

2020 NAIC QUARTERLY STATEMENT INSTRUCTIONS – HEALTH

MAY 2020 REVISIONS

PAGE 205:

Schedule DB, Part A, Section 1

Revision:

Modify the instruction for Column 32.

Reason:

Match line reference for forwards to the annual instructions.

EDITOR'S NOTE:

The above changes are highlighted within the attached instructions that follow this page.

Recent Blanks Working Group Agenda Items (Exposure Drafts) may be viewed in detail at the following web site:
www.naic.org/cmt_e_app_blanks.htm.

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****Columns 28 through 32 are for derivatives with financing premiums****

Column 28 – Total Undiscounted Premium Cost

Report the total, undiscounted (contractual) cost to acquire/enter into the derivative.

Column 29 – Unpaid Undiscounted Premium Cost

Report the undiscounted (contractual) cost to acquire/enter into the derivative unpaid by the reporting entity.

Column 30 – Fair Value of Derivative, Excluding Impact of Financing Premiums

Reflect the fair value of the derivative adjusted to exclude the impact of discounted future settled premiums. For example, if the fair value of the derivative reported in Column 16 has been reduced due to expected cash outflows representing the reporting entity's future payment of financing premiums, the consideration of those future premium cash outflows shall be removed from the reported fair value of the derivative captured in this column.

(At acquisition, a derivative may be reported with a net zero fair value in Column 16 as the value of the derivative and the net present value of future financing premiums owed from the acquisition of the derivative may offset. The fair value reported in Column 30 shall reflect the fair value of the derivative without an offset for the future financing premiums.)

Column 31 – Unrealized Valuation Increase/Decrease, Excluding Impact of Financing Premiums

Reflect the unrealized gain or unrealized loss reported for the derivative adjusted to exclude the impact from discounted future settled premiums. For example, if the valuation increase/valuation decrease reported in Column 17 includes "losses" to recognize the net present value of the financing cost owed by the reporting entity, those "losses" shall be removed from the unrealized valuation increase/decrease reflected in this column.

Column 32 – CDHS Identifier

Provide a unique identifier for each Clearly Defined Hedging Strategy (CDHS) reported on this schedule (e.g., 001, 002, etc.). This identifier will also be used for reporting of the CDHS in Column 1 of Schedule DB, Part E.

This column should only be used for the following line numbers:

Purchased Options	Lines 008999999 through 013999999
Written Options	Lines 057999999 through 062999999
Swaps	Lines 105999999 through 109999999
Forwards	Lines 142999999

SCHEDULE DB – PART B – SECTION 1

FUTURES CONTRACTS OPEN

In each Section, separate derivative instruments into the following categories:

<u>Category</u>	<u>Line Number</u>
Long Futures:	
Hedging Effective – Excluding Variable Annuity Guarantees Under SSAP No.108.....	1519999999
Hedging Effective – Variable Annuity Guarantees Under SSAP No.108.....	1529999999
Hedging Other.....	1539999999
Replication.....	1549999999
Income Generation.....	1559999999
Other.....	1569999999
Subtotal – Long Futures.....	1579999999
Short Futures:	
Hedging Effective – Excluding Variable Annuity Guarantees Under SSAP No.108.....	1589999999
Hedging Effective – Variable Annuity Guarantees Under SSAP No.108.....	1599999999
Hedging Other.....	1609999999
Replication.....	1619999999
Income Generation.....	1629999999
Other.....	1639999999
Subtotal – Short Futures.....	1649999999
SSAP No. 108 Adjustments	
Offset to VM-21.....	1659999999
Recognized and Deferred Assets or Liabilities.....	1669999999
Subtotal – <u>SSAP No. 108 Adjustments</u>	1679999999
Totals:	
Subtotal – Hedging Effective – Excluding Variable Annuity Guarantees Under SSAP No.108.....	1689999999
Hedging Effective – Variable Annuity Guarantees Under SSAP No.108.....	1699999999
Subtotal – Hedging Other.....	1709999999
Subtotal – Replication.....	1719999999
Subtotal – Income Generation.....	1729999999
Subtotal – Other.....	1739999999
Subtotal – Adjustments for SSAP No. 108 Derivatives.....	1749999999
Total (Sum of Lines 1689999999, 1699999999, 1709999999, 1719999999, 1729999999, 1739999999 and 1749999999).....	1759999999