Conference Call

BLANKS (E) WORKING GROUP
Thursday, May 28, 2020
11:00 a.m. – 12:00 p.m.

ROLL CALL

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

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

AGENDA

1. Consider Adoption of its Dec. 17, 2019, Minutes—Jake Garn (UT) Attachment A
2. Discuss Items Previously Exposed—Jake Garn (UT)
   a) **2019-25BWG Modified** – Modify the instructions for Column 10 (Schedule F, Part 3 – Property and Schedule F, Part 2 – Life/Fraternal Workers’ Compensation Carve-out supplement) removing the instructions to exclude adjusting and other reserves from the column and add instructions to include those reserves with the defense and cost containment reserves. Add a new instruction for Column 12 for the same schedules. Add crosschecks to Schedule P, Part 1. Attachment B
   b) **2019-28BWG** – Modify the instructions for Supplemental Investment Risk Interrogatories Lines 13.02 through 13.11 clarifying when to identify the actual equity interests within a fund and aggregate those equity interests for determination of the ten largest equity interests. Attachment C
   c) **2019-29BWG** – Modify the instructions and blank for Supplemental Investment Risk Interrogatories Question 14.01. Attachment D
   d) **2019-30BWG Modified** – Add a category and instructions for Reciprocal Jurisdiction Companies in Schedule S for the life/fraternal and health blanks and to Schedule F for the property and title blanks. Add a list of identification numbers in the instructions of Schedule Y, Part 1A; Schedule Y, Part 2; and Schedule D, Part 6, Section 1 for Reciprocal Jurisdiction Companies. Add a reference to Reciprocal Jurisdiction Companies in the Trusted Surplus Statement instructions for life/fraternal, health and property statements. Attachment E
   e) **2020-01BWG** – Add crosschecks to Lines 13 and 14 of the Exhibit of Premiums, Enrollment and Utilization (State Page) to Lines 10 and 11 of the Underwriting and Investment Exhibit, Part 1 in the health blank. Add crosschecks to Lines 9, 10 and 11 of the Underwriting and Investment Exhibit, Part 1 and Schedule T, Line 61. Attachment F
f) **2020-02BWG Modified** – Modify the instructions and illustration for Note 10L to reflect the disclosure changes for **SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities** being adopted by the Statutory Accounting Principles (E) Working Group.

Attachment G

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g) **2020-03BWG Modified** – Modify the instructions and illustration for 13(11) to the Notes to Financial Statement. Change the numbering from 1 through 13 to A through M to reflect the disclosure addition for **SSAP No. 41R—Surplus Notes** being adopted by the Statutory Accounting Principles (E) Working Group (SAPWG 2019-37).

Attachment H

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h) **2020-04BWG** – Modify the instructions and illustration for Note 23A – Unsecured Reinsurance Recoverables to reflect the disclosure addition for **SSAP No. 62R—Property and Casualty Reinsurance** adopted by the Statutory Accounting Principles (E) Working Group (SAPWG 2019-48).

Attachment I

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i) **2020-05BWG Modified** – Modify the instructions and illustration for Note 2 – Accounting Changes and Correction of Errors to reflect the disclosure addition for **SSAP No. 3—Accounting Changes and Corrections of Errors** and **SSAP No. 51R—Life Contracts** being adopted by the Statutory Accounting Principles (E) Working Group (SAPWG 2019-47).

Attachment J

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j) **2020-06BWG Modified** – Modify the instruction and illustration for Note 19 on MGAs and TPAs to reflect the disclosure addition for SSAP No. 51RLife Contracts, SSAP No. 53—Property Casualty Contracts—Premiums, SSAP No. 54R—Individual and Group Accident and Health Contracts, and SSAP No. 59—Credit Life and Accident and Health Insurance Contracts being adopted by the Statutory Accounting Principles (E) Working Group (SAPWG 2019-36).

Attachment K

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k) **2020-07BWG** – Add new disclosure Note 23 – Reinsurance for reinsurance credit (23H – Life/Fraternal, 23E Health and 23K Property) to reflect the disclosure additions for **SSAP No. 61R—Life, Deposit-Type Contracts and Accident and Health Contracts Reinsurance** adopted by the Statutory Accounting Principles (E) Working Group.

Attachment L

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l) **2020-08BWG Modified** – Add a disclosure instruction for 10C to the Notes to Financial Statement for related party transactions not captured on Schedule Y to reflect the disclosure addition for **SSAP No. 25—Affiliates and Other Related Parties** adopted by the Statutory Accounting Principles (E) Working Group (SAPWG 2019-33). Combine existing 10C into 1B instructions and illustration narrative.

Attachment M

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m) **2020-09BWG** – Modify the Annual Statement Instructions for Schedule F, Part 3 to reflect the factors for all uncollateralized reinsurance recoverable from unrated reinsurers be the same for authorized, unauthorized, certified, and reciprocal reinsurance.

Attachment N

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n) **2020-10BWG** – Revise the column 10 header in the Variables Annuities Supplement blank to be **Contract Level Reserves Less Cash Surrender Value**. Revise the line descriptions in Lines 1 through 3 in the footer and add a line for the Reserve Credit from Other Reinsurance and for Post-Reinsurance Ceded Aggregate Reserve. Adjust the instructions to correspond with changes made to the blanks as well as changes in the 2020 **Valuation Manual** for the new **Variable Annuities Framework**.

