FR005 Unaffiliated Preferred and Common Stock Column (5) Line [illegible] + Line (10) + FR018 Off-Balance Sheet Collateral Column (3) Line (11)		X	0.1575	=		
(041)	Unaffiliated Preferred Stock and Hybrids NAIC 4	FR005 Unaffiliated Preferred and Common Stock Column (5) Line [illegible] + Line [illegible] + FR018 Off-Balance Sheet Collateral Column (3) Line (12)		X	0.1575	=		
(042)	Unaffiliated Preferred Stock and Hybrids NAIC 5	FR005 Unaffiliated Preferred and Common Stock Column (5) Line (5) + Line (12) + FR018 Off-Balance Sheet Collateral Column (3) Line [illegible]		X	0.1575	=		
(043)	Unaffiliated Preferred Stock and Hybrids NAIC 6	FR005 Unaffiliated Preferred and Common Stock Column [illegible] Line [illegible] + Line (13) + FR018 Off-Balance Sheet Collateral Column (3) Line (14)		X	0.2100	=		
(044)	Preferred Stock Reduction-Reinsurance	FR005 Unaffiliated Preferred and Common Stock Column [illegible] Line (16)		X	0.2100	=		†
(045)	Preferred Stock Increase-Reinsurance	FR005 Unaffiliated Preferred and Common Stock Column [illegible] Line (17)		X	0.2100	=		
	Separate Accounts							
(046)	Guaranteed Index	FR006 Separate Accounts Column [illegible] Line (1)		X	0.1575	=		
(047)	Nonindex-Book Reserve	FR006 Separate Accounts Column (3) Line [illegible]		X	0.1575	=		
(048)	Separate Accounts Nonindex-Market Reserve	FR006 Separate Accounts Column (3) Line (3[illegible]		X	0.1575	=		
(049)	Separate Accounts Reduction-Reinsurance	FR006 Separate Accounts Column (3) Line (5[illegible]		X	0.2100	=		†
(050)	Separate Accounts Increase-Reinsurance	FR006 Separate Accounts Column [illegible] Line [illegible]		X	0.2100	=		
(051)	Synthetic GICs	FR006 Separate Accounts Column (3) Line (8)		X	0.1575	=		
(052)	Separate Account Surplus	FR006 Separate Accounts Column (3) Line (13)		X	0.1575	=		
	Real Estate							
(053)	Company Occupied Real Estate	FR007 Real Estate Column [illegible] Line (3)		X	0.2100	=		
(054)	Foreclosed Real Estate	FR007 Real Estate Column (3) Line (6)		X	0.2100	=		
(055)	Investment Real Estate	FR007 Real Estate Column (3) Line (9)		X	0.2100	=		
(056)	Real Estate Reduction - Reinsurance	FR007 Real Estate Column (3) Line (11)		X	0.2100	=		†
(057)	Real Estate Increase - Reinsurance	FR007 Real Estate Column (3) Line (12)		X	0.2100	=		
	Schedule BA							
(058)	Sch BA Real Estate Excluding Low Income Housing Tax Credits	FR007 Real Estate Column (3) Line (16)		X	0.2100	=		
(059)	Guaranteed Low Income Housing Tax Credits	FR007 Real Estate Column (3) Line (17) + Line (19)		X	0.0000	=		
(060)	Non-Guaranteed and All Other Low Income Housing Tax Credits	FR007 Real Estate Column (3) Line (18) + Line (20) + Line (21)		X	0.0000	=		
(061)	Sch BA Real Estate Reduction - Reinsurance	FR007 Real Estate Column (3) Line (23)		X	0.2100	=		†
(062)	Sch BA Real Estate Increase - Reinsurance	FR007 Real Estate Column (3) Line (24)		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 RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(063)	Sch BA Bond NAIC 1	FR008 Other Long-Term Assets Column (5) Line (2)		X	0.1575	=		
(064)	Sch BA Bond NAIC 2	FR008 Other Long-Term Assets Column (5) Line (3)		X	0.1575	=		
(065)	Sch BA Bond NAIC 3	FR008 Other Long-Term Assets Column (5) Line (4)		X	0.1575	=		
(066)	Sch BA Bond NAIC 4	FR008 Other Long-Term Assets Column (5) Line (5)		X	0.1575	=		
(067)	Sch BA Bond NAIC 5	FR008 Other Long-Term Assets Column (5) Line (6)		X	0.1575	=		
(068)	Sch BA Bond NAIC 6	FR008 Other Long-Term Assets Column (5) Line (7)		X	0.2100	=		
(069)	BA Bond Reduction - Reinsurance	FR008 Other Long-Term Assets Column (5) Line (9)		X	0.2100	=		†
(070)	BA Bond Increase - Reinsurance	FR008 Other Long-Term Assets Column (5) Line (10)		X	0.2100	=		
(071)	BA Preferred Stock NAIC 1	FR008 Other Long-Term Assets Column (5) Line (12.3)		X	0.1575	=		
(072)	BA Preferred Stock NAIC 2	FR008 Other Long-Term Assets Column (5) Line (13)		X	0.1575	=		
(073)	BA Preferred Stock NAIC 3	FR008 Other Long-Term Assets Column (5) Line (14)		X	0.1575	=		
(074)	BA Preferred Stock NAIC 4	FR008 Other Long-Term Assets Column (5) Line (15)		X	0.1575	=		
(075)	BA Preferred Stock NAIC 5	FR008 Other Long-Term Assets Column (5) Line (16)		X	0.1575	=		
(076)	BA Preferred Stock NAIC 6	FR008 Other Long-Term Assets Column (5) Line (17)		X	0.2100	=		
(077)	BA Preferred Stock Reduction-Reinsurance	FR008 Other Long-Term Assets Column (5) Line (19)		X	0.2100	=		†
(078)	BA Preferred Stock Increase - Reinsurance	FR008 Other Long-Term Assets Column (5) Line (20)		X	0.2100	=		
(079)	Rated Surplus Notes	FR008 Other Long-Term Assets Column (5) Line (31)		X	0.1575	=		
(080)	Rated Capital Notes	FR008 Other Long-Term Assets Column (5) Line (41)		X	0.1575	=		
(081)	BA Common Stock Affiliated	FR008 Other Long-Term Assets Column (5) Line (48.[illegible])		X	0.2100	=		
(082)	BA Collateral Loans	FR008 Other Long-Term Assets Column (5) Line (50)		X	0.1575	=		
(083)	Other BA Assets	FR008 Other Long-Term Assets Column (5) Line ([illegible]) + FR[illegible] Off-Balance Sheet Collateral Column (3) Line (17) + Line (1[illegible])		X	0.2100	=		
(084)	Other BA Assets Reduction-Reinsurance	FR008 Other Long-Term Assets Column (5) Line ([illegible])		X	0.2100	=		†
