

Draft date: 2/23/26

Virtual Meeting

BLANKS (E) WORKING GROUP

Thursday, March 5, 2026

12:00 – 1:00 p.m. ET / 11:00 a.m. – 12:00 p.m. CT / 10:00 – 11:00 a.m. MT / 9:00 – 10:00 a.m. PT

ROLL CALL

Roy Eft, Chair	Indiana	Tadd Wegner	Nebraska
Steve Drutz, Vice Chair	Washington	Paul Lupo/Amal Mechaie	New Jersey
David Phifer	Alaska	Tracy Snow	Ohio
Kim Hudson	California	Ryan Rowe	Oklahoma
Wayne Shepherd	Connecticut	Ryan Keeling	Oregon
Nicole Brittingham	Delaware	Diane Sherman	Pennsylvania
N. Kevin Brown	District of Columbia	Shawn Frederick	Texas
Carolina Herrera Wagoner/ Shalice Rivers	Florida	Jake Garn	Utah
Daniel Mathis	Iowa	Justin E. Parr	West Virginia
Jason Tippet	Michigan	Adrian Jaramillo/ Michael Erdman	Wisconsin
Danielle Smith/Kelly Hopper	Missouri		

NAIC Committee Support: Mary Caswell/Jill Youtsey/Julie Gann

AGENDA

1. Consider Adoption of its Nov. 5, 2025, Minutes—*Roy Eft (IN)* Attachment 1
2. Consider Adoption of Items Previously Exposed—*Roy Eft (IN)*
 - A. **2025-17BWG Modified** – Add an annual general interrogatory to indicate the method used for reporting residuals and update Notes to Financials (Note 1C6 and 5D) for consistent reporting between *Statement of Statutory Accounting Principles (SSAP) No. 26—Bonds*, *SSAP No. 43—Asset-Backed Securities*, and *SSAP No. 21—Other Admitted Assets*. Attachment 2
 - B. **2025-18BWG** – Add clarifying instructions for Health General Interrogatory 10.21 through 10.24 and an example to the Health General Interrogatory Part 2 Instructions. Add a cross-check from the general interrogatory to Exhibit 7, Part 1. Attachment 3
 - C. **2025-19BWG Modified** – Add a code of “S” to the Active Status column on Schedule T to identify if a license has been suspended. Attachment 4

- D. **2025-20BWG Modified** – Update Schedule D, Part 6, Section 1 reporting categories and asset valuation reserve (AVR) lines to update the classification of investment subsidiaries. Attachment 5
- E. **2025-21BWG** – Revise the definition of accepted actuarial designation. Clarified the requirement to disclose the reserve for direct and assumed unearned premiums for property/casualty (P/C) long duration contracts and the reserve for net unearned premiums for P/C long duration contracts in Exhibit A regardless of materiality. Clarified that comments should be included if those amounts are non-zero but immaterial. Attachment 6
- Clarified the instructions on the reconciliation of data used by the appointed actuary to Schedule P. Clarified requirements for the actuarial report when the appointed actuary has made use of an analysis or opinion produced by another person not under the appointed actuary’s direction for a material portion of the reserves.
- Removed the disclosure of “the net reserves for losses and loss adjustment expenses for the Company’s share of voluntary and involuntary underwriting pools’ and associations’ unpaid losses and loss adjustment expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines” from Exhibit B.
- Revised the label of an Exhibit B disclosure item from “The total claims made extended loss and loss adjustment expense, and unearned premium reserves” to “Extended reporting endorsement policy reserve associated with claims-made contracts” and added clarifying instructions.
- F. **2025-22BWG Modified** – Add an electronic-only column to Schedule D, Part 1, Section 1 and Section 2; Schedule D, Part 2, Sections 1 and 2; Schedule BA; Schedule DA; and Schedule E, Part 2, to identify whether the investment is publicly registered, Rule 144, private placement security, or not applicable. Add a new part to Note 5 – Investments to report the total book adjusted carrying value, fair value (with fair values determined by Level 2 and Level 3 reported), the total amount of aggregate deferred interest and paid-in-kind interest, and the total book/adjusted carrying value (BACV) supported by private letter ratings. Attachment 7
- G. **2025-23BWG Modified** – Update the Separate Account Assets page by adding “Nonadmitted Assets” and “Net Admitted General Account Assets.” Add a new line on the Separate Account Summary of Operations for “Change in Nonadmitted Assets” within the surplus account. Insert a new page “Exhibit of Nonadmitted Assets” that will detail the current and prior total nonadmitted assets, and the change in nonadmitted assets. Attachment 8

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| H. | 2025-24BWG – Update Notes to Financials Note 18B – ASC Plans for the disclosure clarifications in <i>SSAP No. 47—Uninsured Plans</i> . | Attachment 9 |
| I. | 2025-25BWG – Update Notes to Financials Note # 2 – Accounting Changes and Corrections of Errors, by adding the reference to VM-20, Requirements for Principle-Based Reserves for Life Products. | Attachment 10 |
| J. | 2025-26BWG Modified – Update the annual statement expense categories and instructions to remove outdated expense terminology and update to reflect the current types of expenses that exist for companies. | Attachment 11 |
| K. | 2025-27BWG Modified – Add a section to Life/Fraternal Asset Valuation Reserve (AVR) to report collateralized loan obligations (CLOs). Add a footnote to Schedule D, Part 1, Section 2 to report the book adjusted carrying value (BACV) by NAIC designation for CLOs. | Attachment 12 |
| L. | 2025-28BWG Modified – Add two investment characteristics categories to the annual Schedule A, Part 1, to clarify if an investment is owned by a qualifying statutory trust. Update the annual and quarterly Schedule B instructions for reporting guidance for mortgages held in qualifying investments in statutory trusts, and add loan type codes to identify the mortgage loans. | Attachment 13 |
| M. | 2025-29BWG – Update Investment Schedules General Instructions restricted asset codes to add codes that were previously added to Notes to Financials Note 5L – Restricted Assets for reporting funds withheld and modified coinsurance (modco) arrangements. | Attachment 14 |
| N. | 2025-30BWG Modified – Update Notes to Financials Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify reporting retirement plan assets at net asset value (NAV). | Attachment 15 |
| 3. Consider Exposure of New Items— <i>Roy Eft (IN)</i> | | |
| A. | 2026-01BWG – Update Notes to Financials Note 26 – Intercompany Pooling Arrangements to add instructions for modifications to an existing intercompany pooling arrangement that involved the transfer of assets with fair value that differ from statement value. | Attachment 16 |
| B. | 2026-02BWG – Update Notes to Financials Note 11 – Debt to add a cross-check between Note 11B – FHLB Agreements and General Interrogatory #26. | Attachment 17 |
| C. | 2026-03BWG – Update the Life/Fraternal Annual and Quarterly Blanks and Instructions (Exhibit 5, General Interrogatory lines 27.6 and 27.7, Supplemental Exhibits and Schedules, Variable Annuities Supplement) to clarify how | Attachment 18 |

companies should report valuation standards for VM-22, Requirements for Principles-Based Reserves for Non-Variable Annuities, business. Add an annual supplement for VM-22 reserve reporting.

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|---|----------------------|
| <p>D. 2026-04BWG – Add a section to Notes to Financials Note 11 – Debt to disclose funding agreements backing special purpose vehicles (SPV) issuances (FABN). Also add a footnote to Life statement Exhibit 7 to report the amount of total funding agreements backed by SPV issuances.</p> | <p>Attachment 19</p> |
| <p>4. Consider Adoption of the Editorial Listing—<i>Roy Eft (IN)</i></p> | <p>Attachment 20</p> |
| <p>5. Receive Memorandums—<i>Roy Eft (IN)</i></p> | |
| <p>A. Statutory Accounting Principles (E) Working Group Memorandum: Schedule S, Part 8 – Reporting of Modco and Funds Withheld Assets</p> | <p>Attachment 21</p> |
| <p>B. Macroprudential (E) Working Group: Funding Agreements Backing Funding Agreement Backed Notes (FABNs) and Other Structures.</p> | <p>Attachment 22</p> |
| <p>6. Discuss Any Other Matters Before the Working Group—<i>Roy Eft (IN)</i></p> | |
| <p>7. Adjournment</p> | |
| <p><i>The following documents are being provided as reference materials:</i></p> | |
| <p><i>Summary of Comment Letters</i></p> | <p>Attachment 23</p> |
| <p><i>Comment Letters</i></p> | <p>Attachment 24</p> |

Draft: 11/12/25

Blanks (E) Working Group
Virtual Meeting
November 5, 2025

The Blanks (E) Working Group of the Accounting Practices and Procedures (E) Task Force met Nov. 5, 2025. The following Working Group members participated: Roy Eft, Chair (IN); Steve Drutz, Vice Chair (WA); David Phifer (AK); Kim Hudson (CA); Wayne Shepherd (CT); N. Kevin Brown (DC); Charles Santana (DE); Carolina Herrera Wagoner (FL); Daniel Mathis (IA); Jason Tippet (MI); Kelly Hopper (MO); Tadd Wegner (NE); Tim Stroud (NJ); Dale Bruggeman and Tracy Snow (OH); Diana Sherman (PA); Jake Garn (UT); Adrian Jaramillo (WI); and Mary Jo Lewis and Justin Parr (WV).

1. Adopted its Aug. 6 Minutes

Eft stated that the Working Group met Aug. 6. During this meeting, the Working Group: 1) adopted its May 29 minutes; 2) adopted proposal 2025-16BWG, which updates the Health Annual Statement Instructions for the prescribed language for Statement of Actuarial Opinion (SAO), Section 4 (Identification Section), and updates SAO, Section 7 (Opinion Section), Item C, for reporting consistency; and 3) adopted its editorial listing.

Snow made a motion, seconded by Drutz, to adopt the Working Group's Aug. 6 minutes (Attachment --). The motion passed unanimously.

2. Exposed New Items

A. Agenda Item 2025-17BWG

Bruggeman stated that the Statutory Accounting Principles (E) Working Group sponsored this proposal, which is intended to improve the consistency of disclosures for debt securities. In many instances, the disclosures throughout the Statement of Statutory Accounting Principles (SSAPs) were the same, but the location, frequency (quarterly or annually), and whether it was data-captured in the statutory notes to the financial statement were different based on whether it was in scope of *SSAP No. 21—Other Invested Assets*, *SSAP No. 26—Bonds*, or *SSAP No. 43—Asset-Backed Securities* as an issuer credit obligation, asset-backed security (ABS), or a non-bond debt security. The proposed edits incorporate changes to make the disclosure reporting location and frequency consistent for parallel disclosures. For the debt securities, there are limited new disclosures; however, the reporting edits are detailed to incorporate the new reporting disclosures, ensuring clarity. In addition to the debt consistency disclosures, new disclosures are proposed for residuals to be consistent with other disclosures in other investment SSAPs and to specifically identify whether a company is following the practical expedient or allowable earned yield method. Bruggeman stated that no comments were received following exposure of this item, and that it is on the agenda as a non-contested item for Statutory Accounting Principles (E) Working Group adoption consideration during its upcoming session at the Fall National Meeting.

Hearing no objection, Eft stated that the proposal is exposed for a 90-day public comment period ending Feb. 6, 2026.

B. Agenda Item 2025-18BWG

Drutz stated that this proposal adds instructions for the health blank General Interrogatory Part 2, lines 10.21 through 10.24, for the reporting of the maximum incentive pool and bonus arrangements. The proposal adds a cross-check from the general interrogatory to Exhibit 7, Part 1. This proposal was drafted to clarify what should

be included in each line of interrogatory 10.2 by adding instructions, an example, and a cross-check reference back to Exhibit 7, Part 1.

Hearing no objection, Eft stated that the proposal is exposed for a 90-day public comment period ending Feb. 6, 2026.

C. Agenda Item 2025-19BWG

Hopper stated that this proposal adds a code “S” to the “Active Status” column on Schedule T for all statement types to identify when a reporting entity’s license has been suspended. The purpose of this proposal is to provide clarification as to whether a reporting entity’s license is active or suspended, and to inform regulators and consumers if the company has a suspended license.

Hearing no objection, Eft stated that the proposal is exposed for a 90-day public comment period ending Feb. 6, 2026.

D. Agenda Item 2025-20BWG

Bruggeman stated that this proposal is sponsored by the Statutory Accounting Principles (E) Working Group to eliminate the investment subsidiary concept from the annual statement reporting schedules and instructions. Specific accounting guidance for investment subsidiaries was eliminated from *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* in 2005, but the reporting categories on Schedule D, Part 6, Section 1, and the asset valuation reserve (AVR) have remained. When an insurer holds investments in an investment subsidiary, regulators no longer have transparency into the assets held, the ability to identify if asset restrictions have been reached, such as with concentration or admittance limits, and cannot identify whether reporting requirements have been met, such as with private letter (PL) rating filings. Furthermore, regulators lose the ability to verify the risk-based capital (RBC) calculation, as investment subsidiaries have a company-calculated RBC look-through. Following requests for comment on the reasons for utilizing an investment subsidiary, which resulted in the development of new guidance for residential mortgage loans held in a statutory trust, the Statutory Accounting Principles (E) Working Group exposed proposed revisions to eliminate the investment subsidiary reporting concept. With the elimination, subsidiary, controlled, and affiliated (SCA) structures that still serve as “investment subsidiaries” shall be captured in one of the other Schedule D, Part 6, Section 1, and AVR reporting lines for SCAs.

Bruggeman stated that no comments were received following exposure of this item, and that it is on the agenda as a non-contested item for Statutory Accounting Principles (E) Working Group adoption consideration during its session at the Fall National Meeting. If adopted, the Statutory Accounting Principles (E) Working Group will send a referral to the Health Risk-Based Capital (E) Working Group, Life Risk-Based Capital (E) Working Group, and Property and Casualty Risk-Based Capital (E) Working Group to eliminate the RBC reporting lines.

Hearing no objection, Eft exposed the proposal for a 90-day public comment period ending Feb. 6, 2026.

3. Adopted the Editorial Listing

Hudson made a motion, seconded by Drutz, to adopt the editorial listing (Attachment --). The motion passed unanimously.

4. Reviewed the 2026 Proposed Charges for the Working Group

Eft stated that the Blanks (E) Working Group's 2026 proposed charges have been approved by the Financial Condition (E) Committee. He indicated that the charges are the same as in the previous year.

5. Reviewed State Filing Checklists

Eft stated that one of the Blanks (E) Working Group's charges is to review the state filing checklists, which are distributed to each state for confirmation of the state filing requirement, and for each state to include any state-specific requirements.

Hudson made a motion, seconded by Shepherd, to approve the state filing checklists (Attachment --). The motion passed unanimously.

Having no further business, the Blanks (E) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/Committees/E Committee/APPTF/2025 Fall NM/Minutes/BWG/11 05 2025 blanks.docx

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>9/5/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>	Agenda Item # <u>2025-17BWG MOD</u>		
	Year <u>2026</u>		
	Changes to Existing Reporting ☒ [X]		
	New Reporting Requirement ☐ []		
	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT		
	No Impact ☒ [X]		
Modifies Required Disclosure ☐ []			
Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]			
If Yes, complete question below			
DISPOSITION			
☐ [] Rejected For Public Comment			
☐ [] Referred To Another NAIC Group			
☒ [X] Received For Public Comment			
☐ [] Adopted Date _____			
☐ [] Rejected Date _____			
☐ [] Deferred Date _____			
☐ [] Other (Specify) _____			

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☒ [X] QUARTERLY STATEMENT | ☒ [X] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026 / 1st Quarter 2027

IDENTIFICATION OF ITEM(S) TO CHANGE

Add an annual general interrogatory that indicates the method used for reporting residuals and update Notes to Financials (Note 1C6 and 5D) for consistent reporting between SSAP No. 26, SSAP No. 43, and SSAP No. 21.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was prepared to make updates for consistent disclosures for certain reporting elements between SSAP No. 26—*Bonds*, SSAP No. 43—*Asset-Backed Securities* and for non-bond debt securities and residuals in SSAP No. 21—*Other Admitted Assets*. (SAPWG Ref #2025-20)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: _____

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**GENERAL INTERROGATORIES****PART 1 – COMMON INTERROGATORIES****INVESTMENT**



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- 40.1 Indicate whether the reporting entity utilizes the Practical Expedient (PE) or Allowable Earned Yield (AEY) method for residuals, or if the reporting entity is transitioning (T) from PE to AEY. All residuals held by a company shall follow the same measurement method unless the company is transitioning from the PE to AEY method. See SSAP No. 21 – Other Admitted Assets.
- 40.2 If the company is transitioning from the Practical Expedient (PE) to Allowable Earned Yield (AEY) method, what is the transition date to apply the AEY method? (Under SSAP No. 21, residuals acquired prior to the transition date shall continue the PE method, whereas residuals acquired after the transition date shall follow the AEY method.)

*** Drafting Note – all lines after these new lines will be renumbered. ***

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies and Going Concern**Instruction:

Refer to SSAP No. 1—*Accounting Policies, Risks & Uncertainties, and Other Disclosures* for accounting guidance regarding disclosure requirements. The major disclosure requirements are as follows:

Detail Eliminated To Conserve Space

- C. Disclose all accounting policies that materially affect the assets, liabilities, capital and surplus or results of operations.

Include:

- (1) Basis at which the short-term investments are stated.
- (2) Basis at which the bonds, mandatory convertible securities and SVO-Identified investments identified in SSAP No. 26 are stated, and the amortization method.

Amortization method for bonds and mandatory convertible securities and if elected by the reporting entity, the approach for determining the systematic value for SVO-Identified securities per SSAP No. 26. If utilizing the systematic value measurement method approach for SVO-Identified investments, the reporting entity must include the following information:

- Whether the reporting entity consistently utilizes the same measurement method for all SVO-Identified investments (e.g., fair value or systematic value). If different measurement methods are used, information on why the reporting entity has elected to use fair value for some SVO-Identified investments and systematic value for others.
- Whether SVO-Identified investments are being reported at a different measurement method from what was used in an earlier current-year interim and/or in a prior annual statement. (For example, if reported at systematic value prior to the sale, and then reacquired and reported at fair value.) This disclosure is required in all interim reporting periods and in the year-end financial statements for the year in which an SVO-Identified investment has been reacquired and reported using a different measurement method from what was previously used for the investment. (This disclosure is required regardless of the length of time between the sale/reacquisition of the investments but is only required in the year in which the investment is reacquired.)
- Identification of securities still held that no longer qualify for the systematic value method. This should separately identify those securities that are still within scope of SSAP No. 26 and those that are being reported under a different SSAP.

- (3) Basis at which the common stocks are stated.
- (4) Basis at which the preferred stocks are stated.
- (5) Description of the valuation basis of the mortgage loans.
- (6) Basis at which the asset-backed securities and non-bond debt securities are stated and the adjustment methodology used for each type of security (prospective or retrospective).

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Illustration:

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

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- (6) Asset-backed securities and non-bond debt securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities, except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.

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ANNUAL STATEMENT INSTRUCTIONS – PROPERTY, HEALTH & TITLE**NOTES TO FINANCIAL STATEMENTS****Note 5 - Investments**Instruction:D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) ~~All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D~~ descriptions of sources used to determine prepayment assumptions.
- (2) ~~All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, F~~ with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
 - Intent to sell.
 - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) ~~For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F~~ for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
 - The amortized cost basis, prior to any current-period other-than-temporary impairment.
 - The other-than-temporary impairment recognized in earnings as a realized loss.
 - The fair value of the security.
 - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) ~~For non-bond debt securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A~~ all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
 - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
 - b. The aggregate related fair value of securities with unrealized losses.

The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with *SSAP No. 100—Fair Value*.

- (5) For the impaired items identified in paragraph (4), Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.
- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in *SSAP No. 21—Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

Illustration:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

- (1) Prepayment assumptions for ~~mortgage-backed/asset-backed and structured securities~~ and non-bond debt securities were obtained from broker-dealer survey values or internal estimates.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (2) For securities in scope of SSAP No. 43 and non-bond debt securities in scope of SSAP No. 21 with a recognized OTTI:

(1)	(2)	(3)
Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than- Temporary Impairment Recognized in Loss	Fair Value 1 – 2

OTTI recognized 1st Quarter



Detail Eliminated To Conserve Space



THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
Total		\$XXX	\$XXX	\$	\$XXX	\$XXX	XXX

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE BEGINNING NARRATIVE.)

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	1	2	3	4	5
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 - Non-Bond Debt Securities	SSAP No. 21 - Residuals under the Allowable Earned Yield Method	Total - Impaired Debt Securities
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. ~~The aggregate amount of unrealized losses:~~

1. ~~Less than 12 Months~~ \$ ~~_____~~

2. ~~12 Months or Longer~~ \$ ~~_____~~

b. ~~The aggregate related fair value of securities
with unrealized losses:~~

1. ~~Less than 12 Months~~ \$ ~~_____~~

2. ~~12 Months or Longer~~ \$ ~~_____~~

(5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in *SSAP No. 21— Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	<u>Sales</u>			<u>Maturities</u>		
	<u>1</u> <u>Proceeds</u>	<u>2</u> <u>Realized Gains</u>	<u>3</u> <u>Realized Losses</u>	<u>4</u> <u>Proceeds</u>	<u>5</u> <u>Realized Gains</u>	<u>6</u> <u>Realized Losses</u>
<u>Bonds:</u>						
SSAP No. 2	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 26	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 43	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Non-Bond Debt Securities:</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Total</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**NOTES TO FINANCIAL STATEMENTS****Note 5 - Investments**Instruction:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) ~~All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D~~ descriptions of sources used to determine prepayment assumptions.
- (2) ~~All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, E~~ with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
 - ~~Intent to sell.~~
 - ~~Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.~~
- (3) ~~For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F~~ for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
 - ~~The amortized cost basis, prior to any current-period other-than-temporary impairment.~~
 - ~~The other-than-temporary impairment recognized in earnings as a realized loss.~~
 - ~~The fair value of the security.~~
 - ~~The amortized cost basis after the current-period other-than-temporary impairment.~~
- (4) ~~For non-bond debt securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A~~ all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
 - a. ~~The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and~~
 - b. ~~The aggregate related fair value of securities with unrealized losses.~~

The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with *SSAP No. 100—Fair Value*.

- (5) For the impaired items identified in paragraph (4), Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.
- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in *SSAP No. 21—Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

Illustration:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

- (1) Prepayment assumptions for ~~mortgage-backed/asset-backed and structured securities and non-bond debt securities~~ were obtained from broker-dealer survey values or internal estimates.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (2) For securities in scope of SSAP No. 43 and non-bond debt securities in scope of SSAP No. 21 with a recognized OTTI:

(1) Amortized Cost Basis Before Other-than- Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss		(3) Fair Value 1 – (2a + 2b)
	(2a) Interest	(2b) Non-interest	

OTTI recognized 1st Quarter

a. Intent to sell

\$ _____ \$ _____ \$ _____ \$ _____

Detail Eliminated To Conserve Space

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
Total		\$xxx	\$xxx	\$	\$xxx	\$xxx	xxx

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE BEGINNING NARRATIVE.)

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	1	2	3	4	5
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 - Non-Bond Debt Securities	SSAP No. 21 - Residuals under the Allowable Earned Yield Method	Total - Impaired Debt Securities
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. ~~The aggregate amount of unrealized losses:~~

1. ~~Less than 12 Months~~ \$ _____

2. ~~12 Months or Longer~~ \$ _____

b. ~~The aggregate related fair value of securities
with unrealized losses:~~

1. ~~Less than 12 Months~~ \$ _____

2. ~~12 Months or Longer~~ \$ _____

(5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in *SSAP No. 21— Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	<u>Sales</u>			<u>Maturities</u>		
	<u>1</u> <u>Proceeds</u>	<u>2</u> <u>Realized Gains</u>	<u>3</u> <u>Realized Losses</u>	<u>4</u> <u>Proceeds</u>	<u>5</u> <u>Realized Gains</u>	<u>6</u> <u>Realized Losses</u>
<u>Bonds:</u>						
SSAP No. 2	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 26	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 43	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Non-Bond Debt Securities:</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Total</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

ANNUAL STATEMENT BLANKS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**GENERAL INTERROGATORIES****PART 1 – COMMON INTERROGATORIES****INVESTMENT****Detail Eliminated To Conserve Space**

- 40.1 ~~For residuals, does the company utilize the Practical Expedient or Allowable Earned Yield method? (Select one, unless the company is transitioning to the PE to AEY method. Enter PE or AEY for the method the company utilizes, unless the company is transitioning from the PE to AEY method, then enter T. PE for Practical Expedient, AEY for Allowable Earned Yield, or T for Transitioning.)~~ PE ☐ AEY ☐ T ☐
- 40.2 ~~If the company is transitioning from the Practical Expedient (PE) to Allowable Earned Yield (AEY) method, what is the transition date to apply the AEY method? Date format MM/DD/YYYY. (Under SSAP No. 21, residuals acquired prior to the transition date shall continue the PE method, whereas residuals after the transition date shall follow the AEY method.)~~

*** Drafting Note – all lines after these new lines will be renumbered. ***

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies and Going Concern**




Illustration:

- C. Disclose all accounting policies that materially affect the assets, liabilities, capital and surplus or results of operations. Include:
- (2) Whether SVO-Identified investments are being reported at a different measurement method from what was used in an earlier current-year interim and/or in a prior annual statement. (For example, if reported at systematic value prior to the sale, and then reacquired and reported at fair value.) This disclosure is required in all interim reporting periods and in the year-end financial statements for the year in which an SVO-Identified investment has been reacquired and reported using a different measurement method from what was previously used for the investment. (This disclosure is required regardless of the length of time between the sale/reacquisition of the investments but is only required in the year in which the investment is reacquired.)
 - (6) Basis at which the asset-backed securities and non-bond debt securities are stated and the adjustment methodology used for each type of security (prospective or retrospective).




QUARTERLY STATEMENT INSTRUCTIONS –PROPERTY, HEALTH & TITLE**Note 5 - Investments**Instruction:D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests~~For asset-backed securities, disclose the following:~~

- (1) All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, ~~D~~ descriptions of sources used to determine prepayment assumptions.
- (2) All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
 - Intent to sell.
 - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, ~~F~~ for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
 - The amortized cost basis, prior to any current-period other-than-temporary impairment.
 - The other-than-temporary impairment recognized in earnings as a realized loss.
 - The fair value of the security.
 - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) For non-bond securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, ~~A~~ all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
 - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
 - b. The aggregate related fair value of securities with unrealized losses.

The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with SSAP No. 100—Fair Value.

- (5) For the impaired items identified in paragraph (4), Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.
- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21—Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

Detail Eliminated To Conserve Space

Illustration:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

- (1) Prepayment assumptions for ~~mortgage-backed~~/asset-backed securities and non-bond debt securities were obtained from broker dealer survey values or internal estimates.
- (2) For securities in scope of SSAP No. 43 and non-bond debt securities in scope of SSAP No. 21 with a recognized OTTI:

1	2	3
Amortized Cost Basis Before Other-Than-Temporary Impairment	Other-Than-Temporary Impairment Recognized in Loss	Fair Value 1 – 2

OTTI recognized 1st Quarter

Detail Eliminated To Conserve Space

- (3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1 CUSIP	2 Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	3 Present Value of Projected Cash Flows	4 Recognized Other-Than-Temporary Impairment	5 Amortized Cost After Other-Than-Temporary Impairment	6 Fair Value at Time of OTTI	7 Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
<u>Aggregate Total</u>		XXX	XXX	\$	XXX	XXX	XXX

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u> SSAP No. 21 – Residuals under the Allowable Earned Yield Method	<u>5</u> Total – Impaired Debt Securities
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 – Non- Bond Debt Securities		
Aggregate Amount of Unrealized Losses:					
Less Than 12 Months:	\$	\$	\$	\$	\$
12 Months or Longer:	\$	\$	\$	\$	\$
Aggregate Related Fair Value of Securities:					
Less Than 12 Months:	\$	\$	\$	\$	\$
12 Months or Longer:	\$	\$	\$	\$	\$

a. The aggregate amount of unrealized losses:

1. Less than 12 Months \$ _____
2. 12 Months or Longer \$ _____

b. The aggregate related fair value of securities
with unrealized losses:

1. Less than 12 Months \$ _____
2. 12 Months or Longer \$ _____

- (5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21— *Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	<u>Sales</u>			<u>Maturities</u>		
	<u>1</u> Proceeds	<u>2</u> Realized Gains	<u>3</u> Realized Losses	<u>4</u> Proceeds	<u>5</u> Realized Gains	<u>6</u> Realized Losses
Bonds:						
SSAP No. 2	\$	\$	\$	\$	\$	\$
SSAP No. 26	\$	\$	\$	\$	\$	\$
SSAP No. 43	\$	\$	\$	\$	\$	\$
Non-Bond Debt Securities:	\$	\$	\$	\$	\$	\$
Aggregate Total	\$	\$	\$	\$	\$	\$

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

NOTES TO FINANCIAL STATEMENTS

Note 5 - Investments

Instruction:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) ~~All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D~~ descriptions of sources used to determine prepayment assumptions.
- (2) ~~All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, E~~ with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
 - Intent to sell.
 - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) ~~For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F~~ for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
 - The amortized cost basis, prior to any current-period other-than-temporary impairment.
 - The other-than-temporary impairment recognized in earnings as a realized loss.
 - The fair value of the security.
 - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) ~~For non-bond debt securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A~~ all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
 - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
 - b. The aggregate related fair value of securities with unrealized losses.

The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with *SSAP No. 100—Fair Value*.

- (5) For the impaired items identified in paragraph (4), Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.
- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in *SSAP No. 21—Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

Illustration:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

- (1) Prepayment assumptions for ~~mortgage-backed/asset-backed and structured securities and non-bond debt securities~~ were obtained from broker-dealer survey values or internal estimates.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (2) For securities in scope of SSAP No. 43 and non-bond debt securities in scope of SSAP No. 21 with a recognized OTTI:

(1) Amortized Cost Basis Before Other-than- Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss		(3)
	(2a) Interest	(2b) Non-interest	Fair Value 1 – (2a + 2b)

OTTI recognized 1st Quarter

a. Intent to sell

\$ _____ \$ _____ \$ _____ \$ _____



Detail Eliminated To Conserve Space



THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
Total		\$XXX	\$XXX	\$	\$XXX	\$XXX	XXX

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE BEGINNING NARRATIVE.)

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	1	2	3	4	5
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 - Non-Bond Debt Securities	SSAP No. 21 – Residuals under the Allowable Earned Yield Method	Total – Impaired Debt Securities
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. ~~The aggregate amount of unrealized losses:~~

1. ~~Less than 12 Months~~ \$ _____
 2. ~~12 Months or Longer~~ \$ _____

b. ~~The aggregate related fair value of securities
 with unrealized losses:~~

1. ~~Less than 12 Months~~ \$ _____
 2. ~~12 Months or Longer~~ \$ _____

(5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in *SSAP No. 21— Other Admitted Assets* separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	<u>Sales</u>			<u>Maturities</u>		
	<u>1</u> <u>Proceeds</u>	<u>2</u> <u>Realized Gains</u>	<u>3</u> <u>Realized Losses</u>	<u>4</u> <u>Proceeds</u>	<u>5</u> <u>Realized Gains</u>	<u>6</u> <u>Realized Losses</u>
<u>Bonds:</u>						
SSAP No. 2	\$	\$	\$	\$	\$	\$
SSAP No. 26	\$	\$	\$	\$	\$	\$
SSAP No. 43	\$	\$	\$	\$	\$	\$
<u>Non-Bond Debt Securities:</u>	\$	\$	\$	\$	\$	\$
<u>Total</u>	\$	\$	\$	\$	\$	\$

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>9/19/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	_____	Agenda Item # <u>2025-18BWG</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	_____	Changes to Existing Reporting ☐ [X]	
ON BEHALF OF:	_____	New Reporting Requirement ☐ []	
NAME:	<u>Steve Drutz</u>	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	<u>Chief Financial Analyst</u>	No Impact ☐ [X]	
AFFILIATION:	<u>WA Office of the Insurance Commissioner</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	_____ _____	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☐ [] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☐ [] Title |
| ☐ [] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Add instructions for Health General Interrogatory 10.21 through 10.24 to add clarifying instructions and an example to the Health General Interrogatory Part 2 Instructions. Also add a crosscheck from the general interrogatory to Exhibit 7, Part 1.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was created to add clarity to what should be included in each line of interrogatory 10.2 by adding instructions, an example, and a crosscheck reference back to Exhibit 7, Part 1.

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – HEALTH**GENERAL INTERROGATORIES****PART 2 – HEALTH INTERROGATORIES****Detail Eliminated To Conserve Space**

9. This interrogatory only applies to those lines of accident and health business that include a medical trend risk, i.e., Comprehensive Medical, Medicare Supplement, Dental, and Stop-Loss and Minimum Premium. Premiums entered should be earned premium for the current calendar year period and not for the entire period of the rate guarantees. Premium amounts should be shown net of reinsurance only when the reinsurance ceded premium is also subject to the same rate guarantee.

10.21 Report the maximum incentive pool/bonus arrangement amounts contractually available to be paid out for the reporting year.

10.22 Report the actual amount paid to the providers during the reporting year as required by the bonus arrangements.

10.23 Report the maximum amount of withholds contractually available to be paid to providers for the reporting year.

10.24 Report the actual amount of withholds paid to the providers during the reporting year.

EXAMPLE (10.2 If yes):

<u>10.21</u>	<u>Maximum amount payable bonuses</u>	<u>\$ 1,000,000</u>
<u>10.22</u>	<u>Amount actually paid for year bonuses</u>	<u>\$ 750,000</u>
<u>10.23</u>	<u>Maximum amount payable withholds</u>	<u>\$ 1,250,000</u>
<u>10.24</u>	<u>Amount actually paid for year withholds</u>	<u>\$ 500,000</u>

Line 10.22 plus 10.24 should equal Exhibit 7, Part 1, Column 1, Line 7 plus 8.

11. If the Plans' statutory minimum capital and surplus requirement is based upon a contingency reserve for statutory minimum capital and surplus that is other than a flat dollar amount, the calculation must be shown. An example of the disclosure of a calculation based upon 2% of the net capitation revenue from risk contracts is:

Net earned subscription revenue	\$	33,103,906
		2%
Addition to Reserve		662,078
Reserve Balance Beginning of Year		353,689
Reserve Balance End of Year		1,025,767

Item 11.4 should equal Column 1, Line 3 of the Five-Year History Page.

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>10/9/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Kelly Hopper</u> TITLE: <u>Chief of Regulatory Operations</u> AFFILIATION: <u>Missouri Dept of Commerce & Insurance</u> ADDRESS: _____ _____ _____		Agenda Item # <u>2025-19BWG MOD</u> Year <u>2026</u> Changes to Existing Reporting ☐ [X] New Reporting Requirement ☐ []	
		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
		No Impact ☐ [X] Modifies Required Disclosure ☐ []	
		Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No] ***If Yes, complete question below***	
		DISPOSITION	
		☐ [] Rejected For Public Comment ☐ [] Referred To Another NAIC Group ☒ [X] Received For Public Comment ☐ [] Adopted Date _____ ☐ [] Rejected Date _____ ☐ [] Deferred Date _____ ☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|---|
| ☐ [X] ANNUAL STATEMENT | ☐ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☐ [X] QUARTERLY STATEMENT | ☐ [X] BLANK | |
| ☐ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☒ [X] Title |
| ☐ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☐ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026 / Quarterly 2027

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a code of "S" to the Active Status column on Schedule T to identify if a license has been suspended.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to provide clarification if a license is active or suspended and will inform regulators and consumers if the company has a suspended license.

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – HEALTH**SCHEDULE T – PREMIUMS AND OTHER CONSIDERATIONS****ALLOCATED BY STATES AND TERRITORIES**

Premiums are reported on a written basis, gross of reinsurance.

Written premium is defined as the contractually determined amount charged by the reporting entity to the policyholder for the effective period of the contract based on the expectation of risk, policy benefits, and expenses associated with the coverage provided by the terms of the insurance contract. For health contracts without fixed contract periods, premiums written will be equal to the amount collected during the reporting period plus uncollected premiums at the end of the period less uncollected premiums at the beginning of the period.

All premium adjustments (both increases and decreases), including but not limited to Affordable Care Act (ACA) premium adjustments related to the risk adjustment program, shall be allocated as premium in the respective jurisdiction.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

L – Licensed or Chartered	(Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.)
R – Registered	(Non-domiciled Risk Retention Groups)
E – Eligible	(Reporting Entities eligible or approved to write Surplus Lines in the state. In some states referred to as nonadmitted.)
Q – Qualified	(Qualified or Accredited Reinsurer)
<u>S – Suspended</u>	<u>(State licensing status of final and public suspension)</u>
N – None of the above	(Not allowed to write business in the state or none of the above codes apply)

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS****ALLOCATED BY STATES AND TERRITORIES**

This schedule is intended to exhibit the amount of premium and annuity considerations, and deposit-type contracts allocated to each state. For Life Companies only, this Schedule also provides: (a) the starting point for the calculation of state premium taxes, and (b) the starting point for the calculation of premium-based, state guaranty association assessments. (The basis for such assessments is developed in the Life, Health, and Annuity Guaranty Association Assessable Premium Exhibit, not in Schedule T.) See the instructions to the Life, Health, and Annuity Guaranty Association Assessable Premium Exhibit for allocated and unallocated annuities reported in Columns 3, 5, and 7.

Report premiums and annuity considerations for life and health contracts and deposit-type contracts for direct business. Exclude contract proceeds left with the reporting entity, such as amounts for supplemental contracts, dividend or refund accumulations and other similar items. Dividends or refunds on contracts that are used to pay renewal life and accident and health insurance premiums or annuity considerations should be included in the amounts allocated to the states and territories in Columns 2, 3, 4, and 5.

All premium adjustments (both increases and decreases), including but not limited to Affordable Care Act (ACA) premium adjustments related to the risk adjustment program, shall be allocated as premium in the respective jurisdiction.

Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts* for life, accident and health and deposit-type contract definitions, *SSAP No. 51—Life Contracts* and *SSAP No. 52—Deposit-Type Contracts* for accounting guidance.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

- | | |
|---------------------------|---|
| L – Licensed or Chartered | (Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.) |
| R – Registered | (Non-domiciled Risk Retention Groups) |
| E – Eligible | (Reporting Entities eligible or approved to write Surplus Lines in the state. In some states referred to as nonadmitted.) |
| Q – Qualified | (Qualified or Accredited Reinsurer) |
| <u>S – Suspended</u> | <u>(State licensing status of final and public suspension)</u> |
| N – None of the above | (Not allowed to write business in the state or none of the above codes apply) |

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY**ALLOCATED BY STATES AND TERRITORIES**

This schedule is intended to report premiums, losses, and other items allocated to each state or territory during the current reporting period, regardless of the reporting entity's license status in that state or territory. Allocation of premiums and the other items reported on this schedule should be based on the physical location of the insured risk (except individual and group health insurance). Amounts reported as losses should be assigned to the state in which the associated premium has been allocated.

All U.S. business must be allocated by state regardless of license status.

All premium adjustments (both increases and (decreases)), including but not limited to Affordable Care Act (ACA) premium adjustments related to the risk adjustment program, shall be allocated as premium in the respective jurisdiction.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

- | | |
|---------------------------|---|
| L – Licensed or Chartered | (Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.) |
| R – Registered | (Non-domiciled Risk Retention Groups) |
| E – Eligible | (Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile – see DSLI). In some states referred to as nonadmitted.) |
| Q – Qualified | (Qualified or Accredited Reinsurer) |
| D – DSLI | (Domestic Surplus Lines Insurer (DSLI) – Reporting Entities authorized to write Surplus Lines in the state of domicile) |
| <u>S – Suspended</u> | <u>(State licensing status of final and public suspension)</u> |
| N – None of the above | (Not allowed to write business in the state or none of the above codes apply) |

ANNUAL STATEMENT INSTRUCTIONS – TITLE**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN****BY STATES AND TERRITORIES**

	=====	Detail Eliminated To Conserve Space	=====	
Column 1	–	Active Status		

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

- | | |
|---------------------------|---|
| L – Licensed or Chartered | (Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.) |
| R – Registered | (Non-domiciled Risk Retention Groups) |
| E – Eligible | (Reporting Entities eligible or approved to write Surplus Lines in the state. In some states referred to as nonadmitted.) |
| Q – Qualified | (Qualified or Accredited Reinsurer) |
| <u>S – Suspended</u> | <u>(State licensing status of final and public suspension)</u> |
| N – None of the above | (Not allowed to write business in the state or none of the above codes apply) |

QUARTERLY STATEMENT INSTRUCTIONS – HEALTH**SCHEDULE T – PREMIUMS AND OTHER CONSIDERATIONS****CURRENT YEAR TO DATE – ALLOCATED BY STATES AND TERRITORIES**

All U.S. business must be allocated by state regardless of license status. Premiums are reported on a year-to-date written basis, gross of reinsurance.

Written premium is defined as the contractually determined amount charged by the reporting entity to the policyholder for the effective period of the contract based on the expectation of risk, policy benefits and expenses associated with the coverage provided by the terms of the insurance contract. For health contracts without fixed contract periods, premiums written will be equal to the amount collected during the reporting period plus uncollected premiums at the end of the period less uncollected premiums at the beginning of the period.

All premium adjustments (both increases and decreases), including but not limited to Affordable Care Act (ACA) premium adjustments related to the risk adjustment program, shall be allocated as premium in the respective jurisdiction.

Columns 2
thru 10

– Direct Business Only Year to Date

Display year-to-date direct premiums written by state.

Include: Gross premiums, including policy and membership fees, less return premiums and premiums on policies not taken.

Column 1

– Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

L – Licensed or Chartered	(Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.)
R – Registered	(Non-domiciled Risk Retention Groups)
E – Eligible	(Reporting Entities eligible or approved to write Surplus Lines in the state. In some states referred to as nonadmitted.)
Q – Qualified	(Qualified or Accredited Reinsurer)
<u>S – Suspended</u>	<u>(State licensing status of final and public suspension)</u>
N – None of the above	(Not allowed to write business in the state or none of the above codes apply)

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS****CURRENT YEAR TO DATE – ALLOCATED BY STATES AND TERRITORIES**

This schedule is intended to exhibit the amount of premium and annuity considerations, and deposit-type contracts allocated to each state. All U.S. business must be allocated by state regardless of license status. Report year-to-date premiums and annuity considerations for life and accident and health contracts and deposit-type contracts for direct business. Exclude contract proceeds left with the reporting entity, such as amounts for supplemental contracts, dividend or refund accumulations and other similar items. Dividends or refunds on contracts that are used to pay renewal life and accident and health insurance premiums or annuity considerations should be included in the amounts allocated to the states and territories in Columns 2, 3, 4 and 5.

All premium adjustments (both increases and decreases), including but not limited to Affordable Care Act (ACA) premium adjustments related to the risk adjustment program, shall be allocated as premium in the respective jurisdiction.

Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts*, for life, accident and health and deposit-type contract definitions; *SSAP No. 51—Life Contracts*; and *SSAP No. 52—Deposit-Type Contracts*, for accounting guidance.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

L – Licensed or Chartered	(Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.)
R – Registered	(Non-domiciled Risk Retention Groups)
E – Eligible	(Reporting Entities eligible or approved to write Surplus Lines in the state. In some states referred to as nonadmitted.)
Q – Qualified	(Qualified or Accredited Reinsurer)
<u>S – Suspended</u>	<u>(State licensing status of final and public suspension)</u>
N – None of the above	(Not allowed to write business in the state or none of the above codes apply)

QUARTERLY STATEMENT INSTRUCTIONS – PROPERTY**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN****CURRENT YEAR TO DATE – ALLOCATED BY STATES AND TERRITORIES**

This schedule is intended to report premiums, losses and other items allocated to each state or territory during the current reporting period, regardless of the reporting entity's license status in that state or territory. Allocation of premiums and the other items reported on this schedule should be based on the physical location of the insured risk (except individual and group health insurance). Amounts reported as losses should be assigned to the state in which the associated premium has been allocated.

All U.S. business must be allocated by state regardless of license status.

All premium adjustments (both increases and decreases), including but not limited to Affordable Care Act (ACA) premium adjustments related to the risk adjustment program, shall be allocated as premium in the respective jurisdiction.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

L – Licensed or Chartered	(Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.)
R – Registered	(Non-domiciled Risk Retention Groups)
E – Eligible	(Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state – see DSLI). In some states referred to as nonadmitted.)
Q – Qualified	(Qualified or Accredited Reinsurer)
D – DSLI	(Domestic Surplus Lines Insurer (DSLI) – Reporting Entities authorized to write Surplus Lines in the state of domicile)
<u>S – Suspended</u>	<u>(State licensing status of final and public suspension)</u>
N – None of the above	(Not allowed to write business in the state or none of the above codes apply)

QUARTERLY STATEMENT INSTRUCTIONS – TITLE**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN****CURRENT YEAR TO DATE – BY STATES AND TERRITORIES**

All U.S. business must be reported by state regardless of license status.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

L – Licensed or Chartered	(Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.)
R – Registered	(Non-domiciled Risk Retention Groups)
E – Eligible	(Reporting Entities eligible or approved to write Surplus Lines in the state. In some states referred to as nonadmitted.)
Q – Qualified	(Qualified or Accredited Reinsurer)
<u>S – Suspended</u>	<u>(State licensing status of final and public suspension)</u>
N – None of the above	(Not allowed to write business in the state or none of the above codes apply)

ANNUAL STATEMENT BLANK – HEALTH**SCHEDULE T – PREMIUMS AND OTHER CONSIDERATIONS**
Allocated by States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|--|-------|
| 1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified – Qualified or accredited reinsurer | _____ |
| 2. R – Registered – Non-domiciled RRGs | _____ | 5. S – Suspended – State licensing status of final and public suspension | _____ |
| 3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state | _____ | 5g. N – None of the above – Not allowed to write business in the state | _____ |

(b) Explanation of basis of allocation by states, premiums by state, etc.

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL**SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS**
Allocated by States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|--|-------|
| 1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified – Qualified or accredited reinsurer | _____ |
| 2. R – Registered – Non-domiciled RRGs | _____ | 5. S – Suspended – State licensing status of final and public suspension | _____ |
| 3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state | _____ | 5g. N – None of the above – Not allowed to write business in the state | _____ |

(b) Explanation of basis of allocation by states, etc., of premiums and annuity considerations

(c) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Col.6, or with Schedule H, Part 1, Column 1, Line 1 indicate which: _____.

ANNUAL STATEMENT BLANK – PROPERTY**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN**
Allocated By States And Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|---|-------|
| 1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified – Qualified or accredited reinsurer | _____ |
| 2. R – Registered – Non-domiciled RRGs | _____ | 5. D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile. | _____ |
| 3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) | _____ | 6. S – Suspended – State licensing status of final and public suspension | _____ |
| 4. Q – Qualified – Qualified or accredited reinsurer | _____ | 26. N – None of the above – Not allowed to write business in the state | _____ |

(b) Explanation of basis of allocation of premiums by states, etc.

ANNUAL STATEMENT BLANK – TITLE**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN**
By States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|--|-------|
| 1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified – Qualified or accredited reinsurer | _____ |
| 2. R – Registered – Non-domiciled RRGs | _____ | 5. S – Suspended – State licensing status of final and public suspension | _____ |
| 3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state | _____ | 5g. N – None of the above – Not allowed to write business in the state | _____ |

(b) Each type of rate must be coded with a combination of the five activity codes (R, S, X, C, and/or E) listed in the instructions. Use the code combination corresponding to the state's statutory definitions of title insurance premium. If more than one combination of activities is indicated in the statutory definition, all relevant combinations must be listed. See the Schedule T instructions.

