



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Date: 5/12/21

Virtual Meeting

BLANKS (E) WORKING GROUP

Tuesday, May 26, 2021

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

Jake Garn, Chair	Utah	Patricia Gosselin	New Hampshire
Kim Hudson, Vice Chair	California	John Sirovetz	New Jersey
Wally Thomas	Alaska	Tracy Snow	Ohio
William Arfanis	Connecticut	Diane Carter	Oklahoma
Dave Lonchar	Delaware	Ryan Keeling	Oregon
N. Kevin Brown	District of Columbia	Kimberly Rankin/ Melissa Greiner	Pennsylvania
Carolyn Morgan	Florida	Trey Hancock	Tennessee
Roy Eft	Indiana	Shawn Frederick	Texas
Daniel Mathis	Iowa	Steve Drutz	Washington
Dan Schaefer	Nebraska	Jamie Taylor	West Virginia
Debbie Doggett/Danielle Smith	Missouri	Randy Milquet	Wisconsin
Lindsay Crawford/Justin Schrader	Nebraska		

NAIC Support Staff: Mary Caswell/Calvin Ferguson/Julie Gann

AGENDA

1. Consider Adoption of its March 16 Minutes—*Jake Garn (UT)* Attachment A
2. Consider Adoption of Items Previously Exposed—*Jake Garn (UT)*
 - a) **2021-01BWG-Modified** – Add reference to health care receivables to Line 24 – Health Care and Other Amounts Receivable on the Asset Page, change description of Line 0699999 to read Other Health Care Receivables on Exhibit 3, and modify column headers for Exhibit 3A. Attachment B
 - b) **2021-02BWG-Modified** – Add questions to the General Interrogatories, Part 1 regarding depository institution holding companies as it pertains to the group capital calculation (GCC). Additionally, modify the terminology in the first two questions for consistency with the new questions, which has been modified to consider that many insurers that are part of a depository institution holding company are savings and loan holding companies, which is picked up with the broader terminology compared to the more specific term of bank holding company. Attachment C
 - c) **2021-03BWG** – Modify the tables for Interrogatory Questions 1.01, 1.01A, 2.5 and 4.2 in the Separate Accounts General Interrogatories by adding category lines to reflect additional granularity in the reporting on those tables (SAPWG 2020-37 and 2020-38). Attachment D
 - d) **2021-04BWG-Modified** – Add interrogatory questions 24.1 and 24.2 to the General Interrogatories, Part 1 “Financial” section asking if the insurer utilizes third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days. Renumber the remaining questions (SAPWG 2019-24). Attachment E



- e) **2021-05BWG-Modified** – Modify the instructions for Note 17B(4)b1(a) – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities, and add a table to the illustrations to data capture the disclosure (SAPWG 2021-03). Attachment F
- f) **2021-06BWG** – Add crosschecks between Long-term Care (LTC) Form 5 and Form 1 for Columns 2, 3, 4, 6 and 7 of Form 5. Attachment G
- g) **2021-07BWG** –Add additional line categories to the instruction for Column 26 – Collateral Type to capture collateral type data for all residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and loan-backed and structured securities (LBSS) securities regardless of reporting category. Attachment H
- h) **2021-08BWG-Modified** – Add a new supplement Mortgage Guaranty insurance Exhibit to capture more information from mortgage guaranty insurers. Attachment I
- i) **2021-09BWG** – Modify Sections 4 (Identification section), Section 5 (Scope section) and Section 7 (Opinion section) of the health actuarial opinion instructions to ensure that the opinion’s prescribed wording clearly indicates that the actuary’s opinion covers actuarial assets, as well as actuarial liabilities. Modify Section 9 of the actuarial opinion instructions to ensure that guidance related to the type of opinion rendered by an appointed actuary covers both actuarial assets and actuarial liabilities. Attachment J

- 3. Consider Exposure of New Items—*Jake Garn (UT)*
 - a) **2021-10BWG** – Remove language in quarterly General Interrogatories Part 1, line 4.1 that requires filing of a quarterly merger/history form. The annual form shall still be required. Attachment K
 - b) **2021-11BWG** – Add a new annual statement supplement to the Property and Casualty (P/C) statement to capture exposure data for Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.2 of the Exhibit of Premiums and Losses. Add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter. Attachment L
 - c) **2021-12BWG** – Add and delete lines on the Analysis of Operations by Lines of Business - Accident and Health for Life\Fraternal to capture health specific data captured on the Heath Analysis of Operations by Lines of Business but not on the Life\Fraternal Analysis of Operations page, and add new crosschecks for the new lines. Add new crosschecks to the Analysis of Operations by Lines of Business – Summary to map the lines on the accident and health (A&H) page to the summary. Attachment M
 - d) **2021-13BWG** – Add a new supplement to capture premium and loss data for Annual Statement Lines 17.1, 17.2 and 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability by more granular lines of business. Attachment N
 - e) **2021-14BWG** – Expand the number of lines of business reported on Schedule H to match the lines of business reported on the Health Statement. Modify the instructions so they will be uniform between life/fraternal and property. Attachment O

- 4. Consider Adoption of the Editorial Listing—*Jake Garn (UT)* Attachment P

- 5. Discuss Any Other Matters Brought Before the Working Group—*Jake Garn (UT)*

- 6. Adjournment
 - The following documents are being provided as reference materials:*
 - Summary of Comment Letters Attachment Q
 - Comment Letters Attachment R

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Draft: 3/22/2021

Blanks (E) Working Group
Virtual Meeting (*in lieu of meeting at the 2021 Spring National Meeting*)
March 16, 2021

The Blanks (E) Working Group of the Accounting Practices and Procedures (E) Task Force met March 16, 2021. The following Working Group members participated: Jake Garn, Chair (UT); Kim Hudson, Vice Chair (CA); William Arfanis (CT); N. Kevin Brown (DC); Rylynn Brown and Tom Hudson (DE); Carolyn Morgan (FL); Daniel Mathis (IA); Roy Eft (IN); Dan Schaefer (MI); Debbie Doggett (MO); Lindsay Crawford and Justin Schrader (NE); Patricia Gosselin (NH); Nakia Reid (NJ); Dale Bruggeman and Tracy Snow (OH); Diane Carter (OK); Kimberly Rankin (PA); Trey Hancock (TN); Shawn Fredrick (TX); Steve Drutz (WA); Randy Milquet (WI); and Jamie Taylor (WV).

1. Adopted its Dec. 16 Minutes

The Working Group met Dec. 16 and adopted four proposals. Among these was: 1) removing the disclosure for the federal Affordable Care Act (ACA) Section 9010 Assessment from Note 22 – Events Subsequent; 2) removing the line category and reference to the NAIC Bond Fund List (Bond List) from the investment schedule instructions and blank; 3) moving the interrogatory question regarding Communication of Internal Control Related Matters Noted in Audit from the annual Supplemental Exhibits and Schedules Interrogatories to the quarterly Supplemental Exhibits and Schedules Interrogatories to be answered for the second quarter. For title, a new page in the quarterly statement is added for the Supplemental Exhibits and Schedules Interrogatories; and 4) replacing the Life, Health and Annuity Guaranty Association Model Act Assessment Base Reconciliation and the Adjustments to the Life, Health and Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibits with modernized exhibits. The Working Group exposed seven proposals for a 60-day public comment period ending Feb. 16, 2021. The Working Group also adopted its editorial listing.

Ms. Crawford made a motion, seconded by Mr. Hudson, to adopt the Working Group's Dec. 16 minutes (Attachment Two-A). The motion passed unanimously.

2. Adopted Proposals Previously Exposed

a. Agenda Item 2020-32BWG – Effective Dec. 31, 2021

Mr. Garn stated that this proposal adds a new Exhibit 3 and Exhibit 3A Health Care Receivables Supplement to the life/fraternal annual statement. It adds a reference to the guidance document posted as part of the health annual statement health care receivables (HCR) reporting. He stated that there were no interested party comments received.

Mr. Arfanis made a motion, seconded by Mr. Snow, to adopt the proposal (Attachment Two-B). The motion passed unanimously.

b. Agenda Item 2020-33BWG – Effective Jan. 1, 2022

Mr. Schrader stated that this proposal modifies the annual statement lines used in the Underwriting and Investment Exhibits, the Exhibit of Premiums and Losses (State Page) and the Insurance Expense Exhibit (IEE) for consistency throughout the property/casualty (P/C) blank. The proposal changes the health line categories used in the property blank to be consistent with other statement types. The lines were updated in the crosscheck references and in the definitions section of the instructions.

The effective date has been changed to first-quarter 2022 at the suggestion of interested parties for consistency between the annual filings and quarterly statement filings. The size issue referenced by interested parties has also been resolved. Interested parties requested changes to Schedule H to be consistent with the changes being made in this proposal. NAIC staff have been working on another Schedule H proposal and will incorporate these suggestions as well to be presented for exposure in the near future. He stated that the modifications are highlighted within the proposal document.

Mr. Schrader made a motion, seconded by Mr. Milquet, to adopt the modifications to the proposal. The motion passed unanimously. Mr. Schrader made a motion, seconded by Mr. Milquet, to adopt the modified proposal (Attachment Two-C). The motion passed unanimously.

c. Agenda Item 2020-34BWG – Effective Dec. 31, 2021

Mr. Garn stated that this proposal includes a change to the P/C blank only. It adds additional definitions for occupational accident, fiduciary liability, premises and operations (OL&T and M&C), professional errors and omissions liability, kidnap and ransom liability, and tuition reimbursement plans products to the appropriate line of business in the appendix of the annual statement instructions. He stated that there were no interested party comments received for this proposal.

Mr. Hudson made a motion, seconded by Mr. Drutz, to adopt the proposal (Attachment Two-D). The motion passed unanimously.

d. Agenda Item 2020-35BWG – Effective Jan. 1, 2022

Mr. Hudson stated that this proposal expands the number of line characters used from seven to 10 in the investment categories for Schedules D, DA, DL and E, excluding Schedule D, Part 6, Section 1 and Section 2 and Schedule E, Part 1 and Part 3. It adds line categories for Unaffiliated Certificates of Deposit and Exchange Traded Funds (ETFs). It splits the line categories for Mutual Funds, Investment Unit Trusts and Closed-End Funds into lines indicating if the fund has been assigned a designation by the Securities Valuation Office (SVO). It makes changes to the Summary Investment Schedule, the Summary by Country and Schedule D, Part 1A, Section 1 and Section 2 to reflect the additional line categories. He stated that the purpose of this change is to accommodate more line categories and to allow for room in the numbering scheme for Schedules D, DA, DL and E to add additional lines in the future without major disruption of line numbering. It also adds new lines to address crosscheck issues and reporting questions that have been received in the past. Interested parties made some editorial corrections and suggestions, which are highlighted in the proposal.

Mr. Hudson made a motion, seconded by Ms. Gosselin, to adopt the modifications to the proposal. The motion passed unanimously. Mr. Hudson made a motion, seconded by Ms. Gosselin, to adopt the modified proposal (Attachment Two-E). The motion passed unanimously.

e. Agenda Item 2020-36BWG – Effective Dec. 31, 2021

Mr. Bruggeman stated that this agenda item reflects actions taken by the Statutory Accounting Principles (E) Working Group on March 15. The Working Group adopted its agenda item 2020-33, which provides a change in Statement of Statutory Accounting Principles (SSAP) for publicly traded preferred stock warrants. He stated that in general, warrants are in the scope of *SSAP No. 86—Derivatives*. However, there is a special carveout for publicly traded common stock warrants. They are in the scope of *SSAP No. 30R—Unaffiliated Common Stock*. With the only difference between the two instruments being the type of security one receives (i.e., public or common stock), the Working Group elected a similar carveout for publicly traded preferred stock warrants. This blanks proposal modifies the instructions for both the General Investment Schedules and for Schedule DB to reflect this change. He stated that interested parties did not have any comments on this proposal. (SAPWG Ref #2020-33.)

Mr. Bruggeman made a motion, seconded by Ms. Brown, to adopt the proposal (Attachment Two-F). The motion passed unanimously.

f. Agenda Item 2020-37BWG – Effective Dec. 31, 2021

Mr. Bruggeman stated that this agenda item reflects actions taken on March 15 by the Statutory Accounting Principles (E) Working Group regarding its agenda item 2019-34. In collaboration with interested parties, the Working Group adopted additional related party disclosure elements, specifically to capture instances where an entity, either directly or indirectly, owns greater than 10% of a reporting entity. While the Statutory Accounting Principles (E) Working Group agenda item clarified that ownership greater than 10% results in a related party classification, regardless of any disclaimer of control of affiliation, the blanks item proposed a new Schedule Y, Part 3 to data capture items such as owners with more than 10% and identification of an insurer's ultimate controlling party. During this last Blanks (E) Working Group exposure, interested parties commented that terms of "ultimate controlling party" and "ultimate controlling entity(ies)/person(s)" were not being consistently referenced. The Statutory Accounting Principles (E) Working Group confirmed that in model laws *Insurance Holding Company System Regulatory Act* (#440) and *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450), the terms are used interchangeably. Since this change was not made prior to the posting of materials, Mr. Bruggeman stated that he agrees with incorporating a notation in the instructions to indicate that the two terms, "ultimate controlling party" and "ultimate controlling entity(ies)/person(s)," may be used interchangeably. (SAPWG Ref #2019-34.)

Mr. Bruggeman made a motion, seconded by Mr. Hancock, to adopt the modifications to the proposal. The motion passed unanimously. Mr. Bruggeman made a motion, seconded by Mr. Hancock, to adopt the modified proposal (Attachment Two-G). The motion passed unanimously.

g. Agenda Item 2020-38BWG – Effective Dec. 31, 2021 (State Data Reporting Requirement Effective Dec. 31, 2022)

Mr. Garn stated that this proposal makes changes to the Accident and Health Policy Experience Exhibit, adding new columns, removing the lines “with and without contract reserves” in the individual section, and adding some new product lines. The summary tables are being eliminated; since reinsurance has been incorporated into the main exhibit, the summary tables are no longer needed. The proposal changes the reporting due date to a March 1 filing and requests the data to be reported by state. Interested parties requested the reporting date to remain as an April 1 filing. This modification, along with some editorial suggestions made by interested parties, has been incorporated into the proposal. Mr. Garn stated that the effective date of the state reporting will be annual 2022.

Tip Tipton (Thrivent Financial) stated that interested parties agree with the filing date of April 1 for the supplement, as well as deferring the reporting of state information until annual 2022.

Mr. Eft made a motion, seconded by Ms. Rankin, to adopt the modifications to the proposal. The motion passed unanimously. Mr. Eft made a motion, seconded by Mr. Hudson, to adopt the modified proposal (Attachment Two-H). The motion passed unanimously.

3. Exposed New Items

a. Agenda Item 2021-01BWG

Mr. Drutz stated that this proposal adds a reference to health care receivables in line 24 – Health Care and Other Amounts Receivable on the Assets page. It changes the description of line 0699999 to read Other Health Care Receivables on Exhibit 3 and modify column headers for Exhibit 3A. He stated that the Health Risk-Based Capital (E) Working Group continues to study health care receivables data. However, the reported data did not appear to be accurate. This change is intended to provide clarifying instructions to gain accuracy and consistency in the reporting of health care receivables.

Hearing no objection from the Working Group, the proposal was exposed with a 6-week public comment period ending April 27.

b. Agenda Item 2021-02BWG

Dan Daveline (NAIC) stated he is staff support for the Group Capital Calculation (E) Working Group, sponsor of this proposal. The purpose of this proposal is to obtain greater information relating to insurers that are regulated by the Federal Reserve System (FRS) and to gain consistent terminology with that used by the FRS. Regarding the terminology, one example is replacing the “holding company” with “depository institution holding company.” Mr. Daveline said to ensure that the entire population of such groups is picked up, the Group Capital Calculation (E) Working Group is proposing two distinct questions, 8.5 and 8.6, to identify the different types of groups likely to be subject to the Federal Reserve Group Capital, also known as the BBA. Mr. Daveline stated that these entities are not required to file the GCC. Having this more granular information will be helpful to the lead states of those groups. Having current information will also help in addressing questions that the Working Group and NAIC staff often receive from NAIC members about the insurers subject to regulation by the FRS.

Hearing no objection from the Working Group, the proposal was exposed with a 6-week public comment period ending April 27.

c. Agenda Item 2021-03BWG

Mr. Bruggeman stated that this agenda item is in response to the Statutory Accounting Principles (E) Working Group items 2020-37 and 2020-38. This proposal increases the reporting granularity in the Separate Accounts General Interrogatories, specifically for interrogatory questions 1.01, 1.01A, 2.5 and 4.2. In response to the recent and extensive growth of pension risk transfer (PRT) transactions and registered indexed linked annuity (RILA) products, state insurance regulators sought a method to more readily identify PRT transactions and RILA product features, reserves and the extent they pose a potential risk to the general account. From review of the 2019 separate account blanks, it was found that most separate account products were grouped into three or four broad categories. Thus, they were not very detailed when it came to specific product identification. This proposal adds separate and distinct reporting product identifiers for RILA products and PRT transactions, and the

instructions to the general interrogatories have been slightly modified to require a disaggregated product identifier for each product represented. With that said, aggregation in reporting can still occur if the products are under the same product filing or policy form. However, to the extent they are not, it would require disaggregated reporting. A couple of additional notes: 1) the distinct product identifier requirements have been a long-standing instruction. However, most reporting entities have been grouping or aggregating reporting. This instruction change simply requires further detailed reporting; and 2) the proposal also includes instructions so that a company may eliminate proprietary or confidential information, but still require a unique reporting product identifier.

Hearing no objection from the Working Group, the proposal was exposed with a 6-week public comment period ending April 27.

d. Agenda Item 2021-04BWG

Mr. Bruggeman stated that this proposal is related to the Statutory Accounting Principles (E) Working Group agenda item 2019-24 regarding levelized commission guidance in *SSAP No. 71—Policy Acquisition Costs and Commissions*. This proposal was in response to state insurance regulators having a more readily available method to identify situations where an insurer used a third party to pay commission obligations. The general interrogatory has been written in such a way as to not require disclosure if the amounts are settled in full within 90 days, to hopefully scope out situations where an insurer uses a third party for typical accounts payable processing. Mr. Bruggeman said input from industry is welcome if any clarification edits would be helpful in drafting the general interrogatory. This item is a concurrent exposure with the Statutory Accounting Principles (E) Working Group.

Hearing no objection from the Working Group, the proposal was exposed with a 6-week public comment period ending April 27.

e. Agenda Item 2021-05BWG

Mr. Bruggeman stated that this proposal is related to Statutory Accounting Principles (E) Working Group agenda item 2021-03, which was derived from the ongoing *SSAP No. 43R—Loan-Backed and Structured Securities* project. This proposal is primarily to data capture existing PDF disclosures required in *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, specifically when a reporting entity has entered into a securitization, asset-backed financing or other similar transfer where a significant economic interest in the transferred asset is retained by the reporting entity. This item is a concurrent exposure with the Statutory Accounting Principles (E) Working Group.

Hearing no objection from the Working Group, the proposal was exposed with a 6-week public comment period ending April 27.

4. Received a Memorandum from the Valuation of Securities (E) Task Force

Mr. Garn stated that a memorandum was received from the Valuation of Securities (E) Task Force (Attachment Two-I) dated Feb. 3, 2021, referencing the proposed amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to update the financial modeling instructions for residential mortgage-backed security/commercial mortgage-backed security (RMBS/CMBS) securities and to direct Investment Analysis Office (IAO) staff to produce NAIC designations and NAIC designation categories for non-legacy securities. This adds two new administrative symbols: 1) “FSR,” which identifies a non-legacy security RMBS that is subject to the financial modeling methodology and assignment of an NAIC designation and designation category by the Structured Securities Group (SSG); and 2) “FSC,” which indicates that the specific Committee on Uniform Security Identification Procedures (CUSIP) identifies a non-legacy security CMBS that is subject to the financial modeling methodology and assignment of an NAIC designation and designation category by the SSG. These codes will be added to the designation/modifier/administrative code list on the Blanks (E) Working Group website.

5. Adopted the Editorial Listing

Ms. Gosselin made a motion, seconded by Mr. Drutz, to adopt the editorial listing (Attachment Two-J). The motion passed unanimously.

6. Discussed Other Matters

Joe Zolecki (Blue Cross and Blue Shield Association—BCBSA) stated that interested parties would be willing to work with a small group of state insurance regulators, NAIC staff and other interested parties as an ad hoc group to study and identify any

current gaps, particularly in health filing information, to figure out what carriers can provide that would be meaningful and not redundant with all of the other filings that are already being made. He stated that the Risk-Focused Surveillance (E) Working Group has a charge to consider regulatory redundancies raised by interested parties and recommendations provided to other committees. He questioned whether the issues should be addressed by the Blanks (E) Working Group or by the Risk-Focused Surveillance (E) Working Group, which has a charge of reviewing regulatory redundancy issues.

Mr. Garn stated that this is a big project and that the Blanks (E) Working Group takes each issue one piece at a time, working to make improvements as well as trying to remove elements that are no longer needed while adding more relevant data elements. He stated that if there is something specific within the blanks reporting that interested parties would like to point out, the Blanks (E) Working Group can address that. He stated that a more comprehensive project would involve a number of other groups; for example, the investment issues would involve the Valuation of Securities (E) Task Force, and any statutory reporting issues would involve the Statutory Accounting Principles (E) Working Group.

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

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Health Risk-Based Capital (E) Working Group</u> TITLE: <u>Steve Drutz, Chair</u> AFFILIATION: _____ ADDRESS: _____	DATE: <u>12/18/2020</u>	FOR NAIC USE ONLY
		Agenda Item # <u>2021-01BWG MOD</u> Year <u>2021</u> Changes to Existing Reporting [X] New Reporting Requirement []
		REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT
		No Impact [X] Modifies Required Disclosure []
		DISPOSITION

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add reference to health care receivables to Line 24 – Health Care and Other Amounts Receivable on the Asset Page, change description of Line 0699999 to read Other Health Care Receivables on Exhibit 3 and modify column headers for Exhibit 3A.

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

The purpose of the proposal is to add clarifying language to Exhibit 3, Exhibit 3A and Assets page for health care receivables.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

Updates to the Health Care Receivable Guidance would be needed to the headers of Exhibit 3A if the proposal is adopted.

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – HEALTH AND LIFE\FRATERNAL (HEALTH CARE RECEIVABLES SUPPLEMENT)

EXHIBIT 3 – HEALTH CARE RECEIVABLES

Individually list the greater of any account balances greater than \$10,000 or those that are 10% of gross health care receivables. Use Lines 0100001 through 0699996, as needed. Report gross amounts for insured plans although these amounts may be offset against corresponding liabilities on the balance sheet. Report the aggregate of amounts not individually listed on Lines 0199998 through 0699998. The subtotal and grand total amounts should be reported on the following lines:

<u>Category</u>	<u>Line Number</u>
Pharmaceutical Rebate Receivables.....	0199999
Claim Overpayment Receivables.....	0299999
Loans and Advances to Providers	0399999
Capitation Arrangement Receivables.....	0499999
Risk sharing Receivables	0599999
Other <u>Health Care</u> Receivables	0699999
Gross Health Care Receivables.....	0799999

Column 7 – Admitted

Total line should equal the inset amount on Line 24 of the Asset Page.

ANNUAL & QUARTERLY STATEMENT INSTRUCTIONS – LIFE\FRATERNAL, HEALTH, PROPERTY AND TITLE

ASSETS



Detail Eliminated to Conserve Space

Line 24 – Health Care and Other Amounts Receivable

Include: Bills Receivable – Report any unsecured amounts due from outside sources or receivables secured by assets that do not qualify as investments.

Amounts due resulting from advances to agents or brokers – Refer to *SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers* for accounting guidance.

Health Care Receivables – Include pharmaceutical rebate receivables, claim overpayment receivables, loans and advances to providers, capitation arrangement receivables, ~~and~~ risk sharing receivables and other health care receivables from affiliated and non-affiliated entities. Refer to *SSAP No. 84—Health Care and Government Insured Plan Receivables* for accounting guidance.

Other amounts receivable that originate from the government under government insured plans, including **undisputed** amounts over 90 days due that qualify as accident and health contracts are admitted assets. Refer to *SSAP No. 84—Health Care and Government Insured Plans Receivables* and *SSAP No. 50—Classifications of Insurance or Managed Care Contracts* for accounting guidance.

Exclude: Pharmaceutical rebates relating to uninsured plans that represent an administrative fee and that are retained by the reporting entity and earned in excess of the amounts to be remitted to the uninsured plan. These amounts should be reported on Line 17.

Premiums receivable for government insured plans reported on Lines 15.1, 15.2 or 15.3.



Detail Eliminated to Conserve Space

ANNUAL STATEMENT BLANK – HEALTH AND LIFE/FRATERNAL (HEALTH CARE RECEIVABLES SUPPLEMENT)

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected or Offset During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in <u>from</u> Prior Years (Cols. 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables
2. Claim overpayment receivables
3. Loans and advances to providers
4. Capitation arrangement receivables
5. Risk sharing receivables.....
6. Other health care receivables
7. Totals (Lines 1 through 6)

Note that the accrued amounts in Columns 3, 4 and 6 are the total health care receivables, not just the admitted portion.

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>01/28/2020</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dan Daveline</u></p> <p>TITLE: _____</p> <p>AFFILIATION: <u>Staff Support Group Capital Calculation (E) Working Group</u></p> <p>ADDRESS: _____</p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2021-02BWG MOD</u></p> <p>Year <u>2021</u></p> <p>Changes to Existing Reporting <input checked="" type="checkbox"/> [X]</p> <p>New Reporting Requirement <input type="checkbox"/> []</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact <input type="checkbox"/> []</p> <p>Modifies Required Disclosure <input type="checkbox"/> []</p> <hr/> <p style="text-align: center;">DISPOSITION</p> <p><input type="checkbox"/> [] Rejected For Public Comment</p> <p><input type="checkbox"/> [] Referred To Another NAIC Group</p> <p><input checked="" type="checkbox"/> [X] Received For Public Comment</p> <p><input type="checkbox"/> [] Adopted Date _____</p> <p><input type="checkbox"/> [] Rejected Date _____</p> <p><input type="checkbox"/> [] Deferred Date _____</p> <p><input type="checkbox"/> [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input type="checkbox"/> [] INSTRUCTIONS | <input type="checkbox"/> [] CROSSCHECKS |
| <input type="checkbox"/> [] QUARTERLY STATEMENT | <input checked="" type="checkbox"/> [X] BLANK | |
| <input checked="" type="checkbox"/> [X] Life, Accident & Health/Fraternal | <input type="checkbox"/> [] Separate Accounts | <input checked="" type="checkbox"/> [X] Title |
| <input checked="" type="checkbox"/> [X] Property/Casualty | <input type="checkbox"/> [] Protected Cell | <input type="checkbox"/> [] Other _____ |
| <input checked="" type="checkbox"/> [X] Health | <input type="checkbox"/> [] Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add questions to the General Interrogatories, Part 1 regarding depository institution holding companies as it pertains to the group capital calculation. Additionally, modify the terminology in the first two questions for consistency with the new questions, which has been modified to consider that many insurers that are part of a depository institution holding company are savings and loan holding companies, which is picked up with the broader terminology compared to the more specific term of bank holding company.

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

To assist state regulators in identifying depository institution holding companies significantly engaged in insurance activities that would be subject to the Federal Reserve's Building Block Approach to group capital, thereby prompting the communication necessary to exempt the holding company from the group capital calculation.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 7/18/2018

ANNUAL STATEMENT BLANK – LIFE\FRATERNAL, HEALTH, PROPERTY AND TITLE

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC)~~bank holding company~~, or a DIHC itself. Yes [] No []
regulated by the Federal Reserve Board?
- 8.2 If response to 8.1 is yes, please identify the name of the DIHC~~bank holding company~~.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No []
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a fe

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....
.....
.....

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity~~such company~~? Yes [] No []
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [] N/A []
- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?


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Detail Eliminated to Conserve Space
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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>02/17/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dale Bruggeman</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-03BWG</u> Year <u>2021</u> Changes to Existing Reporting [X] New Reporting Requirement []</p> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [X] Modifies Required Disclosure []</p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment [] Referred To Another NAIC Group [X] Received For Public Comment [] Adopted Date _____ [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

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|--|---|--------------------------------------|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input type="checkbox"/> Life, Accident & Health/Fraternal | <input checked="" type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify the tables for Interrogatory Questions 1.01, 1.01A, 2.5 and 4.2 in the Separate Accounts General Interrogatories by adding category lines to reflect additional granularity in the reporting on those tables.

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

The purpose of the proposal is to modify select tables on the Separate Accounts General Interrogatories to reflect the increased granularity in the product identifiers per by the Statutory Accounting Principles (E) Working Group agenda item (Ref #2020-37 & Ref #2020-38).

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

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GENERAL INTERROGATORIES

Product Mix

1.01 Identify the product types in the separate account, quantify the assets associated with those products, indicate if there are any guarantees associated with those products, quantify seed money and quantify other fees and expenses due to the general account. For the products (and related assets) that are not registered with the SEC, identify whether the products are considered private placement variable annuity products or private placement life insurance.

Note: A distinct disaggregated product identifier shall be used for each product and shall be used consistently throughout the interrogatory. Disaggregation of reporting shall be such that each product filing or policy form is separately identified. For example, if a company has 5 different separate group annuities, each annuity shall be separately reported. (Companies may eliminate proprietary information however such elimination will require the use of unique reporting identifiers).

Additional Required Surplus Amounts is defined as additional or permanent surplus that is required to be retained in the separate account in accordance with state law or regulation. These amounts should not include reinvested separate account investment proceeds that have not been allocated to separate account contract holders.

1 Product Identifier	Separate Account Assets		4 Guarantees Associated with the Product Yes/No	5 Seed Money	6 Fees and Expenses Due to the General Account	7 Additional Required Surplus Amounts
	2 Registered with SEC	3 Not Registered with SEC				
1.01A Pension Risk Transfer Group Annuities						
	\$	\$		\$	\$	\$
Total Pension Risk Transfer Group Annuities	\$	\$		\$	\$	\$
1.01B All Other Group Annuities						
	\$	\$		\$	\$	\$
Total All Other Group Annuities	\$	\$		\$	\$	\$
1.01C Registered Index Linked Annuities Individual Annuities						
	\$	\$		\$	\$	\$
Total Registered Index Linked Annuities Individual Annuities	\$	\$		\$	\$	\$
1.01D All Other Individual Annuities						
	\$	\$		\$	\$	\$
Total All Other Individual Annuities	\$	\$		\$	\$	\$
1.01E Life Insurance						
	\$	\$		\$	\$	\$
Total Life Insurance	\$	\$		\$	\$	\$
1.01F Totals	\$	\$	XXX	\$	\$	\$

Note: Additional Required Surplus Amounts is defined as additional or permanent surplus that is required to be retained in the separate account in accordance with state law or regulation. These amounts should not include reinvested separate account investment proceeds that have not been allocated to separate account contract holders.

1.01A For the products (and related assets) that are not registered with the SEC, identify whether the products are considered private placement variable annuity products or private placement life insurance.

