

WAC 284-36A-020 Report of RBS level—Formula for determining level—Inaccurate reports adjusted by commissioner. (1) On or prior to the annual filing date, which is hereby established as March 1, every fraternal benefit society authorized to transact insurance business in this state, shall prepare and submit to the commissioner a report of its RBS level as of the end of the calendar year just ended, in a form and containing all information required by the RBS instructions.

(2) The RBS of a fraternal benefit society shall be determined in accordance with the formula set forth in the RBS instructions. The formula shall take into account and may adjust for the covariance between:

(a) The risk with respect to the assets of the fraternal benefit society;

(b) The risk of adverse insurance experience with respect to the liabilities and obligations of the fraternal benefit society;

(c) The interest rate risk with respect to the business of the fraternal benefit society; and

(d) All other business risks and other relevant risks as are set forth in the RBS instructions, determined in each case by applying the factors in the manner set forth in the RBS instructions.

(3) An excess of surplus over the amount produced by the RBS requirements and the formulas, schedules, and instructions under this chapter is desirable in the insurance business of fraternal benefit societies. Accordingly, fraternal benefit societies should seek to maintain unimpaired surplus above the RBS level required. Additional unimpaired surplus is used and useful in the insurance business of fraternal benefit societies and helps to secure a fraternal benefit society against various risks inherent in, or affecting, the insurance business of fraternal benefit societies and not accounted for or only partially measured by the RBS requirements.

(4) If a fraternal benefit society files an RBS report that in the judgment of the commissioner is inaccurate, then the commissioner shall adjust the RBS report to correct the inaccuracy and shall notify the fraternal benefit society of the adjustment. The notice shall contain a statement of the reason for the adjustment. An RBS report as so adjusted is referred to as an "adjusted RBS report."

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. WSR 99-01-142 (Matter R 98-19), § 284-36A-020, filed 12/22/98, effective 1/22/99; WSR 98-09-016 (Matter R 98-03), § 284-36A-020, filed 4/6/98, effective 5/7/98. Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.310 and 1996 c 236. WSR 96-22-064 (Matter No. R 96-5), § 284-36A-020, filed 11/4/96, effective 12/5/96.]