Date: 11/26/25

Virtual Meeting

RISK-BASED CAPITAL INVESTMENT RISK AND EVALUATION (E) WORKING GROUP
Monday, December 15, 2025
2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

ROLL CALL

Philip Barlow, Chair	District of Columbia	Tadd Wegner	Nebraska
Thomas Reedy, Vice Chair	California	Jennifer Li	New Hampshire
Wanchin Chou	Connecticut	Bob Kasinow/William B. Carmello	New York
Carolyn Morgan	Florida	Dale Bruggeman/Tom Botsko	Ohio
Matt Cheung	Illinois	Rachel Hemphill	Texas
Roy Eft	Indiana	Doug Stolte	Virginia
Carrie Mears/Kevin Clark	Iowa	Steve Drutz/Katy Bardsley	Washington
Fred Andersen	Minnesota	Amy Malm	Wisconsin
William Leung/Danielle Smith	Missouri		

NAIC Committee Support: Julie Gann/Maggie Chang

AGENDA

1. Consider Adoption of its Nov 4 Minutes—*Philip Barlow (DC)* — Attachment 1

2. Hear an Update from the American Academy of Actuaries (Academy) on the Collateralized Loan Obligations (CLO) Risk-Based Capital (RBC) Project —*Philip Barlow (DC)* — Attachment 2

3. Consider Exposure of Proposal 2025-22-IRE CLO RBC Structure —*Philip Barlow (DC)* — Attachment 3 / Attachment 4

4. Discuss Any Other Matters Brought Before the Working Group —*Philip Barlow (DC)*

5. Adjournment

Draft: 11/10/25

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Risk-Based Capital Investment Risk and Evaluation (E) Working Group
Virtual Meeting
November 4, 2025

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The Risk-Based Capital Investment Risk and Evaluation (E) Working Group of the Capital Adequacy (E) Task Force met Nov. 4, 2025. The following Working Group members participated: Philip Barlow, Chair (DC); Thomas Reedy, Vice Chair (CA); Wanchin Chou (CT); Carolyn Morgan (FL); Carrie Mears and Kevin Clark (IA); Matt Cheung (IL); Roy Eft (IN); Fred Andersen (MN); Danielle Smith (MO); Andrea Johnson (NE); Jennifer Li (NH); Bob Kasinow (NY); Dale Bruggeman and Tom Botsko (OH); Aaron Hodges (TX); Doug Stolte (VA); Steve Drutz and Katy Bardsley (WA); and Michael Erdman (WI).

1. Adopted its Sept. 8 Minutes

The Working Group met Sept. 8 and took the following action: 1) adopted its June 23 minutes; and 2) heard an update from the American Academy of Actuaries (Academy) on the structured securities risk-based capital (RBC) project.

Botsko made a motion, seconded by Chou, to adopt the Working Group's Sept. 8 minutes (Attachment XX). The motion passed unanimously.

2. Discussed Comments Received on Proposal 2025-12-IRE (Securities Valuation Office [SVO] Funds Alignment Project)

Barlow started the discussion with a reminder of the original goal of the project, namely, to align RBC treatment for three types of bond funds. Barlow observed that there are inherent differences in the accounting and reporting of these three types of funds, which made the alignment project less of a priority. He wondered if any analysis had been done to substantiate the need to move forward with the alignment project and encouraged the commenters to address the analysis component of the project.

Marc Altschull (American Council of Life Insurers—ACLI) spoke on the ACLI's comment letter (Attachment XX) and reiterated the ACLI's support of the Securities Valuation Office (SVO) bond funds alignment project. He then recapped the ACLI's suggested refinements to the proposal. First, instead of including SVO bond funds in the preferred stock section, which is mapped to the C-1o risk component, the ACLI suggested treating the SVO bond funds as unaffiliated common stock, which is mapped to the C1-cs risk component. He said the proposed refinement will avoid operational complexity and the potential confusion that arises from grouping preferred stocks and bond funds together. Altschull said an alternative to the proposal is to create six new lines within the unaffiliated common stock section, one for each NAIC designation, to avoid making changes to the asset valuation reserve (AVR) schedule. The ACLI also suggested updates to the Schedule D, Part 2, Section 2 instructions to clearly specify categories and subcategories of bond funds. Lastly, Altschull stated that the ACLI supports the clarifying edits proposed to the LR010 and LR011 asset concentration instructions.

No representative spoke on the comment letters submitted by the BCS Insurance Company (Attachment XX) or the TDC Group (Attachment XX). Chou pointed out that the two comment letters were very similar; therefore, they should be counted as one.

Ralph Blanchard (Interested Party) said that due to bond asset durations, accounting conventions and RBC calculations differ materially between life and non-life (i.e., health and property/casualty [PC]) companies. He

cautioned against extending the proposal to non-life RBC. Chou concurred and acknowledged that the bond fund alignment project was referred to the P/C and Health RBC working groups. He gave an update on the work done by the Property and Casualty Risk-Based Capital (E) Working Group thus far, including an attempt to perform cost and benefit analysis.

Barlow said he had reservations about the alignment project, specifically regarding the accounting and reporting differences observed. Altschull referred Barlow to the ACLI's presentation from earlier this year and laid out the supporting arguments for alignment.

Maggie Chang (NAIC) clarified that the ACLI's recommendation to map SVO bond funds to C1-cs presented an unprecedented scenario in the life RBC framework. Currently, no other asset types receive bond C-1 charges and map to C-1cs risk components simultaneously. Altschull said the ACLI is not necessarily in opposition to C-1o mapping, but after considering operational efficiency, C-1cs mapping is preferred. Ann Delaney (John Hancock) said her company also has no opposition to C-1o treatment as originally proposed.

Mears said the Working Group has previously established some principles, including that RBC should be based on statutory accounting. She sought clarification as to whether Barlow's reservation stemmed solely from accounting and recognition divergences or broader differences (e.g., actual investment loss exposures). Barlow stated that the accounting and reporting differences, as well as the ACLI's recommendation, made him question whether the alignment project is warranted. He also pointed out that these asset types are not likely to be material within insurers' portfolios. Barlow said he felt that the alignment project should be broader than just RBC alignment.

Clark agreed with Barlow about the scope of alignment. He said the bond factors were developed with an assumption of an amortized cost accounting framework, and none of these three fund types are accounted for at amortized costs.

Chou asked if an analysis had been performed on the historical default and recovery rates for each type of funds in order to make comparisons. Mears responded that, from what she understood, the real issue is not the underlying risk exposures but the accounting convention. She said that setting aside the accounting convention, use of bond factors is intuitive, especially when the SVO has performed an analysis and is able to designate. Clark concurred. He clarified that he did not suggest bond funds, and their underlying bonds have different risk exposures. He said, however, that the measurement conventions (amortized cost versus fair value) impact the surplus, and therefore, justify different RBC factors and/or treatment.

Barlow concluded that due to the number of discussions during this meeting, the Working Group is not ready to move forward with the proposal. He asked Altschull if he could take away the feedback gathered/discussed and provide further suggestions. Altschull said he would.

Botsko and Drutz reported the status of the alignment project within the Property and Casualty Risk-Based Capital (E) Working Group and Health Risk-Based Capital (E) Working Group, respectively. Both agreed that the Working Groups are working in parallel and not contingent on the work of one another.

3. Adopted its Revised Working Agenda

Barlow said several changes have been made to the Working Group's draft working agenda. First, the item regarding structured notes is proposed to be removed. The rationale was that structured notes are supposed to be classified as "derivatives– other" under *Statement of Statutory Accounting Principles (SSAP) No. 86— Derivatives,* and therefore would be deemed non-admitted assets. This asset type is not expected to be material among insurers. Secondly, the item on RBC treatment of asset-backed securities (ABS) has merged with the item

on tail risk of privately structured securities due to their similarity. Finally, the item on RBC treatment of residual tranches was expanded to document the adoption of a proposal to effect a 45% RBC charge for residual tranches/interests for life insurers only.

Reedy made a motion, seconded by Chou, to adopt the Working Group's revised working agenda (Attachment <mark>XX</mark>). The motion passed unanimously.

4. <u>Discussed its Future Meeting Plans</u>

Barlow said the Working Group does not plan to meet in person at the Fall National Meeting. The Working Group plans to meet during the week of Dec. 15 to receive updates from the Academy on the topic of collateralized loan obligation (CLO) RBC.

Having no further business, the Risk-Based Capital Investment Risk and Evaluation (E) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/Committees/E CMTE/CADTF/2025-3-Fall/IRE/RBCIREWG 11-04-25 Minutes TPR'd.docx

ATTACHMENT TWO – PENDING

UPDATE FROM THE AMERICAN ACADEMY OF ACTUARIES ON THE COLLATERALIZED LOAN OBLIGATIONS RBC PROJECT

Capital Adequacy (E) Task Force
<u>RBC Proposal Form</u>

☐ Capital Adequacy (E) Task Force   ☐ Health RBC (E) Working Group   ☐ Life RBC (E) Working Group

☐ Catastrophe Risk (E) Subgroup   ☐ P/C RBC (E) Working Group   ☐ Longevity Risk (A/E) Subgroup

☐ Variable Annuities Capital. & Reserve (E/A) Subgroup   ☐ Economic Scenarios (E/A) Subgroup   ☒ RBC Investment Risk & Evaluation (E) Working Group

DATE: 11/11/2025	**FOR NAIC USE ONLY**
CONTACT PERSON: Maggie Chang	Agenda Item # 2025-22-IRE Year 2026 or later
TELEPHONE: 816-783-8976	**DISPOSITION**
EMAIL ADDRESS: mchang@naic.org	**ADOPTED:**
ON BEHALF OF: Risk-Based Capital Investment Risk and Evaluation (E) Working Group	☐ TASK FORCE (TF) ☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
NAME: Philip Barlow, Chair	**EXPOSED:** ☐ TASK FORCE (TF)
TITLE: Associate Commissioner of Insurance	☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
AFFILIATION: District of Columbia	**REJECTED:** ☐ TF ☐ WG ☐ SG
ADDRESS: 1050 First Street, NE Suite 801 Washington, DC 20002	**OTHER:** ☐ DEFERRED TO ☐ REFERRED TO OTHER NAIC GROUP ☐ (SPECIFY)

IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

☐ Health RBC Blanks   ☐ Property/Casualty RBC Blanks   ☒ Life and Fraternal RBC Blanks

☐ Health RBC Instructions   ☐ Property/Casualty RBC Instructions   ☒ Life and Fraternal RBC Instructions

☐ Health RBC Formula   ☐ Property/Casualty RBC Formula   ☒ Life and Fraternal RBC Formula

☐ OTHER _____

DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

This proposal incorporates a more granular reporting of Long-Term Bonds into two buckets: i) collateralized loan obligations (CLOs) and ii) all other Long-Term Bonds on the LR002 Bonds page. The expanded presentation of bonds is a result of the work of Risk-Based Capital Investment Risk and Evaluation (E) Working Group under Working Agenda item: Evaluate the appropriate RBC treatment of Asset-Backed Securities (ABS), including Collateralized Loan Obligations (CLO), collateralized fund obligations (CFOs), or other similar securities carrying similar types of tail risk (Complex Assets).

Please note that this proposal does not contemplate any changes to factors. Any changes of factors, if deemed necessary, will be dealt with by a separate proposal. Likewise, residual tranche structural changes, if any, are to be contemplated in separate proposal form.

