

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>03/01/2024</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>2024-09BWG MOD</u></p> <p>Year <u>2024</u></p> <p>Changes to Existing Reporting [ ]</p> <p>New Reporting Requirement [ X ]</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> <p>Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [ No ]</p> <p><i>***If Yes, complete question below***</i></p> <p align="center"><b>DISPOSITION</b></p> <p>[ ] Rejected For Public Comment</p> <p>[ ] Referred To Another NAIC Group</p> <p>[ ] Received For Public Comment</p> <p>[ X ] Adopted Date <u>05/23/2024</u></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 checked="" type="checkbox"/> CROSSCHECKS   |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT               | <input type="checkbox"/> BLANK                        |   |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input checked="" 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)     | <input type="checkbox"/> Life (Health Supplement) |

Anticipated Effective Date: Annual 2024

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

Add a note (5T) to the Notes to Financials to be data captured to report the aggregate collateral loans by qualifying investment collateral. Add crosscheck between Schedule BA, Part 1 Book Adjusted Carrying Value column and Note 5(T) Total Line.

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

This proposal updates Notes to Financial Statement for the Statutory Accounting Principles Working Group’s disclosure on Collateral Loan Reporting (INT 23-28)

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

**NAIC STAFF COMMENTS**

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

Other Comments:

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

**NOTES TO FINANCIAL STATEMENTS**

**5. Investments**

Instruction:

T. Aggregate Collateral Loans by Qualifying Investment Collateral

Pursuant to SSAP No. 21 R – Other Admitted Assets, nonadmittance of a collateral loan is required when the fair value of the collateral is not sufficient to cover the collateral loan or if the collateral securing the loan is not a qualifying investment. This includes situations in which collateral in form of joint ventures, partnerships, limited liability companies (LLCs) or subsidiaries, controlled, and affiliates (SCAs) is not supported by an audit as required by SSAP No. 48 or SSAP No. 97.

Collateral loans shall be reported based on the type of qualifying investment that secures the loan. An aggregate note disclosure shall identify the total amount of collateral loans, and the collateral loans admitted and nonadmitted by qualifying investment type.

The other qualifying investment category shall only be used to capture collateral loans secured by collateral in the form of contract loans, derivatives, other invested assets not separately reported, receivables for securities, securities lending and any investments that would qualify as a write-in for invested assets. All collateral loans secured by collateral that does not qualify as an investment are required to be nonadmitted under SSAP No. 21R.

Note: Collateral Loans with collateral that does not qualify as an investment are not permitted under SSAP No. 21R. Amounts reported as admitted within this category shall be supported by a prescribed or permitted practice disclosure.



Illustration:

T. Aggregate Collateral Loans by Qualifying Investment Collateral

**THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.**

<u>Collateral Type</u>	<u>Aggregate Collateral Loan*</u>	<u>Admitted</u>	<u>Nonadmitted</u>
<u>(1) Cash, Cash Equivalent &amp; ST Investments</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(2) Bonds</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(3) Loan-Backed and Structured Securities</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(4) Preferred Stocks</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(5) Common Stocks</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(6) Real Estate</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(7) Mortgage Loans</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(8) Joint Ventures, Partnerships, LLC</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(9) Other Qualifying Investments</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(10) Collateral Does not Qualify as an Investment</u>			
<u>a. Affiliated</u>	.....	.....	.....
<u>b. Unaffiliated</u>	.....	.....	.....
<u>(11) Total</u>	.....	.....	.....

\* Aggregate Collateral Loan Total Line should equal Schedule BA, Part 1, Column 12, Book Adjusted Carrying Value

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