(085)	Other BA Assets Increase - Reinsurance	FR008 Other Long-Term Assets Column (5) Line (55)		X	0.2100	=		
(086)	BA Mortgages - In Good Standing	FR009 Schedule BA Mortgages Column ([illegible]) Line ([illegible]1)		X	0.1575	=		
(087)	BA Mortgages - 90 Days Overdue	FR009 Schedule BA Mortgages Column (6) Line (1[illegible])		X	0.1575	=		
(088)	BA Mortgages - In Process of Foreclosure	FR009 Schedule BA Mortgages Column (6) Line (19)		X	0.1575	=		
(089)	Reduction - Reinsurance	FR009 Schedule BA Mortgages Column (6) Line (21)		X	0.2100	=		†
(090)	Increase - Reinsurance	FR009 Schedule BA Mortgages Column (6) Line (22)		X	0.2100	=		
	<u>Miscellaneous</u>							
(091)	Asset Concentration Factor	FR010 Asset Concentration Factor Column (6) Line (68) Grand Total Page		X	0.1575	=		
(092)	Miscellaneous Assets	FR012 Miscellaneous Assets Column (2) Line (7)		X	0.1575	=		
(093)	Derivatives - Collateral and Exchange Traded	FR012 Miscellaneous Assets Column (2) Lines (8) + (9) + (10)		X	0.1575	=		
(094)	Derivatives NAIC 1	FR012 Miscellaneous Assets Column (2) Line (11)		X	0.1575	=		
(095)	Derivatives NAIC 2	FR012 Miscellaneous Assets Column (2) Line (12)		X	0.1575	=		
(096)	Derivatives NAIC 3	FR012 Miscellaneous Assets Column (2) Line (13)		X	0.1575	=		
(097)	Derivatives NAIC 4	FR012 Miscellaneous Assets Column (2) Line (14)		X	0.1575	=		
(098)	Derivatives NAIC 5	FR012 Miscellaneous Assets Column (2) Line (15)		X	0.1575	=		
(099)	Derivatives NAIC 6	FR012 Miscellaneous Assets Column (2) Line (16)		X	0.2100	=		
(100)	Miscellaneous Assets Reduction-Reinsurance	FR012 Miscellaneous Assets Column (2) Line (19)		X	0.2100	=		†
(101)	Miscellaneous Assets Increase-Reinsurance	FR012 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 RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect	
(102)	Replications	FR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line (9999999)		X	0.1575	=		
(103)	Reinsurance	FR016 Reinsurance Column (4) Line (17)		X	0.2100	=		
(104)	Investment Affiliates	FR042 Summary for Affiliated Investments Column (4) Line (6)		X	0.2100	=		
(105)	Investment in Parent	FR042 Summary for Affiliated Investments Column (4) Line (10)		X	0.2100	=		
(106)	Other Affiliate: Property and Casualty Insurers not Subject to Risk-Based Capital	FR042 Summary for Affiliated Investments Column (4) Line (11)		X	0.2100	=		
(107)	Other Affiliate: Life Insurers not Subject to Risk-Based Capital	FR042 Summary for Affiliated Investments Column (4) Line (12)		X	0.2100	=		
(108)	Publicly Traded Insurance Affiliates	FR042 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	FR017 Off-Balance Sheet and Other Items Column (5) Line (27)		X	0.1575	=		
(111)	Off-Balance Sheet Items Reduction - Reinsurance	FR017 Off-Balance Sheet and Other Items Column (5) Line (28)		X	0.2100	=		†
(112)	Off-Balance Sheet Items Increase - Reinsurance	FR017 Off-Balance Sheet and Other Items Column (5) Line (29)		X	0.2100	=		
(113)	Affiliated US Property - Casualty Insurers Directly Owned	FR042 Summary for Affiliated Investments Column (4) Line (1)		X	0.2100	=		
(114)	Affiliated US Life Insurers Directly Owned	FR042 Summary for Affiliated Investments Column (4) Line (2)		X	0.2100	=		
(115)	Affiliated US Health Insurers Directly and Indirectly Owned	FR042 Summary for Affiliated Investments Column (4) Line (3)		X	0.2100	=		
(116)	Affiliated US Property - Casualty Insurers Indirectly Owned	FR042 Summary for Affiliated Investments Column (4) Line (4)		X	0.2100	=		
(117)	Affiliated US Life Insurers Indirectly Owned	FR042 Summary for Affiliated Investments Column (4) Line (5)		X	0.2100	=		
(118)	Affiliated Alien Life Insurers - Canadian	FR042 Summary for Affiliated Investments Column (4) Line (8)		X	0.2100	=		
(119)	Affiliated Alien Life Insurers - All Others	FR042 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	FR005 Unaffiliated Preferred and Common Stock Column (5) Line **(25)** + FR018 Off-Balance Sheet Collateral Column (3) Line (16)		X	0.2100	=		
(122)	Credit for Hedging - Common Stock	FR015 Hedged Asset Common Stock Schedule Column (10) Line (0299999)		X	0.2100	=		†
(123)	Stock Reduction - Reinsurance	FR005 Unaffiliated Preferred and Common Stock Column (5) Line **(27)**		X	0.2100	=		†
(124)	Stock Increase - Reinsurance	FR005 Unaffiliated Preferred and Common Stock Column (5) Line **(28)**		X	0.2100	=		
(125)	BA Common Stock Unaffiliated	FR008 Other Long-Term Assets Column (5) Line (47)		X	0.2100	=		
(126)	BA Common Stock Affiliated - C-1cs	FR008 Other Long-Term Assets Column (5) Line (49.2)		X	0.2100	=		
(127)	Common Stock Concentration Factor	FR011 Common Stock Concentration Factor Column (6) Line (6)		X	0.2100	=		
(128)	NAIC 01 Working Capital Finance Notes	FR008 Other Long-Term Assets Column (5) Line (51.1)		X	0.1575	=		
(129)	NAIC 02 Working Capital Finance Notes	FR008 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	FR042 Summary for Affiliated Investments Column (4) Line (7)		X	0.2100	=		
(131)	Affiliated Preferred Stock and Common Stock - All Other	FR042 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	FR019 Health Premiums Column (2) Lines **(21)** through **(27)**		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 RISK-BASED CAPITAL (CONTINUED)