The accompanying changes proposed to the instructions and blanks of the AVR – Default Component & Equity and Other Invested Asset Component tables are under purview of NAIC Blanks (E) Working Group. As such, the proposed changes to "Annual Statement Source" in LR002 are contingent on the adoption of such Blanks proposal.

Additional Staff Comments:

** **This section must be completed on all forms.**   **Revised 2-2023**

BONDS
LR002

Basis of Factors

The bond factors are based on cash flow modeling using historically adjusted default rates for each bond category. For each of 2,000 trials, annual economic conditions were generated for the 10-year modeling period. Each bond of a 400-bond portfolio was annually tested for default (based on a "roll of the dice") where the default probability varies by designation category and that year's economic environment. When a default takes place, the actual loss considers the expected principal loss by category, the time until the sale actually occurs and the assumed tax consequences.

Actual surplus needs are reduced by incorporating anticipated annual contributions to the asset valuation reserve (AVR) as offsetting cash flow. Required surplus for a given trial is calculated as the amount of initial surplus funds needed so that the accumulation with interest of this initial amount and subsequent cash flows will not become negative at any point throughout the modeling period. The factors chosen for the proposed formula produce a level of surplus at least as much as needed in 92% of the trials by category and a 96% level for the entire bond portfolio.

The factor for NAIC 6 bonds recognizes that the book/adjusted carrying value of these bonds reflects a loss of value upon default by being marked to market.

Specific Instructions for Application of the Formula

Lines (1) through (7)
The book/adjusted carrying value of all bonds, excluding collateralized loan obligations and related fixed income investments should be reported in Column (1). The bonds are split into seven different risk classifications. For long-term bonds, these classifications are found on Lines A1 through A7 of the Asset Valuation Reserve Default Component, Page 30 of the annual statement.

The book/adjusted carrying value of all collateralized loan obligations should be reported in Column 2. The collateralized loan obligations are split into six different risk classifications. These classifications are found on Lines A9.1 through A14 of the Asset Valuation Reserve Default Component, Page 30 of the annual statement.

Line (8)
The total should equal long-term bonds and other fixed income instruments reported on Page 2, Column 3, Line 1 plus Schedule DL Part 1, Column 6, Line 2009999999 of the annual statement.

Lines (9) through (15)
The book/adjusted carrying value of all short-term and cash equivalent bonds and related fixed income investments should be reported in Column (1). The bonds are split into seven different risk classifications. For short-term bonds, these classifications are found on Lines 18 C1 through 24 C7 of the Asset Valuation Reserve Default Component, Page 30 of the annual statement. For cash equivalent bonds, these classifications are found in Footnotes to Schedule E, Part 2.

Line (16)
The total should equal short-term bonds reported on Schedule DA, Part 1, Column 6 Line 0509999999 plus Schedule DL Part 1, Column 6, Line 9509999999 plus Schedule E, Part 2, Column 7, Line 0509999999.

Line (22)
Class 1 bonds (highest quality) issued by a U.S. government agency that are not backed by the full faith and credit of the U.S. government should be reported on this line. The loan-backed securities of the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) would be examples of the securities reported on this line. Line (22) should not be larger than the sum of Lines (2) and (10). Exempt obligations should not be included on this line.

Line (24)
Bonds should be aggregated by issuer (the first six digits of the CUSIP number can be used). Exempt U.S. government bonds and bonds reported on Line (22) are not counted in determining the size factor. The RBC for those bonds will

not be included in the base to which the size factor is applied. If this field is left blank, the maximum size factor adjustment of 2.40 will be used.

Line (25)

The size factor reflects the higher risk of a bond portfolio that contains relatively fewer bonds. The overall factor decreases as the portfolio size increases. The size factor is based on the weighted number of issuers. (The calculation shown below will not appear on the RBC filing software but will be calculated automatically.)

Line (25)	Source	(a) Number of Issuers (for bonds, excluding CLOs)				(b) Weighted Issuers (for bonds, excluding CLOs)
First 50	Company Records		X	2.40	=	
Next 50	Company Records		X	1.53	=	
Next 100	Company Records		X	0.85	=	
Next 300	Company Records		X	0.85	=	
Over 500	Company Records		X	0.82	=	
(i) Total Numbers of Issuers from Line (23) Column (1)						
(ii) Total Weighted Issuers (for bonds, excluding CLOs)						

	Source	(a) Number of Issuers (for CLOs)				(b) Weighted Issuers (for CLOs)
First XX*	Company Records		X	TBD	=	
Next XX*	Company Records		X	TBD	=	
Next XXX*	Company Records		X	TBD	=	
Next XXX*	Company Records		X	TBD	=	
Over XXX*	Company Records		X	TBD	=	
(iii) Total Number of Issuers from Line (23) Column (2)						
(iv) Total Weighted Issuers (for CLOs)						

Size Factor = Total Weighted Issuers (ii)+(iv) Divided by Total Number of Issuers (i) + (iii)

* Total number of breakpoints, as well as weights assigned to each, are subject to American Academy of Actuaries' recommendation and Working Group's review.

	BONDS							
Company Name						Cocode: 00000		

BONDS

			(1) **Non-CLOs** Book / Adjusted Carrying Value			(2) **CLOs** **Book / Adjusted** **Carrying Value**		(3) RBC Requirement
	SVO Bond Designation Category	Annual Statement Source		Factor			Factor	
	Long Term Bonds							
(1)	Exempt Obligations	C(1) AVR Default Component Column 1 Line A1	$0 X	0.00000	XXX	XXX	=	$0
		C(1) AVR Default Component Column 1 Line A2.1						
(2.1)	NAIC Designation Category 1.A	C(2) AVR Default Component Column 1 Line A9.1	$0 X	0.00158	$0 X	TBD	=	$0 =ROUND(MAX(0,D10)*F10 + MAX(0,G10)*I10,0)
		C(1) AVR Default Component Column 1 Line A2.2						
(2.2)	NAIC Designation Category 1.B	C(2) AVR Default Component Column 1 Line A9.2	$0 X	0.00271	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.3						
(2.3)	NAIC Designation Category 1.C	C(2) AVR Default Component Column 1 Line A9.3	$0 X	0.00419	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.4						
(2.4)	NAIC Designation Category 1.D	C(2) AVR Default Component Column 1 Line A9.4	$0 X	0.00523	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.5						
(2.5)	NAIC Designation Category 1.E	C(2) AVR Default Component Column 1 Line A9.5	$0 X	0.00657	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.6						
(2.6)	NAIC Designation Category 1.F	C(2) AVR Default Component Column 1 Line A9.6	$0 X	0.00816	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A2.7						
(2.7)	NAIC Designation Category 1.G	C(2) AVR Default Component Column 1 Line A9.7	$0 X	0.01016	$0 X	TBD	=	$0
(2.8)	Subtotal NAIC 1	Sum of Lines (2.1) through (2.7)	$0		$0			$0
		C(1) AVR Default Component Column 1 Line A3.1						
(3.1)	NAIC Designation Category 2.A	C(2) AVR Default Component Column 1 Line A10.1	$0 X	0.01261	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A3.2						
(3.2)	NAIC Designation Category 2.B	C(2) AVR Default Component Column 1 Line A10.2	$0 X	0.01523	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A3.3						
(3.3)	NAIC Designation Category 2.C	C(2) AVR Default Component Column 1 Line A10.3	$0 X	0.02168	$0 X	TBD	=	$0
(3.4)	Subtotal NAIC 2	Sum of Lines (3.1) through (3.3)	$0		$0			$0
		C(1) AVR Default Component Column 1 Line A4.1						
(4.1)	NAIC Designation Category 3.A	C(2) AVR Default Component Column 1 Line A11.1	$0 X	0.03151	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A4.2						
(4.2)	NAIC Designation Category 3.B	C(2) AVR Default Component Column 1 Line A11.2	$0 X	0.04537	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A4.3						
(4.3)	NAIC Designation Category 3.C	C(2) AVR Default Component Column 1 Line A11.3	$0 X	0.06017	$0 X	TBD	=	$0
(4.4)	Subtotal NAIC 3	Sum of Lines (4.1) through (4.3)	$0		$0			$0
		C(1) AVR Default Component Column 1 Line A5.1						
(5.1)	NAIC Designation Category 4.A	C(2) AVR Default Component Column 1 Line A12.1	$0 X	0.07386	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A5.2						
(5.2)	NAIC Designation Category 4.B	C(2) AVR Default Component Column 1 Line A12.2	$0 X	0.09535	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A5.3						
(5.3)	NAIC Designation Category 4.C	C(2) AVR Default Component Column 1 Line A12.3	$0 X	0.12428	$0 X	TBD	=	$0
(5.4)	Subtotal NAIC 4	Sum of Lines (5.1) through (5.3)	$0		$0			$0
		C(1) AVR Default Component Column 1 Line A6.1						
(6.1)	NAIC Designation Category 5.A	C(2) AVR Default Component Column 1 Line A13.1	$0 X	0.16942	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A6.2						
(6.2)	NAIC Designation Category 5.B	C(2) AVR Default Component Column 1 Line A13.2	$0 X	0.23798	$0 X	TBD	=	$0
		C(1) AVR Default Component Column 1 Line A6.3						
(6.3)	NAIC Designation Category 5.C	C(2) AVR Default Component Column 1 Line A13.3	$0 X	0.30000	$0 X	TBD	=	$0
(6.4)	Subtotal NAIC 5	Sum of Lines (6.1) through (6.3)	$0		$0			$0
		C(1) AVR Default Component Column 1 Line A7						
(7)	NAIC 6	C(2) AVR Default Component Column 1 Line A14	$0 X	0.30000	$0 X	TBD	=	$0
(8)	Total Long-Term Bonds	Sum of Lines (1) + (2.8) + (3.4) + (4.4) + (5.4) + (6.4) + (7)	$0		$0			$0
		(Column (1) + **Column (2)** should equal Page 2 Column 3 Line 1 + Schedule DL Part 1 Column 6 Line 2009999999)						
	Short Term and Cash Equivalent Bonds							
(9)	Exempt Obligations	AVR Default Component Column 1 Line C1 + Schedule E, Part 2, Column 7, Line 0019999999	$0 X	0.000	XXX	XXX =		$0
(10.1)	NAIC Designation Category 1.A	AVR Default Component Column 1 Line C2.1 + Schedule E, Part 2, Footnote L000001A, Amount 1 - Schedule E, Part 2, Column 7, Line 0019999999	$0 X	0.00158	XXX	XXX =		$0

