Reading: Odomirok.19-RBC   (RBC - R3)   1a-Question
Model: n/a
Problem Type: Calculate the RBC charge for R_3

Given   **Credit-Related Assets**

NON-INVESTED ASSETS	amount	RBC factor
investment income due & accrued	0	0.01
amounts receivable related to uninsured plans	0	0.05
federal income tax recoverable	27,000	0.05
guaranty funds receivable or on deposit	0	0.05
recoverable (parents/subs/affiliates)	7,900	0.05
aggregate write-ins for other than invested assets	6,480	0.05
REINSURANCE RECOVERABLES	amount	RBC factor
amount subject to RBC (gross of reins provision)	68,900	0.10
provision for reinsurance (allocated)	2,670	n/a

* assume this P&C insurer has no health credit risk

U/W risk *(you need this to finish the R_3 calculation)*

RBC charge for R_4	5,600

R_3 =   5,381

R_3	=	charge for non-invested assets	+	charge for reins. recov.	+ charge for health credit risk
	=	2,069	+	3,312	+ 0
	=	5,381			

charges for NON-INVESTED ASSETS

investment income due & accrued	0
amounts receivable related to uninsured plans	0
federal income tax recoverable	1,350
guaranty funds receivable or on deposit	0
recoverable (parents/subs/affiliates)	395
aggregate write-ins for other than invested assets	324
	2,069 <== *charge for non-invested assets*

pre-allocation charges for REINSURANCE RECOVERABLES   6,623   *(subtract reinsurance provision before applying RBC factor)*

Check R_3/R_4 allocation of RBC for reinsurance recoverables

RBC charge for R_4	=	5,600
(RBC charge for NON-INVESTED ASSETS) + (1/2)x(RBC charge for reins recoverables)	=	5,381

Since R_4 is greater   ==>   put 50% of   6,623   into R_3

final R_3 charge for reins recovs   =   3,312   <== *charge for reinsurance recoverables*

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0.35
0.10

Reading: Odomirok.19-RBC   (RBC - R3)   2a-Question
Model: n/a
Problem Type: Calculate the RBC charge for R_3

Given   **Credit-Related Assets**

NON-INVESTED ASSETS	amount	RBC factor
investment income due & accrued	0	0.01
amounts receivable related to uninsured plans	4,770	0.05
federal income tax recoverable	45,000	0.05
guaranty funds receivable or on deposit	20,500	0.05
recoverable (parents/subs/affiliates)	14,400	0.05
aggregate write-ins for other than invested assets	10,620	0.05
REINSURANCE RECOVERABLES	**amount**	**RBC factor**
amount subject to RBC (gross of reins provision)	155,300	0.10
provision for reinsurance (allocated)	3,380	n/a

* assume this P&C insurer has no health credit risk

U/W risk *(you need this to finish the R_3 calculation)*

RBC charge for R_4	10,200

$R_3 =$ 19,957

R_3	=	charge for non-invested assets	+	charge for reins. recov.	+ charge for health credit risk
	=	4,765	+	15,192	+ 0
	=	19,957			

charges for NON-INVESTED ASSETS

investment income due & accrued	0
amounts receivable related to uninsured plans	239
federal income tax recoverable	2,250
guaranty funds receivable or on deposit	1,025
recoverable (parents/subs/affiliates)	720
aggregate write-ins for other than invested assets	531
	4,765 <== *charge for non-invested assets*

pre-allocation charges for REINSURANCE RECOVERABLES   15,192   *(subtract reinsurance provision before applying RBC factor)*

Check R_3/R_4 allocation of RBC for reinsurance recoverables

RBC charge for R_4	=	10,200
(RBC charge for NON-INVESTED ASSETS) + (1/2)x(RBC charge for reins recoverables)	=	12,361

Since R_4 | less than or equal | ==> | put 100% | 15,192 | into R_3

final R_3 charge for reins recovs   =   15,192   <== *charge for reinsurance recoverables*

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0.35
0.10