

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p align="right">DATE: <u>03/21/2024</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., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p align="center">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2024-11BWG MOD</u></p> <p>Year <u>2025</u></p> <p>Changes to Existing Reporting <input type="checkbox"/> [X]</p> <p>New Reporting Requirement <input type="checkbox"/> []</p> <hr/> <p align="center">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact <input type="checkbox"/> [X]</p> <p>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 type="checkbox"/> [No]</p> <p><i>***If Yes, complete question below***</i></p> <p align="center">DISPOSITION</p> <p><input type="checkbox"/> [] Rejected For Public Comment</p> <p><input type="checkbox"/> [] Referred To Another NAIC Group</p> <p><input type="checkbox"/> [] Received For Public Comment</p> <p><input checked="" type="checkbox"/> [X] Adopted Date <u>08/07/2024</u></p> <p><input type="checkbox"/> [] Rejected Date _____</p> <p><input type="checkbox"/> [] Deferred Date _____</p> <p><input type="checkbox"/> [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input type="checkbox"/> [X] INSTRUCTIONS | <input type="checkbox"/> [] CROSSCHECKS |
| <input checked="" type="checkbox"/> [X] QUARTERLY STATEMENT | <input checked="" type="checkbox"/> [X] BLANK | |
| <input checked="" type="checkbox"/> [X] Life, Accident & Health/Fraternal | <input checked="" type="checkbox"/> [X] Separate Accounts | <input checked="" type="checkbox"/> [X] Title |
| <input checked="" type="checkbox"/> [X] Property/Casualty | <input checked="" type="checkbox"/> [X] 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: January 1, 2025

IDENTIFICATION OF ITEM(S) TO CHANGE

Update the Annual and Quarterly Instructions and Blanks for the New Market Tax Credit changes. Changes will be made to: Annual – Assets, Notes to Financial Statements 5K, 14A, and 21E, AVR, and Schedule BA, Part 1, 3, and Verification Between Years. Quarterly changes – Assets and Schedule BA, Part 3 and Verification Between Years.

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

The reason for this proposal is to update the instructions and blanks for the Statutory Accounting Principles Working Group’s conceptual changes to SSAP No. 93 – Low Income Housing Tax Credit Property Investments and SSAP No. 94R – Transferable and Nontransferable State Tax Credits resulting from the New Market Tax Credits project. (SAPWG Ref # 2022-14) Note that the guaranteed federal investment line was eliminated as these types of tax credit investment structures were substantially eliminated by the Historic Boardwalk Hall, LLC v. Comm of Internal Revenue court decision in 2012.

*****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:

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

ASSETS

The value for real estate, bonds, stocks, and the amount loaned on mortgages must, in all cases, prove with corresponding values and admitted assets supported by the corresponding schedules.



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Line 8 – Other Invested Assets (Schedule BA Assets)

Report admitted investments reported on Schedule BA and not included under another classification.

Include: Loans.

Certain affiliated securities, such as joint ventures, partnerships and limited liability companies (*SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*).

~~Low Income Housing Tax Credit Property Investments~~ All investments in tax credit structures (*SSAP No. 93—Low Income Housing Tax Credit Property Investments in Tax Credit Structures*).



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NOTES TO FINANCIAL STATEMENTS

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

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5. Investments

Instruction:

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K. ~~Low-Income Housing Tax Credits (LIHTC)~~ Investments in Tax Credit Structures (tax credit investments)

~~For investments in low income housing tax credits (LIHTC) tax credit structures within the scope of SSAP No. 93—Investments in Tax Credit Structures,~~ disclose the following:

- (1) ~~The number of remaining years of unexpired tax credits and the required holding period for the LIHTC investments. Information that enables users of its financial statements to understand the following information about its investments in projects that generate tax credits and other tax benefits from tax programs:~~
 - a. ~~The nature of its investments in projects that generate tax credits and other tax benefits.~~
 - b. ~~The effect of the recognition and measurement of its investments in projects that generate tax credits and other tax benefits and the related tax credits on its financial position and results of operations.~~
- (2) ~~The amount of LIHTC and other tax benefits recognized during the years presented. The amount of tax credits and other tax benefits recognized during the reporting period(s).~~
- (3) ~~The balance of the investment recognized in the statement of financial position for the reporting period(s) presented.~~
- (4) ~~If the LIHTC property is currently subject to any regulatory reviews and the status of such review (e.g., investigations by the housing authority). The amount of investment amortization and non-income tax related activity recognized as a component of net investment income, and other returns allocated that were recognized outside of income tax expense.~~
- (5) ~~An aggregate schedule of tax credits expected to be generated each year for the subsequent five years and thereafter, disaggregated by transferable/certificated and non-transferable.~~
- (6) ~~Any commitment or contingent commitment (e.g., guarantees or commitments to provide additional capital contributions) including the amount of contributions that are contingent commitments related to tax credit investments and the year(s) that contingent commitments are expected to be paid shall be disclosed.~~
- (57) ~~The significance of an investment to the reporting entity's financial position and results of operations shall be considered in evaluating the extent of disclosures of the financial position and results of operations of an investment in an LIHTC. If, in the aggregate, the LIHTC investments exceed 10% of the total admitted assets of the reporting entity, the following disclosures shall be made: The following disclosures shall be included if applicable to tax credit investments:~~
 - a. (1) ~~The name of each partnership or limited liability entity and percentage of ownership;~~ (2) ~~the accounting policies of the reporting entity with respect to investments in partnerships and limited liability entities;~~ (3) ~~the difference, if any, between the amount at which the~~