LR002

(10.2)	NAIC Designation Category 1.B	AVR Default Component Column 1 Line **C2**.2 + Schedule E, Part 2, Footnote L000001A, Amount 2	$0 X	0.00271	XXX	XXX =	$0
(10.3)	NAIC Designation Category 1.C	AVR Default Component Column 1 Line **C2**.3 + Schedule E, Part 2, Footnote L000001A, Amount 3	$0 X	0.00419	XXX	XXX =	$0
(10.4)	NAIC Designation Category 1.D	AVR Default Component Column 1 Line **C2**.4 + Schedule E, Part 2, Footnote L000001A, Amount 4	$0 X	0.00523	XXX	XXX =	$0
(10.5)	NAIC Designation Category 1.E	AVR Default Component Column 1 Line **C2**.5 + Schedule E, Part 2, Footnote L000001A, Amount 5	$0 X	0.00657	XXX	XXX =	$0
(10.6)	NAIC Designation Category 1.F	AVR Default Component Column 1 Line **C2**.6 + Schedule E, Part 2, Footnote L000001A, Amount 6	$0 X	0.00816	XXX	XXX =	$0
(10.7)	NAIC Designation Category 1.G	AVR Default Component Column 1 Line **C2**.7 + Schedule E, Part 2, Footnote L000001A, Amount 7	$0 X	0.01016	XXX	XXX =	$0
(10.8)	Subtotal NAIC 1	Sum of Lines (10.1) through (10.7)	$0				$0
(11.1)	NAIC Designation Category 2.A	AVR Default Component Column 1 Line **C3**.1 + Schedule E, Part 2, Footnote L000001B, Amount 1	$0 X	0.01261	XXX	XXX =	$0
(11.2)	NAIC Designation Category 2.B	AVR Default Component Column 1 Line **C3**.2 + Schedule E, Part 2, Footnote L000001B, Amount 2	$0 X	0.01523	XXX	XXX =	$0
(11.3)	NAIC Designation Category 2.C	AVR Default Component Column 1 Line **C3**.3 + Schedule E, Part 2, Footnote L000001B, Amount 3	$0 X	0.02168	XXX	XXX =	$0
(11.4)	Subtotal NAIC 2	Sum of Lines (11.1) through (11.3)	$0				$0
(12.1)	NAIC Designation Category 3.A	AVR Default Component Column 1 Line **C4**.1 + Schedule E, Part 2, Footnote L000001C, Amount 1	$0 X	0.03151	XXX	XXX =	$0
(12.2)	NAIC Designation Category 3.B	AVR Default Component Column 1 Line **C4**.2 + Schedule E, Part 2, Footnote L000001C, Amount 2	$0 X	0.04537	XXX	XXX =	$0
(12.3)	NAIC Designation Category 3.C	AVR Default Component Column 1 Line **C4**.3 + Schedule E, Part 2, Footnote L000001C, Amount 3	$0 X	0.06017	XXX	XXX =	$0
(12.4)	Subtotal NAIC 3	Sum of Lines (12.1) through (12.3)	$0				$0
(13.1)	NAIC Designation Category 4.A	AVR Default Component Column 1 Line **C5**.1 + Schedule E, Part 2, Footnote L000001D, Amount 1	$0 X	0.07386	XXX	XXX =	$0
(13.2)	NAIC Designation Category 4.B	AVR Default Component Column 1 Line **C5**.2 + Schedule E, Part 2, Footnote L000001D, Amount 2	$0 X	0.09535	XXX	XXX =	$0
(13.3)	NAIC Designation Category 4.C	AVR Default Component Column 1 Line **C5**.3 + Schedule E, Part 2, Footnote L000001D, Amount 3	$0 X	0.12428	XXX	XXX =	$0
(13.4)	Subtotal NAIC 4	Sum of Lines (13.1) through (13.3)	$0				$0
(14.1)	NAIC Designation Category 5.A	AVR Default Component Column 1 Line **C6**.1 + Schedule E, Part 2, Footnote L000001E, Amount 1	$0 X	0.16942	XXX	XXX =	$0
(14.2)	NAIC Designation Category 5.B	AVR Default Component Column 1 Line **C6**.2 + Schedule E, Part 2, Footnote L000001E, Amount 2	$0 X	0.23798	XXX	XXX =	$0
(14.3)	NAIC Designation Category 5.C	AVR Default Component Column 1 Line **C6**.3 + Schedule E, Part 2, Footnote L000001E, Amount 3	$0 X	0.30000	XXX	XXX =	$0
(14.4)	Subtotal NAIC 5	Sum of Lines (14.1) through (14.3)	$0				$0
(15)	NAIC 6	AVR Default Component Column 1 Line **C7** Schedule E, Part 2, Footnote L000001F, Amount 1	$0 X	0.300	XXX	XXX =	$0
(16)	Total Short-Term and Cash Equivalent Bonds	Sum of Lines (9) + (10.8) + (11.4) + (12.4) + (13.4) + (14.4) + (15)	$0				$0
	(Column (1) should equal Schedule DA Part 1 Column 6 Line 0509999999 + Schedule DL Part 1 Column 6 Line 9509999999 + Schedule E Part 2 Column 7 Line 0509999999)						
(17)	Total Long-Term and Short-Term Bonds (pre-MODCO/Funds Withheld)	Line (8) + (16)	$0		$0		$0
(18)	Credit for Hedging	LR014 Hedged Asset Bond Schedule Column (13) Line (0399999)					$0
(19)	Reduction in RBC for MODCO/Funds Withheld Reinsurance Ceded Agreements	LR045 Modco or Funds Withheld Reinsurance Ceded - Bonds C-1o Column (4) Line (9999999)					$0
(20)	Increase in RBC for MODCO/Funds Withheld Reinsurance Assumed Agreements	LR046 Modco or Funds Withheld Reinsurance Assumed - Bonds C-1o Column (4) Line (9999999)					$0
(21)	Total Long-Term and Short-Term Bonds (including MODCO/FundsWithheld and Credit for Hedging adjustments.)	Lines (17) - (18) - (19) + (20)	$0		$0		$0
(22)	Non-exempt U.S. Government Agency Bonds	Schedule D Part 1 Section 1 and Section 2, Schedule DA Part 1 and Schedule E Part 2, in part†	$0 X	0.00158		=	$0
(23)	Bonds Subject to Size Factor	Line (21) - Line (1) - Line (9) - Line (22)	$0		$0		$0
(24)	Number of Issuers	Company Records	$0		$0		
(25)	Size Factor for Bonds						2.4
(26)	Bonds Subject to Size Factor after the Size	Line (23) x Line (25)					$0

Formula subjects to change once breakpoints & weights are finalized

Factor is Applied

(27) Total Bonds   Line (22) + Line (26) $0

†   Only investments in-U.S. Government agency bonds previously reported in Lines (2.8) and (10.8), net of those included on Line (19), plus the
portion of Line (20) attributable to ceding companies' Lines (2.8) and (10.8) should be included on Line (22). No other bonds should be included on this
line. Exempt U.S. Government bonds shown on Lines (1) and (9) should not be included on Line (22). Refer to the bond section of the risk-based capital
instructions for more clarification.

CALCULATION OF TAX EFFECT FOR LIFE AND FRATERNAL RISK-BASED CAPITAL

Company Name   Cocode: 00000

CALCULATION OF TAX EFFECT FOR LIFE AND FRATERNAL RISK-BASED CAPITAL

		Source	(1) RBC Amount	Tax Factor	(2) RBC Tax Effect
	ASSET RISKS				
	Bonds				
(001)	Long-term Bonds – NAIC 1	LR002 Bonds Column (3) Line (2.8) + LR018 Off-Balance Sheet Collateral Column (3) Line (2.8)	$0 X	0.1680	= $0
(002)	Long-term Bonds – NAIC 2	LR002 Bonds Column (3) Line (3.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (3.4)	$0 X	0.1680	= $0
(003)	Long-term Bonds – NAIC 3	LR002 Bonds Column (3) Line (4.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (4.4)	$0 X	0.1680	= $0
(004)	Long-term Bonds – NAIC 4	LR002 Bonds Column (3) Line (5.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (5.4)	$0 X	0.1680	= $0
(005)	Long-term Bonds – NAIC 5	LR002 Bonds Column (3) Line (6.4) + LR018 Off-Balance Sheet Collateral Column (3) Line (6.4)	$0 X	0.1680	= $0
(006)	Long-term Bonds – NAIC 6	LR002 Bonds Column (3) Line (7) + LR018 Off-Balance Sheet Collateral Column (3) Line (7)	$0 X	0.2100	= $0
(007)	Short-term Bonds – NAIC 1	LR002 Bonds Column (3) Line (10.8)	$0 X	0.1680	= $0
(008)	Short-term Bonds – NAIC 2	LR002 Bonds Column (3) Line (11.4)	$0 X	0.1680	= $0
(009)	Short-term Bonds – NAIC 3	LR002 Bonds Column (3) Line (12.4)	$0 X	0.1680	= $0
(010)	Short-term Bonds – NAIC 4	LR002 Bonds Column (3) Line (13.4)	$0 X	0.1680	= $0
(011)	Short-term Bonds – NAIC 5	LR002 Bonds Column (3) Line (14.4)	$0 X	0.1680	= $0
(012)	Short-term Bonds – NAIC 6	LR002 Bonds Column (3) Line (15)	$0 X	0.2100	= $0
(013)	Credit for Hedging - NAIC 1 Through 5 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0199999)	$0 X	0.1680	= $0 †
(014)	Credit for Hedging - NAIC 6 Bonds	LR014 Hedged Asset Bond Schedule Column (13) Line (0299999)	$0 X	0.2100	= $0 †
(015)	Bond Reduction - Reinsurance	LR002 Bonds Column (3) Line (19)	$0 X	0.2100	= $0 †
(016)	Bond Increase - Reinsurance	LR002 Bonds Column (3) Line (20)	$0 X	0.2100	= $0
(017)	Non-Exempt NAIC 1 U.S. Government Agency	LR002 Bonds Column (3) Line (22)	$0 X	0.1680	= $0
(018)	Bonds Size Factor	LR002 Bonds Column (3) Line (26) - LR002 Bonds Column (3) Line (21)	$0 X	0.1680	= $0