QUARTERLY STATEMENT BLANK – HEALTH**SCHEDULE T – PREMIUMS AND OTHER CONSIDERATIONS**
Current Year to Date – Allocated by States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|---|-------|
| 1. L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified - Qualified or accredited reinsurer | _____ |
| 2. R – Registered - Non-domiciled RRGs | _____ | 5. S – Suspended – State licensing status of final and public suspension | _____ |
| 3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state ... | _____ | 6. N – None of the above – Not allowed to write business in the state | _____ |

QUARTERLY STATEMENT BLANK – LIFE/FRATERNAL**SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS**
Current Year To Date - Allocated by States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|---|-------|
| 1. L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified - Qualified or accredited reinsurer | _____ |
| 2. R – Registered - Non-domiciled RRGs | _____ | 5. S – Suspended – State licensing status of final and public suspension | _____ |
| 3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state | _____ | 6. N – None of the above – Not allowed to write business in the state | _____ |

QUARTERLY STATEMENT BLANK – PROPERTY**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN**
Current Year to Date – Allocated by States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|--|-------|---|-------|
| 1. L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified – Qualified or accredited reinsurer | _____ |
| 2. R – Registered - Non-domiciled RRGs | _____ | 5. D – Domestic Surplus Lines Insurer (DSL) – Reporting entities authorized to write surplus lines in the state of domicile. | _____ |
| 3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSL) | _____ | 6. S – Suspended – State licensing status of final and public suspension | _____ |
| 4. Q – Qualified - Qualified or accredited reinsurer | _____ | 7. N – None of the above – Not allowed to write business in the state | _____ |

QUARTERLY STATEMENT BLANK – TITLE**SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN**
Current Year to Date – By States and Territories**Detail Eliminated To Conserve Space**

(a) Active Status Counts:

- | | | | |
|---|-------|---|-------|
| 1. L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG | _____ | 4. Q – Qualified - Qualified or accredited reinsurer | _____ |
| 2. R – Registered - Non-domiciled RRGs | _____ | 5. S – Suspended – State licensing status of final and public suspension | _____ |
| 3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state | _____ | 6. N – None of the above – Not allowed to write business in the state | _____ |

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>10/24/25</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	_____	Agenda Item # <u>2025-20BWG MOD</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	_____	Changes to Existing Reporting ☐ [X]	
ON BEHALF OF:	_____	New Reporting Requirement ☐ []	
NAME:	<u>Dale Bruggeman</u>	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	<u>Chair SAPWG</u>	No Impact ☐ [X]	
AFFILIATION:	<u>Ohio Department of Insurance</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	<u>50W. Town St., 3rd Fl., Ste. 300</u>	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
	<u>Columbus, OH 43215</u>	***If Yes, complete question below***	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☐ [] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☒ [X] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☒ [X] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Schedule D, Part 6, Section 1, reporting categories and Asset Valuation Reserve lines to update the classification of investment subsidiaries.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal updates investment subsidiary categories due to questions on the classification of investments as "investment subsidiaries" on Schedule D, Part 6, Section 1 and Asset Valuation Reserve. (SAPWG Ref #2024-21)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**SCHEDULE D – PART 6 – SECTION 1****VALUATION OF SHARES OF SUBSIDIARY, CONTROLLED OR AFFILIATED COMPANIES**

If a reporting entity has any common stock or preferred stock reported for any of the following required categories or subcategories, it shall report the subtotal amount of the corresponding category or subcategory, with the specified subtotal line number appearing in the same manner and location as the pre-printed total or grand total line and number:

<u>Category</u>	<u>Line Number</u>
Preferred Stocks:	
Parent	0199999
U.S. Property & Casualty Insurer	0299999
U.S. Life Insurer	0399999
U.S. Health Entity #.....	0499999
Alien Insurer	0599999
Non-Insurer Which Controls Insurer	0699999
*Investment Subsidiary	0799999
Other Affiliates	0899999079999
Subtotals – Preferred Stocks	0999999089999
Common Stocks:	
Parent	1099999099999
U.S. Property & Casualty Insurer	1199999109999
U.S. Life Insurer	1299999119999
U.S. Health Entity #.....	1399999129999
Alien Insurer	1499999139999
Non-Insurer Which Controls Insurer	1599999149999
*Investment Subsidiary	1699999
Other Affiliates	1799999159999
Subtotals – Common Stocks	1899999169999
Totals – Preferred and Common Stocks	1999999179999

– Include in this category any health entities that file the Health Risk-Based Capital formula.

~~*NOTE: Investment Subsidiary shall mean any subsidiary, other than a holding company, engaged or organized primarily in the ownership and management of investments for the reporting entity. An investment subsidiary shall not include any broker-dealer or a money management fund managing funds other than those of the parent company. The following criteria are applicable:~~

- ~~1. 95% or more of the investment subsidiary's assets would qualify as admitted assets;~~
- ~~2. The investment subsidiary's total liabilities are 5% or less of total assets;~~
- ~~3. Combining the pro-rata ownership shares of the assets of all the investment subsidiaries with the owning reporting entity's assets does not violate any state requirements concerning diversification of investments or limitations on investments in a single entity; and~~

4. ~~The investment subsidiary's book/adjusted carrying value does not exceed the imputed value on a statutory accounting basis. If the book/adjusted carrying value does exceed the imputed statutory value, the reporting entity may either nonadmit the excess or categorize such subsidiary in the "All Other Affiliates" category.~~



Detail Eliminated To Conserve Space



ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**ASSET VALUATION RESERVE**

***** Drafting Note*** - The Line numbers on the AVR schedule are subject to change with proposal 2025-27BWG. 2025-27BWG is redoing how the line numbers are separated on the AVR schedule.**

This exhibit and its supporting calculations are designed to address the non-interest-related (default) and equity risks of the company's assets by calculating a basic contribution, a reserve objective and a maximum reserve amount and controlling the flow of the reserve from/into surplus. These instructions cover the Asset Valuation Reserve (AVR) for both the General Account Statement and the Separate Account Statement. If an AVR is required for investments in the Separate Accounts Statement, it is combined with the General Account AVR and accounted for in the General Accounts statement. Worksheets supporting the separate accounts portion of the reserve are included with the Separate Accounts Statement. The criteria for determining when an AVR is required for separate accounts are described in the Separate Accounts AVR Worksheet instructions.

**Detail Eliminated To Conserve Space**

Lines 5

through 14 — ~~Subsidiary, Controlled or Affiliated Common Stock — Investment Subsidiaries~~

~~Report the book/adjusted carrying value of all common stocks owned in an investment subsidiary or that portion of the book/adjusted carrying value of holding company subsidiaries that represents investments in investment subsidiaries in Column 1, any related party encumbrances on these common stocks in Column 2, and any third party encumbrances on these common stocks in Column 3. If a portion of the book/adjusted carrying value of a holding company subsidiary is reflected in Column 1, the debt of that holding company subsidiary should be reflected in Columns 2 and 3. However, the total holding company debt to be reflected in Columns 2 and 3 should not exceed the aggregate book/adjusted carrying value of any investment subsidiaries on the holding company subsidiary books. (An investment subsidiary is any subsidiary, other than a holding company subsidiary, engaged or organized to engage primarily in the ownership and management of investments authorized as investments for the reporting entity. A broker-dealer or money management firm that manages outside funds is not an investment subsidiary. This definition is intended to be identical to the investment subsidiary definition for Risk-Based Capital (RBC) purposes and will be amended if the RBC definition is changed.) Allocate the common stock value in Column 1 and the encumbrances in Columns 2 and 3 among Lines 5 through 14 based on the nature of the underlying investment held by the investment subsidiary. Follow the Securities Valuation Office guidelines and categorize these assets as if the SVO had assigned a NAIC designation of 1 through 6, P1 through P6, or RP1 through RP6. Report the sum of Columns 1, 2, and 3 in Column 4.~~

~~For Lines 5 through 11, multiply the amount in Column 4 by the appropriate bond, preferred stock, or other fixed income instrument (excluding mortgage loans) reserve factors (as listed in Columns 5, 7 and 9 of the various sections of the Equity Component schedule) and report the products in Columns 6, 8 and 10, respectively.~~

~~For Line 12, multiply the amount in Column 4 by the reserve factors calculated for Columns 5, 7 and 9 (see instructions for Line 1 of this schedule) and report the products in Columns 6, 8 and 10, respectively.~~

~~For Line 13, multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.~~

~~For Line 14, multiply the amounts included in Column 4 by the reserve factors and breakdowns used for directly owned real estate and report the products in Columns 6, 8 and 10, respectively.~~

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2025-20BWG_Modified.docx

1. Total amount of goodwill nonadmitted \$.....

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL AND SEPARATE ACCOUNTS

*** Drafting Note *** - The Line numbers on the AVR schedule are subject to change with proposal 2025-27BWG. 2025-27BWG is redoing how the line numbers are separated on the AVR schedule.

**ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1	2	3	4	Basic Contribution		Reserve Objective		Maximum Reserve	
			Book/ Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Cols. 1+2+3)	5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
COMMON STOCK												
1		Unaffiliated public.....		XXX	XXX	.....	0.0000	.....	0.1580 (a)	.....	0.1580 (a)	.....
2		Unaffiliated private.....		XXX	XXX	.....	0.0000	.....	0.1945	.....	0.1945	.....
3		Federal Home Loan Bank		XXX	XXX	.....	0.0000	.....	0.0061	.....	0.0097	.....
4		Affiliated life with AVR		XXX	XXX	.....	0.0000	.....	0.0000	.....	0.0000	.....
		Affiliated Investment Subsidiary:										
5		Fixed income exempt obligations					XXX		XXX		XXX	
6		Fixed income highest quality					XXX		XXX		XXX	
7		Fixed income high quality					XXX		XXX		XXX	
8		Fixed income medium quality					XXX		XXX		XXX	
9		Fixed income low quality					XXX		XXX		XXX	
10		Fixed income lower quality					XXX		XXX		XXX	
11		Fixed income in or near default					XXX		XXX		XXX	
12		Unaffiliated common stock public					0.0000		0.1580 (a)		0.1580 (a)	
13		Unaffiliated common stock private					0.0000		0.1945		0.1945	
14		Real estate					(b)		(b)		(b)	
15		Affiliated-certain other (See SVO Purposes & Procedures Manual)		XXX	XXX	.....	0.0000	.....	0.1580	.....	0.1580	.....
16		Affiliated - all other		XXX	XXX	.....	0.0000	.....	0.1945	.....	0.1945	.....
17		Total common stock (Sum of Lines 1 through 16)					XXX		XXX		XXX	
REAL ESTATE												
18		Home office property (General Account only)					0.0000	.....	0.0912	.....	0.0912	.....
19		Investment properties					0.0000	.....	0.0912	.....	0.0912	.....
20		Properties acquired in satisfaction of debt					0.0000	.....	0.1337	.....	0.1337	.....
21		Total real estate (Sum of Lines 18 through 20)					XXX		XXX		XXX	
OTHER INVESTED ASSETS												
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS												
122		Exempt obligations		XXX	XXX	.....	0.0000	.....	0.0000	.....	0.0000	.....
123	1	Highest quality		XXX	XXX	.....	0.0005	.....	0.0016	.....	0.0033	.....
144	2	High quality		XXX	XXX	.....	0.0021	.....	0.0064	.....	0.0106	.....
155	3	Medium quality		XXX	XXX	.....	0.0099	.....	0.0263	.....	0.0376	.....
166	4	Low quality		XXX	XXX	.....	0.0245	.....	0.0572	.....	0.0817	.....
177	5	Lower quality		XXX	XXX	.....	0.0630	.....	0.1128	.....	0.1880	.....
188	6	In or near default		XXX	XXX	.....	0.0000	.....	0.2370	.....	0.2370	.....
199		Total with bond characteristics (Sum of Lines 122 through 188)		XXX	XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols.4x9)
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS										
2030	1	Highest quality		XXX	XXX		0.0005		0.0016		0.0033	
2131	2	High quality		XXX	XXX		0.0021		0.0064		0.0106	
2232	3	Medium quality		XXX	XXX		0.0099		0.0263		0.0376	
2333	4	Low quality		XXX	XXX		0.0245		0.0572		0.0817	
2434	5	Lower quality		XXX	XXX		0.0630		0.1128		0.1880	
2535	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
2636		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
2737		Total with preferred stock characteristics (Sum of Lines 2030 through 2636)		XXX	XXX		XXX		XXX		XXX	
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS										
		In Good Standing Affiliated:										
2838		Mortgages – CM1 – highest quality			XXX		0.0011		0.0057		0.0074	
2939		Mortgages – CM2 – high quality			XXX		0.0040		0.0114		0.0149	
3040		Mortgages – CM3 – medium quality			XXX		0.0069		0.0200		0.0257	
3141		Mortgages – CM4 – low medium quality			XXX		0.0120		0.0343		0.0428	
3242		Mortgages – CM5 – low quality			XXX		0.0183		0.0486		0.0628	
3343		Residential mortgages – insured or guaranteed			XXX		0.0003		0.0007		0.0011	
3444		Residential mortgages – all other		XXX	XXX		0.0015		0.0034		0.0046	
3545		Commercial mortgages – insured or guaranteed			XXX		0.0003		0.0007		0.0011	
		Overdue, Not in Process Affiliated:										
3646		Farm mortgages			XXX		0.0480		0.0868		0.1371	
3747		Residential mortgages – insured or guaranteed			XXX		0.0006		0.0014		0.0023	
3848		Residential mortgages – all other			XXX		0.0029		0.0066		0.0103	
3949		Commercial mortgages – insured or guaranteed			XXX		0.0006		0.0014		0.0023	
4050		Commercial mortgages – all other			XXX		0.0480		0.0868		0.1371	
		In Process of Foreclosure Affiliated:										
4151		Farm mortgages			XXX		0.0000		0.1942		0.1942	
4252		Residential mortgages – insured or guaranteed			XXX		0.0000		0.0046		0.0046	
4353		Residential mortgages – all other			XXX		0.0000		0.0149		0.0149	
4454		Commercial mortgages – insured or guaranteed			XXX		0.0000		0.0046		0.0046	
4555		Commercial mortgages – all other			XXX		0.0000		0.1942		0.1942	
4656		Total affiliated (Sum of Lines 2838 through 4555)			XXX		XXX		XXX		XXX	
4757		Unaffiliated – in good standing with covenants			XXX		(e)		(e)		(e)	
		Unaffiliated – in good standing defeased with government securities			XXX							
4858		Unaffiliated – in good standing primarily senior			XXX		0.0011		0.0057		0.0074	
4959		Unaffiliated – in good standing all other			XXX		0.0040		0.0114		0.0149	
5060		Unaffiliated – overdue, not in process			XXX		0.0069		0.0200		0.0257	
5161		Unaffiliated – in process of foreclosure			XXX		0.0480		0.0868		0.1371	
5262		Unaffiliated – in process of foreclosure			XXX		0.0000		0.1942		0.1942	
5363		Total unaffiliated (Sum of Lines 4757 through 5262)			XXX		XXX		XXX		XXX	
5464		Total with mortgage loan characteristics (Lines 4656 + 5363)			XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK												
5565		Unaffiliated public		XXX	XXX		0.0000		0.1580(a)		0.1580(a)	
5666		Unaffiliated private		XXX	XXX		0.0000		0.1945		0.1945	
5767		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
5868		Affiliated certain other (See SVO Purposes & Procedures Manual)		XXX	XXX		0.0000		0.1580		0.1580	
5969		Affiliated other - all other		XXX	XXX		0.0000		0.1945		0.1945	
6070		Total with common stock characteristics (Sum of Lines 5565 through 5969)		XXX	XXX		XXX		XXX		XXX	
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE												
6171		Home office property (General Account only)					0.0000		0.0912		0.0912	
6272		Investment properties					0.0000		0.0912		0.0912	
6373		Properties acquired in satisfaction of debt					0.0000		0.1337		0.1337	
6474		Total with real estate characteristics (Sum of Lines 6171 through 6473)					XXX		XXX		XXX	
INVESTMENTS IN TAX CREDIT STRUCTURES												
6575		Yield guaranteed state tax credit investments					0.0003		0.0006		0.0010	
6676		Qualifying federal tax credit investments					0.0063		0.0120		0.0190	
6777		Qualifying state tax credit investments					0.0063		0.0120		0.0190	
6878		Other tax credit investments					0.0273		0.0600		0.0975	
6979		Total tax credit investments (Sum of Lines 6575 through 6878)					XXX		XXX		XXX	
RESIDUAL TRANCHES OR INTERESTS												
7080		Bonds – unaffiliated		XXX	XXX		0.0000		0.1580		0.1580	
7181		Bonds – affiliated		XXX	XXX		0.0000		0.1580		0.1580	
7282		Common stock – unaffiliated		XXX	XXX		0.0000		0.1580		0.1580	
7383		Common stock – affiliated		XXX	XXX		0.0000		0.1580		0.1580	
7484		Preferred stock – unaffiliated		XXX	XXX		0.0000		0.1580		0.1580	
7585		Preferred stock – affiliated		XXX	XXX		0.0000		0.1580		0.1580	
7686		Real estate – unaffiliated					0.0000		0.1580		0.1580	
7787		Real estate – affiliated					0.0000		0.1580		0.1580	
7888		Mortgage loans – unaffiliated		XXX	XXX		0.0000		0.1580		0.1580	
7989		Mortgage loans – affiliated		XXX	XXX		0.0000		0.1580		0.1580	
8090		Other – unaffiliated		XXX	XXX		0.0000		0.1580		0.1580	
8191		Other – affiliated		XXX	XXX		0.0000		0.1580		0.1580	
8292		Total residual tranches or interests (Sum of Lines 7080 through 8191)					XXX		XXX		XXX	
SURPLUS NOTES AND CAPITAL NOTES												
8393	1	Highest quality		XXX	XXX		0.0005		0.0016		0.0033	
8494	2	High quality		XXX	XXX		0.0021		0.0064		0.0106	
8595	3	Medium quality		XXX	XXX		0.0099		0.0263		0.0376	
8696	4	Low quality		XXX	XXX		0.0245		0.0572		0.0817	
8797	5	Lower quality		XXX	XXX		0.0630		0.1128		0.1880	
8898	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
8999		Total surplus notes and capital notes (Sum of Lines 8393 through 8898)		XXX	XXX		XXX		XXX		XXX	
ALL OTHER INVESTMENTS												
90100		NAIC 1 working capital finance investments		XXX			0.0000		0.0042		0.0042	
91101		NAIC 2 working capital finance investments		XXX			0.0000		0.0137		0.0137	
92102		Other invested assets - Schedule BA		XXX			0.0000		0.1580		0.1580	
93103		Other short-term invested assets - Schedule DA		XXX			0.0000		0.1580		0.1580	
94104		Total all other (Sum of Lines 90100 through 93103)		XXX			XXX		XXX		XXX	
95105		Total other invested assets - Schedules BA & DA (Sum of Lines 1929 , 2727 , 5464 , 6070 , 6474 , 6979 , 8292 , 8999 and 94104)					XXX		XXX		XXX	

(a) Times the company's weighted average portfolio beta (Minimum .1215, Maximum .2431).

(b) Determined using same factors and breakdowns used for directly owned real estate.

(eb) This will be the factor associated with the risk category determined in the company generated worksheet.

NAIC BLANKS (E) WORKING GROUP**Blanks Agenda Item Submission Form**

DATE: <u>10/23/2025</u>		<u>FOR NAIC USE ONLY</u>	
CONTACT PERSON:	<u>Roberto Perez</u>	Agenda Item # <u>2025-21BWG</u>	
TELEPHONE:	<u>787-239-5842</u>	Year <u>2026</u>	
EMAIL ADDRESS:	<u>rperez1@naic.org</u>	Changes to Existing Reporting ☐ [X]	
ON BEHALF OF:		New Reporting Requirement ☐ []	
NAME:	<u>Miriam Fisk</u>	<u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u>	
TITLE:	<u>Chair</u>	No Impact ☐ [X]	
AFFILIATION:	<u>Actuarial Opinion (C) Working Group</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	<u>miriam.fisk@tdi.texas.gov</u>	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		<u>DISPOSITION</u>	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| ☒ [X] ANNUAL STATEMENT | ☐ [X] INSTRUCTIONS | ☐ [] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☐ [] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☐ [] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☐ [] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026**IDENTIFICATION OF ITEM(S) TO CHANGE**

Revise the definition of Accepted Actuarial Designation based on the Actuarial Opinion Working Group's assessment of the educational materials of the Society of Actuaries (SOA) and Casualty Actuarial Society (CAS), completed in 2025.

Specified that the reserve for Direct and Assumed Unearned Premiums for P&C Long Duration Contracts and the reserve for Net Unearned Premiums for P&C Long Duration Contracts should be disclosed in Exhibit A regardless of whether the amounts are material. Clarified that comments should be included if those amounts are non-zero but immaterial.

Clarified the instructions on the reconciliation of data used by the Appointed Actuary to Schedule P.

Clarified requirements for the Actuarial Report when the Appointed Actuary has made use of an analysis or opinion produced by another person not under the Appointed Actuary's direction for a material portion of the reserves.

Removed the following disclosure item from exhibit B: "The net reserves for losses and loss adjustment expenses for the Company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and loss adjustment expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines"

Revised the label of an Exhibit B disclosure item from “The total claims made extended loss and loss adjustment expense, and unearned premium reserves” to “Extended reporting endorsement policy reserve associated with claims-made contracts” and added clarifying instructions related to this item.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The proposed changes to the definition of Accepted Actuarial Designation were prompted by changes to the FSA educational pathway effective in fall 2025 and the Working Group’s routine assessment of the SOA and CAS’s educational materials in 2024-2025. The assessment, last performed in 2019, determined under what conditions specific actuarial designations meet the NAIC’s Minimum Actuarial Educational Standards for a P/C Appointed Actuary.

In response to concerns raised by regulators, the proposal provides more detailed instructions on the reconciliation of data used by the Appointed Actuary to Schedule P.

In light of changes recently made to Actuarial Standard of Practice No. 36, the proposal adjusts the requirements for the Actuarial Report when the Appointed Actuary has made use of an analysis or opinion not produced under the Appointed Actuary’s direction for a material portion of the reserves.

The other proposed changes are made in response to concerns that these items have been interpreted by Appointed Actuaries in a variety of ways, leading to inconsistencies in the disclosed amounts. Reserves for Unearned Premiums for P&C Long Duration Contracts have been inconsistently reported in Exhibit A when the amount is not zero but the Appointed Actuary deems the amount immaterial, so proposed changes include clarification. The Exhibit B disclosure for “The net reserves for losses and loss adjustment expenses for the Company’s share of voluntary and involuntary underwriting pools’ and associations’ unpaid losses and loss adjustment expenses...” has been reported inconsistently but is also of limited utility to regulators, so the proposal removes this item. The Exhibit B disclosure for “The total claims made extended loss and loss adjustment expense, and unearned premium reserves” has been reported inconsistently, so the proposal renames the item and adds clarifying guidance that aligns with SSAP No. 65.

*****IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

**** This section must be completed on all forms.**

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS –PROPERTY**ACTUARIAL OPINION**

1. There is to be included with or attached to Page 1 of the Annual Statement the statement of the Appointed Actuary, entitled “Statement of Actuarial Opinion” (Actuarial Opinion), setting forth his or her opinion relating to reserves specified in the SCOPE paragraph. The Actuarial Opinion, both the narrative and required Exhibits, shall be in the format of and contain the information required by this section of the *Annual Statement Instructions – Property and Casualty*.

Upon initial engagement, the Appointed Actuary must be appointed by the Board of Directors by Dec. 31 of the calendar year for which the opinion is rendered. The Company shall notify the domiciliary commissioner within five business days of the initial appointment with the following information:

- a. Name and title (and, in the case of a consulting actuary, the name of the firm).
- b. Manner of appointment of the Appointed Actuary (e.g., who made the appointment and when).
- c. A statement that the person meets the requirements of a Qualified Actuary (or was approved by the domiciliary commissioner) and that documentation was provided to the Board of Directors.

Once this notification is furnished, no further notice is required with respect to this person unless the Board of Directors takes action to no longer appoint or retain the actuary or the actuary no longer meets the requirements of a Qualified Actuary.

If subject to the *U.S. Qualification Standards*, the Appointed Actuary shall annually attest to having met the continuing education requirements under Section 3 of the *U.S. Qualification Standards* for issuing Actuarial Opinions. As agreed with the actuarial organizations, the Casualty Actuarial Society (CAS) and Society of Actuaries (SOA) will determine the process for receiving the attestations for their respective members and make available the attestations to the public. An Appointed Actuary subject to the *U.S. Qualification Standards* and not a member of the CAS or SOA shall select one of the above organizations to submit their attestation.

The Appointed Actuary shall provide to the Board of Directors qualification documentation on occasion of their initial appointment directly or through company management. The documentation should include brief biographical information and a description of how the definition of “Qualified Actuary” is met or expected to be met (in the case of continuing education) for that year. The documentation should describe the Appointed Actuary’s responsible experience relevant to the subject of the Actuarial Opinion. The Board of Directors shall document their review of those materials and any other information they may deem relevant, including information that may be requested directly from the Appointed Actuary. It is generally expected that the review of the Appointed Actuary’s qualification documentation should take place at the level within a holding company structure that is responsible for overseeing insurance operations. If a statutory entity is a subsidiary or a non-lead pool member with an Appointed Actuary whose qualifications were reviewed by the pool lead or principal’s Board, the statutory entity’s Board can satisfy the review requirement by acknowledging the parent Board’s review. This can be done by noting in the meeting minutes the name of the principal or lead entity and the date the parent Board reviewed the qualification documentation, or by attaching a copy of the parent Board’s meeting minutes reflecting their review of the qualification documentation. The qualification documentation shall be considered workpapers and be available for inspection upon regulator request or during a financial examination.



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1A. Definitions

“Appointed Actuary” is a Qualified Actuary (or individual otherwise approved by the domiciliary commissioner) appointed by the Board of Directors in accordance with Section 1 of these instructions.

“Board of Directors” can include the designated Board of Directors, its equivalent or an appropriate committee directly reporting to the Board of Directors.

“Qualified Actuary” is a person who:

- (i) Meets the basic education, experience, and continuing education requirements of the Specific Qualification Standard for Statements of Actuarial Opinion, NAIC Property and Casualty Annual Statement, as set forth in the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (U.S. Qualifications Standards)*, promulgated by the American Academy of Actuaries (Academy);
- (ii) Has obtained and maintains an Accepted Actuarial Designation; and
- (iii) Is a member of a professional actuarial association that requires adherence to the same *Code of Professional Conduct* promulgated by the Academy, requires adherence to the *U.S. Qualification Standards*, and participates in the Actuarial Board for Counseling and Discipline when its members are practicing in the U.S.

An exception to parts (i) and (ii) of this definition would be an actuary evaluated by the Academy’s Casualty Practice Council and determined to be a Qualified Actuary for particular lines of business and business activities.

“Accepted Actuarial Designation” in item (ii) of the definition of a Qualified Actuary, is an actuarial designation accepted as meeting or exceeding the NAIC’s Minimum Property/Casualty (P/C) Actuarial Educational Standards for a P/C Appointed Actuary (published on the NAIC website). The following actuarial designations, with any noted conditions, are accepted as meeting or exceeding basic education minimum standards:

- (i) Fellow of the CAS (FCAS) – Condition: basic education must include Exam 6 – Regulation and Financial Reporting (United States);
- (ii) Associate of the CAS (ACAS) – Conditions: basic education must include Exam 6 – Regulation and Financial Reporting (United States) and Exam 7 – Advanced Estimation of Policy Claims Liabilities, Insurance Company Valuation, and Enterprise Risk Management;
- (iii) Fellow of the SOA (FSA) – Conditions: basic education must include completion of the following courses: GI 101 Ratemaking and Reserving; GI 201 Operational, Financial, Regulatory, and Legal; GI 301 Further Topics in General Insurance; and GI 302 General Insurance in the U.S. general insurance track, including the following optional exams: the United States’ version of the Financial and Regulatory Environment Exam and the Advanced Topics in General Insurance Exam.

The table below provides some allowable exam substitutions for (i), (ii), and (iii) in the definition of “Accepted Actuarial Designation.” Noting that Since CAS and SOA exams have changed over time, exceptions are granted for exams completed under earlier syllabi. ~~for (i) and (ii) provide for FCAS/ACAS designations achieved before an exam was created (e.g., CAS Exam 6-US) or with an earlier version of an exam or exam topic (e.g., 2010 CAS Exam 6 instead of the current CAS Exam 7 Section A). FCAS/ACAS qualified under the 2018 and prior Statement of Actuarial Opinion instructions can use the noted substitution rules to achieve qualification under the new instructions by demonstrating basic and/or continuing education of the required topics including material in CAS Exam 6 (US) and section A of CAS Exam 7 (in the May 2019 CAS syllabus). Exceptions for (iii) for an FSA are also included in the table. The SOA exams completed in the general insurance track in 2019 and prior should be supplemented with continuing education and experience to meet basic education requirements in the U.S. Qualification Standards. For purpose of these instructions only, the table also includes specific exams from other organizations that are accepted as substitutes.~~

Exception for (i), (ii), or (iii)	Exam:	Exam Substitution Allowed*
(i) and (ii)	CAS Exam 6 (US)	- Any CAS version of a U.S. P/C statutory accounting and regulation exam administered prior to creation of the CAS Exam 6 (US) in 2011. - An FCAS or ACAS earned prior to 2021 who did not pass CAS Exam 6 (US) or an allowable exam substitution, may substitute experience and/or continuing education for CAS Exam 6 (US) provided the Appointed Actuary explains in his/her qualification documentation how knowledge of U.S. financial reporting and regulation was obtained. SOA FREU (US) Exam
(ii)	CAS Exam 7	- Any CAS version of an exam including advanced P/C reserving administered prior to creation of Exam 7 in 2011. Any version of CAS Exam 7 administered since 2011. An ACAS earned prior to 2021 who did not pass CAS Exam 7 or an allowable exam substitution, may substitute experience and/or continuing education for CAS Exam 7 provided the Appointed Actuary explains in his/her qualification documentation how knowledge of the additional reserving topics in CAS Exam 7 (Section A) in the May 2019 syllabus was obtained. SOA Advanced Topics Exam (Note: The ERM portion of Exam 7 is not needed to meet NAIC educational standards, therefore SOA ERM Exam is not needed for the substitution for this purpose.)
(iii)	<u>SOA GI 101</u>	<u>SOA General Insurance Ratemaking and Reserving Exam administered after 2019</u>
(iii)	<u>SOA GI 201</u>	<u>SOA Introduction to General Insurance Exam administered after 2019 and SOA Financial Economics, Regulation and Law Module completed prior to 2026</u>
(iii)	<u>SOA GI 301</u>	<u>SOA Advanced Topics in General Insurance Exam administered after 2019 and SOA General Insurance Applications Module completed prior to 2026</u> <u>CAS Exam 7 and SOA General Insurance Applications Module completed prior to 2026.</u>
(iii)	<u>SOA GI 301302</u>	<u>United States' version of the SOA Financial and Regulatory Environment Exam administered after 2019.</u> <u>CAS Exam 6 (US)</u>
(iii)	SOA FREU (US) Exam	CAS Exam 6 (US) Any CAS version of a U.S. statutory accounting and regulation exam administered prior to creation of the CAS Exam 6 in 2011.
(iii)	SOA Advanced Topics Exam	CAS Exam 7 Any CAS version of an exam containing the advanced techniques to estimate policy liabilities (i.e., advanced reserving).
*Note: These exam substitutions only apply to these instructions and are not applicable for CAS or SOA exam waivers.		

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4. The SCOPE paragraph should contain a sentence such as the following:

"I have examined the actuarial assumptions and methods used in determining reserves listed in Exhibit A, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 20__, and reviewed information provided to me through XXX date."

Exhibit A should list those items and amounts with respect to which the Appointed Actuary is expressing an opinion.

As required by SSAP No. 65, Exhibit A should also include the reserve for Direct and Assumed Unearned Premiums for P&C Long Duration Contracts and the reserve for Net Unearned Premiums for P&C Long Duration Contracts, regardless of whether the amounts are material.

The Appointed Actuary should state that the items in the SCOPE, on which he or she is expressing an opinion, reflect Disclosure items 8 through ~~13~~12.2 in Exhibit B.

The SCOPE paragraph should include a paragraph such as the following regarding the data used by the Appointed Actuary in forming the opinion:

“In forming my opinion on the loss and loss adjustment expense reserves, I relied upon data prepared by _____ (~~officer~~ individual’s name and title at the Company). I evaluated that data for reasonableness and consistency. I also reconciled ~~that the data used in my analysis~~ to Schedule P, Part 1 of the Company’s current Annual Statement. In other respects, my examination included such review of the actuarial assumptions and methods used and such tests of the calculations as I considered necessary.”

5. The OPINION paragraph should include a sentence that at least covers the points listed in the following illustration: “In my opinion, the amounts carried in Exhibit A on account of the items identified:

- A. Meet the requirements of the insurance laws of (state of domicile).
- B. Are computed in accordance with accepted actuarial standards.
- C. Make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its contracts and agreements.”

If the Scope includes material Unearned Premium Reserves for P&C Long Duration Contracts, ~~or Other Loss Reserve items, or Other Premium Reserve items~~ on which the Appointed Actuary is expressing an opinion, the Actuarial Opinion should contain language such as the following:

- D. Make a reasonable provision for the unearned premium reserves for P&C Long Duration Contracts and/or <insert Other ~~Loss~~-Reserve item on which the Appointed Actuary is expressing an Opinion> of the Company under the terms of its contracts and agreements.

If the Unearned Premium Reserves for P&C Long Duration Contracts reported on lines 7 or 8 of Exhibit A are non-zero but the Appointed Actuary deems the amounts immaterial and is not issuing an opinion on these amounts, the Appointed Actuary should include clarifying comments in the SCOPE, OPINION, and/or RELEVANT COMMENTS sections of the opinion.

If there is any aggregation or combination of items in Exhibit A, the opinion language should clearly identify the combined items.

Insurance laws and regulations shall at all times take precedence over the actuarial standards.

If the Appointed Actuary has ~~made use of the analysis of~~ another actuary’s analysis that was not produced under ~~not within~~ the Appointed Actuary’s ~~control~~ direction (such as for pools and associations, for a subsidiary or for special lines of business) for a material portion of the reserves, the other actuary must be identified by name, credential, and affiliation within the OPINION paragraph. If the Appointed Actuary has ~~made use of~~ the work of a non-actuary (such as for modeling) for a material portion of the reserves, that individual must be identified by name and affiliation and a description of the type of analysis performed must be provided.



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6. The Appointed Actuary must provide RELEVANT COMMENT paragraphs to address the following topics of regulatory importance.

A. Company-Specific Risk Factors

The Appointed Actuary should include an explanatory paragraph to describe the major factors, combination of factors or particular conditions underlying the risks and uncertainties the Appointed Actuary considers relevant. The explanatory paragraph should not include general, broad statements about risks and uncertainties due to economic changes, judicial decisions, regulatory actions, political or social forces, etc., nor is the Appointed Actuary required to include an exhaustive list of all potential sources of risks and uncertainties.

B. Risk of Material Adverse Deviation

The Appointed Actuary must provide specific RELEVANT COMMENT paragraphs to address the risk of material adverse deviation. The Appointed Actuary must identify the materiality standard and the basis for establishing this standard. The materiality standard must also be disclosed in U.S. dollars in Exhibit B: Disclosures. The Appointed Actuary should explicitly state whether or not he or she reasonably believes that there are significant risks and uncertainties that could result in material adverse deviation. This determination is also to be disclosed in Exhibit B.

C. Other Disclosures in Exhibit B

RELEVANT COMMENT paragraphs should describe the significance of each of the remaining Disclosure items (8 through 1413) in Exhibit B. The Appointed Actuary should address the items individually and in combination when commenting on a material impact.

Disclosure item 11 in Exhibit B requests amounts for the extended reporting endorsement policy reserve associated with claims-made contracts. This policy reserve is required by SSAP No. 65 if a claims-made policy provides extended reporting coverage at no additional charge in the event of death, disability, or retirement of a natural person insured. In such instance, the company must accrue a policy reserve before the triggering event (the death, disability, or retirement of the insured) to assure that premiums are not earned prematurely. The amount of the reserve should be adequate to pay for all future claims arising from these coverage features after recognition of future premiums to be paid by current insureds for these benefits. SSAP No. 65 states that this reserve shall be classified as a component part of the unearned premium reserve, but some companies instead report the reserves as part of the loss and loss adjustment expense reserves. The reserve amount reported on Exhibit B, item 11 should be greater than or equal to the amount reported in Item 1.2 of the Schedule P Interrogatories. The Schedule P Interrogatory only asks for the policy reserve associated with medical professional liability policies, but item 11 on Exhibit B should include policy reserves for all P&C lines of business, not just medical professional liability; this extended reporting coverage is also available for other lines, such as legal professional liability, architect professional liability, etc.

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7. The Actuarial Opinion must include assurance that an Actuarial Report and underlying actuarial workpapers supporting the Actuarial Opinion will be maintained at the Company and available for regulatory examination for seven (7) years. The Actuarial Report contains significant proprietary information. It is expected that the Actuarial Report be held confidential and not be intended for public inspection. The Actuarial Report must be available by May 1 of the year following the year-end for which the Actuarial Opinion was rendered or within two (2) weeks after a request from an individual state commissioner.

The Actuarial Report should be consistent with the documentation and disclosure requirements of ASOP No. 41, Actuarial Communications. The Actuarial Report must contain both narrative and technical components. The narrative component should provide sufficient detail to clearly explain to Company management, the Board of Directors, the regulator or other authority the findings, recommendations, and conclusions, as well as their

significance. The technical component should provide sufficient documentation and disclosure for another actuary practicing in the same field to evaluate the work. This technical component must show the analysis from the basic data (e.g., loss triangles) to the conclusions.

Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves (AG 51) in the NAIC *Accounting Practices and Procedures Manual* requires a company with over 10,000 in force lives covered by long-term care (LTC) insurance contracts as of the valuation date to perform a stand-alone asset adequacy analysis for its in force long-term care (LTC) contracts. The Actuarial Report and workpapers summarizing the results, assumptions and testing procedures for the asset adequacy testing of LTC business must be in compliance with AG 51 requirements. When referring to AG 51, the term “Actuarial Memorandum” is synonymous with Actuarial Report and workpapers.

The Actuarial Report should contain disclosure of all reserve amounts associated with A&H Long Duration Contracts reported by the Company; the reserve amounts in the Actuarial Report should tie to the Annual Statement.

The Actuarial Report must also include:

- A. A description of the Appointed Actuary’s relationship to the Company, with clear presentation of the Appointed Actuary’s role in advising the Board of Directors and/or management regarding the carried reserves. The Actuarial Report should identify how and when the Appointed Actuary presents the analysis to the Board of Directors and, where applicable, to the officer(s) of the Company responsible for determining the carried reserves.
- B. An exhibit that ties to the Annual Statement and compares the Appointed Actuary’s conclusions to the carried amounts consistent with the segmentation of exposure or liability groupings used in the analysis. The Appointed Actuary’s conclusions include the Appointed Actuary’s point estimate(s), range(s) of reasonable estimates or both.
- C. An exhibit that reconciles and maps the data used by the Appointed Actuary, consistent with the segmentation of exposure or liability groupings used in the Appointed Actuary’s analysis, to the Annual Statement Schedule P line of business reporting. An explanation should be provided for any material differences.
 - i. The reconciliation should compare the data **used by the Appointed Actuary** in the analysis to Schedule P. It is not sufficient to reconcile the data **provided by the Company** to the Appointed Actuary to Schedule P. It is important for the Appointed Actuary to demonstrate that in the process of performing the actuarial analysis, data was neither created nor destroyed. This is commonly accomplished by showing a clear mapping from the Appointed Actuary’s analysis exhibits to the actuarial data shown in the Schedule P reconciliation.
 - ii. If the reconciliation was not produced under the Appointed Actuary’s direction, the Appointed Actuary should identify who performed the reconciliation and confirm that the Appointed Actuary reviewed the reconciliation for reasonableness.
- D. An exhibit or appendix showing the change in the Appointed Actuary’s estimates from the prior Actuarial Report, including extended discussion of factors underlying any material changes. The exhibit or appendix should illustrate the changes on a net basis but should also include the changes on a gross basis, if relevant. If the Appointed Actuary is newly appointed and does not review the work of the prior Appointed Actuary, then the Appointed Actuary should disclose this.
- E. Extended comments on trends that indicate the presence or absence of risks and uncertainties that could result in material adverse deviation.
- F. Extended comments on factors that led to unusual IRIS ratios for One-Year Reserve Development to Policyholders’ Surplus, Two-Year Reserve Development to Policyholders’ Surplus or Estimated Current Reserve Deficiency to Policyholders’ Surplus, and how these factors were addressed in prior and current analyses.

G. If the Appointed Actuary has used an analysis or opinion not produced under the Appointed Actuary's direction for a material portion of the reserves:

- i. The dollar amount of the reserves covered by the other's analysis or opinion and the percentage of the total reserves subject to the Appointed Actuary's opinion that these other reserves represent.
- ii. Whether and to what extent the Appointed Actuary reviewed the other's underlying analysis, including items such as methods and assumptions used and underlying arithmetic calculations.
- iii. If the Appointed Actuary reviewed the other's underlying analysis, the Appointed Actuary's conclusions from the review.

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Exhibit B: DISCLOSURES

DATA TO BE FILED IN BOTH PRINT AND DATA CAPTURE FORMATS

NOTE: Exhibit B should be completed for Net dollar amounts included in the SCOPE. If an answer would be different for Direct and Assumed amounts, identify and discuss the difference within RELEVANT COMMENTS.

- | | Last | First | Mid |
|--|-------|-------|-----------------------------------|
| 1. Name of the Appointed Actuary | _____ | _____ | _____ |
| 2. The Appointed Actuary's relationship to the Company | | | |
| Enter E or C based upon the following: | | | |
| E if an Employee of the Company or Group | | | |
| C if a Consultant | | | _____ |
| 3. The Appointed Actuary's Accepted Actuarial Designation (indicated by the letter code): | | | |
| F if a Fellow of the Casualty Actuarial Society (FCAS) | | | |
| A if an Associate of the Casualty Actuarial Society (ACAS) | | | |
| S if a Fellow of the Society of Actuaries (FSA) through the General Insurance track | | | |
| M if the actuary does not have an Accepted Actuarial Designation but is approved by the Academy's Casualty Practice Council. | | | |
| O for Other | | | _____ |
| 4. Type of Opinion, as identified in the OPINION paragraph. | | | |
| Enter R, I, E, Q, or N based upon the following: | | | |
| R if Reasonable | | | |
| I if Inadequate or Deficient Provision | | | |
| E if Excessive or Redundant Provision | | | |
| Q if Qualified. Use Q when part of the OPINION is Qualified. | | | |
| N if No Opinion | | | _____ |
| 5. Materiality Standard expressed in U.S. dollars (used to Answer Question #6) | | | \$ _____ |
| 6. Are there significant risks that could result in Material Adverse Deviation? | | | Yes [] No [] Not Applicable [] |

7. Statutory Surplus (Liabilities, Surplus, and Other Funds page, Col 1, Line 37) \$ _____
8. Anticipated net salvage and subrogation included as a reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Col 23, Line 12 * 1000) \$ _____
9. Discount included as a reduction to loss reserves and loss adjustment expense reserves as reported in Schedule P
- 9.1 Nontabular Discount [Notes, Line 32B23, (Amounts 1, 2, 3 & 4)], Electronic Filing Cols 1, 2, 3, & 4 \$ _____
- 9.2 Tabular Discount [Notes, Line 32A23, (Amounts 1 & 2)], Electronic Filing Col 1 & 2 \$ _____
- ~~10. The net reserves for losses and loss adjustment expenses for the Company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and loss adjustment expenses that are included in reserves shown on the Liabilities, Surplus, and Other Funds page, Losses and Loss Adjustment Expenses lines~~ \$ _____
- ~~110.~~ The net reserves for losses and loss adjustment expenses that the Company carries for the following liabilities included on the Liabilities, Surplus, and Other Funds page, Losses and Loss Adjustment Expenses lines *
- ~~110.1~~ Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year) Electronic Filing Col 5 \$ _____
- ~~110.2~~ Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year), Electronic Filing Col 5 \$ _____
- ~~121.~~ Extended reporting endorsement policy reserve associated with claims-made contracts ~~The total claims made extended loss and loss adjustment expense, and unearned premium reserves~~ (Greater than or equal to Schedule P Interrogatories, Line 1.2)
- ~~121.1~~ Amount reported as loss and loss adjustment expense reserves \$ _____
- ~~121.2~~ Amount reported as unearned premium reserves \$ _____
- ~~1312.~~ The net reserves for the A&H Long Duration Contracts that the Company carries on the following lines on the Liabilities, Surplus, and Other Funds page:
- ~~1312.1~~ Losses \$ _____
- ~~1312.2~~ Loss Adjustment Expenses \$ _____
- ~~1312.3~~ Unearned Premium \$ _____
- ~~1312.4~~ Write-In (list separately, adding additional lines as needed, and identify (e.g., "Premium Deficiency Reserves", "Contract Reserves other than Premium Deficiency Reserves" or "AG 51 Reserves")) \$ _____

1413. Other items on which the Appointed Actuary is providing relevant comment (list separately, adding additional lines as needed) \$ _____

- * The reserves disclosed in item ~~11-10~~ above, should exclude amounts relating to contracts specifically written to cover asbestos and environmental exposures. Contracts specifically written to cover these exposures include Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	_____	Agenda Item # <u>2025-22BWG MOD</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	_____	Changes to Existing Reporting ☐ [X]	
ON BEHALF OF:	_____	New Reporting Requirement ☐ []	
NAME:	<u>Dale Bruggeman</u>	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	<u>Chair SAPWG</u>	No Impact ☐ [X]	
AFFILIATION:	<u>Ohio Department of Insurance</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	<u>50W. Town St., 3rd Fl., Ste. 300</u>	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
	<u>Columbus, OH 43215</u>	***If Yes, complete question below***	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☒ [X] QUARTERLY STATEMENT | ☒ [X] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☒ [X] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

To the Annual and Quarterly Statement Instructions, aAdd an electronic-only column to Schedule D, Part 1, Section 1 and 2; Schedule D, Part 2, Sections 1 and 2; Schedule D, Parts 3, 4, and 5; Schedule BA; Schedule DA; Schedule DL; and Schedule E, Part 2, to identify whether the investment is publicly registered, Rule 144, private placement security, or not applicable. Add a new part to Note 5 – Investments to report the total book adjusted carrying value, fair value (with fair values determined by level 2 and level 3 reported), the total amount of aggregate deferred interest and paid-in-kind interest, and the total BACV supported by private letter ratings.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was prepared to all regulators to better identify different types of private placement securities. (SAPWG Ref #2025-19)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**SCHEDULE D – PART 1- SECTION 1****LONG-TERM BONDS – ISSUER CREDIT OBLIGATIONS OWNED DECEMBER 31 OF CURRENT YEAR****Detail Eliminated To Conserve Space****** Columns 21 through ~~36~~ 37 will be electronic only. ****Column 37 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 1 – SECTION 2**ASSET-BACKED SECURITIES OWNED DECEMBER 31 OF CURRENT YEAR**


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**** Columns 22 through ~~37~~38 will be electronic only. ****

Column 38 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 2 – SECTION 1**PREFERRED STOCKS OWNED DECEMBER 31 OF CURRENT YEAR**


Detail Eliminated To Conserve Space


**** Columns 21 through ~~27-28~~ will be electronic only. ****

Column 28 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 2 – SECTION 2**COMMON STOCKS OWNED DECEMBER 31 OF CURRENT YEAR**


Detail Eliminated To Conserve Space


**** Columns 18 through ~~25-26~~ will be electronic only. ****

Column 26 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 3**LONG-TERM BONDS AND STOCKS ACQUIRED DURING CURRENT YEAR**


Detail Eliminated To Conserve Space


**** Columns 9 through 14-15 will be electronic only. ****

Column 26 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 4**LONG-TERM BONDS AND STOCKS SOLD, REDEEMED OR OTHERWISE DISPOSED OF
DURING CURRENT YEAR**

↓ ↓

===== **Detail Eliminated To Conserve Space** =====

↓ ↓

**** Columns 21 through ~~26-27~~ will be electronic only. ****

Column 27 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 5

LONG-TERM BONDS AND STOCKS ACQUIRED DURING THE YEAR AND FULLY DISPOSED OF DURING CURRENT YEAR

Detail Eliminated To Conserve Space

**** Columns 21 through ~~26~~27 will be electronic only. ****

Column 27 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE BA – PART 1**OTHER LONG-TERM INVESTED ASSETS OWNED DECEMBER 31 OF CURRENT YEAR**

↓ ════════════════════ **Detail Eliminated To Conserve Space** ════════════════════ ↓

**** Columns 21 through ~~26-27~~ will be electronic only. ****

Column 27 – Private Security Code

Use only for investments included in the following subtotal lines.

Debt Securities That Do Not Qualify as Bonds

Debt Securities That Do Not Reflect a Creditor Relationship in Substance

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated0199999

Affiliated0299999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated0399999

Affiliated0499999

Debt Securities That Lack Substantive Credit Enhancement

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated0599999

Affiliated0699999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated0799999

Affiliated0899999

Debt Securities That Do Not Qualify as Bonds Solely to a Lack of Meaningful Cash Flows

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated0999999

Affiliated1099999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated1199999

Affiliated1299999

Residual Tranches or Interests with Underlying Assets Having Characteristics of:

Bonds

Unaffiliated4499999

Affiliated4599999

Preferred Stock

Unaffiliated4699999

<u>Affiliated</u>	<u>4799999</u>
<u>Common Stock</u>	
<u>Unaffiliated</u>	<u>4899999</u>
<u>Affiliated</u>	<u>4999999</u>
<u>Real Estate</u>	
<u>Unaffiliated</u>	<u>5099999</u>
<u>Affiliated</u>	<u>5199999</u>
<u>Mortgage Loans</u>	
<u>Unaffiliated</u>	<u>5299999</u>
<u>Affiliated</u>	<u>5399999</u>
<u>Other</u>	
<u>Unaffiliated</u>	<u>5499999</u>
<u>Affiliated</u>	<u>5599999</u>

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE BA – PART 2**OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND ADDITIONS MADE DURING THE YEAR**

↓ **Detail Eliminated To Conserve Space** ↓

**** Columns 12 through 15-16 will be electronic only. ****

Column 16 – Private Security Code

Use only for investments included in the following subtotal lines.

Debt Securities That Do Not Qualify as Bonds

Debt Securities That Do Not Reflect a Creditor Relationship in Substance

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0199999

Affiliated 0299999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0399999

Affiliated 0499999

Debt Securities That Lack Substantive Credit Enhancement

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0599999

Affiliated 0699999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0799999

Affiliated 0899999

Debt Securities That Do Not Qualify as Bonds Solely to a Lack of Meaningful Cash Flows

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0999999

Affiliated 1099999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 1199999

Affiliated 1299999

Residual Tranches or Interests with Underlying Assets Having Characteristics of:

Bonds

Unaffiliated 4499999

Affiliated 4599999

Preferred Stock

Unaffiliated 4699999

Affiliated	4799999
<u>Common Stock</u>	
Unaffiliated	4899999
Affiliated	4999999
<u>Real Estate</u>	
Unaffiliated	5099999
Affiliated	5199999
<u>Mortgage Loans</u>	
Unaffiliated	5299999
Affiliated	5399999
<u>Other</u>	
Unaffiliated	5499999
Affiliated	5599999

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE BA – PART 3**OTHER LONG-TERM INVESTED ASSETS DISPOSED, TRANSFERRED OR REPAID DURING THE YEAR**

↓ ════════════ **Detail Eliminated To Conserve Space** ════════════ ↓

**** Columns 21 through 24-25 will be electronic only. ****

Column 25 – Private Security Code

Use only for investments included in the following subtotal lines.

