# Blanks Agenda Item Submission Form

**DATE:** 1/10/24

**CONTACT PERSON:** Scott O'Neal

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**ON BEHALF OF:** Rachel Hemphill, Chair, LATF

**NAME:** Scott O'Neal

**TITLE:** Life Examination Actuary

**AFFILIATION:** NAIC

**ADDRESS:** 1100 Walnut St, Suite 1500

Kansas City, MO 64106

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<table>
<thead>
<tr>
<th>BLANK(S) TO WHICH PROPOSAL APPLIES</th>
<th>FOR NAIC USE ONLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ X ] ANNUAL STATEMENT</td>
<td>Agenda Item # 2024-04BWG</td>
</tr>
<tr>
<td>[ ] QUARTERLY STATEMENT</td>
<td>Year 2024</td>
</tr>
<tr>
<td>[ X ] Life, Accident &amp; Health/Fraternal</td>
<td>Changes to Existing Reporting [ X ]</td>
</tr>
<tr>
<td>[ ] Property/Casualty</td>
<td>New Reporting Requirement [ ]</td>
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<tr>
<td>[ ] Health</td>
<td>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</td>
</tr>
<tr>
<td>[ ] ] Separate Accounts</td>
<td>No Impact [ X ]</td>
</tr>
<tr>
<td>[ ] Protected Cell</td>
<td>Modifies Required Disclosure [ ]</td>
</tr>
<tr>
<td>[ ] Health (Life Supplement)</td>
<td>Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [ NO ]</td>
</tr>
<tr>
<td>[ ] Life (Health Supplement)</td>
<td><em><strong>if Yes, complete question below</strong></em></td>
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**ANTICIPATED EFFECTIVE DATE:** 2024 Annual

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

This proposal is to address the inconsistent reporting by companies not including separate account amounts on the VM-20 supplement.

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

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**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: For 2024 Annual Statement Blank Instructions

Other Comments:

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

Revised 11/17/2022

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2024-04BWG.docx
VM-20 RESERVES SUPPLEMENT

Life Insurance Reserves Valued According to VM-20 by Product Type

This Supplement provides information on the reserves required to be calculated by Section VM-20 of the *Valuation Manual*. This includes the Net Premium Reserve and, as applicable, the Deterministic Reserve and the Stochastic Reserve. Only business issued on or after Jan. 1, 2017, valued by the requirements of VM-20 should be reported in Part 1A and Part 1B. Part 1A and Part 1B are intended to aid regulators in the analysis of reserves as determined under Section VM-20 of the *Valuation Manual* for both the prior and current year.

This Supplement also provides information regarding business where VM-20 of the *Valuation Manual* is not required to be applied. Companies exempted from the requirements of Section VM-20 are not required to complete Part 1A or Part 1B of this Supplement but must complete Part 2 or Part 3 as applicable.

VM-20 RESERVES SUPPLEMENT – PART 1A

Life Insurance Reserves Valued According to VM-20 by Product Type

Part 1A of this Supplement breaks out, by product type, the prior year and current year reported reserves on a Post-Reinsurance-Ceded and Pre-Reinsurance-Ceded basis as defined in Section 8.D of Section VM-20 of the *Valuation Manual*. The Due and Deferred Premium Asset for the current year is also shown.

Section VM-20 of the *Valuation Manual* requires that the Post-Reinsurance-Ceded Reserve be determined by three VM-20 Reserving Categories: Term Insurance, Universal Life with Secondary Guarantees (ULSG) and all other. Term insurance should be reported on line 1.1. ULSG, including Variable Universal Life with a secondary guarantee, Indexed life insurance with a secondary guarantee, regular Universal Life with a secondary guarantee, and ULSG policies with a non-material secondary guarantee as defined in Section VM-01 of the *Valuation Manual*, should be reported on line 1.2. Each of the other products reported in lines 1.3 – 1.8 should be determined as the sum of the policy reserves using the policy reserves determined following the allocation process of VM-20 Section 2. A similar process should be used for each of the pre-reinsurance-ceded reserves. Both Post-Reinsurance-Ceded Reserves and Pre-Reinsurance-Ceded Reserves, as defined in VM-20, include separate account amounts where applicable to the policies in scope.