Detail Eliminated to Conserve Space

Company Name	Cocode: 00000

CALCULATION OF AUTHORIZED CONTROL LEVEL RISK-BASED CAPITAL

			(1) RBC
		Source	Requirement
	Insurance Affiliates and Misc. Other Amounts (C-0)		
(1)	Directly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (1)	$0
(2)	Directly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (2)	$0
(3)	Directly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (3)	$0
(4)	Indirectly Owned Health Insurance Companies or Health Entities	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (4)	$0
(5)	Indirectly Owned Property and Casualty Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (5)	$0
(6)	Indirectly Owned Life Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (6)	$0
(7)	Affiliated Alien Insurers - Directly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (9) + (10) + (11)	$0
(8)	Affiliated Alien Insurers - Indirectly Owned	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (12) + (13) + (14)	$0
(9)	Off-Balance Sheet and Other Items	LR017 Off-Balance Sheet and Other Items Column (5) Line (34)	$0
(10)	Total (C-0) - Pre-Tax	Sum of Lines (1) through (9)	$0
(11)	(C-0) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (122)	$0
(12)	Net (C-0) - Post-Tax	Line (10) - Line (11)	$0
	Asset Risk – Unaffiliated Common Stock and Affiliated Non-Insurance Stock (C-1cs)		
(13)	Schedule D Unaffiliated Common Stock	LR005 Unaffiliated Common Stock Column (5) Line (21) + LR018 Off-Balance Sheet Collateral Column (3) Line (16)	$0
	Schedule BA Unaffiliated Common Stock/ Equity Interests and Affiliated Non-Insurance Stock (C1-cs), excluding		
(14)	Residual Tranches or Interests	LR008 Other Long-Term Assets Column (5) line (49) - (45)	$0
(15)	Total Residual Tranches or Interests	LR008 Other Long-Term Assets Column (5) line (45)	$0
(16)	Common Stock Concentration Factor	LR011 Common Stock Concentration Factor Column (6) Line (6)	$0
(17)	Holding Company in Excess of Indirect Subs	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (7)	$0
(18)	Affiliated Non-Insurers	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Lines (19) + (20) + (21)	$0
(19)	Total (C-1cs) - Pre-Tax	Sum of Lines (13) through (18)	$0
(20)	(C-1cs) Tax Effect	LR030 Calculation of Tax Effect for Life and Fraternal Risk-Based Capital Column (2) Line (134)	$0
(21)	Net (C-1cs) - Post-Tax	Line (19) - Line (20)	$0
	Asset Risk - All Other (C-1o)		
(22)	Bonds after Size Factor	LR002 Bonds Column (3) Line (27) + LR018 Off-Balance Sheet Collateral Column (3) Line (8)	$0
(23)	Mortgages (including past due and unpaid taxes)	LR004 Mortgages Column (6) Line (31)	$0
(24)	Unaffiliated Preferred Stock	LR005 Unaffiliated Preferred and Common Stock Column (5) Line (10) + LR018 Off-Balance Sheet Collateral Column (3) Line (15)	$0
(25)	Investment Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (8)	$0
(26)	Investment in Upstream Affiliate (Parent)	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (15)	$0
(27)	Directly Owned Health Insurance Companies or Health Entities Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (16)	$0
(28)	Directly Owned Property and Casualty Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (17)	$0
(29)	Directly Owned Life Insurance Companies Not Subject to RBC	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (18)	$0
(30)	Publicly Traded Insurance Affiliates	LR042 Summary for Affiliated/Subsidiary Stocks Column (4) Line (22)	$0
(31)	Separate Accounts with Guarantees	LR006 Separate Accounts Column (3) Line (7)	$0
(32)	Synthetic GIC's (C-1o)	LR006 Separate Accounts Column (3) Line (8)	$0
(33)	Surplus in Non-Guaranteed Separate Accounts	LR006 Separate Accounts Column (3) Line (13)	$0
(34)	Real Estate (gross of encumbrances)	LR007 Real Estate Column (3) Line (13)	$0
(35)	Schedule BA Real Estate (gross of encumbrances)	LR007 Real Estate Column (3) Line (25)	$0
(36)	Other Long-Term Assets	LR008 Other Long-Term Assets Column (5) Line (57) + LR018 Off-Balance Sheet Collateral Column (3) Line (17) + Line (18)	$0

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NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: _____	**FOR NAIC USE ONLY**
	Agenda Item # _2025-##BWG_
CONTACT PERSON: _____	Year _____2026_____
	Changes to Existing Reporting [X]
TELEPHONE: _____	New Reporting Requirement [ ]
EMAIL ADDRESS: _____	**REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT**
ON BEHALF OF: _____	No Impact [X]
	Modifies Required Disclosure [ ]
NAME: **Philip Barlow**	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [No]
TITLE: **Associate Commissioner of Insurance**	***If Yes, complete question below***
AFFILIATION: **District of Columbia**	**DISPOSITION**
ADDRESS: _____	[ ] Rejected For Public Comment
_____	[ ] Referred To Another NAIC Group
	[ ] Received For Public Comment
	[ ] Adopted Date _____
	[ ] Rejected Date _____
	[ ] Deferred Date _____
	[ ] Other (Specify) _____

BLANK(S) TO WHICH PROPOSAL APPLIES

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

Anticipated Effective Date: _ Annual 2026 _____

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a section to Life/Fraternal Asset Valuation Reserve (AVR) to report Collateralized Loan Obligations (CLOs). Also add a footnote to Schedule D, Part 1, Section 2 to report the book adjusted carrying value by NAIC designation for CLOs.

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

This proposal was prepared to incorporate a more granular reporting of long-term bonds in Asset Valuation Reserve (AVR) – Default Component by bifurcating long-term bonds into i) Long-Term Bonds, excluding collateralized loan obligations (CLOs) and ii) CLOs. The expanded presentation of bonds helps to facilitate the work of Risk-Based Capital Investment Risk and Evaluation (E) Working Group under Working Agenda IR#5: Evaluate the appropriate RBC treatment of Asset-Backed Securities (ABS), including Collateralized Loan Obligations (CLO), collateralized fund obligations (CFOs), or other similar securities carrying similar types of tail risk (Complex Assets).

In addition, the AVR – Default Component & Equity and Other Invested Asset Component tables are re-designed to section-by-section format in order to support future changes in asset categorization.

Finally, the proposed change to Schedule D, Part 1, Section 2 facilities P/C and Health RBC formulas should they consider expanding bond pages (PR006 and XR007) to bifurcate long-term bond into CLOs and other than CLOs.

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

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments: _____

**   **This section must be completed on all forms.**   **Revised 11/17/2022**

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

ASSET VALUATION RESERVE

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Line 7 – Basic Contribution (includes separate accounts assets, if applicable)

Report the basic contribution amount for each asset category as calculated on Pages 30 through ~~36~~ 38 (General Account) and Pages 15 through ~~21~~ 23 (Separate Accounts).

Column 1: Report the total bonds (including collateralized loan obligations), preferred stock, short–term investments, and derivative instruments from Page~~s~~ 31 and 32, Line~~s 34A~~16, B8, C8, and D9, Column 6 (General Account) and Page~~s~~ 16 and 17, Line~~s 34A~~16, B8, C8, and D9, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0199999, Column 7 (General Account) and
Page ~~21~~23, Line 0199999, Column 7 (Separate Accounts).

Column 2: Report the total mortgage loans from Page ~~32~~33, Line ~~58E~~24, Column 6 (General Account) and Page ~~17~~18, Line ~~58E~~24, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0299999, Column 7 (General Account) and Page ~~21~~23, Line 0299999, Column 7 (Separate Accounts).

Column 4: Report the total common stock from Page ~~33~~34, Line ~~A~~17, Column 6 (General Account) and Page ~~18~~19, Line ~~18~~A17, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0399999, Column 7 (General Account) and Page ~~21~~23, Line 0399999, Column 7 (Separate Accounts).

Column 5: Report the total real estate from Page ~~33~~34, Line ~~21~~B4, Column 6 (General Account) and from Page ~~18~~19, Line ~~21~~B4, Column 6 (Separate Accounts), if applicable, plus the total other invested assets from Page ~~35~~37, Line ~~105~~L6, Column 6 (General Account) and from Page ~~20~~22, Line ~~105~~L6, Column 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0499999, Column 7 (General Account) and Page ~~21~~23, Line 0499999, Column 7 (Separate Accounts).

Line 9 – Maximum Reserve (includes separate accounts assets, if applicable)

Report the maximum reserve for each asset category as calculated on Pages 30 through ~~36~~ 38 (General Account) and Pages 15 through ~~21~~ 23 (Separate Accounts).

Column 1: Report the total bonds (including collateralized loan obligations), preferred stock, short–term investments, and derivative instruments from Page~~s~~ 31 and 32, Line~~s 34A~~16, B8, C8, and D9, Column 10 (General Account) and Page~~s~~ 16 and 17, Line~~s 34A~~16, B8, C8, and D9, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0199999, Column 9 (General Account) and
Page ~~21~~23, Line 0199999, Column 9 (Separate Accounts).

Column 2: Report the total mortgage loans from Page ~~32~~33, Line ~~58E~~24, Column 10 (General Account) and Page ~~17~~18, Line ~~58E~~24, Col. 10 (Separate Accounts), if applicable and the

total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0299999, Column 9 (General Account) and Page ~~21~~23, Line 0299999, Column 9 (Separate Accounts).

Column 4:   Report the total common stock from Page ~~33~~34, Line ~~17~~B4, Column 10 (General Account) and Page ~~18~~19, Line ~~17~~B4, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0399999, Column 9 (General Account) and Page ~~21~~23, Line 0399999, Column 9 (Separate Accounts).

Column 5:   Report the total real estate from Page ~~33~~34, Line ~~21~~B4, Column 10 (General Account) and from Page ~~18~~19, Line ~~21~~B4, Column 10 (Separate Accounts), if applicable, plus the total other invested assets from Page ~~35~~37, Line ~~105~~L6, Column 10 (General Account) and from Page ~~20~~22, Line ~~105~~L6, Column 10 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0499999, Column 9 (General Account) and Page ~~21~~23, Line 0499999, Column 9 (Separate Accounts).

Line 10   –   Reserve Objective (includes separate accounts assets, if applicable)

Report the reserve objective amount for each asset category as calculated on Pages 30 through ~~36~~ 38 (General Account) and Pages 15 through ~~21~~ 23 (Separate Accounts).

Column 1:   Report the total bonds (including collateralized loan obligations), preferred stock, short–term investments, and derivative instruments from Page~~s~~ 31 and 32, Line~~s~~ ~~34~~A16, B8, C8, and D9, Column 8 (General Account) and Page~~s~~ 16 and 17, Line~~s~~ ~~34~~A16, B8, C8, and D9, Column 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0199999, Column 8 (General Account) and Page ~~21~~23, Line 0199999, Column 8 (Separate Accounts).

Column 2:   Report the total mortgage loans from Page ~~32~~33, Line ~~58~~E24, Column 8 (General Account) and Page ~~17~~18, Line ~~58~~E24, Col. 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0299999, Column 8 (General Account) and Page ~~21~~23, Line 0299999, Column 8 (Separate Accounts).

Column 4:   Report the total common stock from Page ~~33~~34, Line ~~17~~B4, Column 8 (General Account) and Page ~~18~~19, Line ~~17~~B4, Col. 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0399999, Column 8 (General Account) and Page ~~21~~23, Line 0399999, Column 8 (Separate Accounts).

Column 5:   Report the total real estate from Page ~~33~~34, Line ~~21~~B4, Column 8 (General Account) and from Page ~~18~~19, Line ~~21~~B4, Column 8 (Separate Accounts), if applicable; plus the total other invested assets from Page ~~35~~37, Line ~~105~~L6, Column 8 (General Account) and from Page ~~20~~22, Line ~~105~~L6, Column 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page ~~36~~38, Line 0499999, Column 8 (General Account) and Page ~~21~~23, Line 0499999, Column 8 (Separate Accounts).

DEFAULT COMPONENT –
BASIC CONTRIBUTION, RESERVE OBJECTIVE, AND MAXIMUM RESERVE CALCULATIONS

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Section A:

Lines 1
through 7   –   Long-Term Bonds, excluding collateralized loan obligations

Report the book/adjusted carrying value of all bonds and other fixed income instruments owned, excluding unaffiliated and affiliated non-agency CLOs/CBOs/CDOs reported on Schedule D, Part 1, Section 2, Lines 1099999999 and 1109999999 and Schedule DL, Part 1, Lines 1099999999 and 1109999999 in Columns 1 and 4. Categorize the bonds and other fixed income instruments into NAIC designations 1 through 6 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*, except that, exempt obligations should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line 8   –   Intentionally Left Blank

Line 98   –   Total Long-Term Bonds

Column 1 should agree with Page 2, Line 1, Column 3 plus Schedule DL Part 1, Column 6, Line 2009999999 minus Schedule D, Part 1, Section 2, Column 8, Lines 1099999999 and 1109999999 minus Schedule DL, Part 1, Column 6, Lines 1099999999 and 1109999999.