1 Product Identifier	Not Registered with SEC		
	28 Private Placement Variable Annuity	39 Private Placement Life Insurance	410 Other (Not PPVA or PPLI)
1.01A Pension Risk Transfer Group Annuities			
	\$	\$	\$
Total Pension Risk Transfer Group Annuities	\$	\$	\$
1.01B All Other Group Annuities			
	\$		
Total All Other Group Annuities	\$	\$	\$
1.01C Registered Index Linked Annuities Individual Annuities			
	\$		
Total Registered Index Linked Annuities Individual Annuities	\$	\$	\$
1.01D All Other Individual Annuities			
	\$		
Total All Other Individual Annuities	\$	\$	\$
1.01E Life Insurance			
	\$		
Total Life Insurance	\$	\$	\$
1.01F Totals	\$		

Detail Eliminated to Conserve Space

- 2.4 To compensate the general account for the risk taken, for any separate account products with general account guarantees, does the separate account remit risk charges to the general account related to separate account guarantees? Yes [] No []
- 2.5 If yes, identify the separate account products with risk charges that are remitted to the general account and whether the risk charge for that product is reviewed and opined upon:

1 Product Identifier with Risk Charges	2 Risk Charge Reviewed and Opined Upon	3 Name and Title of Individual Who Provided Opinion on Risk Charges
2.5A Pension Risk Transfer Group Annuities		
2.5B All Other Group Annuities		
2.5C Registered Index Linked Annuities Individual Annuities		
2.5D All Other Individual Annuities		
2.5E Life Insurance		

Detail Eliminated to Conserve Space

- 4.1 Does the reporting entity have separate account assets in which less than 100% of investment proceeds (net of contract fees and assessments) are attributed to a contract holder? (This should identify any situations where there is a ceiling on investment performance results.) Yes [] No []
- 4.2 If yes, provide detail on the net investment proceeds that were attributed to the contract holder, transferred to the general account and reinvested within the separate account:

1 Product Identifier	2 Net Investment Proceeds	3 Attributed to Contract Holder	4 Transferred to General Account	5 Reinvested Within the Separate Account
4.2A Pension Risk Transfer Group Annuities				
	\$	\$	\$	\$
<u>Total Pension Risk Transfer Group Annuities</u>	\$	\$	\$	\$
4.2B All Other Group Annuities				
	\$	\$	\$	\$
<u>Total All Other Group Annuities</u>	\$	\$	\$	\$
4.2C Registered Index Linked Annuities Individual Annuities				
	\$	\$	\$	\$
<u>Total Registered Index Linked Annuities Individual Annuities</u>	\$	\$	\$	\$
4.2D All Other Individual Annuities				
	\$	\$	\$	\$
<u>Total All Other Individual Annuities</u>	\$	\$	\$	\$
4.2E Life Insurance				
	\$	\$	\$	\$
<u>Total Life Insurance</u>	\$	\$	\$	\$
4.2F Totals	\$	\$	\$	\$


Detail Eliminated to Conserve Space


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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>02/25/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dale Bruggeman</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2021-04BWG MOD</u></p> <p>Year <u>2021</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact [X]</p> <p>Modifies Required Disclosure []</p> <hr/> <p style="text-align: center;">DISPOSITION</p> <p>[] Rejected For Public Comment</p> <p>[] Referred To Another NAIC Group</p> <p>[X] Received For Public Comment</p> <p>[] Adopted Date _____</p> <p>[] Rejected Date _____</p> <p>[] Deferred Date _____</p> <p>[] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add interrogatory questions 24.1 and 24.2 to the General Interrogatories, Part 1 and renumber those below them. Renumber the questions and question references in the General Interrogatories, Part 1 to match the renumbering on the blank page.

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

During the Statutory Accounting Principles (E) Working Group's ongoing discussion of agenda item #2019-24: Levelized and Persistency Commissions, regulators expressed the desire for a GI to identify certain scenarios in which an insurer utilizes third parties to pay commission expenses.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 7/18/2018

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GENERAL INTERROGATORIES

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FINANCIAL

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Detail Eliminated to Conserve Space

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes No

24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

2425.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 2425.03) Yes No

2425.02 If no, give full and complete information, relating thereto.....

2425.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

2425.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ _____

2425.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ _____

2425.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

2425.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

2425.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

GENERAL INTERROGATORIES

2425.09 For the reporting entity’s securities lending program, state the amount of the following as of December 31 of the current year:

- 2425.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____
- 2425.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____
- 2425.093 Total payable for securities lending reported on the liability page \$ _____

2526.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 242224.1 and 2425.03). Yes [] No []

- 2526.2 If yes, state the amount thereof at December 31 of the current year:
- 2526.21 Subject to repurchase agreements \$ _____
 - 2526.22 Subject to reverse repurchase agreements \$ _____
 - 2526.23 Subject to dollar repurchase agreements \$ _____
 - 2526.24 Subject to reverse dollar repurchase agreements \$ _____
 - 2526.25 Placed under option agreements \$ _____
 - 2526.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock \$ _____
 - 2526.27 FHLB Capital Stock \$ _____
 - 2526.28 On deposit with states \$ _____
 - 2526.29 On deposit with other regulatory bodies \$ _____
 - 2526.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ _____
 - 2526.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ _____
 - 2526.32 Other \$ _____

2526.3 For category (2526.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 2627.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No []
- 2627.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes [] No [] N/A []

LINES 2627.3 through 2627.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 2627.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate? Yes [] No []
- 2627.4 If the response to 2627.3 is YES, does the reporting entity utilize:
 - 2627.41 Special accounting provision of SSAP No. 108 Yes [] No []
 - 2627.42 Permitted accounting practice Yes [] No []
 - 2627.43 Other accounting guidance Yes [] No []

2627.5 By responding YES to 2627.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

-
he 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.
-
ctuarial 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.
-
inancial 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.

- 2728.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No []
- 2728.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

2829. Excluding items in Schedule E– Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [] No []

2829.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian’s Address

GENERAL INTERROGATORIES

2829.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

2829.03 Have there been any changes, including name changes, in the custodian(s) identified in 2829.01 during the current year?

Yes No

2829.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

2829.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1 Name of Firm or Individual	2 Affiliation

2829.0597 For those firms/individuals listed in the table for Question 2829.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s invested assets?

Yes No

2829.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 2829.05, does the total assets under management aggregate to more than 50% of the reporting entity’s invested assets?

Yes No

2829.06 For those firms or individuals listed in the table for 2829.05 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

2930.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes No

2930.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
2930.2999	TOTAL	

2930.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund’s Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

GENERAL INTERROGATORIES

3031. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
3031.1 Bonds			
3031.2 Preferred Stocks			
3031.3 Totals			

3031.4 Describe the sources or methods utilized in determining the fair values:

.....

.....

3432.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No []

3432.2 If the answer to 3432.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

3432.3 If the answer to 3432.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

.....

.....

3233.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [] No []

3233.2 If no, list exceptions:

.....

3334. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No []

3435. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No []

3536. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No []

3637. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 3637.a -3637.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [] N/A []

GENERAL INTERROGATORIES

OTHER

3738.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ _____

3738.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations, and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

3839.1 Amount of payments for legal expenses, if any? \$ _____

3839.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

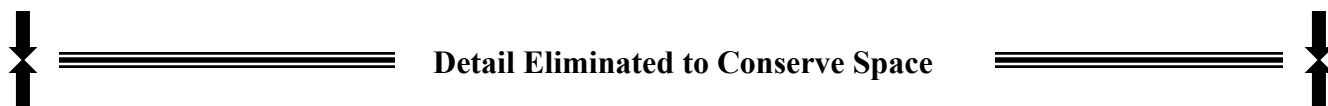
3940.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$ _____

3940.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

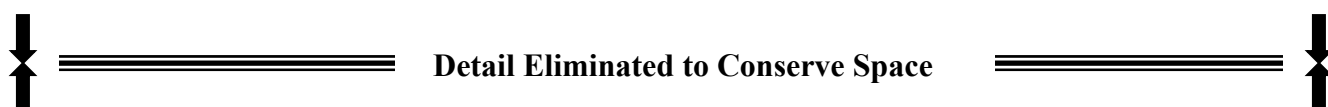
1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY AND TITLE

GENERAL INTERROGATORIESPART 1 – COMMON INTERROGATORIES


Detail Eliminated to Conserve Space

FINANCIAL


Detail Eliminated to Conserve Space

INVESTMENT

~~2425.~~ For the purposes of this interrogatory, “exclusive control” means that the company has the exclusive right to dispose of the investment at will, without the necessity of making a substitution thereof. For purposes of this interrogatory, securities in transit and awaiting collection, held by a custodian pursuant to a custody arrangement or securities issued subject to a book entry system are considered to be in actual possession of the company.

If bonds, stocks and other securities owned December 31 of the current year, over which the company has exclusive control are: (1) securities purchased for delayed settlement, or (2) loaned to others, the company should respond “NO” to ~~2425.01~~ and “YES” to ~~2526.1~~.

~~2425.03~~ Describe the company’s securities lending program, including value for collateral and amount of loaned securities, and whether the collateral is held on- or off-balance sheet. Note 17 of Notes to Financial Statement provides a full description of the program.

~~2425.04~~ Report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.

~~2425.05~~ Report amount of collateral for other programs.

~~2425.091~~ The fair value amount reported should equal the grand total of Schedule DL, Part 1, Column 5 plus Schedule DL, Part 2, Column 5.

The fair value amount reported amount should also equal the fair value amount reported in Note 5E(5)a1(m).

~~2425.092~~ The book adjusted/carrying value amount reported should equal the grand total of Schedule DL, Part 1, Column 6 plus Schedule DL, Part 2, Column 6.

~~2425.093~~ The payable for securities lending amount reported should equal current year column for payable for securities lending line on the liability page.

~~2526.~~ Disclose the statement value of investments that are not under the exclusive control of the reporting entity within the categories listed in ~~2526.2~~.

2728. The purpose for this General Interrogatory is to capture the statement value for securities reported in Schedule D, Part 1, Bonds or Schedule D, Part 2, Section 1, Preferred Stock that are mandatorily convertible into equity, or at the option of the issuer, are convertible into equity. This disclosure will facilitate the application of the equity factors to the statement value of such securities for purposes of RBC.

2829. The question, regarding whether items are held in accordance with the *Financial Condition Examiners Handbook*, must be answered.

2829.01 If the answer to 28-29 is “YES,” then list all of the agreements in 2829.01. If the answer is “NO,” but one or more of the agreements do comply with the *Financial Condition Examiners Handbook*, then list the agreements that do comply in 2829.01.

2829.02 If the answer to 28-29 is “NO,” then list all agreements that do not comply with the *Financial Condition Examiners Handbook*. Provide a complete explanation of why each custodial agreement does not include the characteristics outlined in the *Financial Condition Examiners Handbook* (Section 1 (III) (F), Outsourcing of Critical Functions, Custodial or Safekeeping Agreements), available at the NAIC website:

www.naic.org/documents/committees_e_examover_fehtg_Custodial_or_Safekeeping_Agreements.doc

2829.03 This question, regarding changes in custodian, must be answered.

2829.04 If the answer to 2829.03 is “YES,” list the change(s).

2829.05 Identify all investment advisors, investment managers and broker/dealers, including individuals who have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such.

Name of Firm or Individual:

Should be name of firm or individual that is party to the Investment Management Agreement

Affiliation:

Note if firm or individual is affiliated, unaffiliated or an employee by using the following codes:

A Investment management is handled by firms/individuals affiliated with the reporting entity.

U Investment management is handled by firms/individuals unaffiliated with the reporting entity.

I Investment management is handled internally by individuals that are employees of the reporting entity.

2829.0597 If the total assets under management of any the firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 2829.05 are greater than 10% of the reporting entity’s invested assets (Line 12 of the Asset page), answer “YES” to Question 2829.0597.

2829.0598 If the total assets under management of all the firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 2829.05 are greater than 50% of the reporting entity’s invested assets (Line 12 of the Asset page), answer “YES” to Question 2829.0598. When determining the aggregate total of assets under management, include all firms/individuals unaffiliated with the reporting entity not just those who manage more than 10% of the reporting entity’s assets.

2829.06 For assets managed by an affiliated or unaffiliated firm or individual, provide for each firm or individual the Central Registration Depository Number, Legal Entity Identifier (LEI), who they are registered with and if an Investment Management Agreement has been filed for each firm or individual.

Name of Firm or Individual:

Should be name of firm or individual provided for 2829.05

Central Registration Depository Number

The Central Registration Depository (CRD) number is a number issued by the Financial Industry Regulatory Authority (FINRA) to brokers, dealers or individuals when licensed, and can be verified against their database *www.finra.org*. These brokers, dealers or individuals would be those contracted to manage some of the reporting entity's investments or funds and invest them for the reporting entity. The brokers, dealers or individuals can be affiliated or unaffiliated with the reporting entity. The reporting entity must list all brokers, dealers or individuals who have the authority to make investments on behalf of the reporting entity.

Legal Entity Identifier (LEI)

Provide the 20-character Legal Entity Identifier (LEI) for issuer as assigned by a designated Local Operating Unit. If no LEI number has been assigned, leave blank.

Registered With:

If a Registered Investment Advisor, specify if registered with Securities Exchange Commission or state securities authority. Note if not a Registered Investment Advisor.

Investment Management Agreement (IMA) Filed:

Indicate if a current Investment Management Agreement (IMA) has been filed with the state of domicile or the insurance department in another state(s). Use one of the codes below to indicate if the IMA has been filed and with whom it was filed.

- | | |
|----|--|
| DS | If the current IMA has been filed with the state of domicile regardless if it was also filed with another state. |
| OS | If the current IMA has been filed with a state(s) other than the state of domicile but not the state of domicile |
| NO | If the current IMA has not been filed with any state |

2930. This interrogatory is applicable to Property/Casualty and Health entities only.

2930.2 The diversified mutual funds (diversified according to the U.S. Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)]) that are excluded from the Asset Concentration Factor section of the risk-based capital filing are to be disclosed in this interrogatory.

2930.3 "Significant Holding" means the top five largest holdings of the mutual fund. For each diversified mutual fund disclosed in Interrogatory 2930.2, the top largest holdings of the mutual fund must be disclosed in this interrogatory.

The "Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding" should be based upon the fund's latest available valuation as of year-end (e.g., fiscal year-end or latest periodic valuation available prior to year-end).

The "Date of Valuation" should be the date of the valuation amount provided in the Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding column.

~~3031.~~ Include bonds reported as cash equivalents in Schedule E, Part 2.

~~3233.~~ This interrogatory applies to any investment required to be filed with the SVO (or that would have been required if not exempted in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*), whether in the general account or separate accounts.

The existence of Z securities does not mean that a reporting entity is not complying with the procedures. As long as the entity has filed its Z securities with the SVO within 120 days of purchase, compliance with the procedures has been met. If an entity wishes to provide the counts of Z securities, include those counts in the explanation lines. An explanation is only expected if the answer to the compliance question is NO.

OTHER

~~3738.~~ The purpose of this General Interrogatory is to capture information about payments to any trade association, service organization, and statistical or rating bureau. A “service organization” is defined as every person, partnership, association or corporation that formulates rules, establishes standards, or assists in the making of rates or standards for the information or benefit of insurers or rating organizations.

~~3839.~~ The purpose of this General Interrogatory is to capture information about legal expenses paid during the year. These expenses include all fees or retainers for legal services or expenses, including those in connection with matters before administrative or legislative bodies. It excludes salaries and expenses of company personnel, legal expenses in connection with investigation, litigation and settlement of policy claims, and legal fees associated with real estate transactions, including mortgage loans on real estate. Do not include amounts reported in General Interrogatories No. ~~3738~~ and No. ~~3940~~.

~~3940.~~ The purpose of this General Interrogatory is to capture information about expenditures in connection with matters before legislative bodies, officers or departments of government paid during the year. These expenses are related to general legislative lobbying and direct lobbying of pending and proposed statutes or regulations before legislative bodies and/or officers or departments of government. Do not include amounts reported in General Interrogatories No. ~~3738~~ and No. ~~3839~~.

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NAIC BLANKS (E) WORKING GROUP

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<p style="text-align: right;">DATE: <u>02/25/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dale Bruggeman</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2021-05BWG MOD</u></p> <p>Year <u>2021</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact [X]</p> <p>Modifies Required Disclosure []</p> <hr/> <p style="text-align: center;">DISPOSITION</p> <p>[] Rejected For Public Comment</p> <p>[] Referred To Another NAIC Group</p> <p>[X] Received For Public Comment</p> <p>[] Adopted Date _____</p> <p>[] Rejected Date _____</p> <p>[] Deferred Date _____</p> <p>[] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

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|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT | <input type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify the instructions for Note 17B(4)b1(a) and add a table to the illustrations to data capture some aspects of the disclosure.

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

The purpose of the proposal is to modify the disclosure in Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities to reflect disclosure changes per by the Statutory Accounting Principles (E) Working Group agenda item (Ref #2021-03).

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL & QUARTERLY STATEMENT INSTRUCTIONS – LIFE\FRATERNAL, HEALTH, PROPERTY AND TITLE

NOTES TO FINANCIAL STATEMENTS

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Detail Eliminated to Conserve Space
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17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Instruction:

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Detail Eliminated to Conserve Space
 =====

B. Transfer and Servicing of Financial Assets

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- (4) For securitizations, asset-backed financing arrangements and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the *Accounting Practices and Procedures Manual*) with the transferred financial assets:

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Detail Eliminated to Conserve Space
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- b. For each statement of financial position presented, regardless of when the transfer occurred:
 - 1. Qualitative and quantitative information about the transferor’s continuing involvement with transferred financial assets that provides financial statement users with sufficient information to assess the reasons for the continuing involvement and the risks related to the transferred financial assets to which the transferor continues to be exposed after the transfer and the extent that the transferor’s risk profile has changed as a result of the transfer (including, but not limited to, credit risk, interest rate risk and other risks), including:

- (a) The total ~~original~~ principal amount outstanding (BACV), the amount that has been derecognized and the ~~outstanding~~ amount that continues to be recognized in the statement of financial position. The amount recognized (allocated fair value) by the reporting entity for the acquired participation in the transferred assets. The reporting schedules of both the transferred and reacquired assets. The percentage of beneficial interests from the reporting entity’s transferred assets acquired by affiliated entities. The percentage of original principal held in the company group and the percentage of derecognized principal held by related parties.

The purpose of the table illustrated below is to provide for data capture of certain disclosures required in SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, paragraph 28g. As detailed in paragraph 28.g.ii, disclosure is required for each statement of financial position presented, regardless of when the transfer occurred. Determination of continuing involvement shall be applied in accordance with the definition reflected in SSAP No. 103R, Appendix A.

Columns requesting information that results in a null result (i.e., if column 5 results in a zero balance as 100% of the asset was transferred), shall indicate zero (0). In the event a column is not applicable, (i.e., if affiliated entities did not acquire an interest in the transferred asset), the column shall be referenced as zero (0).

In circumstances where an entity has multiple assets associated with a sale (i.e., several limited partnerships are sold as a single transaction), the assets should be aggregated and reported as a single transaction.

Column 1 Identification of Transaction

Identification of each material transaction. Identification should be consistent across reporting periods so that the circumstances for each item are adequately associated with the applicable transaction.

Column 2 BACV Prior to Transfer

The aggregate book value, at the time of transfer, of all assets associated with the transaction.

Column 3 Original Reporting Schedule of the Transferred Assets

The investment schedule(s) in which the transferred assets were reported, immediately prior to the transfer. If the transferred assets were reported on multiple schedules, all reporting schedules shall be identified. (For example, input BA-1 for Schedule BA-Part 1)

Column 4 Amount Derecognized from Sale Transaction

The aggregate book value derecognized from the investment schedules as a result of the transfer. If the assets were transferred in their entirety, Column 4 will equal Column 2.

Column 5 Amount That Continues to be Recognized in the Statement of Financial Position

The amount that continues to be recognized in the statement of financial position. This should equal Column 2 less Column 4.

Column 6 BACV of Acquired Interests in Transferred Assets

The original BACV reported for acquired beneficial interests (or any other interest) in the previously transferred asset. (BACV for these transactions is often the allocated fair value associated with the transaction.)

Column 7 Reporting Schedule of Acquired Interests

The reporting schedule of the acquired beneficial interest reported in Column 6. (For example, input D-1 for Schedule D, Part 1)

Column 8 Percentage of Interests of a Reporting Entity’s Transferred Assets Acquired by Affiliated Entities

The percentage of interest of a reporting entity’s transferred assets acquired by an affiliate as defined in SSAP No. 25—*Affiliates and Other Related Parties*.

- (b) The terms of any arrangements that could require the transferor to provide financial support (for example, liquidity arrangements and obligations to purchase assets) to the transferee or its beneficial interest holders, including a description of any events or circumstances that could expose the transferor to loss and the amount of the maximum exposure to loss.



Detail Eliminated to Conserve Space

Illustration:

A. Transfers of Receivables Reported as Sales

- (1) During 20__ the company sold \$_____ of agent balances without recourse to the ABC Company.
- (2) The company realized a loss of \$_____ as a result of the sale.

B. Transfer and Servicing of Financial Assets

1	2	3	4	5	6	7	8
Identification of Transaction	BACV at Time of Transfer	Original Reporting Schedule of the Transferred Assets	Amount Derecognized from Sale Transaction	Amount that continues to be recognized in the statement of financial position (Col. 2 minus 4)	BACV of acquired interests in transferred assets	Reporting Schedule of Acquired Interests	Percentage of interests of a reporting entity’s transferred assets acquired by affiliated entities
.....%
.....%
.....%
.....%
.....%
.....%

1	2	3	4	5	6	7	8	9
Identification of Transaction	Original Principal	% of Original Principal held within the company group	Amount Derecognized	% of derecognized held by related parties	Outstanding amount still recognized in the statement of financial position	Net cashflows between transferor and transferee	FV of proceeds received	Gain/loss from sale of transferred assets
.....%%
.....%%
.....%%
.....%%
.....%%
.....%%
.....%%
.....%%
.....%%
.....%%

C. Wash Sales

- (1) In the course of the company’s asset management, securities are sold and reacquired within 30 days of the sale date to enhance the company’s yield on its investment portfolio.

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) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 20__ and reacquired within 30 days of the sale date are:

<u>Description</u>	<u>NAIC Designation</u>	<u>Number of Transactions</u>	<u>Book Value of Securities Sold</u>	<u>Cost of Securities Repurchased</u>	<u>Gain (Loss)</u>
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____	\$ _____

Note: Examples of values for the Description Column are Bonds, Preferred Stocks, Common Stocks, etc.
 The NAIC Designation Column should indicate 3 through 6 for those transactions for securities that would have been reported with an NAIC Designation if still owned at the end of the reporting period (e.g., bonds and preferred stocks).
 For those transactions for securities that would not have been reported with an NAIC Designation if still owned at the end of the reporting period (e.g., real estate mortgage loans and common stocks), leave the column blank.



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NAIC BLANKS (E) WORKING GROUP

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<p style="text-align: right;">DATE: <u>03/25/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Kim Hudson</u></p> <p>TITLE: _____</p> <p>AFFILIATION: <u>California Department of Insurance</u></p> <p>ADDRESS: <u>300 South Spring St.</u> <u>Los Angeles, CA 90013</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-06BWG</u> Year <u>2021</u> Changes to Existing Reporting [X] New Reporting Requirement []</p> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [X] Modifies Required Disclosure []</p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment [] Referred To Another NAIC Group [X] Received For Public Comment [] Adopted Date _____ [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____</p>
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| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add crosschecks between Form 5 and Form 1 for Columns 2, 3, 4, 6 and 7 of Form 5.

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

The purpose of this proposal is to add crosschecks for Columns 2, 3, 4, 6 and 7 of Form 5 to Columns 8, 1, 2, 5 and 3 respectively.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH AND PROPERTY

INSTRUCTIONS FOR FORM 5**Standalone and Hybrid Products – Direct State Reporting (\$000 Omitted)****Detail Eliminated to Conserve Space**

Column 1 – Number of New Lives Insured

Total number of new lives issued LTC or hybrid policies during the year. Values in rows that are labeled “inception-to-date” should be the sum of all new lives insured in each year during which the form was sold.

Column 2 – Number of Lives In-force Year End

Total number of lives in force at the end of the year. Joint policies are to be counted as two lives.

Grand Total Page, Line 1 should equal Form 1, Column 8, Line 1 plus Line 6.

Column 3 – Earned Premiums

Collected Premiums + Change in Due Premiums – Change in Advanced Premiums – Change in Unearned Premium Reserves.

If necessary, the premium may be derived as the gross premium of the policy with the inclusion of LTC coverage less the gross premium of that policy without LTC coverage.

Grand Total Page, Line 1 should equal Form 1, Column 1, Line 1 plus Line 6.

Column 4 – Incurred LTC Claims

Developed claim amounts for LTC claims incurred during the calendar year including accelerated claims, but not including payments due to extension of benefits. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.

Grand Total Page, Line 1 should equal Form 1, Column 2, Line 1 plus Line 6.

Column 5 – Incurred Extended Benefits Claims

Developed claim amounts for LTC claims incurred during the calendar year due to extension of benefits after exhaustion of accelerated benefits. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.

Column 6 – Number of Claims Remaining Open

Open claims are all claims that have been opened at any date but have not been closed as of the end of the year.

Grand Total Page, Line 1 should equal Form 1, Column 5, Line 1 plus Line 6.

Column 7 – Number of Claims Opened

The number of claims that have at least one LTC benefit payment made during the year after the elimination period but have no payments in previous years. If a claimant has prior claims, he or she should be counted if the current claim is considered as a new claim. For the purpose of including a claim in this count, payments that do not require satisfaction of the elimination period are excluded. A claim that has terminated by the end of the year should be included in the count.

Grand Total Page, Line 1 should equal Form 1, Column 3, Line 1 plus Line 6.

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NAIC BLANKS (E) WORKING GROUP

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<p style="text-align: right;">DATE: <u>03/31/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dale Bruggeman</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-07BWG</u> Year <u>2021</u> Changes to Existing Reporting [X] New Reporting Requirement []</p> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [X] Modifies Required Disclosure []</p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment [] Referred To Another NAIC Group [X] Received For Public Comment [] Adopted Date _____ [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

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| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add additional line categories to the instruction for Column 26 – Collateral Type to capture collateral type data for all RMBS, CMBS and LBSS securities regardless of reporting category.

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

The purpose of this proposal is to expand the line categories listed in the instructions for Column 26 – Collateral Type on Schedule D, Part 1 so the column captures collateral type data for all RMBS, CMBS and LBSS securities regardless of reporting category.


NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY AND TITLE

SCHEDULE D – PART 1LONG-TERM BONDS OWNED DECEMBER 31 OF CURRENT YEAR

Detail Eliminated to Conserve Space

Column 26 – Collateral Type

Use only for securities included in the following subtotal lines.

U.S. Governments

<u>Residential Mortgage-Backed Securities</u>	0299999
<u>Commercial Mortgage-Backed Securities</u>	0399999
<u>Other Loan-Backed and Structured Securities</u>	0499999

All Other Governments

<u>Residential Mortgage-Backed Securities</u>	0799999
<u>Commercial Mortgage-Backed Securities</u>	0899999
<u>Other Loan-Backed and Structured Securities</u>	0999999

U.S. States, Territories and Possessions (Direct and Guaranteed)

<u>Residential Mortgage-Backed Securities</u>	1299999
<u>Commercial Mortgage-Backed Securities</u>	1399999
<u>Other Loan-Backed and Structured Securities</u>	1499999

U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)

<u>Residential Mortgage-Backed Securities</u>	1999999
<u>Commercial Mortgage-Backed Securities</u>	2099999
<u>Other Loan-Backed and Structured Securities</u>	2199999

U.S. Special Revenue and Special Assessment Obligations and all Non-GuaranteedObligations of Agencies and Authorities of Governments and Their Political Subdivisions

<u>Residential Mortgage-Backed Securities</u>	2699999
<u>Commercial Mortgage-Backed Securities</u>	2799999
<u>Other Loan-Backed and Structured Securities</u>	2899999

Industrial and Miscellaneous (Unaffiliated)

<u>Residential Mortgage-Backed/ Securities</u>	3399999
<u>Commercial Mortgage-Backed Securities</u>	3499999
<u>Other Loan-Backed and Structured Securities</u>	3599999

Hybrid Securities

<u>Residential Mortgage-Backed Securities</u>	4399999
<u>Commercial Mortgage-Backed Securities</u>	4499999
<u>Other Loan-Backed and Structured Securities</u>	4599999

Parent, Subsidiaries and Affiliates

<u>Residential Mortgage-Backed Securities</u>	5099999
<u>Commercial Mortgage-Backed Securities</u>	5199999
<u>Other Loan-Backed and Structured Securities</u>	5299999

Enter one of the following codes to indicate collateral type. Pick exactly one collateral type for each reported security. For securities that fit in more than one type, pick the predominant one. Judgment may need to be used when making selections involving prime, Alt-A and subprime, as there are no uniform definitions for these collateral types. In the description field, use abbreviations like ABS, CDO or CLO to disclose the type of the loan-backed/structured security.

Note: Various investments below require SVO review and approval, please refer to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) for further description.

- 1 Residential Mortgage Loans/RMBS

Include all types of residential first lien mortgage loans as collateral (e.g., prime, subprime, Alt-A).
- 2 Commercial Mortgage Loans/CMBS

Include all types of commercial mortgage loans as collateral (e.g., conduits, single name, etc.).
- 3 Home Equity

Include all home equity loans and/or home equity lines of credit as collateral. These are not first liens and are deemed loans to individuals. Bonds that are collateralized by home equity loans/lines of credit are considered asset-backed securities (ABS) rather than RMBS.
- 4 Individual Obligations – Credit Card, Auto, Student Loans and Recreational Vehicles

Include bonds collateralized by individual obligations. Do not include individual obligations that have a real-estate aspect.
- 5 Corporate/Industrial Obligations – Tax Receivables, Utility Receivables, Trade Receivables, Small Business Loans, Commercial Paper

Include bonds collateralized by corporate or industrial obligations (sometimes referred to as commercial obligations).
- 6 Lease Transactions – Aircraft Leases, Equipment Leases and Equipment Trust Certificates

Include bonds collateralized by leases. Equipment leases are loans on heavy equipment. Equipment trust certificates are certificates that entitle the holder to the lease payments on the underlying assets.
- 7 CLO/CBO/CDO

Include bank loans, which securitize CLOs; investment grade and high-yield corporate bonds, which securitize CBOs; and corporate bonds and structured securities, which securitize CDOs.
- 8 Manufactured Housing and Mobile Home Loans

Include manufactured housing loans and mobile home loans as collateral. These are not typical residential mortgage loans, and when they securitize bonds, they are considered ABS.

9 Credit Tenant Loans

Real estate loans secured by the obligation of a single (usually investment grade) company to pay debt service by means of rental payments under a lease, where real estate is pledged as collateral also referred to as credit tenant lease, sale-leaseback or CTL.

10 Ground Lease Financing

Real estate loans secured by the obligation to pay debt service by means of rental payments of subleased property; where a long-term ground lease was issued in which the lessee intends significant land development and the subleasing of such property to other long-term tenants.

11 Other

Include other collateral types that do not fit into categories 1 through 910.