~~investment is carried and the amount of underlying equity in net assets (i.e., nonadmitted goodwill or other nonadmitted assets); and (4) the accounting treatment of the difference. If the underlying project is currently subject to any regulatory reviews and the status of such review. (Example: Investigations by the housing authority.)~~

- ~~b. For partnerships and limited liability entities for which a quoted fair value is available, the aggregate value of each partnership, or limited liability entity investment based on the quoted fair value. Significant modifications or events that resulted in a change in the nature of the investment or a change in the relationship with the underlying project for investments in scope.~~
- ~~c. Summarized information as to assets, liabilities, and results of operations for partnerships, and limited liability entities either individually or in groups.~~

(68) A reporting entity that recognizes an impairment loss shall disclose the following in the financial statements that include the period of the impairment write-down:

- a. A description of the impaired assets and the facts and circumstances leading to the impairment; and
- b. The amount of the impairment and how fair value was determined.

(79) ~~The amount and nature of the write downs or reclassifications made during the year resulting from the forfeiture or ineligibility of tax credits, etc. These write downs may be based on actual property-level foreclosure, loss of qualification due to occupancy levels, compliance issues with tax code provisions within an LIHTC investment or other issues. Disclosure of the following regarding tax credits allocated from tax credit investments and are unused as of the reporting period(s) are to be disclosed within Note 21 (State and Federal Tax Credits). For purposes of this disclosure, total unused tax credits represent the entire tax credits available:~~

- ~~a. Carrying value of tax credits, disaggregated by transferable/certificated and non-transferable, gross of any related tax liabilities by jurisdiction and in total.~~
- ~~b. Total unused tax credits by jurisdiction, disaggregated by transferable/certificated and non-transferable.~~
- ~~c. Method of estimating utilization of remaining tax credits or other projected recovery of the current carrying value; and~~
- ~~d. Impairment amount recognized by the reporting period(s), if any.~~
- ~~e. Identify tax credits by transferable/certificated and non-transferable classifications and identify the admitted and nonadmitted portions of each classification.~~



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14. Liabilities, Contingencies and Assessments

Instruction:

For disclosures related to *SSAP No. 5R—Liabilities, Contingencies and Impairment of Assets*, *SSAP No. 35R—Guaranty Fund and Other Assessments*, *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* and *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*, describe the nature of any material contingencies in accordance with SSAP No. 5R and report total contingent liabilities.

A. Contingent Commitments

- (1) Disclose any commitment or contingent commitment to an SCA entity, joint venture, partnership, or limited liability company (e.g., guarantees or commitments to provide additional capital contributions).

Include any commitment or contingent commitment (e.g., guarantees or commitments to provide additional capital contributions) including the amount of equity contributions that are contingent commitments related to ~~LHHC properties~~ investments in tax credit structures and the year(s) that contingent commitments are expected to be paid. Refer to *SSAP No. 93—Low Income Housing Investments in Tax Credit Property Investments Structures* for accounting guidance.

Include any commitment or contingent commitment to purchase tax credits. Refer to SSAP No. 94R—State and Federal Tax Credits for accounting guidance.

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21. Other Items

Instruction:

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E. State ~~Transferable and Non-transferable~~ and Federal Tax Credits

Note: As directed in Note 5, Tax credits allocated from tax credit investments and unused as of the reporting period(s) are to be included in the disclosures below.

Disclose the following regarding state ~~transferable and non-transferable~~ and federal tax credits within the scope of SSAP No. 93—Investments in Tax Credit Structures and SSAP No. 94R—State and Federal Tax Credits for the reporting period(s) presented. For purposes of this disclosure, total unused ~~transferable and non-transferable~~ state tax credits represent the entire ~~transferable and non-transferable~~ state tax credits available:

- (1) Carrying value of ~~transferable and non-transferable~~ state tax credits, disaggregated by transferable/certificated and non-transferable, gross of any related state tax liabilities and total unused transferable and non-transferable state tax credits by state and in total by jurisdiction and in total;
- (2) Total unused tax credits by jurisdiction, disaggregated by transferable/certificated and non-transferable;
- (23) Method of estimating utilization of remaining ~~transferable and non-transferable~~ state tax credits or other projected recovery of the current carrying value; and
- (34) Impairment amount recognized by the reporting period, if any.