Debt Securities That Do Not Qualify as Bonds

Debt Securities That Do Not Reflect a Creditor Relationship in Substance

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0199999

Affiliated 0299999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0399999

Affiliated 0499999

Debt Securities That Lack Substantive Credit Enhancement

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0599999

Affiliated 0699999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0799999

Affiliated 0899999

Debt Securities That Do Not Qualify as Bonds Solely to a Lack of Meaningful Cash Flows

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0999999

Affiliated 1099999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 1199999

Affiliated 1299999

Residual Tranches or Interests with Underlying Assets Having Characteristics of:

Bonds

Unaffiliated 4499999

Affiliated 4599999

Preferred Stock

Unaffiliated 4699999

Affiliated	4799999
Common Stock	
Unaffiliated	4899999
Affiliated	4999999
Real Estate	
Unaffiliated	5099999
Affiliated	5199999
Mortgage Loans	
Unaffiliated	5299999
Affiliated	5399999
Other	
Unaffiliated	5499999
Affiliated	5599999

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE DA – PART 1**SHORT-TERM INVESTMENTS OWNED DECEMBER 31 OF CURRENT YEAR**


Detail Eliminated To Conserve Space


**** Columns 20 through ~~22-23~~ will be electronic only. ****

Column 23 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE DL – PART 1**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned December 31 Current Year
 (Securities lending collateral assets reported in aggregate on Line 10 of the Asset page
 (Line 9 for Separate Accounts) and not included on Schedules A, B, BA, D, DB, and E)

Detail Eliminated To Conserve Space

**** Columns 8 through ~~12-13~~ will be electronic only. ****

Column 13 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE DL – PART 2**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned December 31 Current Year
 (Securities lending collateral assets included on Schedules A, B, BA, D, DB, and E
 and not reported in aggregate on Line 10 of the Asset page (Line 9 for Separate Accounts))

Detail Eliminated To Conserve Space

**** Columns 8 through ~~12-13~~ will be electronic only. ****

Column 13 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE E – PART 2 – CASH EQUIVALENTS**Detail Eliminated To Conserve Space**

**** Columns 10 through ~~11-12~~ will be electronic only. ****

Column 12 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 1A**QUALITY AND MATURITY DISTRIBUTION OF ALL BONDS OWNED DECEMBER 31**
BY MAJOR TYPE AND NAIC DESIGNATION


Detail Eliminated To Conserve Space


Column 11 is to contain publicly traded securities i.e., those securities that have been assigned a CUSIP/CINS number in the *Valuations of Securities*. Any securities outside the CUSIP/PPN/CINS coding system will be considered publicly traded for Annual Statement purposes (e.g., short-term investments). Exclude bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144.

Column 12 is to contain privately placed securities as identified with Private Placement Numbers (PPN) in the *Valuations of Securities*. A PPN can be differentiated by the presence of a *, #, or @ sign appearing in either the sixth, seventh or eighth digit of the nine-digit CUSIP-like number. Include bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144 that have been assigned a CUSIP/CINS number in the *Valuations of Securities*.

Footnote (a)

Include bonds that are qualified for resale under SEC Rule 144A.

Include bonds that are freely tradable under SEC Rule 144 (e.g., that are presently held by, and for the immediately preceding three-year period have been held by, persons unrelated to the issuer); however, there shall be excluded any such security containing a contractual restriction against resale (a "right of first refusal" provision is not considered a restriction against resale).

Footnote (d)

Provide the total book/adjusted carrying value amount reported in Section 52, Column 1 by NAIC designation that represents the amount of securities reported in Schedule DA and Schedule E, Part 2.

The sum of the amounts by NAIC designation (NAIC 1, NAIC 2, NAIC 3, NAIC 4, NAIC 5, and NAIC 6) reported in the footnote should equal the sum of Schedule DA, Part 1, Column 6, Line 0509999999 plus Schedule E, Part 2, Column 7, Line 0509999999.

NOTES TO FINANCIAL STATEMENTS**Note 5 - Investments**

Instruction:

T. Private Securities

Aggregate each type (public, Rule 144A, private placement, or not applicable) by investment schedule, capturing the total book/adjusted carrying value (BACV), fair value (with fair values determined by level 2 and level 3 reported), the total amount of aggregate deferred interest and paid-in-kind interest, and the total BACV supported by private letter ratings. This disclosure is required annually, with quarterly inclusion pursuant to paragraph 65 of the Preamble of the *Accounting Practices and Procedures Manual*.

Illustration:

T. Private Securities

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

	<u>1</u> Total BACV	<u>2</u> Total FV	<u>3</u> FV Level 2	<u>4</u> FV Level 3	<u>5</u> Aggregate Deferred Interest	<u>6</u> Aggregate Paid-In-Kind Interest	<u>7</u> BACV w/ PLR as NAIC Designation
<u>(1) Short-Term Investments</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(2) Cash Equivalents</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(3) Issuer Credit Obligations</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(4) Asset-Backed Securities</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(5) Preferred Stocks</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(6) Common Stocks</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							

(7) Other Long-Term Invested Assets:
Non-Bond Debt Securities & Residuals

<u>a. Public</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<u>b. 144A</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<u>c. Private Placement Securities</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<u>d. Not Applicable (N/A)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL**ANNUAL AUDITED FINANCIAL REPORTS****Detail Eliminated To Conserve Space**

Bonds by NAIC Designation – Statement Value:

NAIC 1	_____
NAIC 2	_____
NAIC 3	_____
NAIC 4	_____
NAIC 5	_____
NAIC 6	_____
Total by NAIC Designation	_____
Total Bonds Publicly Traded	_____
Total Bonds Privately Placed <u>Rule 144A</u>	_____
<u>Total Bonds – All Private Placement Securities (Excluding Rule 144A)</u>	_____
<u>Total Bonds Not Applicable to 1933 Act</u>	_____

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**SCHEDULE D – PART 3****LONG-TERM BONDS AND STOCKS ACQUIRED DURING THE CURRENT QUARTER****Detail Eliminated To Conserve Space****** Columns 10 through ~~15-16~~ will be electronic only. ******Column 16 – Private Security Code**

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
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3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE D – PART 4**LONG-TERM BONDS AND STOCKS SOLD, REDEEMED OR OTHERWISE
DISPOSED OF DURING THE CURRENT QUARTER**

↓ ↓

===== **Detail Eliminated To Conserve Space** =====

↓ ↓

**** Columns 22 through 27-28 will be electronic only. ****

Column 28 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

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3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE BA – PART 2**OTHER LONG-TERM INVESTED ASSETS ACQUIRED
AND ADDITIONS MADE DURING THE CURRENT QUARTER****Detail Eliminated To Conserve Space****** Columns 14 through 18 will be electronic only. ****

Column 18 – Private Security Code

Use only for investments included in the following subtotal lines.Debt Securities That Do Not Qualify as BondsDebt Securities That Do Not Reflect a Creditor Relationship in SubstanceNAIC Designation Assigned by the Securities Valuation Office (SVO)Unaffiliated 0199999Affiliated 0299999NAIC Designation Not Assigned by the Securities Valuation Office (SVO)Unaffiliated 0399999Affiliated 0499999Debt Securities That Lack Substantive Credit EnhancementNAIC Designation Assigned by the Securities Valuation Office (SVO)Unaffiliated 0599999Affiliated 0699999NAIC Designation Not Assigned by the Securities Valuation Office (SVO)Unaffiliated 0799999Affiliated 0899999Debt Securities That Do Not Qualify as Bonds Solely to a Lack of Meaningful Cash FlowsNAIC Designation Assigned by the Securities Valuation Office (SVO)Unaffiliated 0999999Affiliated 1099999NAIC Designation Not Assigned by the Securities Valuation Office (SVO)Unaffiliated 1199999Affiliated 1299999Residual Tranches or Interests with Underlying Assets Having Characteristics of:BondsUnaffiliated 4499999Affiliated 4599999Preferred StockUnaffiliated 4699999

Affiliated	4799999
Common Stock	
Unaffiliated	4899999
Affiliated	4999999
Real Estate	
Unaffiliated	5099999
Affiliated	5199999
Mortgage Loans	
Unaffiliated	5299999
Affiliated	5399999
Other	
Unaffiliated	5499999
Affiliated	5599999

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE BA – PART 3**OTHER LONG-TERM INVESTED ASSETS DISPOSED, TRANSFERRED OR REPAID
DURING THE CURRENT QUARTER**

↓ **Detail Eliminated To Conserve Space** ↓

**** Columns 21 through 24-25 will be electronic only. ****

Column 25 – Private Security Code

Use only for investments included in the following subtotal lines.

Debt Securities That Do Not Qualify as Bonds

Debt Securities That Do Not Reflect a Creditor Relationship in Substance

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0199999

Affiliated 0299999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0399999

Affiliated 0499999

Debt Securities That Lack Substantive Credit Enhancement

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0599999

Affiliated 0699999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0799999

Affiliated 0899999

Debt Securities That Do Not Qualify as Bonds Solely to a Lack of Meaningful Cash Flows

NAIC Designation Assigned by the Securities Valuation Office (SVO)

Unaffiliated 0999999

Affiliated 1099999

NAIC Designation Not Assigned by the Securities Valuation Office (SVO)

Unaffiliated 1199999

Affiliated 1299999

Residual Tranches or Interests with Underlying Assets Having Characteristics of:

Bonds

Unaffiliated 4499999

Affiliated 4599999

Preferred Stock

Unaffiliated 4699999

Affiliated	4799999
Common Stock	
Unaffiliated	4899999
Affiliated	4999999
Real Estate	
Unaffiliated	5099999
Affiliated	5199999
Mortgage Loans	
Unaffiliated	5299999
Affiliated	5399999
Other	
Unaffiliated	5499999
Affiliated	5599999

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE DL – PART 1**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

(Securities lending collateral assets reported in aggregate on Line 10 of the asset page (Line 9 for Separate Accounts) and not included on Schedules A, B, BA, D, DB and E.)

Detail Eliminated To Conserve Space**** Columns 8 through ~~10-11~~ will be electronic only. ******Column 11 – Private Security Code**

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. **Public**
2. **144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.**
3. **Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.**
4. **Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).**

SCHEDULE DL – PART 2**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date
 (Securities lending collateral assets included on Schedules A, B, BA, D, DB and E
 (Line 9 for Separate Accounts) and not reported in aggregate on Line 10 of the asset page.)

Detail Eliminated To Conserve Space

**** Columns 8 through ~~10-11~~ will be electronic only. ****

Column 11 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. Public
2. 144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.
3. Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.
4. Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).

SCHEDULE E – PART 2 – CASH EQUIVALENTS**INVESTMENTS OWNED END OF CURRENT QUARTER**


Detail Eliminated To Conserve Space


**** Columns 10 and 11 will be electronic only. ****

Column 11 – Private Security Code

Identify whether the investment is publicly registered, or is a private placement under Rule 144A (collectively capturing all exclusions for resales that do not involve the issuer, underwriter or dealer), a private placement security (i.e., including Regulation D collectively including those under Rule 504 and 506), a general exemption pursuant to Section 4(a)2 of the Securities Act of 1933, or other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.

One of the following codes shall be captured for each reported security:

1. **Public**
2. **144A – Includes all permitted exclusions for resales that do not involve the issuer, underwriter, or dealer.**
3. **Private Placement Securities – Includes “Reg D – both exemptions under Rule 504 and 506” and “Section 4(a)2 – General exemptions,” as well as any other exclusion from SEC registration for investments captured under the Securities Act of 1933, excluding Rule 144A.**
4. **Not Applicable (N/A) – Investments not included in the other categories. This should only include investments that are not within the scope of the Securities Act of 1933 (e.g., long-term certificates of deposits).**

NOTES TO FINANCIAL STATEMENTS

The interim financial information shall include disclosures sufficient to make the information presented not misleading. It may be presumed that the users of the interim financial information have read or have access to the annual statement for the preceding period and that the adequacy of additional disclosure needed for a fair presentation, except in regard to material contingencies, may be determined in that context. Accordingly, footnote disclosure that would substantially duplicate the disclosure contained in the most recent annual statement or audited financial statements, such as a statement of significant accounting policies and practices, details of accounts that have not changed significantly in amount or composition since the end of the most recently completed fiscal year, may be omitted but the footnote number and annotation such as “no change” should be included. However, provide disclosure for annual Note 1A, 1C(2), 1C(6), 1D, 5D, 5E(3)b, 5F, 5G, 5H, 5I, 5L, 5M(2), 5M(3), 5N, 5R, 5T, 8A(8), 8B(2)a, 8B(2)b, 8B(2)c, 11B, 12A(4), 17B(2), 17B(4)a, 17B(4)b, 17C, 20, 24E and 25 in all quarters; and all other Notes where events subsequent to the end of the most recent fiscal year have occurred that have a material impact on the reporting entity. Disclosures shall encompass, for example, significant changes since the end of the period reported on the last annual statement in such items as statutory accounting principles and practices; estimates inherent in the preparation of financial statements; status of long-term contracts; capitalization, including significant new borrowings or modifications of existing financial arrangements; and the reporting entity resulting from business combinations or dispositions. Notwithstanding the above, where material noninsurance contingencies exist, disclosure of such matters shall be provided even though a significant change since year-end may not have occurred. If the reporting entity has changed the accounting policies since the end of its preceding year, the changes shall be disclosed in the quarterly financial statements. Information should be reported for current year-to-date.

Note 5 - Investments

Instruction:

T. Private Securities

Aggregate each type (public, Rule 144A, private placement, or not applicable) by investment schedule, capturing the total book/adjusted carrying value (BACV), fair value (with fair values determined by level 2 and level 3 reported), the total amount of aggregate deferred interest and paid-in-kind interest, and the total BACV supported by private letter ratings. This disclosure is required annually, with quarterly inclusion pursuant to paragraph 65 of the Preamble of the *Accounting Practices and Procedures Manual*.

Illustration:

T. Private Securities

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
	<u>Total</u> <u>BACV</u>	<u>Total</u> <u>FV</u>	<u>FV</u> <u>Level 2</u>	<u>FV</u> <u>Level 3</u>	<u>Aggregate</u> <u>Deferred</u> <u>Interest</u>	<u>Aggregate</u> <u>Paid-In-Kind</u> <u>Interest</u>	<u>BACV w/</u> <u>PLR as NAIC</u> <u>Designation</u>
<u>(1) Short-Term Investments</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(2) Cash Equivalents</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(3) Issuer Credit Obligations</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(4) Asset-Backed Securities</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(5) Preferred Stocks</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(6) Common Stocks</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							
<u>(7) Other Long-Term Invested Assets:</u>							
<u>Non-Bond Debt Securities & Residuals</u>							
<u>a. Public</u>							
<u>b. 144A</u>							
<u>c. Private Placement Securities</u>							
<u>d. Not Applicable (N/A)</u>							

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**SCHEDULE D – PART 1A**

Quality and Maturity Distribution of All Bonds Owned December 31 at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11	12
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	No Maturity Date	Total Current Year	Col. 7 as a % of Line 52.7	Total from Col. 7 Prior Year	% From Col. 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
52. Total Bonds Current Year												
52.1 NAIC 1.....	(dc).....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....
52.2 NAIC 2.....	(dc).....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....
52.3 NAIC 3.....	(dc).....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....
52.4 NAIC 4.....	(dc).....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....
52.5 NAIC 5.....	(dc).....	.....	.....	.....	.....	.....	(eb).....	.....	XXX	XXX	.....	.....
52.6 NAIC 6.....	(dc).....	.....	.....	.....	.....	.....	(eb).....	.....	XXX	XXX	.....	.....
52.7 Totals.....	.....	.....	.....	.....	.....	.....	(ba).....	.....	XXX	XXX	.....	.....
52.8 Line 52.7 as a % of Col. 7								XXX	XXX	XXX		
53. Total Bonds Prior Year												
53.1 NAIC 1.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....	.....	.....
53.2 NAIC 2.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....	.....	.....
53.3 NAIC 3.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....	.....	.....
53.4 NAIC 4.....	.....	.....	.....	.....	.....	.....	XXX	XXX	.....	.....	.....	.....
53.5 NAIC 5.....	.....	.....	.....	.....	.....	.....	XXX	XXX	(c).....	.....	.....	.....
53.6 NAIC 6.....	.....	.....	.....	.....	.....	.....	XXX	XXX	(c)	.....	.....	.....
53.7 Totals.....	.....	.....	.....	.....	.....	.....	XXX	XXX	(b).....	.....	.....	.....
53.8 Line 53.7 as a % of Col. 9							XXX	XXX		XXX		
54. Total Publicly Traded Bonds												
54.1 NAIC 1.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.2 NAIC 2.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.3 NAIC 3.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.4 NAIC 4.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.5 NAIC 5.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.6 NAIC 6.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.7 Totals.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX
54.8 Line 54.7 as a % of Col. 7								XXX	XXX	XXX		XXX
54.9 Line 54.7 as a % of L52.7, C7, Sn 52								XXX	XXX	XXX		XXX
55. Total Privately Placed Bonds												
55.1 NAIC 1.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.2 NAIC 2.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.3 NAIC 3.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.4 NAIC 4.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.5 NAIC 5.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.6 NAIC 6.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.7 Totals.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	.....
55.8 Line 55.7 as a % of Col. 7								XXX	XXX	XXX	XXX	.....
55.9 Line 55.7 as a % of L52.7, C7, Sn 52								XXX	XXX	XXX	XXX	.....

(a) Includes \$..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

- (b~~a~~) Includes \$ current year of bonds with Z designations and \$ prior year of bonds with Z designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement.
- (e~~b~~) Includes \$ current year, \$ prior year of bonds with 5GI designations and \$ current year, \$ prior year of bonds with 6* designations. "5GI" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
- (e~~c~~) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____		Agenda Item # <u>2025-23BWG MOD</u>	
TELEPHONE: _____		Year <u>2026</u> 2027	
EMAIL ADDRESS: _____		Changes to Existing Reporting [X]	
ON BEHALF OF: _____		New Reporting Requirement []	
NAME: <u>Dale Bruggeman</u>		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE: <u>Chair SAPWG</u>		No Impact [X]	
AFFILIATION: <u>Ohio Department of Insurance</u>		Modifies Required Disclosure []	
ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u>		Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [No]	
<u>Columbus, OH 43215</u>		***If Yes, complete question below***	
		DISPOSITION	
		[] Rejected For Public Comment	
		[] Referred To Another NAIC Group	
		[X] Received For Public Comment	
		[] Adopted Date _____	
		[] Rejected Date _____	
		[] Deferred Date _____	
		[] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|---|
| ☒ ANNUAL STATEMENT | ☒ INSTRUCTIONS | ☒ CROSSCHECKS |
| ☐ QUARTERLY STATEMENT | ☒ BLANK | |
| ☐ Life, Accident & Health/Fraternal | ☒ Separate Accounts | ☐ Title |
| ☐ Property/Casualty | ☐ Protected Cell | ☐ Other _____ |
| ☐ Health | ☐ Health (Life Supplement) | ☐ Life (Health Supplement) |

Anticipated Effective Date: Annual 2027

IDENTIFICATION OF ITEM(S) TO CHANGE

Update the Separate Account Assets page by adding a "Nonadmitted Assets" and "Net Admitted General Account Assets." Add a new line on the Separate Account Summary of Operations for "Change in Nonadmitted Assets" within the surplus account. Insert a new page "Exhibit of Nonadmitted Assets" that will detail the current and prior total nonadmitted assets, and the change in nonadmitted assets.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was prepared to capture nonadmitted assets on the separate account blank for assets held at the general account basis. (SAPWG Ref #2025-25)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – SEPARATE ACCOUNTS**INSTRUCTIONS****FOR COMPLETING SEPARATE ACCOUNTS ANNUAL STATEMENT BLANK****Detail Eliminated To Conserve Space****ASSETS**

Receivables from the General Account Statement must be excluded from the assets of the Separate Accounts Statement to eliminate the need for consolidating adjustments in the General Account Statement. Such receivables must be reported as a negative liability and netted against payables to the General Account Statement (see instructions for Page 3, Line 10, Other Transfers to General Account Due or Accrued (Net)).

Columns 1

& 2 – General Account Basis ~~and Fair Value Basis~~

~~Report in the General Account Basis column, Column 1, the assets of those separate accounts whose assets are carried at the same basis as the general account. Include all separate accounts whose assets support fund accumulation contracts (GICs), which do not participate in underlying portfolio experience, with fixed interest rate guarantee, purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer. Such assets must be valued as if the assets were held in the general account.~~

~~Report in the Fair Value Basis column, Column 2, the assets of those separate accounts whose assets are carried at market value. Include separate account whose assets support all other policies and contracts and those liabilities being recorded at current interest rates.~~

Contracts with assets held in a separate account where the separate account's plan of operations was filed and approved prior to codification's effective date, that are continuing to be valued on the approved basis shall be reported in the General Account or Fair Value basis columns.

Further instruction in the determination of appropriate valuation basis for amounts that are to be reported in the assets can be located in SSAP No. 56—*Separate Accounts*.

Column 2 – Nonadmitted Assets

Include: Amounts for which the state does not allow the reporting entity to take credit.

Refer to the Annual Statement Instructions, Exhibit of Nonadmitted Assets.

Column 3 – Net Admitted Assets

The amount in Column 3 equals Column 1 minus Column 2. The amounts reported in Column 3 should agree to the appropriate schedules.

Column 4 – Fair Value Basis

Report the assets of those separate accounts whose assets are carried at market value. Include separate account whose assets support all other policies and contracts and those liabilities being recorded at current interest rates.

Contracts with assets held in a separate account where the separate account's plan of operations was filed and approved prior to codification's effective date, that are continuing to be valued on the approved basis shall be reported in the General Account or Fair Value basis columns.

Further instruction in the determination of appropriate valuation basis for amounts that are to be reported in the assets can be located in SSAP No. 56—*Separate Accounts*.

Column ~~3~~5 – Total of General Account Admitted and Fair Value

The amount to be reported equals the sum of Columns ~~1, 2, 3, and 4.3~~ and 4.

SUMMARY OF OPERATIONS



Detail Eliminated To Conserve Space



SURPLUS ACCOUNT

Line 22 – Change in Nonadmitted Assets

Equals the amount on the Exhibit of Nonadmitted Assets, Line 28, Column 3.

Line ~~22~~23 – Transfer from Separate Accounts of the Change in Expense Allowances Recognized in Line 21

Report the amount of decrease or (increase), if any, in the excess of policyholder account values as appropriate, over modified reserves such as the expense allowance provided by the use of CARVM or CRVM, reported in Exhibit 3A and Line 22. Such excess or expense allowance must be reported as a transfer to the general account.

EXHIBIT OF NONADMITTED ASSETS

This schedule should include the nonadmitted (both group and individual) amounts for both invested assets and other-than-invested assets.

The lines in this schedule are identical to those included in the Assets Page. The Column 1 amount should equal the amount reported in the same specific line in the Nonadmitted Assets column of the Assets Page (Page 2, Column 2, Line 28).

Column 1 – Current Year Total Nonadmitted Assets

Include: Nonadmitted goodwill as prescribed in SSAP No. 68—Business Combinations and Goodwill.

Nonadmitted invested assets due to state aggregate investment limitations.

Nonadmitted amounts due to specific surplus notes.

Nonadmitted invested asset amounts due to designation restrictions by the state (e.g., designation 6 securities must be partially or wholly nonadmitted).

Non-operating systems software.

Electronic data processing (EDP) equipment and operating software in excess of 3% of capital and surplus for the most recently filed statement adjusted to exclude any EDP equipment and operating system software, net deferred tax assets and net positive goodwill.

Prepaid expense (SSAP No. 29—Prepaid Expenses).

Column 2 – Prior Year Total Nonadmitted Assets

This column should contain the total (sum of group and individual) nonadmitted amounts from the prior year annual statement.

Column 3 – Change in Total Nonadmitted Assets

This column should equal Column 2 minus Column 1. The amount reported in the total line of this column should equal the amount reported in the “Change in Nonadmitted Assets” line of the Capital and Surplus Account calculation.

ANNUAL STATEMENT BLANK – SEPARATE ACCOUNTS**ASSETS**

	Current Year					Prior Year
	1 General Account Basis	2 <u>Fair Value Basis</u> <u>Nonadmitted Assets</u>	3 <u>Total</u> <u>(Cols. 1 +</u> <u>2) Net</u> <u>Admitted</u> <u>General</u> <u>Account</u> <u>Assets</u> <u>(Cols 1-2)</u>	4 <u>Fair Value</u> <u>Basis</u>	5 <u>Total of</u> <u>General</u> <u>Account</u> <u>Admitted and</u> <u>Fair Value</u> <u>(Cols</u> <u>1+2+3+4)</u>	6 <u>Total of</u> <u>General</u> <u>Account</u> <u>Admitted and</u> <u>Fair Value</u>
1. Bonds (Schedule D)						
2. Stocks (Schedule D):						
2.1 Preferred stock						
2.2 Common stocks						
3. Mortgage loans on real estate (Schedule B)						
4. Real estate (Schedule A):						
4.1 Properties held for the production of income (less \$..... encumbrances)						
4.2 Properties held for sale (less \$..... encumbrances) .						
5. Cash (\$....., Schedule E – Part 1) and cash equivalents (\$....., Schedule E – Part 2)						
6. Short-term investments (Schedule DA)						
7. Derivatives (Schedule DB)						
8. Other invested assets (Schedule BA)						
9. Securities lending reinvested collateral assets (Schedule DL) .						
10. Aggregate write-ins for invested assets						
11. Subtotals—Cash and invested assets (Lines 1 to 10)						
12. Investment income due and accrued						
13. Receivables for securities						
14. Net adjustment in assets and liabilities due to foreign exchange rates						
15. Aggregate write-ins for other-than-invested assets						
16. Lines 11 to 15						
DETAILS OF WRITE-INS						
1001.						
1002.						
1003.						
1098. Summary of remaining write-ins Line 10 from overflow page						
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)						
1501.						
1502.						
1503.						
1598. Summary of remaining write-ins for Line 15 from overflow page						
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)						

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Transfers to Separate Accounts:		
1.1 Net premiums and annuity considerations for life and accident and health contracts		
1.2 Considerations for supplementary contracts with life contingencies		
1.3 Aggregate write-ins for other transfers to Separate Accounts.....		
1.4 Totals (Lines 1.1 to 1.3).....		
2. Transfers on account of deposit-type contracts (including \$.....deposits less \$.....withdrawals)		
3. Net investment income and capital gains and losses		
4. Aggregate write-ins for other income		
5. Totals (Lines 1.4 to 4)		
DEDUCT:		
6. Transfers from the Separate Account on account of contract benefits:		
6.1 Death benefits		
6.2 Matured endowments		
6.3 Annuity benefits		
6.4 Payments on supplementary contracts with life contingencies		
6.5 Accident and health benefits.....		
6.6 Surrender benefits and withdrawals for life contracts		
6.7 Aggregate write-ins for other transfers from Separate Accounts on account of contract benefits		
7. Transfers on account of policy loans		
8. Net transfer of reserves from or (to) Separate Accounts		
9. Other transfers from the Separate Accounts:		
9.1 Federal and foreign income taxes incurred		
9.2 Change in expense allowances recognized in reserves		
9.3 Aggregate write-ins for other transfers from Separate Accounts		
10. Subtotals (Lines 6.1 to 9.3)		
11. Fees associated with charges for investment management, administration and contract guarantees		
12. Increase in aggregate reserve for life and accident and health contracts		
13. Increase in liability for deposit-type contracts		
14. Increase in reserve for future federal income taxes		
15. Aggregate write-ins for reserves and funds.....		
16. Totals (Lines 10 to 15)		
17. Net gain from operations (including \$.....unrealized capital gains) (Line 5 minus Line 16)		
SURPLUS ACCOUNT		
18. Surplus, December 31, prior year		
19. Net gain from operations (Line 17)		
20. Surplus contributed or (withdrawn) during year		
21. Change in reserve on account of change in valuation basis, (increase) or decrease		
22. Change in Nonadmitted Assets		
2223. Transfer from Separate Accounts of the change in expense allowances recognized in Line 21		
2224. Aggregate write-ins for gains and losses in surplus		
2425. Surplus, December 31, current year (Page 3, Line 21)		
DETAILS OF WRITE-INS		
01.301.		
01.302.		
01.303.		
01.398. Summary of remaining write-ins for Line 1.3 from overflow page		
01.399. Totals (Lines 01.301 through 01.303 plus 01.398) (Line 1.3 above)		
0401.		
0402.		
0403.		
0498. Summary of remaining write-ins for Line 4 from overflow page		
0499. Totals (Lines 0401 through 0403 plus 0498) (Line 4 above)		
06.701.		
06.702.		
06.703.		
06.798. Summary of remaining write-ins for Line 6.7 from overflow page		
06.799. Totals (Lines 06.701 through 06.703 plus 06.798) (Line 6.7 above)		
09.301.		
09.302.		
09.303.		
09.398. Summary of remaining write-ins for Line 9.3 from overflow page		
09.399. Totals (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		
2301 2401.		
2302 2402.		
2303 2403.		
2398 2498. Summary of remaining write-ins for Line 23 from overflow page		
2399 2499. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 – Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			
2.2 Common stocks.....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale.....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans.....			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA).....			
9. Receivables for securities.....			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets.....			
12. Subtotals, cash and invested assets (Lines 1 to 11).....			
13. Title plants (for Title insurers only).....			
14. Investment income due and accrued.....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			
16.2 Funds held by or deposited with reinsured companies.....			
16.3 Other amounts receivable under reinsurance contracts.....			
17. Amounts receivable relating to uninsured plans.....			
18.1 Current federal and foreign income tax recoverable and interest thereon.....			
18.2 Net deferred tax asset.....			
19. Guaranty funds receivable or on deposit.....			
20. Electronic data processing equipment and software.....			
21. Furniture and equipment, including health care delivery assets.....			
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			
23. Receivables from parent, subsidiaries and affiliates.....			
24. Health care and other amounts receivable.....			
25. Aggregate write-ins for other-than-invested assets.....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....			
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27)			
DETAILS OF WRITE-INS			
1101.....			
1102.....			
1103.....			
1198. Summary of remaining write-ins for Line 11 from overflow page.....			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.....			
2502.....			
2503.....			
2598. Summary of remaining write-ins for Line 25 from overflow page.....			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)			

NAIC BLANKS (E) WORKING GROUP

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DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	_____	Agenda Item # <u>2025-24BWG</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	_____	Changes to Existing Reporting ☐ [X]	
ON BEHALF OF:	_____	New Reporting Requirement ☐ []	
NAME:	<u>Dale Bruggeman</u>	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	<u>Chair SAPWG</u>	No Impact ☐ [X]	
AFFILIATION:	<u>Ohio Department of Insurance</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	<u>50W. Town St., 3rd Fl., Ste. 300</u>	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
	<u>Columbus, OH 43215</u>	***If Yes, complete question below***	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

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|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☐ [] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Notes to Financials Note 18B – ASC Plans for the disclosure clarifications in SSAP No. 47 – *Uninsured Plans*.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was prepared to clarifications to the Administrative Services Contracts (ASC) disclosure in SSAP No. 47—*Uninsured Plans* in annual statement note 18B. (SAPWG Ref #2025-30)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, & HEALTH**NOTES TO FINANCIAL STATEMENTS****Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**Instruction:

Provide information with regard to the profitability to the reporting entity of uninsured accident and health plans and the uninsured portions of partially insured plans for which the reporting entity serves as an Administrative Services Only (ASO) or an Administrative Services Contract (ASC) plan administrator.

**Detail Eliminated To Conserve Space****B. ASC Plans**

For ASC plans, provide information with regard to the profitability to the reporting entity of all ASC plans and the uninsured portions of partially insured plans for which the reporting entity serves as an ASC administrator.

For the total and each category separately provide:

- Gross reimbursement for medical cost incurred
- Gross administrative fees accrued
- ~~Other income or expense~~ amounts received by the insurance reporting entity (including interest paid to the insurer or received from ASC plans)
- Other amounts paid by the insurance reporting entity (including interest paid to or on behalf of the ASC plans)
- Gross expenses incurred (claims and administrative)
- Total net gain or loss from operations.

Illustration:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 20____:

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical cost incurred	\$ _____	\$ _____	\$ _____

b.	Gross administrative fees accrued	\$ _____	\$ _____	\$ _____
c.	Other income or expenses <u>amounts received by the insurance reporting entity</u> (including interest paid to the insurer or received from ASC plans)	\$ _____	\$ _____	\$ _____
d.	<u>Other amounts paid by the insurance reporting entity</u> (including interest paid to or on behalf of the ASC plan)	\$ _____	\$ _____	\$ _____
d.	Gross expenses incurred (claims and administrative) (a+b+c)	\$ _____	\$ _____	\$ _____
e.	Total net gain or loss from operations <u>(a+b+c)-(d+e)</u>	\$ _____	\$ _____	\$ _____

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DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>	Agenda Item # <u>2025-25BWG</u>		
	Year <u>2026</u>		
	Changes to Existing Reporting ☒ [X]		
	New Reporting Requirement ☐ []		
	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT		
	No Impact ☒ [X]		
Modifies Required Disclosure ☐ []			
Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]			
If Yes, complete question below			
DISPOSITION			
☐ [] Rejected For Public Comment			
☐ [] Referred To Another NAIC Group			
☒ [X] Received For Public Comment			
☐ [] Adopted Date _____			
☐ [] Rejected Date _____			
☐ [] Deferred Date _____			
☐ [] Other (Specify) _____			

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|---|--|---|
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| ☐ [] QUARTERLY STATEMENT | ☐ [] BLANK | |
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| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Notes to Financials Note # 2 – Accounting Changes and Corrections of Errors, by adding the reference to VM-20: Requirements for Principles Based Reserves for Life Products.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was prepared to update the Notes to Financials to be consistent with the updates to the Valuation Manual (VM). (SAPWG Ref #2025-34)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY, & TITLE**NOTES TO FINANCIAL STATEMENTS****Note 2 - Accounting Changes and Corrections of Errors**Instruction:

Describe material changes in accounting principles and/or correction of errors. Include:

- A brief description of the change, encompassing a general disclosure of the reason and justification for the change or correction.
- The impact of the change or correction on net income, surplus, total assets, and total liabilities for the two years presented in the financial statements (i.e., the balance sheet and statement of income).
- The effect on net income of the current period for a change in estimate that affects several future periods, such as a change in the service lives of depreciable assets or actuarial assumptions affecting pensions costs. Disclosure of the effect on those income statement amounts is not necessary for estimates made each period in the ordinary course of accounts for items such as uncollectible accounts. However, disclosure is recommended if the effect of a change in the estimate is material.
- Changes in accounting that are changes in reserve valuation basis as described in *SSAP No. 51—Life Contracts* which have elected phase-in provided for in the Valuation Manual ~~section~~ ~~chapters~~ VM-20 or VM-21, shall also include in the change in accounting disclosures information regarding the application of any phase-in as provided for in SSAP No. 51.

Reporting entities shall provide disclosure of the following:

- ❖ The phase-in period being applied, and the remaining time period of the phase in.
- ❖ Any adjustments to the phase-in period.
- ❖ Amount of change in valuation basis phase-in.
- ❖ The remaining amount to be phased-in.
- When subsequent financial statements are issued containing comparative restated results as a result of the filing of an amended financial statement, the reporting entity shall disclose that the prior period has been restated and the nature and amount of such restatement.

Illustration:

During the current year's financial statement preparation, the Company discovered an error in the compiling and reporting of investment income from an affiliate for the prior year. In the prior year, common stocks (Assets Page, Line ____) and investment income earned from affiliates (included in Statement of Revenue and Expenses, Line ____) were understated by \$ _____. Line ____ on the Assets Page and Line ____ on the Gains and Losses section of the Statement of Revenue and Expenses have been adjusted in the current year to correct for this error.

In 2020, the Company, with Commissioner approval elected a phase-in period of ~~three~~ ~~seven~~ years of a change in reserve valuation basis as described in *SSAP No. 51—Life Contracts* for its variable annuity reserves. This change in valuation basis, which impacts annuities reserves written from 1981 to 2019 is permitted under the revisions to the Commissioners Annuity Reserve Valuation Method (CARVM) adopted in *Valuation Manual Requirements for Principle-Based Reserves for Variable Annuities (VM-21)*, and Actuarial Guideline 43 CARVM for variable annuities

(AG 43). There have been no adjustments to the phase-in period. The amount of phase-in, which has been recognized in unassigned funds is \$_____. The remaining amount to be phased-in is \$_____.

In 2026, the Company elected a phase-in period of three years of a change in reserve valuation basis as described in SSAP No. 51—Life Contracts for its reserves changes related to the prescribed economic scenario generator. This change in valuation basis, which impacts reserves for policies written from years XXXX to XXXX is permitted under the revisions to VM-20: Requirements for Principle-Based Reserves for Life Products and VM -21: Valuation Manual Requirements for Principle-Based Reserves for Variable Annuities (VM-21). There have been no adjustments to the phase-in period. The amount of phase-in, which has been recognized in unassigned funds is \$_____. The remaining amount to be phased-in is \$_____.

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DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>		Agenda Item # <u>2025-26BWG MOD</u>	
		Year <u>2026</u>	
		Changes to Existing Reporting ☒ [X]	
		New Reporting Requirement ☐ []	
		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
		No Impact ☒ [X]	
		Modifies Required Disclosure ☐ []	
		Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☒ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
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		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

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|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☐ [] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☒ [X] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026**IDENTIFICATION OF ITEM(S) TO CHANGE**

Update the annual statement expense categories and instructions to remove outdated expense terminology and update to reflect the current types of expenses that exist for companies.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to update the expense categories based on a review of the current instructions at the request of comments from industry. This proposal will remove outdated terminology and also update expense categories to reflect current types of expenses. (SAPWG Ref. 2025-33)

*****IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: _____

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY**APPENDIX****INSTRUCTIONS FOR UNIFORM CLASSIFICATIONS OF EXPENSES OF****PROPERTY AND CASUALTY INSURERS**

For the purpose of establishing uniformity in classifications of expenses of property and casualty insurers recorded in statements and reports filed with and statistics reported to Insurance Departments, all such insurers shall observe the instruction set forth below. Refer to *SSAP No. 63—Underwriting Pools* for accounting guidance.

LIST OF OPERATING EXPENSE CLASSIFICATIONS FOR ANNUAL STATEMENT PURPOSES

1. Claim Adjustment Services
 - 1.1 Direct
 - 1.2 Reinsurance Assumed
 - 1.3 Reinsurance Ceded
2. Commission and Brokerage
 - 2.1 Direct excluding contingent
 - 2.2 Reinsurance Assumed excluding contingent
 - 2.3 Reinsurance Ceded excluding contingent
 - 2.4 Contingent—Direct
 - 2.5 Contingent—reinsurance assumed
 - 2.6 Contingent—reinsurance ceded
 - 2.7 Policy and Membership Fees
3. Allowances to Managers and Agents
4. Advertising
5. Boards, Bureaus, and Associations
6. Surveys and Underwriting Reports
7. Audit of Assureds' Records
8. Salary and Related Items
 - 8.1 Salaries
 - 8.2 Payroll taxes
9. Employee Relations and Welfare

10. Insurance
11. Directors' Fees
12. Travel and Travel Items
13. Rent and Rent Items
14. Equipment
15. Cost or Depreciation of EDP Equipment and Software
16. Printing and Stationery
17. Postage, and Telephone and Telegraph, Exchange and Express
18. Legal and Auditing
20. Taxes, Licenses and Fees
 - 20.1 State and Local Insurance Taxes deducting guaranty association credits
 - 20.2 Insurance Department Licenses and Fees
 - 20.3 Guaranty Association Assessments
 - 20.4 Other (excluding Federal Income and Real Estate)
21. Real Estate Expenses
22. Real Estate Taxes
24. Miscellaneous

RULES RELATING TO OPERATING EXPENSE CLASSIFICATIONS

1. CLAIM ADJUSTMENT SERVICES

1.1 Direct

Include: The Following Expenses When in Connection With the Investigation and Adjustment of Policy Claims:

Independent Adjusters: Fees and expenses of independent adjusters or settling agents

Legal: Fees and expenses of lawyers for legal services in the defense, trial, or appeal of suits, or for other legal services

Bonds: Premium costs of bonds

Appeal Costs and Expenses: Appeal bond premiums, charges for printing records, charges for printing briefs, court fees and incidental to appeals

General Court Costs and Fees: Entry fees and other court costs, and other fees not includible in Losses (Note: Interest and costs assessed as part of or subsequent to judgment are includible in Losses.)

Medical Testimony: Fees and expenses of medical witnesses of attendance or testimony at trials or hearings ("Medical" includes physicians, surgeons, chiropractors, chiropodists, dentists, osteopaths, veterinarians, and hospital representatives.)

Expert Witnesses: Fees and expenses of expert witnesses for attendance or testimony at trials or hearings

Lay Witnesses: Fees and expenses of lay witnesses for attendance or testimony at trials or hearings

Services of Process: Constables, sheriffs, and other fees and expenses for service of process, including subpoenas

Transcripts of Testimony: Stenographers' fees and fees for transcripts of testimony

Medical Examinations: Fees for medical examinations, fees for performing autopsies, fees for impartial examination, x-rays, etc., for the purpose of trial and determining questions of liability (This does not include fees for medical examinations, x-rays, etc., made to determine necessary treatment, or made solely to determine the extent or continuation of disability, or first aid charges, as such fees and charges are includible in Losses.)

Miscellaneous: Costs of appraisals, expert examinations, surveys, plans, estimates, photographs, maps, weather reports, detective reports, audits, credit or character reports, watchmen (Charges for hospital records and records of other kinds, notary fees, certified copies of certificates and legal documents, charges for Claim Adjustment Services by underwriting syndicates, pools, and associations)

Exclude: Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Items includible in Allowances to Managers and Agents

Payments to State Industrial Commissions (see Taxes, Licenses, and Fees)

Payments to claim adjusting organizations except where the expense is billed specifically to individual companies (see Boards, Bureaus, and Associations)

Cost of services of medical examiners for underwriting purposes (see Surveys and Underwriting Reports)

Salvage and subrogation recovery expense, rewards, lost and found advertising, expenses for disposal of salvage (Such expenses shall be deducted from salvage.)

Any expenses which by these instructions are includible elsewhere

Separation of Claim Adjustment Services:

The Statistical Plans filed by certain rating bureaus contain definitions of "Allocated Loss Adjustment Expenses" which exclude for rating purposes certain types of claim adjustment services as defined herein. For the lines of business thus affected, companies that are members of such rating bureaus shall maintain records necessary to the reporting of Claim Adjustment Services—Direct, as follows:

- a. As defined in Statistical Plans
- b. Other than as defined in Statistical Plans

1.2 Reinsurance Assumed

Include: Claim adjustment expenses in bills rendered by ceding companies

1.3 Reinsurance Ceded

Include: Claim adjustment expenses billed to assuming entities

2. COMMISSION AND BROKERAGE

2.1 Direct excluding contingent

Include: All payments, reimbursements and allowances, on direct writings, computed as a percentage of premiums for production, management, or other services to:

Managers	Office Agents
Supervising General Agents	Brokers
General Agents	Solicitors
Regional and District Agents	Other producers and agents
Local Agents	

Commissions and brokerage to employees when the activities for which the commissions are paid are not a part of their duties as employees.

Exclude: Compensation to employees except as noted above (see Salaries)

Allowances, reimbursements and payments not computed as a percentage of premiums (see Allowances to Managers and Agents)

Expenses involved in transactions between insurance companies (see Joint Expenses; Commission and Brokerage—Reinsurance Assumed and Ceded; Expenses for Account of Another, and Income from Special Services)

Contingent commission (see Commission and Brokerage—Contingent)

Fees of investment counsel (see Legal and Auditing)

Expenses includible in Boards, Bureaus, and Associations

Taxes on premiums (see Taxes, Licenses, and Fees)

Commission received for special services such as loss adjustment and inspection not related to policies issued by the company (see Income from Special Services)

2.2 Reinsurance Assumed excluding contingent

Commission and allowances of every nature on reinsurance assumed including tax and board allowances and reinsurance brokerage, except contingent commission, should be included in Commission and Brokerage—Reinsurance Assumed

Exception: Where commission and allowances under reinsurance assumed take the form of accurate proportions of actual expenses incurred, as in some quota share and pooling arrangements, entries shall be made to the actual expenses.

2.3 Reinsurance Ceded excluding contingent

Commission and allowances of every nature on reinsurance ceded including tax and board allowances and reinsurance brokerage, except contingent commission, shall be included in Commission and Brokerage-Reinsurance Ceded.

Exception: Where commission and allowances under reinsurance ceded take the form of accurate proportions of actual expenses incurred, as in some quota share and pooling agreements, entries shall be made to the actual expenses.

Commissions and fee allowances received from FEMA should be reported consistent with reinsurance ceding commissions. Refer to *SSAP No. 62R—Property and Casualty Reinsurance*.

Examples Relating to the Treatment of Commission on Reinsurance Assumed and Reinsurance Ceded

1. Company A cedes business to Company B under a treaty specifying a commission of 35% and an allowance for taxes and board fees of 5%. On the statement filed by Company A, both the 35% and the 5% shall be entered in Commission and Brokerage—Reinsurance Ceded. On the statement filed by Company B, both the 35% and the 5% shall be entered in Commission and Brokerage—Reinsurance Assumed.

2. Company A cedes 10% of all of its business to Company B under an agreement whereby Company B pays 10% of all actual expenses on such business incurred by Company A. Assume the expenses of Company A on the business reinsured as follows:

	Paid on Written Business
Commission and Brokerage - Direct	\$ 100,000
Salaries	30,000
Rent and Rent Items	7,000
Printing and Stationary	7,000
Postage, etc.	5,000
Surveys and Underwriting Reports	8,000
	0
Total	<u>\$ 157,000</u>

(NOTE: These are not intended to show the complete list of expenses involved but are given only for illustrative purposes.)

On the statement filed by Company A the commission and allowances by Company B shall be credited as follows:

	Paid on Written Business
Commission and Brokerage - Ceded	\$ 10,000
Salaries	3,000
Rent and Rent Items	700
Printing and Stationary	700
Postage, etc.	500
Surveys and Underwriting Reports	800
Total	<u>\$ 15,700</u>

On the statement filed by Company B the commission and allowances made to Company A shall be debited as follows:

	Paid on Written Business
Commission and Brokerage – Reinsurance Assumed	\$ 10,000
Salaries	3,000
Rent and Rent Items	700
Printing and Stationary	700
Postage, etc.	500
Surveys and Underwriting Reports	800
Total	<u>\$ 15,700</u>

2.4 Contingent Direct

Contingent or profit commission paid

Contingent or profit commission received

Contingent commission to employees when the activities for which the contingent commission is paid is not a part of their duties as employees

2.5 Contingent reinsurance assumed

2.6 Contingent reinsurance ceded

2.7 Policy and Membership Fees

Include: Policy and membership fees retained by or paid to agents

Policy and membership fees to employees when the activities for which the policy and membership fees are paid are not a part of their duties as employees

3. ALLOWANCES TO MANAGERS AND AGENTS

Include: Net allowances, reimbursements and payments for expenses of every nature, not computed as a percentage of premiums, to managers, agents, brokers, solicitors, and other producers

Exclude: Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Expenses of management where one insurance company has been appointed manager for another (see Joint Expenses; Commission and Brokerage—Reinsurance Assumed and Ceded; and Expenses for Account of Another)

Contingent commission (see Commission and Brokerage—Contingent)

Policy and membership fees (see Commission and Brokerage—Policy and Membership Fees)

Expenses in connection with owned real estate (see Real Estate Expenses)

Amounts representing exact reimbursements for Losses, Taxes, Licenses and Fees, Boards, Bureaus and Associations, and Advertising, where only the minimum space required by law is taken

Amounts representing exact reimbursements for Claim Adjustment Services, Surveys and Underwriting Reports and Audit of Assureds' Records when these services are performed by others than employees of managers, agents, brokers, solicitors or other producers

4. ADVERTISING

Include: Services of advertising agents

Public relations counsel

Space in newspapers, periodicals, billboards, programs, and other publications including electronic formats

Circulars, pamphlets, calendars, and literature issued for advertising or promotional purposes

Drawings, plates, etchings, etc., in connection with advertising

All charges for printing, paper, etc., in bills covering advertising

Media ~~b~~roadcasts (e.g., radio, television, etc.)

