

Sec. 38a-72-2. RBC reports

(a) Every domestic insurer 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, every domestic insurer shall file its RBC Report:

- (1) With the NAIC in accordance with the RBC Instructions; and
- (2) With the insurance commissioner in any state in which the insurer is authorized to do business, if the insurance commissioner has notified the insurer of its request in writing, in which case the insurer shall file its RBC Report not later than the later of: fifteen (15) days from the receipt of notice to file its RBC Report with that state; or the filing date.

(b) A life or health insurer’s RBC shall be determined in accordance with the formula set forth in the RBC Instructions. The formula shall take into account and may adjust for the covariance between:

- (1) The risk with respect to the insurer’s assets;
- (2) The risk of adverse insurance experience with respect to the insurer’s liabilities and obligations;
- (3) The interest rate risk with respect to the insurer’s business; and
- (4) All other business risks and such other relevant risks as are set forth in the RBC instructions; determined in each case by applying the factors in the manner set forth in the RBC Instructions.

(c) A property and casualty insurer’s RBC shall be determined in accordance with the formula set forth in the RBC Instructions. The formula shall take into account and may adjust for the covariance between:

- (1) Asset risk;
- (2) Credit risk;
- (3) Underwriting risk; and
- (4) All other risks and such other relevant risks as are set forth in the RBC Instructions; determined in each case by applying the factors in the manner set forth in the RBC Instructions.

(d) An excess of capital over the amount produced by the risk-based capital requirements contained in sections 38a-72-1 to 38a-72-13, inclusive, of the Regulations of Connecticut State Agencies and the formulas, schedules and instructions referenced in said sections is desirable in the business of insurance. Accordingly, insurers should seek to maintain capital above the RBC levels required by sections 38a-72-1 to 38a-72-13, inclusive, of the Regulations of Connecticut State Agencies. Additional capital is used and is useful in the insurance business and helps to secure an insurer 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-72-1 to 38a-72-13, inclusive, of the Regulations of Connecticut State Agencies.

(e) If a domestic insurer files an RBC Report which in the judgment of the commissioner is inaccurate, then the commissioner shall adjust the RBC Report to correct the inaccuracy and shall notify the insurer of the adjustment. The notice shall contain a statement of the reason for the adjustment. An RBC Report as so adjusted is referred to as an “Adjusted RBC Report.”

Regulations of Connecticut State Agencies

(Effective September 29, 1994; Amended August 1, 2014)