(45) Identify ~~state~~ tax credits by transferable/certificated and non-transferable classifications and identify the admitted and nonadmitted portions of each classification.

(6) Any commitment or contingent commitment to purchase tax credits.

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Illustration:

E. ~~State Transferable and Non-transferable~~ and Federal Tax Credits

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.

(1) ~~Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State and in Total~~ Carrying Value of State and Federal Tax Credits, Disaggregated by Transferable/Certificated and Non-transferable, Gross of any Related Tax Liabilities by Jurisdiction and in Total

<u>Description of State-Transferable and Non-transferable Tax Credits</u>	<u>State/Jurisdiction</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total</u>	_____	_____	_____

(2) Total unused tax credits by jurisdiction, disaggregated by transferable/certificated and non-transferable:

	<u>State Abbreviation*</u>	<u>Transferable / Certificated</u>	<u>Nontransferable</u>	<u>Total</u>
<u>a. State</u>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	<u>Total</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
<u>b. Federal</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
<u>c. Total (a+b)</u>		<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

** Only applicable to State section of table*

(23) Method of Estimating Utilization of Remaining ~~Transferable and Non-transferable State and Federal~~ Tax Credits

The Company estimated the utilization of the remaining ~~transferable and non-transferable state and federal~~ tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining ~~transferable and non-transferable state and federal~~ tax credits.

(34) Impairment Loss

The Company recognized an impairment loss of \$_____ related to the write-down as a result of impairment analysis of the carrying amount for state ~~transferable and non-transferable~~ and federal tax credits.

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.

(45) State and Federal Tax Credits Admitted and Nonadmitted, disaggregated by Transferable/Certificated and Non-transferable.

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
a. <u>State</u>		
1. Transferable	_____	_____
2. Non-transferable	_____	_____
b. <u>Federal</u>		
1. Transferable	_____	_____
2. Non-transferable	_____	_____


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SCHEDULE BA – PARTS 1, 2 AND 3

OTHER LONG-TERM INVESTED ASSETS – GENERAL INSTRUCTIONS

*****Drafting Note – the line references to Schedule BA may be updated after the BA proposal (2023-12BWG) is adopted. The line reference updates will be made in the instructions and not shown in this proposal.*****


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Guaranteed Federal Low Income Housing Tax Credit	
Unaffiliated.....	3599999
Affiliated.....	3699999
<u>Yield Guaranteed State Tax Credit Investments</u>	
Unaffiliated.....	3599999
Affiliated.....	3699999
Non-Guaranteed Qualifying Federal Low Income Housing Tax Credit Investments	
Unaffiliated.....	3799999
Affiliated.....	3899999
<u>Yield Guaranteed State Tax Credit Investments</u>	
Unaffiliated.....	3799999
Affiliated.....	3899999
Non-Guaranteed Qualifying State Low Income Housing Tax Credit Investments	
Unaffiliated.....	4199999399999
Affiliated.....	4299999409999
All Other Low Income Housing Tax Credit Investments	
Unaffiliated.....	4399999419999
Affiliated.....	4499999429999
Working Capital Finance Investment	
Unaffiliated.....	4599999439999
Residual Tranches or Interests with Underlying Assets Having Characteristics of:	
Fixed Income Instruments	
Unaffiliated.....	4699999449999
Affiliated.....	4799999459999
Common Stock	
Unaffiliated.....	4899999469999
Affiliated.....	4999999479999
Preferred Stock	
Unaffiliated.....	5099999489999
Affiliated.....	5199999499999
Real Estate	
Unaffiliated.....	5299999509999
Affiliated.....	5399999519999
Mortgage Loans	
Unaffiliated.....	5499999529999
Affiliated.....	5599999539999
Other	
Unaffiliated.....	5699999549999
Affiliated.....	5799999559999
Any Other Class of Assets	

Unaffiliated.....	5899999569999
Affiliated.....	5999999579999
Subtotals	
Unaffiliated.....	6099999
Affiliated.....	6199999
TOTALS.....	6299999

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Low Income Housing Investments in Tax Credit Structures

Include: All ~~Low Income Housing Investments in Tax Credit Structures (Tax Credit Investments) (LIHTC or affordable housing) qualifying under within the scope of SSAP No. 93 – Tax Credit Investments, that are in the form of a Limited Partnership or a Limited Liability Company~~ including those investments that have the following risk mitigation factors:

A. ~~State Yield Guaranteed State Low Income Housing Tax Credit Investments.~~

I. ~~There must be an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment. This reporting line is only allowed for tax credit investments which issue state tax credits.~~

a. ~~Tax credit investments which would have previously been reported under the Guaranteed Federal tax credit investment reporting line should now be reported in Other Tax Credit Investments. This reporting line was removed as these types of tax credit investment structure were substantially eliminated by the Historic Boardwalk Hall, LLC v. Commissioner of Internal Revenue court decision in 2012.~~

B. ~~Qualifying State and Federal Non-guaranteed Low Income Housing Tax Credit Investments.~~

Investments reported on these lines must have all of the following risk mitigation factors:

I. ~~A level of leverage below 50%. For a LIHTC Fund tax credit investment fund, the level of leverage is measured at the fund level.~~

II. ~~There is a Tax Credit Guarantee Agreement, or equivalent insurance acquired, at arm’s length, by the investor from General Partner or managing member. This agreement requires the General Partner, or managing member, developer, or insurer to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the duration of the regulatory compliance period of the tax credit program, for the life of the partnership. For a LIHTC Fund tax credit investment fund, a Tax Credit Guarantee Agreement is required from the developers of the lower tier LIHTC properties/projects to the upper tier partnership and all other LIHTC investments.~~

III. ~~There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable foreclosure loss risks at the time of the investments as of the current reporting period.~~

C. Other Tax Credit Investments.

I. Any tax credit investment which cannot be reported as either yield guaranteed or non-guaranteed qualifying.

a. Federal tax credit investments with all-inclusive yield guarantees which would have previously been reported under the Guaranteed Federal Tax Credit Investment reporting line and are still within the scope of SSAP No. 93 shall be reported in Other Tax Credit Investments. This Federal Guaranteed reporting line was removed as these types of tax credit investment structure were substantially eliminated by the Historic Boardwalk Hall, LLC v. Commissioner of Internal Revenue court decision in 2012.

Non-qualifying LIHTCs should be reported in the "All Other" category



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SCHEDULE BA – PART 1

OTHER LONG-TERM INVESTED ASSETS OWNED DECEMBER 31 OF CURRENT YEAR

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Column 14 – Current Year’s (Depreciation) or (Amortization)/Accretion

This amount represents depreciation expense for the period (where appropriate), amortization of premium and the accrual of discount, and proportional amortization of tax credit investments. The accrual of discount amounts in this column are to be reported as increases to investment income in the Exhibit of Net Investment Income, while the amortization of premium amounts and tax credit investments are to be reported as decreases to investment income. See Column 13 for discussion of an unrealized valuation increase/(decrease) where the real estate is carried at fair value and (depreciation) and/or (amortization)/accretion has been recorded.

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SCHEDULE BA – PART 3

OTHER LONG-TERM INVESTED ASSETS DISPOSED, TRANSFERRED OR REPAID DURING THE YEAR

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Column 10 – Current Year’s (Depreciation) or (Amortization)/Accretion

This amount represents depreciation expense for the period (where appropriate), amortization of premium and the accrual of discount, and proportional amortization of tax credit investments. The accrual of discount amounts in this column are to be reported as increases to investment income in the Exhibit of Net Investment Income, while the amortization of premium amounts and tax credit investments are to be reported as decreases to investment income. See column 9 for discussion of an unrealized valuation increase/(decrease) where the real estate is carried at fair value and (depreciation) and/or (amortization)/accretion has been recorded.

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ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

Drafting Note – the line references to Schedule BA may be updated after the BA proposal (2023-12BWG) is adopted. The line reference updates will be made in the instructions and not shown in this proposal.

ASSET VALUATION RESERVE

EQUITY AND OTHER INVESTED ASSET COMPONENT – BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS

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Lines 75

through 8079 – Low Income Housing Tax Credit Investments in Tax Credit Structures

Report Column 1 in accordance with SSAP No. 93 – Low Income Housing Tax Credit Property Investments Investments in Tax Credit Structures.

For Line 75, report guaranteed low income housing tax credit (LIHTC) investments. There must be an all inclusive guarantee from a CRP rated entity that guarantees the yield on the investment. Line 75 should equal Schedule BA, Part 1, Column 12, Line 3599999 + Line 3699999. Investments in tax credit structures (tax credit investments) must meet the requirements of SSAP No. 93 to be reported on Lines 75 through 79.

For Line 76, report non guaranteed LIHTC investments with the following risk mitigation factors Only tax credits investments which issue federal tax credits and have the following risk mitigation factors can be reported as non guaranteed qualifying federal tax credit investments on Line 576:

- I. A level of leverage below 50%. For LIHTC Funda tax credit investment fund, the level of leverage is measured at the fund level.
II. There is a Tax Credit Guarantee Agreement, or equivalent insurance acquired, at arm’s length, by the investor from General Partner or managing member. This agreement requires the General Partner, or managing member, developer, or insurer to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the duration of the regulatory compliance period of the tax credit program for the life of the partnership. For an LIHTC Funda tax credit investment fund, a Tax Credit Guarantee Agreement is required from the developers of the lower tier LIHTC properties/projects to the upper tier partnership.
III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable foreclosure loss risks at the time of as of the investment current reporting period.