Lines 9
through 14   –   Collateralized Loan Obligations

Report the book/adjusted carrying value of all collateralized loan obligations owned, reported as unaffiliated and affiliated non-agency CLOs/CBOs/CDOs on Schedule D, Part 1, Section 2, Lines 1099999999 and 1109999999 and Schedule DL, Part 1, Lines 1099999999 and 1109999999 in Columns 1 and 4. Categorize the collateralized loan obligations into NAIC designations 1 through 6 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line 15   –   Total Collateralized Loan Obligations

Column 1 should agree with Schedule D, Part 1, Section 2, Column 8, Lines 1099999999 and 1109999999 plus Schedule DL, Part 1, Lines 1099999999 and 1109999999.

Section B:

Lines 10
through 158   –   Preferred Stocks

Report the book/adjusted carrying value of all preferred stocks owned in Columns 1 and 4. Categorize the preferred stocks into NAIC designations one through six as directed by the NAIC Securities Valuation Office instructions. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line ~~16~~7   –   Affiliated Life Insurer with AVR

Report the book/adjusted carrying value of all preferred stocks owned in a controlled or affiliated company, or a subsidiary that is a life or fraternal insurance company that holds an AVR, in Columns 1 and 4. These companies are required to carry their own asset valuation reserve or an equivalent, and therefore the preferred stocks are not required to be included in the asset valuation reserve of an affiliated company.

Line ~~17~~8   –   Total Preferred Stocks

Column 1 should agree with Page 2, Line 2.1, Column 3 plus Schedule DL, Part 1, Column 6, Line 4509999999.

Section C:

Lines 1~~8~~
through ~~24~~7   –   Short-Term Bonds

Report the book/adjusted carrying value of all short-term bonds and other short-term fixed-income investments (Schedule DA, Part 1 (Line 0509999999) and short-term bonds included on Schedule DL, Part 1, Line 9509999999 owned in Columns 1 and 4. Categorize the short-term bonds and other fixed-income instruments listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* into NAIC designations 1 through 6 as directed by the Securities Valuation Office instructions, except that exempt obligations listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Section D:

Lines ~~26~~1
through ~~32~~8   –   Derivative Instruments

Report the book/adjusted carrying value exposure to counterparty credit risk associated with the use of derivative instruments, net of acceptable collateral, for all counterparties by each SVO designation, from Schedule DB, Part D, Section 1, Column 8. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line ~~34~~9   –   Total

Column 6 must be reported on Page 29, Line 7, Column 1.

Column 8 must be reported on Page 29, Line 10, Column 1.

Column 10 must be reported on Page 29, Line 9, Column 1.

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Section E:

Lines 35~~1~~
through ~~57~~23 – Mortgage Loans

The classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Report the book/adjusted carrying value of all Schedule B and Schedule DL, Part 1 mortgage loans owned in Column 1. Any related party encumbrances should be deducted in Column 2. Categorize the mortgage loans as indicated on Lines 35~~1~~ through ~~57~~23. Report the difference of Column 1 less Column 2 in Column 4. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7, and 9, and report the products by category in Columns 6, 8, and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount deducted in Column 2 should be reflected in Column 2 in the corresponding section of the AVR worksheet. If the affiliated entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount deducted in Column 2 should be based on the reporting entity's ownership percentage.

Line ~~58~~24 – Total Schedule B Mortgage Loans on Real Estate

Column 1 should agree with Page 2, Line 3.1 + 3.2, Column 3 plus Schedule DL, Part 1, Column 6, Line 9309999999.

Column 6 must be reported on the Asset Valuation Reserve Page, Line 7, Column 2.

Column 8 must be reported on the Asset Valuation Reserve Page, Line 10, Column 2.

Column 10 must be reported on the Asset Valuation Reserve Page, Line 9, Column 2.

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

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Section A:

Drafting Note: Changes in Blanks Proposal 2025-20BWG for Investment Subs are not shown on this proposal but the Common Stock AVR lines will be under Section A.

▌ ═══════════════ **Detail Eliminated To Conserve Space** ═══════════════ ▌

Section B:

Lines 1~~8~~
through ~~20~~3 – Real Estate

Categorize the real estate as indicated on Lines B1~~8~~ through ~~20~~B3. Real estate reported in Schedule DL, Part 1, Line 9209999999 would also be included in this section. Report the sum of Columns 1, 2, and 3 in Column 4. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third-party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 6) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third-party encumbrances with recourse which are included in Column 3.

Line 21~~4~~ – Total Real Estate

The Columns 6, 8, and 10 amounts must be combined with Line 83, Columns 6, 8, and 10 amounts and reported on the Asset Valuation Reserve Page, Lines 7, 10, and 9, Column 5.

Section C:

Lines 22~~1~~
through ~~28~~7 – Other Invested Assets with Underlying Characteristics of Bonds

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to bonds (Lines 0199999, 0299999, 0599999, 0699999, 0999999, 1099999, 1399999, and 1499999) that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* in Columns 1 and 4. Follow the SVO guidelines and categorize these assets into NAIC designations one through six as directed by the NAIC Securities Valuation Office instructions, except those exempt obligations (as listed in the AVR instructions for Line 2) which should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9 and report the products by designation in Columns 6, 8, and 10, respectively.

Section D:

Lines 30<s>1</s>
through 3<s>5</s>8   –   Other Invested Assets with Underlying Characteristics of Preferred Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to preferred stocks (Lines 1799999 and 1899999). Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Section E:

Lines 3<s>8</s>1
through 63<s>26</s>   –   Other Invested Assets with Underlying Characteristics of Mortgage Loans

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to mortgage loans (Lines 2399999 and 2499999), excluding any mortgage-backed/asset-backed securities included in Lines 22 C1 through 28 C7 above, in Columns 1 and 4. Categorize the mortgage loans as indicated in Lines 38 E1 through 55E18.

For Lines 38 E1 through 63E26, the classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7, and 9, Lines 38 through 63. Report the products by category in Columns 6, 8, and 10, respectively.

Section F:

Lines 65<s>1</s>
through 6<s>9</s>5   –   Other Invested Assets with Underlying Characteristics of Common Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investments are similar to common stock (Lines 1999999 and 2099999) in Columns 1 and 4. Line 68 F4 should show all Schedule BA assets owned where the characteristics of the underlying investments are similar to subsidiary, controlled or affiliated company common stocks owned and these assets should be valued according to the *SSAP No. 48—Joint Ventures, Partnerships or Limited Liability Companies*. Categorize these assets consistent with the directions for Pages 32 34 and 33<ins>35</ins>, Lines A1 through A4, A15, and A16. For Line 65F1, the reserve factor must be calculated on an individual company basis. It is equal to 15.8% times the beta factor as discussed in the Pages 32 34 and 33<ins>35</ins>, Line A1 instructions, and must be at least 12.15% but not more than 24.31%. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively. For Lines 66 through 69, multiply the amounts in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Section G:
Line 7<s>4</s>   –   Total Other Invested Assets with Underlying Characteristics of Real Estate

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to real estate (Lines 2199999 and 2299999 items that are not reported in AVR category of Other Invested Assets with Underlying Characteristics of Mortgage Loans) in Column 1, any related encumbrances on these assets in Column 2, and any third-party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third-party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 10) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third party encumbrances with recourse which are included in Column 3.

Section H:

Lines 75~~1~~
through ~~79~~5 – Investments in Tax Credit Structures

Report Column 1 in accordance with *SSAP No. 93—Investments in Tax Credit Structures*.

Investments in tax credit structures (tax credit investments) must meet the requirements of SSAP No. 93 to be reported on Lines ~~75~~ H1 through ~~79~~H5.

Only tax credits investments which issue federal tax credits and have the following risk mitigation factors can be reported as qualifying federal tax credit investments on Line ~~76~~H2:

I. A level of leverage below 50%. For a tax credit investment fund, the level of leverage is measured at the fund level.

II. There is a Tax Credit Guarantee Agreement, or equivalent insurance acquired, at arm's length, by the investor. This agreement requires the General Partner, managing member, developer, or insurer to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the duration of the regulatory compliance period of the tax credit program. For a tax credit investment fund, a Tax Credit Guarantee Agreement is required from the developers of the lower tier projects to the upper tier partnership.

III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable loss risks as of the current reporting period.

Line ~~76~~ H2 should equal Schedule BA, Part 1, Column 12, Line 3799999 + Line 3899999.

Only tax credit investments which issue state tax credits and, at a minimum, have an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment can be reported as yield guaranteed state investments on Line ~~75~~H1. Line ~~75~~ H1 should equal Schedule BA, Part 1, Column 12, Line 3599999 + Line 3699999.

Tax credit investments which issue state tax credits and, at a minimum, meet the same requirements for qualifying federal tax credit investments (as detailed above) should be reported as qualifying state tax credit investments on Line ~~77~~H3. Line ~~77~~ H3 should equal Schedule BA, Part 1, Column 12, Line 3999999 + Line 4099999.

All other tax credit investments which cannot be reported on Lines ~~75~~ H1 through ~~77~~H3 should be reported as other tax credit investments on Line ~~78~~H4. Line ~~78~~ H4 should equal Schedule BA, Part 1, Column 12, Line 4199999 + Line 4299999.

Multiply the amount in Column 4 for each category by the reserve factors for Page ~~35~~36, Columns 5, 7, and 9, Lines ~~75~~ H1 through ~~78~~H4. Report the products by category in Columns 6, 8, and 10, respectively.

Section I:

Lines ~~80~~1
through ~~90~~13   –   Residual Tranches or Interests

Line ~~80~~1   –   Bonds – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4499999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively

Line ~~81~~2   –   Bonds – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4599999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~82~~3   –   Common Stock – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4899999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~83~~4   –   Common Stock – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4999999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~84~~5   –   Preferred Stock – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4699999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~85~~6   –   Preferred Stock – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4799999 in Columns 1 and 4. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~86~~7   –   Real Estate – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5099999 in Column 1, any related encumbrances on these assets in Column 2, and any third-party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~87~~8   –   Real Estate – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5199999 in Column 1, any related encumbrances on these assets in Column 2, and any third-party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line 889 – Mortgage Loans – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5299999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Line 8910 – Mortgage Loans – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5399999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Line 9011 – Other – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5499999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Line 9112 – Other – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 5599999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7, and 9. Report the products in Columns 6, 8, and 10, respectively.

Section J:

Lines 931
through 997 – Surplus Notes and Capital Notes

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to surplus notes and capital notes in Columns 1 and 4. Use the Credit Rating Provider (CRP) rating to categorize these assets as if the SVO had assigned an NAIC designation of 1 through 6. If no CRP rating, then report based on the reporting entity's assumption of credit risk. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Section K:

Lines 100
through 11213 – Collateral Loans

Line 1001 – Backed by Mortgage Loans – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3199999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line 1012 – Backed by Mortgage Loans – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3299999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~102~~3   –   Backed by Investments in Joint Ventures, Partnerships or Limited Liability Companies – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3399999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~103~~4   –   Backed by Investments in Joint Ventures, Partnerships or Limited Liability Companies – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3499999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~104~~5   –   Backed by Residual Tranches or Interests – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3599999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~105~~6   –   Backed by Residual Tranches or Interests – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3699999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~106~~7   –   Backed by Debt Securities – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3799999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~107~~8   –   Backed by Debt Securities – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3899999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~108~~9   –   Backed by Real Estate – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 3999999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~109~~10   –   Backed by Real Estate – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4099999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~110~~11   –   Collateral Loans – All Other – Unaffiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4199999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Line ~~111~~12   –   Collateral Loans – All Other – Affiliated

Report the book/adjusted carrying value of all Schedule BA assets in Line 4299999 in Columns 1 and 4. Multiply the amount in Column 4 by the reserve factors in Columns 5, 7 and 9. Report the products in Columns 6, 8 and 10, respectively.

