**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

|  |  |
| --- | --- |
| **DATE:**  **CONTACT PERSON: Kris DeFrain**  **TELEPHONE: 816-783-8229**  **EMAIL ADDRESS: kdefrain@naic.org**  **ON BEHALF OF: Casualty Actuarial and Statistical (C ) Task Force**  **NAME: Christian Citarella**  **TITLE: Chair of CASTF**  **AFFILIATION: New Hampshire Insurance Department**  **ADDRESS:** | **FOR NAIC USE ONLY** |
| Agenda Item #  Year  Changes to Existing Reporting [ ]  New Reporting Requirement [ ] |
| **REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT** |
| No Impact [ ]  Modifies Required Disclosure [ ] |
| Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [ ]  \*\*\**If Yes, complete question below*\*\*\* |
| **DISPOSITION**  [ ] Rejected For Public Comment  [ ] Referred To Another NAIC Group  [ ] Received For Public Comment  [ ] Adopted Date  [ ] Rejected Date  [ ] Deferred Date  [ ] Other (Specify) |
|
|
|

**BLANK(S) TO WHICH PROPOSAL APPLIES**

[ X ] **ANNUAL STATEMENT** [ X ] **INSTRUCTIONS** [ ] **CROSSCHECKS**

[ ] **QUARTERLY STATEMENT** [ X ] **BLANK**

[ ] Life, Accident & Health/Fraternal [ ] Separate Accounts [ ] Title

[ X ] Property/Casualty [ ] Protected Cell [ ] Other

[ ] Health [ ] Health (Life Supplement) [ ] Life (Health Supplement)

Anticipated Effective Date: Annual 2024

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Change Schedule P to show 10 years of data and a “prior” row for all lines of business. This modifies requirements for six lines of business that currently only show 2 years of data and a “prior” row.

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

While all 10 years of accident-year data are required for every line of business to produce summary data and comply with risk-based capital (RBC) requirements, only 2 years of accident-year data is required to be shown in the Schedule P exhibits for six lines of business: the property lines of business and financial guaranty/mortgage guaranty business. Some of the current 2-year lines of business are experiencing significant loss development after 2 years. A review of industry aggregate Schedule P—Part 2 results across these 2-year lines shows the prior line regularly has 25% or more of the reported one-year loss development. The information for more accident years will aid regulatory review of reserves for these lines.

P/C companies currently maintain 10 years of data for the current “short-tailed” lines to prepare the Schedule P Summaries and report for Risk-Based Capital (RBC). There are multiple reasons for the proposed change: 1) The 2-year reporting requires unneeded calculations that can easily result in errors on the “prior row.” 2) With all lines having 10 years of data, Schedule P will be easier to understand because one would be able to reconcile the summary data and line of business data. 3) Given current technology, there seems to be no material time, printing or cost savings derived by only showing two years of data for six lines of business.

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

Not available elsewhere

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date:

Other Comments:

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