

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>03/03/2022</u></p> <p>CONTACT PERSON: <u>Pat Allison</u></p> <p>TELEPHONE: <u>816-783-8528</u></p> <p>EMAIL ADDRESS: <u>pallison@naic.org</u></p> <p>ON BEHALF OF: <u>LATF</u></p> <p>NAME: <u>Mike Boerner, Chair</u></p> <p>TITLE: _____</p> <p>AFFILIATION: _____</p> <p>ADDRESS: _____</p>	<p align="center"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2022-09BWG</u></p> <p>Year <u>2022</u></p> <p>Changes to Existing Reporting [ X ]</p> <p>New Reporting Requirement [ ]</p> <hr/> <p align="center"><b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b></p> <p>No Impact [ X ]</p> <p>Modifies Required Disclosure [ ]</p> <hr/> <p align="center"><b>DISPOSITION</b></p> <p>[ ] Rejected For Public Comment</p> <p>[ ] Referred To Another NAIC Group</p> <p>[ X ] 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 checked="" type="checkbox"/> QUARTERLY STATEMENT               | <input type="checkbox"/> BLANK                    |                                      |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> 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 type="checkbox"/> Health (Life Supplement) |                                      |

Anticipated Effective Date: Annual 2022

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

See next page for details of changes to the VM-20 Reserves Supplement and Supplemental Exhibits and Schedules Interrogatories (Quarterly Statement).

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

Changing the reporting for the Life PBR Exemption, corresponding to changes in the Life PBR Exemption in the Valuation Manual.

**NAIC STAFF COMMENTS**

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

Other Comments:

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

## IDENTIFICATION OF ITEM(S) TO CHANGE

### VM-20 Reserves Supplement Blank:

- Part 2: Add Question 3, a disclosure of the year that the Life PBR Exemption was actively filed and a confirmation of the eligibility criteria in the case of ongoing exemptions. Also, correct references to a state “granting” an exemption, since this is often not the case (e.g., the exemption may be allowed).

### VM-20 Reserves Supplement Instructions:

- Add instructions for the new disclosure item, Question 3. Also, correct references to a state “granting” an exemption, since this is often not the case (e.g., the exemption may be allowed).

### Supplemental Exhibits and Schedules Interrogatories (Quarterly Statement):

- For Question 8, add instructions for how to respond if the company is utilizing the ongoing exemption. The same instructions can also be found in the *Valuation Manual*, Section II, Subsection 1.G.1.

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

**VM-20 RESERVES SUPPLEMENT – PART 2**

**Life PBR Exemption**

This section of the Supplement should be completed by a company that ~~has filed~~ was allowed and been granted a Life PBR Exemption ~~from~~ by its state of domicile. Depending on state requirements, “allowed” may mean “granted”, “acknowledged”, “not rejected”, or similar language.

If a company ~~has~~ was allowed a Life PBR Exemption by its state of domicile ~~been granted a Life PBR Exemption~~, the company must indicate the source of the Life PBR Exemption, which could be defined in a state statute, a state regulation or in the NAIC-adopted *Valuation Manual*. If the source of the ~~granted~~ Life PBR Exemption is not the NAIC-adopted *Valuation Manual*, the company must disclose the criteria of the state’s Life PBR Exemption that the company has met, and the company must disclose the minimum reserve requirements that are required by the state of domicile. If the minimum reserve requirements of the state of domicile are the same as those specified in the NAIC-adopted *Valuation Manual*, the company may indicate: “Same as NAIC VM”. If the criteria for the Life PBR Exemption is the same as or substantially similar to the NAIC-adopted *Valuation Manual*, the company must also disclose the calendar year that the Life PBR Exemption was filed with and allowed by its state of domicile. If that calendar year is prior to the year of the annual statement, then the company must confirm that they meet the criteria for an ongoing exemption.

Companies whose individual ordinary life business is exempted from the requirements of VM-20 pursuant to a Life PBR Exemption are not required to complete Part 1 of this VM-20 Supplement.

**VM-20 RESERVES SUPPLEMENT – PART 2**

**Life PBR Exemption**

For The Year Ended December 31, 20\_\_

(To Be Filed by March 1)

**Life PBR Exemption as defined in the NAIC adopted Valuation Manual (VM)**

1. Has the company ~~been allowed filed and been granted~~ a Life PBR Exemption from the reserve requirements of VM-20 of the Valuation Manual by their state of domicile? Yes [ ] No [ ]
2. If the response to Question 1 is "Yes", then check the source of the ~~granted~~ "Life PBR Exemption" definition? (Check either 2.1, 2.2 or 2.3)
- 2.1 NAIC Adopted VM [ ]
- 2.2 State Statute (SVL) [ ] Complete items "a" and "b", as appropriate.
- a. Is the criteria in the State Statute (SVL) different from the NAIC adopted VM? Yes [ ] No [ ]
- b. If the answer to "a" above is "Yes", provide the criteria the state has used to ~~grant~~ allow the Life PBR Exemption (e.g., Group/Legal Entity criteria) and the minimum reserve requirements that are required by the state of domicile (if the minimum reserve requirements are the same as the Adopted VM, write SAME AS NAIC VM):
- .....
- .....
- .....
- .....
- 2.3 State Regulation [ ] Complete items "a" and "b", as appropriate.
- a. Is the criteria in the State Regulation different from the NAIC adopted VM? Yes [ ] No [ ]
- b. If the answer to "a" above is "Yes", provide the criteria of the state's Life PBR Exemption that the company has met ~~the state has used to grant the Life PBR Exemption (e.g., Group/Legal Entity criteria)~~ and the minimum reserve requirements that are required by the state of domicile (if the minimum reserve requirements are the same as the Adopted VM, write SAME AS NAIC VM):
- .....
- .....
- .....
- .....
3. If the criteria for the "Life PBR Exemption" is the same as or substantially similar to the NAIC adopted VM (i.e., Question 2.1 is checked or Question 2.2.a is "No" or Question 2.3.a is "No"), then provide the most recent year that the company filed a statement of exemption that was allowed. If such calendar year is not the current calendar year for this statement, also provide confirmation that the company meets the criteria for utilizing an ongoing statement of exemption, meaning that none of the following apply: 1) the company fails to meet either of the conditions in VM Section II, Subsection 1.G.2, 2) the policies exempted contain those in VM Section II, Subsection 1.G.3, or 3) the domiciliary commissioner contacted the company prior to Sept. 1 and notified them that the statement of exemption was not allowed:
- .....

**QUARTERLY STATEMENT BLANK – LIFE/FRATERNAL**

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a “NONE” report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

Response



**Detail Eliminated To Conserve Space**

- 8. Will the Life PBR Statement of Exemption be filed with the state of domicile by July 1st and electronically with the NAIC with the second quarterly filing per the Valuation Manual (by August 15)? (2nd Quarter Only) The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter. In the case of an ongoing statement of exemption, enter “SEE EXPLANATION” and provide as an explanation that the company is utilizing an ongoing statement of exemption. .....

**AUGUST FILING**

- 9. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter. ....

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