		Source	(1) RBC Amount		Tax Factor		(2) RBC Tax Effect
(134)	Long-Term Care	FR019 Health Premiums Column (2) Line (28) + FR023 Long-Term Care Column (4) Line (7)		X	0.2100	=	
(135)	Life Insurance C-2 Risk	FR025 Life Insurance Column (2) Line (8)		X	0.2100	=	
(136)	Group Insurance C-2 Risk	FR025 Life Insurance Column (2) Lines (20) and (21)		X	0.2100	=	
(137)	Disability and Long-Term Care Health Claim Reserves	FR024 Health Claim Reserves Column (4) Line (9) + Line (15)		X	0.2100	=	
(138)	Premium Stabilization Credit	FR026 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	FR027 Interest Rate Risk Column (3) Line (36)		X	0.2100	=	
(141)	Health Credit Risk	FR028 Health Credit Risk Column (2) Line (7)		X	0.0000	=	
(142)	Market Risk	FR027 Interest Rate Risk Column (3) Line (37)		X	0.2100	=	
(143)	Business Risk	FR029 Business Risk Column (2) Line (40)		X	0.2100	=	
(144)	Health Administrative Expenses	FR029 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.

Company Name | Confidential when Completed | NAIC Company Code

		Source	(1) RBC Requirement
	Asset Risk - Affiliated Amounts (C-0)		
(1)	Affiliated US Property-Casualty Insurers Directly Owned	FR042 Summary for Affiliated Investments Column (4) Line (1)	
(2)	Affiliated US Life Insurers Directly Owned	FR042 Summary for Affiliated Investments Column (4) Line (2)	
(3)	Affiliated US Health Insurers Directly and Indirectly Owned	FR042 Summary for Affiliated Investments Column (4) Line (3)	
(4)	Affiliated US Property-Casualty Insurers Indirectly Owned	FR042 Summary for Affiliated Investments Column (4) Line [illegible]	
(5)	Affiliated US Life Insurers Indirectly Owned	FR042 Summary for Affiliated Investments Column (4) Line (5)	
(6)	Affiliated Alien Life Insurers - Canadian	FR042 Summary for Affiliated Investments Column (4) Line (8)	
(7)	Affiliated Alien Life Insurers - All Others	FR042 Summary for Affiliated Investments Column (4) Line (9)	
(8)	Off-Balance Sheet and Other Items	FR017 Off-Balance Sheet and Other Items Column [illegible] Line [illegible]	
(9)	Total (C-0) - Pre-Tax	Sum of Lines (1) through (8)	
(10)	(C-0) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (120)	
(11)	Net (C-0) - Post-Tax	Line (9) - Line (10)	
	Asset Risk – Unaffiliated Common Stock and Affiliated Non-Insurance Stock (C-1cs)		
(12)	Schedule D Unaffiliated Common Stock	FR005 Unaffiliated Common Stock Column (5) Line (29) + FR018 Off-Balance Sheet Collateral Column (3) Line [illegible]	
(13)	Schedule BA Unaffiliated Common Stock	FR008 Other Long-Term Assets Column (5) line (47)	
(14)	Schedule BA Affiliated Common Stock - C-1cs	FR008 Other Long-Term Assets Column (5) line (49.2)	
(15)	Common Stock Concentration Factor	FR011 Common Stock Concentration Factor Column (6) Line (6)	
(16)	Affiliated Preferred Stock and Common Stock - Holding Company in Excess of Indirect Subsidiaries	FR042 Summary for Affiliated Investments Column (4) Line (7)	
(17)	Affiliated Preferred Stock and Common Stock - All Other	FR042 Summary for Affiliated Investments Column (4) Line (13)	
(18)	Total (C-1cs) - Pre-Tax	Sum of Lines [illegible] through (17)	
(19)	(C-1cs) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (132)	
(20)	Net (C-1cs) - Post-Tax	Line (18) - Line (19)	
	Asset Risk - All Other (C-1o)		
(21)	Bonds after Size Factor	FR[illegible] Bonds Column (2) Line (27) + FR018 Off-Balance Sheet Collateral Column (3) Line (8)	
(22)	Mortgages (including past due and unpaid taxes)	FR004 Mortgages Column (6) Line (31)	
(23)	Unaffiliated Preferred Stock Including Hybrids	FR005 Unaffiliated Preferred and Common Stock Column (5) Line (18) + FR018 Off-Balance Sheet Collateral Column (3) line (15)	
(24)	Affiliated Preferred Stock and Common Stock - Investment Subsidiaries	FR042 Summary for Affiliated Investments Column (4) Line (6)	
(25)	Affiliated Preferred Stock and Common Stock - Parent	FR042 Summary for Affiliated Investments Column (4) Line (10)	
(26)	Affiliated Preferred Stock and Common Stock - Property and Casualty Insurers not Subject to Risk-Based Capital	FR042 Summary for Affiliated Investments Column (4) Line (11)	
(27)	Affiliated Preferred Stock and Common Stock - Life Insurers not Subject to Risk-Based Capital	FR042 Summary for Affiliated Investments Column (4) Line (12)	
(28)	Affiliated Preferred Stock and Common Stock - Publicly Traded Insurers Held at Fair Value (excess of statement value over book value)	FR042 Summary for Affiliated Investments Column (4) Line (14)	
(29)	Separate Accounts with Guarantees	FR006 Separate Accounts Column (3) Line (7)	

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

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL (CONTINUED)