  **Detail Eliminated to Conserve Space**  

W:\QA\BlanksProposals\2021-07BWG.doc

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>04/14/2021</u></p> <p>CONTACT PERSON: <u>Andy Daleo</u></p> <p>TELEPHONE: <u>(816) 783-8141</u></p> <p>EMAIL ADDRESS: <u>adaleo@naic.org</u></p> <p>ON BEHALF OF: <u>Mortgage Guaranty Ins. Working Group</u></p> <p>NAME: <u>Kevin Conley</u></p> <p>TITLE: <u>Chair</u></p> <p>AFFILIATION: <u>NC Department of Insurance</u></p> <p>ADDRESS: <u>325 N Salisbury Street</u> <u>Raleigh, NC 27603</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-08BWG</u> Year <u>2021</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [X] New Reporting Requirement <input type="checkbox"/> []</p> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact <input checked="" type="checkbox"/> [X] Modifies Required Disclosure <input type="checkbox"/> []</p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p><input type="checkbox"/> [] Rejected For Public Comment <input type="checkbox"/> [] Referred To Another NAIC Group <input checked="" type="checkbox"/> [X] Received For Public Comment <input type="checkbox"/> [] Adopted Date _____ <input type="checkbox"/> [] Rejected Date _____ <input type="checkbox"/> [] Deferred Date _____ <input type="checkbox"/> [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input checked="" type="checkbox"/> [X] INSTRUCTIONS | <input type="checkbox"/> [] CROSSCHECKS |
| <input type="checkbox"/> [] QUARTERLY STATEMENT | <input checked="" type="checkbox"/> [X] BLANK | |
| <input type="checkbox"/> [] Life, Accident & Health/Fraternal | <input type="checkbox"/> [] Separate Accounts | <input type="checkbox"/> [] Title |
| <input checked="" type="checkbox"/> [X] Property/Casualty | <input type="checkbox"/> [] Protected Cell | <input type="checkbox"/> [] Other _____ |
| <input type="checkbox"/> [] Health | <input type="checkbox"/> [] Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new supplement Mortgage Guaranty insurance Exhibit to capture more information from mortgage guaranty insurers.

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

The proposed Mortgage Guaranty Insurance Supplement will be primarily used by the domestic regulators of mortgage guaranty insurers. Currently, there is limited data captured on mortgage guaranty insurance within the financial statement. The proposed supplement will provide the means for the regulators to assess the capital level of the insurer and their overall financial solvency.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 7/18/2018

ANNUAL STATEMENT INSTRUCTIONS - PROPERTY

MORTGAGE GUARANTY INSURANCE EXHIBIT

This exhibit is required to be completed annually by all insurers, excluding reinsurers, with any mortgage guaranty exposure and filed no later than April 1. The exhibit is provided for the benefit of regulators of mortgage guaranty insurers to use as an assessment tool aiding in the evaluation of an insurer's capital adequacy and financial solvency.

All reporting entities reporting mortgage guarantees on Line 6 of the Annual Statement ~~Underwriting and Investment~~ Exhibit of Premiums and Losses, Part 1 and/or Part 2 must prepare this Exhibit.

The following definitions should be used in completing the Mortgage Guaranty Insurance Exhibit:

- a. "Primary Flow and Bulk Business" means loans are insured on an individual loan-by-loan transaction basis. Premium rates typically vary depending on the perceived risk of a potential claim on the loan type based on consideration of the loan to value ratio, borrower credit score, payment plan, mortgage term and property type. The mortgage instrument may require the borrower to pay for the mortgage insurance, which is referred to as "borrower paid". Alternatively, the lender may be required to pay the premium, who in turn recovers the premium through an increase in the note rate, which is referred to as "lender paid." Bulk Business means coverage is provided on each mortgage loan included in a defined portfolio of loans insured under a single or bulk transaction. Bulk coverage typically insures the closed loans in an insured portfolio to a specified level of coverage. Loans insured on a bulk basis are typically part of a negotiated transaction, resulting in a composite rate applied to all such loans in the portfolio.
- b. "Pool Business" means a collection of mortgages with similar rates and terms which are often securitized by dividing the pool into bonds backed by the payments of principal and interest into the pool by borrowers. Pool insurance typically covers the loss on a defaulted mortgage loan included in the pool, which is in excess of the loan's primary coverage, as well as the total loss on a defaulted mortgage which does not require primary coverage. Pool insurance may have a stated aggregate loss limit for a pool of loans or a deductible under which no loss is paid by the insurer until the deductible is exceeded.
- c. "State Regulatory Mortgage Insurer Capital Standard" (SRMICS) means the economically countercyclical risk-based margin of safety developed to recognize risk and control elements unique to the mortgage guaranty insurance industry, the calculation of which is described in the Mortgage Guaranty Insurance Standards Manual.

SCHEDULE MG

~~Schedule MG~~This Exhibit includes only the data for the insurer identified on the cover of the exhibit. Do not include consolidated data for affiliated companies. If the insurer participates in a pooling agreement, it should report only its share of the business, not the total of all participants.

In those instances where an insurer files an amended annual statement as a result of a restatement of prior year written premium, losses or loss adjustment expenses, ~~Schedule MG~~this Exhibit must be restated and included in the amended ~~of the exhibit~~. In those instances where one insurer is merged into another mortgage guaranty insurer, ~~Schedule MG~~the Exhibit must be prepared so it includes the entire combined history of both companies.

When changes to pooling agreements impact prior policy years, historical data values in ~~Schedule MG~~ Parts 1 and 2 should be restated based on the new pooling percentage. This should be done to present meaningful development patterns in ~~Schedule MG~~the Exhibit. When pooling changes only impact future policy years, no restatement of historical values should be made. Even though no restatement is required, changes are to be included within the Notes to Financial Statements, per SSAP No. 3—Accounting Changes and Corrections of Errors.

Earned premiums, losses paid, and losses incurred should be assigned to the year in which the policy was written that triggered coverage under the contract.

Retroactive reinsurance should not be reflected in ~~Schedule MG~~this Exhibit. The transferor in such an agreement must record, without recognition of the retroactive reinsurance, its loss and loss adjustment expense reserves on a gross basis on its balance sheet and in all schedules and exhibits. The transferee in such an agreement must exclude the retroactive reinsurance from its loss and loss expense reserves and from its schedules and exhibits.

The reserves for unpaid losses and loss adjustment expenses should take into account the explicit or implicit impacts of the various factors affecting claim frequency or ultimate claim cost.

~~Schedule MG, Part 1 is organized so that written premiums and other income for a year are matched with corresponding losses and Defense & Cost Containment expenses (D&CC) and Adjusting & Other expenses for policies issued during that year. Experience is shown for direct business, reinsurance assumed, reinsurance ceded and net of reinsurance.~~

~~Policy year loss and loss adjustment expense payments and reserves should be assigned to the year in which the policy was written under which coverage is triggered.~~

~~Part 2 displays 20 year loss development triangles on a policy year basis. In Part 2, losses are combined with D&CC. Loss and D&CC development is shown for total incurred, payments, case basis reserves, bulk reserves and incurred but not reported (IBNR) reserves (policy year basis only). Part 2 displays 20 year claim count development triangles on a policy year basis.~~

Report all dollar amounts in the ~~Schedule M~~Mortgage Guaranty Insurance Exhibit in thousands of dollars (\$000 omitted), either by rounding or truncating. All claim counts are to be shown in whole numbers.

The number of claims reported is to be cumulative by policy year. The number of claims reported for each policy year is equal to the number of open claims at the end of the current year plus cumulative claims closed with or without payment for the current and prior calendar years.

For reporting entities reporting on a pooling basis, the pooling percentage should be applied to claim counts as well as dollar amounts.

If the company changes its method of counting claims, the new method should be disclosed in the Notes to Financial Statements.

SCHEDULE MG – PART 1 – SUMMARY

Part 1 – Summary provides a 10-year summary of loss and defense & cost containment experience for the company. Part 1 – Summary should be equal to the sum of Part 1A and Part 1B. Columnar headings provide instructions necessary for completion.

The columnar headings provide instructions necessary for completion.

For reporting entities reporting on a pooling basis, the pooling percentage should be applied to claim count as well as dollar amounts.

Cumulative salvage and subrogation received and losses and expenses paid should be reported for each specific year. For “prior,” report only salvage and subrogation received and losses and expenses paid in current year.

In ~~Schedule MG~~, Part 1, salvage and subrogation received should be reported net of reinsurance, if any. Loss payments are to be reported net of salvage and subrogation received ~~in Schedule MG~~.

Premiums earned and losses paid, unpaid, and incurred should reconcile with the Statement of Income page. The workpapers that show a reconciliation explaining reinsurance and salvage and subrogation adjustments should be available for examination on request.

“Assumed” means reinsurance assumed, including from affiliated pooling agreements, but excluding any non-proportional reinsurance assumed reported as a separate line and reported accordingly.

“Direct” means as directly written, but not if part of an affiliated pooling agreement.

“Ceded” means reinsurance ceded on business so reported as direct or assumed.

Line 1, “Prior,” Columns 8 through 16 should only reflect amounts paid or received in the current calendar year.

Report cumulative amounts paid or received for specific years.

“Defense & Cost Containment” expenses include defense, and litigation and cost containment expenses, whether internal or external. “Defense” means defense by the reporting entity in a contentious situation, whether a first party or a third-party claim. The fees charged for reporting entity employees should include overhead, just as an outside firm’s charges would include. The expenses exclude expenses incurred in the determination of coverage. These expenses include the following items:

1. Surveillance expenses;
2. Fixed amounts for cost containment expenses;
3. Litigation management expenses;
4. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by policy year;
5. Fees or salaries for appraisers, private investigators, hearing representatives, inspectors and fraud investigators, if working in defense of a claim, and fees or salaries for rehabilitation nurses, if such cost is not included in losses;
6. Attorney fees incurred owing to a duty to defend, even when other coverage does not exist; and
7. The cost of engaging experts.

“Adjusting & Other” expenses are those expenses other than those above and which have been assigned to the “Loss Adjustment Expense” group in the Underwriting and Investment Exhibit, Part 3, Expenses. These expenses include the following items:

1. Fees of adjusters and settling agents (but not if engaged in a contentious defense);
2. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by calendar year;
3. Attorney fees incurred in the determination of coverage, including litigation between the reporting entity and the policyholder; and
4. Fees or salaries for appraisers, private investigators, hearing representatives, re-inspectors and fraud investigators, if working in the capacity of an adjuster.

The foregoing list is not intended to be all-inclusive. We are relying on the reporting entities to use reasonable judgment in particular situations.

Reporting entities should assign the “Defense & Cost Containment” expenses to the policy year in which the associated losses were assigned. Reporting entities may assign the “Adjusting & Other” expenses in any justifiable way among the policy years. The preferred way is to apportion these expenses in proportion to the number of claims reported, closed, or outstanding each year.

Please Note: This instruction is intended solely to give guidance on reporting loss adjustment expenses in Schedule MG—the Mortgage Guaranty Insurance Exhibit—in the annual statement. It is not intended to provide guidance on the types of expenses to include in loss adjustment expenses. These definitions of defense & cost containment expense and adjusting & other expense are not intended to affect insurance or reinsurance agreements or other contractual agreements.

Pooling

Many insurers have a pooling arrangement with affiliated companies, approved by the domiciliary commissioner, in which the business written is reallocated among the affiliated companies according to a specified percentage. Some affiliated companies may be part of the pool and some may not, and some lines may be included, and some may not. The premiums and losses are to be reported in Schedule P after such pooling arrangements, not before.

Pooled business ceded is that which, if retained instead of ceded, would be pooled among the affiliated companies who are party to the pooling agreement. Any such business that is ceded by the pool participants to non-pooled companies prior to the pooling distribution among the participating companies is considered pooled business ceded. Non-pooled business includes all direct, assumed, and ceded business not subject to pooling, as well as any pooled business that is ceded after the pooling distribution has been made.

Direct and Assumed columns include the participation in any pool. In addition, all direct business not pooled plus assumed business from other than the pool is to be included. Ceded columns include the company’s participation in the pool such as any ceding by the company to companies independent of the pool.

Claim counts should be reported in accordance with the pooling arrangement and should reflect the company’s proportionate share of the total number of claims. If the company’s losses are 40% of the pool, then 40% of the claim count should be reported.

The pooling percentage is to reflect the company’s participation in the pool as of year-end. When changes to pooling agreements impact prior policy years, historical data values in Schedule MG—Parts 1 and 2 should be restated based on the new pooling percentage. This should be done to present meaningful development patterns in Schedule MG—this exhibit. When pooling changes only impact future policy years, no restatement of historical values should be made.

Column 7 — Premiums Earned and Other Income Net

Should equal Columns 3 + 4 + 5 — 6.

Column 16 — Total Net Loss and Expense Paid

Should equal Columns 8 + 9 + 10 + 11 + 12 + 13 + 15.

Column 25 — Total Net Loss and LAE Unpaid

Should equal Columns 18 + 19 + 20 + 21 + 22 + 23 + 24.

Column 27 — Losses and Defense & Cost Containment Expenses Incurred Direct

Should equal Columns 8 + 11 + 18 + 21.

Column 28 — Losses and Defense & Cost Containment Expenses Incurred Assumed

Should equal Columns 9 + 12 + 19 + 22.

Column 29 — Losses and Defense & Cost Containment Expenses Incurred Ceded

Should equal Columns 10 + 13 + 20 + 23.

Column 30 — Losses and Defense & Cost Containment Expenses Incurred Net

Should equal Columns 27 + 28 + 29.

Column 31 — Loss and LAE Ratio Direct Basis

Should equal (Columns 15 + 24 + 27)/Column 3.

Column 32 — Loss and LAE Ratio Net Basis

Should equal (Columns 15 + 24 + 30)/(Columns 7 + 5).

Column 33 — Net Loss & LAE Coverage

Should equal (Columns 15 + 24 + 30)/Column 1.

Column 34 — Net Reserves

Should equal Columns 25 + 33.

PART 1A – PRIMARY FLOW AND BULK BUSINESS

Part 1A provides a summary of primary flow and bulk business premium, payments, claims, and reserves by policy year. Columnar headings provide instructions necessary for completion.

Column 26 – Number of Direct Delinquencies

Should equal Part 2F, Column 9.

PART 1B – POOL BUSINESS

Part 1B provides a summary of pool business premium, payments, claims, and reserves by policy year. Columnar headings provide instructions necessary for completion.

SCHEDULE MG—Part 1 – SUMMARY, PARTS 1A and PART 1B

NOTE: Starting with 2021 reporting, Line 1 and Lines 7 through 12 are required. Lines 2 through 6 will be phased over the years 2022 through 2026.

Reporting entities should complete Schedule MG report dollar amounts in thousands only but must report all claim counts in whole numbers.

Part 1 is organized so that written premiums for a year are matched with corresponding losses and Defense and Cost Containment expenses (DCC) and Adjusting and Other expenses for policies issued during that year. Experience is shown for direct business, reinsurance assumed, reinsurance ceded and net of reinsurance.

Policy year loss and loss adjustment expense payments and reserves should be assigned to the year in which the policy was written under which coverage is triggered.

NOTE: For “prior,” report amounts paid or received in current year only. Report cumulative amounts paid or received for specific years. Report loss payments net of salvage and subrogation received.

The number of claims closed with payment is to be cumulative by policy year.

Column ~~76~~ – Premiums Earned and Other Income Net

Should equal Columns 3 + 4 ~~+ 5~~ – 65.

Column ~~1615~~ – Total Net Loss and Expense Paid

Should equal Columns ~~87 + 98 – 109 + 110 + 121 – 132 + 154.~~

Column ~~2524~~ – Total Net Loss and LAE Unpaid

Should equal Columns ~~187 + 198 – 2019 + 210 + 221 - 232 + 243.~~

Column ~~26~~ – Number of Direct Delinquencies

Should equal Part 2E, Column 10.

Column ~~2726~~ – Losses and Defense ~~&~~and Cost Containment Expenses Incurred Direct

Should equal Columns ~~87 + 110 + 187 + 201.~~

Column ~~2827~~ – Losses and Defense ~~&~~and Cost Containment Expenses Incurred Assumed

Should equal Columns ~~98 + 121 + 198 + 221.~~

Column ~~2928~~ – Losses and Defense ~~&~~and Cost Containment Expenses Incurred Ceded

Should equal Columns ~~109 + 132 + 2019 + 232.~~

Column ~~3029~~ – Losses and Defense ~~&~~and Cost Containment Expenses Incurred Net

Should equal Columns ~~276 + 287 – 298.~~

Column ~~3130~~ – Loss and LAE Ratio Direct Basis

Should equal $(\text{Columns } 154 + 243 + 276) / \text{Column } 3$.

Column ~~3231~~ – Loss and LAE Ratio Net Basis

Should equal $(\text{Columns } 154 + 243 + 3029) / (\text{Columns } 76 - 5)$.

Column ~~3332~~ – Net Loss and LAE Coverage

Should equal $(\text{Columns } 154 + 243 + 3029) / \text{Column } 1$.

Column ~~3433~~ – Net Reserves

Should equal $\text{Columns } 254 - 332$.

SCHEDULE MG- PART 1A- PRIMARY FLOW AND BULK BUSINESS

~~Part 1A provides a summary of primary flow and bulk business premium, payments, claims, and reserves by policy year. Columnar headings provide instructions necessary for completion.~~

SCHEDULE MG- PART 1B- POOL BUSINESS

~~Part 1B provides a summary of pool business premium, payments, claims, and reserves by policy year. Columnar headings provide instructions necessary for completion.~~

PART 2

~~Part 2 provides a historical summary of loss and defense and cost containment expenses development by policy year. Exclude pool business.~~

~~Part 2 displays 20-year loss development triangles on a policy year basis. In Parts 2A and 2B, losses are combined with D&CC. Loss and D&CC development is shown for total incurred; payments, case basis reserves, bulk reserves and incurred but not reported (IBNR) reserves (policy year basis only). Part 2F displays 20-year policy count development triangles on a policy year basis.~~

~~The definition of “prior years” should be the same as that used by the company in Part 1.~~

SCHEDULE MG- PART 2

PART 2A – POLICY YEAR DIRECT INCURRED LOSS AND DEFENSE & COST CONTAINMENT EXPENSE

~~Part 2A provides a historical summary of loss and defense & cost containment expenses development by policy year. Columnar headings provide instructions necessary for completion. Exclude pool business.~~

~~The definition of “prior years” should be the same as that used by the company in Part 1.~~

SCHEDULE MG – PART 2A**PART 2B – POLICY YEAR DIRECT PAID LOSS AND DEFENSE & COST CONTAINMENT EXPENSE**

Part 2BA shows cumulative direct loss and defense & cost containment expense payments by year the policy was written as of December 31 of each year shown in Columns 1 to 10. Exclude pool business.

SCHEDULE MG – PART 2B**PART 2C – POLICY YEAR DIRECT CURRENT RISK IN FORCE**

Part 2CB provides a policy year summary of direct risk in force. Exclude pool business.

SCHEDULE MG – PART 2C**PART 2D – POLICY YEAR DIRECT EARNED PREMIUM**

For Schedule MG, Part 2DC, the premiums to be reported are exposure or coverage year earned premiums, recalculated each subsequent year to reflect audits, retrospective adjustments based on loss experience, accounting lags, etc. Mechanically, the earned premium file would be restated and the earned premium calculation repeated each year. Premium adjustments for policy periods that cover more than one calendar year should be proportionately distributed between the calendar years covered by the policy period. The objective is to develop earned premiums by policy year of coverage consistent with the loss and Defense & Cost Containment expense by policy year. Only policy years 1993 and subsequent must be reported. Exclude pool business.

SCHEDULE MG – PART 2D**PART 2E – POLICY YEAR DIRECT CALCULATED
STATE REGULATORY MORTGAGE INSURER CAPITAL STANDARD (SRMICS)**

Part 2ED provides a policy year summary of the direct calculated State Regulatory Mortgage Insurance Capital Standard (SRMICS). Exclude pool business.

SCHEDULE MG – PART 2E**PART 2F – POLICY YEAR DIRECT DELINQUENCIES**

Part 2FE provides a policy year summary of direct delinquencies. Exclude pool business.

ANNUAL STATEMENT BLANK - PROPERTY

MORTGAGE GUARANTY INSURANCE EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 20XX

(To Be Filed by April 1)

Of:

NAIC Group Code NAIC Company Code Employer's ID Number

SCHEDULE MG – PART 1 – SUMMARY
(\$000 OMITTED)

Years in Which Policies Written	1 Original Direct Risk In Force	2 Current Direct Risk In Force	Premiums Earned and Other Income					Losses and Defense and Cost Containment Expenses Payments						
			3 Direct Premium	4 Assumed Premium	5 Other Income	6 Ceded Premium	7 Net	Loss Payments			Defense and Cost Containment Expenses Payments			
								8 Direct	9 Assumed	10 Ceded	11 Direct	12 Assumed	13 Ceded	
1. Prior.....														
2. 2012.....														
3. 2013.....														
4. 2014.....														
5. 2015.....														
6. 2016.....														
7. 2017.....														
8. 2018.....														
9. 2019.....														
10. 2020.....														
11. 2021.....														
12. Totals														

	143 Salvage and Subrogation Received	154 Adjusting and Other Expense Payments	165 Total Net Losses and Expenses Paid	176 Number of Claims Closed with Payment (Direct)	Losses and Defense and Cost Containment Expenses Unpaid						243 Total Net Adjusting and Other Expenses Unpaid	24 Total Net Losses and LAE Unpaid
					Known Loss Reserves			IBNR Reserves				
					187 Direct	198 Assumed	19 Losses and LAE Unpaid Ceded	240 Losses and LAE Unpaid Direct	221 Assumed	232 Ceded		
1. Prior.....												
2. 2012.....												
3. 2013.....												
4. 2014.....												
5. 2015.....												
6. 2016.....												
7. 2017.....												
8. 2018.....												
9. 2019.....												
10. 2020.....												
11. 2021.....												
12. Totals												

	25 Total Net Loss and LAE Unpaid	265 Number of Delinquencies (Direct)	Losses and Defense and Cost Containment Expenses Incurred				Loss and LAE Ratio		332 Net Loss & LAE Coverage	334 Net Reserves
			276 Direct	287 Assumed	298 Ceded	309 Net	340 Direct Basis	321 Net Basis		
1. Prior.....										
2. 2012.....										
3. 2013.....										
4. 2014.....										
5. 2015.....										
6. 2016.....										
7. 2017.....										
8. 2018.....										
9. 2019.....										
10. 2020.....										
11. 2021.....										
12. Totals										

SCHEDULE MG - PART 1A – PRIMARY FLOW AND BULK BUSINESS
(\$000 OMITTED)

Years in Which Policies Written	1 Original Direct Risk In Force	2 Current Direct Risk In Force	Premiums Earned and Other Income					Losses and Defense and Cost Containment Expenses Payments						
			3 Direct Premium	4 Assumed Premium	5 Other Income	65 Ceded Premium	76 Net	Loss Payments			Defense and Cost Containment Expenses Payments			
								87 Direct	98 Assumed	109 Ceded	110 Direct	121 Assumed	132 Ceded	
1. Prior.....														
2. 2012.....														
3. 2013.....														
4. 2014.....														
5. 2015.....														
6. 2016.....														
7. 2017.....														
8. 2018.....														
9. 2019.....														
10. 2020.....														
11. 2021.....														
12. Totals														

	143 Salvage and Subrogation Received	154 Adjusting and Other Expense Payments	165 Total Net Losses and Expenses Paid	176 Number of Claims Closed with Payment (Direct)	Losses and Defense and Cost Containment Expenses Unpaid						243 Adjusting and Other Expenses Unpaid	24 Total Net Losses and LAE Unpaid
					Known Loss Reserves			IBNR Reserves				
					187 Direct	198 Assumed	209 Ceded	240 Direct	212 Assumed	222 Ceded		
1. Prior.....												
2. 2012.....												
3. 2013.....												
4. 2014.....												
5. 2015.....												
6. 2016.....												
7. 2017.....												
8. 2018.....												
9. 2019.....												
10. 2020.....												
11. 2021.....												
12. Totals												

	25 Total Net Loss and LAE Unpaid	265 Number of Delinquencies (Direct)	Losses and Defense and Cost Containment Expenses Incurred				Loss and LAE Ratio		322 Net Loss & LAE Coverage	343 Net Reserves
			276 Direct	287 Assumed	298 Ceded	309 Net	340 Direct Basis	321 Net Basis		
1. Prior.....										
2. 2012.....										
3. 2013.....										
4. 2014.....										
5. 2015.....										
6. 2016.....										
7. 2017.....										
8. 2018.....										
9. 2019.....										
10. 2020.....										
11. 2021.....										
12. Totals										

SCHEDULE MG - PART 1B - POOL BUSINESS
(\$000 OMITTED)

Years in Which Policies Written	1 Original Direct Risk In Force	2 Current Direct Risk In Force	Premiums Earned and Other Income					Losses and Defense and Cost Containment Expenses Payments						
			3 Direct Premium	4 Assumed Premium	5 Other Income	65 Ceded Premium	76 Net	Loss Payments			Defense and Cost Containment Expenses Payments			
								87 Direct	98 Assumed	109 Ceded	140 Direct	121 Assumed	132 Ceded	
1. Prior.....														
2. 2012.....														
3. 2013.....														
4. 2014.....														
5. 2015.....														
6. 2016.....														
7. 2017.....														
8. 2018.....														
9. 2019.....														
10. 2020.....														
11. 2021.....														
12. Totals														

	143 Salvage and Subrogation Received	154 Adjusting and Other Expense Payments	165 Total Net Losses and Expenses Paid	176 Number of Claims Closed with Payment (Direct)	Loss and Defense and Cost Containment Expenses Unpaid						243 Adjusting and Other Expenses Unpaid	24 Total Net Losses and LAE Unpaid
					Known Claim Loss Reserves			IBNR Reserves				
					187 Direct	198 Assumed	209 Ceded	240 Direct	221 Assumed	232 Ceded		
1. Prior.....												
2. 2012.....												
3. 2013.....												
4. 2014.....												
5. 2015.....												
6. 2016.....												
7. 2017.....												
8. 2018.....												
9. 2019.....												
10. 2020.....												
11. 2021.....												
12. Totals												

	25 Total Net Loss and LAE Unpaid	265 Number of Delinquencies (Direct)	Losses and Defense and Cost Containment Expenses Incurred				Loss and LAE Ratio		332 Net Loss & LAE Coverage	343 Net Reserves
			276 Direct	287 Assumed	298 Ceded	309 Net	340 Direct Basis	321 Net Basis		
1. Prior.....										
2. 2012.....										
3. 2013.....										
4. 2014.....										
5. 2015.....										
6. 2016.....										
7. 2017.....										
8. 2018.....										
9. 2019.....										
10. 2020.....										
11. 2021.....										
12. Totals										

SCHEDULE MG- PART 2A – POLICY YEAR DIRECT INCURRED LOSSES AND DEFENSE & AND COST CONTAINMENT EXPENSES

Years in Which Policies Were Written	Incurred Losses and Defense and Cost Containment Expenses at Year-End (\$000 OMITTED) Including Known Losses and IBNR on Unreported Claims (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2002										
3. 2003										
4. 2004										
5. 2005										
6. 2006										
7. 2007										
8. 2008										
9. 2009										
10. 2010										
11. 2011										
12. 2012										
13. 2013	XXX									
14. 2014	XXX	XXX								
15. 2015	XXX	XXX	XXX							
16. 2016	XXX	XXX	XXX	XXX						
17. 2017	XXX	XXX	XXX	XXX	XXX					
18. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
19. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
20. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
21. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE MG- PART 2AB – POLICY YEAR DIRECT PAID LOSSES AND DEFENSE & AND COST CONTAINMENT EXPENSES

Years in Which Policies Were Written	Cumulative Paid Losses and Defense and Cost Containment Expenses at Year-End (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2002										
3. 2003										
4. 2004										
5. 2005										
6. 2006										
7. 2007										
8. 2008										
9. 2009										
10. 2010										
11. 2011										
12. 2012										
13. 2013	XXX									
14. 2014	XXX	XXX								
15. 2015	XXX	XXX	XXX							
16. 2016	XXX	XXX	XXX	XXX						
17. 2017	XXX	XXX	XXX	XXX	XXX					
18. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
19. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
20. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
21. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE MG – PART 2BC – POLICY YEAR DIRECT CURRENT RISK IN FORCE

Years in Which Policies Were Written	Direct Current Risk in Force (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2002										
3. 2003										
4. 2004										
5. 2005										
6. 2006										
7. 2007										
8. 2008										
9. 2009										
10. 2010										
11. 2011										
12. 2012										
13. 2013	XXX									
14. 2014	XXX	XXX								
15. 2015	XXX	XXX	XXX							
16. 2016	XXX	XXX	XXX	XXX						
17. 2017	XXX	XXX	XXX	XXX	XXX					
18. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
19. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
20. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
21. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE MG – PART 2CD – POLICY YEAR DIRECT EARNED PREMIUM

Years in Which Policies Were Written	Cumulative Direct Earned Premium (\$000 Omitted)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2002										
3. 2003										
4. 2004										
5. 2005										
6. 2006										
7. 2007										
8. 2008										
9. 2009										
10. 2010										
11. 2011										
12. 2012										
13. 2013	XXX									
14. 2014	XXX	XXX								
15. 2015	XXX	XXX	XXX							
16. 2016	XXX	XXX	XXX	XXX						
17. 2017	XXX	XXX	XXX	XXX	XXX					
18. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
19. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
20. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
21. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE MG – PART 2DE – POLICY YEAR DIRECT CALCULATED STATE REGULATED MORTGAGE INSURANCE CAPITAL STANDARD (SRMICS)

Years in Which Policies Were Written	Direct Calculated SRMICS (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2002										
3. 2003										
4. 2004										
5. 2005										
6. 2006										
7. 2007										
8. 2008										
9. 2009										
10. 2010										
11. 2011										
12. 2012										
13. 2013	XXX									
14. 2014	XXX	XXX								
15. 2015	XXX	XXX	XXX							
16. 2016	XXX	XXX	XXX	XXX						
17. 2017	XXX	XXX	XXX	XXX	XXX					
18. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
19. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
20. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
21. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

*State Regulatory Mortgage Insurance Capital Standard

SCHEDULE MG – PART 2EF – POLICY YEAR DIRECT DELINQUENCIES

Years in Which Policies Were Written	Direct Delinquencies (Number of Policy)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2002										
3. 2003										
4. 2004										
5. 2005										
6. 2006										
7. 2007										
8. 2008										
9. 2009										
10. 2010										
11. 2011										
12. 2012										
13. 2013	XXX									
14. 2014	XXX	XXX								
15. 2015	XXX	XXX	XXX							
16. 2016	XXX	XXX	XXX	XXX						
17. 2017	XXX	XXX	XXX	XXX	XXX					
18. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
19. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
20. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
21. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>04/14/2021</u></p> <p>CONTACT PERSON: <u>Eric King</u></p> <p>TELEPHONE: <u>816-708-7982</u></p> <p>EMAIL ADDRESS: <u>eking@naic.org</u></p> <p>ON BEHALF OF: <u>ASOP 28 Task Force, ASB</u></p> <p>NAME: <u>Annette James, Chair, ASOP 28 Task Force</u></p> <p>TITLE: _____</p> <p>AFFILIATION: _____</p> <p>ADDRESS: _____</p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2021-09BWG</u></p> <p>Year <u>2021</u></p> <p>Changes to Existing Reporting <input checked="" type="checkbox"/> [X]</p> <p>New Reporting Requirement <input type="checkbox"/> []</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact <input type="checkbox"/> []</p> <p>Modifies Required Disclosure <input type="checkbox"/> []</p> <hr/> <p style="text-align: center;">DISPOSITION</p> <p><input type="checkbox"/> [] Rejected For Public Comment</p> <p><input type="checkbox"/> [] Referred To Another NAIC Group</p> <p><input checked="" type="checkbox"/> [X] Received For Public Comment</p> <p><input type="checkbox"/> [] Adopted Date _____</p> <p><input type="checkbox"/> [] Rejected Date _____</p> <p><input type="checkbox"/> [] Deferred Date _____</p> <p><input type="checkbox"/> [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

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|--|---|--|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input type="checkbox"/> [] INSTRUCTIONS | <input type="checkbox"/> [] CROSSCHECKS |
| <input type="checkbox"/> [] QUARTERLY STATEMENT | <input type="checkbox"/> [] BLANK | |
| <input type="checkbox"/> [] Life, Accident & Health/Fraternal | <input type="checkbox"/> [] Separate Accounts | <input type="checkbox"/> [] Title |
| <input type="checkbox"/> [] Property/Casualty | <input type="checkbox"/> [] Protected Cell | <input type="checkbox"/> [] Other _____ |
| <input checked="" type="checkbox"/> [X] Health | <input type="checkbox"/> [] Health (Life Supplement) | |

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Instructions to Annual Health Statement Blank, Actuarial Opinion (Actuarial Opinion Instructions):

Modify sections 4 (Identification section), section 5 (Scope section), and section 7 (Opinion section) of the actuarial opinion instructions to ensure that the opinion's prescribed wording clearly indicates that the actuary's opinion covers actuarial assets as well as actuarial liabilities.