Line 76 75 should equal Schedule BA, Part 1, Column 12, Line 3799999 3599999 + Line 3899999 3699999.

Only federal low income housing tax credit investments can be reported on Lines 75 and 76. Only tax credit investments which issue state tax credits and, State low income housing tax credit investments that meet the requirements of SSAP No. 93 and that, at a minimum, have an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment meet the requirements for federal guaranteed programs should can be reported as yield guaranteed state investments on Line 775. Line 77 75 should equal Schedule BA, Part 1, Column 12, Line 3999999 3599999 + Line 4099999 3699999.

~~State low income housing tax credit investments that do not meet the requirements of SSAP No. 93 and that do not~~ Tax credit investments which issue state tax credits and, at a minimum, meet the same requirements for qualifying federal non-guaranteed tax credit programs investments (as detailed above) should be reported as non-guaranteed qualifying state tax credit investments on Line ~~78-77~~. Line ~~78-77~~ should equal Schedule BA, Part 1, Column 12, Line ~~4199999-3999999~~ + Line ~~42999994099999~~.

~~Any~~ All other low income housing tax credit investments that meet the requirements of SSAP No. 93 and ~~which~~ cannot be reported on Lines 75 through ~~78-77~~ should be reported as other tax credit investments on Line ~~7978~~. Line ~~79-78~~ should equal Schedule BA, Part 1, Column 12, Line ~~4399999~~ ~~4199999~~ + Line ~~44999994299999~~.

Multiply the amount in Column 4 for each category by the reserve factors for Page 34, Columns 5, 7 and 9, Lines 75 through ~~7978~~. Report the products by category in Columns 6, 8 and 10, respectively.

- Lines ~~8180~~
through ~~9190~~ – Residual Tranches or Interests
- Line ~~8180~~ – Fixed Income Instruments – Unaffiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8281~~ – Fixed Income Instruments – Affiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8382~~ – Common Stock – Unaffiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8483~~ – Common Stock – Affiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8584~~ – Preferred Stock – Unaffiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8685~~ – Preferred Stock – Affiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8786~~ – Real Estate – Unaffiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8887~~ – Real Estate – Affiliated (*Detail Eliminated to Conserve Space*)
- Line ~~8988~~ – Mortgage Loans – Unaffiliated (*Detail Eliminated to Conserve Space*)
- Line ~~9089~~ – Mortgage Loans – Affiliated (*Detail Eliminated to Conserve Space*)
- Line ~~9190~~ – Other – Unaffiliated (*Detail Eliminated to Conserve Space*)
- Line ~~9291~~ – Other – Affiliated (*Detail Eliminated to Conserve Space*)
- Line ~~94-93~~ & ~~9594~~ – Working Capital Finance Investments (*Detail Eliminated to Conserve Space*)
- Line ~~9695~~ – Other Invested Assets – Schedule BA (*Detail Eliminated to Conserve Space*)
- Line ~~9796~~ – Other Short-Term Invested Assets – Schedule DA (*Detail Eliminated to Conserve Space*)
- Line ~~9897~~ – Total Other Invested Assets – Schedules BA & DA (*Detail Eliminated to Conserve Space*)

*****Drafting Note – the line references from Line 80 and below have been updated with the adopted Schedule BA proposal (2023-12BWG). The line reference updates will be made in the instructions and not shown in this proposal.*****

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE

ASSETS

Information should be reported as of the end of current quarter.



Line 8 – Other Invested Assets (Schedule BA Assets)

Report admitted investments reported on Schedule BA and not included under another classification.

Include: Loans.

Certain affiliated securities, such as joint ventures, partnerships and limited liability companies (*SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*).

~~Low Income Housing Tax Credit Property Investments~~ All investments in tax credit structures (*SSAP No. 93—Low Income Housing Tax Credit Property Investments in Tax Credit Structures*).



