<div align="center">

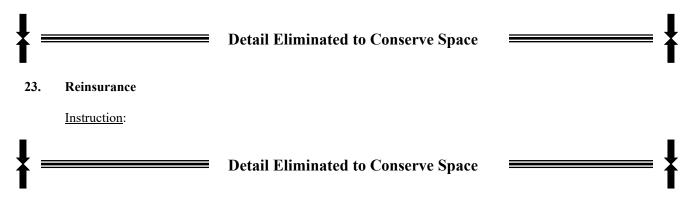# NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

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DATE: 01/14/2020	**FOR NAIC USE ONLY**
	Agenda Item # 2020-07BWG
CONTACT PERSON: _____	Year 2020
TELEPHONE: _____	Changes to Existing Reporting [X]
	New Reporting Requirement [ ]
EMAIL ADDRESS: _____	**REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT**
ON BEHALF OF: _____	No Impact [X]
NAME: Dale Bruggeman	Modifies Required Disclosure [ ]
TITLE: Chair SAPWG	**DISPOSITION**
AFFILIATION: Ohio Department of Insurance	[ ] Rejected For Public Comment
	[ ] Referred To Another NAIC Group
ADDRESS: 50W. Town St., 3rd Fl., Ste. 300	[ ] Received For Public Comment
	[X] Adopted Date 05/28/2020
Columbus, OH 43215	[ ] Rejected Date _____
	[ ] Deferred Date _____
	[ ] Other (Specify) _____

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BLANK(S) TO WHICH PROPOSAL APPLIES

</div>

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

[X] Life, Accident & Health/Fraternal   [ ] Separate Accounts   [ ] Title
[X] Property/Casualty   [ ] Protected Cell   [ ] Other _____
[X] Health   [ ] Health (Life Supplement)

Anticipated Effective Date: Annual 2020

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IDENTIFICATION OF ITEM(S) TO CHANGE

</div>

Add new disclosure Note 23 – Reinsurance for reinsurance credit (23H – Life/Fraternal, 23E Health and 23K Property).

<div align="center">

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

</div>

The purpose of this proposal is to reflect the disclosure additions for *SSAP No. 61R—Life, Deposit-Type Contracts and Accident and Health Contracts Reinsurance* adopted by the Statutory Accounting Principles (E) Working Group.

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NAIC STAFF COMMENTS

</div>

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.   **Revised 7/18/2018**

NOTES TO FINANCIAL STATEMENTS

═══════════════ **Detail Eliminated to Conserve Space** ═══════════════

23. **Reinsurance**

Instruction:

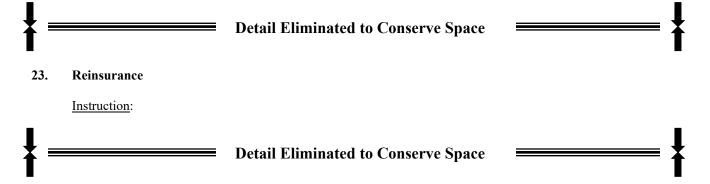═══════════════ **Detail Eliminated to Conserve Space** ═══════════════

H. Reinsurance Credit

(1) Disclose any reinsurance contracts (or multiple contracts with the same reinsurer or its affiliates) subject to A-791 that includes a provision, which limits the reinsurer's assumption of significant risks identified as in A-791. Examples of risk limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. If true, indicate the number of reinsurance contracts to which such provisions apply. For contracts subject to A-791, indicate if deposit accounting was applied for all contracts, which limit significant risks.

(2) Disclose any reinsurance contracts (or multiple contracts with the same reinsurer or its affiliates) not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumption of risk. Examples of risk limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. If true, indicate the number of reinsurance contracts to which such provisions apply. If affirmative, indicate if the reinsurance credit was reduced for the risk limiting features.

(3) Disclose if any reinsurance contracts contain features (except reinsurance contracts with a federal or state facility) described below which result in delays in payment in form or in fact:

- Provisions which permit the reporting of losses, or settlements are made, less frequently than quarterly or payments due from the reinsurer are not made in cash within ninety (90) days of the settlement date (unless there is no activity during the period).

- Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

(4) Disclose if the reporting entity has reflected reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R and identify the type of contracts and the reinsurance contracts.

- Assumption Reinsurance – new for the reporting period.

- Non-proportional reinsurance, which does not result in significant surplus relief. If yes, indicate if the insured event(s) triggering contract coverage has been recognized.

(5)   Disclose if the reporting entity ceded any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

- Accounted for that contract as reinsurance under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

- Accounted for that contract as reinsurance under GAAP and as a deposit under SAP.