Section L:

Line ~~100~~1 & ~~101~~2   –   Working Capital Finance Investments

Report the book/adjusted carrying value of all working capital finance investments owned (Schedule BA, Part 1, Line 4399999) in Columns 1 and 4. Categorize the working capital finance investments into NAIC designations 1 or 2 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7, and 9, and report the products by designation in Columns 6, 8, and 10, respectively.

Line ~~102~~3   –   Other Invested Assets – Schedule BA

Report the book/adjusted carrying value of all other Schedule BA investments owned that cannot be classified into one of the above categories in Column 1 and any encumbrances on these assets in Column 3. Schedule DL, Part 1 investments reported on Line 9409999999 would be included in this total if not classified in one of the above categories. Collateral loans (Lines 3199999 and 3299999) have been intentionally excluded from this total. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7, and 9, and report the products in Columns 6, 8, and 10, respectively.

Line ~~103~~4   –   Other Short-Term Invested Assets – Schedule DA

Report the book/adjusted carrying value of all other Schedule DA (Lines 7029999999 and 7509999999) and Schedule DL, Part 1 (Line 9509999999) assets owned that cannot be classified into one of the above categories in Column 1 and any encumbrances on these assets in Column 3. Report the sum of Columns 1 and 3 in Column 4. Multiply the amount on Column 4 by the reserve factors provided in Columns 5, 7, and 9 and report the products in Columns 6, 8, and 10, respectively.

Line ~~105~~6   –   Total Other Invested Assets – Schedules BA & DA

The Columns 6, 8, and 10 amounts must be combined with Columns 6, 8, and 10, Line ~~21~~ B4 amounts and reported on the Asset Valuation Reserve Page, Column 5, Lines 7, 10, and 9, respectively.

NOTE: Other invested asset reserves will be calculated based on the nature of the underlying investments related to the Schedule BA and Schedule DA assets. Assets should be categorized as if the company owned the underlying investment. For example:

- Mortgage participation certificates and similar holdings should be classified as fixed income assets.

- Gas and oil production and mineral rights have potential variability of return and should be categorized as equity investments.

- Partnership investments should be classified as fixed or equity investments or as equity real estate, depending on the purpose of the partnership. The maximum AVR factor would be that appropriate for the asset classification.

- A "look through" approach should be taken for any Schedule BA and Schedule DA assets not specifically listed, so as to reflect in the AVR calculation the essential nature of the investments.

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY, TITLE, SEPARATE ACCOUNTS, AND PROTECTED CELL

SCHEDULE D – PART 1 – SECTION 2

ASSET-BACKED SECURITIES OWNED DECEMBER 31 OF CURRENT YEAR

Detail Eliminated To Conserve Space

NAIC Designation Category Footnote:

Provide the total book/adjusted carrying value amount by NAIC Designation Category that represents the amount reported in Column 8.

The sum of the amounts reported for each NAIC Designation Category in the footnote should equal Line 1909999999.

Collateralized Loan Obligation Footnote:

Report the book/adjusted carrying value amount by NAIC Designation Category of all collateralized loan obligations owned reported in Lines 1099999999 and 1109999999

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL

ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Desig-nation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
		LONG-TERM BONDS EXCLUDING COLLATERALIZED LOAN OBLIGATIONS										
SECTION A												
1		Exempt obligations...........................		XXX	XXX		0.0000		0.0000		0.0000	
2.1	1	NAIC Designation Category 1.A	....	XXX	XXX	....	0.0002	....	0.0007	....	0.0013	....
2.2	1	NAIC Designation Category 1.B	....	XXX	XXX	....	0.0004	....	0.0011	....	0.0023	....
2.3	1	NAIC Designation Category 1.C	....	XXX	XXX	....	0.0006	....	0.0018	....	0.0035	....
2.4	1	NAIC Designation Category 1.D	....	XXX	XXX	....	0.0007	....	0.0022	....	0.0044	....
2.5	1	NAIC Designation Category 1.E	....	XXX	XXX	....	0.0009	....	0.0027	....	0.0055	....
2.6	1	NAIC Designation Category 1.F	....	XXX	XXX	....	0.0011	....	0.0034	....	0.0068	....
2.7	1	NAIC Designation Category 1.G		XXX	XXX		0.0014		0.0042		0.0085	
2.8		Subtotal NAIC 1 (Sum of Lines A2.1+2.2+2.3+2.4+2.5+2.6+ through A2.7)		XXX	XXX		XXX		XXX		XXX	
3.1	2	NAIC Designation Category 2.A	....	XXX	XXX	....	0.0021	....	0.0063	....	0.0105	....
3.2	2	NAIC Designation Category 2.B	....	XXX	XXX	....	0.0025	....	0.0076	....	0.0127	....
3.3	2	NAIC Designation Category 2.C		XXX	XXX		0.0036		0.0108		0.0180	
3.4		Subtotal NAIC 2 (Sum of Lines A3.1+3.2+ through A3.3)		XXX	XXX		XXX		XXX		XXX	
4.1	3	NAIC Designation Category 3.A	....	XXX	XXX	....	0.0069	....	0.0183	....	0.0262	....
4.2	3	NAIC Designation Category 3.B	....	XXX	XXX	....	0.0099	....	0.0264	....	0.0377	....
4.3	3	NAIC Designation Category 3.C		XXX	XXX		0.0131		0.0350		0.0500	
4.4		Subtotal NAIC 3 (Sum of Lines A4.1+4.2+ through A4.3)		XXX	XXX		XXX		XXX		XXX	
5.1	4	NAIC Designation Category 4.A	....	XXX	XXX	....	0.0184	....	0.0430	....	0.0615	....
5.2	4	NAIC Designation Category 4.B	....	XXX	XXX	....	0.0238	....	0.0555	....	0.0793	....
5.3	4	NAIC Designation Category 4.C		XXX	XXX		0.0310		0.0724		0.1034	
5.4		Subtotal NAIC 4 (Sum of Lines A5.1+5.2+ through A5.3)		XXX	XXX		XXX		XXX		XXX	
6.1	5	NAIC Designation Category 5.A	....	XXX	XXX	....	0.0472	....	0.0846	....	0.1410	....
6.2	5	NAIC Designation Category 5.B	....	XXX	XXX	....	0.0663	....	0.1188	....	0.1980	....
6.3	5	NAIC Designation Category 5.C		XXX	XXX		0.0836		0.1498		0.2496	
6.4		Subtotal NAIC 5 (Sum of Lines A6.1+6.2+ through A6.3)		XXX	XXX		XXX		XXX		XXX	
7	6	NAIC 6		XXX	XXX		0.0000		0.2370		0.2370	
8		Intentionally left blank	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
98		Total long-term bonds excluding CLOs (Sum of Lines A1+A2.8+A3.4+A4.4 +A5.4+A6.4 +A7+8)		XXX	XXX		XXX		XXX		XXX	

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ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Desig-nation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
SECTION A (Continued		COLLATERALIZED LOAN OBLIGATIONS										
9.1	1	NAIC Designation Category 1.A	....	XXX	XXX	....	0.0002	....	0.0007	....	0.0013	....
9.2	1	NAIC Designation Category 1.B	....	XXX	XXX	....	0.0004	....	0.0011	....	0.0023	....
9.3	1	NAIC Designation Category 1.C	....	XXX	XXX	....	0.0006	....	0.0018	....	0.0035	....
9.4	1	NAIC Designation Category 1.D	....	XXX	XXX	....	0.0007	....	0.0022	....	0.0044	....
9.5	1	NAIC Designation Category 1.E	....	XXX	XXX	....	0.0009	....	0.0027	....	0.0055	....
9.6	1	NAIC Designation Category 1.F	....	XXX	XXX	....	0.0011	....	0.0034	....	0.0068	....
9.7	1	NAIC Designation Category 1.G	....	XXX	XXX		0.0014		0.0042		0.0085	
9.8		Subtotal NAIC 1 (Sum of Lines A9.1 through A9.7)		XXX	XXX		XXX		XXX		XXX	
10.1	2	NAIC Designation Category 2.A	....	XXX	XXX	....	0.0021	....	0.0063	....	0.0105	....
10.2	2	NAIC Designation Category 2.B	....	XXX	XXX	....	0.0025	....	0.0076	....	0.0127	....
10.3	2	NAIC Designation Category 2.C	....	XXX	XXX		0.0036		0.0108		0.0180	
10.4		Subtotal NAIC 2 (Sum of Lines A10.1 through A10.3)		XXX	XXX		XXX		XXX		XXX	
11.1	3	NAIC Designation Category 3.A	....	XXX	XXX	....	0.0069	....	0.0183	....	0.0262	....
11.2	3	NAIC Designation Category 3.B	....	XXX	XXX	....	0.0099	....	0.0264		0.0377	
11.3	3	NAIC Designation Category 3.C		XXX	XXX		0.0131		0.0350		0.0500	
11.4		Subtotal NAIC 3 (Sum of Lines A11.1 through A11.3)		XXX	XXX		XXX		XXX		XXX	
12.1	4	NAIC Designation Category 4.A	....	XXX	XXX	....	0.0184	....	0.0430	....	0.0615	....
12.2	4	NAIC Designation Category 4.B	....	XXX	XXX		0.0238		0.0555		0.0793	
12.3	4	NAIC Designation Category 4.C		XXX	XXX		0.0310		0.0724		0.1034	
12.4		Subtotal NAIC 4 (Sum of Lines A12.1 through A12.3)		XXX	XXX		XXX		XXX		XXX	
13.1	5	NAIC Designation Category 5.A	....	XXX	XXX	....	0.0472	....	0.0846	....	0.1410	....
13.2	5	NAIC Designation Category 5.B		XXX	XXX	....	0.0663	....	0.1188	....	0.1980	....
13.3	5	NAIC Designation Category 5.C		XXX	XXX		0.0836		0.1498		0.2496	
13.4		Subtotal NAIC 5 (Sum of Lines A13.1 through A13.3)		XXX	XXX		XXX		XXX		XXX	
14	6	NAIC 6		XXX	XXX		0.0000		0.2370		0.2370	
15		Total collateralized loan obligations (Sum of Lines A9.8+A10.4+A11.4+A12.4+A13.4 +A14)		XXX	XXX		XXX		XXX		XXX	
16		Total long-term bonds and collateralized loan obligations (Sum of 8+15)		XXX	XXX		XXX		XXX		XXX	
SECTION B		PREFERRED STOCKS										
10	1	Highest quality	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
112	2	High quality	....	XXX	XXX	....	0.0021	....	0.0064	....	0.0106	....
123	3	Medium quality	....	XXX	XXX	....	0.0099	....	0.0263	....	0.0376	....
134	4	Low quality	....	XXX	XXX	....	0.0245	....	0.0572	....	0.0817	....
145	5	Lower quality	....	XXX	XXX	....	0.0630	....	0.1128	....	0.1880	....
156	6	In or near default	....	XXX	XXX	....	0.0000	....	0.2370	....	0.2370	....
167		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
178		Total preferred stocks (Sum of Lines B10 through B716)		XXX	XXX		XXX		XXX		XXX	