Modify section 9 of the actuarial opinion instructions to ensure that guidance related to the type of opinion rendered by an appointed actuary covers both actuarial assets and actuarial liabilities.

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

The purpose of this proposal is to revise the language in sections 4, 5, 7 and 9 of the orange blank annual statement instructions related to the actuarial opinion to ensure that all items (actuarial assets and liabilities) within the scope of the statement of actuarial opinion are treated consistently. Currently, reserves and liabilities are referenced in sections 4, 5, 7 and 9 of the orange blank annual statement instructions. Since actuarial assets are included in the scope of the actuarial opinion, it is important that these instructions provide guidance to appointed actuaries that apply to all actuarial items, assets as well as liabilities, included in the scope of the actuarial opinion.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 7/18/2018

ANNUAL STATEMENT INSTRUCTIONS – HEALTH

ACTUARIAL OPINION

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4. The IDENTIFICATION section should specifically indicate the appointed actuary's relationship to the company, qualifications for acting as appointed actuary, date of appointment, and should specify that the appointment was made by the Board of Directors, or its equivalent or by a committee of the Board.

A person who is not a Member of the American Academy of Actuaries but is recognized by the Academy as qualified must attach, each year, a copy of the approval letter from the Academy.

This section should contain only one of the following:

For a Member of the American Academy of Actuaries who is an employee of the organization, the opening paragraph of the opinion should contain all the following sentences if the appointed actuary is using the prescribed wording:

"I, (name and title of actuary), am an employee of (named organization) and a member of the American Academy of Actuaries. I was appointed on [date of appointment] in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion."

For a consultant who is a Member of the American Academy of Actuaries, the opening paragraph of the opinion should contain all the following sentences if the appointed actuary is using the prescribed wording:

"I, (name and title of consultant), am associated with the firm of (name of firm). I am a member of the American Academy of Actuaries and have been retained by the (name of organization) to render an opinion with regard to loss reserves, actuarial liabilities, actuarial assets and related items. I was appointed on [date of appointment] in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion."

For an employee other than a member of the American Academy of Actuaries, the opening paragraph of the opinion should contain both the following sentences if the appointed actuary is using the prescribed wording:

"I, (name and title), am an employee of (name of organization) and am recognized by the American Academy of Actuaries as qualified to perform actuarial valuations for organizations of this kind. I was appointed on [date of appointment] in accordance with the requirements of the annual statement instructions."

For a consultant other than a member of the American Academy of Actuaries, the opening paragraph of the opinion should contain all the following sentences if the appointed actuary is using the prescribed wording:

"I, (name and title of consultant), am associated with the firm of (name of firm). I am recognized by the American Academy of Actuaries as qualified to perform actuarial valuations for organizations of this kind and have been retained by the (name of organization) with regard to such valuation. I was appointed on [date of appointment] in accordance with the requirements of the annual statement instructions."


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5. The SCOPE section should contain only the following statement (including all specified lines even if the value is zero) if the appointed actuary is using the prescribed wording:

“I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities, actuarial assets and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 20__.

- A. Claims unpaid (Page 3, Line 1);
- B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);
- C. Unpaid claims adjustment expenses (Page 3, Line 3);
- D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves, premium deficiency reserves and additional policy reserves from the Underwriting and Investment Exhibit, Part 2D;
- E. Aggregate life policy reserves (Page 3, Line 5);
- F. Property/casualty unearned premium reserves (Page 3, Line 6);
- G. Aggregate health claim reserves (Page 3, Line 7);
- H. Any other loss reserves, actuarial liabilities, or related items presented as liabilities in the annual statement; and
- I. Specified actuarial items presented as assets in the annual statement.”

Items H and I are not intended to include the liabilities and assets associated with benefits provided to employees of the organization, or the organization’s directors or trustees, except to the extent that such benefits are provided through insurance or annuity contracts of a type that the organization is authorized to issue in the ordinary course of its business. For example, liabilities for employee pensions generally would not be within the scope of the Actuarial Opinion. However, if the organization is licensed to issue life insurance, then liabilities arising from life insurance policies or certificates issued by the organization to its employees would be within the scope of the Actuarial Opinion just as would the comparable liabilities arising from policies or contracts issued to unrelated parties.

If there are any items included in items H or I, they should be listed using appropriate annual statement captions and line references. The phrase “Not Applicable” should be placed under the item description for either item H or I if there is nothing to be listed. Any listings under items H and I do not constitute either “additional wording” or “revised wording” for purposes of the Table of Key Indicators.

If for either item H or item I there is more than one line item to be listed, the line items under the general H or I heading should be numbered sequentially.

The amounts of any assets listed under item I should be the gross amount of the asset (Page 2, Column 1 of the Annual Statement), not the net admitted amount (Page 2, Column 3).

For items A through G listed in the SCOPE section and each sub-line for items H and I, the item label should be followed by the amount of that item as reported in the annual statement. These stated amounts do not constitute either “additional wording” or “revised wording” for purposes of the Table of Key Indicators. Where the phrase “Not Applicable” is used in item H or item I, it means that there are no such items to be included in the Opinion, so there should be no value shown as a stated amount.

For example:

- I. Specified actuarial items presented as assets in the annual statement, as follows:
 - 1. Accrued retrospective premiums (Page 2, line 15.3, column 1)

7. The OPINION section should include only the following statement if the appointed actuary is using the prescribed wording:

“In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared;
- C. Meet the requirements of the Insurance Laws and regulations of the state of [state of domicile] and:

(Use of one the following phrases, as appropriate, is considered prescribed wording. Replacing “[list states]” with an actual list of states in parentheses is also considered prescribed wording.)

are at least as great as the minimum aggregate amounts required by any state,

or

are at least as great as the minimum aggregate amounts required by any state with the exception of the following states [list states]. For each listed state a separate statement of actuarial opinion was submitted to that state that complies with the requirements of that state;

- D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements, when such liabilities are considered in combination with any actuarial assets included in the scope of this opinion;
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit, Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.”



Detail Eliminated to Conserve Space

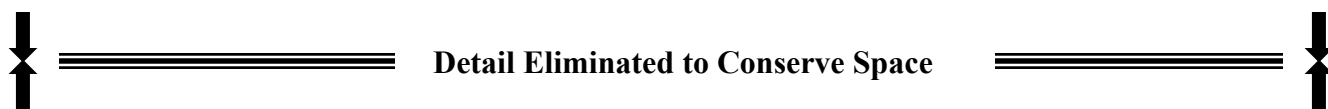


9. If the appointed actuary is able form an opinion that is not qualified, adverse or inconclusive as those terms are defined below, he or she should issue a statement of unqualified opinion. If the opinion is adverse, qualified or inconclusive, the appointed actuary should issue an adverse, qualified or inconclusive opinion explicitly stating the reason(s) for such opinion. In all circumstances the category of opinion should be explicitly identified in the TABLE of KEY INDICATORS section of the Actuarial Opinion.

An adverse opinion is an actuarial opinion in which the appointed actuary determines that the reserves and liabilities, when considered in combination with any assets included in the scope of the opinion, are not good and sufficient. (An adverse opinion does not meet item D of Section 7.)

When, in the actuary's opinion, the reserves or assets included in the scope of the opinion for a certain item or items are in question because they cannot be reasonably estimated or the actuary is unable to render an opinion on those items, the actuary should issue a qualified opinion. Such a qualified opinion should state whether the stated reserve amount makes a good and sufficient provision for the liabilities associated with the specified reserves, when considered in combination with any assets included in the scope of the opinion, except for the item or items to which the qualification relates. The actuary is not required to issue a qualified opinion if the actuary reasonably believes that the item or items in question are not likely to be material. (A qualified opinion does not meet one or more of the items A, B, C or F of Section 7.)

The actuary's ability to give an opinion is dependent upon data, analyses, assumptions and related information that are sufficient to support a conclusion. If the actuary cannot reach a conclusion due to deficiencies or limitations in the data, analyses, assumptions or related information, then the actuary should issue an inconclusive opinion. An inconclusive opinion shall include a description of the reasons a conclusion could not be reached.


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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Kim Hudson</u></p> <p>TITLE: _____</p> <p>AFFILIATION: <u>California Department of Insurance</u></p> <p>ADDRESS: <u>300 South Spring St.</u> <u>Los Angeles, CA 90013</u></p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2021-10BWG</u> Year <u>2022</u> Changes to Existing Reporting [X] New Reporting Requirement []</p> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact [X] Modifies Required Disclosure []</p> <p style="text-align: center;">DISPOSITION</p> <p>[] Rejected For Public Comment [] Referred To Another NAIC Group [] Received For Public Comment [] Adopted Date _____ [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

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|---|---|---|
| <input type="checkbox"/> ANNUAL STATEMENT | <input type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: 1st Quarter 2022

IDENTIFICATION OF ITEM(S) TO CHANGE

Remove language in quarterly General Interrogatories Part 1, line 4.1 that requires filing of a quarterly merger/history form. The annual form shall still be required.

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

Proposal 2017-21BWG added language to the General Interrogatories to require filing a merger/history form for annual and quarterly statements. The annual form works as intended. It is used for IRIS calculations, as well as validations. The quarterly form does not function with the database system as currently designed. Therefore, the requirement to file quarterly should be removed.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

QUARTERLY STATEMENT BLANK – LIFE\FRATERNAL, HEALTH, PROPERTY AND TITLE

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No []
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change: _____
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No []
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
.....
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No []
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. _____
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
If yes, complete and file the merger history data file with the NAIC.


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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: <u>Birny Birnbaum</u> TELEPHONE: <u>512 784 7663</u> EMAIL ADDRESS: <u>birny@cej-online.org</u> ON BEHALF OF: <u>Center for Economic Justice</u> NAME: <u>Birny Birnbaum</u> TITLE: <u>Director</u> AFFILIATION: <u>NAIC Designated Consumer Representative</u> ADDRESS: <u>1701A South Second St</u> <u>Austin, TX 78704</u>	DATE: <u>04/15/2021</u>	FOR NAIC USE ONLY	
	Agenda Item # <u>2021-11BWG</u> Year <u>2022</u> Changes to Existing Reporting [X] New Reporting Requirement []	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT	
	No Impact [X] Modifies Required Disclosure []	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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| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: 1st Quarter 2022

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new annual statement supplement to capture exposure data for Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.2.
 Add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter.

*****See Next Page For More Details*****

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

*****See Next Page For Details*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new annual statement supplement to the Property and Casualty annual statement to capture “Direct Exposures Written” and “Direct Exposures Earned” which will be reported, initially only for Annual Statement Lines 2.5 (Private Flood), 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 1 Loss experience between current columns 1 and 2 for “Direct Exposures Earned” only for only for lines 2.5 (Private Flood) 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 2 Direct Premium Written between current columns 1 and 2 for “Direct Exposures Written” only for only for lines 2.5 (Private Flood) 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add instructions for reporting the additional data elements, consisting of definitions and examples for the new data elements.

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

The average written and average earned premium per exposure is an important metric for a variety of regulatory and public policy purposes. The NAIC annually produces reports of average personal auto and homeowners premiums, but the data in these reports are old and stale for timely assessment of absolute average premium and changes in average premium over time. Both reports are typically produced 24 months after the end of the experience period and 36 months after the beginning of the experience period. Homeowners average premiums for 2018 was published in January 2021 in the “Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners’ Insurance Report: Data for 2018.” Personal auto average premiums for 2018 was published in March 2021 in the “Auto Database Report.” While there are valid reasons for the length of time needed to produce these reports – primarily because these reports contain information beyond average premium – the average premium numbers lose significant relevance because of their age.

This AS and QS Blanks proposals would allow the calculation of average written and average earned premium for residential property and personal auto coverages in a far more timely fashion – within three to four months following the reporting year instead of 24 months and would provide timely and useful quarterly information. The benefits of timelier average premium data are considerable. Timely average premium data would permit financial analysts to utilize changes in average premium as part of financial analysis. Similarly, the more-timely average premium data would become a valuable tool for market regulation analysts, including, but not limited to, an added data point for use with the Market Conduct Annual Statement. Last, but not least, this proposal would allow the NAIC to calculate and publish average annual premium data for residential property and personal auto insurance by state in a time frame to both make the data meaningful for describing market conditions and to inform individual state regulators and policymakers of actual changes in personal lines average premiums – as opposed to expected changes gleaned from rate filings.

Consider how valuable timely average premium values would have been for personal lines as the pandemic unfolded. Consider also the value of quarterly data for average premium for personal lines versus only an annual average. The lack of timeliness of the average premium values means that these data have very limited or no use for either financial or market analysis. The lack of timeliness also means that the data are no use in informing public policy debates about personal lines insurance costs. In addition, the severe time lag between actual experience and reporting fails to inform the public or policymakers of recent trends or outcomes and can, consequently, mislead the public and policymakers.

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY

DIRECT PREMIUM AND EXPOSURES
Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.1
Allocated by States and Territories

This supplement must be filed with the NAIC by March 1 each year.

This supplement should be completed by those reporting entities that write direct business reported on the Exhibit of Premiums and Losses for each Annual Statement Lines (ASL) listed below. A separate page will be completed for each ASL.

ASL 2.5 (Private Flood)

ASL 4 (Homeowners)

ASL 19.1 (Private Passenger Auto No-Fault – Personal Injury Protection)

ASL 19.2 (Other Private Passenger Auto Liability)

ASL 21.1 (Private Passenger Auto Physical Damage).

Column 1 – Direct Premiums Written

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 1, Line 35 of the Exhibit of Premiums and Losses for that state.

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 2.5 and 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 3 – Direct Premiums Earned

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 2, Line 35 of the Exhibit of Premiums and Losses for each state.

Column 4 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines 2.5 and 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

QUARTERLY STATEMENT INSTRUCTIONS – PROPERTY**PART 1 – LOSS EXPERIENCE**

Column 1 – Direct Premiums Earned

Display direct premiums earned by line of business. The total must agree with the Statement of Income Page 4, Direct Premiums Earned Line 1.1, Column 1.

Column 2 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines 2.5 and 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

Column ~~2~~₃ – Direct Losses Incurred

Display direct losses incurred by line of business. The total must agree with the Statement of Income Page 4, Direct Losses Incurred Line 2.1, Column 1.

Column ~~3~~₄ – Direct Loss Percentage

Column ~~2~~₃ (Direct Losses Incurred)/Column 1 (Direct Premiums Earned) multiplied by 100.

Column ~~4~~₅ – Prior Year to Date Direct Loss Percentage

Display year-to-date direct loss percentages by line of business for the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

PART 2 – DIRECT PREMIUMS WRITTEN

Column 1 – Current Quarter

Display current quarter direct premiums written by line of business.

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 2.5 and 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 23 – Current Year to Date

Display year-to-date direct premiums written.

Column 34 – Prior Year, Year to Date

Display year-to-date direct premiums written from the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

ANNUAL STATEMENT BLANK – PROPERTY

DIRECT PREMIUM AND EXPOSURES

Allocated by States and Territories

For The Year Ended December 31, 20__

(To Be Filed by March 1)

Private Flood

Annual Statement Line 2.5

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL
2. Alaska.....AK
3. Arizona.....AZ
4. Arkansas.....AR
5. California.....CA
6. Colorado.....CO
7. Connecticut.....CT
8. Delaware.....DE
9. District of Columbia.....DC
10. Florida.....FL
11. Georgia.....GA
12. Hawaii.....HI
13. Idaho.....ID
14. Illinois.....IL
15. Indiana.....IN
16. Iowa.....IA
17. Kansas.....KS
18. Kentucky.....KY
19. Louisiana.....LA
20. Maine.....ME
21. Maryland.....MD
22. Massachusetts.....MA
23. Michigan.....MI
24. Minnesota.....MN
25. Mississippi.....MS
26. Missouri.....MO
27. Montana.....MT
28. Nebraska.....NE
29. Nevada.....NV
30. New Hampshire.....NH
31. New Jersey.....NJ
32. New Mexico.....NM
33. New York.....NY
34. North Carolina.....NC
35. North Dakota.....ND
36. Ohio.....OH
37. Oklahoma.....OK
38. Oregon.....OR
39. Pennsylvania.....PA
40. Rhode Island.....RI
41. South Carolina.....SC
42. South Dakota.....SD
43. Tennessee.....TN
44. Texas.....TX
45. Utah.....UT
46. Vermont.....VT
47. Virginia.....VA
48. Washington.....WA
49. West Virginia.....WV
50. Wisconsin.....WI
51. Wyoming.....WY
52. American Samoa.....AS
53. Guam.....GU
54. Puerto Rico.....PR
55. US Virgin Islands.....VI
56. Northern Mariana Islands.....MP
57. Canada.....CAN
58. Aggregate Other Alien.....OT
59. Total

**Homeowners
Annual Statement Line 4**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama..... AL
2. Alaska..... AK
3. Arizona..... AZ
4. Arkansas..... AR
5. California..... CA
6. Colorado..... CO
7. Connecticut..... CT
8. Delaware..... DE
9. District of Columbia..... DC
10. Florida..... FL
11. Georgia..... GA
12. Hawaii..... HI
13. Idaho..... ID
14. Illinois..... IL
15. Indiana..... IN
16. Iowa..... IA
17. Kansas..... KS
18. Kentucky..... KY
19. Louisiana..... LA
20. Maine..... ME
21. Maryland..... MD
22. Massachusetts..... MA
23. Michigan..... MI
24. Minnesota..... MN
25. Mississippi..... MS
26. Missouri..... MO
27. Montana..... MT
28. Nebraska..... NE
29. Nevada..... NV
30. New Hampshire..... NH
31. New Jersey..... NJ
32. New Mexico..... NM
33. New York..... NY
34. North Carolina..... NC
35. North Dakota..... ND
36. Ohio..... OH
37. Oklahoma..... OK
38. Oregon..... OR
39. Pennsylvania..... PA
40. Rhode Island..... RI
41. South Carolina..... SC
42. South Dakota..... SD
43. Tennessee..... TN
44. Texas..... TX
45. Utah..... UT
46. Vermont..... VT
47. Virginia..... VA
48. Washington..... WA
49. West Virginia..... WV
50. Wisconsin..... WI
51. Wyoming..... WY
52. American Samoa..... AS
53. Guam..... GU
54. Puerto Rico..... PR
55. US Virgin Islands..... VI
56. Northern Mariana Islands..... MP
57. Canada..... CAN
58. Aggregate Other Alien..... OT
59. Total

**Private Passenger Auto No-Fault (Personal Injury Protection)
Annual Statement Line 19.1**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL
2. Alaska.....AK
3. Arizona.....AZ
4. Arkansas.....AR
5. California.....CA
6. Colorado.....CO
7. Connecticut.....CT
8. Delaware.....DE
9. District of Columbia.....DC
10. Florida.....FL
11. Georgia.....GA
12. Hawaii.....HI
13. Idaho.....ID
14. Illinois.....IL
15. Indiana.....IN
16. Iowa.....IA
17. Kansas.....KS
18. Kentucky.....KY
19. Louisiana.....LA
20. Maine.....ME
21. Maryland.....MD
22. Massachusetts.....MA
23. Michigan.....MI
24. Minnesota.....MN
25. Mississippi.....MS
26. Missouri.....MO
27. Montana.....MT
28. Nebraska.....NE
29. Nevada.....NV
30. New Hampshire.....NH
31. New Jersey.....NJ
32. New Mexico.....NM
33. New York.....NY
34. North Carolina.....NC
35. North Dakota.....ND
36. Ohio.....OH
37. Oklahoma.....OK
38. Oregon.....OR
39. Pennsylvania.....PA
40. Rhode Island.....RI
41. South Carolina.....SC
42. South Dakota.....SD
43. Tennessee.....TN
44. Texas.....TX
45. Utah.....UT
46. Vermont.....VT
47. Virginia.....VA
48. Washington.....WA
49. West Virginia.....WV
50. Wisconsin.....WI
51. Wyoming.....WY
52. American Samoa.....AS
53. Guam.....GU
54. Puerto Rico.....PR
55. US Virgin Islands.....VI
56. Northern Mariana Islands.....MP
57. Canada.....CAN
58. Aggregate Other Alien.....OT
59. Total

**Other Private Passenger Auto Liability
Annual Statement Line 19.2**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama..... AL
2. Alaska..... AK
3. Arizona..... AZ
4. Arkansas..... AR
5. California..... CA
6. Colorado..... CO
7. Connecticut..... CT
8. Delaware..... DE
9. District of Columbia..... DC
10. Florida..... FL
11. Georgia..... GA
12. Hawaii..... HI
13. Idaho..... ID
14. Illinois..... IL
15. Indiana..... IN
16. Iowa..... IA
17. Kansas..... KS
18. Kentucky..... KY
19. Louisiana..... LA
20. Maine..... ME
21. Maryland..... MD
22. Massachusetts..... MA
23. Michigan..... MI
24. Minnesota..... MN
25. Mississippi..... MS
26. Missouri..... MO
27. Montana..... MT
28. Nebraska..... NE
29. Nevada..... NV
30. New Hampshire..... NH
31. New Jersey..... NJ
32. New Mexico..... NM
33. New York..... NY
34. North Carolina..... NC
35. North Dakota..... ND
36. Ohio..... OH
37. Oklahoma..... OK
38. Oregon..... OR
39. Pennsylvania..... PA
40. Rhode Island..... RI
41. South Carolina..... SC
42. South Dakota..... SD
43. Tennessee..... TN
44. Texas..... TX
45. Utah..... UT
46. Vermont..... VT
47. Virginia..... VA
48. Washington..... WA
49. West Virginia..... WV
50. Wisconsin..... WI
51. Wyoming..... WY
52. American Samoa..... AS
53. Guam..... GU
54. Puerto Rico..... PR
55. US Virgin Islands..... VI
56. Northern Mariana Islands..... MP
57. Canada..... CAN
58. Aggregate Other Alien..... OT
59. Total

**Private Passenger Auto Physical Damage
Annual Statement Line 21.1**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama..... AL
2. Alaska..... AK
3. Arizona..... AZ
4. Arkansas..... AR
5. California..... CA
6. Colorado..... CO
7. Connecticut..... CT
8. Delaware..... DE
9. District of Columbia..... DC
10. Florida..... FL
11. Georgia..... GA
12. Hawaii..... HI
13. Idaho..... ID
14. Illinois..... IL
15. Indiana..... IN
16. Iowa..... IA
17. Kansas..... KS
18. Kentucky..... KY
19. Louisiana..... LA
20. Maine..... ME
21. Maryland..... MD
22. Massachusetts..... MA
23. Michigan..... MI
24. Minnesota..... MN
25. Mississippi..... MS
26. Missouri..... MO
27. Montana..... MT
28. Nebraska..... NE
29. Nevada..... NV
30. New Hampshire..... NH
31. New Jersey..... NJ
32. New Mexico..... NM
33. New York..... NY
34. North Carolina..... NC
35. North Dakota..... ND
36. Ohio..... OH
37. Oklahoma..... OK
38. Oregon..... OR
39. Pennsylvania..... PA
40. Rhode Island..... RI
41. South Carolina..... SC
42. South Dakota..... SD
43. Tennessee..... TN
44. Texas..... TX
45. Utah..... UT
46. Vermont..... VT
47. Virginia..... VA
48. Washington..... WA
49. West Virginia..... WV
50. Wisconsin..... WI
51. Wyoming..... WY
52. American Samoa..... AS
53. Guam..... GU
54. Puerto Rico..... PR
55. US Virgin Islands..... VI
56. Northern Mariana Islands..... MP
57. Canada..... CAN
58. Aggregate Other Alien..... OT
59. Total

**SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

MARCH FILING

RESPONSES

- 1. Will an actuarial opinion be filed by March 1?
- 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
- 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?
- 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?

APRIL FILING

- 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?
- 6. Will Management's Discussion and Analysis be filed by April 1?
- 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?

MAY FILING

- 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?

JUNE FILING

- 9. Will an audited financial report be filed by June 1?
- 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?

The following supplemental reports are required to be filed as part of your statement filing **if your company is engaged in the type of business covered by the supplement. 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.

MARCH FILING

- 11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?
- 12. Will the Financial Guaranty Insurance Exhibit be filed by March 1?
- 13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?
- 14. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?
- 15. Will the Trustee Surplus Statement be filed with the state of domicile and the NAIC by March 1?
- 16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?
- 17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?
- 18. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?
- 19. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?
- 20. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?
- 21. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?
- 22. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?
- 23. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?
- 24. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?
- 25. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?
- 26. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?
- 27. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution contracts be filed with the state of domicile and the NAIC by March 1?
- 28. Will the Direct Premium and Exposures Supplement be filed with NAIC by March 1?

APRIL FILING

- ~~2829.~~ Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?
- ~~2930.~~ Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?
- ~~3031.~~ Will the Accident and Health Policy Experience Exhibit be filed by April 1?
- ~~3132.~~ Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?
- ~~3233.~~ Will the regulator-only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?
- ~~3334.~~ Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?
- ~~3435.~~ Will the Life, Health & Annuity Guaranty Association Assessable Premium Exhibit – Parts 1 and 2 be filed with the state of domicile and the NAIC by April 1?
- ~~3536.~~ Will the Private Flood Insurance Supplement be filed with the state of domicile and the NAIC by April 1?

AUGUST FILING

- ~~3637.~~ Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?

Explanation:

Bar Code:

QUARTERLY STATEMENT BLANK – PROPERTY

PART 1 – LOSS EXPERIENCE

Line of Business	Current Year to Date				45 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Earned Exposures	23 Direct Losses Incurred	34 Direct Loss Percentage	
1. Fire		XXX			
2.1 Allied Lines		XXX			
2.2 Multiple Peril Crop		XXX			
2.3 Federal Flood		XXX			
2.4 Private Crop		XXX			
2.5 Private Flood		XXX			
3. Farmowners Multiple Peril		XXX			
4. Homeowners Multiple Peril		XXX			
5.1 Commercial Multiple Peril (Non-Liability Portion)		XXX			
5.2 Commercial Multiple Peril (Liability Portion)		XXX			
6. Mortgage Guaranty		XXX			
8. Ocean Marine		XXX			
9. Inland Marine		XXX			
10. Financial Guaranty		XXX			
11.1 Medical Professional Liability—Occurrence		XXX			
11.2 Medical Professional Liability—Claims-Made		XXX			
12. Earthquake		XXX			
13.1 Comprehensive Individual Accident and Health		XXX			
13.2 Comprehensive Group Accident and Health		XXX			
14. Credit A&H (Group and Individual)		XXX			
15.1 Vision Only		XXX			
15.2 Dental Only		XXX			
15.3 Disability Income		XXX			
15.4 Medicare Supplement		XXX			
15.5 Medicaid Title XIX		XXX			
15.6 Medicare Title XVIII Exempt from State Taxes or Fees		XXX			
15.7 Long-Term Care		XXX			
15.8 Federal Employees Health Benefits Plan Premium		XXX			
15.9 Other Health		XXX			
16. Workers' Compensation		XXX			
17.1 Other Liability—Occurrence		XXX			
17.2 Other Liability—Claims-Made		XXX			
17.3 Excess Workers' Compensation		XXX			
18.1 Products Liability—Occurrence		XXX			
18.2 Products Liability—Claims-Made		XXX			
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX			
19.2 Other Private Passenger Auto Liability		XXX			
19.3 Commercial Auto No-Fault (Personal Injury Protection)		XXX			
19.4 Other Commercial Auto Liability		XXX			
21.1 Private Passenger Auto Physical Damage		XXX			
21.2 Commercial Auto Physical Damage		XXX			
22. Aircraft (all perils)		XXX			
23. Fidelity		XXX			
24. Surety		XXX			
26. Burglary and Theft		XXX			
27. Boiler and Machinery		XXX			
28. Credit		XXX			
29. International		XXX			
30. Warranty		XXX			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business		XXX			
35. TOTALS		XXX			
DETAILS OF WRITE-INS					
3401.		XXX			
3402.		XXX			
3403.		XXX			
3498. Sum. of remaining write-ins for ... Line 34 from overflow page		XXX			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX			

PART 2 – DIRECT PREMIUMS WRITTEN

Line of Business	Current Quarter		²³	³⁴
	1 Direct Premiums Written	2 Direct Written Exposures	Current Year to Date Direct Premiums Written	Prior Year to Date
1. Fire		XXX		
2.1 Allied Lines		XXX		
2.2 Multiple Peril Crop		XXX		
2.3 Federal Flood		XXX		
2.4 Private Crop		XXX		
2.5 Private Flood				
3. Farmowners Multiple Peril		XXX		
4. Homeowners Multiple Peril				
5.1 Commercial Multiple Peril (Non-Liability Portion)		XXX		
5.2 Commercial Multiple Peril (Liability Portion)		XXX		
6. Mortgage Guaranty		XXX		
8. Ocean Marine		XXX		
9. Inland Marine		XXX		
10. Financial Guaranty		XXX		
11.1 Medical Professional Liability—Occurrence		XXX		
11.2 Medical Professional Liability—Claims-Made		XXX		
12. Earthquake		XXX		
13.1 Comprehensive Individual Accident and Health		XXX		
13.2 Comprehensive Group Accident and Health		XXX		
14. Credit A&H (Group and Individual)		XXX		
15.1 Vision Only		XXX		
15.2 Dental Only		XXX		
15.3 Disability Income		XXX		
15.4 Medicare Supplement		XXX		
15.5 Medicaid Title XIX		XXX		
15.6 Medicare Title XVIII Exempt from State Taxes or Fees		XXX		
15.7 Long-Term Care		XXX		
15.8 Federal Employees Health Benefits Plan Premium		XXX		
15.9 Other Health		XXX		
16. Workers' Compensation		XXX		
17.1 Other Liability—Occurrence		XXX		
17.2 Other Liability—Claims-Made		XXX		
17.3 Excess Workers' Compensation		XXX		
18.1 Products Liability—Occurrence		XXX		
18.2 Products Liability—Claims-Made		XXX		
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..				
19.2 Other Private Passenger Auto Liability				
19.3 Commercial Auto No-Fault (Personal Injury Protection)		XXX		
19.4 Other Commercial Auto Liability		XXX		
21.1 Private Passenger Auto Physical Damage				
21.2 Commercial Auto Physical Damage		XXX		
22. Aircraft (all perils)		XXX		
23. Fidelity		XXX		
24. Surety		XXX		
26. Burglary and Theft		XXX		
27. Boiler and Machinery		XXX		
28. Credit		XXX		
29. International		XXX		
30. Warranty		XXX		
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business		XXX		
35. TOTALS		XXX		
DETAILS OF WRITE-INS				
3401.		XXX		
3402.		XXX		
3403.		XXX		
3498. Sum. of remaining write-ins for ... Line 34 from overflow page		XXX		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX		

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Steve Drutz</u></p> <p>TITLE: <u>Chief Financial Analyst</u></p> <p>AFFILIATION: <u>WA Office of the Insurance Commissioner</u></p> <p>ADDRESS: _____</p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-12BWG</u></p> <p>Year <u>2022</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [X]</p> <p>Modifies Required Disclosure []</p> <hr/> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment</p> <p>[] Referred To Another NAIC Group</p> <p>[] Received For Public Comment</p> <p>[] Adopted Date _____</p> <p>[] Rejected Date _____</p> <p>[] Deferred Date _____</p> <p>[] Other (Specify) _____</p>
--	---

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2022

IDENTIFICATION OF ITEM(S) TO CHANGE

Add and delete lines on the Analysis of Operations by Lines of Business – Accident and Health for Life\Fraternal to capture health specific data captured on the Heath Analysis of Operations by Lines of Business but not on the Life\Fraternal Analysis of Operations page and add new crosschecks for the new lines. Add new crosschecks to the Analysis of Operations by Lines of Business – Summary to map the lines on the accident and health page to the summary.