	Source	(1) RBC Requirement
(30) Synthetic GIC's (C-1o)	FR006 Separate Accounts Column (3) Line (8)	
(31) Surplus in Non-Guaranteed Separate Accounts	FR006 Separate Accounts Column (3) Line (13)	
(32) Real Estate (gross of encumbrances)	FR007 Real Estate Column (3) Line (13)	
(33) Schedule BA Real Estate (gross of encumbrances)	FR007 Real Estate Column (3) Line (25)	
(34) Other Long-Term Assets	FR008 Other Long-Term Assets Column (5) Line (56) + FR[illegible] Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)	
(35) Schedule BA Mortgages	FR009 Schedule BA Mortgages Column (6) Line (23)	
(36) Concentration Factor	FR010 Asset Concentration Factor Column (6) Line (68) Grand Total Page	
(37) Miscellaneous	FR012 Miscellaneous Assets Column (2) Line ([illegible])	
(38) Replication Transactions and Mandatory Convertible Securities	FR013 Replication (Synthetic Asset) Transactions and Mandatory Convertible Securities Column (7) Line ([illegible])	
(39) Reinsurance	FR016 Reinsurance Column (4) Line (17)	
(40) Total (C-1o) - Pre-Tax	Sum of Lines (21) through (39)	
(41) (C-1o) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (109)	
(42) Net (C-1o) - Post-Tax	Line (40) - Line (41)	
Insurance Risk (C-2)		
(43) Individual and Industrial Life Insurance	FR025 Life Insurance Column ([illegible]) Line ([illegible])	
(44) Group and Credit Life Insurance and FEGI/SGLI	FR025 Life Insurance Column (2) Lines (20) and (21)	
(45) Total Health Insurance	FR024 Health Claim Reserves Column (4) Line (18)	
(46) Premium Stabilization Reserve Credit	FR026 Premium Stabilization Reserves Column (2) Line (10)	
(47) Total (C-2) - Pre-Tax	Sum of Lines (43) through (46)	
(48) (C-2) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (139)	
(49) Net (C-2) - Post-Tax	Line (47) - Line (48)	
Interest Rate Risk (C-3a)		
(50) Total Interest Rate Risk - Pre-Tax	FR027 Interest Rate Risk Column (3) Line (36)	
(51) (C-3a) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (140)	
(52) Net (C-3a) - Post-Tax	Line (50) - Line (51)	
Health Credit Risk (C-3b)		
(53) Total Health Credit Risk - Pre-Tax	FR028 Health Credit Risk Column (2) Line (7)	
(54) (C-3b) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (141)	
(55) Net (C-3b) - Post-Tax	Line (53) - Line (54)	
Market Risk (C-3c)		
(56) Total Market Risk - Pre-Tax	FR027 Interest Rate Risk Column (3) Line (37)	
(57) (C-3c) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital Column (2) Line (142)	
(58) Net (C-3c) - Post-Tax	Line (56) - Line (57)	

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

		Source	(1) RBC Requirement
	Business Risk (C-4a)		
(59)	Premium Component	FR029 Business Risk Column (2) Lines (12) + (24) + (36)	
(60)	Liability Component	FR029 Business Risk Column (2) Line (39)	
(61)	Subtotal Business Risk (C-4a) - Pre-Tax	Lines (59) + (60)	
(62)	(C-4a) Tax Effect	FR030 Calculation of Tax Effect for Risk-Based Capital C[illegible]) Li[illegible]143)	
(63)	Net (C-4a) - Post-Tax	Line (61) - Line (62)	
	Business Risk (C-4b)		
(64)	Health Administrative Expense Component of Business Risk (C-4b) - Pre-Tax	FR029 Business Risk Column (2) Line (57)	
(65)	(C-4b) Tax Effect	FR030 Calculation of Tax Effect for Risk-Ba[illegible]apital C[illegible]mn (2) Line (144)	
(66)	Net (C-4b) - Post-Tax	Line (64) - Line (65)	
	Total Risk-Based Capital After Covariance Before Basic Operational Risk		
(67)	C-0 + C-4a + Square Root of [(C-1o + C-3a)² + (C-1cs + C-3c)² + (C-2)² + (C-3b)² + (C-4b)²]	REPORT AMOUNT ON PARENT C[illegible]PANY'S RBC IF APPLICABLE L(11)+L(63) + Square Root of [illegible] + L[illegible] (L(20) + L(58))² + L(49)² + L(55)² + L(66)²]	
(68)	Gross Basic Operational Risk	**0.03** x L(67)	
(69)	**C-4a of U.S. Life Insurance Subsidiaries**	**Company Record**	
(70)	Net Basic Operational Risk	Line (68) - (Lin[illegible]3) **+ Line [illegible])** (Not less than zero)	
(71)	Primary Security Shortfall Calculated in Accordance With Actuarial Guideline XLVIII Multiplied by 2	FR036 X[illegible]XXX Re[illegible]urance Primary Security Shortfall by Cession Column (7) Line (9999999) Multiplied by 2	
(72)	Total Risk-Based Capital After Covariance (Including Basic Operational Risk and Primary Security Shortfall multiplied by 2)	Li[illegible] (67) [illegible] **(70)** + Line **(71)**	
	Authorized Control Level Risk-Based Capital (After Covariance Adjustment and Shortfall)		
(73)	Total Risk-Based Capital After Covariance Times Fifty Percent	[illegible]ine **(7[illegible])** x 0.50	
	Tax Sensitivity Test		
(74)	Tax Sensitivity Test: Total Risk-Based Capital After Covariance	L(9)+L(61) + Square Root of [(L(40) + L(50))² + (L(18) + L(56))² + L(47)² + L(53)² + L(64)²]	
(75)	Tax Sensitivity Test: Authorized Control Level Risk-Based Capital	Line **(74)** x 0.50	

Denotes manual entry items that do not come directly from the an[illegible] state[illegible].

CAPITAL NOTES BEFORE LIMITATION

Not Applicable to Fraternal

CALCULATION OF TOTAL ADJUSTED CAPITAL
(Including Total Adjusted Capital Tax Sensitivity Test)