Prospect and mailing lists

Signs, frames, medals, etc., for agents

Souvenirs for general distribution

House organs (in-house periodical or employee periodical) and similar publications distributed to others than employees

Advertising required by law when more than the minimum space required to comply with the law is taken

Exclude: Compensation to employees (see Salaries)

Items includible in Travel and Travel Items, Claim Adjustment Services, and Boards, Bureaus, and Associations

Cost of literature, booklets, placards, signs, etc., issued solely for accident and loss prevention (see Surveys and Underwriting Reports)

Advertising and business development expenses allowed, reimbursed or paid to managers, agents, brokers, solicitors, and other producers (see Allowances to Managers and Agents)

Cost of help wanted advertising (see Employee Relations and Welfare)

Cost of advertising in connection with owned real estate (see Real Estate Expenses)

Cost of house organs (in-house periodical or employee periodical) and similar publications for the use of employees (see Printing and Stationery)

Donations to organized charities (see Miscellaneous)

Cost of souvenirs not generally distributed (see Travel and Travel Items)

5. **BOARDS, BUREAUS, AND ASSOCIATIONS**

Include: Dues, assessments, fees and charges of:

Underwriting boards, rating organizations, statistical agencies, inspection and audit bureaus

Underwriters' advisory and service organizations

Accident and loss prevention organizations

Claim organizations

Specific payments to boards, bureaus and associations for rate manuals, revisions, fillers, rating plans, and experience data

Exclude: Cost of inspection, engineering, or accident and loss prevention billed specifically to individual companies (see Surveys and Underwriting Reports)

Loss adjustment expenses billed specifically to individual companies (see Claim Adjustment Services)

Allowances under reinsurance contracts for board and bureau expenses (see Commission and Brokerage—Reinsurance Assumed and Ceded)

Payments to State Industrial Commissions (see Taxes, Licenses, and Fees)

Payments into State Security Funds (see Taxes, Licenses, and Fees)

Commission and Brokerage, Claim Adjustment Services, and Taxes, Licenses and Fees of underwriting syndicates, pools, and associations

Cost of Survey, credit, moral hazard, character, and commercial reports obtained for underwriting purposes (see Surveys and Underwriting Reports)

Cost of commercial reporting services (see Surveys and Underwriting Reports)

Dues and subscriptions to social or civic clubs or affairs (see Travel and Travel Items)

Dues and subscriptions to accounting, legal, actuarial or similar societies and associations (see Travel and Travel Items)

6. SURVEYS AND UNDERWRITING REPORTS

Include: Survey, credit, moral hazard, character, and commercial reports obtained for underwriting purposes

Commercial reporting services

Appraisals for underwriting purposes

Fire records

Inspection, engineering, and accident and loss prevention billed specifically

Literature, booklets, placards, signs, etc., issued solely for accident and loss prevention

Maps and corrections

Services of medical examiners for underwriting purposes

Exclude: Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Items includible in Boards, Bureaus, and Associations, Claim Adjustment Services, and Allowances to Manager and Agents

Cost of character or credit reports on employees or applicants for employment (see Employee Relations and Welfare)

Fees for physical examination of employees or applicants for employment (see Employee Relations and Welfare)

Income from inspections, which shall be classified in accordance with the instruction "Income from Special Services"

7. AUDIT OF ASSURED'S RECORDS

Include: Auditing fees and expenses of independent auditors for auditing payrolls and other premium bases

Exclude: Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Items includible in Claim Adjustment Services

Items includible in Allowances to Managers and Agents

8. SALARY AND RELATED ITEMS**8.1 Salaries**

- Include: Salaries, bonus, overtime, contingent compensation, pay while on leave, dismissal allowance, pay while training and other compensation of employees
- Commission and brokerage to employees when the activities for which the commission is paid are a part of their duties as employees
- Exclude: Salaries or wages of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate (see Real Estate Expenses)

8.2 Payroll Taxes

- Include: Employer FICA, FUTA, SUTA, and other federal state and local payroll taxes~~Old age benefit taxes~~
- ~~Unemployment insurance taxes~~
- Exclude: Payroll taxes includible in Real Estate Taxes

9. EMPLOYEE RELATIONS AND WELFARE**A. Pensions and Insurance Benefits for Employees**

- Include: Cost of retirement insurance
- Payments or appropriations to funds irrevocably devoted to the payment of pensions or other employees' benefits
- Pensions or other retirement allowances
- Accident, health and hospitalization insurance for employees
- Group life insurance for employees
- Workers' compensation insurance
- Payments to or on behalf of employees under self-insurance
- Any other insurance for the benefit of employees
- Exclude: Cost of insurance on lives of employees when the ~~company~~ reporting entity is the beneficiary
- Payments or appropriations to pension funds not irrevocably devoted to the payment of pensions or other employees' benefits (such payments or appropriations shall not appear among expenses.)
- Items includible in Real Estate Expenses
- All other types of insurance premiums

B. All Other

- Include:
- Advertising—help wanted
 - Training and welfare of employees
 - Physical examinations of employees or applicants for employment
 - Character or credit reports on employees or applicants for employment
 - Gatherings, outings and entertainment for employees
 - Visiting nurse service for or on behalf of employees
 - Medical and hospital bills for employees (not covered by 9A)
 - Direct payments, other than salaries, to employees for injury and sickness (not covered by 9A)
 - ~~Supper money~~ Overtime meals
 - Donations to or on behalf of employees
 - Food and catering for employees
- Exclude:
- Salaries, bonus, overtime, contingent compensation, pay while on leave, dismissal allowances, pay while training and other compensation of employees (see Salaries)
 - Items includible in Real Estate Expenses
 - Cost of house organs (in-house periodical or employee periodical) and similar publications (see Advertising, and Printing and Stationery)

10. INSURANCE

- Include:
- Fidelity or surety bonds covering employees and agents
 - Burglary, and robbery insurance premiums
 - Public liability insurance premiums (Excluding owned Real Estate)
 - Premiums for insurance on office contents
 - Cost of insurance on automobiles
 - All other insurance premiums not specifically provided for in other operating accounts
- Exclude:
- Items includible in Employee Relations and Welfare
 - Items includible in Real Estate expenses

11. DIRECTORS' FEES

Include: Directors' fees and other compensation of directors for attendance at board or committee meetings

Other fees, compensation, and expenses paid to directors

Exclude: Commission to directors for the production of business (see Commission and Brokerage—Direct)

12. TRAVEL AND TRAVEL ITEMS

Include: Transportation, hotel, meals, postage, shipping, delivery, telephone, ~~telegraph, express~~ and incidental living expenses of employees while traveling

Expenses for transfer of employees

Depreciation, repairs and other operating expenses of automobiles

Rent of automobiles

Fees for automobile ~~license plates~~ registration

Cost of transportation, hotel, meals and entertainment of guests

Cost of favors and presents given or extended to others than employees

Cost of souvenirs not generally distributed

Dues and subscriptions to social or civic clubs or affairs

Dues and subscriptions to accounting, legal, actuarial, or similar societies and associations

Exclude: Items includible in Salaries, Advertising, Commission and Brokerage, Taxes, Licenses and Fees, Boards, Bureaus and Associations, and Equipment

Cost of gatherings, outings, etc., and entertainment for employees (see Employee Relations and Welfare)

Travel and Travel Items expenses paid, reimbursed, or allowed to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)

Items includible in Real Estate Expenses

Donations to organized charities (see Miscellaneous)

Cost of souvenirs for general distribution (see Advertising)

13. RENT AND RENT ITEMS

- Include:**
- Rent of home office and branch offices
 - Rent for space occupied in buildings owned
 - Light, heat, power and water charges in leased premises
 - Interest, taxes, etc., paid in lieu of rent for leased premises
 - Cost of alternations and repairs of leased premises
 - Rent of storage, safekeeping and warehouse space
 - Rent of safe deposit boxes
 - Rent of post office boxes
 - Time clock service charges
 - Cost of cleaning, towels, ice, water, electric lamp replacements and other expenses incidental to office maintenance
- Exclude:**
- Compensation to employees (see Salaries)
 - Rent of automobiles (see Travel and Travel Items)
 - Rent allowed, reimbursed, or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)
 - Items includible in Real Estate Expenses
 - Rent income from owned real estate

14. EQUIPMENT

- Include:**
- Rent and repairs of furniture, equipment, and office machines (including printers' equipment, postage machines and data processing equipment)
 - Depreciation on furniture, equipment and office machines (including printers' equipment, postage machines and data processing equipment)
- Exclude:**
- Compensation to employees (see Salaries)
 - Rent, repairs and depreciation of automobiles (see Travel and Travel Items)
 - Cost of insurance on automobiles (see Insurance)
 - Cost of alterations and repairs of leased premises (see Rent and Rent Items)
 - Equipment expenses allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)
 - Items includible in Real Estate Expenses

16. PRINTING AND STATIONERY

Include: Printing, stationery and office supplies such as: letterhead, envelopes, paper stock, printed forms or manuals, adding machine tape, ~~carbon paper~~, binders and posts, ~~photostatic~~ copies, pencils, pens, leads, ink, glue, stamps and stamp pads, staplers, staples, clips and pins, desk top equipment (calendars, trays, etc.), waste baskets, analysis pads, ledgers, journals, minute books, etc.

Policies and policy forms

House organs (in-house periodical or employee periodical) and similar publications for the use of employees

Books, newspapers and periodicals including investment, tax and legal publications and services whether in print or electronic format

Exclude: Compensation to employees (see Salaries)

Specific payments to boards, bureaus and associations for rate manuals, revisions, fillers, rating plans and experience data (see Boards, Bureaus and Associations)

Literature, booklets, placards, signs, etc., issued solely for accident and loss prevention (see Surveys and Underwriting Reports)

Items includible in Claim Adjustment Services

Items includible in Advertising

Printers' equipment in company owned printing departments (see Equipment)

Printing and stationery allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)

House organs (in-house periodical or employee periodical) and similar publications distributed to others than employees (see Advertising)

Commercial reporting services (see Surveys and Underwriting Reports)

Items includible in Real Estate Expenses

17. ~~POSTAGE, AND TELEPHONE AND TELEGRAPH, EXCHANGE AND EXPRESS~~

Include: ~~Express, Freight, shipping, delivery,~~ and cartage

Postage

Cost of telephone ~~and telegrams, cable, radiograms and teletype~~

Bank charges for collection and exchange

Exclude: Compensation to employees (see Salaries)

Rent, repairs and depreciation of postage machines (see Equipment)

Postage, shipping, delivery, and telephone, ~~telegraph and express~~ of employees while traveling (see Travel and Travel Items)

Postage, ~~shipping, delivery, and~~ telephone ~~and telegraph, exchange, and express~~ allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)

Profits or losses resulting from exchange on remittances to Home Office by a United States Branch. Such profits or losses shall not be included in expenses

Items includible in Real Estate Expenses

Rent of post office boxes (see Rent and Rent Items)

18. LEGAL AND AUDITING

- Include:
- Legal retainers, fees and other legal expenses (except on losses and salvage)
 - Auditing fees of independent auditors for examining records of home and branch offices
 - Cost of services of tax experts
 - Fees of investment counsel
 - Registrar fees
 - Custodian fees
 - Trustees' fees
 - Transfer agent fees
 - Fees and expenses of others than employees, for collecting balances
 - Notary fees
- Exclude:
- Compensation to employees (see Salaries)
 - Expenses of salaried employees (see Travel and Travel Items)
 - Items includible in Claim Adjustment Services
 - Items includible in Real Estate Expenses
 - Cost of auditing of assureds' records (see Audit of Assureds' Records)

20. TAXES, LICENSES AND FEES

20.1 State and Local Insurance Taxes deducting guaranty association assessment association credits

- Include:
- State, county and municipal taxes, licenses and fees based upon premiums
 - Fire Patrol assessments
 - Payments to State Industrial (or other) Commissions for administration of Workers' Compensation or other State Benefit Acts (including assessments for administering Financial Responsibility Laws) regardless of basis of assessment

Net payments to State Security Funds, Reopened Case Funds, Second Injury Funds and other State Funds, when construed by the ~~company~~ reporting entity as operating expenses, regardless of basis of assessment

Exclude: Allowances for taxes under reinsurance contracts (see Commission and Brokerage Reinsurance Assumed and Ceded)

20.2 Insurance Department Licenses and Fees

Include: Agents' licenses

Certificates of authority, compliance, deposit, etc.

Filing fees

Fees and expenses of examination by insurance departments or other governmental agencies

Exclude: Items includible in Claim Adjustment Services

20.4 All Other (Excluding Federal Income and Real Estate)

Include: Qualifying bond premiums

Statement publication fees

Advertising required by law

Personal property taxes

State income taxes

Capital stock taxes

Business or corporation licenses or fees (not includible under 20.1 or 20.2)

Marine profits taxes

Documentary stamps on reinsurance

Any other taxes not assignable under 20.1, 20.2, and 20.3 and not otherwise excluded

Exclude: Cost of advertising required by law where more than minimum space required to comply with the law is taken. Such expense shall be included in Advertising.

Real estate taxes, licenses and fees (see Real Estate Taxes)

Items includible in Claim Adjustment Services

Fees for automobile license plates (see Travel and Travel Items)

Federal income tax

Sales taxes, etc., included on invoices of vendors. Such taxes are to follow allocation of cost of items purchased.

21. REAL ESTATE EXPENSES

Include: Salaries, wages and other compensation of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate

Cost of operating and maintaining owned real estate

Cost of insurance in connection with owned real estate

Cost of advertising in connection with owned real estate

22. REAL ESTATE TAXES

Include: Taxes, licenses and fees on owned real estate

24. MISCELLANEOUS

Expenses not listed as includible in other operating expense classifications, and not analogous thereto, shall be included in "Miscellaneous." Specifically, the following shall be included:

Cost of tabulating service when such service is rendered by outside organizations

Amounts received and handled in accordance with the Instruction "Income from Special Services"

Donations to organized charities

Differences between actual amounts paid, and amounts apportioned in accordance with the Instruction "Joint Expenses"

GENERAL INSTRUCTIONS IN CONNECTION WITH OPERATING EXPENSE CLASSIFICATIONS

A. Joint Expenses

Whenever personnel or facilities are used in common by two or more companies, or whenever the personnel or facilities of one company are used in the activities of two or more companies, the expenses involved shall be apportioned in accordance with the instructions relating to Joint Expenses, and such apportioned expenses shall be allocated by each company to the same operating expense classifications as if the expenses had been borne wholly. Any difference between the actual amount paid, and the amount of such apportioned expenses shall be included in the operating expense classification "Miscellaneous."

This instruction does not apply to the allocation of the following, which are covered by separate instructions herein:

Reinsurance commission and allowances (see Commission and Brokerage—Reinsured Assumed and Ceded)

Commission and brokerage paid to managers and agents (see Commission and Brokerage—Direct)

Allowances to managers and agents (see Allowances to Managers and Agents)

Expenses allocable in accordance with the instruction "Income from Special Services"

B. Expenses for Account of Another

Whenever expenses are paid by one company for account of another, the payments shall not appear among the expenses reported by the former and shall be included by the latter in the same expense classifications as if originally paid by it.

C. Income from Special Services

Whenever an insurance company receives compensation for sales or services, such as loss adjustment or inspection not related to policies written by the company, and such compensation is not calculated as a joint expense reimbursement, the amount thereof shall be included in the operating expense classification "Miscellaneous." Where an insurance company pays the compensation, allocation shall be made to the expense classification dictated by the nature of the expense.

Reinsurance commission and allowances (see Commission and Brokerage—Reinsurance Assumed and Ceded)

Expenses incurred for the benefit of companies in the same group or fleet are covered by the instruction "Joint Expenses."

D. Analogous Items

The lists of expenses includible in the operating expense classifications are representative and do not exclude analogous items that are omitted from the lists.

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 Security funds, Sec. 20 (A)
 Service organizations, Sec. 5
 Services, tabulating, rendered by outside organizations, Sec. 24
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 Stenographers' fees relating to claim adjustment, Sec. 1 (A)
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Transportation of employees, Sec. 12
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Warehouse, storage and safekeeping space, rent of, Sec. 13
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ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

EXHIBIT 2 – GENERAL EXPENSES

General expense items must be itemized and entered in sufficient detail to indicate their precise nature. General expenses include virtually all of the expenses of a life insurance company other than benefits to policyholders; commissions; and taxes, licenses and fees.

The statutory financial statement provides for two broad categories of general expenses: (1) insurance, subdivided into life insurance, accident and health insurance, and all other lines of business; and (2) investment. In addition, the Analysis of Operations by Lines of business requires allocation of general expenses to more detailed lines of business. The Summary of Operations classifies the investment expense portion of general expenses as an offset to investment income while classifying general insurance expenses separately in the expense section of the summary.

General Expenses Due or Accrued

The amount included in the balance sheet under this caption represents the company's reporting entities' liability for general expenses applicable to the current year that are unpaid at year end. There are a number of guidelines to consider with respect to whether an item represents a liability of the company-reporting entity at the statement date. Distinguish between: (1) bills for items purchased or services rendered; and (2) the recognition of accruals for such things as payroll. With respect to accruals, the liability should be established so that each period bears its pro rata share of the expense even though no bill has been received. Accrual payroll, for example, represents the cost for the period from the last payroll to period-end.

Generally, the liability for purchases of supplies and materials should be established as of the receipt date or shipment date if FOB. If a company-reporting entity has an irrevocable contract as of the statement date, the liability must be established even though the supplies or materials have not been received.

Functional Costs

General expenses are not to be reported on a functional basis unless specifically permitted and then only if: (1) services are independently organized; (2) rent, salaries and wages, and other major items of direct expense are charted to the functions; and (3) adequate accounting for the functional classifications is maintained. Those expense classifications that companies may specifically report on a functional basis are rent, salaries and wages, other employee and agent welfare and printing and stationery.

Allocation of Expenses

As stated above, companies must allocate general expenses to life insurance, accident and health insurance, or investment expense. The "All Other Lines of Business" category should include the corporate overhead line of business where that normal designation exists. In addition, the Analysis of Operations by Lines of Business requires allocation of general insurance expenses to more detailed lines of business. The *Annual Statement Instructions* discuss the allocation of receipts and expenses to lines of business.

The *Annual Statement Instructions* state that the company-reporting entity shall employ those principles and methods that reflect the actual incidence of cost by lines of business. Companies should consider the relative time spent, the extent of usage and the varying volume of work performed. The instructions further state that companies should base the allocations upon objective measurement rather than estimates unless the cost of the measurement clearly outweighs the benefit derived. Where estimates are used, individuals familiar with the nature of the activity should make these estimates and thoroughly responsible persons should review these estimates.

The *Annual Statement Instructions* also state that companies should not use general indices such as premium volume, number of policies and insurance in force unless the incidence of cost is closely related to the indices or there is no more appropriate basis. In no event should such indices be used to distribute claims costs to secondary lines of business.

Report expenses incurred by the reporting entity for uninsured accident and health plans on a gross basis by type of expense. However, administrative fees and expense reimbursements relating to uninsured business are reduced in the general expense and general insurance expenses are to be reported in the Summary of Operations net of such fees and reimbursements.

Expenses for accident and health activities must be allocated between cost containment expenses, Column 2 or all other, Column 3. For guidance on cost containment expenses, refer to *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.

Whenever personnel or facilities are used in common by two or more companies, or whenever the personnel or facilities of one ~~company~~ reporting entity are used in the activities of two or more companies, each reporting entity shall assign its share of the expense to the same expense classification as if it had incurred the entire expense. This latter requirement shall not apply to activities such as administration of jointly underwritten group contracts and joint mortality and morbidity studies.

A ~~company~~ reporting entity that pays any affiliated entity (including a managing general agent) for the management, administration, or service of all or part of its business or operations shall allocate these costs to the appropriate expense classification item (salaries, rent, postage, etc.) as if these costs had been borne directly by the ~~company~~ reporting entity. Management, administration, or similar fees should not be reported as a one-line expense. The ~~company~~ reporting entity may estimate these expense allocations based on a formula or other reasonable basis.

A ~~company~~ reporting entity that pays any non-affiliated entity (including a managing general agent) for the management, administration, or service of all or part of its business or operations shall allocate these costs to the appropriate expense classification items as follows:

- a. Payments for claims handling or adjustment services shall be reported as Expense of Investigation and Settlement of Contract Claims, Line 4.5 and allocated to Life, Accident and Health, and/or All Other Lines of Business as appropriate (Columns 1, 2, 3 and/or 4) in Exhibit 2, General Expenses. If the total of such expenses incurred equals or exceeds 10 percent of the total General Expenses Incurred (Line 10), the ~~company~~ reporting entity shall allocate these costs to the appropriate expense classification item as if these costs had been borne directly by the ~~company~~ reporting entity.
- b. Payments for services other than claims handling or adjustment services shall be allocated to the appropriate expense classifications as if these costs had been borne directly by the ~~company~~ reporting entity, if the total of such fees paid to the non-affiliate(s) equals or exceeds 10 percent of the total General Expenses Incurred (Line 10). If the total is less than 10 percent, the payments may be reported on Line 7.1.

The total management and service fees incurred attributable to affiliates and non-affiliates shall be reported in the footnote to Exhibit 2, General Expenses in the annual statement blank, and the method(s) used for allocation shall be disclosed in the Notes to Financial Statements. The ~~company~~ reporting entity shall use the same method(s) on a consistent basis. Refer to *SSAP No. 70—Allocation of Expenses* for accounting guidance.

Column 6 – Fraternal

Transactions related to the fraternal mission.

Line 1 – Rent

Rent expense includes, in addition to rent paid for leased properties, an estimated amount that represents “rent” for properties owned and occupied by the company-reporting entity. Report the offset to this amount as investment income. Net rents received for property under sublease against rent expense.

Include: Rent for all premises occupied by the company-reporting entity, including any adequate rent for occupancy of its own buildings, in whole or in part, except to the extent that allocation to other expense classifications on a functional basis is permitted and used.

Expenses incurred as tenant for light, heat, water, fuel, interest, taxes, building maintenance, alterations and service, etc.

Amortization expense for leasehold improvements as lessee.

Deduct: Rent under sublease.

Line 2 – Salaries and Wages

Salaries and wages, in addition to virtually all direct payments of compensation to employees, should include all payments to directors for attendance at board or committee meetings.

Include: Salaries and wages, bonuses and incentive compensation to employees, overtime payments, continuation of salary during temporary short-term absences, dismissal allowances, payments to employees while in training and other compensation to employees not specifically designated herein, except to the extent that allocation to other expense classifications is permitted and used.

Fees and other compensation to directors for attendance at board or committee meetings and any other fees and compensation paid to them in their capacities as directors or committee members.

Agency compensation other than commissions.

Line 3.11 – Contributions for Benefit Plans for Employees and

Line 3.12 – Contributions for Benefit Plans for Agents

}

Include: Contributions by company-reporting entity for pension and total and permanent disability benefits, life insurance benefits, accident, health, hospitalization, medical, surgical, or other temporary disability benefits under a self-administered or trusteed plan or for the purchase of annuity or insurance contracts.

Appropriation or any other assignment of funds by company-reporting entity in connection with any benefit plan of the types enumerated herein, e.g., the net periodic postretirement benefit cost, whether it be defined in terms of specified benefits or in terms of monetary amounts.

Earned amounts related to employee stock option plans.

Exclude: Contributions or appropriations for past service if reported in Surplus Account.

Benefit payments (to be reported in the appropriate benefit item of the Summary of Operations when reserves are included in Page 3, Lines 1 and 2, and as a separate item in the Summary of Operations when the liability is included in Page 3, Line 21).

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|-----------|---|--|---|
| Line 3.21 | – | Payments to Employees Under Non-Funded Benefit Plans and | } |
| Line 3.22 | – | Payments to Agents Under Non-Funded Benefit Plans | |

Include: Payments by company under a program for pension, stock options, purchase and award plans (including change in quoted market value), and total and permanent disability benefits, death benefits, accident, health hospitalization, medical, surgical, or other temporary disability benefits, where no contribution or appropriation is made prior to the payment of the benefit.

Refer to *SSAP No. 12—Employee Stock Ownership Plans* and *SSAP No. 104R—Share-Based Payments*.

- | | | | |
|-----------|---|----------------------------|---|
| Line 3.31 | – | Other Employee Welfare and | } |
| Line 3.32 | – | Other Agent Welfare | |

Expenses included in this line may be reported on a functional basis.

Include: Meals to employees. Companies so desiring may exclude this item from Other Employee Welfare and Other Agent Welfare and include it under Details of Write-ins Aggregated on Line 9.3 for Expenses.

Contributions to employee associations or clubs.

Expense and maintenance of recreation grounds.

Payments to employees and agents in military service.

Expense of periodical medical or dental examinations or of medical dispensary, convalescent home or sanitarium for employees and agents.

- Line 4.1 – Legal Fees and Expenses

Include: Cost of outside counsel, as well as court costs to the extent that these costs do not relate to the claims or investment functions, penalties, and all fees or retainers for legal services or expenses in connection with matters before administrative or legislative bodies.

Exclude: Salaries and expenses of ~~company~~ reporting entity personnel.

Legal expenses in connection with investigation, litigation and settlement of contract claims.

Legal fees specifically associated with real estate transactions.

Line 4.2 – Medical Examination Fees

Include: Fees to medical examiners in connection with new business, reinstatements, contract changes and applications for employment.

Exclude: Fees for medical examinations for the welfare of employees and agents.

Medical examination fees in connection with the investigation, litigation and settlement of contract claims.

Line 4.3 – Inspection Report Fees

Include: Fees for inspection reports in connection with new business, reinstatements, contract changes and applications for employment.

Cost of services furnished by the Medical Information Bureau (M.I.B.).

Exclude: Salaries of inspectors.

Inspection report fees in connection with the investigation, litigation and settlement of contract claims.

Assessment for expenses of M.I.B. Executive Committee.

Line 4.4 – Fees of Public Accountants and Consulting Actuaries

Exclude: Fees for examinations made by State Departments.

Expense of internal audits by company employees.

Line 4.5 – Expense of Investigation and Settlement of Policy Claims

Include: Payment to other than employees of fees and expenses for the investigation, litigation and settlement of policy claims.

Exclude: Payments to a policyholder, agent, broker, or a third party for administration of group claims.

Line 5.1 – Traveling Expenses

Include: Traveling expense of officers, other employees, directors and agents, including hotel, meals, telephone, telegraph and postage charges incurred while traveling.

Amounts allowed employees for use of their own cars on company business.

The cost of, or depreciation on, and maintenance and running expenses of company-owned automobiles.

Exclude: Such expenses properly chargeable to Real Estate Expenses (Line 9.1) or required to be reported in Lines 7.1 and 7.3.

Line 5.2 – Advertising

Include: All costs relating to advertising for new insurance business except salaries and expenses of an advertising department.

Newspaper, magazine and trade journal advertising for the purpose of solicitation and conservation of business, whether in print or electronic formats.

Billboard, sign and directory advertising.

Television, radio broadcasting and motion picture advertising, excluding subjects dealing wholly with health and welfare.

All canvassing or other literature, such as pamphlets, circulars, leaflets, contract/certificate illustration forms and other sales aids, printed material, etc., prepared for distribution to the public by agents, ~~or~~ through the mail or electronic format for purposes of solicitation and conservation of business.

All calendars, blotters, wallets, advertising novelties, etc., for distribution to the public.

Printing, paper stock, etc., in connection with advertising.

Prospect and mailing lists when used for advertising purposes.

Fees and expenses of advertising agencies related to advertising.

Exclude: Pamphlets on health, welfare and educational subjects.

Advertising required by law, regulation or ruling except to the extent that it substantially exceeds the space required for compliance.

Salaries and expenses of advertising department.

Help-wanted advertisements.

Advertising in connection with investments.

Line 5.3 – Postage, ~~Express, Telegraph~~ and Telephone

Include: Freight and cartage.

Postage ~~Cables, radiograms and teletype.~~

Charges for use, installation and maintenance of related equipment if not included elsewhere.

Line 5.4 – Printing and Stationery

Expenses included in this line may be reported on a functional basis.

Include: Contract/certificate forms, riders, supplementary contracts, applications, etc., rate books, instruction manuals, ~~punch cards~~, house organs (in-house periodical or employee periodical), and all other printed material which is not required to be included in any other expense classification.

Office supplies.

Pamphlets on health, welfare and educational subjects.

Annual reports to policyholders/members and stockholders if not included in Line 5.2.

Line 5.5 – Cost or Depreciation of Furniture and Equipment

The general practice with respect to “Cost or depreciation of furniture and equipment” is to either: (1) charge depreciation to this expense classification and write off the remaining asset balance to surplus as a nonadmitted asset; or (2) charge expenditures for furniture and equipment directly to expense, in which case, those expenditures would be included in this classification.

Include: The cost or depreciation of office machines except for such charges as may be reported in Line 5.3.

Exclude: The cost or depreciation of equipment used by employees handling maintenance and repair work on company-occupied property.

Line 5.6 – Rental of Equipment

Include: Rental of office machines except for such charges as may be reported in Line 5.3.

Line 5.7 – Cost or Depreciation of EDP Equipment and Software

Include: Depreciation and amortization expense for electronic data processing equipment and operating and non-operating systems software.

Refer to *SSAP No. 16R—Electronic Data Processing Equipment and Software* for accounting guidance.

Line 6.1 – Books and Periodicals

Include: Books, newspapers, periodicals, etc., including investment, tax and legal publications and information services, and including all such material for company's reporting entity's law department and libraries whether in print or electronic format.

Line 6.2 – Bureau and Association Fees

Include: All dues and assessments of organizations of which the company reporting entity is a member.

All dues for employees' and agents' memberships on the company's reporting entities' behalf.

Exclude: Contributions in connection with scientific, disease prevention, or other activity directly pertaining to the welfare of policyholders and the public.

Line 6.3 – Insurance, Except on Real Estate

Include: Premiums for Workers' Compensation, burglary, holdup, forgery and public liability insurance, fidelity or surety bonds, insurance on contents of company-occupied buildings and all other insurance or bonds not included elsewhere.

Line 6.4 – Miscellaneous Losses

Include: Uncollectible losses due to deficiencies, defalcations, robbery, or forgery, except those offset by bonding companies' payments.

Workers' Compensation benefits not covered by insurance.

Other uninsured losses not included elsewhere.

Exclude: Capital and investment losses.

Line 6.5 – Collection and Bank Service Charges

Include: Collection charges on checks and drafts and charges for checking accounts and money orders.

Credit card fees.

Exclude: Foreign exchange losses on funds transferred in or out of the country (include in Exhibit of Capital Gains and (Losses), Line 10, Column 2).

Line 6.6 – Sundry General Expenses

Amounts paid to agents for administering group, credit, or individual blocks of business.

Include: Direct expense of local agency meetings, luncheons and dinners.

Tabulating service rendered by outside organizations.

Gifts and donations.

Any portion of commissions and expense allowances on reinsurance assumed for group business that represents specific reimbursement of expenses.

Reimbursement to another insurer for expense of jointly underwritten group contracts.

Exclude: Any one type of expense that would represent more than 25 percent of the total for this line. Such items should be reported on Line 9.3.

Deduct: Any portion of commissions and expense allowances on reinsurance ceded for group business that represents specific reimbursement of expenses.

Reimbursement from other insurers for expense of jointly underwritten group contracts.

- Line 6.7 – Group Service and Administration Fees
- Include: Administration fees, service fees, or any other form of allowance, reimbursement of expenses, or compensation (other than commissions) to agents, brokers, applicants, policyholders or third parties in connection with the solicitation, sale, issuance, service and administration of group business.
- Line 6.8 – Reimbursements by Uninsured Plans
- Report as a negative amount, administrative fees, direct reimbursement of expenses, or other similar receipts or credits attributable to uninsured plans and the uninsured portion of partially insured plans.
- Line 7.1 – Agency Expense Allowance
- Include: All bona fide allowances for agency expense, but not allowances constituting additional compensation.
- Line 7.2 – Agents' Balances Charged Off (Net)
- Include: Agents' balances charged off less any amounts recovered during the year.
- Line 7.3 – Agency Conferences Other Than Local Meetings
- Include: Cost of banquets and rental of meeting rooms.
- Expenses of all persons traveling to conferences and their expenses at conferences.
- Line 8.1 – Official Publication (Fraternal Benefit Societies Only)
- Expenses incurred by a fraternal benefit society for publications related to the society and its fraternal mission. Does not include publications related to the insurance operations.
- Line 8.2 – Expense of Supreme Lodge Meetings (Fraternal Benefit Societies Only)
- Expenses incurred by a fraternal benefit society for supreme lodge meetings of the society and its fraternal mission. Does not include meetings related to the insurance operations.
- Line 9.1 – Real Estate Expenses
- Include: The cost of repairs, maintenance, service, and operation of all real estate properties including insurance whether occupied by the ~~company~~ reporting entity or not; salaries and other compensation of managing agents and their employees; expenses incurred in connection with rental of such properties; legal fees specifically associated with real estate transactions other than sale; rent, salaries and wages, and other direct expenses of any branch or home office unit engaged solely in real estate work (not real estate and mortgages combined).
- Salaries or wages of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate.
- Exclude: Salaries and wages of any other home office, general branch office, or investment branch office employees. These should be charged to salaries and wages, where they will automatically be subject to allocation as "insurance" or

“investment,” in Exhibit 2. The same rule applies to other expenses or charges associated with the activities of such employees.

Line 9.2 – Investment Expenses Not Included Elsewhere

Include: Only items for which no specific provision has been made elsewhere, e.g., contributions or assessments for bondholders’ protective committees, fees of investment counsel, custodian and trustee fees.

All other costs including internal costs or costs paid to an affiliated company related to origination, purchase or commitment to purchase bonds.

Exclude: Home office salaries and expenses on account of investment work, salaries and expenses of mortgage loan branch offices.

Legal fees and expenses.

Real Estate expenses properly chargeable to Line 9.1.

Brokerage and other related fees; to the extent they are included in the actual cost of a bond upon acquisition. Refer to SSAP No. 26R.

Line 9.3 – Aggregate Write-ins for Expenses

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 9.3 for Expenses.

Line 10 – General Expenses Incurred

The sum of Columns 1, 2, 3 and 4 should agree with Page 4, Line 23.

Column 5 should agree with Exhibit of Net Investment Income, Line 11, Column 2.

Column 2 plus Column 3 should agree with Schedule H, Part 1, Line 4 plus Line 8, Column 1 amount.

Sum of Columns 1 and 4 should equal the sum of Line 23, Column 1 for the following pages:

Analysis of Operations by Lines of Business – Individual Life Insurance

Analysis of Operations by Lines of Business – Group Life Insurance

Analysis of Operations by Lines of Business – Individual Annuities

Analysis of Operations by Lines of Business – Group Annuities

Sum of Columns 2 and 3 should equal Line 23, Column 1 for the Analysis of Operations by Lines of Business – Accident and Health.

Details of Write-ins Aggregated on Line 9.3 for Expenses

List separately all expenses for which there is no pre-printed line on Exhibit 2.

Include: Any type of expense that would represent more than 25 percent of Line 6.6, Sundry General Expenses.

Adjustments due to fluctuations in foreign exchange rates.

ANNUAL STATEMENT INSTRUCTIONS – HEALTH**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 – ANALYSIS OF EXPENSES**

Administrative Services Contracts (ASC) and Administrative Services Only (ASO) commissions, expenses and taxes paid by the administrator to administer such plan shall be reported on a gross basis by type of expense. General expense items must be itemized and entered in sufficient detail to indicate their precise nature. Expenses are not reported on a functional basis, except to the extent specifically permitted herein and only if: (1) services are independently organized, (2) rent, salaries and wages, and other major items of expense directly incident thereto, but not necessarily including the cost of employee benefit plans and Social Security taxes, are charged to function, and (3) adequate accounting thereof is maintained. Whenever personnel or facilities are used in common by two or more companies, or whenever the personnel or facilities of one company are used in the activities of two or more companies, each company shall assign its share of the expense to the same expense classification as if it had incurred the entire expense. This latter requirement shall not apply to activities such as administration of jointly underwritten group contracts and joint mortality and morbidity studies.

Costs for managed care activities must be allocated between claim adjustment expenses and general administrative expenses. Claim adjustment expenses should be allocated to either cost containment expenses, Column 1 or other claim adjustment expenses, Column 2, in accordance with *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.

Other costs such as network development costs, provider contracting costs and other similarly related costs should be allocated to Columns 1 through 3 as appropriate, in accordance with *SSAP No. 55*.

A reporting entity that pays any affiliated entity (including a managing general agent) for the management, administration, or service of all or part of its business or operations shall allocate these costs to the appropriate expense classification item (salaries, rent, postage, etc.) as if these costs had been borne directly by the ~~company~~ reporting entity. Do not report management, administration, or similar fees as one-line expenses. The reporting entity may estimate these expense allocations based on a formula or other reasonable basis.

A reporting entity that pays any non-affiliated entity (including a managing general agent) for the management, administration, or service of all or part of its business or operations shall allocate these costs to the appropriate expense classification items as follows:

- a. If the total payments for claims handling or adjustment services equals or exceeds 10 percent of the “Total Claim Adjustment Expenses Incurred,” allocate these costs to the appropriate expense classification items as if these costs had been borne directly by the reporting entity.
- b. Allocate payments for services other than claims handling or adjustment services to the appropriate expense classifications as if these costs had been borne directly by the ~~company~~ reporting entity, if the total of such fees paid to the non-affiliate(s) equals or exceeds 10 percent of Column 3, Line 26. If the total is less than 10 percent, the ~~company~~ reporting entity may report the payments on Line 14.

The total management and service fees incurred attributable to affiliates and non-affiliates shall be reported in the footnote to Underwriting and Investment Exhibit – Part 3, and the method(s) used for allocation shall be disclosed in the Notes to Financial Statements. The reporting entity shall use the same method(s) on a consistent basis. Refer to *SSAP No. 70—Allocation of Expenses* for accounting guidance.

Line 1 – Rent

Include: Rent for all premises occupied by the reporting entity, including any adequate rent for occupancy of its own buildings, in whole or in part, except to the extent that allocation to other expense classifications on a functional basis is permitted and used.

Expenses incurred as tenant for light, heat, water, fuel, interest, taxes, building maintenance, alterations and service, etc.

Deduct: Rent under sublease.

Exclude: These items for health care delivery.

Line 2 – Salaries, Wages and Other Benefits

Include: Salaries and wages, bonuses and incentive compensation to employees, overtime payments, continuation of salary during temporary short-term absences, dismissal allowances, payments to employees while in training and other compensation to employees not specifically designated herein, except to the extent that allocation to other expense classifications is permitted and used.

Fees and other compensation to directors for attendance at board or committee meetings and any other fees and compensation paid to them in their capacities as directors or committee members.

Agency compensation other than commissions.

Payments by reporting entity under a program for pension, stock options, purchases, and award plans (including change in quoted market value) and total and permanent disability benefits, life insurance benefits, accident, health, hospitalization, medical, surgical, or other temporary disability benefits under a self-administered or trustee plan or for the purchase of annuity or insurance contracts.

Appropriation or any other assignment of funds by ~~company~~ reporting entity in connection with any benefit plan of the types enumerated herein, (e.g., the net periodic postretirement benefit cost) whether it be defined in terms of specified benefits or in terms of monetary amounts.

Payments by reporting entity under a program for pension, stock options, purchases and award plans (including change in quoted market price), total and permanent disability benefits, death benefits, accident, health, hospitalization, medical, surgical, or other temporary disability benefits, where no contribution or appropriation is made prior to the payment of the benefit.

Meals to employees.

Contributions to employee associations or clubs.

Expense and maintenance of recreation grounds.

Payments to employees and agents in military service.

Expense of periodical medical or dental examinations, or of medical dispensary, convalescent home or sanitarium for employees and agents.

Earned amounts related to employee stock ownership plans.

Exclude: Contributions or appropriations for past service if reported in Capital and Surplus Account.

Benefit payments. (To be reported in the appropriate item of the Statement of Revenue and Expenses.)

Refer to *SSAP No. 12—Employee Stock Ownership Plans* and *SSAP No. 104R—Share-Based Payments*.

Line 3 — Commissions

Include: Collection or service fees, policy fees, membership fees and other fees, Commuted renewal commissions.

Line 4 — Legal Fees and Expenses

Include: Court costs, penalties and all fees or retainers for legal services or expenses in connection with matters before administrative or legislative bodies.

Exclude: Salaries and expenses of ~~company~~ reporting entity personnel.

Legal expenses associated with investigation, litigation and settlement of policy claims.

Legal fees specifically associated with real estate transactions.

Line 5 — Certifications and Accreditation Fees

Include: Fees associated with the certification and accreditation of a health plan, including but not limited to, fees paid to Joint Commission on Accreditation of Health Care Organizations (JCAHO); National Commission on Quality Assurance (NCQA); American Association for Health Care Certification (Utilization Review Accreditation Commission (URAC)).

Exclude: Rating agencies and other similar organizations.

Line 6 — Auditing, Actuarial and Other Consulting Services

Exclude: Fees for examinations made by State Departments.

Expense of internal audits by ~~company~~ reporting entity employees.

Line 7 – Traveling Expenses

Include: Traveling expense of officers, other employees, directors and agents, including hotel, meals, telephone, ~~telegraph~~ and postage charges incurred while traveling.

Amounts allowed employees for use of their own cars on company business.

The cost of, or depreciation on, and maintenance and running expenses of company-owned automobiles.

Exclude: Such expenses properly allocated to Real Estate Expenses (Line 21).

Line 8 – Marketing and Advertising

Include: Newspaper, magazine and trade journal advertising for the purpose of solicitation and conservation of business, whether in print or electronic formats.

Billboard, sign and directory advertising.

Television, radio broadcasting and motion picture advertising, excluding subjects dealing wholly with health and welfare.

All canvassing or other literature, such as pamphlets, circulars, leaflets, policy illustration forms and other sales aids, printed material, etc., prepared for distribution to the public by agents, ~~or through the mail~~ or electronic format for purposes of solicitation and conservation of business.

All calendars, blotters, wallets, advertising novelties, etc., for distribution to the public.

Printing, paper stock, etc., in connection with advertising.

Prospect and mailing lists when used for advertising purposes.

Fees and expenses of advertising agencies related to advertising.

Exclude: Pamphlets on health, welfare and educational subjects.

Advertising required by law, regulation or ruling except to the extent that it substantially exceeds the space required for compliance.

Salaries and expenses of advertising department.

Help wanted advertisements.

Advertising in connection with investments.

Line 9 – Postage, ~~Express~~, and Telephone

Include: Freight and cartage, ~~cables, radiograms and teletype.~~

Postage.

Charges for use, installation and maintenance of related equipment if not included elsewhere.

Line 10 – Printing and Office Supplies

Expenses included in this line may be reported on a functional basis.

Include: Policy forms, riders, supplementary contracts, applications, etc., rate books, instruction manuals, ~~punch cards~~, house organs (in-house periodical or employee periodical), and all other printed material that is not required to be included in any other expense classification.

Office supplies, pamphlets on health, welfare and educational subjects, annual reports to policyholders and stockholders if not included in Line 8.

Books, newspapers, periodicals, etc., including investment, tax and legal publications and information services, and including all such material for ~~company's~~ reporting entity's law department and libraries whether in print or electronic format.

Line 11 – Occupancy, Depreciation and Amortization

Include: The amount of depreciation and amortization expense that is directly associated with administrative services. Expenses associated with administrative services include the costs of occupancy to the health entity that are directly associated with health administration. These include the costs of using a facility, fire and theft insurance, utilities, maintenance, lease, etc.

Exclude: The cost or depreciation of equipment used by employees handling maintenance and repair work on company-occupied property.

Line 12 – Equipment

Include: Rental of all office equipment except for such charges as may be reported in Line 9.

Line 13 – Cost or Depreciation of EDP Equipment and Software

Include: Depreciation and amortization expense for electronic data processing equipment, operating software and non-operating software.

Refer to ~~SSAP No. 16R~~—*Electronic Data Processing Equipment and Software* for accounting guidance.

Line 14 – Outsourced Services Including EDP, Claims, and Other Services

Include: Expenses for administrative services, claim management services, new programming, membership services, and other similar services.

Exclude: Services provided by affiliates under management agreements.

Line 15 – Boards, Bureaus and Association Fees

Include: All dues and assessments of organizations of which the reporting entity is a member.

All dues for employees' and agents' memberships on the reporting entity's behalf.

Exclude: Contributions associated with scientific research, disease prevention, or other activity directly pertaining to the welfare of subscribers and the public.

Line 16 – Insurance, Except on Real Estate

Include: Premiums for Workers' Compensation, burglary, holdup, forgery and public liability insurance, fidelity or surety bonds, insurance on contents of company-occupied buildings and all other insurance or bonds not included elsewhere.

Line 17 – Collection and Bank Service Charges

Include: Collection charges on checks and drafts and charges for checking accounts and money orders.

Credit card fees.

Line 18 – Group Service and Administration Fees

Include: Administration fees, service fees, or any other form of allowance, reimbursement of expenses, or compensation (other than commissions) to agents, brokers, applicants, policyholders or third parties in connection with the solicitation, sale, issuance, service and administration of group business.

Line 19 – Reimbursements by Uninsured Plans

Report as a negative amount, pharmaceutical rebates of uninsured plans that are received or change in due and uncollected by the reporting entity, to the extent that they are in excess of amounts to be remitted to the uninsured plan, administrative fees, direct reimbursement of expenses, or other similar receipts or credits attributable to uninsured health plans and the uninsured portion of partially insured accident and health plans. Deduct administrative fees and related reimbursements from general administrative expenses or claim adjustment expenses if the administrative services provided include services for claim adjustment expenses as defined in SSAP No. 55—*Unpaid Claims, Losses and Loss Adjustment Expenses*.

Refer to SSAP No. 84—*Health Care and Government Insured Plan Receivables* for accounting guidance.

Line 20 – Reimbursements from Fiscal Intermediaries

Report as a negative amount, administrative fees, direct reimbursement of expenses, or other similar receipts or credits attributable to Medicare, ~~CHAMPUS~~ TRICARE and other federal and local governmental agencies.

Line 21 – Real Estate Expenses

Include: The cost of insurance, repairs, maintenance, service, and operation of all real estate properties, whether occupied by the company or not.

Expenses incurred in the rental of real estate properties.

Salaries and other compensation of real estate managing agents and their employees.

Legal fees specifically associated with real estate transactions other than sale; rent, salaries and wages, and other direct expenses of any branch or home office

unit engaged solely in real estate work (not real estate and mortgages combined).

Salaries or wages of janitors, caretakers, maintenance workers and agents in connection with owned real estate.

Exclude: Salaries and wages of any other home office, general branch office, or investment branch-office employees. Charge these amounts to salaries and wages, where they will automatically be subject to allocation as “insurance” or “investment.” The same rule applies to other expenses or charges associated with the activities of such employees.

Line 22 – Real Estate Taxes

Include: Those taxes directly assessed against property owned by the ~~company~~ reporting entity. Canadian and other foreign taxes should be included appropriately.

Line 23.1 – State and Local Insurance Taxes

Include: Assessments of state industrial boards or other boards for operating expenses or for benefits to sick unemployed persons in connection with disability benefit laws or similar taxes levied by states. Canadian and other foreign taxes are to be included appropriately.

Advertising required by law, regulation or ruling, except advertising associated with investments.

State sales taxes, if ~~company~~ reporting entity does not exercise option of including such taxes with the cost of goods and services purchased.

State income taxes.

Line 23.2 – State Premium Taxes

Include: State taxes based on policy reserves, if in lieu of premium taxes. Canadian and other foreign taxes should be included appropriately.

Any portion of commissions or allowances on reinsurance assumed that represents specific reimbursement of premium taxes.

Deduct: Any portion of commissions or allowances on reinsurance ceded that represents specific reimbursement of premium taxes.

Line 23.3 – Regulatory Authority Licenses and Fees

Include: Assessments to defray operating expenses of any state insurance department. Canadian and other foreign taxes should be included appropriately.

Fees for examinations by state departments.

Exclude: Fines and penalties of regulatory authorities. Report these fines and penalties as a separate item on Page 4, Details of Write-ins Aggregated at Line 29 for Other Income or Expenses.

Line 23.4 – Payroll Taxes

Include: Accrued payroll tax including FICA, FUTA, SUTA and other federal, state and local payroll taxes.

Line 23.5 – Other

Include: Guaranty fund assessments and taxes of Canada or of any other foreign country not specifically provided for elsewhere.

Sales taxes, other than state sales taxes, if ~~company~~ reporting entity does not exercise option of including such taxes with the cost of goods and services purchased.

Line 24 – Investment Expenses Not Included Elsewhere

Include: Only items for which no specific provision has been made elsewhere, (e.g., contributions or assessments for bondholders' protective committees, fees of investment counsel, custodian and trustee fees).

All other costs, including internal costs or costs paid to an affiliated company, related to origination, purchase or commitment to purchase bonds.

Exclude: Home office salaries and expenses on account of investment work, salaries and expenses of mortgage loan branch offices.

Legal fees and expenses.

Real Estate expenses properly chargeable to Line 21.

Interest expense incurred for experience rated refunds.

Brokerage and other related fees, to the extent that these are included in the actual cost of a bond upon acquisition. Refer to *SSAP No. 26R—Bonds* for accounting guidance.

Line 25 – Aggregate Write-ins for Expenses

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 25 for Expenses.

Line 26 – Total Expenses Incurred

Column 1 + Column 2 should agree with Statement of Revenue and Expenses, Line 20. Column 3 should agree with Statement of Revenue and Expenses, Line 21. Column 4 should agree with the Exhibit of Net Investment Income, Line 11 plus 12.

Details of Write-ins Aggregated on Line 25 for Expenses

List separately all expenses for which there is no pre-printed line.

Enter in Column 3 interest incurred for experience rated refunds.

ANNUAL STATEMENT INSTRUCTIONS – TITLE**OPERATIONS AND INVESTMENT EXHIBIT****PART 3 – EXPENSES**

A company-reporting entity that pays management fees to an affiliate (including a managing general agent) shall allocate these costs to the appropriate expense classification item (salaries, rent, postage, etc.) as if these costs had been borne directly by the company-reporting entity. Management (or similar) fees should not be reported as a one-line expense. It is appropriate for the company-reporting entity to estimate these expense allocations based on a formula or other reasonable basis.

