

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>03/28/2023</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., 3<sup>rd</sup> FL., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p align="center"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2023-11BWG MOD</u> Year <u>2023</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ] New Reporting Requirement <input type="checkbox"/> [ ]</p> <hr/> <p align="center"><b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b></p> <p>No Impact <input checked="" type="checkbox"/> [ X ] Modifies Required Disclosure <input type="checkbox"/> [ ]</p> <p>Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? <input checked="" type="checkbox"/> [ YES ] <i>***If Yes, complete question below***</i></p> <hr/> <p align="center"><b>DISPOSITION</b></p> <p><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>05/31/2023</u> <input type="checkbox"/> [ ] Rejected Date _____ <input type="checkbox"/> [ ] Deferred Date _____ <input type="checkbox"/> [ ] Other (Specify) _____</p>
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**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 type="checkbox"/> [ ] BLANK                     |   |
| <input checked="" type="checkbox"/> [ X ] Life, Accident & Health/Fraternal | <input type="checkbox"/> [ ] Separate Accounts         | <input checked="" type="checkbox"/> [ X ] Title       |
| <input checked="" type="checkbox"/> [ X ] Property/Casualty                 | <input type="checkbox"/> [ ] Protected Cell            | <input type="checkbox"/> [ ] Other _____              |
| <input checked="" type="checkbox"/> [ X ] Health                            | <input type="checkbox"/> [ ] Health (Life Supplement)  | <input type="checkbox"/> [ ] Life (Health Supplement) |

Anticipated Effective Date: Annual 2023

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

Add additional instructions and illustration to be data captured for Note 7 – Investment Income in the Notes to Financials Statement to disclose more information on interest.

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

The purpose of this proposal is to modify the instructions for Note 7 to reflect changes to *SSAP No. 34—Investment Income Due and Accrued* adopted by the Statutory Accounting Principles (E) Working Group in agenda item 2022-17.

**\*\*\*IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL\*\*\***

Although the data for Note 7C might be found elsewhere in the statement, the intent is to have information in a single location for easy comparability. Note 7D (aggregate deferred interest) is interest that is not considered past due, as there is no due date, therefore it is not nonadmitted. With having Note 7C in the updates to Note 7, it will allow regulators to compare the interest.

**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, & TITLE

NOTES TO FINANCIAL STATEMENTS

Notes to the Annual Statement are to be filed on March 1.



Detail Eliminated To Conserve Space

7. Investment Income

Instruction:

Disclose the following for investment income due and accrued in the financial statements:

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued,

B. The total amount excluded.

C. The gross, nonadmitted and admitted amounts for interest income due and accrued.

(1) Gross amount for interest income due and accrued. (Should equal Assets Page, Line 14, Column 1)

(2) Nonadmitted amount for interest income due and accrued. (Should equal Assets Page, Line 14, Column 2)

(3) Admitted amount for interest income due and accrued. (Should equal Assets Page, Line 14, Column 3)

D. The aggregate deferred interest.

Some investments allow for interest payments to be deferred past the originally scheduled payment date without being considered past due under the agreement terms. Include the amount of interest reported as due and accrued for which the reporting entity has not received within 90 days of the originally scheduled payment date, that has not been nonadmitted under SSAP No. 34 – Investment Income Due and Accrued. For the avoidance of doubt, this should also include all accrued interest for investments that pay interest in full less frequently than annually per the agreement terms.

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.

Include the amount of reported interest in which the terms of the investment permit paid-in-kind (PIK) instead of cash. The amount captured shall reflect the cumulative amount of PIK interest included in the current principal balance.

Illustration:

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount excluded was \$ \_\_\_\_\_.

**THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLES (7C, 7D, AND 7E) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THESE ILLUSTRATIONS.**

C. The gross, nonadmitted and admitted amounts for interest income due and accrued.

<u>Interest Income Due and Accrued</u>	<u>Amount</u>
<u>1. Gross</u>	\$ _____
<u>2. Nonadmitted</u>	\$ _____
<u>3. Admitted</u>	\$ _____

D. The aggregate deferred interest.

<u>Aggregate Deferred Interest</u>	<u>Amount</u>
	\$ _____

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.

<u>Cumulative amounts of PIK interest included in the current principal balance</u>	<u>Amount</u>
	\$ _____

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