		Annual Statement Source	(1) Statement Value		Factor		(2) Adjusted Capital
	Company Amounts						
(1)	Capital and Surplus	Page 3 Column 1 Line 30		X	1.000	=	
(2)	Asset Valuation Reserve	Page 3 Column 1 Line 21.1 §		X	1.000	=	
(3)	Dividends/Refunds Apportioned for Payment	Page 3 Column 1 Line 6.1, in part		X	0.500	=	
(4)	Dividends/Refunds Not Yet Apportioned	Page 3 Column 1 Line 6.2, in part		X	0.500	=	
(5)	Hedging Fair Value Adjustment	Company Records		X	-1.000	=	
	Life Subsidiary Company Amounts†						
(6)	Asset Valuation Reserve	Subsidiaries' Annual Statement Page 3 Column 1 Line 24.01‡ §		X	1.000	=	
(7)	Dividend Liability	Subsidiaries' Annual Statement Page 3 Column 1 Line 6.1 + Line 6.2‡		X	0.500	=	
	Property and Casualty and Other Non-U.S. Affiliated Amounts						
(8)	Non-Tabular discount and/or Alien Insurance Subsidiaries: Other	Included in Subsidiaries' Annual Statement Page 3 Column 1 Line 1 + 3‡ and/or Schedule D Part 6, Section 1 Column 8 Line 0599999 and Line 1499999, in part		X	1.000	=	
(9)	Total Adjusted Capital Before Capital Notes	Sum of Lines (1) through (7) less Line (8)					
	Credit for Capital Notes						
(10.1)	Surplus Notes	Not Applicable to Fraternal					
(10.2)	Limitation on Capital Notes	Not Applicable to Fraternal					
(10.3)	Capital Notes Before Limitation	Not Applicable to Fraternal					
(10.4)	Credit for Capital Notes	Not Applicable to Fraternal					
(11)	XXX/AXXX Reinsurance RBC Shortfall	FR037 XXX/AXXX Captive Reinsurance Consolidated Exhibit Column (10) Line (10)					
(12)	Total Adjusted Capital	Line (9) + Line (10.4) - Line (11)					
	Tax Sensitivity Test						
	Company Amounts						
(13)	Deferred Tax Asset (DTA) Value	Not Applicable to Fraternal		X	-1.000	=	
(14)	Deferred Tax Liability (DTL) Value	Not Applicable to Fraternal		X	1.000	=	
	Subsidiary Amounts						
(15)	Deferred Tax Asset (DTA) Value	Company Records		X	-1.000	=	
(16)	Deferred Tax Liability (DTL) Value	Company Records		X	1.000	=	
(17)	Tax Sensitivity Test: Total Adjusted Capital	Line (12)+(13)+(14)+(15)+(16)					
	Ex DTA ACL RBC Ratio Sensitivity Test						
(18)	Deferred Tax Asset-Company Amounts	Not Applicable to Fraternal		X	1.000	=	
(19)	Total Adjusted Capital Less Deferred Tax Asset Amounts	Line ([illegible]) less Line (18)					
(20)	Authorized Control Level RBC	LR034 Risk-Based Capital Level of Action Line (4)		X	1.000	=	
(21)	Ex DTA ACL RBC Ratio	Line (19) / Line (20)					0.000%
	ACA Fee RBC Ratio Sensitivity Test						
(22)	ACA Fee (Data Year Amount to be Paid in the [illegible])	Note 22B		X	1.000	=	
(23)	Total Adjusted Capital Less ACA Fee	Line (12) less Line (22)					
(24)	Authorized Control Level RBC	LR034 Risk-Based Capital Level of Action Line (4)					
(25)	ACA Fee RBC Ratio	Line (23) / Line (24)					0.000%

† Including subsidiaries [illegible] holding companies.
‡ Multiply statement value by percent of ownership.
§ The portion of the AVR that can be counted as capital is limited to the amount not utilized in asset adequacy testing in support of the Actuarial Opinion for reserves.

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

RISK-BASED CAPITAL LEVEL OF ACTION
(Including Tax Sensitivity Test)

		Source	(1) RBC Amount
(1)	Total Adjusted Capital - REPORT AMOUNT IN FIVE-YEAR HISTORICAL DATA PAGE 21 COLUMN 1 LINE 17	FR033 Calculation of Total Adjusted Capital Column (2) Line (12)	
	Trigger Points for Level of Regulatory Action:		
(2)	Company Action Level = 200% of Authorized Control Level Risk-Based Capital	2.0 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (73)	
(3)	Regulatory Action Level = 150% of Authorized Control Level Risk-Based Capital	1.5 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (73)	
(4)	Authorized Control Level Risk-Based Capital - REPORT AMOUNT IN FIVE-YEAR HISTORICAL DATA PAGE 21 COLUMN 1 LINE 18	1.0 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (73)	
(5)	Mandatory Control Level = 70% of Authorized Control Level Risk-Based Capital	0.7 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (73)	
(6)	Level of Action†:		
(7)	Authorized Control Level RBC Ratio	Line (1) / Line (4)	0.000%
	Tax Sensitivity Test		
(8)	Tax Sensitivity Test: Total Adjusted Capital	FR033 Calculation of Total Adjusted Capital Column (2) Line (17)	
(9)	Tax Sensitivity Test: Company Action Level = 200% of Authorized Control Level Risk-Based Capital	2.0 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (75)	
(10)	Tax Sensitivity Test: Regulatory Action Level = 150% of Authorized Control Level Risk-Based Capital	1.5 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (75)	
(11)	Tax Sensitivity Test:Authorized Control Level Risk-Based Capital	1.0 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (75)	
(12)	Tax Sensitivity Test: Mandatory Control Level = 70% of Authorized Control Level Risk-Based Capital	0.7 times FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (75)	
(13)	Tax Sensitivity Test: Level of Action:		

† If Total Adjusted Capital Line (1) exceeds Company Action Level Risk-Based Capital Line (2), None will be indicated (unless the Trend Test triggers Company Action Level). Otherwise, the appropriate level of action will be indicated.
If the trend test is applicable for the company, the level that the trend test applies to for the state of domicile as reported on FR035 Trend Test Line (18) is indicated as being:

(0000001) If 3.0 had been selected for FR035 Trend Test Line (18) as the state of domicile level, the Line (6) level of action above would have been: ______
(0000002) If 2.5 had been selected for FR035 Trend Test Line (18) as the state of domicile level, the Line (6) level of action above would have been: ______

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

TREND TEST

		Source	(1) 3.0 Amount	(2) 3.0 Result	(3) 2.5 Amount	(4) 2.5 Result
	Criteria for Applying Trend Test					
(1)	Authorized Control Level Risk-Based Capital	FR031 Calculation of Authorized Control Level Risk-Based Capital Column (1) Line (73)				
(2)	Trend Test Safe Harbor	Column (1)=3.0 x Line (1), Column (3)=2.5 x Line (1)				
(3)	Total Adjusted Capital	FR033 Calculation of Total Adjusted Capital Line (12)				
	Trend Test Data					
(4)	First Prior Year Total Adjusted Capital	Five-Year Historical Data Page 21 Column 2 Line 17				
(5)	First Prior Year Authorized Control Level Risk-Based Capital	Five-Year Historical Data Page 21 Column 2 Line 18				
(6)	Third Prior Year Total Adjusted Capital	Five-Year Historical Data Page 21 Column 4 Line 17				
(7)	Third Prior Year Authorized Control Level Risk-Based Capital	Five-Year Historical Data Page 21 Column 4 Line 18				
	Trend Test Calculation (only if applicable†)					
(8)	Current Year Margin	Line (3) - Line (1)				
(9)	First Prior Year Margin	Line (4) - Line (5)				
(10)	Third Prior Year Margin	Line (6) - Line (7)				
(11)	Decrease in Margin from First Prior Year	Line (9) - Line (8) (use zero if negative)				
(12)	Decrease in Margin from Third Prior Year	Line (10) - Line (8) (use zero if negative)				
(13)	Average decrease in Last Three Years	1/3 of Line (12)				
(14)	Marginal Difference	Greater of Line (11) and Line (13)				
(15)	Total Adjusted Capital Less Margin Difference	Line (3) - Line (14)				
(16)	Level of Risk-Based Capital‡	1.9 x Line (1)				
(17)	Negative Trend?‡					
(18)	For companies where one of the above trend tests applies, does the state of domicile require action at 2.5 or 3.0 times Authorized Control Level RBC?	Select "2.5", "3.0" or "N/A"				

† The Trend Test applies only if Total Adjusted Capital Line (3) is less than the Trend Test Safe Harbor Line (2) and the FR034 Risk-Based Capital Level of Action Line (6) is "None".

