

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<b>CONTACT PERSON:</b> _____ <b>TELEPHONE:</b> _____ <b>EMAIL ADDRESS:</b> _____ <b>ON BEHALF OF:</b> _____ <b>NAME:</b> <u>Dale Bruggeman</u> <b>TITLE:</b> <u>Chair SAPWG</u> <b>AFFILIATION:</b> <u>Ohio Department of Insurance</u> <b>ADDRESS:</b> <u>50W. Town St., 3<sup>rd</sup> Fl., Ste. 300</u> <u>Columbus, OH 43215</u>	<b>DATE:</b> <u>06/052020</u>	<b>FOR NAIC USE ONLY</b>
	Agenda Item # <u>2020-27BWG</u> Year <u>2021</u> Changes to Existing Reporting [ X ] New Reporting Requirement [ ]	<b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b>
	No Impact [ X ] Modifies Required Disclosure [ ]	<b>DISPOSITION</b>
	[ ] 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 checked="" 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: 1<sup>st</sup> Quarterly 2021

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

Add new category line to Schedule E, Part 2 for Qualified Cash Pools Under SSAP No 2R (8799999) and renumber the remaining category lines. Add new disclosure 5R to the Notes to Financial Statements. The new disclosure will be data captured.

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

The purpose of this disclosure is to reflect disclosure requirements for qualified cash pools adopted for *SSAP No. 2R—Cash, Cash Equivalents, Drafts and Short-Term Investments* by Statutory Accounting Principles (E) Working Group (SAPWG).

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_







Other Comments:

\*\* This section must be completed on all forms.

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY AND TITLE

SCHEDULE E – PART 2 – CASH EQUIVALENTS

INVESTMENTS OWNED END OF CURRENT QUARTER

	<hr style="border-top: 3px double #000;"/>	<b>Detail Eliminated to Conserve Space</b>	<hr style="border-top: 3px double #000;"/>	
	<u>Category</u>			<u>Line Number</u>
	<hr style="border-top: 3px double #000;"/>	<b>Detail Eliminated to Conserve Space</b>	<hr style="border-top: 3px double #000;"/>	
	Sweep Accounts.....			8499999
	Exempt Money Market Mutual Funds – as Identified by SVO .....			8599999
	All Other Money Market Mutual Funds .....			8699999
	<u>Qualified Cash Pools Under SSAP No. 2R.....</u>			<u>8799999</u>
	Other Cash Equivalents .....			<del>8799999</del> 8899999
	Total Cash Equivalents .....			<del>8899999</del> 8999999
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**NOTES TO FINANCIAL STATEMENTS**

The interim financial information shall include disclosures sufficient to make the information presented not misleading. It may be presumed that the users of the interim financial information have read or have access to the annual statement for the preceding period and that the adequacy of additional disclosure needed for a fair presentation, except in regard to material contingencies, may be determined in that context. Accordingly, footnote disclosure that would substantially duplicate the disclosure contained in the most recent annual statement or audited financial statements, such as a statement of significant accounting policies and practices, details of accounts that have not changed significantly in amount or composition since the end of the most recently completed fiscal year, may be omitted but the footnote number and annotation such as “no change” should be included. However, provide disclosure for annual Note 1A, 1C(2), 1C(6), 1D, 5D, 5E(3)b, 5F, 5G, 5H, 5I, 5M(2), 5M(3), 5N, 5R, 8A(8), 8B(2)a, 8B(2)b, 8B(2)c, 11B, 12A(4), 17B(2), 17B(4)a, 17B(4)b, 17C, 20, 24E and 25 in all quarters; and all other Notes where events subsequent to the end of the most recent fiscal year have occurred that have a material impact on the reporting entity. Disclosures shall encompass, for example, significant changes since the end of the period reported on the last annual statement in such items as statutory accounting principles and practices; estimates inherent in the preparation of financial statements; status of long term contracts; capitalization including significant new borrowings or modifications of existing financial arrangements; and the reporting entity resulting from business combinations or dispositions. Notwithstanding the above, where material noninsurance contingencies exist, disclosure of such matters shall be provided even though a significant change since year-end may not have occurred. If the reporting entity has changed the accounting policies since the end of its preceding year, the changes shall be disclosed in the quarterly financial statements. Information should be reported for current year-to-date.