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ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Desig-nation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
SECTION C		SHORT-TERM BONDS										
1~~8~~		Exempt obligations...		XXX	XXX		0.0000		0.0000		0.0000	
~~19~~2.1	1	NAIC Designation Category 1.A	....	XXX	XXX	....	0.0002	....	0.0007	....	0.0013	....
~~19~~2.2	1	NAIC Designation Category 1.B	....	XXX	XXX	....	0.0004	....	0.0011	....	0.0023	....
~~19~~2.3	1	NAIC Designation Category 1.C	....	XXX	XXX	....	0.0006	....	0.0018	....	0.0035	....
~~19~~2.4	1	NAIC Designation Category 1.D	....	XXX	XXX	....	0.0007	....	0.0022	....	0.0044	....
~~19~~2.5	1	NAIC Designation Category 1.E.	....	XXX	XXX	....	0.0009	....	0.0027	....	0.0055	....
~~19~~2.6	1	NAIC Designation Category 1.F.	....	XXX	XXX	....	0.0011	....	0.0034	....	0.0068	....
~~19~~2.7	1	NAIC Designation Category 1.G	....	XXX	XXX	....	0.0014		0.0042		0.0085	
~~19~~2.8		Subtotal NAIC 1 (~~19.1+19.2+19.3+19.4+19.5+19.6+19.7~~Sum of Lines C2.1 through C2.7)..................		XXX	XXX		XXX		XXX		XXX	
~~20~~3.1	2	NAIC Designation Category 2.A	....	XXX	XXX	....	0.0021	....	0.0063	....	0.0105	....
~~20~~3.2	2	NAIC Designation Category 2.B	....	XXX	XXX	....	0.0025	....	0.0076	....	0.0127	....
~~20~~3.3	2	NAIC Designation Category 2.C	....	XXX	XXX	....	0.0036		0.0108		0.0180	
~~20~~3.4		Subtotal NAIC 2 (~~20.1+20.2+20.3~~Sum of Lines C3.1 through C3.3)...		XXX	XXX		XXX		XXX		XXX	
~~21~~4.1	3	NAIC Designation Category 3.A	....	XXX	XXX	....	0.0069	....	0.0183	....	0.0262	....
~~21~~4.2	3	NAIC Designation Category 3.B	....	XXX	XXX	....	0.0099	....	0.0264	....	0.0377	....
~~21~~4.3	3	NAIC Designation Category 3.C	....	XXX	XXX		0.0131		0.0350		0.0500	
~~21~~4.4		Subtotal NAIC 3 (Sum of Lines C4.1 through C4.3~~21.1+21.2+21.3~~)...		XXX	XXX		XXX		XXX		XXX	
~~22~~5.1	4	NAIC Designation Category 4.A	....	XXX	XXX	....	0.0184	....	0.0430	....	0.0615	....
~~22~~5.2	4	NAIC Designation Category 4.B	....	XXX	XXX	....	0.0238	....	0.0555	....	0.0793	....
~~22~~5.3	4	NAIC Designation Category 4.C		XXX	XXX		0.0310		0.0724		0.1034	
~~22~~5.4		Subtotal NAIC 4 (Sum of Lines C5.1 through C5.3~~22.1+22.2+22.3~~)...		XXX	XXX		XXX		XXX		XXX	
~~23~~6.1	5	NAIC Designation Category 5.A		XXX	XXX	....	0.0472	....	0.0846	....	0.1410	....
~~23~~6.2	5	NAIC Designation Category 5.B	....	XXX	XXX	....	0.0663		0.1188		0.1980	
~~23~~6.3	5	NAIC Designation Category 5.C		XXX	XXX		0.0836		0.1498		0.2496	
~~23~~6.4		Subtotal NAIC 5 (Sum of Lines C6.1 through C6.3~~23.1+23.2+23.3~~)...		XXX	XXX		XXX		XXX		XXX	
~~24~~7	6	NAIC 6		XXX	XXX		0.0000		0.2370		0.2370	
~~25~~8		Total short-term bonds (Sum of Lines C1, C2.8, C3.4, C4.4, C5.4, C6.4 and C7~~18+19.8+20.4+21.4+22.4+23.4+24~~)		XXX	XXX		XXX		XXX		XXX	
SECTION D		DERIVATIVE INSTRUMENTS										
~~26~~1		Exchange traded	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
~~27~~2	1	Highest quality	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
~~28~~3	2	High quality	....	XXX	XXX	....	0.0021	....	0.0064	....	0.0106	....
~~29~~4	3	Medium quality	....	XXX	XXX	....	0.0099	....	0.0263	....	0.0376	....
~~30~~5	4	Low quality	....	XXX	XXX	....	0.0245	....	0.0572	....	0.0817	....
~~31~~6	5	Lower quality	....	XXX	XXX	....	0.0630	....	0.1128	....	0.1880	....
~~32~~7	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
~~33~~8		Total derivative instruments		XXX	XXX		XXX		XXX		XXX	
~~34~~9		Total (Sum of Lines ~~9+17+25+33~~D1 through D8)		XXX	XXX		XXX		XXX		XXX	

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
SECTION E		MORTGAGE LOANS										
		In Good Standing:										
~~35~~1		Farm mortgages – CM1 – highest quality	....	....	XXX	....	0.0011	....	0.0057	....	0.0074	....
~~36~~2		Farm mortgages – CM2 – high quality	....	....	XXX	....	0.0040	....	0.0114	....	0.0149	....
~~37~~3		Farm mortgages – CM3 – medium quality	....	....	XXX	....	0.0069	....	0.0200	....	0.0257	....
~~38~~4		Farm mortgages – CM4 – low medium quality	....	....	XXX	....	0.0120	....	0.0343	....	0.0428	....
~~39~~5		Farm mortgages – CM5 – low quality	....	....	XXX	....	0.0183	....	0.0486	....	0.0628	....
~~40~~6		Residential mortgages – insured or guaranteed	....	....	XXX	....	0.0003	....	0.0007	....	0.0011	....
~~41~~7		Residential mortgages – all other	....	....	XXX	....	0.0015	....	0.0034	....	0.0046	....
~~42~~8		Commercial mortgages – insured or guaranteed	....	....	XXX	....	0.0003	....	0.0007	....	0.0011	....
~~43~~9		Commercial mortgages – all other – CM1 – highest quality	....	....	XXX	....	0.0011	....	0.0057	....	0.0074	....
~~44~~10		Commercial mortgages – all other – CM2 – high quality	....	....	XXX	....	0.0040	....	0.0114	....	0.0149	....
~~45~~11		Commercial mortgages – all other – CM3 – medium quality	....	....	XXX	....	0.0069	....	0.0200	....	0.0257	....
~~46~~12		Commercial mortgages – all other – CM4 – low medium quality	....	....	XXX	....	0.0120	....	0.0343	....	0.0428	....
~~47~~13		Commercial mortgages – all other – CM5 – low quality	....	....	XXX	....	0.0183	....	0.0486	....	0.0628	....
		Overdue, Not in Process:										
~~48~~14		Farm mortgages	....	....	XXX	....	0.0480	....	0.0868	....	0.1371	....
~~49~~15		Residential mortgages – insured or guaranteed	....	....	XXX	....	0.0006	....	0.0014	....	0.0023	....
~~50~~16		Residential mortgages – all other	....	....	XXX	....	0.0029	....	0.0066	....	0.0103	....
~~51~~17		Commercial mortgages – insured or guaranteed	....	....	XXX	....	0.0006	....	0.0014	....	0.0023	....
~~52~~18		Commercial mortgages – all other	....	....	XXX	....	0.0480	....	0.0868	....	0.1371	....
		In Process of Foreclosure:										
~~53~~19		Farm mortgages	....	....	XXX	....	0.0000	....	0.1942	....	0.1942	....
~~54~~20		Residential mortgages – insured or guaranteed	....	....	XXX	....	0.0000	....	0.0046	....	0.0046	....
~~55~~21		Residential mortgages – all other	....	....	XXX	....	0.0000	....	0.0149	....	0.0149	....
~~56~~22		Commercial mortgages – insured or guaranteed	....	....	XXX	....	0.0000	....	0.0046	....	0.0046	....
~~57~~23		Commercial mortgages – all other			XXX		0.0000		0.1942		0.1942	
~~58~~24		Total Schedule B mortgages (Sum of Lines ~~35~~E1 through ~~57~~E23)			XXX		XXX		XXX		XXX	

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

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
SECTION A		COMMON STOCK										
1		Unaffiliated public...................................	....	XXX	XXX	....	0.0000	....	0.1580 (a)	....	0.1580 (a)	....
2		Unaffiliated private	....	XXX	XXX	....	0.0000	....	0.1945	....	0.1945	....
3		Federal Home Loan Bank	....	XXX	XXX	....	0.0000	....	0.0061	....	0.0097	....
4		Affiliated life with AVR	....	XXX	XXX	....	0.0000	....	0.0000	....	0.0000	....
		Affiliated Investment Subsidiary:										
5		Fixed income exempt obligations..........................	....	....	....	....	XXX	....	XXX	....	XXX	....
6		Fixed income highest quality..........................	....	....	....	....	XXX	....	XXX	....	XXX	....
7		Fixed income high quality	....	....	....	....	XXX	....	XXX	....	XXX	....
8		Fixed income medium quality	....	....	....	....	XXX	....	XXX	....	XXX	....
9		Fixed income low quality	....	....	....	....	XXX	....	XXX	....	XXX	....
10		Fixed income lower quality	....	....	....	....	XXX	....	XXX	....	XXX	....
11		Fixed income in or near default	....	....	....	....	XXX	....	XXX	....	XXX	....
12		Unaffiliated common stock public....................	....	....	....	....	0.0000	....	0.1580 (a)	....	0.1580 (a)	....
13		Unaffiliated common stock private	....	....	....	....	0.0000	....	0.1945	....	0.1945	....
14		Real estate	....	....	....	....	(b)	....	(b)	....	(b)	....
15		Affiliated-certain other (See SVO Purposes & Procedures Manual)........	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
16		Affiliated - all other		XXX	XXX		0.0000		0.1945		0.1945	
17		Total common stock (Sum of Lines A1 through A16)					XXX		XXX		XXX	
SECTION B		REAL ESTATE										
18		Home office property (General Account only)...........................	....	....	....	....	0.0000	....	0.0912	....	0.0912	....
192		Investment properties	....	....	....	....	0.0000	....	0.0912	....	0.0912	....
203		Properties acquired in satisfaction of debt..........................	....				0.0000		0.1337		0.1337	
214		Total real estate (Sum of Lines B18 through 20B4)					XXX		XXX		XXX	
		OTHER INVESTED ASSETS INVESTMENTS WITH THE UNDERLYING										
SECTION C		CHARACTERISTICS OF BONDS										
221		Exempt obligations................................	....	XXX	XXX	....	0.0000	....	0.0000	....	0.0000	....
232	1	Highest quality	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
243	2	High quality..	....	XXX	XXX	....	0.0021	....	0.0064	....	0.0106	....
254	3	Medium quality..................................	....	XXX	XXX	....	0.0099	....	0.0263	....	0.0376	....
265	4	Low quality.......................................	....	XXX	XXX	....	0.0245	....	0.0572	....	0.0817	....
276	5	Lower quality	....	XXX	XXX	....	0.0630	....	0.1128	....	0.1880	....
287	6	In or near default	....	XXX	XXX	....	0.0000	....	0.2370	....	0.2370	....
298		Total with bond characteristics (Sum of Lines C122 through C728)		XXX	XXX		XXX		XXX		XXX	