‡ If Line (15) is less than Line (16), the company triggers regulatory attention at the Company Action Level based on the trend test. The NAIC is in the process of changing the upper level where the trend test can be triggered from 2.5 times the Authorized Control Level RBC to 3.0 times the Authorized Control Level RBC. Until all states have transitioned to the 3.0 standard, there may be differences between states as to whether columns (1) and (2) or columns (3) and (4) of the FR035 Trend Test page apply to a particular company, so information is provided to alert users to potential alternative trend test results during the transition period.

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

XXX/AXXX REINSURANCE PRIMARY SECURITY SHORTFALL BY CESSION

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Cession ID	NAIC Company Code	ID Number	Name of Company	Required Level of Primary Security	Primary Security and Remediation Adjustments	Primary Security Shortfall
(0000001)							
(0000002)							
(0000003)							
(0000004)							
(0000005)							
(0000006)							
(0000007)							
(0000008)							
(0000009)							
(0000010)							
(0000011)							
(0000012)							
(0000013)							
(0000014)							
(0000015)							
(0000016)							
(0000017)							
(0000018)							
(0000019)							
(0000020)							

(9999999)				

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

XXX/AXXX CAPTIVE REINSURANCE CONSOLIDATED EXHIBIT

			(1) Ceding Company	(2) Pro Rata Captive #1	(3) Pro Rata Captive #2	(4) Pro Rata Captive #3	(5) Pro Rata Captive #4	(6) Pro Rata Captive #5	(7) Pro Rata Captive #6	(8) Pro Rata Captive #7	(9) Other Captives As necessary*	(10) Total
(1)	C-0											XXX
(2)	C-1o											XXX
(2.1)	C-1o Concentration Factor											XXX
(2.2)	C-1o Concentration Factor Adjustment											XXX
(2.3)	Net C-1o	Line (2) minus Line (2.1) plus Line (2.2)										XXX
(3)	C-1cs											XXX
(3.1)	C-1cs Concentration Factor											XXX
(3.2)	C-1cs Concentration Factor Adjustment											XXX
(3.3)	Net C-1cs	Line (3) minus Line (3.1) plus Line (3.2)										XXX
(4)	C-2											XXX
(5.1)	C-3a											XXX
(5.2)	C-3b											XXX
(5.3)	C-3c											XXX
(6.1)	C-4a											XXX
(6.2)	C-4b											XXX
(7)	Total Adjusted Capital											XXX
(8)	Authorized Control Level #											XXX
(9)	Benchmark RBC		XXX									XXX
(10)	RBC Shortfall		XXX									
(11)	Final Total Adjusted Capital Reflecting RBC Cushion			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

* If there are more than 7 captives subject to consolidation, provide the totals for the captives not reported in columns (2) through (8).

The amount on this line is to be the result of the normal calculation of Authorized Control Level RBC with possible adjustment to the concentration factor as described in the instructions for this exhibit.

(12) Would the reporting entity be in a risk-based capital company action levelbr lower if all of the reinsurance transactions required to be reported in Part 2A and Part 2B of the Supplemental XXX/AXXX Reinsurance Exhibit to the current Annual Statement had not occurred (i.e., if the reporting entity did not receive the reserve credit taken required to be reported in Part 2A and Part 2B, Column 12 and held the security required to be reported in Part 2A, Columns 14 and 17, and Part 2B, Columns 14, 15, and 18 of the Supplemental XXX/AXXX Reinsurance required to be reported in Part 2A, Columns 14 and 17, and Part 2B, Columns 14, 15, and 18 of the Supplemental Exhibit to the current Annual Statement)? No [ ] N/A [ ]

(13) If the response to line (12) is yes, please explain:

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

ADDITIONAL INFORMATION REQUIRED

		Source	(1) Statement Value
(1.2)	Other Affiliates: Subsidiaries	Subsidiaries' Life Risk-Based Capital LR042 Summary for Affiliated Investments Column (1) Line (13); Property and Casualty Risk-Based Capital PR005 Summary For Subsidiary, Controlled and Affiliated Investments for Cross-Checking Statement Values Column (1) Line (8) and Line (17)	
(2.2)	Noncontrolled Assets: Subsidiaries	Subsidiaries' Life Risk-Based Capital LR017 Off-Balance Sheet and Other Items Column (1) Line (15); Property and Casualty PR014 Miscellaneous Off-Balance Sheet Items Column (1) Line (15)	
(3.2)	Guarantees for Affiliates: Subsidiaries	Subsidiaries' Life Notes to Financial Statements #14A3c1; Property and Casualty Notes to Financial Statements #14A3c1	
(4.2)	Contingent Liabilities: Subsidiaries	Subsidiaries' Life Notes to Financial Statements #14A1; Property and Casualty Notes to Financial Statements #14A1	
(5.2)	Long Term Leases: Subsidiaries	Subsidiaries' Life Notes to Financial Statements #15A2a1; Property and Casualty Notes to Financial Statements #15A2a1	
(7.11)	Total Affiliated Investments: Company	Company's Annual Statement Five-Year Historical Data Page 21 Column 1 Line [illegible]	
(7.12)	Less Affiliated Common Stock: Company	Company's Annual Statement Five-Year Historical Data Page 21 Column 1 Line 33	
(7.13)	Less Affiliated Preferred Stock: Company	Company's Annual Statement Five-Year Historical Data Page 21 Column 1 Line 32	
(7.14)	Net Affiliated Investments: Company	Lines (7.11) - (7.12) - (7.13)	
(7.2)	Affiliated Investments: Subsidiaries	Subsidiaries' Life Annual Statement Five-Year Historical Data Column 1 Line 50 Less Lines 45 and 46; Property and Casualty Annual Statement Five-Year Historical Data Column 1 Line 48 Less Lines 43 and 44	
(9.1)	Surplus Notes: Company	Company's Annual Statement Page 3 Column 1 Line 27	
(9.2)	Surplus Notes: Subsidiaries	Subsidiaries' Life Annual Statement Page 3 Column 1 Line [illegible]; Property and Casualty Annual Statement Page 3 Column 1 Line 33.	
(10.11)	Capital Paid In: Company	Not Applicable to Fraternal	
(10.12)	Surplus Paid In: Company	Not Applicable to Fraternal	
(10.13)	Total Current Year's Capital Contributions: Company	Line (10.11) + Line (10.12)	
(10.2)	Current Year's Capital Contributions: Subsidiaries	Subsidiaries' Life Annual Statement Page 4 Column 1 Lines 50.1 + 51.1; Property and Casualty Annual Statement Page 4 Column 1 Lines 32.1 + 33.1	