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

The purpose of the proposal is to modify the Analysis of Operations by Lines of Business – Accident and Health for Life\Fraternal to capture health specific data points captured on the Health Analysis of Operations page. This will allow regulators to look at revenue and expenses in the same detail as reported on the Heath Analysis of Operations by Lines of Business.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Line ~~43~~ – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

Line ~~54~~ – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4 of the Separate Accounts Statement, in part, excluding the portion due to unrealized capital gains or losses.

Line ~~8.17.1~~ – Fees associated with Income from Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Gross amount of fees and charges from separate accounts.

Line ~~8.37.2~~ – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 9.1 – Hospital/Medical Benefits

Include: Expenses for physician services provided under contractual arrangement to the reporting entity.

Salaries, including fringe benefits, paid to physicians for delivery of medical services. Capitation payments by the reporting entity to physicians for delivery of medical services to reporting entity subscribers.

Fees paid by the reporting entity to physicians on a fee-for-service basis for delivery of medical services to reporting entity subscribers. This includes capitated referrals.

Inpatient hospital costs of routine and ancillary services for reporting entity members while confined to an acute care hospital.

Charges for non-reporting entity physician services provided in a hospital are included in this line item only if included as an undefined portion of charges by a hospital to the reporting entity. (If separately itemized or billed, physician charges should be included in outside referrals below.)

The cost of utilizing skilled nursing and intermediate care facilities.

Routine hospital service includes regular room and board (including intensive care units, coronary care units, and other special inpatient hospital units), dietary and nursing services, medical surgical supplies, medical social services, and the use of certain equipment and facilities for which the provider does not customarily make a separate charge.

Ancillary services may also include laboratory, radiology, drugs, delivery room, physical therapy services, other special items and services for which charges are customarily made in addition to a routine service charge.

Skilled nursing facilities are primarily engaged in providing skilled nursing care and related services for patients who require medical or nursing care or rehabilitation service.

Intermediate care facilities are for individuals who do not require the degree of care and treatment that a hospital or skilled nursing-care facility provides, but that do require care and services above the level of room and board.

Report gross of reinsurance. Report net of coordination of benefits, co-payments and subrogation.

Exclude: Expenses for medical personnel time devoted to administrative tasks.

Emergency room and out-of-area hospitalization.

All items meeting the definition of Cost Containment Expenses found in SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses.

Line 9.2 – Other Professional Services

Include: Expenses for other professional providers under contractual arrangement to the reporting entity.

Salaries, as well as fringe benefits, paid by the reporting entity to non-physician providers licensed, accredited or certified to perform specified health services, consistent with state law, engaged in the delivery of medical services.

Compensation to personnel engaged in activities in direct support of the provision of medical services. For example, include compensation to pharmacists, dentists, psychologists, optometrists, podiatrists, extenders, nurses, clinical personnel such as ambulance drivers and technicians.

Exclude: Professional services not meeting this definition. Report these services as administrative expenses. For example, exclude compensation to paraprofessionals, janitors, quality assurance analysts, administrative supervisors, secretaries to medical personnel, and medical record clerks.

Prescription drugs.

All items meeting the definition of Cost Containment Expenses found in SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses.

Line 9.3 – Outside Referrals

Include: Expenses for providers not under arrangement with the reporting entity to provide services, such as consultations, or out-of-network providers.

Line 9.4 – Emergency Room and Out-of-Area

Include: Expenses for other health delivery services including emergency room costs incurred by members for which the reporting entity is responsible and out-of-area service costs for emergency physician and hospital.

In the event a member is admitted to the health care facility immediately after seeking emergency room service, emergency service expenses are reported in this line, the expenses after admission are reported in the hospital/medical line, provided the member is seeking services in the service area. Out-of-area expenses incurred, whether emergency or hospital, are reported in this line.

Line 9.5 – Prescription Drugs

Include: Expenses for Prescription Drugs and other pharmacy benefits covered by the reporting entity.

Deduct: Pharmaceutical rebates relating to insured plans.

Exclude: Prescription drug charges that are included in a hospital billing which should be classified as Hospital/Medical Benefits on Line 9.2.

Line 9.6 – Other Hospital and Medical

Include: Other hospital and medical expenses not covered in the other claims accounts.

Line 9.7 – Incentive Pool, Withhold Adjustments and Bonus Amounts

This category is for adjusting the full medical expenses reported by means of both debit and credit entries. For example, report physician withholds forfeited to the reporting entity as a credit entry. Report amounts incurred due to an arrangement whereby the reporting entity agrees to utilization savings with a provider as a debit entry.

Line 10 – Net Reinsurance Recoveries

Amounts recovered and recoverable from reinsurers on paid losses

Include: Amounts related to assumed and ceded business.

Line ~~4~~13 – Group Conversions

Include: The customary charges, in the appropriate columns, to cover the excess cost arising from group conversions.

This line is not applicable to Fraternal Benefit Societies.

Line ~~2~~17 – Commissions on Premiums (Direct Business Only)

Column 1 should agree with Exhibit 1 Part 2, Line 31, Columns 8, 9 and 10.

Line 19.1 – Claims Adjustment Expenses, Including \$ Cost Containment Expenses

All expenses incurred in connection with the recording, adjustment and settlement of claims. This includes the total of the expense classification “Other Claim Adjustment Expenses” and all “Cost Containment Expenses”.

Cost Containment Expenses and Other Claim Adjustment Expenses have been defined in SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses. Refer to SSAP No. 55 for accounting guidance.

The inset amount should equal Column 2, Line 10, Exhibit 2.

Line 19.2 – General Administrative Expenses

Exclude: All expenses related to cost containment activities in accordance with SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses.

Insurance taxes, licenses and fees, excluding federal income taxes included on Line 20.

Line 19.3 – Total General Insurance Expenses (Line 19.1 plus 19.2)

Column 1 should equal Exhibit 2, Line 10 sum of Columns 2 and 3.

Line 20 – Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes

Column 1 should equal Exhibit 3, Column 2, Line 7.

Line ~~27~~23 – Aggregate Write-ins for Deductions

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line ~~27~~23 for Deductions.



Details of Write-ins Aggregated at Line ~~8~~37.2 for Miscellaneous Income.


List separately each category of miscellaneous income for which there is no pre-printed line on Analysis of Operations by Lines of Business – Accident and Health.

Details of Write-ins Aggregated at Line ~~27~~23 for Deductions

List separately each category of deductions for which there is no pre-printed line on Analysis of Operations by Lines of Business – Accident and Health.

Include: The amount from the Form for Calculating the Interest Maintenance Reserve, Line 3, in part.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY


Detail Eliminated to Conserve Space



Column 6 – Accident and Health

~~The lines in this column should equal the Analysis of Operations by Lines of Business – Accident and Health, Column 1.~~

Line 1: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 1.6.

Line 3: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 2.

Line 4: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 3.

Line 5: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 4.

Line 6: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 5.

Line 7: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 6.

Line 8.1: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 7.1.

Line 8.3: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 7.2.

Line 9: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 8.

Line 13: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 11.

Line 14: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 12.

Line 16: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 13.

Line 17: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 14.

Line 19: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 15.

Line 20: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 16.

Line 21: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 17.

- Line 22: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 18.
- Line 23: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 19.3.
- Line 24: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 20.
- Line 25: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 21.
- Line 26: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 22.
- Line 27: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 23.
- Line 28: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 24.
- Line 29: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 25.
- Line 30: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 26.
- Line 31: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 27.
- Line 32: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 28.
- Line 33: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 29.
- Line 34: Should equal Analysis of Operations by Lines of Business – Accident and Health, Column 1, Line 30.



Detail Eliminated to Conserve Space



ANNUAL STATEMENT BLANK – LIFE\FRATERNAL

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – ACCIDENT AND HEALTH ^(*)

	1 Total	Comprehensive		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health
		2 Individual	3 Group										
1. Premiums for accident and health contracts													
2. Considerations for supplementary contracts with life contingencies	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. Net investment income													
4. Amortization of Interest Maintenance Reserve (IMR)													
5. Separate Accounts net gain from operations excluding unrealized gains or losses													
6. Commissions and expense allowances on reinsurance ceded													
7. Reserve adjustments on reinsurance ceded													
8. Miscellaneous Income:													
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts													
8.2 Charges and fees for deposit-type contracts	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8.3 Aggregate write-ins for miscellaneous income													
9. Totals (Lines 1 to 8.3)													
10. Death benefits	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. Matured endowments (excluding guaranteed annual pure endowments)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. Annuity benefits	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Disability benefits and benefits under accident and health contracts													
14. Coupons, guaranteed annual pure endowments and similar benefits													
15. Surrender benefits and withdrawals for life contracts	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16. Group conversions													
17. Interest and adjustments on contract or deposit-type contract funds													
18. Payments on supplementary contracts with life contingencies	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19. Increase in aggregate reserves for life and accident and health contracts													
20. Totals (Lines 10 to 19)													
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)													
22. Commissions and expense allowances on reinsurance assumed													
23. General insurance expenses													
24. Insurance taxes, licenses and fees, excluding federal income taxes													
25. Increase in loading on deferred and uncollected premiums													
26. Net transfers to or (from) Separate Accounts net of reinsurance													
27. Aggregate write-ins for deductions													
28. Totals (Lines 20 to 27)													
29. Net gain from operations before dividends to policyholders, and refunds to members and federal income taxes (Line 9 minus Line 28)													
30. Dividends to policyholders and refunds to members													
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)													
32. Federal income taxes incurred (excluding tax on capital gains)													
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)													
34. Policies/certificates in force end of year													
DETAILS OF WRITE-INS													
08.301													
08.302													
08.303													
08.398. Summary of remaining write-ins for Line 8.3 from overflow page													
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)													
2701													
2702													
2703													
2798. Summary of remaining write-ins for Line 27 from overflow page													
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)													

(*) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – ACCIDENT AND HEALTH (a)

	1 Total	Comprehensive		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health
		2 Individual	3 Group										
1. Premiums for accident and health contracts													
1.1 Net premium income													
1.2 Change in unearned premium reserves and reserve for rate credit													
1.3 Fee-for-service (net of \$..... medical expenses)													
1.4 Risk revenue													
1.5 Other health care related revenues													
1.6 Premiums for accident and health contracts (Lines 1.1 to 1.5)													
2 Net investment income													
3 Amortization of Interest Maintenance Reserve (IMR)													
4 Separate Accounts net gain from operations excluding unrealized gains or losses													
5 Commissions and expense allowances on reinsurance ceded													
6 Reserve adjustments on reinsurance ceded													
7 Miscellaneous Income:													
7.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts													
7.2 Aggregate write-ins for miscellaneous income													
8 Totals (Lines 1.6 + 2 + 3 + 4 + 5 + 6 + 7.1 + 7.2)													
9 Hospital and Medical													
9.1 Hospital/medical benefits													
9.2 Other professional services													
9.3 Outside referrals													
9.4 Emergency room and out-of-area													
9.5 Prescription drugs													
9.6 Other hospital and medical													
9.7 Incentive pool, withhold adjustments and bonus amounts													
9.8 Subtotal Hospital and Medical (Lines 9.1 to 9.7)													
10 Net reinsurance recoveries													
11 Total hospital and medical (Lines 9.8 minus 10)													
12 Coupons, guaranteed annual pure endowments and similar benefits													
13 Group conversions													
14 Interest and adjustments on contract or deposit-type contract funds													
15 Increase in aggregate reserves for life and accident and health contracts													
16 Totals (Lines 11 to 15)													
17 Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)													
18 Commissions and expense allowances on reinsurance assumed													
19 General insurance expenses													
19.1 Claims adjustment expenses including \$..... cost containment expenses													
19.2 General expenses													
19.3 Total general insurance expenses (Line 19.1 plus 19.2)													
20 Insurance taxes, licenses and fees, excluding federal income taxes													
21 Increase in loading on deferred and uncollected premiums													
22 Net transfers to or (from) Separate Accounts net of reinsurance													
23 Aggregate write-ins for deductions													
24 Totals (Lines 16 + 17 + 18 + 19.3 + 20 + 21 + 22 + 23)													
25 Net gain from operations before dividends to policyholders, and refunds to members and federal income taxes (Line 8 minus Line 24)													
26 Dividends to policyholders and refunds to members													
27 Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 25 minus Line 26)													
28 Federal income taxes incurred (excluding tax on capital gains)													
29 Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 27 minus Line 28)													
30 Policies/certificates in force end of year													
DETAILS OF WRITE-INS													
07.201													
07.202													
07.203													
07.298. Summary of remaining write-ins for Line 7.2 from overflow page													
07.299. Total (Lines 07.201 through 07.203 plus 07.298) (Line 7.2 above)													
2301													
2302													
2303													
2398. Summary of remaining write-ins for Line 23 from overflow page													
2399. Total (Lines 2301 through 2303 plus 2398) (Line 23 above)													

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Patricia Gosselin</u></p> <p>TITLE: _____</p> <p>AFFILIATION: <u>New Hampshire Insurance Department</u></p> <p>ADDRESS: <u>215 S. Fruit St., Ste. 14</u> <u>Concord, NH 03301</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-13BWG</u> Year <u>2022</u> Changes to Existing Reporting [X] New Reporting Requirement []</p> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [] Modifies Required Disclosure []</p> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment [] Referred To Another NAIC Group [] Received For Public Comment [] Adopted Date _____ [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2022

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new supplement to capture premium and loss data for Annual Statement Lines 17.1, 17.2 & 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability by more granular lines of business.

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

The purpose of this proposal is to provide regulators more granular detail of the premium and losses of the diverse lines of business reported on Annual Statement Lines 17.1, 17.2 & 17.3 of the Exhibit of Premiums and Losses (State Page).

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY

Exhibit of Other Liabilities by Lines of Business
As Reported on Line 17 of The Exhibit of Premiums and Losses

All reporting entities reporting “Other Liability” on Line 17 of the Exhibit of Premiums and Losses must prepare this exhibit. The exhibit is to be prepared and filed by all reporting entities no later than March 1 of each year.

The purpose of the Exhibit of Other Liabilities by Lines of Business is to provide more information on the diverse lines of business filed on Annual Statement Line 17. The exhibit should be reported on a direct basis (before assumed and ceded reinsurance).

For definitions of the products reported on Lines 1 through 28, see the appendix of these instructions. Line 26 – All Other will include all products not reported on Lines 1 through 28.

Column 1 – Written Premium

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 1, Line 17.1 + Line 17.2 + Line 17.3.

Column 2 – Earned Premium

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 2, Line 17.1 + Line 17.2 + Line 17.3.

Column 3 – Unearned Premium Reserve

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 4, Line 17.1 + Line 17.2 + Line 17.3.

Column 4 – Losses Paid (Deducting Salvage)

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 5, Line 17.1 + Line 17.2 + Line 17.3.

Column 5 – Losses Incurred

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 6, Line 17.1 + Line 17.2 + Line 17.3.

Column 6 – Losses Unpaid

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 7, Line 17.1 + Line 17.2 + Line 17.3.

Column 7 – Defense and Cost Containment Paid

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 8, Line 17.1 + Line 17.2 + Line 17.3.

Column 8 – Defense and Cost Containment Incurred

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 9, Line 17.1 + Line 17.2 + Line 17.3.

Column 9 – Defense and Cost Containment Unpaid

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 10, Line 17.1 + Line 17.2 + Line 17.3.

ANNUAL STATEMENT BLANK – PROPERTY

SUPPLEMENT FOR THE YEAR OF THE

Affix Bar Code Above

EXHIBIT OF OTHER LIABILITIES BY LINES OF BUSINESS
AS REPORTED ON LINE 17 OF THE EXHIBIT OF PREMIUMS AND LOSSES
 (To Be Filed by March 1)

NAIC Group Code

NAIC Company Code.....

Company Name

	Direct Business Only								
	1	2	3	4	5	6	7	8	9
	Written Premium	Earned Premium	Unearned Premium Reserve	Losses Paid (deducting salvage)	Losses Incurred	Losses Unpaid	Defense and Cost Containment Paid	Defense and Cost Containment Incurred	Defense and Cost Containment Unpaid
1. Completed Operations Liability
2. Construction and Alteration Liability
3. Contingent Liability
4. Contractual Liability
5. Elevators and Escalators Liability
6. Errors and Omissions Liability Professional Liability Other Than Medical
7. Environmental Pollution Liability
8. Excess and Umbrella Liability
9. Liquor Liability
10. Personal Injury Liability
11. Premises and Operations Liability
12. Excess Workers' Compensation
13. Commercial General Liability
14. Comprehensive Personal Liability
15. Day Care Centers
16. Directors and Officers Liability
17. Employee Benefit Liability
18. Employers' Liability
19. Employment Practices Liability
20. Fire Legal Liability
21. Municipal Liability
22. Nuclear Energy Liability
23. Veterinarian
24. Internet Liability
25. Cyber Liability
26. Fiduciary Liability
27. Premises and Operations (OL&T and M&C)
28. Professional Errors and Omissions Liability
29. All Other
30. Total ASL 17 – Other Liability (Sum of Lines 1 through 29)									

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>04/19/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Shawn Frederick</u></p> <p>TITLE: <u>Assistant Chief Examiner</u></p> <p>AFFILIATION: <u>Texas Department of Insurance</u></p> <p>ADDRESS: _____</p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-14BWG</u></p> <p>Year <u>2022</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [X]</p> <p>Modifies Required Disclosure []</p> <hr/> <p style="text-align: center;"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment</p> <p>[] Referred To Another NAIC Group</p> <p>[] Received For Public Comment</p> <p>[] Adopted Date _____</p> <p>[] Rejected Date _____</p> <p>[] Deferred Date _____</p> <p>[] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2022

IDENTIFICATION OF ITEM(S) TO CHANGE

Expanded the number of lines of business reported on Schedule H to match the lines of business reported on the Health Statement. Modified the instructions so they will be uniform between life/fraternal and property.

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

The purpose of the proposal is to bring uniformity in the accident and health lines of business used on Schedule H with other schedules and exhibits in the annual statement.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 7/18/2018

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

SCHEDULE HACCIDENT AND HEALTH EXHIBIT

Life/Fraternal: “Appropriately” where used in the Instructions for Schedule H, means the appropriate accident and health portions of referenced data. Reconciliation with figures drawn from other parts of the statement may only be possible with respect to ~~Group Accident and Health (Column 3), Credit (Group and Individual) Accident and Health (Column 5) and Other Accident and Health (the combination of Columns 7 through 17), and, in some cases, may only be possible with respect to~~ Total Accident and Health (Column 1) of Schedule H – Accident and Health Exhibit.

For definitions of lines of business, see the appendix of these instructions.

All amounts reportable in Parts 1 through 3 are net of reinsurance ~~ceded~~, i.e., reinsurance assumed should be included, reinsurance ceded should be deducted, and net figures entered in the statement. Part 4, “Reinsurance,” displays the reinsurance assumed and ceded components.

~~Column 5 — Credit Accident and Health (Group and Individual)~~

~~Include: — Business not exceeding 120 months duration.~~

~~**This column is not applicable to Fraternal Benefit Societies.**~~

~~Column 7 — Collectively Renewable~~

~~Include: — Amounts pertaining to policies/certificates that are made available to groups of persons under a plan sponsored by an employer, or an association or a union of affiliated associations or unions, or a group of individuals supplying materials to a central point of collection or handling a common product or commodity, under which the reporting entity has agreed with respect to such policies/certificates that renewal will not be refused, subject to any specified age limit, while the reporting entity remains a member of the group specified in the agreement unless the reporting entity simultaneously refuses renewal to all other policies/certificates in the same group. A sponsored plan shall not include any arrangement where a reporting entity’s customary individual policies/certificates are made available without special underwriting considerations, and where the employer’s participation is limited to arranging for salary allotment premium payments with or without contribution by the employer. Such plans are sometimes referred to as payroll budget or salary allotment plans. A sponsored plan may be administered by an agent or trustee.~~

~~Amounts pertaining to policies/certificates issued by a company or group of companies under a plan, other than a group insurance plan, authorized by special legislation for the exclusive benefit of the aged through mass enrollment.~~

~~Amounts pertaining to policies/certificates issued under mass enrollment procedures to older people, such as those age 65 and over, in some geographic region or regions under which the reporting entity has agreed with respect to such policies/certificates that renewal will not be refused unless the reporting entity simultaneously refuses renewal to all other policies/certificates specified in the agreement.~~

~~Column 9 — Non-cancelable~~

~~Include: — Amounts pertaining to policies/certificates that are guaranteed renewable for life or to a specified age, such as 60 or 65, at guaranteed premium rates.~~

~~Column 11 — Guaranteed Renewable~~

~~Include: — Amounts pertaining to policies/certificates that are guaranteed renewable for life or to a specified age, such as 60 or 65, but under which the reporting entity reserves the right to change the scale of premium rates.~~

~~Column 13 — Non-renewable for Stated Reasons Only~~

~~Include: — Amounts pertaining to policies/certificates in which the reporting entity has reserved the right to cancel or refuse renewal for one or more stated reasons, but has agreed implicitly or explicitly that, prior to a specified time or age, it will not cancel or decline renewal solely because of deterioration of health after issue.~~

~~Column 17 — All Other~~

~~Include: — Any other accident and health coverages not specifically required in other columns. All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.~~

PART 1 – ANALYSIS OF UNDERWRITING OPERATIONS

In each % column of Part 1, show the percentage of Line 2 for Lines 3 through 14 inclusive.

Line 1 — Premiums Written

Life/Fraternal: Column 1 should agree with Schedule T, Column 4 Line 97 minus Line 98 if prepared on a written basis.

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 1B sum of Lines 13 through 15 (Column 1 + 2 + 3).

Columns 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23 and 25 should agree with Underwriting and Investment Exhibit, Part 1B Column 1 + 2 + 3 Lines 13.1, 13.2, 14, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8 and 15.9 respectively.

Should agree with “Total (All Business) minus Reinsurance Ceded” Line of Column 4, Schedule T, if prepared on a written basis.

Line 2 — Premiums Earned

Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Should agree with Line 1 plus the change in unearned premiums and reserve for rate credits included in Part 2, Section A.

Line 3 – Incurred Claims

Report cash settlements during the year plus the change in claim liabilities, reserves and amounts recoverable from reinsurers.

Life/Fraternal: Should agree appropriately with both Exhibit 8, Part 2, Line 6.4 and also with Analysis of Operations by Lines of Business, Line 13, in each case adjusted for the change in Exhibit 6 of Aggregate Accident and Health Reserves, Line 16 reserves.

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 2 sum of Lines 13 through 15 (Column 7).

Should agree with Schedule H, Part 2, Section C, Line 3; plus Schedule H, Part 3, Line 1.1; plus Schedule H, Part 3, Line 1.2.

Line 4 – Cost Containment Expenses

Report cost containment expenses in accordance with *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.

Life/Fraternal: Should agree with Exhibit 2, Column 2, Line 10.

Property: Column 1 (Line 4 plus Line 8) should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29) sum of Lines 13 through 15.

Column 3 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 13.1.

Column 5 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 13.2.

Column 7 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.4.

Column 9 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.5

Column 11 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.2.

Column 13 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.8.

Column 15 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.6.

Column 17 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.5.

Column 19 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 14.

Column 21 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.3.

Column 23 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.7.

Column 25 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.9.

Line 5 – Incurred Claims and Cost Containment Expenses

Should agree with the sum of Lines 3 and 4.

Line 6 – Increase in Contract Reserves

Should agree with Part 2, Section B, Line 5.

Line 7 – Commissions

Report incurred commissions and expense allowances on reinsurance.

Life/Fraternal: Should agree appropriately with the net of Exhibit 1, Part 2, Line 31 minus Line 26.3 and also with the net of Analysis of Operations by Lines of Business, Line 21 plus Line 22, minus Line 6, Accident and Health columns.

Property: Column 1 should agree with Insurance Expense Exhibit, Part II sum of Lines 13 through 15 (Column 23).

Column 3 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 13.1.

Column 5 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 13.2.

Column 7 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.4.

Column 9 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.5.

Column 11 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.2.

Column 13 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.8.

Column 15 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.6.

Column 17 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.5.

Column 19 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 14.

Column 21 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.3.

Column 23 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.7.

Column 25 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.9.

Line 8 – Other General Insurance Expenses

Report general insurance expenses incurred and provision for claim expenses incurred in connection with pending and incurred but unreported claims not included in Cost Containment Expenses on Line 4 above.

Life/Fraternal: Should agree appropriately with Exhibit 2, Column 3, Line 10.

Line 9 – Taxes, Licenses and Fees

Report total taxes (excluding federal income taxes) plus state insurance department licenses and fees.

Life/Fraternal: Should agree appropriately with Exhibit 3, Column 2, Line 7 and also with Analysis of Operations by Lines of Business, Line 24, Accident and Health columns.

Property: Column 1 should agree with Insurance Expense Exhibit, Part II sum of Lines 13 through 15 (Column 25).

Column 3 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 13.1.

Column 5 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 13.2.

Column 7 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.4.

Column 9 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.5.

Column 11 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.2.

Column 13 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.8.

Column 15 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.6.

Column 17 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.5.

Column 19 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 14.

Column 21 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.3.

Column 23 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.7.

Column 25 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.9.

Line 10 – Total Other Expenses Incurred

Sum of Lines 7, 8 and 9.

Line 11 – Aggregate Write-ins for Deductions

Enter the total of the write-ins listed in schedule “Details of Write-ins Aggregated at Line 11 for Deductions.”

Line 12 – Gain from Underwriting Before Dividends or Refunds

Report premiums earned less incurred claims, less increase in policy reserves and less total expenses incurred. Line 2 less the sum of Lines 5, 6, 10 and 11.

Line 13 – Dividends or Refunds

Life/Fraternal: Should agree appropriately with Analysis of Operations by Lines of Business, Line 30, Accident and Health columns, and also with Exhibit 4, Dividends or Refunds, Column 2, Line 17.

Property: Column 1 should agree with Insurance Expense Exhibit, Part II sum of Lines 13 through 15 (Column 5).

Column 3 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 13.1.

Column 5 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 13.2.

Column 7 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.4.

Column 9 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.5

Column 11 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.2.

Column 13 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.8.

Column 15 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.6.

Column 17 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.5.

Column 19 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 14.

Column 21 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.3.

Column 23 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.7.

Column 25 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.9.

Line 14 – Gain From Underwriting After Dividends or Refunds
Line 12 minus Line 13.

Details of Write-ins Aggregated on Line 11 for Deductions

List separately all deductions for which there is no pre-printed line on Schedule H – Part 1.

Include: Group conversions, transfers on account of group package policies and contracts, etc.

PART 2 – RESERVES AND LIABILITIES**SECTION A – PREMIUM RESERVES**

Line 1 – Unearned Premiums
Life/Fraternal: Should agree appropriately with Exhibit 6, Line 1, net of applicable reinsurance ceded.

Line 2 – Advance Premiums
Life/Fraternal: Should agree appropriately with the sum of Exhibit 1, Part 1, Lines 4 and 14.
Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 1A, Column 1 plus Column 2, sum of Lines 13, 14 and 15.

Line 3 – Reserve for Rate Credits
Life/Fraternal: Should agree appropriately with the net of Exhibit 6, Line 5, net of applicable reinsurance ceded, plus Page 3, Line 9.2 parenthetical amount #1 minus Page 2, Line 15.3, Column 3, accident and health portion.

Not applicable to Fraternal Benefit Societies.

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 1A, Column 4, sum of Lines 13, 14 and 15.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 13.1.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 13.2.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.4.

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.5

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.2.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.8.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.6.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.5.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 14.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.3.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.7.

Column 13 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.9.

Line 4 – Total Premium Reserves, Current Year
Sum of Lines 1, 2 and 3.

Line 5 – Total Premium Reserves, Prior Year
Line 4 from prior year.

Line 6 – Increase in Total Premium Reserves
Line 4 minus Line 5.

SECTION B – CONTRACT RESERVES

Line 1 – Additional Reserves
Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Include: Premium deficiency reserve.

Companies must carry a reserve in this line for any policy or block of policies:

- (i) With which level premiums are used, or
- (ii) With respect to which, due to the gross premium structure at issue, the value of future benefits exceeds the value of appropriate future valuation net premiums.

Companies must carry a reserve for any block of contracts for which future gross premiums when reduced by expenses for administration, commissions, and taxes will be insufficient to cover future claims or services.

Line 2 – Reserve for Future Contingent Benefits

Companies must carry a reserve on this line that provides for the extension of benefits after termination of the policy or of any insurance thereunder. Such benefits, that actually accrue and are payable at some future date, are predicated on a condition or actual disability that exists at the termination of the insurance and that is usually not known to the insurance company. These benefits are normally provided by contract provision but may be payable because of court decisions or of departmental rulings.

An example of the type of benefit for which a reserve must be carried is the coverage for hospital confinement after the termination of an employee's certificate but prior to the expiration of a stated period. This example is illustrative only and is not intended to limit the reserve to the benefits described. Some individual Accident and Health policies may also provide benefits similar to those under the "Extension of Benefits" section of a group policy.

- Line 3 – Total Contract Reserves, Current Year
Sum of Lines 1 and 2.
- Line 4 – Total Contract Reserves, Prior Year
Line 3 from prior year.
- Line 5 – Increase in Contract Reserves
Line 3 minus Line 4.