The total management fees and the method(s) used for allocation shall be disclosed in the Notes to Financial Statements. The company-reporting entity shall use the same allocation method(s) on a consistent basis. Refer to *SSAP No. 70—Allocation of Expenses* for accounting guidance.

Exclude from investment expenses brokerage and other related fees, to the extent they are included in the actual cost of a bond upon acquisition. Refer to *SSAP No. 26R—Bonds* for accounting guidance.

Include all other internal costs or costs paid to an affiliated company related to origination, purchase or commitment to purchase bonds.

Column 1 – Title and Escrow Operating Expenses - Direct Operations

The amounts shown in this column represent expenses related to the company's-reporting entities' title and escrow operations. It does not include losses, loss adjustment expenses (allocated or unallocated) or investment expenses. The expenses include only amounts incurred directly by the company-reporting entity, and do not include expenses incurred by any agents (regardless of ownership interest).

Exclude: Expenses on orders not produced by the company-reporting entity (report this in Column 6, Other Operations).

Column 2 – Title and Escrow Operating Expenses - Non-affiliated Agency Operations

The amounts shown in this column represent expenses related to the company's-reporting entities' title and escrow non-affiliated agency operations. It does not include losses, loss adjustment expenses (allocated or unallocated) or investment expenses. The expenses include only amounts incurred directly by the company-reporting entity and do not include expenses incurred by any agency (regardless of ownership interest).

Exclude: Expenses on orders not produced by the company-reporting entity (report this in Column 6, Other Operations).

Column 3 – Title and Escrow Operating Expenses - Affiliated Agency Operations

The amount shown in this column represent expenses related to the company's-reporting entities' title and escrow affiliated agency operations. It does not include losses, loss adjustment expenses (allocated or unallocated) or investment expenses. The expenses include only amounts incurred directly by the company-reporting entity and do not include expenses incurred by any agency (regardless of ownership interest).

Exclude: Expenses on orders not produced by the company-reporting entity (report this in Column 6, Other Operations).

An agency operation is affiliated if the agency is an affiliate as defined by SSAP No. 25—*Affiliates and Other Related Parties*.

Column 4 – Total

The amounts reported in this column are the total of Columns 1, 2 and 3.

Column 5 – Unallocated Loss Adjustment Expenses

The amounts shown in this column represent the indirect costs incurred by the company-reporting entity in settlement of title and other claims. As an example, the costs related to salaried employees of the insurer involved in the management of claims are included in this category. Do not include any costs incurred by the agents in settlement of title or other claims.

The amounts shown on Line 24 should agree with the amounts reported on the Operations and Investment Exhibit, Part 2A, Line 9.

Column 6 – Other Operations

The amounts shown in this column represent the expenses incurred by the company-reporting entity in operations other than title and escrow, or loss adjustment or investment activities.

Include: Expenses on orders not produced by the company-reporting entity, such as expenses incurred in the sale of title services to attorneys, agents, lenders or others. Expenses related to the revenue reported as Other Operating Income on Page 4, Line 2.

Exclude: Expenses allocated to providing services related to the issuance of a title policy by direct operations.

Column 7 – Investment Expenses

The amounts shown in this column represent the expenses incurred by the company-reporting entity, both internal and external, in connection with the production of the company-reporting entity investment income.

Column 8 – Current Year Total

The amounts reported in this column are the total of Columns 4, 5, 6 and 7.

Column 9 – Prior Year Total

The amounts reported in this column are the amounts reported in Column 8 for the prior year.

INSTRUCTIONS FOR UNIFORM CLASSIFICATIONS OF EXPENSES OF**TITLE INSURERS**

For the purposes of establishing uniformity in classifications of expenses of title insurers recorded in statements and reports filed with and statistics reported to Insurance Departments, all such reporting entities shall observe the instruction set forth below.

LIST OF OPERATING EXPENSE CLASSIFICATIONS FOR ANNUAL STATEMENT PURPOSES

1. Personnel Costs
 - 1.1 Salaries
 - 1.2 Employee Relations and Welfare
 - 1.3 Payroll Taxes
 - 1.4 Other Personnel Costs
2. Amounts Paid to or Retained by Title Agents
3. Production Services (purchased outside)
 - 3.1 Searches, Examinations and Abstracts
 - 3.2 Surveys
 - 3.3 Other
4. Advertising
5. Boards, Bureaus and Associations
6. Title Plant Rent and Maintenance
7. Claim Adjustment Services
8. Amounts Charged Off, Net of Recoveries
9. Marketing and Promotional Expenses
10. Insurance
11. Directors' Fees
12. Travel and Travel Items
13. Rent and Rent Items
14. Equipment
15. Cost or Depreciation of EDP Equipment and Software
16. ~~Printing, and Stationary, Books and Periodicals~~
17. ~~Postage, and Telephone, Messengers and Express~~
18. Legal and Auditing
20. Taxes, Licenses and Fees
 - 20.1 State and Local Insurance Taxes
 - 20.2 Insurance Department Licenses and Fees
 - 20.3 Gross Guaranty Association Assessments
 - 20.4 All Other (excluding Federal Income and Real Estate)
21. Real Estate Expenses
22. Real Estate Taxes
23. Miscellaneous

Line 1.1 – Salaries

Include: Salaries, bonus, overtime, contingent compensation, pay while on leave, dismissal allowances, pay while training and other compensation of officers and employees.

Commission and brokerage to employees when the activities for which the commission is paid are part of their duties as employees.

Exclude: Salaries or wages, etc., of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate and premises leased for company use. (See Real Estate Expenses.)

Retirement allowances.

Directors' and committee fees.

Disability payments to or on behalf of employees under self-insurance plan.

Line 1.2 – Employee Relations and Welfare

Include: Cost of retirement insurance.

Payments or appropriations to funds irrevocably devoted to the payment of pensions or other employees' benefits.

Pensions or other retirement allowances.

Accident, health and hospitalization insurance for employees.

Group life insurance for employees.

Workers' compensation insurance.

Payments to or on behalf of employees under self-insurance.

Any other insurance for the benefit of employees.

Net periodic postretirement benefit cost.

Earned amounts related to employee stock option plans.

Payments by ~~company~~ reporting entity under a program for stock options, purchase and award plans (including change in quoted market value).

Refer to SSAP No. 12—*Employee Stock Ownership Plans* and SSAP No. 104~~R~~—*Share-Based Payments* for accounting guidance.

Exclude: Premiums for life insurance on employees when the ~~company~~ reporting entity is the beneficiary.

Payments or appropriations to pension funds not irrevocably devoted to the payment of pensions or other employees; benefits (such payments or appropriations shall not appear among expenses).

Items includable in Real Estate Expenses.

All other types of insurance premiums.

Line 1.3 – Payroll Taxes

Include: Employer FICA, FUTA, SUTA, and other federal state and local payroll taxes.

Exclude: Payroll taxes includable in Real Estate Expenses.

Line 1.4 – Other Personnel Costs

Include: Cost of the following:

Advertising related to recruiting.

Employment agency placement fees.

Training and welfare of employees.

Physical examinations of employees or applicants for employment.

Character or credit reports on employees or applicants for employment.

Gatherings, outings and entertainment for employees.

Visiting nurse service for or on behalf of employees.

Medical and hospital bills for employees (not included in Employee Relations and Welfare).

Direct payments other than salaries, to employees for injury and sickness (not included in Employee Relations and Welfare).

Overtime meals.

Donations to or on behalf of employees.

Food and catering for employees.

Exclude: Salaries, bonus, overtime, contingent compensation, pay while on leave, dismissal allowances, pay while training and other compensation of employees. (See Salaries.)

Items includable in Real Estate Expenses.

Cost of house organ (in-house periodical or employee periodical) and similar publications. (See Advertising, and Printing and Stationery.)

Line 2 – Amount Paid to or Retained by Title Agents

This line includes all amounts paid directly or indirectly to the title agent. It can include commissions or fees paid directly to the title agents. It can also include any amounts collected from the insureds for title insurance premiums that are retained by the title agent, and not remitted to the company reporting entity.

Line 3.1 – Searches, Examinations and Abstracts

Include: Searching and examining, reading, closing, abstracts and continuations and tax searches, including continuations and mark offs.

State searches such as franchise tax, transfers, and estates, incorporation's, dissolution's of corporations and any other searches required of the State Department of Taxation.

Building Department searches such as tenement house, cost of certificate of occupancy, Department of Building and Housing, etc.

Other miscellaneous searches such as bankruptcy lists, street reports; examining conditional bills of sale, and chattel mortgage; death certificates, fire health and labor departments, abstracts or certified copies of anything pertaining to record proof required in the examination of title, including surrogate's proceedings, probate proceedings, transfer tax proceedings, bankruptcy proceedings, Federal Court proceedings, copies of deeds, letters testamentary, wills, etc.; appointment of trustees, etc.; last owners; and any other analogous thereto.

Exclude: Survey charges, appraisals and salaries of staff members providing search examination and abstract services.

Line 3.2 – Surveys

This account classification shall include the net charges of outside surveyors or other title companies for all survey work including possession surveys; enclosure surveys; locations surveys; surveying and locating building and showing same on map; survey, map, and descriptions; staking plot; furnishing tracings and prints; redating surveys; survey prints purchased.

Exclude: Compensation of salary staff members for making survey or property inspections.

Blueprints and photostats of surveys.

Line 3.3 – Other

Include: Purchases of atlases whether in print or electronic format.

Cost of keeping atlases current such as the insertion of new pages and corrections, indexing and other related expenses.

Cost of copies of filed land maps, damage maps, extracts of sheets from land maps, alteration maps obtained from topographical bureaus.

Binding, printing, mounting, and indexing land maps.

Sales tax and discounts on items included.

Other outside production services purchased, such as property inspections, policy or report typing.

Line 4 – Advertising

Include:

Services of advertising agents.

Public relations counsel.

Space in newspapers, trade publications, diaries, directories, yearbooks, billboards, programs and other publications including electronic formats.

Circulars, pamphlets, calendars and literature issued for advertising or promotional purposes.

Drawings, plates, etchings, etc., in connection with advertising.

All charges for printing, paper, etc., in bills covering advertising.

Media broadcasts (e.g., radio, television, etc.)

Prospect and mailing lists.

Advertising in connections with corporate proceedings.

Printed material issued or distributed for promotional purposes.

All charges for compiling material content, printing, paper, mailing expenses, including envelopes, labels, and boxes, etc., in connection with the distribution of promotional material.

Souvenirs and other promotional items for general distribution.

House organs (in-house periodical or employee periodical) and similar publications distributed to persons other than staff members.

Signs, frames, medals, etc., for agents.

Advertising required by law when more than the minimum space required to comply with the law is taken.

Exclude:

Compensation to employees. (See Salary.)

Items includable in Travel and Travel Items.

Items includable in Boards and Associations.

Items includable in Claim Adjustment Services.

Advertising and business development expenses allowed, reimbursed or paid to managers, agents, brokers, solicitors, and other producers.

Cost of advertising related to recruiting. (See Employee Relations and Welfare.)

Cost of advertising in connection with owned real estate. (See Real Estate Expenses).

Donations to organized charities. (See Miscellaneous.)

Costs of charts, maps, etc., used for routine company operations.

Cost of literature and booklets, placards, signs, etc., issued solely for employee benefits.

Cost of house organs (in-house periodical or employee periodical) and similar publications for use of employees. (See Printing and Stationery.)

Cost of souvenirs not generally distributed. (See Travel and Travel Items.)

Line 5 – Boards, Bureaus and Associations

Include: Dues, assessments, fees and charges of underwriting boards, rating organizations, statistical agencies, inspection and audit bureaus.

Underwriters' advisory and service organizations.

Accident and loss prevention organizations.

Claim organizations.

Underwriting syndicates, pools and associations and assigned risk plans (except Commission and Brokerage, Claim Adjustment Services, and Taxes, Licenses and Fees).

Specific payments to title or mortgage associations for rate manuals, revisions, fillers and other industry-wide literature.

Exclude: Dues and subscriptions to social or civic clubs or affairs and to associations of customers. (See Marketing and Promotion.)

Dues and subscriptions to accounting, legal, actuarial or similar societies and associations. (See Legal and Auditing.)

Cost of inspection, engineering or accident and loss prevention billed specifically to individual companies.

Loss adjustment expenses billed specifically to individual companies. (See Claim Adjustment Services).

Allowances under reinsurance contracts for board and bureau expenses.

Payments to State Industrial Commissions. (See Taxes, Licenses and Fees.)

Payments into State Security Funds. (See Taxes, Licenses and Fees.)

Commission and Brokerage. Claim Adjustment Services, and Taxes, Licenses and Fees of underwriting syndicates, pools and associations.

Cost of survey, credit, moral hazard, character and commercial reports obtained for underwriting purposes.

Cost of commercial reporting services.

Line 6 – Title Plant Rent and Maintenance

The line includes all direct costs incurred in connection with the rental or lease of title plants. It also includes costs incurred by the ~~company~~ reporting entity in connection with the participation in joint maintenance agreements for title plants owned by others.

Line 7 – Claim Adjustment Services

Include: Other claim adjustment fees and expenses.

Outside services for unallocated claim administration.

Auditing fees and expenses of independent auditors for auditing payrolls and premium bases.

Exclude: Compensation to employees. (See Salaries.)

Expenses of salaried employees. (See Travel and Travel Items.)

Fees and expenses of lawyers for legal services in the defense, trial or appeal of suits, or for other allocated legal services rendered in connection with title claims (include in Title Losses and Loss Adjustment Expenses Paid).

Interests and costs assessed as part of or subsequent to judgment (include in Title Losses Paid).

Line 8 – Amounts Charged Off, Net of Recoveries

This line includes amounts charged off related to title insurance premiums, title agency remittances and other services accrued that could not be collected.

Include: Recoveries of amounts previously charged off.

Exclude: Items includable in Real Estate Expenses.

Line 9 – Marketing and Promotional Expenses

This line includes all amounts incurred for expenses directly related to the production of specific sales efforts.

Include: Dues and subscriptions to social or civic clubs or affairs and to associations of customers.

Exclude: Items included in Advertising, Line 4.

Compensation to employees. (See Salaries.)

Line 10 – Insurance

Include: Fidelity or surety bonds covering employees and agents.

Burglary and robbery insurance.

Public liability insurance premiums (excluding owned real estate).

Premiums for insurance on office contents.

Cost of insurance on automobiles.

All other insurance premiums not specifically provided for in other operating accounts.

Exclude: Items includable in Employee Relations and Welfare.

Items includable in Real Estate Expenses.

Items includable in Rent and Rent Items.

Items includable in Travel and Travel Items.

Line 11 – Directors' Fees

Include: Directors' fees and other compensation of directors for attendance at board or committee meetings.

Other fees, compensation and expenses paid to directors.

Exclude: Commissions to directors for the production of business.

Line 12 – Travel and Travel Items

Include: Transportation, hotel, meals, postage, shipping, delivery, telephone, ~~telegraph, express~~ and incidental living expenses of employees while traveling.

Expenses for transfer of employees.

Mileage allowance to employees for use of personal cars.

Depreciation repairs and other operating expenses of automobiles.

Rent of automobiles.

Fees for automobile registration.

Cost of insurance on rented automobiles.

Exclude: Items includable in Salaries; Advertising; Commissions; Taxes, Licenses and Fees; and Boards, Bureaus and Associations.

Cost of gatherings, outings, etc., and entertainment for employees. (See Other Personnel Costs.)

Items includable in Real Estate Expenses.

Donations to organized charities. (See Miscellaneous.)

Cost of souvenirs and other promotional items for general distribution. (See Advertising.)

Line 13 – Rent and Rent Items

- Include:
- Rent of home office and branch offices.
 - Real Estate taxes in connections with leased premises. Refer to *SSAP No. 22R—Leases* for accounting guidance of leases by lessors and lessees.
 - Rent for space occupied in buildings owned.
 - Public liability insurance premiums.
 - Light, heat, power and water charges in leased premises.
 - Interest, taxes, etc., paid in lieu of rent for leased premises.
 - Cost of alterations and repairs of leased premises.
 - Rent of storage, safekeeping and warehouse space.
 - Rent of safe deposit boxes.
 - Rent of post office boxes.
 - Time clock service charges.
 - Cost of cleaning, towels, ice, water, electric lamp replacements and other expenses incidental to office maintenance.
- Exclude:
- Compensations to employees. (See Salaries.)
 - Rent of furniture, equipment, and office machines. (See Equipment.)
 - Rent of Automobiles. (See Travel and Travel Items.)
 - Cost of insurance on rented automobiles. (See Travel and Travel Items.)
 - Amortization expense for leasehold improvements as lessee.
 - Rent allowed, reimbursed, or paid to managers, agents, brokers, solicitors and other producers.
 - Items includable in Real Estate Expenses.
 - Rent income from owned real estate.

Line 14 – Equipment

- Include:
- Rent and repairs of furniture, equipment and office machines including printers' equipment and postage machines.
 - Equipment other than automobiles, purchased and fully depreciated or written off during the year.
 - Depreciation on furniture, equipment and office machines.

Exclude: Compensation to employees. (See Salaries.)

Rent, repair, and depreciation of automobiles. (See Travel and Travel Items.)

Cost of alterations and repairs of leased premises. (See Rent and Rent Items.)

Equipment expenses allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers.

Items includable in Real Estate Expenses.

Depreciation and amortization expense for electronic data processing equipment, operating and non-operating systems software. (See Cost or Depreciation of EDP Equipment and Software.)

Line 15 – Cost or Depreciation of EDP Equipment and Software

Include: Depreciation and amortization expense for electronic data processing equipment, operating and non-operating systems software.

Cost of computer software

Refer to *SSAP No. 16R—Electronic Data Processing Equipment and Software* for accounting guidance.

Line 16 – ~~Printing, and Stationery, Books and Periodicals~~

Include: Printing, stationery and office supplies such as: letterheads, envelopes, paper stock, printed forms or manuals, adding machine tape, ~~carbon paper~~, binders and posts, ~~photostatic~~ copies, pencils, pens, ink, glue, stamps and stamp pads, staplers, staples, clips and pins, desk top equipment (calendars, trays, etc.), waste baskets, analysis pads, ledgers, journals, minute books, etc.

Policies and policy forms.

House organs (in-house periodical or employee periodical) and similar publications for the use of employees.

Books, newspapers and periodicals including investment, tax and legal publications and services, whether in print or electronic format.

Exclude: Compensation to employees. (See Salaries.)

Specific payments to boards, bureaus and associations for rate manuals, revisions, fillers, rating plans and experience data. (See Boards, Bureaus and Associations.)

Literature, booklets, placards, signs, etc., issued solely for accident and loss prevention. (See Surveys and Underwriting Reports.)

Items includable in Claim Adjustment Services.

Items includable in Advertising.

Printers' equipment in company owned printing department. (See Equipment.)

Printing and stationery costs allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers.

House organs (in-house periodical or employee periodical) and similar publications distributed to persons other than employees. (See Advertising.)

Commercial reporting services.

Items includable in Real Estate Expenses.

Line 17 – ~~Postage and, Telephone, Messengers and Express~~

Include: ~~Express, Freight and cartage-~~

~~Postage-~~

~~Cost of telephone-~~

~~Bank charges for collection and exchange-~~

Exclude: Compensation to employees. (See Salaries.)

Rent, repairs, and depreciation of postage machine. (See Equipment.)

~~Postage and, telephone, telegraph and express mail service~~ used by employees while traveling. (See Travel and Travel Items.)

~~Postage, shipping, delivery, and, telephone, telegraph, exchange and express mail service~~ allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers.

Profits or losses resulting from exchange on remittances to home office by a U.S. branch. Such profits or losses shall not be included in expenses.

Items includable in Real Estate Expenses.

Rent of post office boxes. (See Rent and Rent Items.)

Line 18 – Legal and Auditing

Include: Legal retainers, fees and other legal expenses and non-title related losses (except on title and escrow losses and salvage).

Auditing fees of independent auditors for examining records of home and branch offices.

Cost of services of tax advisors.

Services of consultants.

Fees of investment counsel.

Fees and expenses of other persons than employees, for collecting balances.

Notary fees.

Dues and subscriptions to accounting, legal, actuarial or similar societies and associations.

Exclude: Compensation to employees. (See Salaries.)

Expenses of salaried employees. (See Travel and Travel Items.)

Items includable in title or escrow losses and salvage.

Items includable in Real Estate Expenses.

Line 20.1 – State and Local Insurance Taxes

Include: State premium taxes, licenses and fees.

County and municipal premium taxes, licenses and fees.

Fire Patrol assessments.

Payments to State Industrial (or other) Commissions for administration of Workers' Compensation or other State Benefit Acts (including assessments for administering Financial Responsibility Laws) regardless of basis of assessment.

Net payments to State Security Funds, Reopened Case Funds, Social Injury Funds and other State Funds, when construed by the ~~company~~ reporting entity as operating expenses, regardless of basis of assessment.

Exclude: Allowances for taxes under reinsurance contracts.

Line 20.2 – Insurance Department Licenses and Fees

Include: Agents' licenses.

Certificates of authority, compliance, deposit, etc.

Filing fees.

Fees and expenses of examination by insurance department or other governmental agencies.

Business licenses, corporation licenses.

Exclude: Items includable in Line 20.1 - State and Local Insurance Taxes and Line 20.4 - All Other (Excluding Federal Income and Real Estate).

Items includable in Claim Adjustment Services.

Line 20.4 – All Other (Excluding Federal Income and Real Estate)

Include: Qualifying bond premiums.

Statement publication fees.

Advertising required by law.

Personal property taxes.

State taxes on income or gross receipts.

Occupancy tax.

Capital stock taxes.

Business corporation licenses or fees (not includable Lines 20.1 or 20.2).

Marine profits taxes.

Documentary stamps on reinsurance.

Any other taxes not assignable under Lines 20.1, 20.2 and 20.3 and not otherwise excluded.

Exclude:

Real estate taxes (See Real Estate Taxes).

Cost of advertising required by law where more than minimum space required to comply with the law is taken. Such expenses shall be included in Advertising.

Items includible in Claim Adjustment Services.

Fees for automobile license plates (See Travel and Travel Items).

Federal income taxes.

County and municipal premium taxes, licenses and fees.

Sales taxes, etc., included on invoice of vendors. Such taxes are to follow allocation of cost of items purchased.

Line 21 – Real Estate Expenses

Include: Salaries, wages and other compensation, including payroll taxes, of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate.

Cost of operating and maintaining owned real estate.

Cost of insurance in connection with owned real estate.

Cost of advertising in connection with owned real estate.

Line 22 – Real Estate Taxes

Include: Taxes, licenses and fees on owned real estate.

Line 23 – Aggregate Write-ins for Other Expenses

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 23 for Other Expenses.

Details of Write-ins Aggregated at Line 23 for Other Expenses

List separately each category of other expense for which there is no pre-printed line in Part 3.

Expenses not listed as includable in other operating expense classifications, and not analogous thereto, shall be included in "Other." Specifically, the following shall be included:

- Include:
- Donations to organized charities.
 - Cost of tabulating service when such service is rendered by outside organizations.
 - Amounts received and handled in accordance with the Instruction "Income from Special Services."
 - Differences between actual amounts paid, and amounts apportioned in accordance with the Instruction "Joint Expenses."

GENERAL INSTRUCTIONS IN CONNECTION WITH OPERATING EXPENSE CLASSIFICATIONS

A. Joint Expense

Whenever personnel or facilities are used in common by two or more companies, or whenever the personnel or facilities of one company are used in the activities of two or more companies, the expenses involved shall be apportioned in accordance with the instructions relating to Joint Expenses, and such apportioned expenses shall be allocated by each company to the same operating expense classifications as if the expenses had been borne wholly. Any difference between the actual amount paid, and the amount of such apportioned expenses, shall be included in the operating expense classification "Miscellaneous."

This instruction does not apply to the following, which are covered by separate instructions herein:

Reinsurance commission and allowance (see Commission and Brokerage – Reinsured Assumed and Ceded)

Commission and brokerage paid to managers and agents (see Commission and Brokerage – Direct)

Allowances to managers and agents (see Allowances to Manager and Agents)

Expenses allocable in accordance with the instruction "Income from Special Services"

B. Expenses for Account of Another

Whenever expenses are paid by one company for account of another, the payments shall not appear among the expenses reported by the former, and shall be included by the latter in the same expense classification as if originally paid by it.

C. Income from Special Services

Whenever an insurance company receives compensation for sales or services, such as loss adjustment or inspection not related to policies written by the company, and such compensation is not calculated as a joint expense reimbursement, the amount thereof shall be included in the operating expense classification "Miscellaneous." Where an insurance company pays the compensation, allocation shall be made to the expense classification dictated by the nature of the expense.

Reinsurance commission and allowances (See Commission and Brokerage – Reinsurance Assumed and Ceded).

Expenses incurred for the benefit of companies in the same group or fleet are covered by the instruction "Joint Expenses."

D. Analogous Items

The list of expenses includible in the operating expense classifications is representative and do not exclude analogous items that are omitted from the lists.

OPERATIONS AND INVESTMENT EXHIBIT**PART 4 – NET OPERATING GAIN/LOSS EXHIBIT**

Column 1 – Direct Operations

The amounts shown in this column represent the ~~company-reporting entity~~ direct operations. No items from agency operations (even wholly-owned agencies) are to be included in this column; only home office and branch office operations are to be included in this column.

Column 2 – Non-affiliated Agency Operations

The amounts shown in this column represent the ~~company-reporting entity~~ non-affiliated agency operations. This column should include all agency operations other than those that are reported in Column 3.

Column 3 – Affiliated Agency Operations

The amounts shown in this column represent the ~~company-reporting entity~~ affiliated agency operations. Wholly-owned agencies should be included in the amounts shown in this column. The standards for reporting as an affiliated agency are the affiliation standards established under the holding company laws of the domestic state jurisdiction.

Column 4 – Total

The amounts reported in this column are the total of Columns 1, 2 and 3.

Column 5 – Other Operations

The amounts in this column represent amounts other than those shown in Columns 1, 2 or 3.

Column 6 – Current Year Total

The amounts reported in this column are the total of Columns 4 and 5.

Column 7 – Prior Year Total

The amounts reported in this column are the amounts reported in Column 6 for the prior year.

Line 1.1 – Title Insurance Premiums Earned

The amounts reported in this line are the amounts reported in Operations and Investment Exhibit, Part 1B, Line 3, Column 1.

Line 1.2 – Escrow and Settlement Services

The amounts reported in this line are the amounts reported in Operations and Investment Exhibit, Part 1A, Line 2.

Line 1.3 – Other Title Fees and Service Charges

The amounts reported in this line are the amounts reported in Operations and Investment Exhibit, Part 1A, Lines 3 to 6.

- Line 3 – Total Operating Income
- The amounts reported on this line are the totals of the amounts shown on Lines 1.1 through 1.3 plus the amount shown on Line 2.
- Line 4 – Losses and Loss Adjustment Expenses Incurred
- The amounts reported in this line are the amounts reported in Operations and Investment Exhibit, Part 2A, Line 10, Column 4.
- Line 5 – Operating Expenses Incurred
- The amounts reported in this line are the amounts reported in Operations and Investment Exhibit, Part 3, Line 24, Columns 1 through 3 and Column 6.
- Line 6 – Total Operating Deductions
- The amounts reported in this line are the amounts reported on Line 4 plus Line 5.
- Line 7 – Net Operating Gain or (Loss)
- The amounts reported in this line are the amounts reported on Line 3 less the amounts reported on Line 6.

ANNUAL STATEMENT BLANK – PROPERTY**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 – EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....				
1.2 Reinsurance assumed.....				
1.3 Reinsurance ceded.....				
1.4 Net claim adjustment services (1.1+1.2-1.3).....				
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....				
2.2 Reinsurance assumed, excluding contingent.....				
2.3 Reinsurance ceded, excluding contingent.....				
2.4 Contingent—direct.....				
2.5 Contingent—reinsurance assumed.....				
2.6 Contingent—reinsurance ceded.....				
2.7 Policy and membership fees.....				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5- 2.6+2.7).....				
3. Allowances to manager and agents.....				
4. Advertising.....				
5. Boards, bureaus and associations.....				
6. Surveys and underwriting reports.....				
7. Audit of assureds' records.....				
8. Salary and related items:				
8.1 Salaries.....				
8.2 Payroll taxes.....				
9. Employee relations and welfare.....				
10. Insurance.....				
11. Directors' fees.....				
12. Travel and travel items.....				
13. Rent and rent items.....				
14. Equipment.....				
15. Cost or depreciation of EDP equipment and software.....				
16. Printing and stationery.....				
17. Postage, and telephone and telegraph, exchange and express.....				
18. Legal and auditing.....				
19. Totals (Lines 3 to 18).....				
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....				
20.2 Insurance department licenses and fees.....				
20.3 Gross guaranty association assessments.....				
20.4 All other (excluding federal and foreign income and real estate).....				
20.5 Total taxes, licenses and fees (20.1+20.2+20.3+20.4).....				
21. Real estate expenses.....				
22. Real estate taxes.....				
23. Reimbursements by uninsured plans.....				
24. Aggregate write-ins for miscellaneous expenses.....				
25. Total expenses incurred.....				(a).....
26. Less unpaid expenses—current year.....				
27. Add unpaid expenses—prior year.....				
28. Amounts receivable relating to uninsured plans, prior year.....				
29. Amounts receivable relating to uninsured plans, current year.....				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)				
DETAILS OF WRITE-INS				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page.....				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)				

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL**EXHIBIT 2 – GENERAL EXPENSES**

	Insurance				5	6	7			
	1	Accident and Health		4						
		2	3							
	Life	Cost Containment	All Other	All Other Lines of Business	Investment	Fraternal	Total			
1. Rent										
2. Salaries and wages										
3.11 Contributions for benefit plans for employees										
3.12 Contributions for benefit plans for agents										
3.21 Payments to employees under non-funded benefit plans										
3.22 Payments to agents under non-funded benefit plans										
3.31 Other employee welfare										
3.32 Other agent welfare										
4.1 Legal fees and expenses										
4.2 Medical examination fees										
4.3 Inspection report fees										
4.4 Fees of public accountants and consulting actuaries										
4.5 Expense of investigation and settlement of policy claims										
5.1 Traveling expenses										
5.2 Advertising										
5.3 Postage, express, telegraph and telephone										
5.4 Printing and stationery										
5.5 Cost or depreciation of furniture and equipment										
5.6 Rental of equipment										
5.7 Cost or depreciation of EDP equipment and software										
6.1 Books and periodicals										
6.2 Bureau and association fees										
6.3 Insurance, except on real estate										
6.4 Miscellaneous losses										
6.5 Collection and bank service charges										
6.6 Sundry general expenses										
6.7 Group service and administration fees										
6.8 Reimbursements by uninsured plans										
7.1 Agency expense allowance										
7.2 Agents' balances charged off (less \$..... recovered)										
7.3 Agency conferences other than local meetings										
8.1 Official publication (Fraternal Benefit Societies Only)	XXX	XXX	XXX	XXX	XXX					
8.2 Expense of supreme lodge meetings (Fraternal Benefit Societies Only)	XXX	XXX	XXX	XXX	XXX					
9.1 Real estate expenses										
9.2 Investment expenses not included elsewhere										
9.3 Aggregate write-ins for expenses										
10. General expenses incurred						(b).....	(a).....			
11. General expenses unpaid December 31, prior year										
12. General expenses unpaid December 31, current year										
13. Amounts receivable relating to uninsured plans, prior year										
14. Amounts receivable relating to uninsured plans, current year										
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)										
DETAILS OF WRITE-INS										
09.301.										
09.302.										
09.303.										
09.398. Summary of remaining write-ins for Line 9.3 from overflow page										
09.399. Totals (Lines 09.301 through 09.303 + 09.398) (Line 9.3 above)										
(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.										
(b) Show the distribution of this amount in the following categories (Fraternal Benefit Societies Only)										
1. Charitable \$.....;	2. Institutional \$.....;	3. Recreational and Health \$.....;	4. Educational \$.....;							
5. Religious \$.....;	6. Membership \$.....;	7. Other \$.....;	8. Total \$.....;							

ANNUAL STATEMENT BLANK – HEALTH**UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 – ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$..... for occupancy of own building).....					
2. Salaries, wages and other benefits.....					
3. Commissions (less \$ ceded plus \$ assumed)					
4. Legal fees and expenses.....					
5. Certifications and accreditation fees.....					
6. Auditing, actuarial and other consulting services					
7. Traveling expenses.....					
8. Marketing and advertising					
9. Postage, express and telephone.....					
10. Printing and office supplies					
11. Occupancy, depreciation and amortization.....					
12. Equipment					
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services.....					
15. Boards, bureaus and association fees					
16. Insurance, except on real estate					
17. Collection and bank service charges.....					
18. Group service and administration fees.....					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries.....					
21. Real estate expenses.....					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulatory authority licenses and fees.....					
23.4 Payroll taxes.....					
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses.....					
26. Total expenses incurred (Lines 1 to 25)					
27. Less expenses unpaid December 31, current year.....					
28. Add expenses unpaid December 31, prior year					
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)					
DETAILS OF WRITE-INS					
2501.					
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)					

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

ANNUAL STATEMENT BLANK – TITLE

OPERATIONS AND INVESTMENT EXHIBIT

PART 3 – EXPENSES

	Title and Escrow Operating Expenses				5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	Totals										
	1 Direct Operations	Agency Operations		4 Total (Cols. 1+2+3)				8 Current Year (Cols. 4+5+6+7)	9 Prior Year									
		2 Non-affiliated Agency Operations	3 Affiliated Agency Operations															
1. Personnel costs:																		
1.1 Salaries																		
1.2 Employee relations and welfare																		
1.3 Payroll taxes																		
1.4 Other personnel costs																		
1.5 Total personnel costs																		
2. Amounts paid to or retained by title agents																		
3. Production services (purchased outside):																		
3.1 Searches, examinations and abstracts																		
3.2 Surveys																		
3.3 Other																		
4. Advertising																		
5. Boards, bureaus and associations																		
6. Title plant rent and maintenance																		
7. Claim adjustment services	XXX	XXX	XXX	XXX		XXX	XXX											
8. Amounts charged off, net of recoveries																		
9. Marketing and promotional expenses																		
10. Insurance																		
11. Directors' fees																		
12. Travel and travel items																		
13. Rent and rent items																		
14. Equipment																		
15. Cost or depreciation of EDP equipment and software																		
16. Printing, stationery, books and periodicals																		
17. Postage, and telephone, messengers and express																		
18. Legal and auditing																		
19. Totals (Lines 1.5 to 18)																		
20. Taxes, licenses and fees:																		
20.1 State and local insurance taxes																		
20.2 Insurance department licenses and fees																		
20.3 Gross guaranty association assessments																		
20.4 All other (excluding federal income and real estate)																		
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)																		
21. Real estate expenses																		
22. Real estate taxes																		
23. Aggregate write-ins for other expenses																		
24. Total expenses incurred (Lines 19+20.5+21+22+23)								(a)										
25. Less unpaid expenses - current year																		
26. Add unpaid expenses - prior year																		
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)																		
DETAILS OF WRITE-INS																		
2301.																		
2302.																		
2303.																		
2398. Summary of remaining write-ins for Line 23 from overflow page																		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)																		

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Philip Barlow</u> TITLE: <u>Associate Commissioner of Insurance</u> AFFILIATION: <u>District of Columbia</u> ADDRESS: _____ _____ _____		Agenda Item # <u>2025-27BWG MOD</u>	
		Year <u>2026</u>	
		Changes to Existing Reporting ☒ [X]	
		New Reporting Requirement ☐ []	
		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
		No Impact ☒ [X]	
		Modifies Required Disclosure ☐ []	
		Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|---|
| ☒ [X] ANNUAL STATEMENT | ☐ [X] INSTRUCTIONS | ☐ [X] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☐ [X] BLANK | |
| ☐ [X] Life, Accident & Health/Fraternal | ☐ [X] Separate Accounts | ☐ [X] Title |
| ☐ [X] Property/Casualty | ☐ [X] Protected Cell | ☐ [] Other _____ |
| ☐ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a section to Life/Fraternal Asset Valuation Reserve (AVR) to report Collateralized Loan Obligations (CLOs), Collateralized Bond Obligations (CBOs), and Collateralized Debt Obligations (CDOs). Also, add a footnote to Schedule D, Part 1, Section 2 to report the book adjusted carrying value by NAIC designation for CLOs/CBOs/CDOs.

In addition, AVR Equity table is augmented to facilitate changes made to the Life RBC Blank LR009 page.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was prepared to incorporate a more granular reporting of long-term bonds in Asset Valuation Reserve (AVR) – Default Component by bifurcating long-term bonds into i) Long-Term Bonds, excluding collateralized loan obligations (CLOs)/CLOs/CBOs/CDOs and ii) CLOs/CBOs/CDOs. The expanded presentation of bonds helps to facilitate the work of Risk-Based Capital Investment Risk and Evaluation (E) Working Group under Working Agenda IR#5: Evaluate the appropriate RBC treatment of Asset-Backed Securities (ABS), including Collateralized Loan Obligations (CLO), collateralized fund obligations (CFOs), or other similar securities carrying similar types of tail risk (Complex Assets).

In addition, the AVR – Default Component & Equity and Other Invested Asset Component tables are re-designed to section-by-section format in order to support future changes in asset categorization.

Finally, the proposed change to Schedule D, Part 1, Section 2 facilities P/C and Health RBC formulas should they consider expanding bond pages (PR006 and XR007) to bifurcate long-term bond into CLOs/CBOs/CDOs and other than CLOs/CBOs/CDOs.

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: _____

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**ASSET VALUATION RESERVE****Detail Eliminated To Conserve Space**

Line 7 – Basic Contribution (includes separate accounts assets, if applicable)

Report the basic contribution amount for each asset category as calculated on Pages 30 through ~~36~~
38 (General Account) and Pages 15 through ~~21-23~~ (Separate Accounts).

Column 1: Report the total bonds (including collateralized loan obligations), preferred stock, short-term investments, and derivative instruments from Pages ~~31 and 32~~, Lines ~~34A16, B8, C8, and D9~~, Column 6 (General Account) and Pages ~~16 and 17~~, Lines ~~34A16, B8, C8, and D9~~, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0199999, Column 7 (General Account) and Page ~~2123~~, Line 0199999, Column 7 (Separate Accounts).

Column 2: Report the total mortgage loans from Page ~~3233~~, Line ~~58E24~~, Column 6 (General Account) and Page ~~1718~~, Line ~~58E24~~, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0299999, Column 7 (General Account) and Page ~~2123~~, Line 0299999, Column 7 (Separate Accounts).

Column 4: Report the total common stock from Page ~~3334~~, Line ~~A17~~, Column 6 (General Account) and Page ~~1819~~, Line ~~18A17~~, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0399999, Column 7 (General Account) and Page ~~2123~~, Line 0399999, Column 7 (Separate Accounts).

Column 5: Report the total real estate from Page ~~3334~~, Line ~~21B4~~, Column 6 (General Account) and from Page ~~1819~~, Line ~~21B4~~, Column 6 (Separate Accounts), if applicable, plus the total other invested assets from Page ~~3537~~, Line ~~105L6~~, Column 6 (General Account) and from Page ~~2022~~, Line ~~105L6~~, Column 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0499999, Column 7 (General Account) and Page ~~2123~~, Line 0499999, Column 7 (Separate Accounts).

Line 9 – Maximum Reserve (includes separate accounts assets, if applicable)

Report the maximum reserve for each asset category as calculated on Pages 30 through ~~36-38~~
(General Account) and Pages 15 through ~~21-23~~ (Separate Accounts).

Column 1: Report the total bonds (including collateralized loan obligations), preferred stock, short-term investments, and derivative instruments from Pages ~~31 and 32~~, Lines ~~34A16, B8, C8, and D9~~, Column 10 (General Account) and Pages ~~16 and 17~~, Lines ~~34A16, B8, C8, and D9~~, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0199999, Column 9 (General Account) and Page ~~2123~~, Line 0199999, Column 9 (Separate Accounts).

Column 2: Report the total mortgage loans from Page ~~3233~~, Line ~~58E24~~, Column 10 (General Account) and Page ~~1718~~, Line ~~58E24~~, Col. 10 (Separate Accounts), if applicable and the

total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0299999, Column 9 (General Account) and Page ~~2423~~, Line 0299999, Column 9 (Separate Accounts).

Column 4: Report the total common stock from Page ~~3334~~, Line ~~17B4~~, Column 10 (General Account) and Page ~~1819~~, Line ~~17B4~~, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0399999, Column 9 (General Account) and Page ~~2423~~, Line 0399999, Column 9 (Separate Accounts).

Column 5: Report the total real estate from Page ~~3334~~, Line ~~21B4~~, Column 10 (General Account) and from Page ~~1819~~, Line ~~21B4~~, Column 10 (Separate Accounts), if applicable, plus the total other invested assets from Page ~~3537~~, Line ~~105L6~~, Column 10 (General Account) and from Page ~~2022~~, Line ~~105L6~~, Column 10 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0499999, Column 9 (General Account) and Page ~~2423~~, Line 0499999, Column 9 (Separate Accounts).

Line 10 – Reserve Objective (includes separate accounts assets, if applicable)

Report the reserve objective amount for each asset category as calculated on Pages 30 through ~~3638~~ (General Account) and Pages 15 through ~~2423~~ (Separate Accounts).

Column 1: Report the total bonds (~~including collateralized loan obligations~~ CLOs/CBOs/CDOs), preferred stock, short-term investments, and derivative instruments from Pages ~~31 and 32~~, Lines ~~34A16, B8, C8, and D9~~, Column 8 (General Account) and Pages ~~16 and 17~~, Lines ~~34A16, B8, C8, and D9~~, Column 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0199999, Column 8 (General Account) and Page ~~2423~~, Line 0199999, Column 8 (Separate Accounts).

Column 2: Report the total mortgage loans from Page ~~3233~~, Line ~~58E24~~, Column 8 (General Account) and Page ~~1718~~, Line ~~58E24~~, Col. 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0299999, Column 8 (General Account) and Page ~~2423~~, Line 0299999, Column 8 (Separate Accounts).

Column 4: Report the total common stock from Page ~~3334~~, Line ~~17B4~~, Column 8 (General Account) and Page ~~1819~~, Line ~~17B4~~, Col. 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0399999, Column 8 (General Account) and Page ~~2423~~, Line 0399999, Column 8 (Separate Accounts).

Column 5: Report the total real estate from Page ~~3334~~, Line ~~21B4~~, Column 8 (General Account) and from Page ~~1819~~, Line ~~21B4~~, Column 8 (Separate Accounts), if applicable; plus the total other invested assets from Page ~~3537~~, Line ~~105L6~~, Column 8 (General Account) and from Page ~~2022~~, Line ~~105L6~~, Column 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~3638~~, Line 0499999, Column 8 (General Account) and Page ~~2423~~, Line 0499999, Column 8 (Separate Accounts).

**DEFAULT COMPONENT –
BASIC CONTRIBUTION, RESERVE OBJECTIVE, AND MAXIMUM RESERVE CALCULATIONS**

Detail Eliminated To Conserve Space

Section A:

Lines 1 through 7 – Long-Term Bonds, ~~excluding collateralized loan obligations~~ CLOs/CBOs/CDOs

Report the book/adjusted carrying value of all bonds and other fixed income instruments owned, ~~excluding unaffiliated and affiliated non-agency CLOs/CBOs/CDOs reported on Schedule D, Part 1, Section 2, Lines 1099999999 and 1109999999 and Schedule DL, Part 1, Lines 1099999999 and 1109999999~~ in Columns 1 and 4. Categorize the bonds and other fixed income instruments into NAIC designations 1 through 6 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*, except that, exempt obligations should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line 8 – Intentionally Left Blank

Line 98 – Total Long-Term Bonds

Column 1 should agree with Page 2, Line 1, Column 3 plus Schedule DL Part 1, Column 6, Line 2009999999 minus Schedule D, Part 1, Section 2, Column 8, Lines 1099999999 and 1109999999 minus Schedule DL, Part 1, Column 6, Lines 1099999999 and 1109999999.

Lines 9 through 14 – Collateralized Loan Obligations ~~(CLOs)/Collateralized Bond Obligations (CBOs)/Collateralized Debt Obligations (CDOs)~~

Report the book/adjusted carrying value of all collateralized loan obligations, ~~collateralized bond obligations, collateralized debt obligations~~ owned, reported as unaffiliated and affiliated non-agency CLOs/CBOs/CDOs on Schedule D, Part 1, Section 2, Lines 1099999999 and 1109999999 and Schedule DL, Part 1, Lines 1099999999 and 1109999999 in Columns 1 and 4. Categorize the ~~collateralized loan obligations~~ CLOs/CBOs/CDOs into NAIC designations 1 through 6 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line 15 – Total ~~Collateralized Loan Obligations~~ CLOs/CBOs/CDOs

Column 1 should agree with Schedule D, Part 1, Section 2, Column 8, Lines 1099999999 and 1109999999 plus Schedule DL, Part 1, Lines 1099999999 and 1109999999.

Section B:

Lines 10 through 158 – Preferred Stocks

Report the book/adjusted carrying value of all preferred stocks owned in Columns 1 and 4. Categorize the preferred stocks into NAIC designations one through six as directed by the NAIC Securities Valuation Office instructions. Multiply the amount in Column 4 for each designation by the reserve

factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line ~~167~~ – Affiliated Life Insurer with AVR

Report the book/adjusted carrying value of all preferred stocks owned in a controlled or affiliated company, or a subsidiary that is a life or fraternal insurance company that holds an AVR, in Columns 1 and 4. These companies are required to carry their own asset valuation reserve or an equivalent, and therefore the preferred stocks are not required to be included in the asset valuation reserve of an affiliated company.

Line ~~178~~ – Total Preferred Stocks

Column 1 should agree with Page 2, Line 2.1, Column 3 plus Schedule DL, Part 1, Column 6, Line 4509999999.

Section C:

Lines ~~18~~
through ~~247~~ – Short-Term Bonds

Report the book/adjusted carrying value of all short-term bonds and other short-term fixed-income investments (Schedule DA, Part 1 (Line 0509999999) and short-term bonds included on Schedule DL, Part 1, Line 9509999999 owned in Columns 1 and 4. Categorize the short-term bonds and other fixed-income instruments listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* into NAIC designations 1 through 6 as directed by the Securities Valuation Office instructions, except that exempt obligations listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Section D:

Lines ~~261~~
through ~~328~~ – Derivative Instruments

Report the book/adjusted carrying value exposure to counterparty credit risk associated with the use of derivative instruments, net of acceptable collateral, for all counterparties by each SVO designation, from Schedule DB, Part D, Section 1, Column 8. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line ~~349~~ – Total

Column 6 must be reported on Page 29, Line 7, Column 1.

Column 8 must be reported on Page 29, Line 10, Column 1.

Column 10 must be reported on Page 29, Line 9, Column 1.

Section E:

Lines ~~351~~
through ~~5723~~ – Mortgage Loans

The classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Report the book/adjusted carrying value of all Schedule B and Schedule DL, Part 1 mortgage loans owned in Column 1. Any related party encumbrances should be deducted in Column 2. Categorize the mortgage loans as indicated on Lines ~~351~~ through ~~5723~~. Report the difference of Column 1 less Column 2 in Column 4. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7, and 9, and report the products by category in Columns 6, 8, and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount deducted in Column 2 should be reflected in Column 2 in the corresponding section of the AVR worksheet. If the affiliated entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount deducted in Column 2 should be based on the reporting entity's ownership percentage.

Line ~~5824~~ – Total Schedule B Mortgage Loans on Real Estate

Column 1 should agree with Page 2, Line 3.1 + 3.2, Column 3 plus Schedule DL, Part 1, Column 6, Line 9309999999.

Column 6 must be reported on the Asset Valuation Reserve Page, Line 7, Column 2.

Column 8 must be reported on the Asset Valuation Reserve Page, Line 10, Column 2.

Column 10 must be reported on the Asset Valuation Reserve Page, Line 9, Column 2.

EQUITY AND OTHER INVESTED ASSET COMPONENT –
BASIC CONTRIBUTION, RESERVE OBJECTIVE, AND MAXIMUM RESERVE CALCULATIONS

Detail Eliminated To Conserve Space

Section A:

*****Drafting Note: Changes in Blanks Proposal 2025-20BWG for Investment Subs are not shown on this proposal but the Common Stock AVR lines will be under Section A.*****

Detail Eliminated To Conserve Space

Section B:

Lines ~~18~~
through ~~203~~ – Real Estate

Categorize the real estate as indicated on Lines ~~B18~~ through ~~20B3~~. Real estate reported in Schedule DL, Part 1, Line 9209999999 would also be included in this section. Report the sum of Columns 1, 2, and 3 in Column 4. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third-party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 6) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third-party encumbrances with recourse which are included in Column 3.

Line ~~214~~ – Total Real Estate

The Columns 6, 8, and 10 amounts must be combined with Line 83, Columns 6, 8, and 10 amounts and reported on the Asset Valuation Reserve Page, Lines 7, 10, and 9, Column 5.

Section C:

Lines ~~221~~
through ~~287~~ – Other Invested Assets with Underlying Characteristics of Bonds

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to bonds (Lines 0199999, 0299999, 0599999, 0699999, 0999999, 1099999, 1399999, and 1499999) that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* in Columns 1 and 4. Follow the SVO guidelines and categorize these assets into NAIC designations one through six as directed by the NAIC Securities Valuation Office instructions, except those exempt obligations (as listed in the AVR instructions for Line 2) which should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9 and report the products by designation in Columns 6, 8, and 10, respectively.