SCHEDULE BA – PARTS 2 AND 3

OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND DISPOSED OF

****Drafting Note – the line references to Schedule BA may be updated after the BA proposal (2023-12BWG) is adopted. The line reference updates will be made in the instructions and not shown in this proposal.****

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<u>Guaranteed Federal Low Income Housing Tax Credit</u>		
Unaffiliated.....		3599999
Affiliated.....		3699999
<u>Yield Guaranteed State Low Income Housing Tax Credit Investments</u>		
Unaffiliated.....		3599999
Affiliated.....		3699999
<u>Non-Guaranteed Qualifying Federal Low Income Housing Tax Credit Investments</u>		
Unaffiliated.....		3799999
Affiliated.....		3899999
<u>Yield Guaranteed State Tax Credit Investments</u>		
Unaffiliated.....		3799999
Affiliated.....		3899999
<u>Non-Guaranteed Qualifying State Low Income Housing Tax Credit Investments</u>		
Unaffiliated.....		4199999399999
Affiliated.....		4299999409999
<u>All Other Low Income Housing Tax Credit Investments</u>		
Unaffiliated.....		43999994199999
Affiliated.....		44999994299999
<u>Working Capital Finance Investment</u>		
Unaffiliated.....		45999994399999
<u>Residual Tranches or Interests with Underlying Assets Having Characteristics of:</u>		
Fixed Income Instruments		
Unaffiliated.....		46999994499999
Affiliated.....		47999994599999
Common Stock		
Unaffiliated.....		48999994699999
Affiliated.....		49999994799999
Preferred Stock		
Unaffiliated.....		50999994899999
Affiliated.....		51999994999999
Real Estate		
Unaffiliated.....		52999995099999
Affiliated.....		53999995199999
Mortgage Loans		
Unaffiliated.....		54999995299999
Affiliated.....		55999995399999
Other		
Unaffiliated.....		56999995499999
Affiliated.....		57999995599999
Any Other Class of Assets		

Unaffiliated.....	5899999569999
Affiliated	5999999579999
Subtotals	
Unaffiliated.....	6099999
Affiliated	6199999
TOTALS.....	6299999

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Low Income Housing Investments in Tax Credit Structures

Include: All ~~Low Income Housing~~ Investments in Tax Credit Structures (Tax Credit Investments) (~~LIHTC or affordable housing~~) that are in the form of a ~~Limited Partnership or a Limited Liability Company~~ qualifying under within scope of SSAP No. 93 – Tax Credit Investments, including those investments that have the following risk mitigation factors:

A. ~~State Yield~~ Guaranteed State ~~Low Income Housing~~ Tax Credit Investments.

I. There must be an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment. This reporting line is only allowed for tax credit investments which issue state tax credits.

a. ~~Tax credit investments which would have previously been reported in the Guaranteed Federal tax credit investment reporting line should now be reported in the Other Tax Credit Investments reporting line. This reporting line was removed as these types of tax credit investment structure were substantially eliminated by the Historic Boardwalk Hall, LLC v. Commissioner of Internal Revenue court decision in 2012.~~

B. Qualifying State and Federal ~~Non-guaranteed Low Income Housing~~ Tax Credit Investments.

Investments reported on these lines must have all of the following risk mitigation factors:

I. A level of leverage below 50%. For a ~~LIHTC Fund~~ tax credit investment fund, the level of leverage is measured at the fund level.

II. There is a Tax Credit Guarantee Agreement, or equivalent insurance acquired, at arm's length, by the investor ~~from General Partner or managing member~~. This agreement requires the General Partner ~~or~~ managing member, developer, or insurer to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the duration of the regulatory compliance period of the tax credit program for the life of the partnership. For a ~~LIHTC Fund~~ tax credit investment fund, a Tax Credit Guarantee Agreement is required from the developers of the lower tier ~~LIHTC properties~~ projects to the upper tier partnership and all other ~~LIHTC~~ investments.

III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable ~~foreclosure loss risks at the time of the investments~~ of the current reporting period.

C. Other Tax Credit Investments.

I. Any tax credit investment which cannot be reported as either yield guaranteed or qualifying.

a. Federal tax credit investments with all-inclusive yield guarantees which would have previously been reported in the Guaranteed Federal tax credit investment reporting line and are still within the scope of SSAP No. 93 shall be reported in the Other Tax Credit Investments reporting line. The Federal Guaranteed reporting line was removed as these types of tax credit investment structure were substantially eliminated by the Historic Boardwalk Hall, LLC v. Commissioner of Internal Revenue court decision in 2012.

Non-qualifying LIHTCs should be reported in the "All Other" category

SCHEDULE BA – PART 3

**OTHER LONG-TERM INVESTED ASSETS DISPOSED, TRANSFERRED OR REPAID
DURING THE CURRENT QUARTER**

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Column 10 – Current Year’s (Depreciation) or (Amortization)/Accretion

This amount represents depreciation expense for the period (where appropriate), amortization of premium and the accrual of discount, and proportional amortization of tax credit investments. The accrual of discount amounts in this column are to be reported as increases to investment income in the Exhibit of Net Investment Income, while the amortization of premium amounts and tax credit investments are to be reported as decreases to investment income. See column 9 for discussion of an unrealized valuation increase (decrease) where the real estate is carried at fair value and (depreciation) and/or (amortization)/accretion has been recorded.