**Drafting Note:** The required disclosures list above are from Life/Fraternal, Health and Title.

The edited list of required disclosures for Property is:

Note 1A, 1C(2), 1C(6), 1D, 5D, 5E(3)b, 5F, 5G, 5H, 5I, 5M(2), 5M(3), 5N, 5R, 8A(8), 8B(2)a, 8B(2)b, 8B(2)c, 11B, 12A(4), 17B(2), 17B(4)a, 17B(4)b, 17C, 20, 24F, 25 and 36B



**5. Investments**

Instruction:

N. Offsetting and Netting of Assets and Liabilities

The following quantitative information shall be disclosed (separately for assets and liabilities) when derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets and liabilities are offset and reported net in accordance with a valid right to offset per *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*:

- The gross amounts of recognized assets and recognized liabilities;
- The amounts offset in accordance with a valid right to offset per *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*; and
- The net amounts presented in the statement of financial positions.

Assets and liabilities that have a valid right to offset, but are not netted as they are prohibited under *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*, are not required to be captured in the disclosures.

R. The financial statements shall disclose the reporting entity’s share of the cash pool by asset type (cash, cash equivalents, or short-term investments).

Illustration:



**Detail Eliminated to Conserve Space**



N. Offsetting and Netting of Assets and Liabilities

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets			
.....	\$ .....	\$ .....	\$ .....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
(2) Liabilities			
.....	\$ .....	\$ .....	\$ .....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

\* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1.

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

R. Reporting Entity's Share of Cash Pool by Asset type.

	Asset Type	Percent Share
(1)	Cash	..... %
(2)	Cash Equivalents	..... %
(3)	Short-Term Investments	..... %
(4)	Total	..... %

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY AND TITLE

**SCHEDULE E – PART 2 – CASH EQUIVALENTS**

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Category

Line Number

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Sweep Accounts.....	8499999
Exempt Money Market Mutual Funds – as Identified by SVO .....	8599999
All Other Money Market Mutual Funds .....	8699999
<u>Qualified Cash Pools Under SSAP No. 2R.....</u>	<u>8799999</u>
Other Cash Equivalents .....	<del>8799999</del> 8899999
Total Cash Equivalents.....	<del>8899999</del> 8999999

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Column 11 – NAIC Designation Category

Provide the appropriate combination of NAIC Designation Equivalent (1 through 6) and NAIC Designation Modifier Equivalent (A through G) (see table below) for each security shown.

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The NAIC Designation and NAIC Designation Modifier Equivalent should be left blank for the following lines:

- Sweep Accounts Line 8499999
- Exempt Money Market Mutual Funds – as Identified by the SVO Line 8599999
- All Other Money Market Mutual Funds Line 8699999
- Qualified Cash Pools Under SSAP No. 2R Line 8799999
- Other Cash Equivalents Line ~~8799999~~8899999

As defined in the P&P Manual, there is not an NAIC Designation Modifier for investments reporting an NAIC Designation 6, therefore, the NAIC Designation Modifier field should be left blank.

Refer to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* for the application of these codes.

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**NOTES TO FINANCIAL STATEMENTS**



**5. Investments**

Instruction:



**Q. Prepayment Penalty and Acceleration Fees**

For securities sold, redeemed or otherwise disposed as a result of a callable feature (including make whole call provisions), disclose the number of CUSIPs sold, disposed or otherwise redeemed and the aggregate amount of investment income generated as a result of a prepayment penalty and/or acceleration fee for the General Account and Separate Account.

R. The financial statements shall disclose the reporting entity's share of the cash pool by asset type (cash, cash equivalents, or short-term investments).

Illustration:



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

**Q. Prepayment Penalty and Acceleration Fees**

		General Account	Separate Account
(1)	Number of CUSIPs	_____	_____
(2)	Aggregate Amount of Investment Income	_____	_____

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

R. Reporting Entity's Share of Cash Pool by Asset type.

	<u>Asset Type</u>	<u>Percent Share</u>
(1)	Cash	..... %
(2)	Cash Equivalents	..... %
(3)	Short-Term Investments	..... %
(4)	Total	..... %

