

Sec. 38a-193-2. RBC reports

(a) Every domestic health care center shall, on or prior to each March 1 (the “filing date”), prepare and submit to the commissioner a report of its RBC levels as of the end of the calendar year just ended, in a form and containing such information as is required by the RBC instructions. In addition, a domestic health care center shall file its RBC report:

(1) With the NAIC in accordance with the RBC instructions; and

(2) With the insurance commissioner of any other state in which the domestic health care center is authorized to do health care center business, if such insurance commissioner requests, in writing, that such domestic health care center submit such RBC report to such insurance commissioner, in which case the health care center shall file its RBC report not later than the later of:

(A) Fifteen (15) days after such domestic health care center received such request; or

(B) The filing date.

(b) A health care center’s RBC shall be determined in accordance with the formula set forth in the RBC instructions. The formula may be adjusted for the covariance between the risks set forth in subdivisions (1) to (4), inclusive, of this subsection. The formula shall take the following into account, determined in each case by applying the factors in the manner set forth in the RBC instructions.

(1) Asset risk;

(2) credit risk;

(3) underwriting risk; and

(4) all other business risks and such other relevant risks as are set forth in the RBC instructions.

(c) An excess of capital (i.e. net worth) over the amount produced by the risk-based capital requirements contained in sections 38a-193-1 to 38a-193-13, inclusive, of the Regulations of Connecticut State Agencies and the formulas, schedules and instructions referenced in sections 38a-193-1 to 38a-193-13, inclusive, of the Regulations of Connecticut State Agencies is desirable in the business of health insurance. Accordingly, health care centers should seek to maintain capital above the RBC levels required by sections 38a-193-1 to 38a-193-13, inclusive, of the Regulations of Connecticut State Agencies. Additional capital is used and useful in the insurance business and helps to secure a health care center against various risks inherent in, or affecting, the business of insurance and not accounted for or only partially measured by the risk-based capital requirements contained in sections 38a-193-1 to 38a-193-13, inclusive, of the Regulations of Connecticut State Agencies.

(d) If a domestic health care center submits a RBC report that in the judgment of the commissioner is inaccurate, then the commissioner shall adjust the RBC report to correct the inaccuracy and shall notify the domestic health care center of the adjustment. The notice shall contain a statement of the reason for the adjustment. A RBC report as so adjusted is referred to as an “adjusted RBC report.”

(Adopted effective January 31, 2000; Amended August 30, 2004; Amended November 2, 2017)