Attachment O

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o) **2020-11BWG** – For the VM-20 Reserves Supplement Blank, split Part 1 into Part 1A and Part 1B. For Part 1A: change the description header for column 3 to “Due and Deferred Premium Asset” to match the instructions. Add “XXX” in the two places needed to indicate that a due and deferred premium asset does not need to be reported in the lines shown for Total Reserves. Change the reporting units for all columns to be in dollars rather than in thousands. Expand all columns to allow room for a number as large as 999,999,999,999. Change the product labels for clarity. For Part 1B: change the reporting units for the reserve columns to be in dollars rather than in thousands. Expand the reserve columns to allow room for a number as large as 999,999,999,999. Expand the face amount columns to allow room for a number as large as

Attachment P
9,999,999,999. Change the product labels for clarity. Remove Part 2 and re-number the remaining Parts. Adjust the instructions according to the changes made to the blanks. Clarify instructions and add examples for Parts 1A and 1B.

p) 2020-12BWG – The proposal will require appointed actuaries to attest to meeting Continuing Education (CE) requirements and participate in the CAS/SOA CE review procedures, if requested. These proposed changes were adopted by the Task Force on Jan. 28, 2020.

q) 2020-13BWG Modified – Remove Line 24.04 from the General Interrogatories, Part 1 and renumber remaining lines for Interrogatory Question 24. Modify Lines 24.05 and 24.06 to require reporting amounts for conforming and non-conforming collateral programs.

r) 2020-14BWG Modified – Modify the columns and rows on the blank pages for the Long-Term Care Experience Reporting Forms 1 through 5 and make appropriate changes to the instructions for those forms.

s) 2020-15BWG Modified – A new Private Flood Insurance Supplement collecting residential and commercial private flood insurance data and revisions to the Credit Insurance Experience Exhibit (CIEE) to collect lender-placed flood coverages.

t) 2020-16BWG Modified – Modify Questions 3.1 and 3.2 of General Interrogatories Part 2 and provide instructions for the questions.

u) 2020-17BWG – Adjust the AVR presentation to include separate lines for each of the expanded bond designation categories.

v) 2020-18BWG Modified – Clarify the instructions to indicate which funds reported on Schedule D, Part 2, Section 2 (annual filing) and Schedules D, Part 3 and 4 (quarterly filing) must have an NAIC Designation, NAIC Designation Modifier, and SVO Administrative Symbol. Modify the reference to the Purposes and Procedures Manual of the NAIC Investment Analysis Office found in the following investment instructions.

w) 2020-19BWG Modified – Add a code of “%” to the code column for all investments which have been reported Schedule DA, Part 1 and Schedule E, Part 2 for more than one consecutive year. Add certification to the General Interrogatories, Part 1 inclusion of these investments on Schedule DA, Part 1 and Schedule E, Part 2 (SAPWG 2019-20).

x) 2020-20BWG Modified – For Schedule D, Part 1, add code “10” to Column 26 – Collateral Type for ground lease financing. Renumber “Other” code to “11”.

y) 2020-21BWG Modified – Add new Line 4.05 for valuation allowance for mortgage loans to the Summary Investment Schedule and renumber existing Line 4.05 to 4.06. Modify the instructions to include a crosscheck for new Line 4.05 back to Schedule B – Verification Between years. Clarify the instructions for 4.01-4.04 to explicitly show crosschecking to Column 8 of Schedule B, Part 1.

z) 2020-22BWG Modified – Modify the instructions and illustration for Note 3A and a new Note 3E with instructions and illustrations to be captured. Modify the blank and instructions for Schedule D, Part 6, Sections 1 and 2 (SAPWG 2020-03).

aa) 2020-23BWG Modified – Add footnote to Exhibit 5 (life/fraternal & health – life supplement) and Exhibit 3 separate accounts to disclose cases when a mortality risk is no longer present or a significant factor – i.e. due to a policyholder electing a payout benefit (SAPWG 2019-08).
3. Discuss New Items—*Jake Garn (UT)*
   
a) **2020-24BWG** – Remove questions 29, 30, 31 and 32 from the Supplemental Exhibits and Schedules Interrogatories. Renumber the remaining questions. Attachment CC
   
b) **2020-25BWG** – Add a new Column 5 to the blank for Schedule T with instructions to specifically capture the CHIP premium. Existing columns after the new Column 5 will be renumbered. Attachment DD
   
c) **2020-26BWG** – Add a new Column 5 to Schedule DB, Part D, Section 1 and renumber the remaining columns. Add instruction for the new Column 5, add the column reference to Column 7, and adjust other column references in crosschecks. Correct column references for this schedule on the Liability Page, Asset Page and Schedule DB Verification. Modify instruction language for the disclosure Note 8A(8). Attachment EE

4. Consider Adoption of Editorial Listing—*Jake Garn (UT)* Attachment FF

5. Discuss Any Other Matters Brought Before the Working Group—*Jake Garn (UT)*  
a) Electronic Blanks and Instructions Publications

6. Adjournment

*The following documents are being provided as reference materials:*

Summary of Comment Letters Attachment GG

Comment Letters Attachment HH

w:/qa/blanksproposals/web postings/2020-05/1-before meeting/01 preliminary agenda/bwg 5.28.2020 agenda.docx