Section D:

Lines ~~301~~
through ~~358~~7 – Other Invested Assets with Underlying Characteristics of Preferred Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to preferred stocks (Lines 1799999 and 1899999). Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Section E:

Lines ~~381~~
through ~~632~~67 – Other Invested Assets with Underlying Characteristics of Mortgage Loans

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to mortgage loans (Lines 2399999 and 2499999), excluding any mortgage-backed/asset-backed securities included in Lines ~~22-C1~~ through ~~28-C7~~ above, in Columns 1 and 4. Categorize the mortgage loans as indicated in Lines ~~38-E1~~ through ~~55E18~~E27.

For Lines ~~38-E1~~ through ~~63E27~~, the classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7, and 9, Lines ~~38-E1~~ through ~~63E27~~. Report the products by category in Columns 6, 8, and 10, respectively.

Section F:

Lines ~~651~~
through ~~695~~ – Other Invested Assets with Underlying Characteristics of Common Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investments are similar to common stock (Lines 1999999 and 2099999) in Columns 1 and 4. Line ~~68-F4~~ should show all Schedule BA assets owned where the characteristics of the underlying investments are similar to subsidiary, controlled or affiliated company common stocks owned and these assets should be valued according to the SSAP No. 48—*Joint Ventures, Partnerships or Limited Liability Companies*. Categorize these assets consistent with the directions for Pages ~~32-34~~ and ~~3335~~, Lines A1 through A4, A15, and A16. For Line ~~65F1~~, the reserve factor must be calculated on an individual company basis. It is equal to 15.8% times the beta factor as discussed in the Pages ~~32-34~~ and ~~3335~~, Line A1 instructions, and must be at least 12.15% but not more than 24.31%. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively. For Lines 66 through 69, multiply the amounts in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Section G:

Line 74 – Total Other Invested Assets with Underlying Characteristics of Real Estate

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to real estate (Lines 2199999 and 2299999 items that are not reported in AVR category of Other Invested Assets with Underlying Characteristics of Mortgage Loans) in Column 1, any related encumbrances on these assets in Column 2, and any third-party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third-party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 10) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third party encumbrances with recourse which are included in Column 3.

Section H:

Lines ~~75~~1
through ~~79~~5 – Investments in Tax Credit Structures

Report Column 1 in accordance with *SSAP No. 93—Investments in Tax Credit Structures*.

Investments in tax credit structures (tax credit investments) must meet the requirements of SSAP No. 93 to be reported on Lines ~~75~~H1 through ~~79~~H5.

Only tax credits investments which issue federal tax credits and have the following risk mitigation factors can be reported as qualifying federal tax credit investments on Line ~~76~~H2:

- I. A level of leverage below 50%. For a tax credit investment fund, the level of leverage is measured at the fund level.
- II. There is a Tax Credit Guarantee Agreement, or equivalent insurance acquired, at arm's length, by the investor. This agreement requires the General Partner, managing member, developer, or insurer to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the duration of the regulatory compliance period of the tax credit program. For a tax credit investment fund, a Tax Credit Guarantee Agreement is required from the developers of the lower tier projects to the upper tier partnership.
- III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable loss risks as of the current reporting period.

Line ~~76~~H2 should equal Schedule BA, Part 1, Column 12, Line 3799999 + Line 3899999.

Only tax credit investments which issue state tax credits and, at a minimum, have an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment can be reported as yield guaranteed state investments on Line ~~75~~H1. Line ~~75~~H1 should equal Schedule BA, Part 1, Column 12, Line 3599999 + Line 3699999.

Tax credit investments which issue state tax credits and, at a minimum, meet the same requirements for qualifying federal tax credit investments (as detailed above) should be reported as qualifying state tax credit investments on Line ~~77~~H3. Line ~~77~~H3 should equal Schedule BA, Part 1, Column 12, Line 3999999 + Line 4099999.

All other tax credit investments which cannot be reported on Lines ~~75~~H1 through ~~77~~H3 should be reported as other tax credit investments on Line ~~78~~H4. Line ~~78~~H4 should equal Schedule BA, Part 1, Column 12, Line 4199999 + Line 4299999.

Multiply the amount in Column 4 for each category by the reserve factors for Page ~~35~~36, Columns 5, 7, and 9, Lines ~~75~~H1 through ~~78~~H4. Report the products by category in Columns 6, 8, and 10, respectively.

Section I:

Lines ~~801~~
through ~~9013~~ – Residual Tranches or Interests

Line ~~801~~ – Bonds – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4499999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively

Line ~~812~~ – Bonds – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4599999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~823~~ – Common Stock – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4899999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~834~~ – Common Stock – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4999999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~845~~ – Preferred Stock – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4699999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~856~~ – Preferred Stock – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4799999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~867~~ – Real Estate – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5099999 in Column 1, any related encumbrances on these assets in Column 2, and any third-party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~878~~ – Real Estate – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5199999 in Column 1, any related encumbrances on these assets in Column 2, and any third-party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~889~~ – Mortgage Loans – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5299999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Line ~~89~~10 – Mortgage Loans – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5399999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Line ~~90~~11 – Other – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5499999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Line ~~91~~12 – Other – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5599999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Section J:

Lines ~~93~~1 through ~~99~~7 – Surplus Notes and Capital Notes

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to surplus notes and capital notes in Columns 1 and 4. Use the Credit Rating Provider (CRP) rating to categorize these assets as if the SVO had assigned an NAIC designation of 1 through 6. If no CRP rating, then report based on the reporting entity's assumption of credit risk. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Section K:

Lines ~~100~~ through ~~112~~13 – Collateral Loans

Line ~~100~~1 – Backed by Mortgage Loans – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3199999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~101~~2 – Backed by Mortgage Loans – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3299999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

- Line ~~1023~~ – Backed by Investments in Joint Ventures, Partnerships or Limited Liability Companies – Unaffiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3399999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~1034~~ – Backed by Investments in Joint Ventures, Partnerships or Limited Liability Companies – Affiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3499999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~1045~~ – Backed by Residual Tranches or Interests – Unaffiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3599999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~1056~~ – Backed by Residual Tranches or Interests – Affiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3699999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~1067~~ – Backed by Debt Securities – Unaffiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3799999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~1078~~ – Backed by Debt Securities – Affiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3899999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~1089~~ – Backed by Real Estate – Unaffiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 3999999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~10910~~ – Backed by Real Estate – Affiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 4099999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.
- Line ~~11011~~ – Collateral Loans – All Other – Unaffiliated
- Report the book/adjusted carrying value of all Schedule BA assets in Line 4199999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~111~~12 – Collateral Loans – All Other – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4299999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Section L:

Line ~~100-1~~ & ~~1012~~ – Working Capital Finance Investments

Report the book/adjusted carrying value of all working capital finance investments owned (Schedule BA, Part 1, Line 4399999) in Columns 1 and 4. Categorize the working capital finance investments into NAIC designations 1 or 2 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line ~~1023~~ – Other Invested Assets – Schedule BA

Report the book/adjusted carrying value of all other Schedule BA investments owned that cannot be classified into one of the above categories in Column 1 and any encumbrances on these assets in Column 3. Schedule DL, Part 1 investments reported on Line 9409999999 would be included in this total if not classified in one of the above categories. Collateral loans (Lines 3199999 and 3299999) have been intentionally excluded from this total. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9, and report the products in Columns 6, 8, and 10, respectively.

Line ~~1034~~ – Other Short-Term Invested Assets – Schedule DA

Report the book/adjusted carrying value of all other Schedule DA (Lines 7029999999 and 7509999999) and Schedule DL, Part 1 (Line 9509999999) assets owned that cannot be classified into one of the above categories in Column 1 and any encumbrances on these assets in Column 3. Report the sum of Columns 1 and 3 in Column 4. Multiply the amount on Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~1056~~ – Total Other Invested Assets – Schedules BA & DA

The Columns 6, 8, and 10 amounts must be combined with Columns 6, 8, and 10, Line ~~21-B4~~ amounts and reported on the Asset Valuation Reserve Page, Column 5, Lines 7, 10, and 9, respectively.

NOTE: Other invested asset reserves will be calculated based on the nature of the underlying investments related to the Schedule BA and Schedule DA assets. Assets should be categorized as if the company owned the underlying investment. For example:

- Mortgage participation certificates and similar holdings should be classified as fixed income assets.
- Gas and oil production and mineral rights have potential variability of return and should be categorized as equity investments.
- Partnership investments should be classified as fixed or equity investments or as equity real estate, depending on the purpose of the partnership. The maximum AVR factor would be that appropriate for the asset classification.
- A “look through” approach should be taken for any Schedule BA and Schedule DA assets not specifically listed, so as to reflect in the AVR calculation the essential nature of the investments.

**ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY, TITLE, SEPARATE ACCOUNTS,
AND PROTECTED CELL**

SCHEDULE D – PART 1 – SECTION 2

ASSET-BACKED SECURITIES OWNED DECEMBER 31 OF CURRENT YEAR



Detail Eliminated To Conserve Space



NAIC Designation Category Footnote:

Provide the total book/adjusted carrying value amount by NAIC Designation Category that represents the amount reported in Column 8.

The sum of the amounts reported for each NAIC Designation Category in the footnote should equal Line 1909999999.

Collateralized Loan Obligation CLOs/CBOs/CDOs Footnote:

Report the book/adjusted carrying value amount by NAIC Designation Category of all collateralized loan obligations CLOs/CBOs/CDOs owned reported in Lines 1099999999 and 1109999999

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL AND SEPARATE ACCOUNTS

ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
SECTION A		LONG-TERM BONDS EXCLUDING COLLATERALIZED LOAN OBLIGATIONS/CLOs/CBOs/CDOs										
1		Exempt obligations.....		XXX	XXX		0.0000		0.0000		0.0000	
2.1	1	NAIC Designation Category 1.A		XXX	XXX		0.0002		0.0007		0.0013	
2.2	1	NAIC Designation Category 1.B		XXX	XXX		0.0004		0.0011		0.0023	
2.3	1	NAIC Designation Category 1.C		XXX	XXX		0.0006		0.0018		0.0035	
2.4	1	NAIC Designation Category 1.D		XXX	XXX		0.0007		0.0022		0.0044	
2.5	1	NAIC Designation Category 1.E.....		XXX	XXX		0.0009		0.0027		0.0055	
2.6	1	NAIC Designation Category 1.F.....		XXX	XXX		0.0011		0.0034		0.0068	
2.7	1	NAIC Designation Category 1.G		XXX	XXX		0.0014		0.0042		0.0085	
2.8		Subtotal NAIC 1 (Sum of Lines A2.1+2.2+2.3+2.4+2.5+2.6+ through A2.7)		XXX	XXX		XXX		XXX		XXX	
3.1	2	NAIC Designation Category 2.A		XXX	XXX		0.0021		0.0063		0.0105	
3.2	2	NAIC Designation Category 2.B		XXX	XXX		0.0025		0.0076		0.0127	
3.3	2	NAIC Designation Category 2.C		XXX	XXX		0.0036		0.0108		0.0180	
3.4		Subtotal NAIC 2 (Sum of Lines A3.1+3.2+ through A3.3)		XXX	XXX		XXX		XXX		XXX	
4.1	3	NAIC Designation Category 3.A		XXX	XXX		0.0069		0.0183		0.0262	
4.2	3	NAIC Designation Category 3.B		XXX	XXX		0.0099		0.0264		0.0377	
4.3	3	NAIC Designation Category 3.C		XXX	XXX		0.0131		0.0350		0.0500	
4.4		Subtotal NAIC 3 (Sum of Lines A4.1+4.2+ through A4.3)		XXX	XXX		XXX		XXX		XXX	
5.1	4	NAIC Designation Category 4.A		XXX	XXX		0.0184		0.0430		0.0615	
5.2	4	NAIC Designation Category 4.B		XXX	XXX		0.0238		0.0555		0.0793	
5.3	4	NAIC Designation Category 4.C		XXX	XXX		0.0310		0.0724		0.1034	
5.4		Subtotal NAIC 4 (Sum of Lines A5.1+5.2+ through A5.3)		XXX	XXX		XXX		XXX		XXX	
6.1	5	NAIC Designation Category 5.A		XXX	XXX		0.0472		0.0846		0.1410	
6.2	5	NAIC Designation Category 5.B		XXX	XXX		0.0663		0.1188		0.1980	
6.3	5	NAIC Designation Category 5.C		XXX	XXX		0.0836		0.1498		0.2496	
6.4		Subtotal NAIC 5 (Sum of Lines A6.1+6.2+ through A6.3)		XXX	XXX		XXX		XXX		XXX	
7	6	NAIC 6		XXX	XXX		0.0000		0.2370		0.2370	
8		Intentionally left blank	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
98		Total long-term bonds excluding CLOs/CBOs/CDOs (Sum of Lines A1+A2.8+A3.4+A4.4+A5.4+A6.4 +A7+8)		XXX	XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
SECTION A (Continued)		COLLATERAL LOAN OBLIGATIONS CLOs/CBOs/CDOs										
9.1	1	NAIC Designation Category 1.A		XXX	XXX		0.0002		0.0007		0.0013	
9.2	1	NAIC Designation Category 1.B		XXX	XXX		0.0004		0.0011		0.0023	
9.3	1	NAIC Designation Category 1.C		XXX	XXX		0.0006		0.0018		0.0035	
9.4	1	NAIC Designation Category 1.D		XXX	XXX		0.0007		0.0022		0.0044	
9.5	1	NAIC Designation Category 1.E		XXX	XXX		0.0009		0.0027		0.0055	
9.6	1	NAIC Designation Category 1.F		XXX	XXX		0.0011		0.0034		0.0068	
9.7	1	NAIC Designation Category 1.G		XXX	XXX		0.0014		0.0042		0.0085	
9.8		Subtotal NAIC 1 (Sum of Lines A9.1 through A9.7)		XXX	XXX		XXX		XXX		XXX	
10.1	2	NAIC Designation Category 2.A		XXX	XXX		0.0021		0.0063		0.0105	
10.2	2	NAIC Designation Category 2.B		XXX	XXX		0.0025		0.0076		0.0127	
10.3	2	NAIC Designation Category 2.C		XXX	XXX		0.0036		0.0108		0.0180	
10.4		Subtotal NAIC 2 (Sum of Lines A10.1 through A10.3)		XXX	XXX		XXX		XXX		XXX	
11.1	3	NAIC Designation Category 3.A		XXX	XXX		0.0069		0.0183		0.0262	
11.2	3	NAIC Designation Category 3.B		XXX	XXX		0.0099		0.0264		0.0377	
11.3	3	NAIC Designation Category 3.C		XXX	XXX		0.0131		0.0350		0.0500	
11.4		Subtotal NAIC 3 (Sum of Lines A11.1 through A11.3)		XXX	XXX		XXX		XXX		XXX	
12.1	4	NAIC Designation Category 4.A		XXX	XXX		0.0184		0.0430		0.0615	
12.2	4	NAIC Designation Category 4.B		XXX	XXX		0.0238		0.0555		0.0793	
12.3	4	NAIC Designation Category 4.C		XXX	XXX		0.0310		0.0724		0.1034	
12.4		Subtotal NAIC 4 (Sum of Lines A12.1 through A12.3)		XXX	XXX		XXX		XXX		XXX	
13.1	5	NAIC Designation Category 5.A		XXX	XXX		0.0472		0.0846		0.1410	
13.2	5	NAIC Designation Category 5.B		XXX	XXX		0.0663		0.1188		0.1980	
13.3	5	NAIC Designation Category 5.C		XXX	XXX		0.0836		0.1498		0.2496	
13.4		Subtotal NAIC 5 (Sum of Lines A13.1 through A13.3)		XXX	XXX		XXX		XXX		XXX	
14	6	NAIC 6		XXX	XXX		0.0000		0.2370		0.2370	
15		Total collateral loan obligations CLOs/CBOs/CDOs (Sum of Lines A9.8+A10.4+A11.4+A12.4+A13.4 +A14)		XXX	XXX		XXX		XXX		XXX	
16		Total long-term bonds and collateral loan obligations (Sum of 8+15)		XXX	XXX		XXX		XXX		XXX	
SECTION B		PREFERRED STOCKS										
10	1	Highest quality		XXX	XXX		0.0005		0.0016		0.0033	
11	2	High quality		XXX	XXX		0.0021		0.0064		0.0106	
12	3	Medium quality		XXX	XXX		0.0099		0.0263		0.0376	
13	4	Low quality		XXX	XXX		0.0245		0.0572		0.0817	
14	5	Lower quality		XXX	XXX		0.0630		0.1128		0.1880	
15	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
16		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
17		Total preferred stocks (Sum of Lines B10 through B16)		XXX	XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
SECTION C		SHORT-TERM BONDS										
18		Exempt obligations.....		XXX	XXX		0.0000		0.0000		0.0000	
192.1	1	NAIC Designation Category 1.A		XXX	XXX		0.0002		0.0007		0.0013	
192.2	1	NAIC Designation Category 1.B		XXX	XXX		0.0004		0.0011		0.0023	
192.3	1	NAIC Designation Category 1.C		XXX	XXX		0.0006		0.0018		0.0035	
192.4	1	NAIC Designation Category 1.D		XXX	XXX		0.0007		0.0022		0.0044	
192.5	1	NAIC Designation Category 1.E.....		XXX	XXX		0.0009		0.0027		0.0055	
192.6	1	NAIC Designation Category 1.F.....		XXX	XXX		0.0011		0.0034		0.0068	
192.7	1	NAIC Designation Category 1.G.....		XXX	XXX		0.0014		0.0042		0.0085	
192.8		Subtotal NAIC 1 (19.1+19.2+19.3+19.4+19.5+19.6+19.7 Sum of Lines C2.1 through C2.7)		XXX	XXX		XXX		XXX		XXX	
203.1	2	NAIC Designation Category 2.A		XXX	XXX		0.0021		0.0063		0.0105	
203.2	2	NAIC Designation Category 2.B		XXX	XXX		0.0025		0.0076		0.0127	
203.3	2	NAIC Designation Category 2.C		XXX	XXX		0.0036		0.0108		0.0180	
203.4		Subtotal NAIC 2 (20.1+20.2+20.3 Sum of Lines C3.1 through C3.3) ...		XXX	XXX		XXX		XXX		XXX	
214.1	3	NAIC Designation Category 3.A		XXX	XXX		0.0069		0.0183		0.0262	
214.2	3	NAIC Designation Category 3.B		XXX	XXX		0.0099		0.0264		0.0377	
214.3	3	NAIC Designation Category 3.C		XXX	XXX		0.0131		0.0350		0.0500	
214.4		Subtotal NAIC 3 (Sum of Lines C4.1 through C4.3 21.1+21.2+21.3) ...		XXX	XXX		XXX		XXX		XXX	
225.1	4	NAIC Designation Category 4.A		XXX	XXX		0.0184		0.0430		0.0615	
225.2	4	NAIC Designation Category 4.B		XXX	XXX		0.0238		0.0555		0.0793	
225.3	4	NAIC Designation Category 4.C		XXX	XXX		0.0310		0.0724		0.1034	
225.4		Subtotal NAIC 4 (Sum of Lines C5.1 through C5.3 22.1+22.2+22.3) ...		XXX	XXX		XXX		XXX		XXX	
236.1	5	NAIC Designation Category 5.A		XXX	XXX		0.0472		0.0846		0.1410	
236.2	5	NAIC Designation Category 5.B		XXX	XXX		0.0663		0.1188		0.1980	
236.3	5	NAIC Designation Category 5.C		XXX	XXX		0.0836		0.1498		0.2496	
236.4		Subtotal NAIC 5 (Sum of Lines C6.1 through C6.3 23.1+23.2+23.3) ...		XXX	XXX		XXX		XXX		XXX	
247	6	NAIC 6		XXX	XXX		0.0000		0.2370		0.2370	
258		Total short-term bonds (Sum of Lines C1, C2.8, C3.4, C4.4, C5.4, C6.4 and C7.4 18+19.8+20.4+21.4+22.4+23.4+24)		XXX	XXX		XXX		XXX		XXX	
SECTION D		DERIVATIVE INSTRUMENTS										
261		Exchange traded		XXX	XXX		0.0005		0.0016		0.0033	
272	1	Highest quality		XXX	XXX		0.0005		0.0016		0.0033	
283	2	High quality		XXX	XXX		0.0021		0.0064		0.0106	
294	3	Medium quality.....		XXX	XXX		0.0099		0.0263		0.0376	
305	4	Low quality.....		XXX	XXX		0.0245		0.0572		0.0817	
316	5	Lower quality		XXX	XXX		0.0630		0.1128		0.1880	
327	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
338		Total derivative instruments		XXX	XXX		XXX		XXX		XXX	
349		Total (Sum of Lines 9+17+25+33 D1 through D8)		XXX	XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
SECTION E		MORTGAGE LOANS										
		In Good Standing:										
351		Farm mortgages – CM1 – highest quality			XXX		0.0011		0.0057		0.0074	
362		Farm mortgages – CM2 – high quality			XXX		0.0040		0.0114		0.0149	
373		Farm mortgages – CM3 – medium quality			XXX		0.0069		0.0200		0.0257	
384		Farm mortgages – CM4 – low medium quality			XXX		0.0120		0.0343		0.0428	
395		Farm mortgages – CM5 – low quality			XXX		0.0183		0.0486		0.0628	
406		Residential mortgages – insured or guaranteed			XXX		0.0003		0.0007		0.0011	
417		Residential mortgages – all other			XXX		0.0015		0.0034		0.0046	
428		Commercial mortgages – insured or guaranteed			XXX		0.0003		0.0007		0.0011	
439		Commercial mortgages – all other – CM1 – highest quality			XXX		0.0011		0.0057		0.0074	
4410		Commercial mortgages – all other – CM2 – high quality			XXX		0.0040		0.0114		0.0149	
4511		Commercial mortgages – all other – CM3 – medium quality			XXX		0.0069		0.0200		0.0257	
4612		Commercial mortgages – all other – CM4 – low medium quality			XXX		0.0120		0.0343		0.0428	
4713		Commercial mortgages – all other – CM5 – low quality			XXX		0.0183		0.0486		0.0628	
		Overdue, Not in Process:										
4814		Farm mortgages			XXX		0.0480		0.0868		0.1371	
4915		Residential mortgages – insured or guaranteed			XXX		0.0006		0.0014		0.0023	
5016		Residential mortgages – all other			XXX		0.0029		0.0066		0.0103	
5117		Commercial mortgages – insured or guaranteed			XXX		0.0006		0.0014		0.0023	
5218		Commercial mortgages – all other			XXX		0.0480		0.0868		0.1371	
		In Process of Foreclosure:										
5319		Farm mortgages			XXX		0.0000		0.1942		0.1942	
5420		Residential mortgages – insured or guaranteed			XXX		0.0000		0.0046		0.0046	
5521		Residential mortgages – all other			XXX		0.0000		0.0149		0.0149	
5622		Commercial mortgages – insured or guaranteed			XXX		0.0000		0.0046		0.0046	
5723		Commercial mortgages – all other			XXX		0.0000		0.1942		0.1942	
5824		Total Schedule B mortgages (Sum of Lines 35E1 through 57E23)			XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
SECTION A		COMMON STOCK										
1		Unaffiliated public.....		XXX	XXX		0.0000		0.1580 (a)		0.1580 (a)	
2		Unaffiliated private		XXX	XXX		0.0000		0.1945		0.1945	
3		Federal Home Loan Bank		XXX	XXX		0.0000		0.0061		0.0097	
4		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
		Affiliated Investment Subsidiary:										
5		Fixed income exempt obligations.....					XXX		XXX		XXX	
6		Fixed income highest quality.....					XXX		XXX		XXX	
7		Fixed income high quality					XXX		XXX		XXX	
8		Fixed income medium quality					XXX		XXX		XXX	
9		Fixed income low quality					XXX		XXX		XXX	
10		Fixed income lower quality					XXX		XXX		XXX	
11		Fixed income in or near default					XXX		XXX		XXX	
12		Unaffiliated common stock public.....					0.0000		0.1580 (a)		0.1580 (a)	
13		Unaffiliated common stock private					0.0000		0.1945		0.1945	
14		Real estate					(b)		(b)		(b)	
15		Affiliated-certain other (See SVO Purposes & Procedures Manual).....		XXX	XXX		0.0000		0.1580		0.1580	
16		Affiliated - all other		XXX	XXX		0.0000		0.1945		0.1945	
17		Total common stock (Sum of Lines A1 through A16)					XXX		XXX		XXX	
SECTION B		REAL ESTATE										
18		Home office property (General Account only).....					0.0000		0.0912		0.0912	
19		Investment properties					0.0000		0.0912		0.0912	
20		Properties acquired in satisfaction of debt.....					0.0000		0.1337		0.1337	
21		Total real estate (Sum of Lines B18 through B20)					XXX		XXX		XXX	
SECTION C		OTHER INVESTED ASSETS										
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS										
22		Exempt obligations.....		XXX	XXX		0.0000		0.0000		0.0000	
23	1	Highest quality		XXX	XXX		0.0005		0.0016		0.0033	
24	2	High quality		XXX	XXX		0.0021		0.0064		0.0106	
25	3	Medium quality.....		XXX	XXX		0.0099		0.0263		0.0376	
26	4	Low quality.....		XXX	XXX		0.0245		0.0572		0.0817	
27	5	Lower quality		XXX	XXX		0.0630		0.1128		0.1880	
28	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
29		Total with bond characteristics (Sum of Lines C22 through C28)		XXX	XXX		XXX		XXX		XXX	

Drafting Note: Changes in Blanks Proposal 2025-20BWG for Investment Subs are not shown on this proposal but the Common Stock AVR lines will be under Section A.

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols.4x9)
SECTION D		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS										
301	1	Highest quality .....	.....	XXX	XXX	.....	0.0005	.....	0.0016	.....	0.0033	.....
342	2	High quality .....	.....	XXX	XXX	.....	0.0021	.....	0.0064	.....	0.0106	.....
323	3	Medium quality .....	.....	XXX	XXX	.....	0.0099	.....	0.0263	.....	0.0376	.....
334	4	Low quality .....	.....	XXX	XXX	.....	0.0245	.....	0.0572	.....	0.0817	.....
345	5	Lower quality .....	.....	XXX	XXX	.....	0.0630	.....	0.1128	.....	0.1880	.....
356	6	In or near default .....	.....	XXX	XXX	.....	0.0000	.....	0.2370	.....	0.2370	.....
367		Affiliated life with AVR .....	.....	XXX	XXX	.....	0.0000	.....	0.0000	.....	0.0000	.....
378		Total with preferred stock characteristics (Sum of Lines 301 through 367)		XXX	XXX		XXX		XXX		XXX	
SECTION E		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS										
		In Good Standing Affiliated:										
381		Mortgages – CM1 – highest quality .....	.....		XXX	.....	0.0011	.....	0.0057	.....	0.0074	.....
392		Mortgages – CM2 – high quality .....	.....		XXX	.....	0.0040	.....	0.0114	.....	0.0149	.....
403		Mortgages – CM3 – medium quality .....	.....		XXX	.....	0.0069	.....	0.0200	.....	0.0257	.....
444		Mortgages – CM4 – low medium quality .....	.....		XXX	.....	0.0120	.....	0.0343	.....	0.0428	.....
425		Mortgages – CM5 – low quality .....	.....		XXX	.....	0.0183	.....	0.0486	.....	0.0628	.....
436		Residential mortgages – insured or guaranteed .....	.....		XXX	.....	0.0003	.....	0.0007	.....	0.0011	.....
447		Residential mortgages – all other .....	.....	XXX	XXX	.....	0.0015	.....	0.0034	.....	0.0046	.....
458		Commercial mortgages – insured or guaranteed .....	.....		XXX	.....	0.0003	.....	0.0007	.....	0.0011	.....
		Overdue, Not in Process Affiliated:										
469		Farm mortgages .....	.....		XXX	.....	0.0480	.....	0.0868	.....	0.1371	.....
4710		Residential mortgages – insured or guaranteed .....	.....		XXX	.....	0.0006	.....	0.0014	.....	0.0023	.....
4811		Residential mortgages – all other .....	.....		XXX	.....	0.0029	.....	0.0066	.....	0.0103	.....
4912		Commercial mortgages – insured or guaranteed .....	.....		XXX	.....	0.0006	.....	0.0014	.....	0.0023	.....
5013		Commercial mortgages – all other .....	.....		XXX	.....	0.0480	.....	0.0868	.....	0.1371	.....
		In Process of Foreclosure Affiliated:										
5414		Farm mortgages .....	.....		XXX	.....	0.0000	.....	0.1942	.....	0.1942	.....
5215		Residential mortgages – insured or guaranteed .....	.....		XXX	.....	0.0000	.....	0.0046	.....	0.0046	.....
5316		Residential mortgages – all other .....	.....		XXX	.....	0.0000	.....	0.0149	.....	0.0149	.....
5417		Commercial mortgages – insured or guaranteed .....	.....		XXX	.....	0.0000	.....	0.0046	.....	0.0046	.....
5518		Commercial mortgages – all other .....	.....		XXX	.....	0.0000	.....	0.1942	.....	0.1942	.....
5619		Total affiliated (Sum of Lines 381 through 5518)			XXX		XXX		XXX		XXX	
5720		Unaffiliated – in good standing with covenants .....	.....		XXX	.....	(c)	.....	(c)	.....	(c)	.....
		Unaffiliated – in good standing defeased with government securities .....	.....		XXX	.....	0.0011	.....	0.0057	.....	0.0074	.....
5821		Unaffiliated – in good standing primarily senior .....	.....		XXX	.....	0.0040	.....	0.0114	.....	0.0149	.....
6023		Unaffiliated – in good standing all other .....	.....		XXX	.....	0.0069	.....	0.0200	.....	0.0257	.....
24		Unaffiliated – in good standing – residential mortgages - all other .....	.....	XXX	XXX	.....	0.0015	.....	0.0034	.....	0.0046	.....
64245		Unaffiliated – overdue, not in process .....	.....		XXX	.....	0.0480	.....	0.0868	.....	0.1371	.....
62256		Unaffiliated – in process of foreclosure .....	.....		XXX	.....	0.0000	.....	0.1942	.....	0.1942	.....
62267		Total unaffiliated (Sum of Lines 5720 through 62256)			XXX		XXX		XXX		XXX	
64278		Total with mortgage loan characteristics (Lines 5619 + 62267)			XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
SECTION F		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK										
651		Unaffiliated public.....		XXX	XXX		0.0000		0.1580(a)		0.1580(a)	
662		Unaffiliated private.....		XXX	XXX		0.0000		0.1945		0.1945	
673		Affiliated life with AVR.....		XXX	XXX		0.0000		0.0000		0.0000	
684		Affiliated certain other (See SVO Purposes & Procedures Manual).....		XXX	XXX		0.0000		0.1580		0.1580	
695		Affiliated other - all other.....		XXX	XXX		0.0000		0.1945		0.1945	
706		Total with common stock characteristics (Sum of Lines 65-F1 through F569)		XXX	XXX		XXX		XXX		XXX	
SECTION G		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE										
71		Home office property (General Account only).....					0.0000		0.0912		0.0912	
72		Investment properties.....					0.0000		0.0912		0.0912	
73		Properties acquired in satisfaction of debt.....					0.0000		0.1337		0.1337	
74		Total with real estate characteristics (Sum of Lines 7G1 through 7G3)					XXX		XXX		XXX	
SECTION H		INVESTMENTS IN TAX CREDIT STRUCTURES										
751		Yield guaranteed state tax credit investments.....					0.0003		0.0006		0.0010	
762		Qualifying federal tax credit investments.....					0.0063		0.0120		0.0190	
773		Qualifying state tax credit investments.....					0.0063		0.0120		0.0190	
784		Other tax credit investments.....					0.0273		0.0600		0.0975	
795		Total tax credit investments (Sum of Lines 75-H1 through 79H4)					XXX		XXX		XXX	
SECTION I		RESIDUAL TRANCHE OR INTERESTS										
801		Bonds – unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
812		Bonds – affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
823		Common stock – unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
834		Common stock – affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
845		Preferred stock – unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
856		Preferred stock – affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
867		Real estate – unaffiliated.....					0.0000		0.1580		0.1580	
878		Real estate – affiliated.....					0.0000		0.1580		0.1580	
889		Mortgage loans – unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8910		Mortgage loans – affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9011		Other – unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9112		Other – affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9213		Total residual tranches or interests (Sum of Lines 80-I1 through 92I12)					XXX		XXX		XXX	
SECTION J		SURPLUS NOTES AND CAPITAL NOTES										
193	1	Highest quality.....		XXX	XXX		0.0005		0.0016		0.0033	
294	2	High quality.....		XXX	XXX		0.0021		0.0064		0.0106	
395	3	Medium quality.....		XXX	XXX		0.0099		0.0263		0.0376	
496	4	Low quality.....		XXX	XXX		0.0245		0.0572		0.0817	
597	5	Lower quality.....		XXX	XXX		0.0630		0.1128		0.1880	
698	6	In or near default.....		XXX	XXX		0.0000		0.2370		0.2370	
799		Total surplus notes and capital notes (Sum of Lines 93-J1 through 98J6)		XXX	XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

SECTION K											
COLLATERAL LOANS											
1		Backed by mortgage loans – collateral loans – unaffiliated	XXX	XXX	0.0000	0.0680	0.0680				
2		Backed by mortgage loans – collateral loans – affiliated	XXX	XXX	0.0000	0.0680	0.0680				
3		Backed by joint ventures, partnerships, & limited liability companies – collateral loans – unaffiliated	XXX	XXX	0.0000	0.0680	0.0680				
4		Backed by joint ventures, partnerships, & limited liability companies – collateral loans – affiliated	XXX	XXX	0.0000	0.0680	0.0680				
5		Backed by residual tranches or interests – collateral loans – unaffiliated	XXX	XXX	0.0000	0.0680	0.0680				
6		Backed by residual tranches or interests – collateral loans – affiliated	XXX	XXX	0.0000	0.0680	0.0680				
7		Backed by debt securities – collateral loans – unaffiliated	XXX	XXX	0.0000	0.0680	0.0680				
8		Backed by debt securities – collateral loans – affiliated	XXX	XXX	0.0000	0.0680	0.0680				
9		Backed by real estate – collateral loans – unaffiliated	XXX	XXX	0.0000	0.0680	0.0680				
10		Backed by real estate – collateral loans – affiliated	XXX	XXX	0.0000	0.0680	0.0680				
11		Collateral loans – all other – unaffiliated	XXX	XXX	0.0000	0.0680	0.0680				
12		Collateral loans – all other – affiliated	XXX	XXX	0.0000	0.0680	0.0680				
13		Total collateral loans (Sum of Lines K1 through K12)	XXX	XXX	XXX	XXX	XXX				
SECTION L											
ALL OTHER INVESTMENTS											
1400		NAIC 1 working capital finance investments	XXX		0.0000	0.0042	0.0042				
2401		NAIC 2 working capital finance investments	XXX		0.0000	0.0137	0.0137				
3402		Other invested assets - Schedule BA	XXX		0.0000	0.1580	0.1580				
4403		Other short-term invested assets - Schedule DA	XXX		0.0000	0.1580	0.1580				
5404		Total all other (Sum of Lines L100 through L4403)	XXX		XXX	XXX	XXX				
6405		Total other invested assets - Schedules BA & DA (Sum of Lines 29, 37, 64, 70, 74, 79, 92, 99 and 104 C8, D8, E27, E28, F6, G4, H5, I13, J7, and K13)			XXX	XXX	XXX				

- (a) Times the company's weighted average portfolio beta (Minimum .1215, Maximum .2431).
(b) Determined using same factors and breakdowns used for directly owned real estate.
(c) This will be the factor associated with the risk category determined in the company generated worksheet.

Showing All Long-Term **BONDS – ASSET-BACKED SECURITIES** Owned December 31 of Current Year

1. Line Book/Adjusted Carrying Value by NAIC Designation Category Footnote:							
Number	1A	1B	1C	1D	1E	1F	1G
1A	1A \$	1B \$	1C \$	1D \$	1E \$	1F \$	1G \$
1B	2A \$	2B \$	2C \$				
1C	3A \$	3B \$	3C \$				
1D	4A \$	4B \$	4C \$				
1E	5A \$	5B \$	5C \$				
1F	6 \$						

2. Line CLO/CBO/CDO Book/Adjusted Carrying Value by NAIC Designation Category Footnote:							
Number	1A	1B	1C	1D	1E	1F	1G
1A	1A \$	1B \$	1C \$	1D \$	1E \$	1F \$	1G \$
1B	2A \$	2B \$	2C \$				
1C	3A \$	3B \$	3C \$				
1D	4A \$	4B \$	4C \$				
1E	5A \$	5B \$	5C \$				
1F	6 \$						

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>		Agenda Item # <u>2025-28BWG MOD</u>	
		Year <u>2026</u>	
		Changes to Existing Reporting ☐ [X]	
		New Reporting Requirement ☐ []	
		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
		No Impact ☐ [X]	
		Modifies Required Disclosure ☐ []	
		Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☒ [X] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|---|
| ☒ [X] ANNUAL STATEMENT | ☐ [X] INSTRUCTIONS | ☐ [] CROSSCHECKS |
| ☒ [X] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☐ [X] Life, Accident & Health/Fraternal | ☐ [X] Separate Accounts | ☒ [X] Title |
| ☐ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☐ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026 / 1st Quarter 2027**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add two investment characteristics categories to the annual Schedule A, Part 1, to clarify if an investment is owned by a qualifying statutory trust. Also, update the annual and quarterly Schedule B instructions for reporting guidance for mortgages held in qualifying investments in statutory trusts and to add loan type codes to identify the mortgage loans.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to update the reporting guidance for qualifying trust structures, that hold residential mortgage loans in scope of SSAP No. 37 – *Mortgage Loans*. (SAPWG Ref #2025-13)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: _____

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH, & TITLE**SCHEDULE A – PART 1****REAL ESTATE OWNED DECEMBER 31 OF CURRENT YEAR****Detail Eliminated To Conserve Space**

Column 18 – Investment Characteristics

Enter the number of the characteristic below. If none of the characteristics below does not apply, then leave the column blank.

1. Single real estate property wholly owned by an LLC that meets the criteria set forth in SSAP No. 40—*Real Estate Investments*. For LLCs that do not meet criteria set forth in SSAP No. 40—*Real Estate Investments*, report on Schedule BA.
2. A single real estate property that is directly and wholly owned by a qualifying statutory trust, which is defined in SSAP No. 37—*Mortgage Loans*.
3. A single real estate property that is directly owned through an LLC that is wholly owned by a qualifying statutory trust and meets the criteria in SSAP No. 40.

SCHEDULE B – PARTS 1 AND 2**MORTGAGE LOANS OWNED AND ACQUIRED – GENERAL INSTRUCTIONS**

If a reporting entity has any detail lines reported for any of the following required groups, it shall report the subtotal amount of the corresponding group with the specified subtotal line number appearing in the same manner and location as the pre-printed total. Residential mortgage loans held within qualifying statutory trust(s) are separately reported in this same manner.

For accounting guidance related to foreign currency transactions and translations, refer to *SSAP No. 23—Foreign Currency Transactions and Translations*.



Detail Eliminated To Conserve Space



SCHEDULE B – PART 1**MORTGAGE LOANS OWNED DECEMBER 31 OF CURRENT YEAR**

Report separately all mortgage loans owned and backed by real estate, including those held within qualifying statutory trust(s). Include non-conventional mortgage loans (e.g., loans that can be increased to their maximum loan value without incurring the cost of writing a new mortgage). Also include mezzanine real estate loans. For accounting and admission guidance related to mezzanine real estate loans, refer to *SSAP No. 83—Mezzanine Real Estate Loans*. Collateralized Mortgage Obligations, (residential mortgage-backed securities), should be included in Schedule D.

A description of the information required by the columnar headings is as follows:

**Detail Eliminated To Conserve Space**

Column 5 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter “E”.

If the loan was made directly to a subsidiary or affiliate enter “S”.

If the loan was made directly to a related party that doesn’t meet the affiliate definition or the reporting entity has received domiciliary state approval to disclaim control/affiliation, enter “R.”

If the residential mortgage loan is held in a qualifying statutory trust, enter “T”.

If the mortgage loan is 100% first lien, enter “1”.

If the mortgage loan is not a first lien, including those with a combination of first and subordinate liens, enter “2”.

If there is more than one loan type codes, then list the appropriate code(s) separated by commas. Otherwise, leave the column blank.

SCHEDULE B – PART 2**MORTGAGE LOANS ACQUIRED AND ADDITIONS MADE DURING YEAR**

Report individually all mortgage loans acquired or transferred from another category (e.g., joint ventures, Schedule BA) but also any increases or additions to mortgage loans acquired or transferred in the current and prior periods. Mortgages acquired and disposed during the same year should be reported in both Part 2 and Part 3, which would also include acquired or disposed of residential mortgage loans held within qualifying statutory trusts. Include non-conventional mortgage loans (e.g., loans that can be increased to their maximum loan value without incurring the cost of writing a new mortgage). Also include mezzanine real estate loans. For accounting and admission guidance related to mezzanine real estate loans, refer to *SSAP No. 83—Mezzanine Real Estate Loans*. Collateralized Mortgage Obligations (residential mortgage-backed securities) should be included in Schedule D.

**Detail Eliminated To Conserve Space**

Column 4 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter "E".

If the loan was made directly to a subsidiary or affiliate, enter "S."

If the loan was made directly to a related party that doesn't meet the affiliate definition or the reporting entity has received domiciliary state approval to disclaim control/affiliation, enter "R."

If the residential mortgage loan is held in a qualifying statutory trust, enter "T".

- If the mortgage loan is 100% first lien, enter "1".

- If the mortgage loan is not a first lien, including those with a combination of first and subordinate liens, enter "2".

If there is more than one loan type codes, then list the appropriate code(s) separated by commas. Otherwise, leave the column blank.

SCHEDULE B – PART 3**MORTGAGE LOANS DISPOSED, TRANSFERRED OR REPAID DURING THE YEAR**

Report individually each mortgage, including those held in qualifying investments in statutory trust(s), that has had decreases in the balance as a result of being closed by repayment, partial repayment, disposed or transferred to another category (e.g., real estate, Schedule A). Do not report individual partial repayments but aggregate all partial repayments by mortgage loan.

If a reporting entity has any detail lines reported for any of the following required groups, it shall report the subtotal amount of the corresponding group with the specified subtotal line number appearing in the same manner and location as the pre-printed total.

**Detail Eliminated To Conserve Space**

Column 4 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter "E."

If the loan was made directly to a subsidiary or affiliate enter "S."

If the loan was made directly to a related party that doesn't meet the affiliate definition or the reporting entity has received domiciliary state approval to disclaim control/affiliation, enter "R."

If the residential mortgage loan is held in a qualifying statutory trust, enter "T".

If the mortgage loan is 100% first lien, enter "1".

If the mortgage loan is not a first lien, including those with a combination of first and subordinate liens, enter "2".

If there is more than one loan type codes, then list the appropriate code(s) separated by commas.
Otherwise, leave the column blank.

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH, & TITLE**SCHEDULE B – PART 2****MORTGAGE LOANS ACQUIRED AND ADDITIONS MADE DURING THE CURRENT QUARTER**

Report individually all mortgage loans acquired or transferred from another category (e.g., joint ventures, Schedule BA) but also any increases or additions to mortgage loans acquired or transferred in the current and prior periods. Mortgages acquired and disposed during the same quarter should be reported in both Part 2 and Part 3, which would also include acquired or disposed of residential mortgage loans held within qualifying statutory trusts. Include non-conventional mortgage loans (e.g., loans that can be increased to their maximum loan value without incurring the cost of writing a new mortgage). Also include mezzanine real estate loans. For accounting and admission guidance related to mezzanine real estate loans, refer to *SSAP No. 83—Mezzanine Real Estate Loans*. Collateralized Mortgage Obligations (residential mortgage-backed securities) should be included in Schedule D.

	Detail Eliminated To Conserve Space		
Column 4	–	Loan Type	
If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter “E.”			
If the loan was made directly to a subsidiary or affiliate, enter “S.”			
If the loan was made directly to a related party that doesn’t meet the affiliate definition or the reporting entity has received domiciliary state approval to disclaim control/affiliation, enter “R.”			
<u>If the residential mortgage loan is held in a qualifying statutory trust, enter “T”.</u>			
<u>If the mortgage loan is 100% first lien, enter “1”.</u>			
<u>If the mortgage loan is not a first lien, including those with a combination of first and subordinate liens, enter “2”.</u>			
<u>If there is more than one loan type codes, then list the appropriate code(s) separated by commas.</u> Otherwise, leave the column blank.			

SCHEDULE B – PART 3**MORTGAGE LOANS DISPOSED, TRANSFERRED OR REPAID DURING THE CURRENT QUARTER**

Report individually each mortgage, including those held in qualifying investments in statutory trust(s), that has had decreases in the balance as a result of either being closed by repayment, partial repayment, disposed or transferred to another category, e.g., real estate, Schedule A. Do not report individual partial repayments but aggregate all partial repayments by mortgage loan. Mortgage loans acquired and sold during the same quarter should be reported in both Part 2 and Part 3.

If a reporting entity has any detail lines reported for any of the following required groups, it shall report the subtotal amount of the corresponding group with the specified subtotal line number appearing in the same manner and location as the pre-printed total.

===== Detail Eliminated To Conserve Space =====

Column 4 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter "E."

If the loan was made directly to a subsidiary or affiliate, enter "S."

If the loan was made directly to a related party that doesn't meet the affiliate definition or the reporting entity has received domiciliary state approval to disclaim control/affiliation, enter "R."

If the residential mortgage loan is held in a qualifying statutory trust, enter "T".

If the mortgage loan is 100% first lien, enter "1".

If the mortgage loan is not a first lien, including those with a combination of first and subordinate liens, enter "2".

If there is more than one loan type codes, then list the appropriate code(s) separated by commas. Otherwise, leave the column blank.

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>	Agenda Item # <u>2025-29BWG</u>		
	Year <u>2026</u>		
	Changes to Existing Reporting ☒ [X]		
	New Reporting Requirement ☐ []		
	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT		
	No Impact ☒ [X]		
Modifies Required Disclosure ☐ []			
Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]			
If Yes, complete question below			
DISPOSITION			
☐ [] Rejected For Public Comment			
☐ [] Referred To Another NAIC Group			
☒ [X] Received For Public Comment			
☐ [] Adopted Date _____			
☐ [] Rejected Date _____			
☐ [] Deferred Date _____			
☐ [] Other (Specify) _____			

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☐ [] CROSSCHECKS |
| ☒ [X] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☒ [X] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026 / 1st Quarter 2027**IDENTIFICATION OF ITEM(S) TO CHANGE**

Update Investment Schedules General Instructions restricted asset codes to add codes that were previously added to Notes to Financials Note 5L – Restricted Assets for reporting funds withheld and modco arrangements.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to add restricted asset codes to Investment Schedule General Instructions for the recently adopted changes to reporting of funds withheld and modco arrangements. (SAPWG Ref #2025-27)

*****IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**INVESTMENT SCHEDULES GENERAL INSTRUCTIONS****(Applies to all investment schedules)****Detail Eliminated To Conserve Space**

Restricted Asset Code: For the columns that disclose information regarding investments that are not under the exclusive control of the reporting entity, and also including assets loaned to others, the following codes should be used:

LS	–	Loaned or leased to others
RA	–	Subject to repurchase agreement
RR	–	Subject to reverse repurchase agreement
DR	–	Subject to dollar repurchase agreement
DRR	–	Subject to dollar reverse repurchase agreement
C	–	Pledged as collateral – excluding collateral pledged to FHLB
CF	–	Pledged as collateral to FHLB (including assets backing funding agreements)
DB	–	Pledged under an option agreement
DBP	–	Pledged under an option agreement involving “asset transfers with put options”
R	–	Letter stock or otherwise restricted as to sale – excluding FHLB capital stock
		(Note: Private placements are not to be included unless specific restrictions as to sale are included as part of the security agreement.)
RF	–	FHLB capital stock
SD	–	Pledged on deposit with state or other regulatory body
M	–	Not under the exclusive control of the reporting entity for multiple reasons
SS	–	Short sale of a security
CX	–	<u>Collateral assets received and on the balance sheet, excluding collateral held under security lending and repurchase agreements reported on the balance sheet</u>
MR	–	<u>Assets held under modco reinsurance agreements</u>
FWR	–	<u>Assets held under funds withheld reinsurance agreements</u>
O	–	Other

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**INVESTMENT SCHEDULES GENERAL INSTRUCTIONS****(Applies to all investment schedules)****Detail Eliminated To Conserve Space**

Restricted Asset Code: For the Columns that disclose information regarding investments that are not under the exclusive control of the reporting entity, and also including assets loaned to others, the following codes should be used:

LS	–	Loaned or leased to others
RA	–	Subject to repurchase agreement
RR	–	Subject to reverse repurchase agreement
DR	–	Subject to dollar repurchase agreement
DRR	–	Subject to dollar reverse repurchase agreement
C	–	Pledged as collateral – excluding collateral pledged to FHLB
CF	–	Pledged as collateral to FHLB (including assets backing funding agreements)
DB	–	Placed under an option agreement
DBP	–	Placed under an option agreement involving “asset transfers with put options”
R	–	Letter stock or otherwise restricted as to sale – excluding FHLB capital stock
		(Note: Private placements are not to be included unless specific restrictions as to sale are included as part of the security agreement)
RF	–	FHLB capital stock
SD	–	Placed on deposit with state or other regulatory body
M	–	Not under the exclusive control of the insurer for multiple reasons
SS	–	Short sale of a security
CX	–	<u>Collateral assets received and on the balance sheet, excluding collateral held under security lending and repurchase agreements reported on the balance sheet</u>
MR	–	<u>Assets held under modco reinsurance agreements</u>
FWR	–	<u>Assets held under funds withheld reinsurance agreements</u>
O	–	Other

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DATE: <u>12/10/2025</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>		Agenda Item # <u>2025-30BWG MOD</u>	
		Year <u>2026</u>	
		Changes to Existing Reporting ☒ [X]	
		New Reporting Requirement ☐ []	
		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
		No Impact ☒ [X]	
		Modifies Required Disclosure ☐ []	
		Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
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		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

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|---|---|---|
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| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026 / 1st Quarter 2027**IDENTIFICATION OF ITEM(S) TO CHANGE**

Update Notes to Financials Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify reporting retirement plan assets at net asset value (NAV).

