

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>02/21/2020</u>	FOR NAIC USE ONLY
	Agenda Item # <u>2020-23BWG MOD</u> Year <u>2020</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [X] New Reporting Requirement <input type="checkbox"/> []	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT
	No Impact <input checked="" type="checkbox"/> [X] Modifies Required Disclosure <input type="checkbox"/> []	DISPOSITION
	<input type="checkbox"/> [] Rejected For Public Comment <input type="checkbox"/> [] Referred To Another NAIC Group <input type="checkbox"/> [] Received For Public Comment <input checked="" type="checkbox"/> [X] Adopted Date <u>05/28/2020</u> <input type="checkbox"/> [] Rejected Date _____ <input type="checkbox"/> [] Deferred Date _____ <input type="checkbox"/> [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

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

Anticipated Effective Date: Annual 2020

IDENTIFICATION OF ITEM(S) TO CHANGE

Add footnote to Exhibit 5 (life/fraternal & health – life supplement) and Exhibit 3 separate accounts.

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

While this update did not result in a statutory accounting change, this footnote will disclose cases when a mortality risk is no longer present or a significant factor – i.e. due to a policyholder electing a payout benefit.

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.

ANNUAL STATEMENT BLANK – SEPARATE ACCOUNTS

EXHIBIT 3 – AGGREGATE RESERVE FOR LIFE, ANNUITY AND ACCIDENT AND HEALTH CONTRACTS

1 Description of Valuation Basis	2 Total (a)	3 Ordinary	4 Group
Life insurance:			
.....
.....
.....
.....
0199999 Totals			
Annuities (excluding supplementary contracts):			
.....
.....
.....
.....
0299999 Totals			
Supplementary contracts with life contingencies:			
.....
.....
0399999 Totals			
Accident and health contracts:			
.....
.....
0499999 Totals			
Miscellaneous reserves:			
.....
.....
0599999 Totals			
9999999 Totals (to Page 3, Line 1)			

(a) Included in the above table are amounts of deposit-type contracts that originally contained a mortality risk. Amounts of deposit-type contracts that no longer contain a mortality risk are \$ (Life Insurance), \$ in Column 2 Life Insurance \$, Annuities \$, Supplementary Contracts with Life Contingencies \$, Accident and Health Contracts \$, Miscellaneous Reserves \$, (Annuities), \$ (Supplementary Contracts with Life Contingencies), \$ (Accidental Death Benefits), \$ (Disability Active Lives), \$ (Disability Disabled Lives), \$ (Miscellaneous Reserves).

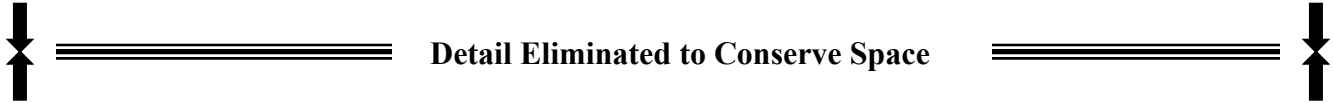
EXHIBIT 3 – INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating variable life insurance contracts? Yes [] No []
 - 2.1 Does the reporting entity at present issue both participating and non-participating variable life insurance contracts? Yes [] No []
 - 2.2 If not, state which kind is issued.....
 - 3.1 Is any surrender value promised in excess of the reserve as legally computed? Yes [] No [] N/A []
 - 3.2 If so, the amount of such excess must be included in surrender values in excess of reserves otherwise required and carried in this schedule. Has this been done? Yes [] No [] N/A []
- Attach a statement of methods employed in the valuation of variable life insurance contracts issued at, or subsequently subject to, an extra premium or in the valuation of contracts otherwise issued on lives classified as substandard for the plan of contract issued or on special class lives (including paid-up variable life insurance).

EXHIBIT 3A – CHANGES IN BASES OF VALUATION DURING THE YEAR
(Including supplementary contracts set up on a basis other than that used to determine benefits)

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
.....
.....
.....
9999999 Totals (Page 6, Line 5, Analysis of Increase in Reserves)			

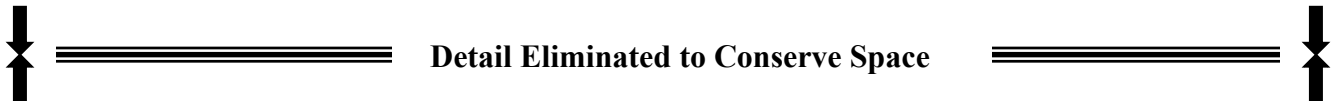
EXHIBIT 5 – AGGREGATE RESERVES FOR LIFE CONTRACTS



Footnote (a):

Deposit-type contracts such as GICs and supplemental contracts are generally reported in Exhibit 7 – Deposit Type Contracts. However, certain contracts (which have similar characteristics to deposit-type contracts) incorporate mortality risk components which qualify those contracts to be reported in Exhibit 5 – Aggregate Reserve for Life Contracts. A common example is a supplemental contract which provides for a life-contingent payout with a specified certain period. Because the contract was life-contingent at issue, it is reported in Exhibit 5 and remains in Exhibit 5 after the death of the annuitant as remaining guaranteed payments continue to the beneficiary. Additionally, state insurance departments have the discretion to approve or require a contract to be classified as a life insurance contract. This footnote captures the amounts reported on Exhibit 5 for deposit-type contracts that originally contained a mortality risk, but no longer contain that risk.

EXHIBIT 3 – AGGREGATE RESERVE FOR LIFE, ANNUITY AND ACCIDENT AND HEALTH CONTRACTS



Footnote (a):

Deposit-type contracts such as GICs and supplemental contracts are generally reported in Exhibit 4 – Deposit Type Contracts. However, certain contracts (which have similar characteristics to deposit-type contracts) incorporate mortality risk components which qualify those contracts to be reported in Exhibit 3 – Aggregate Reserve for Life, Annuity and Accident and Health Contracts. A common example is a supplemental contract which provides for a life-contingent payout with a specified certain period. Because the contract was life-contingent at issue, it is reported in Exhibit 3 and remains in Exhibit 3 after the death of the annuitant as remaining guaranteed payments continue to the beneficiary. Additionally, state insurance departments have the discretion to approve or require a contract to be classified as a life insurance contract. This footnote captures the amounts reported on Exhibit 3 for deposit-type contracts that originally contained a mortality risk, but no longer contain that risk.