SECTION C – CLAIM RESERVES AND LIABILITIES

- Line 1 – Total Current Year
Life/Fraternal: Should agree appropriately with the sum of Exhibit 6, Line 16 and Exhibit 8, Part 1, Line 4.4.
Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 2 sum of Lines 13 through 15 (Column 5).
Also should agree with Part 3, Line 2.1 plus Part 3, Line 2.2 below.
- Line 2 – Total Prior Year
Line 1 from prior year.
Should agree with Part 3, Line 3.2 below.
Property: Column 13 should agree with Underwriting and Investment Exhibit, Part 2, Column 6, sum of Lines 13, 14 and 15.
- Line 3 – Increase
Line 1 minus Line 2.

PART 3 – TEST OF PRIOR YEAR’S CLAIM RESERVES AND LIABILITIESLines 1.1
and 1.2

– Claims Paid During the Year on Claims Incurred Prior to and During Current Year

Represents net payments made during the year less the change in amounts still recoverable from reinsurance.

Life/Fraternal: The sum of Lines 1.1 and 1.2 should agree appropriately with Exhibit 8, Part 2, Lines 1.4 minus Line 3 plus Line 5.

Lines 2.1, 2.2
and 3.2

– Claim Reserves and Liabilities, December 31 on Claims Incurred Prior to and During Current Year.

The sum of Lines 2.1 and 2.2 should equal Line C1 of Part 2 of this schedule and Line 3.2 should equal Line C2 of Part 2 of this Schedule. Line 3.3 represents the result of the test for adequacy of claim provisions. A negative figure will normally indicate a favorable reserve development.

PART 4 – REINSURANCE

Represents the reinsurance assumed and ceded components of Part 1, Lines 1, 2, 3 and 7 of this schedule.

SECTIONS A AND BLine 2 – Premiums Earned

Premiums earned are before adjustment for the increase in policy reserves that has been treated as a separate deduction.

SECTION A – REINSURANCE ASSUMEDLine 2 – Premiums Earned

Premiums earned are before adjustment for the increase in policy reserves that has been treated as a separate deduction.

SECTION B – REINSURANCE CEDEDLine 2 – Premiums Earned

Premiums earned are before adjustment for the increase in policy reserves that has been treated as a separate deduction.

PART 5 – HEALTH CLAIMS

Companies with less than 5% of premiums in Accident and Health business should not complete this schedule.

Column 3 — ~~Other~~

~~Include: All Medicare Part D Prescription Drug Coverage, whether sold on a stand alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.~~

A. DIRECT

Line 1 – Incurred Claims

Should agree with Line 3 plus Line 4 minus Line 2.

Line 2 – Beginning Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 4.1, sum of Columns 9, 10 and 11, plus direct portion of Exhibit 6, Line 14, Column 1, Prior Year.

Line 3 – Ending Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 2.1, sum of Columns 9, 10 and 11, plus direct portion of Exhibit 6, Line 14, Column 1.

Line 4 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.1, sum of Columns 9, 10 and 11.

Property: Column 13 should agree with Underwriting and Investment Exhibit, Part 2, Column 1, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.9.

B. ASSUMED REINSURANCE

Line 5 – Incurred Claims

Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should ~~should~~ agree with Schedule H, Part 4, Line A3, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Should also agree with Line 7 plus Line 8, minus Line 6.

Line 6 – Beginning Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 4.2, sum of Columns 9, 10 and 11 plus assumed portion of Exhibit 6, Line 14, Column 1, Prior Year.

Line 7 – Ending Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 2.2, sum of Columns 9, 10 and 11, plus assumed portion of Exhibit 6, Line 14, Column 1.

Line 8 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.2, sum of Columns 9, 10 and 11.

Property: Column 13 should agree with Underwriting and Investment Exhibit, Part 2, Column 2, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.9.

C. **CEDED REINSURANCE**

Line 9 – Incurred Claims

Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should ~~Should~~ agree with Schedule H, Part 4, Line B3, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Should also agree with Line 11, plus Line 12, minus Line 10.

Line 10 – Beginning Claim Reserves and Liabilities

Include: Amounts recoverable from reinsurers.

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 4.3, plus Line 5, sum of Columns 9, 10 and 11, plus Exhibit 6, Line 15, Column 1, Prior Year.

Line 11 – Ending Claim Reserves and Liabilities

Include: Amounts recoverable from reinsurers.

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 2.3, plus Line 3, sum of Columns 9, 10 and 11, plus Exhibit 6, Line 15, Column 1.

Line 12 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.3, sum of Columns 9, 10 and 11.

Property: Column 13 should agree with Underwriting and Investment Exhibit, Part 2, Column 3, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.9.

D. NET

Line 13 – Incurred Claims

Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should ~~Should~~ agree with Schedule H, Part 1, Line 3, Columns 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25 and 1.

Should also agree with Line 15, plus Line 16, minus Line 14.

Line 14 – Beginning Claim Reserves and Liabilities

Life/Fraternal: Should agree with Schedule H, Part 2, Line C2, Column 1, minus Exhibit 8, Part 2, Line 5, sum of Columns 9, 10 and 11.

Property: Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should agree with Schedule H, Part 2, Line C2, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Line 15 – Ending Claim Reserves and Liabilities

Exclude: Amounts recoverable from reinsurers.

Life/Fraternal: Should agree with Schedule H, Part 2, Line C1, Column 1, minus Exhibit 8, Part 2, Line 3, sum of Columns 9, 10 and 11.

Property: Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should agree with Schedule H, Part 2, Line C1, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Line 16 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.4, sum of Columns 9, 10 and 11.

Property: Column 13 should agree with Underwriting and Investment Exhibit, Part 2, Column 4, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.9.

E. NET INCURRED CLAIMS AND COST CONTAINMENT EXPENSES

Line 17 – Incurred Claims and Cost Containment Expenses

Should agree with Schedule H, Part 1, Line 5, Column 1.

Line 18 – Beginning Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 2, Column 2, Line 11 plus Line 14 above.

Property: Should agree with Underwriting and Investment Exhibit, Part 3, Column 1 (in part), plus Line 14 above.

Line 19 – Ending Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 2, Column 2, Line 12 plus Line 15 above.

Property: Should agree with Underwriting and Investment Exhibit, Part 3, Column 1 (in part), plus Line 15 above.

Line 20 – Paid Claims and Cost Containment Expenses

Line 17 plus Line 18 minus Line 19.

ANNUAL STATEMENT INSTRUCTIONS –PROPERTY

SCHEDULE HACCIDENT AND HEALTH EXHIBIT

Life/Fraternal: “Appropriately” where used in the Instructions for Schedule H, means the appropriate accident and health portions of referenced data. Reconciliation with figures drawn from other parts of the statement may only be possible with respect to ~~Group Accident and Health (Column 3), Credit (Group and Individual) Accident and Health (Column 5) and Other Accident and Health (the combination of Columns 7 through 17), and, in some cases, may only be possible with respect to~~ Total Accident and Health (Column 1) of Schedule H – Accident and Health Exhibit.

For definitions of lines of business, see the appendix of these instructions.

All amounts reportable in Parts 1 through 3 are net of reinsurance; (i.e., reinsurance assumed should be included, reinsurance ceded should be deducted, and net figures entered in the statement.) Part 4, Reinsurance displays the reinsurance assumed and ceded components.

~~Column 5 ——— Credit A & H (Group and Individual)~~

~~Include: ——— Business not exceeding 120 months duration.~~

~~Column 7 ——— Collectively Renewable~~

~~Include: ——— Amounts pertaining to policies that are made available to groups of persons under a plan sponsored by an employer, or an association or a union or affiliated associations or unions or a group of individuals supplying materials to a central point of collection or handling a common product or commodity, under which the reporting entity has agreed with respect to such policies that renewal will not be refused, subject to any specified age limit, while the insured remains a member of the group specified in the agreement unless the reporting entity simultaneously refuses renewal to all other policies in the same group. A sponsored plan shall not include any arrangement where a reporting entity’s customary individual policies are made available without special underwriting considerations and where the employer’s participation is limited to arranging for salary allotment premium payments with or without contribution by the employer. Such plans are sometimes referred to as payroll budget or salary allotment plans. A sponsored plan may be administered by an agent or trustee.~~

~~Amounts pertaining to policies issued by a company or group of companies under a plan, other than a group insurance plan, authorized by special legislation for the exclusive benefit of the aged through mass enrollment.~~

~~Amounts pertaining to policies issued under mass enrollment procedures to older people, such as those age 65 and over, in some geographic region or regions under which the reporting entity has agreed with respect to such policies that renewal will not be refused unless the reporting entity simultaneously refuses renewal to all other policies specified in the agreement.~~

~~Column 9 ——— Non-Cancelable~~

~~Include: ——— Amounts pertaining to policies, which are guaranteed renewable for life or to a specified age, such as 60 or 65, at guaranteed premium rates.~~

~~Column 11 — Guaranteed Renewable~~

~~Include: — Amounts pertaining to policies that are guaranteed renewable for life or to a specified age, such as 60 or 65, but under which the reporting entity reserves the right to change the scale of premium rates.~~

~~Column 13 — Non-Renewable for Stated Reasons Only~~

~~Include: — Amounts pertaining to policies in which the reporting entity has reserved the right to cancel or refuse renewal for one or more stated reasons, but has agreed implicitly or explicitly that, prior to a specified time or age, it will not cancel or decline renewal solely because of deterioration of health after issue.~~

~~Column 17 — All Other~~

~~Include: — Any other accident and health coverages not specifically required in other columns. All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.~~

PART 1 – ANALYSIS OF UNDERWRITING OPERATIONS

In each “%” column of Part 1, show the percentages of Line 2 for Lines 3 through 14 inclusive.

Line 1 – Premiums Written

Life/Fraternal: Column 1 should agree with Schedule T, Column 4 Line 97 minus Line 98 if prepared on a written basis.

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 1B sum of Lines 13 through 15 (Column 6).

~~Should agree appropriately with those shown in the Underwriting and Investment Exhibit, Part 1B.~~

Line 2 – Premiums Earned

Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

~~Should agree with Line 1 plus the change in unearned premiums and reserve for rate credits included in Part 2, Section A.~~

~~Should agree appropriately with those shown in the Underwriting and Investment Exhibit, Part 1.~~

Line 3 – Incurred Claims

Report cash settlements during the year plus the change in claim liabilities, reserves and amounts recoverable from reinsurers.

Life/Fraternal: Should agree appropriately with both Exhibit 8, Part 2, Line 6.4 and also with Analysis of Operations by Lines of Business, Line 13, in each case adjusted for the change in Exhibit 6 of Aggregate Accident and Health Reserves, Line 16 reserves.

~~Should agree appropriately with losses incurred as shown in the Underwriting and Investment Exhibit, Part 2.~~

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 2 sum of Lines 13 through 15 (Column 7).

Should agree with Schedule H, Part 2, Section C, Line 3; plus Schedule H, Part 3, Line 1.1; plus Schedule H, Part 3, Line 1.2.

Line 4 – Cost Containment Expenses

Report cost containment expenses in accordance with *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.

Life/Fraternal: Should agree with Exhibit 2, Column 2, Line 10.

~~Line 4 plus Line 8 should agree appropriately with the sum of Columns 9, 11, 27 and 29 of the Insurance Expense Exhibit, Part II.~~

Property: Column 1 (Line 4 plus Line 8) should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29) sum of Lines 13 through 15.

Column 3 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 13.1.

Column 5 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 13.2.

Column 7 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.4.

Column 9 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.5.

Column 11 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.2.

Column 13 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.8.

Column 15 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.6.

Column 17 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.5.

Column 19 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 14.

Column 21 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.3.

Column 23 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.7.

Column 25 – Line 4 plus Line 8 should agree with the Insurance Expense Exhibit, Part II (Column 9 + Column 11 + Column 27 and 29), Lines 15.9.

Line 5 – Incurred Claims and Cost Containment Expenses
Sum of Lines 3 and 4.

Line 6 – Increase in Contract Reserves
Should agree with Schedule H, Part 2, Section B, Line 5.

Line 7 – Commissions
Report incurred commissions and expense allowances on reinsurance.

Life/Fraternal: Should agree appropriately with the net of Exhibit 1, Part 2, Line 31 minus Line 26.3 and also with the net of Analysis of Operations by Lines of Business, Line 21 plus Line 22, minus Line 6, Accident and Health columns.

~~Should agree appropriately with Column 23 of Insurance Expense Exhibit, Part II.~~

Property: Column 1 should agree with Insurance Expense Exhibit, Part II sum of Lines 13 through 15 (Column 23).

Column 3 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 13.1.

Column 5 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 13.2.

Column 7 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.4.

Column 9 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.5

Column 11 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.2.

Column 13 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.8.

Column 15 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.6.

Column 17 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.5.

Column 19 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 14.

Column 21 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.3.

Column 23 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.7.

Column 25 – Should agree with the Insurance Expense Exhibit, Part II, Column 23, Lines 15.9.

Line 8 – Other General Insurance Expenses

Report general insurance expenses incurred and provision for claim expenses incurred in connection with pending and incurred but unreported claims not included in Cost Containment Expenses on Line 4 above.

Life/Fraternal: Should agree appropriately with Exhibit 2, Column 3, Line 10.

~~Line 4 plus Line 8 should agree appropriately with the sum of Columns 9, 11, 27 and 29 of the Insurance Expense Exhibit, Part II.~~

Line 9 – Taxes, Licenses and Fees

Report total taxes (excluding federal income taxes) plus state insurance department licenses and fees.

Life/Fraternal: Should agree appropriately with Exhibit 3, Column 2, Line 7 and also with Analysis of Operations by Lines of Business, Line 24, Accident and Health columns.

~~Should agree appropriately with Column 25 of the Insurance Expense Exhibit, Part II.~~

Property: Column 1 should agree with Insurance Expense Exhibit, Part II sum of Lines 13 through 15 (Column 25).

Column 3 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 13.1.

Column 5 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 13.2.

Column 7 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.4.

Column 9 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.5.

Column 11 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.2.

Column 13 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.8.

Column 15 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.6.

Column 17 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.5.

Column 19 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 14.

Column 21 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.3.

Column 23 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.7.

Column 25 – Should agree with the Insurance Expense Exhibit, Part II, Column 25, Lines 15.9.

Line 10 – Total Other Expenses Incurred

Sum of Lines 7, 8 and 9.

Line 11 – Aggregate Write-ins for Deductions

Enter the total of the write-ins listed in Schedule Detail of Write-ins Aggregated at Line 11 for Deductions.

Line 12 – Gain From Underwriting Before Dividends or Refunds

Report premiums earned less incurred claims, less increase in policy reserves and less total expenses incurred. Line 2 minus the sum of Lines 5, 6, 10 and 11.

Line 13 – Dividends or Refunds

Life/Fraternal: Should agree appropriately with Analysis of Operations by Lines of Business, Line 30, Accident and Health columns, and also with Exhibit 4, Dividends or Refunds, Column 2, Line 17.

~~Should agree appropriately with Column 5 of the Insurance Expense Exhibit, Part II.~~

<u>Property:</u>	<u>Column 1 should agree with Insurance Expense Exhibit, Part II sum of Lines 13 through 15 (Column 5).</u>
	<u>Column 3 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 13.1.</u>
	<u>Column 5 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 13.2.</u>
	<u>Column 7 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.4.</u>
	<u>Column 9 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.5.</u>
	<u>Column 11 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.2.</u>
	<u>Column 13 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.8.</u>
	<u>Column 15 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.6.</u>
	<u>Column 17 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.5.</u>
	<u>Column 19 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 14.</u>
	<u>Column 21 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.3.</u>
	<u>Column 23 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.7.</u>
	<u>Column 25 – Should agree with the Insurance Expense Exhibit, Part II, Column 5, Lines 15.9.</u>

Line 14 – Gain From Underwriting After Dividends or Refunds

Line 12 minus Line 13.

Details of Write-ins Aggregated at Line 11 for Deductions

List separately each category of deductions for which there is no pre-printed line on Schedule H, Part 1.

Include: Group conversions, transfers on account of group package policies and contracts, etc.

PART 2 – RESERVES AND LIABILITIES**SECTION A – PREMIUM RESERVES**

~~Should agree appropriately with those in the Underwriting and Investment Exhibit, Part 1A minus amounts reported as contract reserves in Schedule H, Part 2, Section B, below.~~

Line 1 – Unearned Premiums

Life/Fraternal: Should agree appropriately with Exhibit 6, Line 1, net of applicable reinsurance ceded.

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 1A, Column 1 plus Column 2, sum of Lines 13, 14 and 15.

Line 2 – Advance Premiums

Life/Fraternal: Should agree appropriately with the sum of Exhibit 1, Part 1, Lines 4 and 14.

Line 3 – Reserve for Rate Credits

Life/Fraternal: Should agree appropriately with the net of Exhibit 6, Line 5, net of applicable reinsurance ceded, plus Page 3, Line 9.2 parenthetical amount #1 minus Page 2, Line 15.3, Column 3, accident and health portion.

Not applicable to Fraternal Benefit Societies.

Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 1A, Column 4, sum of Lines 13, 14 and 15.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 13.1.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 13.2.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.4.

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.5

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.2.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.8.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.6.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.5.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 14.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.3.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.7.

Column 13 – Should agree with the Underwriting and Investment Exhibit, Part 1A, Column 4, Lines 15.9.

Line 4 – Total Premium Reserves, Current Year

Sum of Lines 1, 2 and 3.

Line 5 – Total Premium Reserves, Prior Year

Line 4 from prior year.

Line 6 – Increase in Total Premium Reserves

Line 4 minus Line 5.

SECTION B – CONTRACT RESERVES

Line 1 – Additional Reserves

Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Include: Premium deficiency reserve.

Companies must carry a reserve in this line for any policy or block of policies:

- (i) With which level premiums are used, or
- (ii) With respect to which, due to the gross premium structure at issue, the value of future benefits exceeds the value of appropriate future valuation net premiums.

Companies must carry a reserve for any block of contracts for which future gross premiums when reduced by expenses for administration, commissions, and taxes will be insufficient to cover future claims or services.

Line 2 – Reserve for Future Contingent Benefits

Companies must carry a reserve on this line that provides for the extension of benefits after termination of the policy or of any insurance thereunder. Such benefits, that actually accrue and are payable at some future date, are predicated on a condition or actual disability that exists at the termination of the insurance and that is usually not known to the insurance company. These benefits are normally provided by contract provision but may be payable because of court decisions or of departmental rulings.

An example of the type of benefit for which a reserve must be carried is the coverage for hospital confinement after the termination of an employee's certificate but prior to the expiration of a stated period. This example is illustrative only and is not intended to limit the reserve to the benefits described. Some individual Accident and Health policies may also provide benefits similar to those under the "Extension of Benefits" section of a group policy.

- Line 3 – Total Contract Reserves, Current Year
Sum of Lines 1 and 2.
- Line 4 – Total Contract Reserves, Prior Year
Line 3 from prior year.
- Line 5 – Increase in Contract Reserves
Line 3 minus Line 4.

SECTION C – CLAIM RESERVES AND LIABILITIES

- Line 1 – Total Current Year
Life/Fraternal: Should agree appropriately with the sum of Exhibit 6, Line 16 and Exhibit 8, Part 1, Line 4.4.
Property: Column 1 should agree with Underwriting and Investment Exhibit, Part 2 sum of Lines 13 through 15 (Column 5).
~~Should agree appropriately with Net Losses Unpaid shown in the Underwriting and Investment Exhibit, Part 2, Column 5.~~
Also should agree with Schedule H, Part 3, Line 2.1; plus Schedule H, Part 3, Line 2.2 below.
- Line 2 – Total Prior Year
Line 1 from prior year.
Should agree with Schedule H, Part 3, Line 3.2 below.
Property: Column 13 should agree with Underwriting and Investment Exhibit, Part 2, Column 6, sum of Lines 13, 14 and 15.
- Line 3 – Increase
Line 1 minus Line 2.

PART 3 – TEST OF PRIOR YEAR’S CLAIM RESERVES AND LIABILITIES

Lines 1.1 and 1.2 – Claims Paid During the Year on Claims Incurred Prior to and During Current Year

Represents net payments made during the year less the change in amounts still recoverable from reinsurance.

Life/Fraternal: The sum of Lines 1.1 and 1.2 should agree appropriately with Exhibit 8, Part 2, Lines 1.4 minus Line 3 plus Line 5.

Lines 2.1, 2.2 and 3.2 – Claim Reserves and Liabilities, December 31 on Claims Incurred Prior to and During Current Year

The sum of lines 2.1 and 2.2 should equal Line C1 of Part 2 of this schedule and Line 3.2 should equal Line C2 of Part 2 of this schedule. Line 3.3 represents the result of the test for adequacy of claim provisions. A negative figure will normally indicate a favorable reserve development.

PART 4 – REINSURANCE

Represents the reinsurance assumed and ceded components of Part 1, Lines 1, 2, 3 and 7 of this schedule.

SECTIONS A AND B

Line 2 – Premiums Earned

Premiums earned are before adjustment for the increase in policy reserves that has been treated as a separate deduction.

PART 5 – HEALTH CLAIMS

Companies with less than 5% of premiums in Accident and Health business should not complete this schedule.

~~Column 3 – Other~~

~~Include: All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.~~

A. DIRECT

Line 1 – Incurred Claims

Should agree with Line 3 plus Line 4 minus Line 2.

Line 2 – Beginning Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 4.1, sum of Columns 9, 10 and 11, plus direct portion of Exhibit 6, Line 14, Column 1, Prior Year.

Line 3 – Ending Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 2.1, sum of Columns 9, 10 and 11, plus direct portion of Exhibit 6, Line 14, Column 1.

Line 4 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.1, sum of Columns 9, 10 and 11.

Property: Column 13 ~~Should~~ should agree with Underwriting and Investment Exhibit, Part 2, Column 1, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 1, Lines 15.9.

B. ASSUMED REINSURANCE

Line 5 – Incurred Claims

Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should ~~Should~~ agree with Schedule H, Part 4, Line A3, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Should also agree with Line 7 plus Line 8, minus Line 6.

Line 6 – Beginning Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 4.2, sum of Columns 9, 10 and 11 plus assumed portion of Exhibit 6, Line 14, Column 1, Prior Year.

Line 7 – Ending Claim Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 2.2, sum of Columns 9, 10 and 11, plus assumed portion of Exhibit 6, Line 14, Column 1.

Line 8 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.2, sum of Columns 9, 10 and 11.

Property: ~~Column 13 Should~~ should agree with Underwriting and Investment Exhibit, Part 2, Column 2, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 2, Lines 15.9.

C. CEDED REINSURANCE

Line 9 – Incurred Claims

Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should ~~Should~~ agree with Schedule H, Part 4, Line B3, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Should also agree with Line 11, plus Line 12, minus Line 10.

Line 10 – Beginning Claim Reserves and Liabilities

Include: Amounts recoverable from reinsurers.

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 4.3, plus Line 5, sum of Columns 9, 10 and 11, plus Exhibit 6, Line 15, Column 1, Prior Year.

Line 11 – Ending Claim Reserves and Liabilities

Include: Amounts recoverable from reinsurers.

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 2.3, plus Line 3, sum of Columns 9, 10 and 11, plus Exhibit 6, Line 15, Column 1.

Line 12 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.3, sum of Columns 9, 10 and 11.

Property: Column 13 ~~Should~~ should agree with Underwriting and Investment Exhibit, Part 2, Column 3, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 13.1.

Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 13.2.

Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.4.

Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.5

Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.2.

Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.8.

Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.6.

Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.5.

Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 14.

Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.3.

Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.7.

Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 3, Lines 15.9.

D. NET

Line 13 – Incurred Claims

Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should agree with Schedule H, Part 1, Line 3, Columns 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25 and 1.

Should also agree with Line 15, plus Line 16, minus Line 14.

Should agree with Underwriting and Investment Exhibit, Part 2, Column 7, sum of Lines 13, 14 and 15 and Schedule H, Part 1, Line 3, Column 1.

Line 14 – Beginning Claim Reserves and Liabilities

Life/Fraternal: Should agree with Schedule H, Part 2, Line C2, Column 1, minus Exhibit 8, Part 2, Line 5, sum of Columns 9, 10 and 11.

Property: Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should agree with Schedule H, Part 2, Line C2, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Should agree with Underwriting and Investment Exhibit, Part 2, Column 6, sum of Lines 13, 14 and 15 and Schedule H, Part 2, Line C2, Column 1.

Line 15 – Ending Claim Reserves and Liabilities

Exclude: Amounts recoverable from reinsurers.

Life/Fraternal: Should agree with Schedule H, Part 2, Line C1, Column 1, minus Exhibit 8, Part 2, Line 3, sum of Columns 9, 10 and 11.

Property: Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 should agree with Schedule H, Part 2, Line C1, Columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 1, respectively.

Should agree with Underwriting and Investment Exhibit, Part 2, Column 5, sum of Lines 13, 14 and 15 and Schedule H, Part 2, Line C1, Column 1.

Line 16 – Claims Paid

Life/Fraternal: Should agree with Exhibit 8, Part 2, Line 1.4, sum of Columns 9, 10 and 11.

Property: Column 13 ~~Should~~ should agree with Underwriting and Investment Exhibit, Part 2, Column 4, sum of Lines 13, 14 and 15.

Column 1 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 13.1.

- Column 2 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 13.2.
- Column 3 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.4.
- Column 4 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.5
- Column 5 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.2.
- Column 6 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.8.
- Column 7 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.6.
- Column 8 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.5.
- Column 9 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 14.
- Column 10 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.3.
- Column 11 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.7.
- Column 12 – Should agree with the Underwriting and Investment Exhibit, Part 2, Column 4, Lines 15.9.

E. NET INCURRED CLAIMS AND COST CONTAINMENT EXPENSES

Line 17 – Incurred Claims and Cost Containment Expenses

Should agree with Schedule H, Part 1, Line 5, Column 1.

Line 18 – Beginning Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 2, Column 2, Line 11 plus Line 14 above.

Property: Should agree with Underwriting and Investment Exhibit, Part 3, Column 1 (in part), plus Line 14 above.

Line 19 – Ending Reserves and Liabilities

Life/Fraternal: Should agree with Exhibit 2, Column 2, Line 12 plus Line 15 above.

Property: Should agree with Underwriting and Investment Exhibit, Part 3, Column 1 (in part), plus Line 15 above.

Line 20 – Paid Claims and Cost Containment Expenses

Line 17 plus Line 18 minus Line 19.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1 – PREMIUMS EARNED**

- Column 1 – Net Premiums Written
- The amounts reported for the lines in this column should agree with the amounts reported for the identical line in Column 6 of the Underwriting and Investment Exhibit, Part 1B.
- Column 2 – Unearned Premiums December 31 Prior Year
- The amounts reported for the lines in this column should agree with the amounts reported for the identical line in Column 3 of the prior year Underwriting and Investment Exhibit, Part 1.
- Column 3 – Unearned Premiums December 31 Current Year
- The amounts reported for the lines in this column should agree with the amounts reported for the identical line in Column 5 of the Underwriting and Investment Exhibit, Part 1A.
- Refer to *SSAP No. 53—Property-Casualty Contracts – Premiums* for accounting guidance.
- Column 4 – Premiums Earned During Year
- Sum of Lines 13 through 15 should agree with Schedule H, Part 1, Column 1 (Line 2 minus Line 6).
- ~~Line 13 ————— Should agree with Schedule H, Part 1, Line 2 — Line 6, Column 3.~~
- ~~Line 14 ————— Should agree with Schedule H, Part 1, Line 2 — Line 6, Column 5.~~
- ~~Line 15 ————— Should agree with Schedule H, Part 1, Line 2 — Line 6, Columns 7 through 17.~~
- Line 35 – Should agree with Page 4, Line 1, Column 1.
- Line 13.1 – Comprehensive Individual Accident and Health
- Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 3.
- Line 13.2 – Comprehensive Group Accident and Health
- Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 5.
- Line 14 – Credit A&H (Group and Individual)
- Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 19.
- Line 15.1 – Vision Only
- Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 9.
- Line 15.2 – Dental Only
- Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 11.

- Line 15.3 – Disability Income
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 21.
- Line 15.4 – Medicare Supplement
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 7.
- Line 15.5 – Medicaid Title XIX
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 17.
- Line 15.6 – Medicare Title XVIII
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 15.
- Line 15.7 – Long-Term Care
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 23.
- Line 15.8 – Federal Employees Health Benefits Plan Premium
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 13.
- Line 15.9 – Other Health
Column 4 should agree with Schedule H, Part 1, Line 2 minus Line 6, Column 25.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1A – RECAPITULATION OF ALL PREMIUMS****Detail Eliminated to Conserve Space**

Line 15 should include additional reserves on noncancelable accident and health policies.

Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Attach to the annual statement a description of the methods used in computing this reserve for each type of coverage for which a reserve is held.

Line 13.1	–	<u>Comprehensive Individual Accident and Health</u> Group Accident and Health
		Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Column 2.
<u>Line 13.2</u>	–	<u>Comprehensive Group Accident and Health</u>
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Column 3.</u>
Line 14	–	Credit Accident and Health
		Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Column 3 <u>10</u> .
		Column 4 should agree with Schedule H, Part 2, Line A3, Column 3 <u>10</u> .
		Include: Business not exceeding 120 months duration.
Line 15.1	–	<u>Vision Only</u> Other Accident and Health
		Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 4 through 9 <u>5</u> .
<u>Line 15.2</u>	–	Dental Only
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 6.</u>
<u>Line 15.3</u>	–	Disability Income
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 11.</u>
<u>Line 15.4</u>	–	Medicare Supplement
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 4.</u>
<u>Line 15.5</u>	–	Medicaid Title XIX
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 9.</u>
<u>Line 15.6</u>	–	Medicare Title XVIII
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 8.</u>
<u>Line 15.7</u>	–	Long-Term Care
		<u>Column 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 12.</u>

Line 15.8 – Federal Employees Health Benefits Plan PremiumColumn 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 7.Line 15.9 – Other HealthColumn 1 plus Column 2 should agree with Schedule H, Part 2, Line A1, Columns 13.

Line 34 – Aggregate Write-ins for Other Lines of Business

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 34 for Other Lines of Business.

Line 36 – Accrued Retrospective Premiums Based on Experience

Include: Accrued return retrospective premiums required by policy terms or law.

Accrued MLR Rebates per the Public Health Service Act.

Retrospective Premium Adjustment Made Through Earned Premium:

Enter the total gross accrued retrospective debit adjustment based on experience, included as a negative amount in Column 4 if the company accrues for additional retrospective premiums by adjusting earned premiums.

Retrospective Premium Adjustment Made Through Written Premium:

Enter the total gross accrued retrospective credit adjustments based on experience if the company accrues for additional retrospective premiums by adjusting written premiums.

Refer to *SSAP No. 66—Retrospectively Rated Contracts*. Per SSAP No. 66, retrospective premium adjustments shall be estimated based on the experience to date.