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=====** **Detail Eliminated To Conserve Space** **=====
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ANNUAL STATEMENT BLANK – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE

**SCHEDULE BA – VERIFICATION BETWEEN YEARS
Other Long-Term Invested Assets**

1.	Book/adjusted carrying value, December 31 of prior year	_____	_____
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8)	_____	_____
2.2	Additional investment made after acquisition (Part 2, Column 9)	_____	_____
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 16	_____	_____
3.2	Totals, Part 3, Column 12	_____	_____
4.	Accrual of discount	_____	_____
5.	Unrealized valuation increase/(decrease):		
5.1	Totals, Part 1, Column 13	_____	_____
5.2	Totals, Part 3, Column 9	_____	_____
6.	Total gain (loss) on disposals, Part 3, Column 19	_____	_____
7.	Deduct amounts received on disposals, Part 3, Column 16	_____	_____
8.	Deduct amortization of premium, and depreciation and proportional amortization	_____	_____
9.	Total foreign exchange change in book/adjusted carrying value:		
9.1	Totals, Part 1, Column 17	_____	_____
9.2	Totals, Part 3, Column 14	_____	_____
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	Totals, Part 1, Column 15	_____	_____
10.2	Totals, Part 3, Column 11	_____	_____
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	_____	_____
12.	Deduct total nonadmitted amounts	_____	_____
13.	Statement value at end of current period (Line 11 minus Line 12)	_____	_____


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Detail Eliminated To Conserve Space
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ASSET VALUATION RESERVE (Continued)
 BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
 EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK												
65		Unaffiliated Public.....		XXX	XXX		0.0000		0.1580(a)		0.1580(a)	
66		Unaffiliated Private.....		XXX	XXX		0.0000		0.1945		0.1945	
67		Affiliated Life with AVR.....		XXX	XXX		0.0000		0.0000		0.0000	
68		Affiliated Certain Other (See SVO Purposes & Procedures Manual).....		XXX	XXX		0.0000		0.1580		0.1580	
69		Affiliated Other - All Other.....		XXX	XXX		0.0000		0.1945		0.1945	
70		Total with Common Stock Characteristics (Sum of Lines 65 through 69)		XXX	XXX		XXX		XXX		XXX	
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE												
71		Home Office Property (General Account only).....					0.0000		0.0912		0.0912	
72		Investment Properties.....					0.0000		0.0912		0.0912	
73		Properties Acquired in Satisfaction of Debt.....					0.0000		0.1337		0.1337	
74		Total with Real Estate Characteristics (Sum of Lines 71 through 73)					XXX		XXX		XXX	
LOW INCOME HOUSING TAX CREDIT INVESTMENTS IN TAX CREDIT STRUCTURES												
75		Guaranteed Federal Low Income Housing Tax Credit.....					0.0003		0.0006		0.0010	
7775		Guaranteed State Low Income Housing Yield Guaranteed State Tax Credit Investments - State Guaranteed.....					0.0003		0.0006		0.0010	
7676		Non-guaranteed Federal Low Income Housing Qualifying Federal Tax Credit Investments - Federal Non-guaranteed.....					0.0063		0.0120		0.0190	
77		Guaranteed State Low Income Housing Tax Credit - State Guaranteed.....					0.0003		0.0006		0.0010	
7877		Non-guaranteed State Low Income Housing Qualifying State Tax Credit Investments - State Non-Guaranteed.....					0.0063		0.0120		0.0190	
7978		All Other Low Income Housing Other Tax Credit Investments - Other.....					0.0273		0.0600		0.0975	
8079		Total LHHC Tax Credit Investments (Sum of Lines 75 through 7978)					XXX		XXX		XXX	
RESIDUAL TRanches OR INTERESTS												
8480		Fixed Income Instruments - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8281		Fixed Income Instruments - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8382		Common Stock - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8483		Common Stock - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8584		Preferred Stock - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8685		Preferred Stock - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8786		Real Estate - Unaffiliated.....					0.0000		0.1580		0.1580	
8887		Real Estate - Affiliated.....					0.0000		0.1580		0.1580	
8988		Mortgage Loans - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9089		Mortgage Loans - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9190		Other - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9291		Other - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9392		Total Residual Tranches or Interests (Sum of Lines 81 through 92)					XXX		XXX		XXX	
ALL OTHER INVESTMENTS												
9493		NAIC 1 Working Capital Finance Investments.....		XXX			0.0000		0.0042		0.0042	
9594		NAIC 2 Working Capital Finance Investments.....		XXX			0.0000		0.0137		0.0137	
9695		Other Invested Assets - Schedule BA.....		XXX			0.0000		0.1580		0.1580	
9796		Other Short-Term Invested Assets - Schedule DA.....		XXX			0.0000		0.1580		0.1580	
9897		Total All Other (Sum of Lines 94, 95, 96 and 97).....		XXX			XXX		XXX		XXX	
9998		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 29, 37, 64, 70, 74, 80, 93 and 98)					XXX		XXX		XXX	

