

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>	DATE: <u>01/14/2020</u>	FOR NAIC USE ONLY
	Agenda Item # <u>2020-06BWWG MOD</u> Year <u>2020</u> Changes to Existing Reporting [X] New Reporting Requirement []	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT
	No Impact [X] Modifies Required Disclosure []	DISPOSITION
	[] Rejected For Public Comment [] Referred To Another NAIC Group [X] Received For Public Comment [] Adopted Date _____ [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

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

Anticipated Effective Date: Annual 2020

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify the instruction and illustration for Note 19 on MGAs and TPAs.

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

The purpose of this proposal is to reflect the disclosure addition for *SSAP No. 51R—Life Contracts*, *SSAP No. 53—Property Casualty Contracts—Premiums*, *SSAP No. 54R—Individual and Group Accident and Health Contracts* and *SSAP No. 59—Credit Life and Accident and Health Insurance Contracts* being adopted by the Statutory Accounting Principles (E) Working Group.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

Proposal is being exposed concurrently with the changes being considered by the Statutory Accounting Principles (E) Working Group

** This section must be completed on all forms.

NOTES TO FINANCIAL STATEMENTS



Detail Eliminated to Conserve Space



19. Direct Premium Written/Produced by Managing General Agents/Third-Party Administrators

Instruction:

Disclosures should be completed regarding the aggregate amount of direct premiums written through following managing general agents (MGAs) or third-party administrators (TPAs) that write direct policies or provide claims adjusting or other services. For purposes of this disclosure instruction, a managing general agent means the same as referenced in Appendix A-225 of the *Accounting Practices and Procedures Manual*. For purposes of this disclosure a third-party administrator is consistent with NAIC Model Guideline, VI-1090 Registration and Regulation of Third-Party Administrators (TPAs). If this the premium written amount is equal to or greater than 5% of surplus or if the total count of claims processed by the TPA or MGA claims adjusting services are greater than 5% of the total count of claims processed annual average claims volume, provide the following information for each managing general agent and third-party administrator:

- Disclose the aggregate amount of direct premiums written through the MGA or TPA and the total premium written by those MGAs or TPAs.
- Disclose the aggregate amount of claims payments processed by agent or administrator and the total claims processed by such agents or administrators.
- Licensed Name name and address of managing general agent or third-party administrator.
- Federal Employer Identification Number.
- Whether such person holds an exclusive contract.
- Types of business written.
- Type of authority granted and/or services provided (i.e., underwriting, claims payment, etc.).
- Whether the MGA or TPA is affiliated, a non-affiliate related party or unaffiliated.
- Whether the MGA or TPA is independently audited, and/or bonded.
- ~~Total direct premiums written/produced by managing general agents or third party administrators.~~

Illustration:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLES BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

<u>Name and Address of</u>	<u>FEIN</u>	<u>Exclusive</u>	<u>Types of</u>	<u>Types of</u>	<u>Total</u>
<u>Managing General</u>			<u>Business</u>	<u>Authority</u>	<u>Direct</u>
<u>Agent or Third</u>	<u>Number</u>	<u>Contract</u>	<u>Written</u>	<u>Granted</u>	<u>Premium Written/</u>
<u>Party Administration</u>					<u>Produced By</u>
XYZ				U	\$
XXY				B	\$
Total					\$

A. Managing General Agents (MGA) and Third-Party Administrators (TPA) Whose Premium Written Amount Is Equal to or Greater Who Either Write More Than 5% of Premium Surplus or Total Count of Claims Processed by the TPA/MGA Are Process Greater Than 5% of the Total Count of Claims Processed

Licensed Name	Address (City and State Only) of Managing General Agent or Third-Party Administration	FEIN Number	Exclusive Contract (Yes/No)	Type of Business Written	Type of Authority and/or Service Granted*	Independently Audited (Yes/No)	Bonded Status (Yes/No)
XYZ
.....
.....
.....

* Authority Codes Sample Listing (Multiple Codes Allowed):

- C - Claims Payment
- CA - Claims Adjustment
- R - Reinsurance Ceding
- B - Binding Authority
- P - Premium Collection
- U - Underwriting
- O - Other (Write-in). If other, explain in the table below

Independent Audit - Subject to annual independent audit

Bonded - The work of the entity is bonded by either a fiduciary or surety bond

B. Explanation of Other Code

Licensed Name/ Legal Name	Explanation of Other Codes Regarding Type of Authority Granted
XYZ
.....
.....
.....
.....

C. Information Regarding Independent Audit or Bonded Status:

Licensed Name	FEIN Number	Affiliated, Non-Affiliate Related Party, or Unaffiliated	Direct Written Premium Written / Produced	Claims Payments Processed by Agent or Administrator
XYZ	\$	\$
.....
.....
Total	XXX	XXX	\$	\$

Independent Audit - Subject to annual independent audit

Bonded - The work of the entity is bonded by either a fiduciary or surety bond



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