

PROCEDURES OF THE FINANCIAL CONDITION (E) COMMITTEE BLANKS WORKING GROUP IN CONNECTION WITH PROPOSED AMENDMENTS TO ANNUAL AND QUARTERLY STATEMENT BLANKS AND INSTRUCTIONS

The following establishes procedures and rules of the Financial Condition (E) Committee Blanks Working Group (Blanks (E) Working Group) with respect to proposed amendments to the annual and quarterly statement blanks and instructions.

1. The Blanks (E) Working Group may consider relevant proposals to change the NAIC annual and/or quarterly financial statement blanks and instructions at any meeting/conference call as scheduled by the Working Group.
2. Suggested changes and amendments filed with the NAIC Central Office shall be considered at the next regularly scheduled meeting of the Blanks (E) Working Group if the proposal is filed at least thirty days prior to the meeting. Items filed less than thirty days prior to a regularly scheduled meeting will be considered at the following regularly scheduled meeting.
3. All proposals shall be stated in a concise and complete form. The submission form and instructions are available online at https://naic.org/documents/committees_e_app_blanks_blanksagenda_formdoc.doc. An illustration of the format of exhibits or schedules should accompany the submission form. In addition, if another NAIC committee, task force or working group is known to have considered this proposal, that committee, task force or working group should provide any relevant information.
4. The Blanks (E) Working Group will hold meetings/conference calls as needed in order to meet scheduled deadlines (e.g., publications and distribution of blanks, instructions, specs., etc.).
5. The proposals should comply with the following time guidelines:

Quarterly proposals: Any proposal that affects a quarterly statement must be effective at the beginning of the year. It must be submitted to the Blanks (E) Working Group staff no later than July 1st of the preceding year, properly proofed, including sponsorship, and exposed no later than July 15th by email or conference call upon approval by the Working Group Chair. Once exposure has occurred, the proposal(s) will be posted to the Blanks (E) Working Group web page referencing comment deadlines, and an email notification will be sent to the Working Group members, interested regulators and interested parties on the NAIC contact list for the Blanks (E) Working Group.

Any quarterly proposal must be adopted by August 31st.

Annual proposals: Changes that only affect the annual statement can be submitted at any time and will be addressed at the next scheduled meeting. Those that must be adopted for the current reporting year must be submitted to the Blanks (E) Working Group staff no later than April 1st of the current year (e.g., April 1, 2020, for an annual 2020 change), properly proofed, including sponsorship, and exposed no later than April 15th of the current year by email or conference call upon approval by the Working Group Chair. Following proper exposure, the proposal(s) will be posted to the Blanks (E) Working Group web page referencing comment deadlines. Proposals with an annual effective date of the current year must be adopted no later than June 1st of the current year.

Subsequent requests by parent groups of the Blanks (E) Working Group: Proposals presented by a parent group (defined as a group above of the Blanks (E) Working Group in the statutory hierarchy) after the deadlines noted above will be processed as directed by the parent group. Any proposal which includes data capture elements will be evaluated individually as to whether the data capture can be technically accommodated in that year. Data capture elements received after June 15th of the year of the change (change effective with annual data capture elements statement 2020) will not have vendor crosschecks run until the following year.

Proposals sponsored by other working groups, task forces and subgroups, should have been well vetted at the group level. The Blanks (E) Working Group exposure comment period will be agreed upon by the members as needed to meet the needs of the issue being addressed.

Changes that do not conform to the time guidelines above are limited to: (a) disclosures required in the current year by the *Accounting Practices and Procedures Manual* and (b) those items providing instructional clarification of current reporting requirements. These proposals will modify the instructions only, including Notes to Financial Statements, and will not be data captured. If the proposal is to add a Note to Financial Statements that should be data captured, the Note may be added to the instructions in the current year and data captured the first subsequent year-end. The disclosure will not be data captured on a quarterly basis until the first subsequent year end. Any new Note will be added as the last Note to avoid renumbering existing Notes. If necessary, the Note will be renumbered at the first subsequent year-end. If a Note is deleted, the remaining Notes will not be renumbered in the current year but will be renumbered at the first subsequent year-end.

Once proposals are exposed, a meeting/conference call will be scheduled where the Blanks (E) Working Group will review the proposal and determine whether to 1) adopt the proposal 2) reject the proposal, or 3) defer/refer the proposal.

The Blanks (E) Working Group will limit the number of deferrals to “two” based upon the belief the proposal should be revised and resubmitted if it requires further work or input after two meetings. At the third meeting, the proposal cannot be deferred again and must be otherwise acted upon. The Blanks (E) Working Group may also refer proposals to other NAIC groups due to their technical expertise or for other review. If a proposal has been referred to another NAIC group, the proposal will come off the Working Group’s agenda and will only be considered again in the form of a new proposal.

6. The NAIC Central Office shall prepare an agenda of all suggestions. One copy of the meeting materials including the agenda shall be sent to each member of the Blanks (E) Working Group or his/her representative, via email PDF at least 2 business days prior to the next scheduled meeting.
7. The agenda shall be divided into two sections. NAIC staff will complete the initial classification of the submissions into one of the two sections prior to exposure of the agenda. The criteria for classification into one of the two sections are as follows:
 - a. ITEMS PREVIOUSLY EXPOSED - The first section of the agenda will be limited to items that the Blanks (E) Working Group received for public comment at its prior meeting.
 - b. NEW ITEMS - The second section of the agenda will be limited to new items.
8. At each meeting, the Blanks (E) Working Group shall not hold any discussions on any substantive item in the agenda under the Items Previously Exposed until (1) the chair or proposal sponsor has briefly stated the agenda item and (2) the chair has called for a motion from the members. If a motion is made and seconded, the item is then discussed and voted upon. A motion is not required for the exposure of New Items. Per NAIC procedures, the Working Group Chair should ask if there are any objections to exposing.
9. NAIC staff will present to the Blanks (E) Working Group a list of necessary non-substantive changes discovered in the process of implementing proposals., e.g., reference changes due to new SSAPs or required changes discovered in the process of implementing proposals. The Working Group will review these changes and may adopt the appropriate items at any regularly scheduled meeting. Such actions will be documented in the minutes of the Working Group. NAIC staff may also request that the Working Group reconsider items adopted, if these items contain substantial errors.
10. The Blanks (E) Working Group may, when deemed necessary, appoint an Ad Hoc Group to study and propose resolution of certain issues.