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to provide clarification to Note 12 on how to complete fair value disclosures for retirement plan assets measured at NAV. (SAPWG Ref #2025-21)

*****IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**NOTES TO FINANCIAL STATEMENTS****Detail Eliminated To Conserve Space****Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The disclosures required for this Note shall be aggregated for all of a reporting entity's defined benefit pension plans and for all of a reporting entity's other defined benefit postretirement plans unless disaggregating in groups is considered to provide useful information or is otherwise required by *SSAP No. 92—Postretirement Benefits Other Than Pensions* or *SSAP No. 102—Pensions*. Disclosures shall be as of the date of each statement of financial position presented. Although investments reported at NAV as a practical expedient pursuant to SSAP No. 100—Fair Value are not to be categorized within the fair value hierarchy, a reporting entity shall separately identify NAV (or its equivalent) as required under SSAP No. 100. Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, a reporting entity shall disclose:

- The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented.
- The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.

Refer to *SSAP No. 11—Postemployment Benefits and Compensated Absences*, *SSAP No. 92—Postretirement Benefits Other Than Pensions* and *SSAP No. 102—Pensions* for additional guidance.

Detail Eliminated To Conserve Space**Note 12C – Instruction:**

- C. The fair value or NAV of each class of plan assets as of each date for which a statement of financial position is presented. Asset classes shall be based on the nature and risks of assets in a reporting entity's plan(s).

Examples of classes of assets include, but are not limited to, the following:

- Cash and cash equivalents
- Equity securities (segregated by industry type, company size, or investment objective)
- Debt securities, issued by national, state, and local governments
- Corporate debt securities
- Asset-backed securities
- Structured debt
- Derivatives on a gross basis (segregated by type of underlying risk in the contract, for example):
 - ❖ Interest rate contracts
 - ❖ Foreign exchange contracts
 - ❖ Equity contracts

- ❖ Commodity contracts
- ❖ Credit contracts
- ❖ Other contracts
- Investment funds (segregated by type of fund)
- Real estate.

These examples are not meant to be all inclusive. A reporting entity should consider the overall objectives in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed.

The disclosure should include information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, a reporting entity shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the reporting entity shall disclose the following information for each class of plan assets disclosed above for each annual period:

- (1) The level within the fair value hierarchy in which the fair value measurements falls in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). Investments reported at net asset value (NAV) shall not be captured within the fair value hierarchy but shall be separately identified.

NOTE: In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement falls in its entirety shall be determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

- (2) Information about the valuation technique(s) and inputs used to measure fair value, or the use of NAV, and a discussion of changes in valuation techniques and inputs, if any, during the period.
- (3) Investments measured using the NAV practical expedient must also comply with the NAV disclosure requirements detailed within SSAP No. 100.

Note 12C – Illustration:

C.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

- (1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total Net Asset Value (NAV)	Net Asset Value (NAV) Total
.....	\$	\$	\$	\$	\$
.....					
.....					
Total Plan Assets	\$	\$	\$	\$	\$

NOTE: See the instructions for this illustration for examples of descriptions of plan assets.

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The disclosures required for this Note shall be aggregated for all of a reporting entity's defined benefit pension plans and for all of a reporting entity's other defined benefit postretirement plans unless disaggregating in groups is considered to provide useful information or is otherwise required by *SSAP No. 92—Postretirement Benefits Other Than Pensions* or *SSAP No. 102—Pensions*. Disclosures shall be as of the date of each statement of financial position presented. Although investments reported at NAV as a practical expedient pursuant to *SSAP No. 100—Fair Value* are not to be categorized within the fair value hierarchy, a reporting entity shall separately identify NAV (or its equivalent) as required under *SSAP No. 100*. Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, a reporting entity shall disclose:

- The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented.
- The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.

Refer to *SSAP No. 11—Postemployment Benefits and Compensated Absences*; *SSAP No. 92—Postretirement Benefits Other Than Pensions*; and *SSAP No. 102—Pensions*, for additional guidance.

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>1/27/2026</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	_____	Agenda Item # <u>2026-01BWG</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	_____	Changes to Existing Reporting ☐ [X]	
ON BEHALF OF:	_____	New Reporting Requirement ☐ []	
NAME:	<u>Kevin Clark</u>	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	<u>Chair SAPWG</u>	No Impact ☐ [X]	
AFFILIATION:	<u>Iowa Insurance Division</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	_____ _____	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☐ [] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

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|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☐ [] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☐ [] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Notes to Financials Note 26 – Intercompany Pooling Arrangements to add instructions for modifications to an existing intercompany pooling arrangement that involved the transfer of assets with fair value that differ from statement value.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to provide clarification to Note 26 for the change adopted in SSAP No. 63—Underwriting Pools. (SAPWG Ref #2022-12)

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, & HEALTH**NOTES TO FINANCIAL STATEMENTS****Detail Eliminated To Conserve Space****Note 26 - Intercompany Pooling Arrangements**

Disclose information relating to intercompany pooling arrangements. Refer to *SSAP No. 63—Underwriting Pools* for accounting guidance.

Note 26 – Instruction:

If the reporting entity is part of a group of affiliated entities that utilizes a pooling arrangement that affects the solvency and integrity of the reporting entity's reserves under which the pool participants cede substantially all of their direct and assumed business to the pool, describe the basic terms of such arrangement(s) and the related accounting. The disclosure should include:

- A. Identification of the lead entity and of all affiliated entities participating in the intercompany pool (include NAIC Company Codes) and indication of their respective percentage shares of the pooled business.
- B. Description of the lines and types of business subject to the pooling agreement.
- C. Description of cessions to non-affiliated reinsurers of business subject to the pooling agreement, and indication of whether such cessions were prior to or subsequent to the cession of pooled business from the affiliated pool members to the lead entity.
- D. Identification of all pool members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and that have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- E. Explanation of any discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the lead entity and corresponding entries on the assumed and ceded reinsurance schedules of other pool participants.
- F. Description of intercompany sharing, if other than in accordance with the pool participation percentage, and the write-off of uncollectible reinsurance.
- G. Amounts due to/from the lead entity and all affiliated entities participating in the intercompany pool as of the balance sheet date.
- H. The statement value and fair value of assets received or transferred by the reporting entity for modifications to an existing intercompany pooling arrangement that involved the transfer of assets with fair value that differ from statement value.

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>2/6/2026</u>		FOR NAIC USE ONLY	
CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Kevin Clark</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Iowa Insurance Division</u> ADDRESS: _____ _____	Agenda Item # <u>2026-02BWG</u>		
	Year <u>2026</u>		
	Changes to Existing Reporting ☒ [X]		
	New Reporting Requirement ☐ []		
	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT		
	No Impact ☒ [X]		
Modifies Required Disclosure ☐ []			
Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]			
If Yes, complete question below			
DISPOSITION			
☐ [] Rejected For Public Comment			
☐ [] Referred To Another NAIC Group			
☐ [] Received For Public Comment			
☐ [] Adopted Date _____			
☐ [] Rejected Date _____			
☐ [] Deferred Date _____			
☐ [] Other (Specify) _____			

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☐ [] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Notes to Financials Note 11 – Debt to add a crosschecks between Note 11B – FHLB Agreements and General Interrogatory #26.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal is to provide a crosscheck comparison between Note 11 and General Interrogatories to ensure these two places tie within the annual statement.

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS –HEALTH & TITLE**NOTES TO FINANCIAL STATEMENTS****Detail Eliminated To Conserve Space****Note 11 – Debt****Note 11B – Illustration:**

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE (LINES 2 THROUGH 4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

B. FHLB (Federal Home Loan Bank) Agreements**Detail Eliminated To Conserve Space****(2) FHLB Capital Stock****a. Aggregate Totals**

	Total
1. Current Year	
(a) Membership Stock – Class A	
(b) Membership Stock – Class B	
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d) *	
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	
2. Prior Year-End	
(a) Membership Stock – Class A	
(b) Membership Stock – Class B	
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

* 11B(2)a1(e) should be equal to General Interrogatory Part 1, Line 26.27

Detail Eliminated To Conserve Space

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1	2	3
Fair Value	Carrying Value	Aggregate Total Borrowing

- | | | | |
|--|-------|-------|-------|
| 1. Current Year Total Collateral Pledged_* | ..... | ..... | ..... |
| 2. Prior Year-End Total Collateral Pledged | ..... | ..... | ..... |

11B(3)a1 (Column 2) should be equal to or less than 11B(3)b1 (Column 2)

11B(3)a2 (Column 2) should be equal to or less than 11B(3)b2 (Column 2)

* 11B(3)a1 (Column 2) should be equal to General Interrogatory Part 1, Line 26.31



Detail Eliminated To Conserve Space



ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**NOTES TO FINANCIAL STATEMENTS**

===== **Detail Eliminated To Conserve Space** =====

Note 11 – Debt**Note 11B – Illustration:**

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE (LINES 2 THROUGH 4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

B. FHLB (Federal Home Loan Bank) Agreements

===== **Detail Eliminated To Conserve Space** =====

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Separate Accounts
1. Current Year			
(a) Membership Stock – Class A			
(b) Membership Stock – Class B			
(c) Activity Stock			
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)*			
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer		XXX	XXX
2. Prior Year-end			
(a) Membership Stock – Class A			
(b) Membership Stock – Class B			
(c) Activity Stock			
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)			
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer		XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

* 11B(2)a1(e) (Column 2) should be equal to General Interrogatory Part 1, Line 26.27

===== **Detail Eliminated To Conserve Space** =====

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)			
2. Current Year General Account Total Collateral Pledged *			
3. Current Year Separate Accounts Total Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged			
11B(3)a1 (Column 2) should be equal to or less than 11B(3)b1 (Column 2)			
11B(3)a2 (Column 2) should be equal to or less than 11B(3)b2 (Column 2)			
11B(3)a3 (Column 2) should be equal to or less than 11B(3)b3 (Column 2)			
11B(3)a4 (Column 2) should be equal to or less than 11B(3)b4 (Column 2)			
<u>* 11B(3)a2 (Column 2) should be equal to General Interrogatory Part 1, Line 26.31</u>			

Detail Eliminated To Conserve Space

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

	1 Total 2+3	2 General Account	3 Separate Account	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt				XXX
(b) Funding Agreements *				
(c) Other				XXX
(d) Aggregate Total (a+b+c)				
2. Prior Year-end				
(a) Debt				XXX
(b) Funding Agreements				
(c) Other				XXX
(d) Aggregate Total (a+b+c)				
<u>* 11B(4)a1(b) (Column 2) should be equal to Exhibit 7 Footnote (a), Line 6</u>				

Detail Eliminated To Conserve Space

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY/CASUALTY**NOTES TO FINANCIAL STATEMENTS**

===== **Detail Eliminated To Conserve Space** =====

Note 11 – Debt**Note 11B – Illustration:**

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE (LINES 2 THROUGH 4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

B. FHLB (Federal Home Loan Bank) Agreements

===== **Detail Eliminated To Conserve Space** =====

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership Stock – Class A			
(b) Membership Stock – Class B			
(c) Activity Stock			
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d) *			
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer		XXX	XXX
2. Prior Year-end			
(a) Membership Stock – Class A			
(b) Membership Stock – Class B			
(c) Activity Stock			
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)			
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer		XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

* 11B(2)a1(e) (Column 2) should be equal to General Interrogatory Part 1, Line 26.27

===== **Detail Eliminated To Conserve Space** =====

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1	2	3
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)			
2. Current Year General Account Total Collateral Pledged_*			
3. Current Year Protected Cell Accounts Total Collateral Pledged			
4. Prior Year-end Total General and Protected Cell Accounts Total Collateral Pledged			

11B(3)a1 (Column 2) should be equal to or less than 11B(3)b1 (Column 2)

11B(3)a2 (Column 2) should be equal to or less than 11B(3)b2 (Column 2)

11B(3)a3 (Column 2) should be equal to or less than 11B(3)b3 (Column 2)

11B(3)a4 (Column 2) should be equal to or less than 11B(3)b4 (Column 2)

* 11B(3)a2 (Column 2) should be equal to General Interrogatory Part 1, Line 26.31

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>2/6/2026</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	<u>Amy Fitzpatrick</u>	Agenda Item # <u>2026-03BWG</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	<u>afitzpatrick@naic.org</u>	Changes to Existing Reporting ☒ [X]	
ON BEHALF OF:	<u>Life Actuarial (A) Task Force</u>	New Reporting Requirement ☐ []	
NAME:	_____	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	_____	No Impact ☒ [X]	
AFFILIATION:	_____	Modifies Required Disclosure ☐ []	
ADDRESS:	_____	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
	_____	***If Yes, complete question below***	
	_____	DISPOSITION	
	_____	☐ [] Rejected For Public Comment	
	_____	☐ [] Referred To Another NAIC Group	
	_____	☐ [] Received For Public Comment	
	_____	☐ [] Adopted Date _____	
	_____	☐ [] Rejected Date _____	
	_____	☐ [] Deferred Date _____	
	_____	☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

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|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☒ [X] QUARTERLY STATEMENT | ☒ [X] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026 / Quarterly 2027**IDENTIFICATION OF ITEM(S) TO CHANGE**

Update the Life/Fraternal Annual and Quarterly Blanks and Instructions (Exhibit 5, General Interrogatory lines 27.6 and 27.7, Supplemental Exhibits and Schedules, Variable Annuities Supplement) to clarify how companies should report valuation standards for VM-22 business. Add an annual supplement for VM-22 Reserve reporting.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

These changes allow regulators to review and analyze data regarding variable and non-variable annuities. The changes related to the implementation of VM-22, Requirements for principle-based reserves (PBR) for non-variable annuities will help regulators analyze the effectiveness of the framework and monitor the business written under the framework. Changes to the variable annuities supplement were made to enhance analysis as well as align with existing VM-20 Reserves Supplement and the new VM-22 Reserves Supplement.

Exhibit 5 clarifies how companies should report valuation standards for VM-22 business. An edit to the mortality tables section was identified during the VM-22 updates. The edit aligns the valuation tables listed in the Life Instructions with those identified in the Valuation Manual.

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: *General Interrogatory line 27 is uniform for all statement types but the change only applies to Life/Fraternal.*

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**EXHIBIT 5 – AGGREGATE RESERVES FOR LIFE CONTRACTS****Detail Eliminated To Conserve Space**

Column 1 – Valuation Standard

State table of mortality, disability, etc. rate of interest; distinguish between: (1) net level premium, and (2) preliminary term, modified preliminary term and select and ultimate standards. Valuation assumptions for mortality, morbidity, and other contingencies, interest, and the valuation method should be indicated by years of issue. For annuities, indicate whether immediate, deferred, or both.

In describing the valuation assumptions and valuation methods, abbreviate as follows:

Mortality and Morbidity

AEAmerican Experience Table.
 AM (5)American Men (Ultimate) Table.
 41 CSOCommissioners 1941 Standard Ordinary Table.
 41 STD IND1941 Standard Industrial Table.
 41 STD INT1941 Standard Intermediate Table.
 58 CSOCommissioners 1958 Standard Ordinary Table.
 58 CETCommissioners 1958 Extended Term Table.
 60 CSGCommissioners 1960 Standard Group Table.
 61 CSI.....Commissioners 1961 Standard Industrial Table.
 80 CSOCommissioners 1980 Standard Ordinary Table or any modification of such table adopted by the NAIC.
 80 CETCommissioners 1980 Extended Term Table or any modification of such table adopted by the NAIC.
 2001 CSO.....Commissioners 2001 Standard Ordinary Table or any modification of such table adopted by the NAIC.
 2017 CSO.....Commissioners 2017 Standard Ordinary Table or any modification of such table adopted by the NAIC.
2017 CSGI.....Commissioners 2017 Standard Guaranteed Issue Table or any modification of such table adopted by the NAIC.

Detail Eliminated To Conserve Space**Valuation Method**

NLPNet Level Premium Reserve Method.
 CRVMCommissioners Reserve Valuations Method.
 NJ.....NJ Modified Reserve Method.

ILL	Illinois Modified Reserve Method.
CARVM	Commissioners Annuity Reserve Valuation Method.
MOD	Other Modified Reserve Method (e.g., CRVM graded into Net Level).
VM-20NPR.....	Net Premium Reserve Component of VM-20 Reserve.
VM-20DET/STO	Deterministic/Stochastic Reserve Component of VM-20 Reserve (Excess over Net Premium Reserve).
VM- 22 V	Any CARVM Reserve Calculated Using Valuation Interest Rates Defined in Section VM- 22 -V of the <i>Valuation Manual</i> .
VM-22DET/STO	Deterministic/Stochastic Reserve Component Using Section VM-22 of the <i>Valuation Manual</i> .



Detail Eliminated To Conserve Space



Annuities

For any annuity contracts valued using valuation interest rates defined in Section VM-~~22~~-V of the *Valuation Manual*, include the reserve for Jumbo and Non-Jumbo contracts on separate lines in 50 basis point valuation interest rate intervals.

For example, typical entries in Exhibit 5 might be:

1. 2012 IAR VM-~~22~~-V Jumbo 2% - 2.49%..... 2018 – 20XX
2. 2012 IAR VM-~~22~~-V Jumbo 2.5% - 2.99%..... 2018 – 20XX
3. 2012 IAR VM-~~22~~-V Non-Jumbo 2% - 2.49%..... 2018 – 20XX
4. 2012 IAR VM-~~22~~-V Non-Jumbo 2.5% - 2.99%..... 2018 – 20XX

VARIABLE ANNUITIES SUPPLEMENT VM-21 RESERVES SUPPLEMENT
PARTS 1, AND 2, and 3

This supplement is to be filed on or before April 1.

Complete this supplement for contracts and certificates subject to Section VM-21 of the *Valuation Manual* (VM-21) or AG 43. Part 1 and Part 2 provide information on the benefit base, account value, and reserve by type of guaranteed benefit. A ~~separate chart~~ Part 1 shall be prepared for individual contracts and Part 2 for group contracts with individual certificates. Part 3A and Part 3B of this supplement provides information on the reserves required to be calculated by VM-21 or AG 43. Part 3A and Part 3B are intended to aid regulators in the analysis of reserves broken down into various benefit categories for both the prior and current year.

VM-21 SUPPLEMENT – PARTS 1 AND 2

Column 1 &
 Column 2 – Type of Guaranteed Benefit

For purposes of this supplement, a Guaranteed Death Benefit is defined in accordance with the term “Guaranteed Minimum Death Benefit” in VM-21, and a Guaranteed Living Benefit (GLB) is defined in accordance with the term “Variable Annuity Guaranteed Living Benefits” in VM-01.



Detail Eliminated To Conserve Space



VM-21 SUPPLEMENT - PART 3A

Variable Annuity Reserves Valued According to VM-21 or AG 43 by Product Type

Part 3A of this Supplement breaks out, by product type, the prior year and current year reported reserves on a Post-Reinsurance-Ceded basis as defined in Section 3 of VM-21 and a Pre-Reinsurance-Ceded basis as defined in Section 5.

Section 3 of VM-21 requires that the Post-Reinsurance-Ceded Reserve be determined in aggregate. Each of the products reported in the lines should be determined as the sum of the policy reserves using the policy reserves determined following the allocation process of VM-21 Section 13. A similar process should be used for each of the Pre-Reinsurance-Ceded Reserves.

Columns 1 & 2 – Reported Reserves in Excess of Cash Surrender Value (CSV)

Provide the reported reserve in excess of the CSV, for the prior year and current year for each line item. Post-Reinsurance-Ceded Reserve is net of reinsurance ceded. Pre-Reinsurance-Ceded Reserve should be prior to any reinsurance ceded and include reinsurance assumed. Sections 3 and 5 in VM-21 further describe the required reserve and treatment of reinsurance. The reported reserve for the current year should reflect all contracts in force as of the end of the current year. The reported reserve for the prior year should reflect all contracts in force as of the end of the prior year.

For purposes of this supplement, a Guaranteed Living Benefit (GLB) is defined in VM-01.

Each contract/certificate shall be included in one and only one line for each pre-reinsurance-ceded and post-reinsurance ceded.

For purposes of this supplement, Variable Annuities (VAs) Without Guaranteed Living Benefits includes VAs Without Living or Death Benefits, as well as VAs with Death Benefits only.

VM-21 SUPPLEMENT – PART 3B**Variable Annuity Reserves Valued According to VM-21 or AG 43 by Product Type**

Part 3B of this Supplement provides details underlying the Current Year amounts shown in Part 3A.

Section A: Columns 1 through 6 are to be completed for all VM-21 reserves not determined using the Alternative Reserve Methodology described in Section 7 of VM-21.

Section B: Columns 7 through 9 are to be completed if the reserves in Column 8 (Alternative Methodology Reserves) are calculated according to Section 7 of VM-21.

Where the amounts to be reported are calculated on an aggregate basis (i.e., CTE70 (adjusted), CTE70 (best efforts) and the Additional Standard Projection Amount), use the methodology described in section 13 of VM-21 to allocate amounts to the product categories. The choice of reasonable risk metric for allocation may, but is not required to, vary between the columns. For example, if a company has a block of GMWBs and a block with simple GMDB only and they have a CDHS, an allocation based on reasonable risk metrics may allocate more of the CTE70 (adjusted) to the GMWB block, compared to CTE70 (best efforts).

Columns 1 & 7 – Cash Surrender Value

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Cash Surrender Value for each product type. The CSV is defined in VM-01 of the *Valuation Manual*.

Column 2 – CTE70 (adjusted)

Report the unfloored Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded CTE70 scenario reserves by product type using the required VM-21 “adjusted” methodology as described in VM-21 Section 4. Report the amount in excess of cash surrender value whether it is positive or negative; do not floor the amount at zero if it is negative.

Column 3 – CTE70 (best efforts)

Report the unfloored Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded CTE70 scenario reserves by product type using the required VM-21 “best efforts” methodology as described in VM-21 Section 4. Report the amount in excess of cash surrender value whether it is positive or negative; do not floor the amount at zero if it is negative.

Column 4 – Additional Standard Projection Amount

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Additional Standard Projection Amount for each product type. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative. The Additional Standard Projection Amount is defined in Section 6 of VM-21.

Column 5 – Stochastic Reserve

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Stochastic Reserve for each product type. Report the amount in excess of cash surrender value whether it is positive or negative; do not floor the amount at zero if it is negative. The Stochastic Reserve calculation is defined in Section 4 of VM-21.

Columns 6 & 9 – Number of Contracts

Report the number of individual contracts and certificates in a group contract by product type and by the required VM-21 methodology as described in Section A and Section B above. The number of individual contracts and certificates in a group contract should be prior to any reinsurance ceded and include reinsurance assumed.

Column 8 – Alternative Method Reserve

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Alternative Method Reserve for each product type. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative. The Alternative Method Reserve calculation is defined in Section 7 of VM-21.

VM-22 RESERVES SUPPLEMENT

Non-Variable Annuity Reserves Valued According to VM-22 by Product Type

This Supplement provides information on the reserves required to be calculated by Section VM-22 of the *Valuation Manual*. This includes the Stochastic Reserve, Deterministic Reserve and reserve calculated as required under VM-A, VM-C, and VM-V, as applicable. Only business issued on or after Jan. 1, 2026, valued by the requirements of VM-22 should be reported in Part 1A and Part 1B. Part 1A and Part 1B are intended to aid regulators in the analysis of reserves as determined under Section VM-22 of the *Valuation Manual* for both the prior and current year.

This Supplement also provides information regarding business where VM-22 of the *Valuation Manual* is not required to be applied. Companies exempted from the requirements of Section VM-22 are not required to complete Part 1A or Part 1B of this Supplement but must complete Part 2 or Part 3 as applicable.

VM-22 RESERVES SUPPLEMENT – PART 1A

Non-Variable Annuity Reserves Valued According to VM-22 by Product Type

Part 1A of this Supplement breaks out, by product type, the prior year and current year reported reserves on a Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded basis as defined in Section 5 of Section VM-22 of the *Valuation Manual*.

Section VM-22 of the *Valuation Manual* requires that the Post-Reinsurance-Ceded Reserve be determined by the VM-22 Reserving Categories as defined in VM-22 Section 3. The groupings provided in the rows of this supplement are different than the groupings permitted for aggregation purposes under VM-22 requirements. Longevity reinsurance contracts should be reported in line 1.6. Each of the other products reported in the remaining lines should be determined as the sum of the policy reserves using the policy reserves determined following the allocation process of VM-22 Section 3. A similar process should be used for each of the pre-reinsurance-ceded reserves.

Columns 1 & 2 – Reported Reserves in Excess of Cash Surrender Value (CSV)

Provide the reported reserve in excess of the CSV, for the prior year and current year for each line item. Post-Reinsurance-Ceded is net of reinsurance ceded. Pre-Reinsurance-Ceded should be prior to any reinsurance ceded and include reinsurance assumed. Sections 3 and 5 in the *Valuation Manual* further describe the required reserve and treatment of reinsurance. The reported reserve for the current year should reflect all contracts in force as of the end of the current year. The reported reserve for the prior year should reflect all contracts in force as of the end of the prior year.

For purposes of this supplement, a Guaranteed Living Benefit (GLB) is defined in VM-01.

Each contract/certificate shall be included in one and only one line for each pre-reinsurance-ceded and post-reinsurance ceded.

Lines 1.3 and 3.3 – Individual Immediate and Deferred Income Annuities and Annuitizations

Include: Individual Single Premium Immediate Annuity contracts; Deferred Income Annuity contracts as defined in VM-01.

Fixed income payment streams resulting from the exercise of settlement options or base annuitizations (i.e., not as a result of exercising attached guaranteed living benefits) of host contracts issued.

Fixed income payment streams resulting from exercising guaranteed minimum income or withdrawal benefits upon the depletion of fund value for such contracts.

These lines may contain reserves from both the payout and accumulation reserve categories.

Lines 1.4 and 3.4 – Structured Settlements

Include: Structured Settlement Contracts in payout or deferred status.

Lines 1.5 and 3.5 – Pension Risk Transfer and Group Payout Annuities and Annuitizations

Include: Annuitizations under group annuity-type contracts. These lines may contain reserves from both the payout and accumulation reserve categories.

Lines 1.6 and 3.6 – Longevity Reinsurance

Include: These lines contain reserves from only the longevity reinsurance category.

Example 1:

A company has a block of individual fixed deferred annuity (FDA) contracts with guaranteed minimum withdrawal benefits and a block of individual single premium immediate annuity (SPIA) contracts.

- The company reports their reserves for the FDA contracts that have either not elected to exercise the guaranteed withdrawal benefits or have a positive fund value in lines 1.7 and 3.7.
- The company reports their reserves for the SPIA contracts in lines 1.3 and 3.3.
- For the FDA contracts that the guaranteed withdrawal benefits prior to the end of the year and have a fund value of zero, the reserves for these individual contracts should be reported in lines 1.3 and 3.3.

VM-22 RESERVES SUPPLEMENT – PART 1B**Non-Variable Annuity Reserves Valued According to VM-22 by Product Type**

Part 1B of this Supplement provides details underlying the amounts shown in Part 1A.

Section A: Columns 1 through 7 are to be completed if the reserves in Column 6 (SR) are calculated according to the stochastic reserve requirements of Section VM-22 of the *Valuation Manual*.

Section B: Columns 8 through 13 are to be completed if the reserves in Column 12 (DR) are calculated according to the deterministic reserve requirements of Section VM-22 of the *Valuation Manual*.

Section C: Columns 14 through 16 are to be completed only if the reserves in Column 15 (VM-A, VM-C, and VM-V Reserve) are calculated according to the requirements of Section VM-22 of the *Valuation Manual*.

Column 1 – Pre-Tax Interest Maintenance Reserve (PIMR)

Report the Pre-Tax Interest Maintenance Reserve for each product type.

Column 2, 10 & 16 – Cash Surrender Value

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Cash Surrender Value for each product type. The CSV is defined in VM-01 of the *Valuation Manual*.

Column 3 & 11 – Prescribed Projection Amount

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Prescribed Projection Amount by product type using the required VM-22 methodology as described in VM-22 Section 6.

Column 4 – CTE70 (adjusted)

Report the unfloored Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded CTE70 scenario reserves by product type using the required VM-22 “adjusted” methodology as described in VM-22 Section 4. Report the amount in excess of cash surrender value whether it is positive or negative; do not floor the amount at zero if it is negative.

Column 5 – CTE70 (best efforts)

Report the unfloored Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded CTE70 scenario reserves by product type using the required VM-22 “best efforts” methodology as described in VM-22 Section 4. Report the amount in excess of cash surrender value whether it is positive or negative; do not floor the amount at zero if it is negative.

Column 6 – Buffer Amount

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded buffer amount for each product type. The Buffer Amount is equal to the unfloored CTE70 (adjusted) minus unfloored CTE65 (adjusted) as defined in Section 6 in VM-22 of the *Valuation Manual*. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative.

Columns 7 & 13 – Additional Standard Projection Amount (ASPA)

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Additional Standard Projection Amount for each product type. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative. The Additional Standard Projection Amount is defined in Section 6 in VM-22 of the *Valuation Manual*. If the company did not calculate an ASPA pursuant to VM-22 requirements, then these lines may be left blank.

Column 8 – Stochastic Reserve

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Stochastic Reserve for each product type. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative. The Stochastic Reserve calculation is defined in Section 4 in VM-22 of the *Valuation Manual*.

Columns 9, 15 & 18 – Number of Contracts

Report the number of individual contracts or certificates in a group contract by product type and by the required VM-22 methodology as described in Section A, Section B and Section C above. The number of individual contracts or certificates in a group contract should be prior to any reinsurance ceded and include reinsurance assumed.

Column 12 – Buffer Amount

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded buffer amount for each product type. The Buffer Amount is equal to the unfloored DR minus unfloored scenario reserve calibrated to CTE65 as defined in Section 6 in VM-22 of the *Valuation Manual*. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative.

Column 14 – Deterministic Reserve

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded Deterministic Reserve for each product type. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative. The Deterministic Reserve calculation is defined in Section 4 in VM-22 of the *Valuation Manual*. Equal to the Unfloored CTE70 (adjusted) minus Unfloored CTE65 (adjusted).

Column 17 – VM-A, VM-C, and VM-V Reserve

Report the Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded reserve for each product type. Report the amount whether it is positive or negative; do not floor the amount at zero if it is negative. The reserve calculations are defined in VM-A, VM-C, and VM-V in VM-22 of the *Valuation Manual*.

Example:

A company has Accumulation and Payout business subject to VM-22. The company used the Single Scenario Test for their small block of simple payout contracts. Most of the Accumulation products did not pass the SET. The remaining Accumulation contracts consist of deferred annuities without guaranteed living benefits and these passed the SERT.

- The company completes Section A for contracts the company did not pass or elect to use the SST or SET.
- The unfloored CTE70 (adjusted) minus unfloored CTE65 (adjusted) is reported in Column 6.
- The company completes Section B for contracts that pass the SST.
- The unfloored DR minus unfloored scenario reserve calibrated to CTE65 is reported in Column 12.
- The company completes Section C for contracts that pass the SET.
- The reserves calculated in accordance with VM-A, VM-C, and VM-V are reported in Column 17.

VM-22 RESERVES SUPPLEMENT – PART 2**Non-Variable Annuity PBR Exemption**

This section of the Supplement should be completed by a company that was allowed a Non-Variable Annuity PBR Exemption by its state of domicile. Depending on state requirements, “allowed” may mean “granted”, “acknowledged”, “not rejected”, or similar language.

If a company was allowed a Non-Variable Annuity PBR Exemption by its state of domicile, the company must indicate the source of the Non-Variable Annuity PBR Exemption, which could be defined in a state statute, a state regulation or in the NAIC-adopted *Valuation Manual*. If the source of the Non-Variable Annuity PBR Exemption is not the NAIC-adopted *Valuation Manual*, the company must disclose the criteria of the state’s Non-Variable Annuity PBR Exemption that the company has met, and the company must disclose the minimum reserve requirements that are required by the state of domicile. If the minimum reserve requirements of the state of domicile are the same as those specified in the NAIC-adopted *Valuation Manual*, the company may indicate: “Same as NAIC VM”. If the criteria for the Non-Variable Annuity PBR Exemption is the same as or substantially similar to the NAIC-adopted *Valuation Manual*, the company must also disclose the calendar year that the Non-Variable Annuity PBR Exemption was filed with and allowed by its state of domicile. If that calendar year is prior to the year of the annual statement, then the company must confirm that they meet the criteria for an ongoing exemption.

Companies whose non-variable annuity business is exempted from the requirements of VM-22 pursuant to a Non-Variable Annuity PBR Exemption are not required to complete Part 1 of this VM-22 Supplement.

VM-22 RESERVES SUPPLEMENT – PART 3**Other Exclusions from Non-Variable Annuity PBR**

Questions 1 and 2 of this section of the Supplement should be completed by a company that has filed and been granted a Single State Exemption from the reserve requirements of VM-22 by its state of domicile pursuant to requirements similar to the optional Section 15 of the NAIC *Standard Valuation Law* (# 820). The response to question 2 should be “Yes” if the company has any business assumed that relates to issues outside the state of domicile.

Question 3 of this section of the Supplement should be completed by a company if all its non-variable annuity business is excluded from the requirements of VM-22 pursuant to Section II Subsection 2 of the *Valuation Manual*.

Companies responding “Yes” to question 1 are not required to complete Part 1 of this VM-22 Supplement if all of their non-variable annuity business was covered under the Single State Exemption.

Companies responding “Yes” to question 3 are not required to complete Part 1 of this VM-22 Supplement.

ANNUAL STATEMENT BLANKS – LIFE/FRATERNAL, HEALTH, PROPERTY, & TITLE**GENERAL INTERROGATORIES****PART 1 – COMMON INTERROGATORIES****INVESTMENT****Detail Eliminated To Conserve Space**

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☐
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☐
If no, attach a description with this statement.
- LINES 27.3 through 27.5 ~~27.7~~: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:
- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes ☐ No ☐
- 27.4 If the response to 27.3 is yes, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes ☐ No ☐
- 27.42 Permitted accounting practice Yes ☐ No ☐
- 27.43 Other accounting guidance Yes ☐ No ☐
- 27.5 By responding yes to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:
- The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM 21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM 21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM 21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 27.6 Does the reporting entity utilize derivatives to hedge non-variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes ☐ No ☐
- 27.7 If the response to 27.6 is yes, does the reporting entity utilize:
- 27.71 Permitted accounting practice Yes ☐ No ☐
- 27.72 Other accounting guidance Yes ☐ No ☐

Detail Eliminated To Conserve Space

ANNUAL STATEMENT BLANKS – LIFE/FRATERNAL**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES****Detail Eliminated To Conserve Space**

34. Will the VM-20 Reserves Supplement be filed with the state of domicile and the NAIC by March 1?

35. Will the VM-22 Reserves Supplement be filed with the state of domicile and the NAIC by March 1?

36. Will the Health Supplement be filed with the state of domicile and the NAIC by March 1?

37. Will the Market Conduct Annual Statement (MCAS) Premium Exhibit for Year be filed with appropriate jurisdictions and with the NAIC by March 1?

APRIL FILING

38. Will the confidential Regulatory Asset Adequacy Issues Summary (RAAIS) required by the Valuation Manual be filed with the state of domicile by April 1?

39. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?

40. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? (Not applicable to fraternal benefit societies)

41. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

42. Will the Supplemental Health Care Exhibit (Parts 1 and 2) be filed with the state of domicile and the NAIC by April 1?

43. Will the confidential Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D be filed with the state of domicile by April 30?

44. Will the Supplemental Term and Universal Life Insurance Reinsurance Exhibit be filed with the state of domicile and the NAIC by April 1?

45. Will the ~~Variable Annuities~~ VM-21 Reserves Supplement be filed with the state of domicile and the NAIC by April 1?

46. Will the confidential Executive Summary of the PBR Actuarial Report be filed with the state of domicile by April 1?

47. Will the confidential Life Summary of the PBR Actuarial Report be filed with the state of domicile by April 1?

48. Will the confidential ~~Variable~~ Annuities Summary of the PBR Actuarial Report be filed with the state of domicile by April 1?

AUGUST FILING

49. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?

(To Be Filed by April 1)

NAIC Company Code_____

[illegible]

[illegible]2026-03BWG.docx

VM-21 RESERVES SUPPLEMENT**PART 3A – RESERVES ON A POST-REINSURANCE CEDED BASIS AS DEFINED IN SECTION 3 OF VM-21 AND A PRE-REINSURANCE CEDED BASIS AS DEFINED IN SECTION 5**

	<u>Prior Year</u>	<u>Current Year</u>
	<u>1</u>	<u>2</u>
	<u>Reported Reserve in Excess of Cash Surrender Value</u>	<u>Reported Reserve in Excess of Cash Surrender Value</u>
<u>1. Post-Reinsurance-Ceded Reserve</u>		
<u>1.1 Variable Annuities</u>		
a. Without Guaranteed Living Benefits		
b. With Guaranteed Minimum Accumulation Benefits		
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase		
d. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase		
<u>1.2 Index-Linked Variable Annuities</u>		
a. Without Guaranteed Living Benefits		
b. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase		
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase		
<u>1.3 Immediate Variable Annuities</u>		
a. With a Guaranteed Annuity Payout Floor		
<u>1.4 Aggregate Write-Ins for Other Products.....</u>		
<u>2. Total Post-Reinsurance-Ceded Reserve (Sum of Lines 1.1 through 1.4)</u>		
<u>3. Pre-Reinsurance-Ceded Reserve</u>		
<u>3.1 Variable Annuities</u>		
a. Without Guaranteed Living Benefits		
b. With Guaranteed Minimum Accumulation Benefits		
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase		
d. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase		
<u>3.2 Index-Linked Variable Annuities</u>		
a. Without Guaranteed Living Benefits		
b. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase		
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase		
<u>3.3 Immediate Variable Annuities</u>		
a. With a Guaranteed Annuity Payout Floor		
<u>3.4 Aggregate Write-Ins for Other Products.....</u>		
<u>4. Total Pre-Reinsurance-Ceded Reserve (Sum of Lines 3.1 through 3.4)</u>		
<u>5. Total Reserves Ceded (Line 4 minus Line 2)</u>		
<u>DETAILS OF WRITE-INS</u>		
<u>1.1001.</u>		
<u>1.1002.</u>		
<u>1.1003.</u>		
<u>1.1098. Summary of remaining write-ins for Line 1.4 from overflow page</u>		
<u>1.1099 Totals (Lines 1.1001 through 1.1003 plus 1.1098) (Line 1.4 above)</u>		
<u>3.1001.</u>		
<u>3.1002.</u>		
<u>3.1003.</u>		
<u>3.1098. Summary of remaining write-ins for Line 3.4 from overflow page</u>		
<u>3.1099 Totals (Lines 3.1001 through 3.1003 plus 3.1098) (Line 3.4 above)</u>		

VM-21 SUPPLEMENT

PART 3B – DETAILS UNDERLYING THE CURRENT YEAR AMOUNTS SHOWN IN PART 3A

	Current Year								
	SECTION A						SECTION B		
	1	2	3	4	5	6	7	8	9
	Cash Surrender Value	CTE70 (adjusted)	CTE70 (best efforts)	Additional Standard Projection Amount	Stochastic Reserve	Number of Contracts	Cash Surrender Value	Alternative Method Reserve	Number of Contracts
1. Post-Reinsurance-Ceded Reserve									
1.1 Variable Annuities									
a. Without Guaranteed Living Benefits						XXX	.....	.....	XXX
b. With Guaranteed Minimum Accumulation Benefits.....						XXX	XXX	XXX	XXX
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase						XXX	XXX	XXX	XXX
d. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase						XXX	XXX	XXX	XXX
1.2 Index-Linked Variable Annuities									
a. Without Guaranteed Living Benefits						XXX	.....	.....	XXX
b. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase						XXX	XXX	XXX	XXX
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase						XXX	XXX	XXX	XXX
1.3 Immediate Variable Annuities									
a. With a Guaranteed Annuity Payout Floor						XXX	XXX	XXX	XXX
1.4 Aggregate Write-Ins for Other Products						XXX	.....	.....	XXX
2. Total Post-Reinsurance-Ceded Reserve Components (Sum of Lines 1.1 through 1.4)						XXX			XXX
3. Pre-Reinsurance-Ceded Reserve									
3.1 Variable Annuities									
a. Without Guaranteed Living Benefits						XXX	.....	.....	XXX
b. With Guaranteed Minimum Accumulation Benefits.....						XXX	XXX	XXX	XXX
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase						XXX	XXX	XXX	XXX
d. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase						XXX	XXX	XXX	XXX
3.2 Index-Linked Variable Annuities									
a. Without Guaranteed Living Benefits						XXX	.....	.....	XXX
b. With Guaranteed Minimum Withdrawal, or Income, Benefits – Accumulation Phase						XXX	XXX	XXX	XXX
c. With Guaranteed Minimum Withdrawal, or Income, Benefits – Withdrawal Phase						XXX	XXX	XXX	XXX
3.3 Immediate Variable Annuities									
a. With a Guaranteed Annuity Payout Floor						XXX	XXX	XXX	XXX
3.4 Aggregate Write-Ins for Other Products						XXX	.....	.....	XXX
4. Total Pre-Reinsurance-Ceded Reserve Components (Sum of Lines 3.1 through 3.4)									
5. Total Reserve Component Ceded (Line 4 minus Line 2)						XXX			XXX
DETAILS OF WRITE-INS									
1.1001						XXX	.....	.....	XXX
1.1002						XXX	.....	.....	XXX
1.1003						XXX	.....	.....	XXX
1.1098. Summary of remaining write-ins for Line 1.4 from overflow page						XXX	.....	.....	XXX
1.1099 Totals (Lines 1.1001 through 1.1003 plus 1.1098) (Line 1.4 above)						XXX	.....	.....	XXX
3.1001									
3.1002									
3.1003									
3.1098. Summary of remaining write-ins for Line 3.4 from overflow page									
3.1099 Totals (Lines 3.1001 through 3.1003 plus 3.1098) (Line 3.4 above)									

VM-22 RESERVES SUPPLEMENT – PART 1A
Non-Variable Annuity Reserves Valued According to VM-22 by Product Type
For The Year Ended December 31, 20_____
(To Be Filed by March 1)

	Prior Year	Current Year
	<u>1</u>	<u>2</u>
	<u>Reported Reserve in Excess of Cash Surrender Value</u>	<u>Reported Reserve in Excess of Cash Surrender Value</u>
1. Post-Reinsurance-Ceded Reserve¹		
1.1. Fixed Annuities Deferred without Guaranteed Living Benefit		
1.2. Indexed Annuities Deferred without Guaranteed Living Benefit		
1.3. Individual Immediate and Deferred Income Annuities and Annuizations		
1.4. Structured Settlements		
1.5. Pension Risk Transfer and Group Payout Annuities and Annuizations ..		
1.6. Longevity Reinsurance		
1.7. Fixed Annuities Deferred – with Guaranteed Living Benefit		
1.8. Indexed Annuities Deferred – with Guaranteed Living Benefit		
1.9. Aggregate Write-Ins for Other Products		
2. Total Post-Reinsurance-Ceded Reserve (Sum of Lines 1.1 through 1.9)		
3. Pre-Reinsurance-Ceded Reserve		
3.1. Fixed Annuities Deferred without Guaranteed Living Benefit		
3.2. Indexed Annuities Deferred without Guaranteed Living Benefit		
3.3. Individual Immediate and Deferred Income Annuities and Annuizations		
3.4. Structured Settlements		
3.5. Pension Risk Transfer and Group Payout Annuities and Annuizations ..		
3.6. Longevity Reinsurance		
3.7. Fixed Annuities Deferred – with Guaranteed Living Benefit		
3.8. Indexed Annuities Deferred – with Guaranteed Living Benefit		
3.9. Aggregate Write-Ins for Other Products		
4. Total Pre-Reinsurance-Ceded Reserve (Sum of Lines 3.1 through 3.9)		
5. Total Reserves Ceded (Line 4 minus Line 2)		
DETAILS OF WRITE-INS		
1.901.		
1.902.		
1.903.		
1.998. Summary of remaining write-ins for Line 1.9 from overflow page		
1.999 Totals (Lines 1.901 through 1.903 plus 1.998) (Line 1.9 above)		
3.901.		
3.902.		
3.903.		
3.998. Summary of remaining write-ins for Line 3.9 from overflow page		
3.999 Totals (Lines 3.901 through 3.903 plus 3.998) (Line 3.9 above)		

¹ The groupings provided in the rows of this supplement are different than the groupings permitted for aggregation purposes under VM-22 requirements

VM-22 RESERVES SUPPLEMENT – PART 1B
Non-Variable Annuity Reserves Valued According to VM-22 by Product Type

	Current Year																	
	SECTION A									SECTION B						SECTION C		
	1 Pre-Tax Interest Maintenance Reserve (PIMR)	2 Cash Surrender Value	3 Prescribed Projection Amount	4 CTE70 (adjusted)	5 CTE70 (best efforts)	6 Buffer Amount ²	7 Additional Standard Projection Amount	8 Stochastic Reserve	9 Number of Contracts	10 Cash Surrender Value	11 Prescribed Projection Amount	12 Buffer Amount ³	13 Additional Standard Projection Amount	14 Determinis- tic Reserve	15 Number of Contracts	16 Cash Surrender Value	17 VM-A, VM-C, and VM-V Reserve	18 Number of Contracts
1. Post-Reinsurance-Ceded Reserve																		
1.1. Fixed Annuities Deferred without Guaranteed Living Benefit									XXX						XXX	XXX	XXX	XXX
1.2. Indexed Annuities Deferred without Guaranteed Living Benefit									XXX						XXX			XXX
1.3. Individual Immediate and Deferred Income Annuities and Annuitalizations									XXX						XXX			XXX
1.4. Structured Settlements									XXX						XXX			XXX
1.5. Pension Risk Transfer and Group Payout Annuities and Annuitalizations									XXX						XXX			XXX
1.6. Longevity Reinsurance									XXX						XXX			XXX
1.7. Fixed Annuities Deferred – with Guaranteed Living Benefit									XXX						XXX			XXX
1.8. Indexed Annuities Deferred – with Guaranteed Living Benefit									XXX						XXX			XXX
1.9. Aggregate Write-Ins for Other Products									XXX						XXX			XXX
2. Total Post-Reinsurance-Ceded Reserve (Sum of Lines 1.1 through 1.9)									XXX						XXX			XXX
3. Pre-Reinsurance-Ceded Reserve																		
3.1. Fixed Annuities Deferred without Guaranteed Living Benefit																XXX	XXX	
3.2. Indexed Annuities Deferred without Guaranteed Living Benefit																		
3.3. Individual Immediate and Deferred Income Annuities and Annuitalizations																		
3.4. Structured Settlements																		
3.5. Pension Risk Transfer and Group Payout Annuities and Annuitalizations																		
3.6. Longevity Reinsurance																		
3.7. Fixed Annuities Deferred – with Guaranteed Living Benefit																		
3.8. Indexed Annuities Deferred – with Guaranteed Living Benefit																		
3.9. Aggregate Write-Ins for Other Products																		
4. Total Pre-Reinsurance-Ceded Reserve (Sum of Lines 3.1 through 3.9)																		
5. Total Reserves Ceded (Line 4 minus Line 2)									XXX						XXX			XXX
DETAILS OF WRITE-INS																		
1.901.									XXX						XXX			XXX
1.902.									XXX						XXX			XXX
1.903.									XXX						XXX			XXX
1.998. Summary of remaining write-ins for Line 1.9 from overflow page									XXX						XXX			XXX
1.999. Totals (Lines 1.901 through 1.903 plus 1.998) (Line 1.9 above)									XXX						XXX			XXX
3.901.																		
3.902.																		
3.903.																		
3.998. Summary of remaining write-ins for Line 3.9 from overflow page																		
3.999. Totals (Lines 3.901 through 3.903 plus 3.998) (Line 3.9 above)																		

2 – Equal to the Unfloored CTE70 (adjusted) minus Unfloored CTE65 (adjusted)

3 – Equal to the Unfloored DR minus Unfloored scenario reserve calibrated to CTE65

VM-22 RESERVES SUPPLEMENT – PART 2**Non-Variable Annuity PBR Exemption****Non-Variable Annuity PBR Exemption as defined in the NAIC adopted Valuation Manual (VM)**

1. Has the company filed and been granted a Non-Variable Annuity PBR Exemption from the reserve requirements of VM-22 of the Valuation Manual by their state of domicile? Yes ☐ No ☐

2. If the response to Question 1 is "Yes", then check the source of the granted "Non-Variable Annuity PBR Exemption" definition? (Check either 2.1, 2.2 or 2.3)

2.1 NAIC Adopted VM ☐

2.2 State Statute (SVL) ☐ Complete items "a" and "b", as appropriate.

a. Is the criteria in the State Statute (SVL) different from the NAIC adopted VM? Yes ☐ No ☐

b. If the answer to "a" above is "Yes", provide the criteria the state has used to grant the Non-Variable Annuity PBR Exemption (e.g., Group/Legal Entity criteria) and the minimum reserve requirements that are required by the state of domicile (if the minimum reserve requirements are the same as the Adopted VM, write SAME AS NAIC VM):

.....