*****Drafting Note – the line references from Line 80 and below have been updated with the adopted Schedule BA proposal (2023-12BWG). The line reference updates will be made in the instructions and not shown in this proposal.*****

ANNUAL STATEMENT BLANK – SEPARATE ACCOUNTS

ASSET VALUATION RESERVE (Continued)
 BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
 EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK												
65		Unaffiliated Public.....		XXX	XXX		0.0000		0.1580(a)		0.1580(a)	
66		Unaffiliated Private.....		XXX	XXX		0.0000		0.1945		0.1945	
67		Affiliated Life with AVR.....		XXX	XXX		0.0000		0.0000		0.0000	
68		Affiliated Certain Other (See SVO Purposes & Procedures Manual).....		XXX	XXX		0.0000		0.1580		0.1580	
69		Affiliated Other - All Other.....		XXX	XXX		0.0000		0.1945		0.1945	
70		Total with Common Stock Characteristics (Sum of Lines 65 through 69)		XXX	XXX		XXX		XXX		XXX	
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE												
71		Home Office Property (General Account only).....					0.0000		0.0912		0.0912	
72		Investment Properties.....					0.0000		0.0912		0.0912	
73		Properties Acquired in Satisfaction of Debt.....					0.0000		0.1337		0.1337	
74		Total with Real Estate Characteristics (Sum of Lines 71 through 73)					XXX		XXX		XXX	
LOW INCOME HOUSING TAX CREDIT INVESTMENTS IN TAX CREDIT STRUCTURES												
75		Guaranteed Federal Low Income Housing Tax Credit.....					0.0003		0.0006		0.0010	
75		Yield Guaranteed State Tax Credit Investments.....					0.0003		0.0006		0.0010	
76		Non-guaranteed Federal Low Income Housing Qualifying Federal Tax Credit Investments - Federal Non-guaranteed.....					0.0063		0.0120		0.0190	
77		Guaranteed State Low Income Housing Tax Credit - State Guaranteed.....					0.0003		0.0006		0.0010	
778		Non-guaranteed State Low Income Housing Qualifying State Tax Credit Investments - State Non-guaranteed.....					0.0063		0.0120		0.0190	
789		All Other Low Income Housing Other Tax Credit Investments - Other.....					0.0273		0.0600		0.0975	
8079		Total LIHTC Tax Credit Investments (Sum of Lines 75 through 7978)					XXX		XXX		XXX	
RESIDUAL TRanches OR INTERESTS												
8180		Fixed Income Instruments - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8281		Fixed Income Instruments - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8382		Common Stock - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8483		Common Stock - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8584		Preferred Stock - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8685		Preferred Stock - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
8786		Real Estate - Unaffiliated.....					0.0000		0.1580		0.1580	
8887		Real Estate - Affiliated.....					0.0000		0.1580		0.1580	
8988		Mortgage Loans - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9089		Mortgage Loans - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9190		Other - Unaffiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9291		Other - Affiliated.....		XXX	XXX		0.0000		0.1580		0.1580	
9392		Total Residual Tranches or Interests (Sum of Lines 81 through 92)					XXX		XXX		XXX	
ALL OTHER INVESTMENTS												
9493		NAIC 1 Working Capital Finance Investments.....		XXX			0.0000		0.0042		0.0042	
9594		NAIC 2 Working Capital Finance Investments.....		XXX			0.0000		0.0137		0.0137	
9695		Other Invested Assets - Schedule BA.....		XXX			0.0000		0.1580		0.1580	
9796		Other Short-Term Invested Assets - Schedule DA.....		XXX			0.0000		0.1580		0.1580	
9897		Total All Other (Sum of Lines 94, 95, 96 and 97).....		XXX			XXX		XXX		XXX	
9998		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 29, 37, 64, 70, 74, 80, 93 and 98)					XXX		XXX		XXX	

Drafting Note – the line references from Line 80 and below have been updated with the adopted Schedule BA proposal (2023-12BWG). The line reference updates will be made in the instructions and not shown in this proposal.

QUARTERLY STATEMENT BLANK – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year
2. Cost of acquired
2.1 Actual cost at time of acquisition.....
2.2 Additional investment made after acquisition
3. Capitalized deferred interest and other
4. Accrual of discount
5. Unrealized valuation increase/(decrease).....
6. Total gain (loss) on disposals.....
7. Deduct amounts received on disposals
8. Deduct amortization of premium, and depreciation and proportional amortization
9. Total foreign exchange change in book/adjusted carrying value.....
10. Deduct current year's other-than-temporary impairment recognized.....
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....
12. Deduct total nonadmitted amounts
13. Statement value at end of current period (Line 11 minus Line 12)

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