(6)   If affirmative disclosure is required for Paragraph 23H(5) above, explain why the contract(s) is treated differently for GAAP and SAP.

Illustration:

Detail Eliminated to Conserve Space

ANNUAL STATEMENT INSTRUCTIONS –HEALTH

NOTES TO FINANCIAL STATEMENTS

Detail Eliminated to Conserve Space

23.   Reinsurance

Instruction:

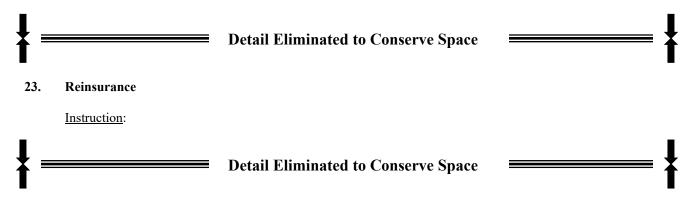**Detail Eliminated to Conserve Space**

E.   Reinsurance Credit

(1)   Disclose any reinsurance contracts (or multiple contracts with the same reinsurer or its affiliates) subject to A-791 that includes a provision, which limits the reinsurer's assumption of significant risks identified as in A-791. Examples of risk limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. If true, indicate the number of reinsurance contracts to which such provisions apply. For contracts subject to A-791, indicate if deposit accounting was applied for all contracts, which limit significant risks.

(2)   Disclose any reinsurance contracts (or multiple contracts with the same reinsurer or its affiliates) not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumption of risk. Examples of risk limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. If true, indicate the number of reinsurance contracts to which such provisions apply. If affirmative, indicate if the reinsurance credit was reduced for the risk limiting features.

(3)   Disclose if any reinsurance contracts contain features (except reinsurance contracts with a federal or state facility) described below which result in delays in payment in form or in fact:

- Provisions which permit the reporting of losses, or settlements are made, less frequently than quarterly or payments due from the reinsurer are not made in cash within ninety (90) days of the settlement date (unless there is no activity during the period).

- Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

(4)   Disclose if the reporting entity has reflected reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R and identify the type of contracts and the reinsurance contracts.

- Assumption Reinsurance – new for the reporting period.

- Non-proportional reinsurance, which does not result in significant surplus relief. If yes, indicate if the insured event(s) triggering contract coverage has been recognized.

(5)   Disclose if the reporting entity ceded any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

- Accounted for that contract as reinsurance under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

- Accounted for that contract as reinsurance under GAAP and as a deposit under SAP.

(6)   If affirmative disclosure is required for Paragraph 23E(5) above, explain why the contract(s) is treated differently for GAAP and SAP.

Illustration:

Detail Eliminated to Conserve Space

NOTES TO FINANCIAL STATEMENTS

================= **Detail Eliminated to Conserve Space** =================

23. **Reinsurance**

Instruction:

================= **Detail Eliminated to Conserve Space** =================

K.   Reinsurance Credit

The disclosures below apply to reinsurance contracts covering health business.

(1)   Disclose any reinsurance contracts (or multiple contracts with the same reinsurer or its affiliates) subject to A-791 that includes a provision, which limits the reinsurer's assumption of significant risks identified as in A-791. Examples of risk limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. If true, indicate the number of reinsurance contracts to which such provisions apply. For contracts subject to A-791, indicate if deposit accounting was applied for all contracts, which limit significant risks.

(2)   Disclose any reinsurance contracts (or multiple contracts with the same reinsurer or its affiliates) not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumption of risk. Examples of risk limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. If true, indicate the number of reinsurance contracts to which such provisions apply. If affirmative, indicate if the reinsurance credit was reduced for the risk limiting features.

(3)   Disclose if any reinsurance contracts contain features (except reinsurance contracts with a federal or state facility) described below which result in delays in payment in form or in fact:

• Provisions which permit the reporting of losses, or settlements are made, less frequently than quarterly or payments due from the reinsurer are not made in cash within ninety (90) days of the settlement date (unless there is no activity during the period).

• Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

(4)   Disclose if the reporting entity has reflected reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R and identify the type of contracts and the reinsurance contracts.

• Assumption Reinsurance – new for the reporting period.

• Non-proportional reinsurance, which does not result in significant surplus relief. If yes, indicate if the insured event(s) triggering contract coverage has been recognized.

(5)   Disclose if the reporting entity ceded any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

- Accounted for that contract as reinsurance under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

- Accounted for that contract as reinsurance under GAAP and as a deposit under SAP.

(6)   If affirmative disclosure is required for Paragraph 23K(5) above, explain why the contract(s) is treated differently for GAAP and SAP.

Illustration:

Detail Eliminated to Conserve Space