2.3 State Regulation ☐ Complete items "a" and "b", as appropriate.

a. Is the criteria in the State Regulation different from the NAIC adopted VM? Yes ☐ No ☐

b. If the answer to "a" above is "Yes", provide the criteria the state has used to grant the Non-Variable Annuity PBR Exemption (e.g., Group/Legal Entity criteria) and the minimum reserve requirements that are required by the state of domicile (if the minimum reserve requirements are the same as the Adopted VM, write SAME AS NAIC VM):

.....

VM-22 RESERVES SUPPLEMENT – PART 3
Other Exclusions from Non-Variable Annuity PBR

<u>1A. Has the company filed and been granted a Single State Exemption from the reserve requirements of VM-22 of the Valuation Manual by their state of domicile?</u>	<u>Yes [] No []</u>
<u>1B. If the answer to question 1A is "Yes" please discuss any business not covered under the Single State Exemption.</u>	
<u>2A. If the answer to question 1A is "Yes", does the company have risks for policies issued outside its state of domicile?</u>	
<u>Yes [] No []</u>	
<u>2B. If the answer to question 2A is "Yes" please discuss the risks for policies issued outside the state of domicile, how those risks came to be a responsibility of the company, and why the company would still be considered a Single State Company with such risks.</u>	
<u>3. Is all of the company's non-variable annuity business excluded from the requirements of VM-22 pursuant to Section II, Subsection 2 of the Valuation Manual?</u>	
<u>Yes [] No []</u>	

QUARTERLY STATEMENT BLANKS – LIFE/FRATERNAL**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?
8. Will the Life PBR Statement of Exemption be filed with the state of domicile by July 1st and electronically with the NAIC with the second quarterly filing per the Valuation Manual (by August 15)? (2nd Quarter Only) The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter. In the case of an ongoing statement of exemption, enter "SEE EXPLANATION" and provide as an explanation that the company is utilizing an ongoing statement of exemption.
9. Will the Annuity PBR Statement of Exemption be filed with the state of domicile by July 1st and electronically with the NAIC with the second quarterly filing per the Valuation Manual (by August 15)? (2nd Quarter Only) The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter. In the case of an ongoing statement of exemption, enter "SEE EXPLANATION" and provide as an explanation that the company is utilizing an ongoing statement of exemption.

AUGUST FILING

91. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: <u>2/20/2026</u>		FOR NAIC USE ONLY	
CONTACT PERSON:	<u>Tim Nauheimer</u>	Agenda Item # <u>2026-04BWG</u>	
TELEPHONE:	_____	Year <u>2026</u>	
EMAIL ADDRESS:	<u>tnauheimer@naic.org</u>	Changes to Existing Reporting ☒ [X]	
ON BEHALF OF:	_____	New Reporting Requirement ☐ []	
NAME:	<u>Robert Kasinow</u>	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
TITLE:	<u>Chair</u>	No Impact ☒ [X]	
AFFILIATION:	<u>Macprudential (E) Working Group</u>	Modifies Required Disclosure ☐ []	
ADDRESS:	_____ _____	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? ☐ [No]	
		If Yes, complete question below	
		DISPOSITION	
		☐ [] Rejected For Public Comment	
		☐ [] Referred To Another NAIC Group	
		☐ [] Received For Public Comment	
		☐ [] Adopted Date _____	
		☐ [] Rejected Date _____	
		☐ [] Deferred Date _____	
		☐ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|--|---|
| ☒ [X] ANNUAL STATEMENT | ☒ [X] INSTRUCTIONS | ☒ [X] CROSSCHECKS |
| ☐ [] QUARTERLY STATEMENT | ☒ [X] BLANK | |
| ☒ [X] Life, Accident & Health/Fraternal | ☐ [] Separate Accounts | ☒ [X] Title |
| ☒ [X] Property/Casualty | ☐ [] Protected Cell | ☐ [] Other _____ |
| ☒ [X] Health | ☐ [] Health (Life Supplement) | ☐ [] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a section to Notes to Financials Note 11 – Debt to disclose funding agreements backing special purpose vehicles (SPV) issuances (FABN). Also add a footnote to Life statement Exhibit 7 to report the amount of total funding agreements backed by SPV issuances.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

This proposal was created to provide disclosures to monitor the activity in the FABN market in accordance with its financial stability monitoring objectives. This disclosure will provide the ability to identify transmission channels of potential risk to and from the insurance industry and the interconnectedness to the capital markets.

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: The SAPWG plans to present a Form A at the Spring NM and if that does not move forward, then Blanks will remove the exposure.

** This section must be completed on all forms.

Revised 11/17/2022

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY, & TITLE**Notes to Financial Statements****Detail Eliminated To Conserve Space****Note 11 - Debt****Note 11D – Instruction:**

D. Disclose information on funding agreements issued by such reporting entity that support funding agreement backed special purpose vehicle (SPV) issuances. (This disclosure is required for all known instances, even in situations in which the SPV was not sponsored or formed by the reporting entity and when the relevant SPV is bankruptcy remote from the reporting entity.) The balance of funding agreements supporting funding agreement backed SPV issuances shall be reported before reinsurance.

(1) Balance of funding agreements per type of issuance, per type of issuance where the transaction contains a put feature or embedded option¹, per type of issuance where the terms of the SPV issuance differ from the terms of the corresponding funding agreement², and the BACV amount of collateral pledged by the reporting entity by type of transaction:

- a. Funding Agreement Backed Notes (FABN)
- b. Funding Agreement Backed Commercial Paper (FABCP)
- c. Funding Agreement Backed Repurchase Agreements (FABR)
- d. Funding Agreement Backed Loans (FABL)
- e. Funding Agreements Issued into Muni Prepay Structures
- f. Other Funding Agreements Backing SPV Issuances (Other)

(2) Please provide a narrative description for instances in which the SPV is sponsored or formed by the reporting entity and the terms (e.g., principal, interest rate, maturity, rating, or currency) of a funding agreement differ from the terms of the corresponding SPV issuance, identifying the different terms. (For example, if the funding agreement matures in 3 years, but the FABL matures in 3 months, instances of different interest rates, etc.)

- With respect to FABCP, please respond to this question by identifying instances in which the terms of an SPV issuance do not match the terms of a deposit made under an FABCP master funding agreement.
- With respect to funding agreements issued into muni prepay structures, no response is necessary given that the terms of the funding agreement are designed to be different from the SPV issuances.

(3) Disclose the maturity distribution of funding agreements backing SPV issuances, separately identifying the funding agreements issues as fixed or floating interest rate prior to execution of any interest rate swaps.

¹ As used herein, a funding agreement is “Puttable” or contains a “put feature or embedded option” if such funding agreement contains a provision that allows a contract holder to withdraw from their account value at [book value] at any time, without being tied to a specific triggering event; under such provision, the insurer has no contractual alternatives to paying out at [book value].

² Instances in which the terms of the funding agreement are designed to be different from the SPV issuances should be reported as an amount with different terms (even in instances where the SPV is not sponsored or formed by the reporting entity such as funding agreements issued into muni prepay structures).

(4) Identify if the SPV issuances backed by funding agreements are issued in a non-U.S. currency. If so, disclose the currency denominations and whether all foreign currency exposure related to each currency denomination is hedged.

(5) Is all foreign currency exposure related to funding agreements backing SPV issuances hedged via derivatives, asset matching, or otherwise mitigated? If not, please explain.

Note 11B – Illustration:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE (LINES 1, 3, AND 4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

D. Funding agreements issued by such reporting entity that support funding agreement backed special purpose vehicle (SPV) issuances:

(1) Funding agreements Backing SPV Issuances

	<u>1</u> Total Amount	<u>2</u> Amount Puttable	<u>3</u> Amount with Different Terms	<u>4</u> BACV of Collateral Pledged to SPV by Reporting Entity
a. Funding Agreement Backed Notes (FABN)	\$.....	\$.....	\$.....	\$.....
b. Funding Agreement Backed Commercial Paper (FABCP)	\$.....	\$.....	\$.....	\$.....
c. Funding Agreement Backed Repurchase Agreements (FABR)	\$.....	\$.....	\$.....	\$.....
d. Funding Agreement Backed Loans (FABL)	\$.....	\$.....	\$.....	\$.....
e. Funding Agreements Issued into Muni Prepay Structures	\$.....	\$.....	\$.....	\$.....
f. Other Funding Agreements Backing SPV Issuances (Other)	\$.....	\$.....	\$.....	\$.....
g. Total (a+b+c+d+e+f)	\$.....	\$.....	\$.....	\$.....

Life Filers - 11D(1)g Column 1 should equal Exhibit 7 Footnote (b) Line 1

(3) Maturity Distribution of Funding Agreements Backing SPV Issuances

	<u>1</u> Fixed Rate	<u>2</u> Floating Rate	<u>3</u> Total*
a. 1 year of Less	\$.....	\$.....	\$.....
b. After 1 year through 5 years	\$.....	\$.....	\$.....
c. After 5 years through 10 years	\$.....	\$.....	\$.....
d. After 10 years through 20 years	\$.....	\$.....	\$.....
e. Over 20 years	\$.....	\$.....	\$.....
f. Total (a+b+c+d+e)	\$.....	\$.....	\$.....

11D(3)f Column 3 should equal 11D(1)g Column 1

* Total should reflect the balance of all funding agreements backing SPV issuances reported as Deposit-Type Contracts. Include zero coupon funding agreements in the fixed rate column.

(4) Funding Agreements (FA) Backing SPV Issuances in currency denominations.

	<u>Funding Agreements Backing SPV Issuances (in USD)</u>
a. Year-End FA Balance (USD)	\$.....
b. Amount of FA Backing SPV Issuances in Foreign Currency:	
1. AUD	\$.....
2. CAD	\$.....
3. CHF	\$.....
4. EUR	\$.....
5. GBP	\$.....
6. Other	\$.....
7. Total Foreign Currency (1+2+3+4+5+6+7)	\$.....
c. Total FA Backing SPV Issuances (a+b7)	\$.....
<u>11D(4)c should equal 11D(1)g Column 1</u>	

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL**EXHIBIT 7 – DEPOSIT-TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance						
2. Deposits received during the year						
3. Investment earnings credited to the account						
4. Other net change in reserves.....						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments						
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) ^{(a)(b)} ..						
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10+11-12)						
14. Net balance at the end of current year after reinsurance (Lines 9+13)						

(a) FHLB funding agreements:

1. Reported as GICs (captured in column 2)	\$
2. Reported as annuities certain (captured in column 3)	\$
3. Reported as supplemental contracts (captured in column 4)	\$
4. Reported as dividend accumulations or refunds (captured in column 5)	\$
5. Reported as premium or other deposit funds (captured in column 6)	\$
6. Total reported as deposit-type contracts (captured in column 1): (Sum of Lines 1 through 5)	\$

(b) Funding agreements that back special purpose vehicle (SPV) issuances:

1. Total across all categories	\$
2. Of the total, funding agreements that support funding agreement backed SPV issuances whereby the funding agreement contains a put feature or embedded option	\$

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Blanks (E) Working Group
Editorial Revisions to the Blanks and Instructions
(presented at the March 5, 2026, Meeting)

Statement Type:

H = Health; **L/F** = Life/Fraternal Combined; **P/C** = Property/Casualty; **SA** = Separate Accounts; **T** = Title

Effective	Table Name	Description	Statement Type	Filing Type
2026	Investment Schedule General Instructions	CHANGE TO INSTRUCTION Correct the wording for the General Classifications Preferred Stock Only section on the Investment Schedule General Instructions. The instructions say common stock and it should say preferred stock. General Classifications Preferred Stock Only: Refer to SSAP No. 32—<i>Preferred Stock</i> and SSAP No. 97—<i>Investments in Subsidiary, Controlled, and Affiliated Entities</i>. Investments in the form of common preferred stock that are in substance residual interests or a residual security tranche, as defined in SSAP No. 43—<i>Asset-Backed Securities</i> or SSAP No. 48—<i>Joint Ventures, Partnerships, and Limited Liability Companies</i>, shall be reported on Schedule BA – Other Long-Term Assets in the reporting lines for residuals.	H, L/F, P/C, T, SA	Annual
2026	Health Supplement Analysis of Operations	CHANGE TO INSTRUCTION Update the crosscheck reference in the instructions for Column 1 to ensure the correct calculation of the crosscheck. Column 1 – Total Column 1 (Line 19 plus Line 20) minus Column 14 (Line 19 plus Line 20) should equal Analysis of Operations by Lines of Business – Accident and Health Column 1, Line 6 plus minus the sum of Lines 21 through 24.	L/F	Annual
2026 / 2027	Schedule BA, Parts 1, 2, 3	CHANGE TO INSTRUCTION Add the Collateral Loans Backed by Mortgage Loans and Real Estate to the Postal Code column. (Annual Column 24 on Sch. BA, Part 1, Column 13 on Sch. BA, Part 2, and Column 22 on Sch. BA, Part 3; Quarterly – Column 15 on Sch. BA, Part 2 and Column 22 on Sch. BA, Part 3) Column 24 – Postal Code	H, L/F, P/C, T, SA	Annual / Quarterly

Effective	Table Name	Description	Statement Type	Filing Type
		Use only for securities included in the following subtotal lines. Interests in Joint Ventures, Partnerships or Limited Liability Companies (Including Non-Registered Private Funds) with Underlying Assets Having the Characteristics of: Real Estate Unaffiliated 2199999 Affiliated 2299999 Mortgage Loans Unaffiliated 2399999 Affiliated 2499999 <u>Collateral Loans – Reported by Collateral that Secures the Loan</u> <u>Backed by Mortgage Loans</u> <u>Unaffiliated 3199999</u> <u>Affiliated 3299999</u> <u>Backed by Real Estate</u> <u>Unaffiliated 3999999</u> <u>Affiliated 4099999</u>		
2026 / 2027	Schedule BA, Parts 1, 2, 3	CHANGE TO INSTRUCTION Add the Collateral Loans Backed by Mortgage Loans and Real Estate to the Property Type column. (Annual - Column 25 on Sch. BA, Part 1, Column 14 on Sch. BA, Part 2, and Column 23 on Sch. BA, Part 3; Quarterly – Column 16 on Sch. BA, Part 2 and Column 23 on Sch. BA, Part 3) Column 25 – Property Type Use only for securities included in the following subtotal lines. Interests in Joint Ventures, Partnerships or Limited Liability Companies (Including Non-Registered Private Funds) with Underlying Assets Having the Characteristics of:	H, L/F, P/C, T, SA	Annual / Quarterly

Effective	Table Name	Description	Statement Type	Filing Type
		Real Estate Unaffiliated 2199999 Affiliated 2299999 Mortgage Loans Unaffiliated 2399999 Affiliated 2499999 <u>Collateral Loans – Reported by Collateral that Secures the Loan</u> <u>Backed by Mortgage Loans</u> <u>Unaffiliated 3199999</u> <u>Affiliated 3299999</u> <u>Backed by Real Estate</u> <u>Unaffiliated 3999999</u> <u>Affiliated 4099999</u>		
2026 / 2027	Notes to Financial Statements	CHANGE TO INSTRUCTION Update references to GAAP throughout the instructions that should be referencing U.S. GAAP. This will provide clarify which GAAP method is used. ***The example below is from Note 1, but there were also references in Note 10, Note 23, Note 36, Schedule D, Part 6, Section 1, Life Supp. Term & Universal Life Ins. Reins. Ex., Property General Instructions, Property Reinsurance Summary, Property Risk Retention Group Supp., and Title Sch. P, Part 2D that needed to be updated.*** (7) The Company carries ABC Non-insurance company at <u>U.S.</u> GAAP equity plus the remaining Goodwill balance of \$ ____. (8) The company has minor ownership interests in joint ventures. The company carries these interests based on the underlying audited <u>U.S.</u> GAAP equity of the investee.	H, L/F, P/C, T	Annual / Quarterly

Effective	Table Name	Description	Statement Type	Filing Type
2026 / 2027	Notes to Financial Statements	CHANGE TO INSTRUCTION Add a clarification to Note 5L(1) that the General Interrogatory (GI) reference Column 10 is from Annual GI's. 10 <u>Annual</u> GI Ref	H, T	Annual / Quarterly
2026 / 2027	Notes to Financial Statements	CHANGE TO INSTRUCTION Add a clarification to Note 5L(1) that the General Interrogatory (GI) reference Column 14 is from Annual GI's. 14 <u>Annual</u> GI Ref	L/F	Annual / Quarterly
2026 / 2027	Notes to Financial Statements	CHANGE TO INSTRUCTION Add a clarification to Note 5L(1) that the General Interrogatory (GI) reference Column 14 is from Annual GI's. 14 <u>Annual</u> GI Ref	P/C	Annual / Quarterly

Effective	Table Name	Description	Statement Type	Filing Type								
2027	Cash Flow	CHANGE TO BLANK Parenthetical missed for quarterly blank in proposal. 13. Cost of investments acquired (long-term only <u>exclude cash equivalents and short-term investments</u>):	H, L/F, P/C, T	Quarterly								
2027	Notes to Financial Statements	CHANGE TO INSTRUCTION Update the line number in quarterly Note 5L – Restricted Assets. The update was missed when updating the note for recent adoptions. Illustration: (1)Restricted Assets (Including Pledged) <table><tr><td>or, Total Restricted Assets (Sum of a through q)</td><td>\$</td><td>\$</td><td>\$</td><td>\$</td><td>\$</td><td>\$</td><td>\$</td></tr></table>	or, Total Restricted Assets (Sum of a through q)	\$	\$	\$	\$	\$	\$	\$	L/F, P/C	Quarterly
or, Total Restricted Assets (Sum of a through q)	\$	\$	\$	\$	\$	\$	\$					
2027	Notes to Financial Statements	CHANGE TO INSTRUCTION Update the line number in quarterly Note 8 – Derivatives to match the changes adopted in proposal 2025-01BWG. <u>Instruction:</u> A. Derivatives under <i>SSAP No. 86—Derivatives</i> (89) Disclose the aggregate, non-discounted total premium cost for these contracts and the premium cost due in each of the following four years, and thereafter. Also disclose the aggregate fair value of derivative instruments with financing premiums excluding the impact of financing premiums. <u>Illustration:</u> A. Derivatives under <i>SSAP No. 86—Derivatives</i> (89)	H, L/F, P/C, T	Quarterly								

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MEMORANDUM

TO: Roy Eft, Chair of the Blanks (E) Working Group
Steve Drutz, Vice Chair of the Blanks (E) Working Group

FROM: Dale Bruggeman, Chair of the Statutory Accounting Principles (E) Working Group
Kevin Clark, Vice Chair of the Statutory Accounting Principles (E) Working Group

DATE: December 19, 2025

RE: Schedule S, Part 8—Reporting of Modco and Funds Withheld Assets

On May 22, 2025, the Statutory Accounting Principles (E) Working Group adopted agenda item 2024-07, Reporting of Funds Withheld and Modco Assets, where a new Schedule S, Part 8 was added to the Life/Fraternal Annual Statement Instructions and Blank, and this was then incorporated in the blank and instructions through Blanks (E) Working Group agenda item 2025-05BWG. This reporting is effective Dec. 31, 2025, and the agenda item did not result in any changes to statutory accounting, it only added the new reporting schedule for the reporting of assets associated with a funds withheld or modified coinsurance (modco) arrangement.

As a result of comments received during the drafting and exposure process, the scope of the project was changed for the final adoption. The initial project intended to capture any and all assets that are subject to a funds withheld or modco arrangement, but the final adoption narrowed this scope to be only assets that are subject to a funds withheld or modco arrangement **where investment risk is transferred**. The goal of this change was to make the new reporting schedule work more cleanly with the Life/Fraternal RBC reporting schedule. The new Schedule S, Part 8 was not intended to impact the RBC calculation or to override or conflict with the RBC instructions, the goal of Schedule S, Part 8 was only to report these assets in categories that would then support validating the numbers that were reported on the RBC schedules. This would give regulators an improved level of confidence in the balances reported in the RBC schedules.

This memorandum intends to address questions that were received after the adoption of the new Schedule S, Part 8. The new Schedule S, Part 8 was not intended to change any part of the way that assets subject to a modco or funds withheld arrangement are factored into the Life/Fraternal RBC calculation. The goal of Schedule S, Part 8 is to create a schedule that matches with already the existing reporting in RBC and does not change or override the guidance that exists in Life/Fraternal RBC reporting. Additional wording was added to be consistent with the existing, long-standing guidance in the Life/Fraternal RBC Reporting Instructions in LR045, LR046, LR047 and LR048, which is excerpted below.

This schedule reports the assets supporting modified coinsurance (MODCO) and other reinsurance transactions with funds withheld where the entire asset credit or variability in statement value risk associated with the assets supporting the business reinsured is transferred to the assuming company for the entire duration of the reinsurance treaty. Only the portion of the assets used to support the ceded or assumed liabilities should be included, i.e. amounts in excess of the reserve should be excluded.

The ceding company is required to supply the assuming company with sufficient information in order for the assuming company to determine the amount of assets withheld under Modco or other funds withheld. An assuming company that has not received timely information shall follow the procedures in the Life Risk-Based Capital instructions for Modco or Funds Withheld Reinsurance Agreements (LR045, LR046, LR047 and LR048) to apply the Modco liability ratio by asset category. The allocated assets should support the portion of the funds held by or deposited with reinsured companies that represents the investment risk assumed as described above, that is, the estimated investment risk assumed should not be greater than the assets reported on the asset page.

[https://naiconline.sharepoint.com/sites/naicsupportstaffhub/member meetings/e cmte/apptf/2025 fall/minutes and summary/sapwg/1k-sapwg to blanks modcofwh sch s pt 8.docx](https://naiconline.sharepoint.com/sites/naicsupportstaffhub/member%20meetings/e%20cmte/apptf/2025%20fall/minutes%20and%20summary/sapwg/1k-sapwg%20to%20blanks%20modcofwh%20sch%20s%20pt%208.docx)

MEMORANDUM

TO: Kevin Clark, Chair, Statutory Accounting Principles (E) Working Group
Roy Eft, Chair, Blanks (E) Working Group

FROM: Robert Kasinow, Chair, Macroprudential (E) Working Group

DATE: February 17, 2026

RE: Funding Agreements backing Funding Agreement Backed Notes and Other Structures

The Macroprudential (E) Working Group received, discussed, and exposed for public comment, a proposal to disclose funding agreements backing Funding Agreement Backed Notes (FABNs). ACLI had originally provided a suggested proposal, which the working group modified slightly and exposed for 30 days ending December 8, 2025. ACLI requested an additional 45 days at the 2025 Fall National Meeting, making comments due January 26, 2026. We received only one comment letter from ACLI on January 26, 2026, attached as a pdf in the email distribution with this memo. NAIC Committee Support has been working with ACLI on the development of the attached proposal.

This latest proposal has been revised to include four new categories of funding agreement backed structures for which we seek disclosure of the funding agreements that back them. The new categories are as follows:

- 1) Funding Agreement Backed Commercial Paper (FABCP)
- 2) Funding Agreement Backed Repurchase Agreements (FABRs)
- 3) Funding Agreement Backed Loans (FABLs)
- 4) Funding Agreements backing Muni Prepay Structures

The Macroprudential (E) Working Group refers this proposal to the Statutory Accounting Principles (E) Working Group on accounting and reporting aspects of the proposal as well as to the Blanks (E) Working Group regarding incorporation into the Annual Statement.

FABNs are debt instruments issued by Special Purpose Vehicles (SPVs) formed by life insurance companies. The life insurance regulated legal entities issue funding agreements to the SPV to pay principal and interest and the SPV in turn pays the principal and interest to the holders of FABNs.

The current insurance statutory Annual Statement reporting framework does not require the reporting of FABNs. However, under the current reporting system insurers do report the amount of funding agreements issued in the aggregate for all purposes, with separate disclosure of funding agreements issued in connection with FHLB advances. This proposal seeks separate reporting of funding agreements that back FABNs and other funding agreement backed structures.

The Macroprudential (E) Working Group is seeking additional funding agreement disclosures to monitor the activity in the FABN market in accordance with its financial stability monitoring objectives. This proposed disclosure will provide the FSTF the ability to identify transmission channels of potential risk to and from (inward and outward risks) the insurance industry and the interconnectedness to the capital markets.

Disclosure Proposal

Exhibit 7 Footnote:

(b) Funding Agreements that Back Special Purpose Vehicle (“SPV”) Issuances

1. Total Across All Categories
\$ _____
2. Of the total, funding agreements that support funding agreement backed SPV issuances whereby the funding agreement contains a put feature or embedded option* \$ _____

SSAP No. 52—Deposit-Type Contracts:

Each reporting entity shall disclose information on funding agreements issued by such reporting entity that support funding agreement backed SPV Issuances. (This disclosure is required for all known instances, even in situations in which the SPV was not sponsored or formed by the reporting entity and when the relevant SPV is bankruptcy remote from the reporting entity.) The balance of funding agreements supporting funding agreement backed SPV issuances shall be reported before reinsurance.

- a. Balance of funding agreements (A) per type of issuance, (B) per type of issuance where the transaction contains a put feature or embedded option, and (C) per type of issuance where the terms of the SPV Issuance differ from the terms of the corresponding funding agreement:

- 5) Funding Agreement Backed Notes (FABN)
- 6) Funding Agreement Backed Commercial Paper (FABCP)
- 7) Funding Agreement Backed Repurchase Agreements (FABR)
- 8) Funding Agreement Backed Loans (FABL)
- 9) Funding Agreements Issued into Muni Prepay Structures
- 10) Other Funding Agreements Backing SPV Issuances (Other)

a) Disclosure of Funding Agreements Backing SPV Issuances		Total Amount	Amount Puttable*	Amount with Different Terms**
1)	Funding Agreement Backed Notes (FABN)	\$	\$	\$
2)	Funding Agreement Backed Commercial Paper (FABCP)	\$	\$	\$
3)	Funding Agreement Backed Repurchase Agreements (FABR)	\$	\$	\$
4)	Funding Agreement Backed Loans (FABL)	\$	\$	\$
5)	Funding Agreements Issued into Muni Prepay Structures	\$	\$	\$
6)	Other Funding Agreements Backing SPV Issuances (Other)	\$	\$	\$
Total		\$	\$	\$

(Total Amount should reflect the balance of all funding agreements backing SPV Issuances reported as Deposit-Type Contracts and agree to Exhibit 7.b.1.)

* As used herein, a funding agreement is “Puttable” or contains a “put feature or embedded option” if such funding agreement contains a provision that allows a contract holder to withdraw from their account value at [book value] at any time, without being tied to a specific triggering event; under such provision, the insurer has no contractual alternatives to paying out at [book value].

** Instances in which the terms of the funding agreement are designed to be different from the SPV issuances should be reported as an Amount with Different Terms (even in instances where the SPV is not sponsored or formed by the reporting entity such as funding agreements issued into muni prepay structures).

- b. For instances in which the SPV is sponsored or formed by the reporting entity and the terms (e.g., principal, interest rate, maturity, rating, or currency) of a funding agreement differ from the terms of the corresponding SPV Issuance, include a narrative description identifying the different terms. (For example, if the funding agreement matures in 3 years, but the FABL matures in 3 months, instances of different interest rates, etc.) *(No template illustration.)*

*** With respect to FABCP, please respond to this question by identifying instances in which the terms of an SPV Issuance do not match the terms of a deposit made under an FABCP master funding agreement.

**** With respect to funding agreements issued into muni prepay structures, no response is necessary given that the terms of the funding agreement are designed to be different from the SPV issuances.

- c. Disclose the maturity distribution of funding agreements backing SPV Issuances, separately identifying the funding agreements issues as fixed or floating interest rate prior to execution of any interest rate swaps: (The total reported should agree to the total reported for disclosure a.)

Maturity Distribution of Funding Agreements Backing SPV Issuances			
	Fixed Rate	Floating Rate	Total
1 Year or Less	\$	\$	\$
After 1 Year Through 5 Years	\$	\$	\$
After 5 Years Through 10 Years	\$	\$	\$
After 10 Years Through 20 Years	\$	\$	\$
Over 20 Years	\$	\$	\$
Total	\$	\$	\$

(Total should reflect the balance of all funding agreements backing SPV issuances reported as Deposit-Type Contracts. Include zero coupon funding agreements in the fixed rate column.)

- d. Identify if the SPV issuances backed by funding agreements are issued in a non-US currency. If so, disclose the currency denominations and whether all foreign currency exposure related to each currency denomination is hedged:

Funding Agreements Backing SPV Issuances		Funding Agreements Backing SPV Issuances in USD:
Year-End FA Balance (USD)		\$
Amount of Funding Agreements Backing SPV Issuances in Foreign Currency –		
	AUD	\$
	CAD	\$
	CHF	\$
	EUR	\$
	GBP	\$
	Other	\$
Foreign Currency Total		\$
Total Funding Agreements Backing SPV Issuances		\$

(Total should match Total Amount reported in a.)

- e. Is all foreign currency exposure related to funding agreements backing SPV issuances hedged via derivatives, asset matching, or otherwise mitigated? If not, please explain.

**Blanks (E) Working Group
Summary of Comments for March 5, 2026**

ITEMS RECEIVED FOR COMMENT

Reference Number	Description
2025-17BWG Modified	Add an annual general interrogatory that indicates the method used for reporting residuals and update Notes to Financials (Note 1C6 and 5D) for consistent reporting between SSAP No. 26, SSAP No. 43, and SSAP No. 21.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 1 of 7
	Comment letter suggests an effective date of 1 st Quarter 2027.
<u>Comment # 2 – Gain Compliance</u>	Attachment 24 Page 6 of 7
	Comment letter suggests an update to the OTTI labels in the Note 5D illustration. See full comment letter for details.
2025-18BWG	Add instructions for Health General Interrogatory 10.21 through 10.24 to add clarifying instructions and an example to the Health General Interrogatory Part 2 Instructions. Also add a crosscheck from the general interrogatory to Exhibit 7, Part 1.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 1 of 7
	IPs have no comment.
2025-19BWG Modified	Add a code of “S” to the Active Status column on Schedule T to identify if a license has been suspended.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 1 of 7
	Comment letter suggests an effective date of 1 st Quarter 2027.
2025-20BWG Modified	Update Schedule D, Part 6, Section 1, reporting categories and Asset Valuation Reserve lines to update the classification of investment subsidiaries.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 1 of 7
	Comment letter suggests renumbering some of the AVR lines and a different effective date. See full comment letter for details.

Reference Number	Description
<u>Comment # 2 – Gain Compliance</u>	Attachment 24 Page 6 of 7 Comment letter suggests removing AVR footnote (b) and relabel AVR footnote (c). See full comment letter for details.
2025-21BWG	Updates include revising the definition of Accepted Actuarial Designation based on the Actuarial Opinion Working Group’s assessment of the educational materials of the Society of Actuaries (SOA) and Casualty Actuarial Society (CAS), completed in 2025. See proposal for full description of change. Anticipated effective date is Annual 2026.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 2 of 7 IPs have no comment.
2025-22BWG Modified	To the Annual and Quarterly Statement Instructions, aAdd an electronic-only column to Schedule D, Part 1, Section 1 and 2; Schedule D, Part 2, Sections 1 and 2; Schedule D, Parts 3, 4, and 5; Schedule BA; Schedule DA; Schedule DL; and Schedule E, Part 2, to identify whether the investment is publicly registered, Rule 144, private placement security, or not applicable. Add a new part to Note 5 – Investments to report the total book adjusted carrying value, fair value (with fair values determined by level 2 and level 3 reported), the total amount of aggregate deferred interest and paid-in-kind interest, and the total BACV supported by private letter ratings.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 2 of 7 Comment letter suggests adding Schedule DL and Quarterly Investment Schedules to the proposal. See full comment letter for details.
2025-23BWG Modified	Update the Separate Account Assets page by adding a “Nonadmitted Assets” and “Net Admitted General Account Assets.” Add a new line on the Separate Account Summary of Operations for “Change in Nonadmitted Assets” within the surplus account. Insert a new page “Exhibit of Nonadmitted Assets” that will detail the current and prior total nonadmitted assets, and the change in nonadmitted assets.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 2 of 7 Comment letter suggests some minor editorial items to the proposal. See full comment letter for details.
2025-24BWG	Update Notes to Financials Note 18B – ASC Plans for the disclosure clarifications in SSAP No. 47 – Uninsured Plans.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 2 of 7 IPs have no comment.

Reference Number	Description
2025-25BWG Modified	Update Notes to Financials Note # 2 – Accounting Changes and Corrections of Errors, by adding the reference to VM-20: Requirements for Principles Based Reserves for Life Products.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 2 of 7
	Comment letter suggests adding clarifying language for the phase-in period and to deselect Property and Title from the proposal form. See full comment letter for details.
2025-26BWG Modified	Update the annual statement expense categories and instructions to remove outdated expense terminology and update to reflect the current types of expenses that exist for companies.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 3 of 7
	Comment letter asks to add the effective date to proposal form and interested parties support modernizing the expense categories.
2025-27BWG Modified	Add a section to Life/Fraternal Asset Valuation Reserve (AVR) to report Collateralized Loan Obligations (CLOs), Collateralized Bond Obligations (CBOs), and Collateralized Debt Obligations (CDOs). Also, add a footnote to Schedule D, Part 1, Section 2 to report the book adjusted carrying value by NAIC designation for CLOs/CBOs/CDOs. In addition, AVR Equity table is augmented to facilitate changes made to the Life RBC Blank LR009 page.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 3 of 7
	Comment letter suggests deferring the proposal and an edit to the line name for Line 16. See full comment letter for details.
2025-28BWG Modified	Add two investment characteristics categories to the annual Schedule A, Part 1, to clarify if an investment is owned by a qualifying statutory trust. Also, update the annual and quarterly Schedule B instructions for reporting guidance for mortgages held in qualifying investments in statutory trusts and to add loan type codes to identify the mortgage loans.
<u>Comment #1 – Industry Interested Parties</u>	Attachment 24 Page 3 of 7
	Comment letter suggests adding clarification to the instructions to allow multiple codes. See full comment letter for details.

Reference Number	Description
2025-29BWG	Update Investment Schedules General Instructions restricted asset codes to add codes that were previously added to Notes to Financials Note 5L – Restricted Assets for reporting funds withheld and modco arrangements.
<u>Comment #1 – Industry Interested Parties</u> Attachment 24 Page 4 of 7 Comment letter suggests many updates/clarifications that need discussed at SAPWG. See full comment letter for details.	
2025-30BWG Modified	Update Notes to Financials Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify reporting retirement plan assets at net asset value (NAV).
<u>Comment #1 – Industry Interested Parties</u> Attachment 24 Page 4 of 7 Comment letter suggests a minor edit to the Note’s illustration. See full comment letter for details.	

NAIC Blanks (E) Working Group – Interested Parties

February 6, 2026

Mr. Roy Eft, Chair
Blanks (E) Working Group
National Association of Insurance Commissioners
1100 Walnut St., Suite 1000
Kansas City, MO 64106-2197

SUBJECT: Blanks Working Group (“BWG”) proposals exposed during the conference call on Wednesday, November 5, 2025 and via email on Wednesday, December 17, 2025.

Dear Chair Eft:

Interested Parties (“IPs”) appreciate the opportunity to review and comment on the 4 proposals that were exposed during the conference call held by BWG on Wednesday, November 5, 2025 and the 10 proposals that were exposed via email on Wednesday, December 17, 2025 with a comment deadline of Friday, February 6, 2026.

2025-17BWG [Add an annual general interrogatory that indicates the method used for reporting residuals and update Notes to Financials (Notes 1C6 and 5D) for consistent reporting between SSAP No. 26, SSAP No. 43, and SSAP No. 21. This item is sponsored by SAPWG Ref #2025-20 – *Debt Security & Residual Interest Disclosures*. Anticipated effective date is Annual 2026 / 1st Quarter 2027.]

Since Notes 1C6 and 5D are required quarterly disclosures within the Notes to Financial Statements, IPs are recommending that the effective date be updated to “1st Quarter 2027” so that the Quarterly and Annual disclosures within the same year would be consistently presented.

2025-18BWG [Add instructions for Health General Interrogatory 10.21 through 10.24 to add clarifying instructions and an example to the Health General Interrogatory Part 2 Instructions. Also add a crosscheck from the general interrogatory to Exhibit 7, Part 1. Anticipated effective date is Annual 2026.]

IPs have no comment.

2025-19BWG [Add a code of “S” to the Active Status column on Schedule T to identify if a license has been suspended. Anticipated effective date is Annual 2026 / 1st Quarter 2027.]

IPs are recommending that the effective date be updated to “1st Quarter 2027” so that the Schedule T for the Quarterly and Annual Statements within the same year would be consistently presented.

2025-20BWG [Update Schedule D, Part 6, Section 1 reporting categories and Asset Valuation Reserve lines to update the classification of investment subsidiaries. This item is sponsored by SAPWG Ref #2024-21 – *Investment Subsidiaries Classification*. Anticipated effective date is Annual 2026.]

IPs suggest renumbering the lines on the Asset Valuation Reserve Pages to include changes from 2024-19BWG, which included additional lines for Collateral Loans and is effective in 2026. Additionally, for the ‘Totals – Preferred and Common Stocks’ line on Schedule D – Part 6 – Section 1, IPs suggest using line number 9999999, which would eliminate the need to renumber in the future.

With the referral to the Capital Adequacy (E) Task Force, IPs suggest that they coordinate their modifications with the same effective date.

2025-21BWG [Updates include revising the definition of Accepted Actuarial Designation based on the Actuarial Opinion Working Group’s assessment of the educational materials of the Society of Actuaries (SOA) and Casualty Actuarial Society (CAS), completed in 2025. *See proposal for full description of change.* Anticipated effective date is Annual 2026.]

IPs have no comment.

2025-22BWG [Updates include adding an electronic-only column to Schedule D, Part 1, Section 1 and 2; Schedule D, Part 2, Sections 1 and 2; Schedule BA; Schedule DA; and Schedule E, Part 2, to identify whether the investment is publicly registered, Rule 144, private placement security, or not applicable. Add a new part to Note 5 – Investments to report the total book adjusted carrying value, fair value (with fair values determined by level 2 and level 3 reported), the total amount of aggregate deferred interest and paid-in-kind interest, and the total BACV supported by private letter ratings. This item is sponsored by SAPWG Ref #2025-19 – *Private Placement Securities*. Anticipated effective date is Annual 2026.]

IPs suggest adding ‘Sch. DL’ to the ‘Identification of Item(s) to Change’ section of the proposal as Sch. DL is included in the detailed proposal.

IPs have noted that the sponsoring item from SAPWG includes the requirement to include the ‘Private Security Code’ as an electronic-only column in the quarterly statement but the detailed blank and instructions aren’t included in the BWG exposure. We recommend an update and re-exposure of this item.

2025-23BWG [Updates include revising the Separate Account Assets page by adding “Nonadmitted Assets” and “Net Admitted General Account Assets” columns. Add a new line on the Separate Account Summary of Operations for “Change in Nonadmitted Assets” within the surplus account. Insert a new page, “Exhibit of Nonadmitted Assets,” that details the current and prior total nonadmitted assets and the change in nonadmitted assets. This item is sponsored by SAPWG Ref #2025-25 – *Separate Account Nonadmitted Assets*. Anticipated effective date is Annual 2027.]

IPs suggest modifying the instructions for Column 3 of the Exhibit of Nonadmitted Assets to be consistent with other pages (i.e., remove the ‘Capital and’ from ‘...Capital and Surplus Account...’).

On the Assets page, IPs recommend renumbering the Prior Year column from 4 to 6 and renaming it to be consistent with column 5. Also, for column 5, IPs believe the formula for adding columns should be ‘(Cols 3+4)’ and for column 3 the formula should be ‘(Cols 1-2)’, both of which impact the blank and related instruction.

IPs are confirming that the changes made to the various pages are prospective and that prior year nonadmitted assets would be \$0. IPs are also suggesting that this item be re-exposed with the proposed edits.

2025-24BWG [Updates include revising Notes to Financials, Note 18B – ASC Plans, for the disclosure clarifications in *SSAP No. 47—Uninsured Plans*. This item is sponsored by SAWPG Ref #2025-30 – *Administrative Services Contracts Disclosure Clarification*. Anticipated effective date is Annual 2026.]

IPs have no comment.

2025-25BWG [Updates include revisions to Notes to Financials, Note 2 – Accounting Changes and Corrections of Errors, by adding the reference to VM-20: Requirements for Principles Based Reserves for Life Products. This item is sponsored by SAPWG Ref #2025-34 – *Updates on Economic Scenario Generator and Non-Variable Annuities*. Anticipated effective date is Annual 2026.]

IPs suggest incorporating language that allows a reporting entity to no longer disclose the elected phase-in period after the financial statements no longer reflect the impacts of the phase-in period.

IPs recommend removing the check in the boxes for Property/Casualty and Title in the ‘Blanks to which proposal applies’ to be consistent with the sponsoring SAPWG exposure.

2025-26BWG [Updates include revising the annual statement expense categories and instructions to remove outdated expense terminology and update to reflect the current types of expenses that exist for companies. This item is sponsored by SAPWG Ref #2025-33 – *Update to Annual Statement Expense Descriptions and Categories*. Anticipated effective date is Annual 2026.]

IPs recommend completing the ‘Anticipated Effective Date:’ field with “Annual 2026”.

Also, IPs believe modernizing the terms used within the expense categories (e.g., consulting fees, credit card fees, etc.) would be useful.

2025-27BWG [Updates include adding a section to Life/Fraternal Asset Valuation Reserve (AVR) to report Collateralized Loan Obligations (CLOs). Also, add a footnote to Schedule D, Part 1, Section 2, to report the book adjusted carrying value by NAIC designation for CLOs. This item is sponsored by RBC IRE WG Ref #2025-22-IRE – *CLO Risk Factors*. Anticipated effective date is Annual 2026.]

IPs believe that this item should be deferred as there are key elements of the sponsoring exposure from the RBC Investment Risk & Evaluation (E) Working Group that haven’t been determined that could influence changes to AVR.

As an editorial change, IPs suggest changing the description of Line 16 to just “Total long-term bonds” to allow for possible future changes.

2025-28BWG [Updates include adding two investment characteristics categories to the annual Schedule A, Part 1, to clarify if an investment is owned by a qualifying statutory trust. Also, update the annual and quarterly Schedule B instructions for reporting guidance for mortgages held in qualifying investments in statutory trusts and add loan type codes to identify the mortgage loans. This item is sponsored by SAPWG Ref #2025-13 – *Residential Mortgage Loans Held in Statutory Trusts*. Anticipated effective date is Annual 2026 / 1st Quarter 2027.]

IPs recommend adding clarifying language to the Loan Type column on Schedule B to indicate that multiple codes may be reported.

IPs recommend the instructions for Column 18 on Schedule A be clarified to reflect that the data hold just the “number” as follows:

Enter the number of the characteristic below. If none of the characteristics apply, then leave the column blank.

2025-29BWG [Updates include revising the Investment Schedules General Instructions for the Restricted Asset Code column to add codes that were previously added to Notes to Financials, Note 5L – Restricted Assets, for reporting funds withheld and Modco arrangements. This item is sponsored by SAPWG Ref #2025-27 – *SSAP No. 1 Modco & FWH Code*. Anticipated effective date is Annual 2026 / 1st Quarter 2027.]

IPs understand that the intent of the proposal is to increase transparency around the contents of Modco and Funds Withheld portfolios. However, our concerns with the granularity in the proposed disclosure are consistent with our prior comments on Schedule S Part 8, which were designed in collaboration with industry so as not to expose position level detail. Specifically, we believe that the addition of CUSIP-level tags may not meaningfully improve transparency in reporting for funds withheld, but would increase reporting complexity, cost, and the potential for misinterpretation.

Reporting complexity - Under many Modco and FWH agreements, the agreement restricts a percentage of assets, not individual securities in their entirety. In such cases, tagging a CUSIP on Schedule D may imply that 100% of the Book/Adjusted Carrying Value of that security is restricted when only a fraction is subject to the Modco or FWH terms. Similarly, where the same CUSIP is held both inside and outside Modco and FWH agreements, full CUSIP tagging could be interpreted as indicating all holdings are restricted. This treatment would not reconcile in total to Note 5L and risks misleading or confusing users.

Confidentiality concerns – CUSIP-level tagging may unnecessarily reveal investment strategies and portfolio construction for Modco and FWH portfolios. We believe such details are best kept confidential while remaining available to regulators through existing supervisory channels (e.g., RBC calculation materials and examination workpapers). The recent addition of Schedule S – Part 8 provides transparency around the nature and credit quality of assets associated with Modco and FWH agreements, and the incremental benefit of tagging individual CUSIPs appears limited relative to the confidentiality and interpretive risks.

IPs continue to recommend that the assets assigned to Modco and FWH agreements be reported in the aggregate but not subject to individual restricted asset coding of any kind in the detailed investment schedules. We would appreciate the opportunity to work with NAIC staff and regulators to arrive at an acceptable compromise on this issue, along the lines of our work on Schedule S – Part 8.

In addition, IPs recommend limiting possible changes to only Life/Fraternal reporting entities, which would be consistent with how Schedule S – Part 8 was created and where almost all the Modco / Funds Withheld reinsurance agreements are reported. For Property & Casualty insurers, Modco / Funds Withheld reinsurance agreements are rarely used and when they are the assets represent the cash for the ceded premium the ceding insurer holds onto rather than paying the assuming insurer. These assets remain commingled in the ceding insurer. Thus, such an agreement does not require and does not result in restricted assets that are specifically identifiable and/or potentially managed by the assuming reinsurer or its affiliates. It appears that P&C insurers were inadvertently scoped into Note 5L and are not going to be able to complete the schedule.

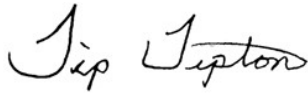
IPs also suggest that this item be re-exposed or deferred to allow the sponsoring SAPWG item to be addressed.

2025-30BWG [Updates include revising Notes to Financials, Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans, to clarify reporting retirement plan assets at net asset value (NAV). This item is sponsored by SAPWG Ref #2025-21 – *Retirement Plan Assets Held at NAV*. Anticipated effective date is Annual 2026 / 1st Quarter 2027.]

IPs recommend modifying Note 12C – Illustration to move the ‘Total’ column to the end so it includes Level 1, Level 2, Level 3 and Net Asset Value (NAV) columns which would be consistent with Note 20A – Fair Value Disclosures.

* * * *

Thank you for the opportunity to comment on the above items. Please feel free to contact me if you have any questions or would like to discuss them further.



Tip Tipton, CPA
VP – Accounting Policy
American Council of Life Insurers
TipTipton@acli.com
202-624-2015

CC: Steve Drutz, Vice-Chair, Washington
Mary Caswell, NAIC
Jill Youtsey, NAIC
Keith Bell, Travelers
Rose Albrizio, Equitable Financial
Interested Parties



900 Walnut St, Suite 100
Des Moines, IA 50309

December 8, 2025

Mr. Roy Eft, Chair
Blanks Working Group
National Association of Insurance Commissioners
1100 Walnut St.
Kansas City, MO 64106

SUBJECT: Blanks Working Group ("BWG") proposals with comments due on February 6, 2026

Dear Mr. Eft:

Gain Compliance, an NAIC-certified Annual Statement vendor specializing in compliance reporting for the insurance industry, appreciates the opportunity to review and comment on the proposals exposed on November 5, 2025. We are grateful to the BWG for its continued efforts to enhance the clarity and consistency of the financial reporting framework.

2025-17BWG [Add an annual general interrogatory that indicates the method used for reporting residuals and update Notes to Financials (Note 1.C(6) and 5.D) for consistent reporting between SSAP No. 26, SSAP No. 43 and SSAP No. 21]

- *Modifications to the Note 5.D illustration:* We recommend defining other-than-temporary impairment (OTTI) in the narrative preceding the table in Note 5.D(2). In addition, update the column labels in Notes 5.D(2) and 5.D(3), as well as the narrative paragraphs preceding the tables in Notes 5.D(3) and 5.D(4), to use the acronym "OTTI." These changes will ensure consistency and improve readability throughout Note 5.D.

2025-20BWG [Update Schedule D, Part 6, Section 1 reporting categories and Asset Valuation Reserve lines to update the classification of investment subsidiaries.]

- *AVR Equity and Other Asset Component:* Line 14 ("Affiliated Investment Subsidiary: Real Estate") will be deleted with this adoption, which eliminates the reference to Footnote (b) in Columns 5, 7, and 9. We recommend also deleting Footnote (b), renumbering Footnote (c) as Footnote (b), and updating the corresponding references to Footnote (c) on Line 47 ("Investments with the Underlying Characteristics of Mortgage Loans, Unaffiliated – in good standing with covenants") in Columns 5, 7, and 9.

We sincerely appreciate the opportunity to contribute to this process. Please feel free to contact me at (319) 310-4087 if any further discussion would be helpful.



900 Walnut St, Suite 100
Des Moines, IA 50309

Tricia Henderson
Director of Accounting Policy/NAIC Liaison
Gain Compliance
(319) 310-4087
tricia@gaincompliance.com

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