

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p align="right">DATE: <u>03/31/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dale Bruggeman</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p align="center"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2021-07BWG</u></p> <p>Year <u>2021</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p align="center"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact [X]</p> <p>Modifies Required Disclosure []</p> <hr/> <p align="center"><u>DISPOSITION</u></p> <p>[] Rejected For Public Comment</p> <p>[] Referred To Another NAIC Group</p> <p>[] Received For Public Comment</p> <p>[] Adopted Date _____</p> <p>[] Rejected Date _____</p> <p>[] Deferred Date _____</p> <p>[] Other (Specify) _____</p>
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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 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add additional line categories to the instruction for Column 26 – Collateral Type to capture collateral type data for all RMBS, CMBS and LBSS securities regardless of reporting category.

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

The purpose of this proposal is to expand the line categories listed in the instructions for Column 26 – Collateral Type on Schedule D, Part 1 so the column captures collateral type data for all RMBS, CMBS and LBSS securities regardless of reporting category.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

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

SCHEDULE D – PART 1

LONG-TERM BONDS OWNED DECEMBER 31 OF CURRENT YEAR



Detail Eliminated to Conserve Space

Column 26 – Collateral Type

Use only for securities included in the following subtotal lines.

U.S. Governments

<u>Residential Mortgage-Backed Securities</u>	0299999
<u>Commercial Mortgage-Backed Securities</u>	0399999
<u>Other Loan-Backed and Structured Securities</u>	0499999

All Other Governments

<u>Residential Mortgage-Backed Securities</u>	0799999
<u>Commercial Mortgage-Backed Securities</u>	0899999
<u>Other Loan-Backed and Structured Securities</u>	0999999

U.S. States, Territories and Possessions (Direct and Guaranteed)

<u>Residential Mortgage-Backed Securities</u>	1299999
<u>Commercial Mortgage-Backed Securities</u>	1399999
<u>Other Loan-Backed and Structured Securities</u>	1499999

U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)

<u>Residential Mortgage-Backed Securities</u>	1999999
<u>Commercial Mortgage-Backed Securities</u>	2099999
<u>Other Loan-Backed and Structured Securities</u>	2199999

U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed

Obligations of Agencies and Authorities of Governments and Their Political Subdivisions

<u>Residential Mortgage-Backed Securities</u>	2699999
<u>Commercial Mortgage-Backed Securities</u>	2799999
<u>Other Loan-Backed and Structured Securities</u>	2899999

Industrial and Miscellaneous (Unaffiliated)

<u>Residential Mortgage-Backed/ Securities</u>	3399999
<u>Commercial Mortgage-Backed Securities</u>	3499999
<u>Other Loan-Backed and Structured Securities</u>	3599999

Hybrid Securities

<u>Residential Mortgage-Backed Securities</u>	4399999
<u>Commercial Mortgage-Backed Securities</u>	4499999
<u>Other Loan-Backed and Structured Securities</u>	4599999

Parent, Subsidiaries and Affiliates

<u>Residential Mortgage-Backed Securities</u>	5099999
<u>Commercial Mortgage-Backed Securities</u>	5199999
<u>Other Loan-Backed and Structured Securities</u>	5299999

Enter one of the following codes to indicate collateral type. Pick exactly one collateral type for each reported security. For securities that fit in more than one type, pick the predominant one. Judgment may need to be used when making selections involving prime, Alt-A and subprime, as there are no uniform definitions for these collateral types. In the description field, use abbreviations like ABS, CDO or CLO to disclose the type of the loan-backed/structured security.

Note: Various investments below require SVO review and approval, please refer to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) for further description.

1 Residential Mortgage Loans/RMBS

Include all types of residential first lien mortgage loans as collateral (e.g., prime, subprime, Alt-A).

2 Commercial Mortgage Loans/CMBS

Include all types of commercial mortgage loans as collateral (e.g., conduits, single name, etc.).

3 Home Equity

Include all home equity loans and/or home equity lines of credit as collateral. These are not first liens and are deemed loans to individuals. Bonds that are collateralized by home equity loans/lines of credit are considered asset-backed securities (ABS) rather than RMBS.

4 Individual Obligations – Credit Card, Auto, Student Loans and Recreational Vehicles

Include bonds collateralized by individual obligations. Do not include individual obligations that have a real-estate aspect.

5 Corporate/Industrial Obligations – Tax Receivables, Utility Receivables, Trade Receivables, Small Business Loans, Commercial Paper

Include bonds collateralized by corporate or industrial obligations (sometimes referred to as commercial obligations).

6 Lease Transactions – Aircraft Leases, Equipment Leases and Equipment Trust Certificates

Include bonds collateralized by leases. Equipment leases are loans on heavy equipment. Equipment trust certificates are certificates that entitle the holder to the lease payments on the underlying assets.

7 CLO/CBO/CDO

Include bank loans, which securitize CLOs; investment grade and high-yield corporate bonds, which securitize CBOs; and corporate bonds and structured securities, which securitize CDOs.

8 Manufactured Housing and Mobile Home Loans

Include manufactured housing loans and mobile home loans as collateral. These are not typical residential mortgage loans, and when they securitize bonds, they are considered ABS.

9 Credit Tenant Loans

Real estate loans secured by the obligation of a single (usually investment grade) company to pay debt service by means of rental payments under a lease, where real estate is pledged as collateral also referred to as credit tenant lease, sale-leaseback or CTL.

10 Ground Lease Financing

Real estate loans secured by the obligation to pay debt service by means of rental payments of subleased property; where a long-term ground lease was issued in which the lessee intends significant land development and the subleasing of such property to other long-term tenants.

11 Other

Include other collateral types that do not fit into categories 1 through 910.

Detail Eliminated to Conserve Space

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