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

SENSITIVITY TESTS - 50% OF THE CALCULATED RBC AMOUNT

	Sensitivity Tests Affecting 50% the Calculated RBC Amount Risk-Based Capital	Source	(1) Statement Value	Additional Sensitivity Factor	(2) Additional RBC	(3) 50% of the Calculated RBC Before Test	(4) 50% of the Calculated RBC After Test
(1.1)	Other Affiliates: Company	FR042 Summary for Affiliated Investments Column (1) Line (13)		0.700			
(1.2)	Other Affiliates: Subsidiaries	FR038 Additional Information Required Column (1) Line (1.2)		0.700			
(1.99)	Total Other Affiliates			0.700			
(2.1)	Noncontrolled Assets: Company	FR017 Off-Balance Sheet and Other Items Column (1) Line (15)		0.020			
(2.2)	Noncontrolled Assets: Subsidiaries	FR038 Additional Information Required Column (1) Line (2.2)		0.020			
(2.99)	Total Noncontrolled Assets			0.020			
(3.1)	Guarantees for Affiliates: Company	FR017 Off-Balance Sheet and Other Items Column (1) Line (24)		0.020			
(3.2)	Guarantees for Affiliates: Subsidiaries	FR038 Additional Information Required Column (1) Line (3.2)		0.020			
(3.99)	Total Guarantees for Affiliates			0.020			
(4.1)	Contingent Liabilities: Company	FR017 Off-Balance Sheet and Other Items Column (1) Line (25)		0.020			
(4.2)	Contingent Liabilities: Subsidiaries	FR038 Additional Information Required Column (1) Line (4.2)		0.020			
(4.99)	Total Contingent Liabilities			0.020			
(5.1)	Long-Term Leases: Company	FR017 Off-Balance Sheet and Other Items Column (1) Line (26)		0.030			
(5.2)	Long-Term Leases: Subsidiaries	FR038 Additional Information Required Column (1) Line (5.2)		0.030			
(5.99)	Total Long-Term Leases			0.030			
(7.1)	Affiliated Investments†: Company	FR038 Additional Information Required Column (1) Line (7.14)		0.100			
(7.2)	Affiliated Investments†: Subsidiaries	FR038 Additional Information Required Column (1) Line (7.2)		0.100			
(7.99)	Total Affiliated Investments			0.100			

† Excluding affiliated preferred and common stock

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

SENSITIVITY TESTS - TOTAL ADJUSTED CAPITAL

	Sensitivity Tests Affecting Total Adjusted Capital	Source	(1) Statement Value	Additional Sensitivity Factor	(2) Change to Total Adjusted Capital	(3) Total Adjusted Capital Before Test	(4) Total Adjusted Capital After Test
(8.1)	Dividend Liability: Company	FR033 Calculation of Total Adjusted Capital Column (1) Line (3) + Line (4)		-0.250			
(8.2)	Dividend Liability: Subsidiaries	FR033 Calculation of Total Adjusted Capital Column (1) Line (7)		-0.250			
(8.99)	Total Dividend Liability			-0.250			
(9.1)	Surplus Notes: Company	FR038 Additional Information Required Column (1) Line (9.1)		-1.000			
(9.2)	Surplus Notes: Subsidiaries	FR038 Additional Information Required Column (1) Line (9.2)		[illegible]			
(9.99)	Total Surplus Notes			-1.000			
(10.1)	Current Year Capital Contribution: Company	FR038 Additional Information Required Column (1) Line (10.13)		-1.000			
(10.2)	Current Year Capital Contribution: Subsidiaries	FR038 Additional Information Required Column (1) Line (10.2)		-1.000			
(10.99)	Total Current Year Capital Contributions			-1.000			

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

FEDERAL ACA RISK ADJUSTMENT SENSITIVITY TEST

			(1)		(2)		(3)	(4)
		Annual Statement Source	Amount	Sensitivity Percentage	Subtotal Col. (1) * Col. (2)	Factor	RBC Result	Adjusted Capital
	Overestimation of 25%							
(1)	Premium Adjustments Receivable Due to ACA Risk Adjustment	Notes to Financial Statement 24E2a1		0.75		0.500		
(2)	Premium Adjustments Payable Due to ACA Risk Adjustment	Notes to Financial Statement 24E2a3		0.75		0.500		
(3)	Total ACA Risk Adjustments Payable less Receivable	Line (2) - Line (1)						
(4)	**Total Risk Adjustment**	**Absolute Value of (Line (3))**						
(5)	Total Adjusted Capital	**FR033 Calculation of Total Adjusted Capital Col. (2), Line (12)**						
(6)	Total Adjusted Capital Stressed for Risk Adjustments	**Line (5) - Line (4)**						
(7)	Authorized Control Level RBC	FR034 Risk-Based Capital Level of Action Col. (1), Line (4)						
(8)	ACA Risk Adjusted ACL RBC Ratio	**Line (6) / Line (7)**						
	Underestimation of 25%							
(9)	Premium Adjustments Receivable Due to ACA Risk Adjustment	Col. (1), Line (1)		1.25		0.500		
(10)	Premium Adjustments Payable Due to ACA Risk Adjustment	Col. (1), Line (2)		1.25		0.500		
(11)	Total ACA Risk Adjustments Payable less Receivable	**Line (10) - Line (9)**						
(12)	**Total Risk Adjustment**	**Absolute Value of (Line (11))**						
(13)	Total Adjusted Capital	FR033 Calculation of Total Adjusted Capital Col. (2), Line (12)						
(14)	Total Adjusted Capital Stressed for Risk Adjustments	**Line (13) - Line (12)**						
(15)	Authorized Control Level RBC	FR034 Risk-Based Capital Level of Action Col. (1), Line (4)						
(16)	ACA Risk Adjusted ACL RBC Ratio	**Line (14) / Line (15)**						

Footnote: If it is the belief of the company that the factors are not appropriate, please provide an explanation as to why.

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				0.346 =		
(15)	Total (Sum of Lines (1) through (14)	XXX		XXX		XXX		

† If different than book/adjusted carrying value.