Details of Write-ins Aggregated at Line 34 for Other Lines of Business

List separately each line of business for which there is no pre-printed line on Underwriting and Investment Exhibit, Part 1A.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1B – PREMIUMS WRITTEN**

- Column 1 – Direct Business
Line 35 should agree with Schedule T, Line 59, Column 2.
- Column 6 – Net Premiums Written
Should agree with Underwriting and Investment Exhibit, Part 1, Column 1, for all lines.
- Line 13.1 – Comprehensive Individual Accident and Health ~~Group Accident and Health~~
Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Column 2.
Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Column 2.
Column 6 should agree with Schedule H, Part 1, Line 1, Column 3.
- Line 13.2 – Comprehensive Group Accident and Health
Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Column 3.
Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Column 3.
Column 6 should agree with Schedule H, Part 1, Line 1, Column 5.
- Line 14 – Credit Accident and Health
Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Column ~~3~~10.
Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Column ~~3~~10.
Column 6 should agree with Schedule H, Part 1, Line 1, Column ~~5~~19.
Include: Business not exceeding 120 months duration.
- Line 15.1 – Vision Only ~~Other Accident and Health~~
Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns ~~4 through 9~~5.
Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns ~~4 through 9~~5.
Column 6 should agree with Schedule H, Part 1, Line 1, Columns ~~7 through 17~~9.

Line 15.2 – Dental Only

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 6.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 6.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 11.

Line 15.3 – Disability Income

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 11.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 11.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 21.

Line 15.4 – Medicare Supplement

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 4.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 4.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 7.

Line 15.5 – Medicaid Title XIX

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 9.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 9.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 17.

Line 15.6 – Medicare Title XVIII

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 8.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 8.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 15.

Line 15.7 – Long-Term Care

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 12.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 12.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 23.

Line 15.8 – Federal Employees Health Benefits Plan Premium

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 7.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 7.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 13.

Line 15.9 – Other Health

Column 2 plus Column 3 should agree with Schedule H, Part 4, Line A1, Columns 13.

Column 4 plus Column 5 should agree with Schedule H, Part 4, Line B1, Columns 13.

Column 6 should agree with Schedule H, Part 1, Line 1, Columns 25.

Line 35 – Totals

Column 4 plus Column 5 should agree with Schedule F, Part 3, Column 6, Total multiplied by 1000.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2 – LOSSES PAID AND INCURRED**

Refer to *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses* for accounting guidance.

Column 1 – Losses Paid Less Salvage – Direct Business

Line 35 should agree with Schedule T, Line 59, Column 5.

**=====
Detail Eliminated to Conserve Space
=====**

Column 5 – Net Losses Unpaid Current Year

The amounts reported for the lines in this column should agree with the amounts reported for the identical line in Column 8 of the Underwriting and Investment Exhibit, Part 2A.

Line 35 should agree with Page 3, Line 1, Column 1 and with Underwriting and Investment Exhibit, Part 2A, Line 35, Column 8.

Sum of Lines 13, 14 and 15 should agree with. Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 1

**=====
Detail Eliminated to Conserve Space
=====**

Column 8 – Percentage of Losses Incurred

Percentages by line of business are calculated by dividing Column 7 of Underwriting and Investment Exhibit, Part 2, by Column 4 of Underwriting and Investment Exhibit, Part 1, and then multiplying by 100.

Line 13.1 – Comprehensive Individual Accident and Health ~~Group Accident and Health~~

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 2.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 2.

Column 6 should agree with Schedule H, Part 2, Line C2, Column 2.

Column 7 should agree with Schedule H, Part 1, Line 3, Column 3.

Line 13.2 – Comprehensive Group Accident and Health

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 3.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 3.

Column 6 should agree with Schedule H, Part 2, Line C2, Column 3.

Column 7 should agree with Schedule H, Part 1, Line 3, Column 5.

Line 14 – Credit Accident and Health

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column ~~3~~10.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column ~~3~~10.

Column 6 should agree with Schedule H, Part 2, Line C2, Column ~~3~~10.

Column 7 should agree with Schedule H, Part 1, Line 3, Column ~~5~~9.

Include: Business not exceeding 120 months duration.

Line 15.1 – Vision Only ~~Other Accident and Health~~

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Columns ~~4 through 9~~5.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Columns ~~4 through 9~~5.

Column 6 should agree with Schedule H, Part 2, Line C2, Columns ~~4 through 9~~5.

Column 7 should agree with Schedule H, Part 1, Line 3, Columns ~~7 through 17~~9.

Line 15.2 – Dental Only

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 6.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 6.

Column 6 should agree with Schedule H, Part 2, Line C2, Column 6.

Column 7 should agree with Schedule H, Part 1, Line 3, Column 11.

Line 15.3 – Disability Income

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 11.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 11.

Column 6 should agree with Schedule H, Part 2, Line C2, Column 11.

Column 7 should agree with Schedule H, Part 1, Line 3, Column 21.

Line 15.4 – Medicare Supplement

Column 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 4.

Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 4.

Column 6 should agree with Schedule H, Part 2, Line C2, Column 4.

Column 7 should agree with Schedule H, Part 1, Line 3, Column 7.

Line 15.5 – Medicaid Title XIXColumn 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 9.Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 9.Column 6 should agree with Schedule H, Part 2, Line C2, Column 9.Column 7 should agree with Schedule H, Part 1, Line 3, Column 17.Line 15.6 – Medicare Title XVIIIColumn 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 8.Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 8.Column 6 should agree with Schedule H, Part 2, Line C2, Column 8.Column 7 should agree with Schedule H, Part 1, Line 3, Column 15.Line 15.7 – Long-Term CareColumn 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 12.Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 12.Column 6 should agree with Schedule H, Part 2, Line C2, Column 12.Column 7 should agree with Schedule H, Part 1, Line 3, Column 23.Line 15.8 – Federal Employees Health Benefits Plan PremiumColumn 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 7.Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 7.Column 6 should agree with Schedule H, Part 2, Line C2, Column 7.Column 7 should agree with Schedule H, Part 1, Line 3, Column 13.Line 15.9 – Other HealthColumn 4 should agree with Schedule H, Part 3, Line 1.1 plus Line 1.2, Column 13.Column 5 should agree with Schedule H, Part 3, Line 2.1 plus Line 2.2, Column 13.Column 6 should agree with Schedule H, Part 2, Line C2, Column 13.Column 7 should agree with Schedule H, Part 1, Line 3, Column 25.Line 34 – Aggregate Write-ins for Other Lines of Business

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 34 for Other Lines of Business.

Details of Write-ins Aggregated at Line 34 for Other Lines of Business

List separately each line of business for which there is no pre-printed line on Underwriting and Investment Exhibit, Part 2.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Refer to *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses* for accounting guidance.



Detail Eliminated to Conserve Space



- Column 7 – Incurred But Not Reported – Reinsurance Ceded
Line 35 (total) should agree with Schedule F, Part 3, Column 11, Total multiplied by 1000.
- Column 8 – Net Losses Unpaid
~~Line 13 should agree with Schedule H, Part 2, Line C1, Column 2.~~
~~Line 14 should agree with Schedule H, Part 2, Line C1, Column 3.~~
~~Line 15 should agree with Schedule H, Part 2, Line C1, Columns 4 through 9.~~
Line 35 (total) should agree with Page 3, Line 1, Column 1.
Total on Line 35 to agree with Schedule P, Part 1, Summary, Column 35, Total multiplied by 1000.
- Column 9 – Net Unpaid Loss Adjustment Expenses
Report loss adjustment expenses incurred by the reinsurer.
Line 35 (total) should agree with Page 3, Line 3, Column 1.
Total on Line 35 to agree with Schedule P, Part 1, Summary, Column 36, Total multiplied by 1000.
- Line 13.1 – Comprehensive Individual Accident and Health
Column 8 should agree with Schedule H, Part 2, Line C1, Column 2.
- Line 13.2 – Comprehensive Group Accident and Health
Column 8 should agree with Schedule H, Part 2, Line C1, Column 3.
- Line 14 – Credit Accident and Health (Group and Individual)
Column 8 should agree with Schedule H, Part 2, Line C1, Column 10.
Include: Business not exceeding 120 months duration.
- Line 15.1 – Vision Only
Column 8 should agree with Schedule H, Part 2, Line C1, Columns 5.

Line 15.2 – Dental OnlyColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 6.Line 15.3 – Disability IncomeColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 11.Line 15.4 – Medicare SupplementColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 4.Line 15.5 – Medicaid Title XIXColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 9.Line 15.6 – Medicare Title XVIIIColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 8.Line 15.7 – Long-Term CareColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 12.Line 15.8 – Federal Employees Health Benefits Plan PremiumColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 7.Line 15.9 – Other HealthColumn 8 should agree with Schedule H, Part 2, Line C1, Columns 13.

Line 34 – Aggregate Write-ins for Other Lines of Business

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 34 for Other Lines of Business.

Line 35 – Totals

Columns 1 plus Column 5 should agree with Schedule T, Line 59, Column 7.

Details of Write-ins Aggregated at Line 34 for Other Lines of Business

List separately each line of business for which there is no pre-printed line on Underwriting and Investment Exhibit, Part 2A.

ANNUAL STATEMENT BLANK – LIFE\FRATERNAL AND PROPERTY

SCHEDULE H – ACCIDENT AND HEALTH EXHIBIT

PART 1 – ANALYSIS OF UNDERWRITING OPERATIONS

	Total		Comprehensive (Hospital and Medical) Individual		Comprehensive (Hospital and Medical) Group		Medicare Supplement		Vision Only		Dental Only		Federal Employees Health Benefits Plan Premium	
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %
1. Premiums written.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx
2. Premiums earned.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx
3. Incurred claims.....
4. Cost containment expenses.....
5. Incurred claims and cost containment expenses (Lines 3 and 4).....
6. Increase in contract reserves.....
7. Commissions (a).....
8. Other general insurance expenses.....
9. Taxes, licenses and fees.....
10. Total other expenses incurred.....
11. Aggregate write-ins for deductions.....
12. Gain from underwriting before dividends or refunds.....
13. Dividends or refunds.....
14. Gain from underwriting after dividends or refunds.....
DETAILS OF WRITE-INS														
1101.
1102.
1103.
1198. Summary of remaining write-ins for Line 11 from overflow page.....
1199. Total (Lines 1101 through 1103 plus 1198) (Line 11 above).....

	Medicare Title XVIII		Medicaid Title XIX		Credit A&H		Disability Income		Long-Term Care		Other Health	
	15 Amount	16 %	17 Amount	18 %	19 Amount	20 %	21 Amount	22 %	23 Amount	24 %	25 Amount	26 %
1. Premiums written.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx
2. Premiums earned.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx	.....	xxx
3. Incurred claims.....
4. Cost containment expenses.....
5. Incurred claims and cost containment expenses (Lines 3 and 4).....
6. Increase in contract reserves.....
7. Commissions (a).....
8. Other general insurance expenses.....
9. Taxes, licenses and fees.....
10. Total other expenses incurred.....
11. Aggregate write-ins for deductions.....
12. Gain from underwriting before dividends or refunds.....
13. Dividends or refunds.....
14. Gain from underwriting after dividends or refunds.....
DETAILS OF WRITE-INS												
1101.
1102.
1103.
1198. Summary of remaining write-ins for Line 11 from overflow page.....
1199. Total (Lines 1101 through 1103 plus 1198) (Line 11 above).....

(a) Includes \$..... reported as "Contract, membership and other fees retained by agents."

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT

	Total		Group Accident and Health		Credit A&H (Group and Individual)		Collectively Renewable		Other Individual Contracts									
									Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS																		
1. Premiums written	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2. Premiums earned	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
3. Incurred claims																		
4. Cost containment expenses																		
5. Incurred claims and cost containment expenses (Lines 3 and 4)																		
6. Increase in contract reserves																		
7. Commissions (a)																		
8. Other general insurance expenses																		
9. Taxes, licenses and fees																		
10. Total other expenses incurred																		
11. Aggregate write-ins for deductions																		
12. Gain from underwriting before dividends or refunds																		
13. Dividends or refunds																		
14. Gain from underwriting after dividends or refunds																		
DETAILS OF WRITE-INS																		
1101.																		
1102.																		
1103.																		
1198. Summary of remaining write-ins for Line 11 from overflow page																		
1199. Total (Lines 1101 through 1103 plus 1198) (Line 11 above)																		

(a) Includes \$..... reported as "Contract, membership and other fees retained by agents."

SCHEDULE H – ACCIDENT AND HEALTH EXHIBIT (Continued)

PART 2 – RESERVES AND LIABILITIES

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical) Individual	Comprehensive (Hospital and Medical) Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan Premium	Medicare Title XVIII	Medicaid Title XIX	Credit A&H	Disability Income	Long- Term Care	Other Health
A. Premium Reserves:													
1. Unearned premiums													
2. Advance premiums													
3. Reserve for rate credits													
4. Total premium reserves, current year													
5. Total premium reserves, prior year													
6. Increase in total premium reserves													
B. Contract Reserves:													
1. Additional reserves (a)													
2. Reserve for future contingent benefits													
3. Total contract reserves, current year													
4. Total contract reserves, prior year													
5. Increase in contract reserves													
C. Claim Reserves and Liabilities:													
1. Total current year													
2. Total prior year													
3. Increase													

PART 3 – TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical) Individual	Comprehensive (Hospital and Medical) Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan Premium	Medicare Title XVIII	Medicaid Title XIX	Credit A&H	Disability Income	Long- Term Care	Other Health
1. Claim paid during the year:													
1.1 On claims incurred prior to current year													
1.2 On claims incurred during current year													
2. Claim reserves and liabilities, December 31, current year:													
2.1 On claims incurred prior to current year													
2.2 On claims incurred during current year													
3. Test:													
3.1 Line 1.1 and 2.1													
3.2 Claim reserves and liabilities, December 31, prior year													
3.3 Line 3.1 minus Line 3.2													

PART 4 – REINSURANCE

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical) Individual	Comprehensive (Hospital and Medical) Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan Premium	Medicare Title XVIII	Medicaid Title XIX	Credit A&H	Disability Income	Long- Term Care	Other Health
A. Reinsurance Assumed:													
1. Premiums written													
2. Premiums earned													
3. Incurred claims													
4. Commissions													
B. Reinsurance Ceded:													
1. Premiums written													
2. Premiums earned													
3. Incurred claims													
4. Commissions													

(a) Includes \$ premium deficiency reserve.

SCHEDULE H — ACCIDENT AND HEALTH EXHIBIT (Continued)

	1 Total	2 Group Accident and Health	3 Credit A&H (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
PART 2 — RESERVES AND LIABILITIES									
A. Premium Reserves:									
1. Unearned premiums									
2. Advance premiums									
3. Reserve for rate credits									
4. Total premium reserves, current year									
5. Total premium reserves, prior year									
6. Increase in total premium reserves									
B. Contract Reserves:									
1. Additional reserves (a)									
2. Reserve for future contingent benefits									
3. Total contract reserves, current year									
4. Total contract reserves, prior year									
5. Increase in contract reserves									
C. Claim Reserves and Liabilities:									
1. Total current year									
2. Total prior year									
3. Increase									
PART 3 — TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES									
1. Claim paid during the year:									
1.1 On claims incurred prior to current year									
1.2 On claims incurred during current year									
2. Claim reserves and liabilities, December 31, current year:									
2.1 On claims incurred prior to current year									
2.2 On claims incurred during current year									
3. Test:									
3.1 Line 1.1 and 2.1									
3.2 Claim reserves and liabilities, December 31, prior year									
3.3 Line 3.1 minus Line 3.2									
PART 4 — REINSURANCE									
A. Reinsurance Assumed:									
1. Premiums written									
2. Premiums earned									
3. Incurred claims									
4. Commissions									
B. Reinsurance Ceded:									
1. Premiums written									
2. Premiums earned									
3. Incurred claims									
4. Commissions									

(a) Includes \$ premium deficiency reserve.

SCHEDULE H – PART 5 – HEALTH CLAIMS

	1	2	3	4	5	6 3 Other Federal Employees Health Benefits Plan Premium	7	8	9	10	11	12	13
	Comprehensive (Hospital and Medical) Individual	Comprehensive (Hospital and Medical) Group	Medicare Supplement	4 Medical Vision Only	2 Dental Only		Medicare Title XVIII	Medicaid Title XIX	Credit A&H	Disability Income	Long- Term Care	Other Health	4 Total
A. Direct:													
1. Incurred Claims													
2. Beginning claim reserves and liabilities.....													
3. Ending claim reserves and liabilities.....													
4. Claims paid.....													
B. Assumed Reinsurance:													
5. Incurred Claims													
6. Beginning claim reserves and liabilities.....													
7. Ending claim reserves and liabilities.....													
8. Claims paid.....													
C. Ceded Reinsurance:													
9. Incurred Claims													
10. Beginning claim reserves and liabilities.....													
11. Ending claim reserves and liabilities.....													
12. Claims paid.....													
D. Net:													
13. Incurred Claims													
14. Beginning claim reserves and liabilities.....													
15. Ending claim reserves and liabilities.....													
16. Claims paid.....													
E. Net Incurred Claims and Cost Containment Expenses:													
17. Incurred claims and cost containment expenses.....													
18. Beginning reserves and liabilities													
19. Ending reserves and liabilities.....													
20. Paid claims and cost containment expenses													

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Blanks (E) Working Group
Editorial Revisions to the Blanks and Instructions
(presented at the May 26, 2021, 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
2021	Accident and Health Policy Experience Exhibit	<p>CHANGE TO BLANK</p> <p>Removed United States Policy Forms from header as alien amounts were to be included on line D1 and will need to be included for validations to tie.</p> <p>Deleted line 19 in the Individual section and renumbered as it was a duplication of line 20.</p>	H, L/F, P/C	Annual
2021	Accident and Health Policy Experience Exhibit	<p>CHANGE TO INSTRUCTION</p> <p>Add clarifying instruction on transitioning to by state reporting of the exhibit in 2022.</p> <p style="text-align: center;"><u>ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT</u></p> <p>This exhibit is required to be filed no later than April 1.</p> <p>A schedule must be prepared and submitted to the state of domicile for each jurisdiction in which the company has Written Premium (Direct), Earned Premium (Direct, Assumed and Ceded) or Incurred Claims (Direct, Assumed and Ceded). In addition, a schedule must be prepared and submitted that contains the grand total (GT) for the company.</p> <p style="text-align: center;">*****</p> <hr/> <p style="text-align: center;"><u>For 2021 Reporting Only</u></p> <p><u>For 2021, the reporting entity can choose to complete a separate page for each jurisdiction (plus an OT for other than US) and the Grand Total (GT) page or the reporting entity can submit a page for their state of domicile and the Grand Total (GT) page.</u></p> <p style="text-align: center;">*****</p> <hr/>	H, L/F, P/C	Annual

Effective	Table Name	Description	Statement Type	Filing Type																																																							
2021	Schedule F, Part 3	<p>CHANGE TO INSTRUCTION</p> <p>Make the following changes to Column 34 to be consistent with changes made in the Property RBC Instructions.</p> <p>Column 34 – Reinsurer Designation Equivalent</p> <p>Following is a listing of the valid codes.</p> <table border="1" data-bbox="787 451 1396 483"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> </tr> </table> <p>The equivalent designation category assigned will correspond to a current financial strength rating received from an one of the approved rating agency agencies as outlined in the table below. Ratings shall be based on interactive communication between the rating agency and the assuming reinsurer and shall not be based solely on publicly available information. If the reinsurer does not have at least one financial strength rating, it should be assigned the “Vulnerable 6 or Unrated Reinsurers” equivalent rating. Amounts recoverable from unrated voluntary pools should be assigned the reinsurer equivalent code of Secure 3. <u>equivalent rating.</u></p> <p>An <u>For</u> authorized associations including incorporated and individual unincorporated underwriters or a member thereof (e.g. <u>individual authorized syndicates of Lloyds’ of London that are backed by the Central Fund</u>), may utilize the lowest financial strength group rating received from an approved rating agency.</p> <table border="1" data-bbox="762 914 1583 1349"> <thead> <tr> <th colspan="7">Reinsurer Designation Equivalent Category</th> </tr> <tr> <th>Code</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> </tr> </thead> <tbody> <tr> <td>Description</td> <td>Secure 1</td> <td>Secure 2</td> <td>Secure 3</td> <td>Secure 4</td> <td>Secure 5</td> <td>Vulnerable 6 or Unrated Reinsurers</td> </tr> <tr> <td><u>A.M. Best</u></td> <td>A++</td> <td>A+</td> <td>A</td> <td>A-</td> <td>B++, B+</td> <td>B, B-, C++, C+, C, C-, D, E, F</td> </tr> <tr> <td><u>Standard & Poor’s</u></td> <td>AAA</td> <td>AA+, AA, AA-</td> <td>A+, A</td> <td>A-</td> <td>BBB+, BBB, BBB-</td> <td>BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R</td> </tr> <tr> <td>Moody’s</td> <td>Aaa</td> <td>Aa1, Aa2, Aa3</td> <td>A1, A2</td> <td>A3</td> <td>Baa1, Baa2, Baa3</td> <td>Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C</td> </tr> <tr> <td>Fitch</td> <td>AAA</td> <td>AA+, AA, AA-</td> <td>A+, A</td> <td>A-</td> <td>BBB+, BBB, BBB-</td> <td>BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R</td> </tr> </tbody> </table> <p><u>See the Property Risk-Based Capital instructions for examples of use and determination of the Reinsurer Designation Equivalent.</u></p>	1	2	3	4	5	6	Reinsurer Designation Equivalent Category							Code	1	2	3	4	5	6	Description	Secure 1	Secure 2	Secure 3	Secure 4	Secure 5	Vulnerable 6 or Unrated Reinsurers	<u>A.M. Best</u>	A++	A+	A	A-	B++, B+	B, B-, C++, C+, C, C-, D, E, F	<u>Standard & Poor’s</u>	AAA	AA+, AA, AA-	A+, A	A-	BBB+, BBB, BBB-	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	Moody’s	Aaa	Aa1, Aa2, Aa3	A1, A2	A3	Baa1, Baa2, Baa3	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	Fitch	AAA	AA+, AA, AA-	A+, A	A-	BBB+, BBB, BBB-	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	P/C	Annual
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Effective	Table Name	Description	Statement Type	Filing Type
2021	Supplemental Investment Risks Interrogatories	<p>CHANGE TO INSTRUCTION</p> <p>Modify the instructions as shown below to clarify preferred stock reporting for Line 3.</p> <p>Line 3 – Report by NAIC designation, the amounts and percentages of the reporting entity’s total admitted assets held in bonds and preferred stocks <u>(perpetual preferred and redeemable preferred)</u>.</p> <p>Report the total amount for each subcategory. The amounts reported in the bond subcategories should be consistent with the amounts reported in Schedule D, Part 1A, Section 1, Column 7, Lines 11.1 – 11.6. Schedule D, Part 1A, Section 1 is reported gross and will not tie to this line if any amounts are reported and nonadmitted for bonds and preferred stocks on the asset page.</p> <p><u>The amounts reported in the preferred stock subcategories should be consistent with the amounts reported in Asset Page, Column 3, Lines 2.1.</u></p>	H, L/F, P/C, T	Annual
2022	Schedule DL, Part 1	<p>CHANGE TO INSTRUCTION</p> <p>Remove the “\$” code for certificates of deposit to be consistent with the change for Schedule D, Part 1 adopted with 2020-35BWG. This change should have been included in original proposal.</p> <p>Column 3 – Code</p> <p>Enter “*” in this column for all SVO Identified Funds designated for systematic value.</p> <p>Enter “@” in this column for all Principal STRIP Bonds or other zero coupon bonds.</p> <p>Enter “\$” in this column for Certificates of Deposit under the FDIC limit.</p> <p>Enter “&” in this column for To Be Announced (TBA) securities.</p> <p>If assets are not under the exclusive control of the company as shown in the General Interrogatories, they are to be identified by placing one of the codes (identified in the Investment Schedules General Instructions) in this column.</p> <p>If the security is an SVO Identified Fund designated for systematic value, Principal STRIP bond or other zero coupon bond, certificates of deposit under the FDIC limit or a To Be Announced (TBA) security and is not under the exclusive control of the company, the “*”, “@”, “\$” or “&” should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).</p>	H, L/F, P/C, T	Quarterly

Effective	Table Name	Description	Statement Type	Filing Type
2022	Schedule DL, Part 2	<p>CHANGE TO INSTRUCTION</p> <p>Remove the “\$” code for certificates of deposit to be consistent with the change for Schedule D, Part 1 adopted with 2020-35BWG. This change should have been included in original proposal.</p> <p>Column 3 – Code</p> <p>Enter “*” in this column for all SVO Identified Funds designated for systematic value.</p> <p>Enter “@” in this column for all Principal STRIP Bonds or other zero coupon bonds.</p> <p>Enter “\$” in this column for Certificates of Deposit under the FDIC limit.</p> <p>Enter “&” in this column for To Be Announced (TBA) securities.</p> <p>If assets are not under the exclusive control of the company as shown in the General Interrogatories, they are to be identified by placing one of the codes (identified in the Investment Schedules General Instructions) in this column.</p> <p>If the security is an SVO Identified Fund designated for systematic value, Principal STRIP bond or other zero coupon bond, certificates of deposit under the FDIC limit or a To Be Announced (TBA) security and is not under the exclusive control of the company, the “*”, “@”, “\$” or “&” should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).</p>	H, L/F, P/C, T	Quarterly

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2022	Schedule DL, Part 1	<p>CHANGE TO INSTRUCTION</p> <p>Remove the “\$” code for certificates of deposit to be consistent with the change for Schedule D, Part 1 adopted with 2020-35BWG. This change should have been included in original proposal.</p> <p>Column 3 – Code</p> <p>Enter “*” in this column for all SVO Identified Funds designated for systematic value.</p> <p>Enter “@” in this column for all Principal STRIP Bonds or other zero-coupon bonds.</p> <p>Enter “\$” in this column for Certificates of Deposit under the FDIC limit.</p> <p>Enter “&” in this column for TBA (To Be Announced) securities.</p> <p>Enter “^” in this column for all assets that are bifurcated between the insulated separate account filing and the non-insulated separate account filing.</p> <p>If assets are not under the exclusive control of the company as shown in the General Interrogatories, they are to be identified by placing one of the codes (identified in the Investment Schedules General Instructions) in this column.</p> <p>If the security is an SVO Identified Fund designated for systematic value, Principal STRIP bond or other zero coupon bond, certificates of deposit under the FDIC limit or a TBA (To Be Announced) security and is not under the exclusive control of the company, the “*”, “@”, “\$” or “&” should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).</p> <p><u>Separate Account Filing Only:</u></p> <p>If the asset is a bifurcated asset between the insulated separate account filing and the non-insulated separate account filing, the “^” should appear first and may be used simultaneously with the “*”, “@”, “\$” or “&” with the “^” preceding the other characters (“*”, “@”, “\$” or “&”) depending on the asset being reported, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).</p>	H, L/F, P/C, T	Annual

Effective	Table Name	Description	Statement Type	Filing Type
2022	Schedule DL, Part 2	<p>CHANGE TO INSTRUCTION</p> <p>Remove the “\$” code for certificates of deposit to be consistent with the change for Schedule D, Part 1 adopted with 2020-35BWG. This change should have been included in original proposal.</p> <p>Column 3 – Code</p> <p>Enter “*” in this column for all SVO Identified Funds designated for systematic value.</p> <p>Enter “@” in this column for all Principal STRIP Bonds or other zero-coupon bonds.</p> <p>Enter “\$” in this column for Certificates of Deposit under the FDIC limit.</p> <p>Enter “&” in this column for TBA (To Be Announced) securities.</p> <p>Enter “^” in this column for all assets that are bifurcated between the insulated separate account filing and the non-insulated separate account filing.</p> <p>If assets are not under the exclusive control of the company as shown in the General Interrogatories, they are to be identified by placing one of the codes (identified in the Investment Schedules General Instructions) in this column.</p> <p>If the security is an SVO Identified Fund designated for systematic value, Principal STRIP bond or other zero coupon bond, certificates of deposit under the FDIC limit or a TBA (To Be Announced) security and is not under the exclusive control of the company, the “*”, “@”, “\$” or “&” should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).</p> <p><u>Separate Account Filing Only:</u></p> <p>If the asset is a bifurcated asset between the insulated separate account filing and the non-insulated separate account filing, the “^” should appear first and may be used simultaneously with the “*”, “@”, “\$” or “&” with the “^” preceding the other characters (“*”, “@”, “\$” or “&”) depending on the asset being reported, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).</p>	H, L/F, P/C, T	Annual

Effective	Table Name	Description	Statement Type	Filing Type
2021	General Instructions	<p>CHANGE TO INSTRUCTION</p> <p>Modify the instruction on minimum font size to read as shown.</p> <p>b. No font smaller than 86-point type for the annual statement or 6-point type for the Long-Term Care Experience Reporting Forms 1 through 5 and all investment schedules may be used. Ornate fonts may not be used.</p>	H	Annual
2021	General Instructions	<p>CHANGE TO INSTRUCTION</p> <p>Modify the instruction on minimum font size to read as shown.</p> <p>b. No font smaller than 86-point type for the annual statement or 6-point type for the Long-Term Care Experience Reporting Forms 1 through 5 and all investment schedules may be used. Ornate fonts may not be used.</p>	L/F	Annual
2021	General Instructions	<p>CHANGE TO INSTRUCTION</p> <p>Modify the instruction on minimum font size to read as shown.</p> <p>b. No font smaller than 86-point type for the annual statement or 6-point type for the Long-Term Care Experience Reporting Forms 1 through 5, Exhibit of Premiums and Losses (Statutory Page 14) and all investment schedules may be used. Ornate fonts may not be used.</p>	P/C	Annual
2021	General Instructions	<p>CHANGE TO INSTRUCTION</p> <p>Modify the instruction on minimum font size to read as shown.</p> <p>b. No font smaller than 86-point type for the annual statement or 6-point type for all investment schedules may be used. Ornate fonts may not be used.</p>	T	Annual
2021	Schedule A, Part 1	<p>CHANGE TO INSTRUCTION</p> <p>Modify the instructions as shown below</p> <p>Column 8 – Amount of Encumbrances</p> <p>Properties may be mortgaged and the outstanding principal balance, excluding accrued interest, of all liens at December 31 of the current year should be reported in this column.</p> <p><u>Amount reported for encumbrances should not be less than zero.</u></p>	H, L/F, P/C, T	Annual

Effective	Table Name	Description	Statement Type	Filing Type
2021	Supplemental Health Care Exhibit – Part 2	<p>CHANGE TO INSTRUCTION</p> <p>Remove crosscheck because Accident and Health Policy Experience Exhibit, Part 4 has been eliminated.</p> <p>Column 13 – Total</p> <p>For Part 2, the GT (Grand Total) page:</p> <ul style="list-style-type: none"> • Column 13, Line 1.16 (Net Premiums Earned) should equal the Accident and Health Policy Experience Exhibit, Part 4, Column 1, Line <u>D26</u> (<u>Grand Total Individual, Group and Other Business</u>) minus Line <u>D12</u> (Other Total Non-U.S. Policy Forms Direct Business). • Column 13, Line 1.11 (Total Direct Premiums Earned) minus Line 1.5 (Paid Rate Credits) minus Line 1.8 (Change in Reserve for Rate Credits) plus Line 1.15 (Other Adjustments Due to MLR Calculation – Premiums) should equal the Accident and Health Policy Experience Exhibit, Part 4, Column 24, Line <u>D2</u> (<u>Grand Total Individual, Group and Other Business</u>) <u>minus</u> Line <u>D1</u> (U.S. Total Non-U.S. Policy Forms Direct Business). • Column 13, Line 2.20 (Net Incurred Claims) minus Line 2.11 (Incurred Medical Incentive Pools and Bonuses) should equal the Accident and Health Policy Experience Exhibit, Part 4, Columns 92 plus 103, Line <u>D26</u> (<u>Grand Total Individual, Group and Other Business</u>) minus Line <u>D12</u> (Other Total Non-U.S. Policy Forms Direct Business). • Column 13, Line 2.15 (Total Incurred Claims) minus Line 2.8 (Paid Rate Credits) minus Line 2.9 (Reserve for Rate Credits Current Year) plus Line 2.10 (Reserve for Rate Credits Prior Year) minus Line 2.11 (Incurred Medical Incentive Pools and Bonuses) plus Line 2.19 (Other Adjustments Due to MLR Calculation – Claims) should equal the Accident and Health Policy Experience Exhibit, Part 4, Columns 62 plus 103, Line <u>D2</u> (<u>Grand Total Individual, Group and Other Business</u>) minus Line <u>D1</u> (U.S. Total Non-U.S. Policy Forms Direct Business). <p>NOTE: If the reporting entity has a Premium Deficiency Reserve, they will fail the crosschecks above due to the Accident and Health Policy Experience Exhibit excluding Premium Deficiency Reserve. The reporting entity should provide that explanation for the crosscheck failure.</p>	H, L/F, P/C	Annual