*****Drafting Note: Changes in Blanks Proposal 2025-20BWG for Investment Subs are not shown on this proposal but the Common Stock AVR lines will be under Section A.*****

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

Line Number	NAIC Desig-nation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols.4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols.4x9)
SECTION D		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS										
~~30~~1	1	Highest quality	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
~~31~~2	2	High quality	....	XXX	XXX	....	0.0021	....	0.0064	....	0.0106	....
~~32~~3	3	Medium quality	....	XXX	XXX	....	0.0099	....	0.0263	....	0.0376	....
~~33~~4	4	Low quality	....	XXX	XXX	....	0.0245	....	0.0572	....	0.0817	....
~~34~~5	5	Lower quality	....	XXX	XXX	....	0.0630	....	0.1128	....	0.1880	....
~~35~~6	6	In or near default	....	XXX	XXX	....	0.0000	....	0.2370	....	0.2370	....
~~36~~7		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
~~37~~8		Total with preferred stock characteristics (Sum of Lines 30D1 through 36D7)		XXX	XXX		XXX		XXX		XXX	
SECTION E		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS In Good Standing Affiliated:										
~~38~~1		Mortgages – CM1 – highest quality	....	....	XXX	....	0.0011	....	0.0057	....	0.0074	....
~~39~~2		Mortgages – CM2 – high quality	....	....	XXX	....	0.0040	....	0.0114	....	0.0149	....
~~40~~3		Mortgages – CM3 – medium quality	....	....	XXX	....	0.0069	....	0.0200	....	0.0257	....
~~41~~4		Mortgages – CM4 – low medium quality	....	....	XXX	....	0.0120	....	0.0343	....	0.0428	....
~~42~~5		Mortgages – CM5 – low quality	....	....	XXX	....	0.0183	....	0.0486	....	0.0628	....
~~43~~6		Residential mortgages – insured or guaranteed	....	....	XXX	....	0.0003	....	0.0007	....	0.0011	....
~~44~~7		Residential mortgages – all other	....	XXX	XXX	....	0.0015	....	0.0034	....	0.0046	....
~~45~~8		Commercial mortgages – insured or guaranteed	....	....	XXX	....	0.0003	....	0.0007	....	0.0011	....
		Overdue, Not in Process Affiliated:										
~~46~~9		Farm mortgages.........................	....	....	XXX	....	0.0480	....	0.0868	....	0.1371	....
~~47~~10		Residential mortgages – insured or guaranteed	....	....	XXX	....	0.0006	....	0.0014	....	0.0023	....
~~48~~11		Residential mortgages – all other	....	....	XXX	....	0.0029	....	0.0066	....	0.0103	....
~~49~~12		Commercial mortgages – insured or guaranteed	....	....	XXX	....	0.0006	....	0.0014	....	0.0023	....
~~50~~13		Commercial mortgages – all other.........................	....	....	XXX	....	0.0480	....	0.0868	....	0.1371	....
		In Process of Foreclosure Affiliated:										
~~51~~14		Farm mortgages.........................	....	....	XXX	....	0.0000	....	0.1942	....	0.1942	....
~~52~~15		Residential mortgages – insured or guaranteed	....	....	XXX	....	0.0000	....	0.0046	....	0.0046	....
~~53~~16		Residential mortgages – all other	....	....	XXX	....	0.0000	....	0.0149	....	0.0149	....
~~54~~17		Commercial mortgages – insured or guaranteed	....	....	XXX	....	0.0000	....	0.0046	....	0.0046	....
~~55~~18		Commercial mortgages – all other	....	....	XXX	....	0.0000	....	0.1942	....	0.1942	....
~~56~~19		Total affiliated (Sum of Lines 38 DE1 through 55DE18)			XXX		XXX		XXX		XXX	
~~57~~20		Unaffiliated – in good standing with covenants	....	....	XXX	....	(c)	....	(c)	....	(c)	....
~~58~~21		Unaffiliated – in good standing defeased with government securities	....	....	XXX	....	0.0011	....	0.0057	....	0.0074	....
~~59~~22		Unaffiliated – in good standing primarily senior	....	....	XXX	....	0.0040	....	0.0114	....	0.0149	....
~~60~~23		Unaffiliated – in good standing all other.........................	....	....	XXX	....	0.0069	....	0.0200	....	0.0257	....
~~61~~24		Unaffiliated – overdue, not in process	....	....	XXX	....	0.0480	....	0.0868	....	0.1371	....
~~62~~25		Unaffiliated – in process of foreclosure	....	....	XXX	....	0.0000	....	0.1942	....	0.1942	....
~~63~~26		Total unaffiliated (Sum of Lines 57 DE20 through 62DE25)			XXX		XXX		XXX		XXX	
~~64~~27		Total with mortgage loan characteristics (Lines 56 DE19 + 63DE26)			XXX		XXX		XXX		XXX	

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

Line Number	NAIC Desig-nation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution 5 Factor	6 Amount (Cols. 4x5)	Reserve Objective 7 Factor	8 Amount (Cols. 4x7)	Maximum Reserve 9 Factor	10 Amount (Cols. 4x9)
SECTION F		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK										
651		Unaffiliated public	....	XXX	XXX	....	0.0000	....	0.1580(a)	....	0.1580(a)	....
662		Unaffiliated private	....	XXX	XXX	....	0.0000	....	0.1945	....	0.1945	....
673		Affiliated life with AVR	....	XXX	XXX	....	0.0000	....	0.0000	....	0.0000	....
684		Affiliated certain other (See SVO Purposes & Procedures Manual)	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
695		Affiliated other - all other		XXX	XXX		0.0000		0.1945		0.1945	
706		Total with common stock characteristics (Sum of Lines 65-F1 through F569)		XXX	XXX		XXX		XXX		XXX	
SECTION G		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE										
71		Home office property (General Account only)	....	....	....	....	0.0000	....	0.0912	....	0.0912	....
72		Investment properties	....	....	....	....	0.0000	....	0.0912	....	0.0912	....
73		Properties acquired in satisfaction of debt	....	....	....	....	0.0000	....	0.1337	....	0.1337	....
74		Total with real estate characteristics (Sum of Lines 7G1 through 7G3)					XXX		XXX		XXX	
SECTION H		INVESTMENTS IN TAX CREDIT STRUCTURES										
751		Yield guaranteed state tax credit investments	....	....	....	....	0.0003	....	0.0006	....	0.0010	....
762		Qualifying federal tax credit investments	....	....	....	....	0.0063	....	0.0120	....	0.0190	....
773		Qualifying state tax credit investments	....	....	....	....	0.0063	....	0.0120	....	0.0190	....
784		Other tax credit investments	....	....	....	....	0.0273	....	0.0600	....	0.0975	....
795		Total tax credit investments (Sum of Lines 75-H1 through 78H4)					XXX		XXX		XXX	
SECTION I		RESIDUAL TRANCHES OR INTERESTS										
801		Bonds – unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
812		Bonds – affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
823		Common stock – unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
834		Common stock – affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
845		Preferred stock – unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
856		Preferred stock – affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
867		Real estate – unaffiliated	....	....	....	....	0.0000	....	0.1580	....	0.1580	....
878		Real estate – affiliated	....	....	....	....	0.0000	....	0.1580	....	0.1580	....
889		Mortgage loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
8910		Mortgage loans – affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
9011		Other – unaffiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
9112		Other – affiliated	....	XXX	XXX	....	0.0000	....	0.1580	....	0.1580	....
9213		Total residual tranches or interests (Sum of Lines 80-I1 through 91I12)					XXX		XXX		XXX	
SECTION J		SURPLUS NOTES AND CAPITAL NOTES										
193	1	Highest quality	....	XXX	XXX	....	0.0005	....	0.0016	....	0.0033	....
294	2	High quality	....	XXX	XXX	....	0.0021	....	0.0064	....	0.0106	....
395	3	Medium quality	....	XXX	XXX	....	0.0099	....	0.0263	....	0.0376	....
496	4	Low quality	....	XXX	XXX	....	0.0245	....	0.0572	....	0.0817	....
597	5	Lower quality	....	XXX	XXX	....	0.0630	....	0.1128	....	0.1880	....
698	6	In or near default	....	XXX	XXX	....	0.0000	....	0.2370	....	0.2370	....
799		Total surplus notes and capital notes (Sum of Lines 93-J1 through 98J6)		XXX	XXX		XXX		XXX		XXX	

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

SECTION K	COLLATERAL LOANS									
1	Backed by mortgage loans – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
2	Backed by mortgage loans – collateral loans – affiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
3	Backed by joint ventures, partnerships, & limited liability companies – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
4	Backed by joint ventures, partnerships, & limited liability companies – collateral loans – affiliated..............	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
5	Backed by residual tranches or interests – collateral loans – unaffiliated............	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
6	Backed by residual tranches or interests – collateral loans – affiliated..................	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
7	Backed by debt securities – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
8	Backed by debt securities – collateral loans – affiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
9	Backed by real estate – collateral loans – unaffiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
10	Backed by real estate – collateral loans – affiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
11	Collateral loans – all other – unaffiliated	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
12	Collateral loans – all other – affiliated..	....	XXX	XXX	....	0.0000	....	0.0680	....	0.0680	....
13	Total collateral loans (Sum of Lines K1 through K12)		XXX	XXX		XXX		XXX		XXX	
SECTION L	ALL OTHER INVESTMENTS									
1~~100~~	NAIC 1 working capital finance investments	....	XXX	....	....	0.0000	....	0.0042	....	0.0042	....
2~~101~~	NAIC 2 working capital finance investments	....	XXX	....	....	0.0000	....	0.0137	....	0.0137	....
3~~102~~	Other invested assets - Schedule BA	....	XXX	....	....	0.0000	....	0.1580	....	0.1580	....
4~~103~~	Other short-term invested assets - Schedule DA	....	XXX		....	0.0000	....	0.1580	....	0.1580	....
5~~104~~	Total all other (Sum of Lines L100 through L4~~103~~)..		XXX			XXX		XXX		XXX	
6~~105~~	Total other invested assets - Schedules BA & DA (Sum of Lines ~~29, 37, 64, 70, 74, 79, 92, 99 and 104~~C8, D8, E27, F6, G4, H5, I13, J7, and K13)							XXX		XXX	XXX

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

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

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

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY, TITLE, SEPARATE ACCOUNTS, AND PROTECTED CELL

SCHEDULE D – PART 1 – SECTION 2
Showing All Long-Term **BONDS – ASSET-BACKED SECURITIES** Owned December 31 of Current Year

1	2	3	4	5	6	7	8	Change in Book/Adjusted Carrying Value				Interest					Dates		20	21
								9	10	11	12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Restricted Asset Code	NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol	Actual Cost	Par Value	Fair Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Stated Rate of	Effective Rate Of	When Paid	Interest Income Due & Accrued	Interest Received During Year	Acquired	Stated Contractual Maturity Date	Payment Due at Maturity	Origination Balloon Payment %
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
1909999999 Total asset-backed securities												XXX	XXX	XXX			XXX	XXX		XXX
2009999999 Total long term bonds – issuer credit obligations and asset-backed securities												XXX	XXX	XXX			XXX	XXX		

1.

Line Number	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 $ -----------------------------						

2.

Line Number	CLO 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 $ -----------------------------						

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