

(B) IF A DOMESTIC INSURER FILES AN RBC REPORT ~~WHICH~~ THAT IN THE JUDGMENT OF THE COMMISSIONER IS INACCURATE, THE COMMISSIONER SHALL:

(1) ADJUST THE RBC REPORT TO CORRECT THE INACCURACY; AND

(2) NOTIFY THE INSURER OF THE ADJUSTMENT, INCLUDING A STATEMENT OF THE REASON FOR THE ADJUSTMENT.

741.

(A) (1) A LIFE INSURER'S RISK BASED CAPITAL SHALL BE DETERMINED IN ACCORDANCE WITH THE FORMULA SET FORTH IN THE RBC INSTRUCTIONS.

(2) BY APPLYING THE FACTORS IN THE MANNER SET FORTH IN THE RBC INSTRUCTIONS, THE FORMULA SHALL TAKE INTO ACCOUNT AND MAY ADJUST FOR THE COVARIANCE BETWEEN:

(I) THE RISK WITH RESPECT TO THE INSURER'S ASSETS;

(II) THE RISK OF ADVERSE INSURANCE EXPERIENCE WITH RESPECT TO THE INSURER'S LIABILITIES AND OBLIGATIONS;

(III) THE INTEREST RATE RISK WITH RESPECT TO THE INSURER'S BUSINESS; AND

(IV) ALL OTHER BUSINESS RISK AND SUCH OTHER RELEVANT RISKS AS ARE SET FORTH IN THE RBC INSTRUCTIONS.

(B) (1) A PROPERTY AND CASUALTY INSURER'S RISK BASED CAPITAL SHALL BE DETERMINED IN ACCORDANCE WITH THE FORMULA SET FORTH IN THE RBC INSTRUCTIONS.

(2) BY APPLYING THE FACTORS IN THE MANNER SET FORTH IN THE RBC INSTRUCTIONS, THE FORMULA SHALL TAKE INTO ACCOUNT AND MAY ADJUST FOR THE COVARIANCE BETWEEN:

(I) ASSET RISK;

(II) CREDIT RISK;

(III) UNDERWRITING RISK; AND

(IV) ALL OTHER BUSINESS RISKS AND OTHER RELEVANT RISKS AS ARE SET FORTH IN THE RBC INSTRUCTIONS.

742.

(A) A COMPANY ACTION LEVEL EVENT OCCURS WHEN:

(1) AN INSURER FILES AN RBC REPORT WHICH INDICATES THAT:

(I) THE INSURER HAS TOTAL ADJUSTED CAPITAL WHICH IS:

1. GREATER THAN OR EQUAL TO ITS REGULATORY ACTION LEVEL RBC; AND