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

CROSSCHECKING FOR AFFILIATED INVESTMENTS

Affiliated Preferred Stock

	Schedule D Part 6 Section 1 Type	Annual Statement Line Number	(1) Annual Statement Total Preferred Stock†	(2) Total from Fraternal Risk-Based Capital Report‡	(3) Difference
(1)	Parent	0199999			
(2)	U.S. Property and Casualty Insurer	0299999			
(3)	U.S. Life Insurer	0399999			
(4)	U.S. Health Entity	0499999			
(5)	Alien Insurer	0599999			
(6)	Non-Insurer Which Controls Insurer	0699999			
(7)	Investment Subsidiary	0799999			
(8)	Other Affiliates	0899999			
(9)	Total (Sum of Lines (1) through (8))				

Affiliated Common Stock

	Schedule D Part 6 Section 1 Type	Annual Statement Line Number	(1) Annual Statement Total Common Stock†	(2) Total from Fraternal Risk-Based Capital Report§	(3) Difference
(10)	Parent	1099999			
(11)	U.S. Property and Casualty Insurer	1199999			
(12)	U.S. Life Insurer	1299999			
(13)	U.S. Health Entity	1399999			
(14)	Alien Insurer	1499999			
(15)	Non-Insurer Which Controls Insurer	1599999			
(16)	Investment Subsidiary	1699999			
(17)	Other Affiliates	1799999			
(18)	Total (Sum of Lines (10) through (17))				

† Column (1) Lines (1) through (8) and (10) through (17) come from Schedule D Part 6 Section 1 Column 9 of the annual statement.
‡ Column (2) Lines (1) through (8) come from FR044 Details for Affiliated Investments Column (7).
§ Column (2) Lines (10) through (17) come from FR044 Details for Affiliated Investments Column (5).

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

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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Name of Affiliate	Affiliate Code (1 to 13)	NAIC Company Code or Alien ID Number†	Affiliate's RBC After Covariance‡ LR031, Lines (67)+(71), PR032, Line (68), XR025, Line (37)	Book / Adjusted Carrying Value of Affiliate's Common Stock	Total Value of Affiliate's Outstanding Common Stock	Book / Adjusted Carrying Value of Affiliate's Preferred Stock	Total Value of Affiliate's Outstanding Preferred Stock	Percent Owned	RBC Requirement*
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(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 manual entry items that do not come directly from the annual statement.

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Ceded - Bonds C-1o

	(1) NAIC Company Code	(2) Federal or Alien ID Number	(3) Reinsurer	(4) Ceded C-1o RBC Requirement
(0000001)				
(0000002)				
(0000003)				
(0000004)				
(0000005)				
(0000006)				
(0000007)				
(0000008)				
(0000009)				
(0000010)				
(0000011)				
(0000012)				
(0000013)				
(0000014)				
(0000015)				
(0000016)				
(0000017)				
(0000018)				
(0000019)				
(0000020)				
(0000021)				
(0000022)				
(0000023)				
(0000024)				
(0000025)				
(0000026)				
(0000027)				
(0000028)				
(0000029)				
(0000030)				
(9999999)	XXX	XXX	Total	

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

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Assumed - Bonds C-1o

	(1) NAIC Company Code	(2) Federal or Alien ID Number	(3) Reinsurer	(4) Assumed C-1o RBC Requirement
(0000001)				
(0000002)				
(0000003)				
(0000004)				
(0000005)				
(0000006)				
(0000007)				
(0000008)				
(0000009)				
(0000010)				
(0000011)				
(0000012)				
(0000013)				
(0000014)				
(0000015)				
(0000016)				
(0000017)				
(0000018)				
(0000019)				
(0000020)				
(0000021)				
(0000022)				
(0000023)				
(0000024)				
(0000025)				
(0000026)				
(0000027)				
(0000028)				
(0000029)				
(0000030)				
(9999999)	XXX	XXX	Total	

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

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Ceded - All Other Assets C-0, C-1o And C-1cs

	(1) NAIC Company Code	(2) Federal or Alien ID Number	(3) Reinsurer	(4) Ceded C-0, C-1o And C-1cs RBC Requirement
(0000001)				
(0000002)				
(0000003)				
(0000004)				
(0000005)				
(0000006)				
(0000007)				
(0000008)				
(0000009)				
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(0000030)				
(9999999)	XXX	XXX	Total	

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

MODCO OR FUNDS WITHHELD REINSURANCE AGREEMENTS
Reinsurance Assumed - All Other Assets C-0, C-1o And C-1cs

	(1) NAIC Company Code	(2) Federal or Alien ID Number	(3) Reinsurer	(4) Assumed C-0, C-1o And C-1cs RBC Requirement
(0000001)				
(0000002)				
(0000003)				
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(9999999)	XXX	XXX	Total	

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

EXEMPTION TEST: CASH FLOW TESTING FOR C-3 RBC

	C-3 Significance Test	Source	(1) Amount	(2) Yes/No Response	(3) Equity Indexed Annuities Adjustment (Pre-Tax)
(1)	C-0 Asset Risk - Affiliated Amounts	FR031 Calculation of Authorized Control Level Capital Column (1) Line (11)			
(2)	C-1cs Asset Risk - Unaffiliated Common Stock	FR031 Calculation of Authorized Control Level Capital Column (1) Line (20)			
(3)	C-1o Asset Risk - All Other	FR031 Calculation of Authorized Control Level Capital Column (1) Line (42)			
(4)	C-2 Insurance Risk	FR031 Calculation of 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)	FR027 Interest Rate Risk Column (3) Line (17) x **(1-enacted maximum federal corporate income tax rate)** + FR027 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	FR027 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	FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (5[illegible]			
(8)	C-3c Market Risk	FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (58)			
(9)	C-4a Business Risk: Premium and Liability Components	FR031 Calculation of Total Authorized Control Level Risk-Based Capital Column (1) Line (6[illegible]			
(10)	C-4b Business Risk: Health Administrative Risk	FR031 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?	"Yes" or "No" in Column (2)			
	(Complete cash flow testing for C-3 RBC on Page LR027 Interest Rate Risk Column (3) Line (33) if "Yes.")				
	C-3 Stress Test				
(15)	Total Adjusted Capital	FR033 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)	FR027 Interest Rate Risk Column (3) Line (17) x 0.[illegible] + FR027 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	FR027 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	FR027 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?	"Yes" or "No" in Column (2)			
	(Complete cash flow testing for C-3 RBC on Page FR027 Interest Rate Risk Column (3) Line (33) if "Yes.")				
(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)			

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

NAIC

National Association *of* Insurance Commissioners

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

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