Effective	Table Name	Description	Statement Type	Filing Type																																																								
2021	Schedule BA, Part 1 FN Schedule D, Part 1 FN Schedule D, Part 2, Sn 1 FN Schedule D, Part 2, Sn 2 FN Schedule DA, Part 1 FN Schedule E, Part 2 FN	<p>CHANGE TO BLANK</p> <p>Insert line numbers at beginning of footnote rows to distinguish between line numbers and designation categories.</p> <p>1.</p> <table border="0"> <tr> <td></td> <td colspan="7">Book/Adjusted Carrying Value by NAIC Designation Category Footnote:</td> </tr> <tr> <td>1A</td> <td>1A \$</td> <td>1B \$</td> <td>1C \$</td> <td>1D \$</td> <td>1E \$</td> <td>1F \$</td> <td>1G \$</td> </tr> <tr> <td>1B</td> <td>2A \$</td> <td>2B \$</td> <td>2C \$</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1C</td> <td>3A \$</td> <td>3B \$</td> <td>3C \$</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1D</td> <td>4A \$</td> <td>4B \$</td> <td>4C \$</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1E</td> <td>5A \$</td> <td>5B \$</td> <td>5C \$</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1F</td> <td>6 \$</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		Book/Adjusted Carrying Value by NAIC Designation Category Footnote:							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 \$							H, L/F, P/C, T, SA	Annual
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2021	Schedule Y, Part 3	<p>CHANGE TO INSTRUCTION</p> <p>Make the modification for Columns 5 and 6 shown below. These edit to proposal 2020-37BWG were made to the wrong column.</p> <p>Column 5 – Ultimate Controlling Party</p> <p>Provide the name of <u>the ultimate controlling party</u> all U.S. insurance groups (which is consistent with the ‘Group Name’ on Schedule Y—Part 1A) controlled by of the entity reported in Column 2. If an entity reported in Column 5 is not part of an insurance group, provide the name of the individual insurance entity. Within Schedule Y, the terms “Ultimate Controlling Party” and “Ultimate Controlling Entity(ies)/Person(s)” are used interchangeably.</p> <p>Column 6 – U.S. Insurance Groups or Entities Controlled by Column 5</p> <p>Provide the names of all U.S. insurance groups <u>(which is consistent with the ‘Group Name’ on Schedule Y—Part 1A)</u> or entities controlled by the entity reported in Column 5. If an entity reported in Column 5 is not part of an insurance group, provide the name of the individual insurance entity.</p>	H, L/F, P/C, T	Annual																																																								

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2021	Notes to Financial Statements	<p>CHANGE TO INSTRUCTION</p> <p>Modify the column description for Column 6 of Note 10O as shown below to match update to instructions.</p> <table border="1" data-bbox="676 363 1549 537"> <thead> <tr> <th data-bbox="676 363 852 391">1</th> <th data-bbox="852 363 995 391">2</th> <th data-bbox="995 363 1138 391">3</th> <th data-bbox="1138 363 1281 391">4</th> <th data-bbox="1281 363 1423 391">5</th> <th data-bbox="1423 363 1549 391">6</th> </tr> </thead> <tbody> <tr> <td data-bbox="676 391 852 537">Entity</td> <td data-bbox="852 391 995 537">Reporting Entity's Share of Net Income (Loss)</td> <td data-bbox="995 391 1138 537">Accumulated Share of Net Income (Losses)</td> <td data-bbox="1138 391 1281 537">Reporting Entity's Share of Equity, Including Negative Equity</td> <td data-bbox="1281 391 1423 537">Guaranteed Obligation / Commitment for Financial Support (Yes/No)</td> <td data-bbox="1423 391 1549 537">Amount of the <u>Recognized Guarantee Under SSAP No. 5R</u> Reported Value</td> </tr> </tbody> </table>	1	2	3	4	5	6	Entity	Reporting Entity's Share of Net Income (Loss)	Accumulated Share of Net Income (Losses)	Reporting Entity's Share of Equity, Including Negative Equity	Guaranteed Obligation / Commitment for Financial Support (Yes/No)	Amount of the <u>Recognized Guarantee Under SSAP No. 5R</u> Reported Value	H, L/F, P/C, T	Annual
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Entity	Reporting Entity's Share of Net Income (Loss)	Accumulated Share of Net Income (Losses)	Reporting Entity's Share of Equity, Including Negative Equity	Guaranteed Obligation / Commitment for Financial Support (Yes/No)	Amount of the <u>Recognized Guarantee Under SSAP No. 5R</u> Reported Value											

**Blanks (E) Working Group
Summary of Comments for May 26, 2021
Conference Call**

ITEMS RECEIVED FOR COMMENT

Reference Number	Description
2021-01BWG	Add reference to health care receivables to Line 24 – Health Care and Other Amounts Receivable on the Asset Page, change description of Line 0699999 to read Other Health Care Receivables on Exhibit 3 and modify column headers for Exhibit 3A.
<p><u>Comment #1 – Industry Interested Parties</u> Attachment R 4/27/2021 Letter Page 1 of 3</p> <p>IPs recommend modifying the following to include the Life/Fraternal blank which recently added Exhibit 3 and Exhibit 3A to the Health Care Receivables Supplement per 2020-32BWG.</p> <ol style="list-style-type: none"> 1. On page 2 of the PDF, modify the header as follows: <ol style="list-style-type: none"> a. ANNUAL STATEMENT INSTRUCTIONS – <u>LIFE/FRATERNAL, HEALTH</u> 2. On page 4 of the PDF, modify the header as follows: <ol style="list-style-type: none"> a. ANNUAL STATEMENT BLANK – <u>LIFE/FRATERNAL, HEALTH</u> <p>IPs suggest moving the Health Care Receivables instructions paragraph on page 3 of the PDF to the beginning of the ‘Include:’ section to be more in alignment with the description of Line 24 – Health Care and Other Amounts Receivable.</p>	
2021-02BWG	Add questions to the General Interrogatories, Part 1 regarding depository institution holding companies as it pertains to the group capital calculation. Additionally, modify the terminology in the first two questions for consistency with the new questions, which has been modified to consider that many insurers that are part of a depository institution holding company are savings and loan holding companies, which is picked up with the broader terminology compared to the more specific term of bank holding company.
<p><u>Comment #1 – Industry Interested Parties</u> Attachment R 4/27/2021 Letter Page 2 of 3</p> <p>IPs recommend the following editorial changes:</p> <ol style="list-style-type: none"> 1. Interrogatory 8.5 (page 2 of the PDF) should reflect clarity of the words being used. <ul style="list-style-type: none"> o 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of <u>the Federal Reserve System</u> or a subsidiary of such company <u>the reporting entity</u>? 2. Interrogatory 8.6 (page 2 of the PDF) should reflect the consistent referral of the Federal Reserve to interrogatory question 8.1 and the ‘N/A’ response should be added to the Blank. <ul style="list-style-type: none"> o 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve <u>Board</u>’s capital rule? Yes [] No [] <u>N/A []</u> 	

Reference Number	Description
2021-03BWG	Modify the tables for Interrogatory Questions 1.01, 1.01A, 2.5 and 4.2 in the Separate Accounts General Interrogatories by adding category lines to reflect additional granularity in the reporting on those tables (SAPWG 2020-37 and 2020-38).
<u>Comment #1 – Industry Interested Parties</u>	Attachment R 4/27/2021 Letter Page 2 of 3
IPs have no comments.	

2021-04BWG	Add interrogatory questions 24.1 and 24.2 to the General Interrogatories, Part 1 “Financial” section asking if the insurer utilizes third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days. Renumber the remaining questions (SAPWG 2019-24).
<u>Comment #1 – Industry Interested Parties</u>	Attachment R 4/27/2021 Letter Page 2 of 3
<p>IPs recommend the following editorial changes:</p> <ol style="list-style-type: none"> 1. On page 2 of the PDF, change the header in new interrogatory question 24.2 on the second column for consistency among other responses in the annual statement: <ol style="list-style-type: none"> a. Is the Third-Party Agent a Related Party (Yes/No) 2. On page 3 of the PDF, change the following in revised interrogatory question 26.1 as follows: <ol style="list-style-type: none"> a. (Exclude securities subject to Interrogatory 2422.1 and 2425.03) → Reference to Interrogatory 21.1 should not change as it is not being renumbered; thus, 22 should be removed. 3. On page 3 of the PDF, change the reference to the existing interrogatory question 26.5: <ol style="list-style-type: none"> a. 26274.5 By responding YES to ... → The ‘4’ should be removed. 4. On page 4 of the PDF, change the following in revised interrogatory question 27.1: <ol style="list-style-type: none"> a. 2930.2 If yes, complete ... → The first ‘3’ should be removed. 5. On page 5 of the PDF, change the following for revised interrogatory question 37: <ol style="list-style-type: none"> a. In the question, insert a comma between Schedule E and Part 2 for consistent reference of investment schedules. b. The N/A bracket ([]) response should be on the same line. 	

Reference Number	Description
2021-05BWG	Modify the instructions for Note 17B(4)b1(a) – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities and add a table to the illustrations to data capture the disclosure (SAPWG 2021-03).
<u>Comment #1 – Industry Interested Parties</u>	<p style="text-align: center;">Attachment R 4/27/2021 Letter Page 3 of 3</p> <p>IPs suggest checking the ‘[] QUARTERLY STATEMENT’ box on page 1 of the PDF and modify the Anticipated Effective Date to ‘Annual 2021 / Quarterly 2022’ since Note 17B(4)b is a required quarterly statement disclosure.</p> <p>IPs have provided comments for the re-exposure of SAPWG 2021-03 which will directly impact 2021-05BWG; comments will be submitted to SAPWG staff by Friday, April 30th.</p>
2021-06BWG	Add crosschecks between Form 5 and Form 1 for Columns 2, 3, 4, 6 and 7 of Form 5.
<u>Comment #1 – Industry Interested Parties</u>	<p style="text-align: center;">Attachment R 4/27/2021 Letter Page 3 of 3</p> <p style="text-align: center;">IPs have no comments.</p>
2021-07BWG	Add additional line categories to the instruction for Column 26 – Collateral Type to capture collateral type data for all RMBS, CMBS and LBSS securities regardless of reporting category.
<u>Comment #1 – Industry Interested Parties</u>	<p style="text-align: center;">Attachment R 4/27/2021 Letter Page 3 of 3</p> <p style="text-align: center;">IPs have no comments.</p>

Reference Number	Description
2021-08BWG	Add a new supplement Mortgage Guaranty insurance Exhibit to capture more information from mortgage guaranty insurers.
<p><u>Comment #1 – Industry Interested Parties</u></p> <ul style="list-style-type: none"> • IPs suggest providing a Document ID and Page number to assist in the proper filing of this Exhibit. • IPs pose the following question regarding the reporting of claim counts: “Does Interrogatory 6 [<i>Claim count information is reported per claim or per claimant (indicate which)</i>] in the Schedule P Interrogatories apply to this Exhibit?” If so, should there be a similar Interrogatory included in this Exhibit to clarify how claim count is reported? • On page 3 (Schedule MG instructions) of the PDF, IPs suggest making the following editorial revisions in the third paragraph for clarification as to what’s in the various sections of Part 2. <ul style="list-style-type: none"> ○ Part 2 displays 20-year loss development triangles on a policy year basis. In Parts 2 and 2A, losses are combined with D&CC. Loss and D&CC development is shown for total incurred, payments, case basis reserves, bulk reserves and incurred but not reported (IBNR) reserves (policy year basis only). Part 2E displays 20-year <u>policy claim</u>-count development triangles on a policy year basis. • On page 7 (Schedule MG – Parts 1A and 1B instructions) of the PDF, IPs suggest modifying the crosscheck for Column 26 as Part 1B should not be included: <ul style="list-style-type: none"> ○ <u>For Part 1A only, these amounts should</u> Should equal Part 2E, Column 10 <u>because Part 2E excludes pool business.</u> • On page 8 (Schedule MG-Part 2) of the PDF, IPs suggest modifying the instructions as follows as columnar headings don’t have instructions for Part 2 columns: <ul style="list-style-type: none"> ○ Part 2 provides a historical summary of loss and defense & cost containment expenses development by policy year. Columnar headings provide instructions necessary for completion. Exclude pool business. • IPs suggest adding the definition of SRMICS (see below from the Mortgage Guaranty Insurance Model Act), as referred to in Part 2D, as this is a new term in the Annual Statement. We recommend adding it on page 2 of the PDF under “The following definitions should be used in completing the Mortgage Guaranty Insurance Exhibit.”: <ul style="list-style-type: none"> ○ “State Regulatory Mortgage Insurer Capital Standard” (SRMICS) means the economically countercyclical risk-based margin of safety developed to recognize risk and control elements unique to the mortgage guaranty insurance industry, the calculation of which is described in the Mortgage Guaranty Insurance Standards Manual. • On page 16 (Schedule MG – Part 2E) of the PDF, IPs suggest adding “Number of Policies” above the column headers to clarify that the data is number of policies not dollar amounts. 	<p>Attachment R</p> <p>4/30/2021 Letter Page 1 & 2 of 2</p>
<p><u>Comment # 2 – Mortgage Insurance Industry</u></p>	<p>Attachment R</p> <p>Page 1 of 1</p> <p>On April 6, 2021 the Mortgage Guaranty Insurance Working Group (“MGIWG”) met with industry participants and discussed comments that had been submitted with regard to the proposed MG Exhibit. In that meeting the MGIWG responded favorably to the proposal to alter the instructions and schedules to require only five years rather than ten years, and then to add a new year each subsequent year to gradually build back up to ten years of reporting. This appears to have been inadvertently omitted in the schedule exposed by the Blanks Working Group.</p>

Reference Number	Description	
	<p><u>Comment # 3 – U.S. Mortgage Insurers (USMI)</u> Attachment R</p> <ol style="list-style-type: none"> 1. We are interested in understanding why the MGIWG seeks to obtain data on premiums earned on policies written in particular book years when the “Simpler Stronger SRMICS 2021” does not propose to give any credit for premiums written. We would suggest that the detail required by Schedule MG –Part 2C – Policy Year Direct Earned Premium is not needed to assess capital adequacy if credit for premiums written is not being recognized, and we note that such detailed premium patterns are competitively sensitive and are not otherwise disclosed to the public, as opposed to regulators. It is in contemplation of this public disclosure that we suggest as an alternative that the schedule request premium yields on an aggregated basis, which can be used to project revenues. 2. Given the number of questions that remain outstanding with respect to the SRMICS, the potential unintended consequences that could arise from implementing a new, untested capital model, and the desire of regulators to have a more dynamic tool for assessing capital adequacy and financial solvency than currently exists, once finalized, we recommend that the SRMICS initially be utilized as a non-binding assessment tool for regulators of mortgage insurers. Accordingly, we propose to add the following language to the instructions in place of the existing first sentence: <p style="margin-left: 40px;">“This exhibit is requested to be completed annually by all insurers, excluding reinsurers, with any mortgage guaranty exposure and filed no later than April 1st. The exhibit is provided for the benefit of regulators of mortgage guaranty insurers to use as a non-binding assessment tool aiding in the evaluation of an insurer’s capital adequacy and financial solvency.”</p> <p>The revised language clarifies that reporting (1) is not sought from reinsurers with mortgage guaranty exposure, and (2) is provided by mortgage guaranty insurers for use as a non-binding assessment tool, and therefore, is not tied to statutory action levels.</p> 3. We would appreciate the opportunity to review and comment upon the next version of the MG Exhibit after all details regarding the “Simpler Stronger SRMICS 2021” are exposed for review and comment. Updates to the latter would likely be informative with regard to our review of the associated financial reporting exhibit. Similarly, focusing solely on finalizing SRMICS and the associated MG Exhibit as a standalone project is helpful to orient the industry so that we may continue to refine our comments and feedback on SRMICS in the most efficient and constructive manner possible. 	<p>Pages 1 & 2 of 2</p>
<p>2021-09BWG</p>	<p>Modify sections 4 (Identification section), section 5 (Scope section), and section 7 (Opinion section) of the actuarial opinion instructions to ensure that the opinion’s prescribed wording clearly indicates that the actuary’s opinion covers actuarial assets as well as actuarial liabilities. Modify section 9 of the actuarial opinion instructions to ensure that guidance related to the type of opinion rendered by an appointed actuary covers both actuarial assets and actuarial liabilities.</p>	
	<p><u>Comment #1 – Industry Interested Parties</u> Attachment R</p> <p>IPs have no comments.</p>	<p>4/27/2021 Letter Page 3 of 3</p>

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April 27, 2021

Mr. Jake Garn, Chair
Blanks Working Group
National Association of Insurance Commissioners
1100 Walnut St.
Kansas City, MO 64106

SUBJECT: Blanks Working Group (“BWG”) proposals exposed during the conference call on March 16, 2021 and via email on April 7, 2021 and April 14, 2021

Dear Mr. Garn:

Interested parties (“IPs”) appreciate the opportunity to review and comment on the 5 proposals that were exposed during a conference call by BWG on Tuesday, March 16, 2021, 2 proposals that were exposed via email on Wednesday, April 7, 2021 and 2 proposals that were exposed via email on Wednesday, April 14, 2021 with a comment deadline of Tuesday, April 27, 2021.

2021-01 [Exposed changes to add reference to Other Health Care Receivables to Line 24 – Health Care and Other Amounts Receivable on the Asset Page; change description of Line 0699999 to read Other Health Care Receivables on Exhibit 3; and modify column headers for Exhibit 3A.; Anticipated effective date is Annual 2021]

IPs recommend modifying the following to include the Life/Fraternal blank which recently added Exhibit 3 and Exhibit 3A to the Health Care Receivables Supplement per 2020-32BWG.

1. On page 2 of the PDF, modify the header as follows:
 - a. ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH
2. On page 4 of the PDF, modify the header as follows:
 - a. ANNUAL STATEMENT BLANK – LIFE/FRATERNAL, HEALTH

IPs suggest moving the Health Care Receivables instructions paragraph on page 3 of the PDF to the beginning of the ‘Include:’ section to be more in alignment with the description of Line 24 – Health Care and Other Amounts Receivable.

2021-02 [Exposed changes to add questions to General Interrogatories - Part 1 regarding depository institution holding companies (DIHC) as it pertains to the group capital calculation. Additionally, modify the terminology in the first two questions for consistency with the new questions, which has been modified to consider that many insurers that are part of a DIHC are savings and loan holding companies, which is picked up with the broader terminology compared to the more specific term of bank holding company; Anticipated effective date is Annual 2021]

IPs recommend the following editorial changes:

1. Interrogatory 8.5 (page 2 of the PDF) should reflect clarity of the words being used.
 - o 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of the Federal Reserve System or a subsidiary of ~~such company~~ the reporting entity?
2. Interrogatory 8.6 (page 2 of the PDF) should reflect the consistent referral of the Federal Reserve to interrogatory question 8.1 and the 'N/A' response should be added to the Blank.
 - o 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [] N/A []

2021-03 [Exposed changes to modify the tables for Interrogatory Questions 1.01, 1.01A, 2.5 and 4.2 in the Separate Accounts General Interrogatories by adding category lines to reflect additional granularity in the reporting on those tables. The changes are based on SAPWG Ref #2020-37 (*Separate Account – Product Identifiers*) and SAPWG Ref #2020-38 (*Pension Risk Transfer Disclosure*); Anticipated effective date is Annual 2021]

IPs have no comments.

2021-04 [Exposed changes to add interrogatory questions 24.1 and 24.2 to the General Interrogatories - Part 1 and renumber those below them. Renumber the questions and question references in the General Interrogatories - Part 1 to match the renumbering on the blank page. The changes are based on SAPWG Ref #2019-24 (*Levelized and Persistency Commissions*); Anticipated effective date is Annual 2021]

IPs recommend the following editorial changes:

1. On page 2 of the PDF, change the header in new interrogatory question 24.2 on the second column for consistency among other responses in the annual statement:
 - a. Is the Third-Party Agent a Related Party (Yes/No)
2. On page 3 of the PDF, change the following in revised interrogatory question 26.1 as follows:
 - a. (Exclude securities subject to Interrogatory ~~2422~~.1 and ~~2425~~.03) → Reference to Interrogatory 21.1 should not change as it is not being renumbered; thus, 22 should be removed.
3. On page 3 of the PDF, change the reference to the existing interrogatory question 26.5:
 - a. ~~2627~~.5 By responding YES to ... → The '4' should be removed.
4. On page 4 of the PDF, change the following in revised interrogatory question 27.1:
 - a. ~~2933~~.2 If yes, complete ... → The first '3' should be removed.
5. On page 5 of the PDF, change the following for revised interrogatory question 37:
 - a. In the question, insert a comma between Schedule E and Part 2 for consistent reference of investment schedules.
 - b. The N/A bracket ([]) response should be on the same line.

2021-05 [Exposed changes to modify the instructions for Note 17B(4)b1(a) and add a table to the illustrations to data capture the disclosure. The changes are based on SAPWG Ref #2021-03 (SSAP No. 103R – Disclosures); Anticipated effective date is Annual 2021]

IPs suggest checking the '[] QUARTERLY STATEMENT' box on page 1 of the PDF and modify the Anticipated Effective Date to 'Annual 2021 / Quarterly 2022' since Note 17B(4)b is a required quarterly statement disclosure.

IPs have provided comments for the re-exposure of SAPWG 2021-03 which will directly impact 2021-05BWG; comments will be submitted to SAPWG staff by Friday, April 30th.

2021-06 [Exposed changes to add crosschecks between Form 1 and Form 5 of the LTC Experience Reporting Form; Anticipated effective date is Annual 2021]

IPs have no comments.

2021-07 [Exposed changes to add additional line categories to the instruction for Column 26 – Collateral Type on Schedule D - Part 1 to capture collateral type data for all RMBS, CMBS and LBSS securities regardless of reporting category; Anticipated effective date is Annual 2021]

IPs have no comments.

2021-08 [Exposed changes to add a new supplement Mortgage Guaranty Insurance Exhibit to capture more information from mortgage guaranty insurers; Anticipated effective date is Annual 2021]

IPs will provide comments on this exposure by Friday, April 30th.

2021-09 [Exposed changes modify several sections of the Actuarial Opinion in the Health Annual Statement Blank; Anticipated effective date is Annual 2021]

IPs have no comments.

Tip Tipton, CPA
Accounting Policy Manager
Thrivent

Randy Hefel
NAIC Liaison
SOVOS

CC: Kim Hudson, Vice-Chair, California
Mary Caswell, NAIC
Calvin Ferguson, NAIC
Keith Bell, Travelers
Rose Albrizio, Equitable Financial

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April 30, 2021

Mr. Jake Garn, Chair
Blanks Working Group
National Association of Insurance Commissioners
1100 Walnut St.
Kansas City, MO 64106

SUBJECT: Blanks Working Group (“BWG”) proposal exposed via email on April 14, 2021

Dear Mr. Garn:

Interested parties (“IPs”) appreciate the opportunity to review and comment on the proposal related to Mortgage Guaranty Insurance Exhibit (2021-08BWG) that was exposed via email on Wednesday, April 14, 2021 with a revised comment deadline of Friday, April 30, 2021.

2021-08 [Exposed changes to add a new supplement Mortgage Guaranty Insurance Exhibit to capture more information from mortgage guaranty insurers; Anticipated effective date is Annual 2021]

IPs recommend the following modifications to this exposure:

- IPs suggest providing a Document ID and Page number to assist in the proper filing of this Exhibit.
- IPs pose the following question regarding the reporting of claim counts: “Does Interrogatory 6 [*Claim count information is reported per claim or per claimant (indicate which)*] in the Schedule P Interrogatories apply to this Exhibit?” If so, should there be a similar Interrogatory included in this Exhibit to clarify how claim count is reported?
- On page 3 (Schedule MG instructions) of the PDF, IPs suggest making the following editorial revisions in the third paragraph for clarification as to what’s in the various sections of Part 2.
 - Part 2 displays 20-year loss development triangles on a policy year basis. In Parts 2 and 2A, losses are combined with D&CC. Loss and D&CC development is shown for total incurred, payments, case basis reserves, bulk reserves and incurred but not reported (IBNR) reserves (policy year basis only). Part 2E displays 20-year policy claim-count development triangles on a policy year basis.
- On page 7 (Schedule MG – Parts 1A and 1B instructions) of the PDF, IPs suggest modifying the crosscheck for Column 26 as Part 1B should not be included:
 - For Part 1A only, these amounts should ~~Should~~ equal Part 2E, Column 10 because Part 2E excludes pool business.
- On page 8 (Schedule MG-Part 2) of the PDF, IPs suggest modifying the instructions as follows as columnar headings don’t have instructions for Part 2 columns:
 - Part 2 provides a historical summary of loss and defense & cost containment expenses development by policy year. ~~Columnar headings provide instructions necessary for completion.~~ Exclude pool business.

- IPs suggest adding the definition of SRMICS (see below from the Mortgage Guaranty Insurance Model Act), as referred to in Part 2D, as this is a new term in the Annual Statement. We recommend adding it on page 2 of the PDF under “The following definitions should be used in completing the Mortgage Guaranty Insurance Exhibit”:
 - “State Regulatory Mortgage Insurer Capital Standard” (SRMICS) means the economically countercyclical risk-based margin of safety developed to recognize risk and control elements unique to the mortgage guaranty insurance industry, the calculation of which is described in the Mortgage Guaranty Insurance Standards Manual.
- On page 16 (Schedule MG – Part 2E) of the PDF, IPs suggest adding “Number of Policies” above the column headers to clarify that the data is number of policies not dollar amounts.

Tip Tipton, CPA
Accounting Policy Manager
Thrivent

Randy Hefel
NAIC Liaison
SOVOS

CC: Kim Hudson, Vice-Chair, California
Mary Caswell, NAIC
Calvin Ferguson, NAIC
Keith Bell, Travelers
Rose Albrizio, Equitable Financial

The interested parties, as noted below, for the Blanks Working Group support the comments contained within the letter:

<u>Organization</u>	<u>Name</u>	<u>E-Mail Address</u>
American Health Insurance Plans	Ray Nelson	rnelson@triplusservices.com
American Council of Life Insurers	Mike Monahan	MikeMonahan@acli.com
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Principal Life Insurance Company	Rich Wireman	wireman.rich@principal.com
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SUBMITTED BY EMAIL

April 27, 2021

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Kevin Conley, Chair
Mortgage Guaranty Insurance Working Group
Kevin.conley@ncdoi.gov

Re: 2021-08BWG
Proposed Mortgage Guaranty Insurance Exhibit and Instructions (the "MG Exhibit").

Dear NAIC Officials:

On April 6, 2021 the Mortgage Guaranty Insurance Working Group ("MGIWG") met with industry participants and discussed comments that had been submitted with regard to the proposed MG Exhibit. In that meeting the MGIWG responded favorably to the proposal to alter the instructions and schedules to require only five years rather than ten years, and then to add a new year each subsequent year to gradually build back up to ten years of reporting. This appears to have been inadvertently omitted in the schedule exposed by the Blanks Working Group.

Respectfully submitted,

Arch Mortgage Insurance Company
Essent Guaranty, Inc.
Genworth Mortgage Insurance Corporation
Mortgage Guaranty Insurance Corporation
National Mortgage Insurance Corporation
Radian Guaranty Inc.

SUBMITTED BY EMAIL

April 27, 2021

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Kevin Conley, Chair
Mortgage Guaranty Insurance Working Group
Kevin.conley@ncdoi.gov

Re: 2021-08BWG
Proposed Mortgage Guaranty Insurance Exhibit and Instructions (the “MG Exhibit”)

Dear NAIC Officials:

U.S. Mortgage Insurers (USMI) appreciates this opportunity to provide comments on the proposed MG Exhibit. They supplement the comment provided by all mortgage guaranty insurance companies in a separate letter of this same date.

On April 6, 2021 the Mortgage Guaranty Insurance Working Group (“MGIWG”) met with us and discussed comments that had been submitted with regard to the proposed MG Exhibit. The MGIWG accepted some comments and not others, and on April 9, 2021 voted to refer a revised MG Exhibit to the Blanks Working Group for exposure until April 27, 2021. We offer these further thoughts to leadership of both Working Groups:

1. We are interested in understanding why the MGIWG seeks to obtain data on premiums earned on policies written in particular book years when the “Simpler Stronger SRMICS 2021” does not propose to give any credit for premiums written. We would suggest that the detail required by Schedule MG – Part 2C – Policy Year Direct Earned Premium is not needed to assess capital adequacy if credit for premiums written is not being recognized, and we note that such detailed premium patterns are

competitively sensitive and are not otherwise disclosed to the public, as opposed to regulators. It is in contemplation of this public disclosure that we suggest as an alternative that the schedule request premium yields on an aggregated basis, which can be used to project revenues.

2. Given the number of questions that remain outstanding with respect to the SRMICs, the potential unintended consequences that could arise rise from implementing a new, untested capital model, and the desire of regulators to have a more dynamic tool for assessing capital adequacy and financial solvency than currently exists, once finalized, we recommend that the SRMICs initially be utilized as a non-binding assessment tool for regulators of mortgage insurers. Accordingly, we propose to add the following language to the instructions in place of the existing first sentence:

“This exhibit is requested to be completed annually by all insurers, excluding reinsurers, with any mortgage guaranty exposure and filed no later than April 1st. The exhibit is provided for the benefit of regulators of mortgage guaranty insurers to use as a non-binding assessment tool aiding in the evaluation of an insurer’s capital adequacy and financial solvency.”

The revised language clarifies that reporting (1) is not sought from reinsurers with mortgage guaranty exposure, and (2) is provided by mortgage guaranty insurers for use as a non-binding assessment tool, and therefore, is not tied to statutory action levels.

3. We would appreciate the opportunity to review and comment upon the next version of the MG Exhibit after all details regarding the “Simpler Stronger SRMICS 2021” are exposed for review and comment. Updates to the latter would likely be informative with regard to our review of the associated financial reporting exhibit. Similarly, focusing solely on finalizing SRMICS and the associated MG Exhibit as a standalone project is helpful to orient the industry so that we may continue to refine our comments and feedback on SRMICS in the most efficient and constructive manner possible.

Thank you for your consideration of our comments. We are open to meeting to discuss our comments with either or both Working Groups.

Respectfully submitted,



Lindsey D. Johnson
President