

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

| | | | |
|-------------------------|--|--|--|
| DATE: <u>10/01/2024</u> | | FOR NAIC USE ONLY | |
| CONTACT PERSON: | _____ | Agenda Item # <u>2024-18BWG</u> | |
| TELEPHONE: | _____ | Year <u>2025</u> | |
| EMAIL ADDRESS: | _____ | Changes to Existing Reporting <input type="checkbox"/> [X] | |
| ON BEHALF OF: | _____ | New Reporting Requirement <input type="checkbox"/> [] | |
| NAME: | <u>Steve Drutz</u> | REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT | |
| TITLE: | <u>Chief Financial Analyst</u> | No Impact <input type="checkbox"/> [X] | |
| AFFILIATION: | <u>WA Office of the Insurance Commissioner</u> | Modifies Required Disclosure <input type="checkbox"/> [] | |
| ADDRESS: | _____ _____ | Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? <input type="checkbox"/> [NO] | |
| | | ***If Yes, complete question below*** | |
| | | DISPOSITION | |
| | | <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>3/6/2025</u> | |
| | | <input type="checkbox"/> [] Rejected Date _____ | |
| | | <input type="checkbox"/> [] Deferred Date _____ | |
| | | <input type="checkbox"/> [] Other (Specify) _____ | |

BLANK(S) TO WHICH PROPOSAL APPLIES

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

IDENTIFICATION OF ITEM(S) TO CHANGE

Add a footnote to the Supplemental Health Care Exhibit (SHCE) Part 2 to report the amount of premium deficiency reserves that are included in different lines of Part 2.

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

The crosschecks for Column 13 on SHCE Part 2 that compare to the Accident and Health Policy Experience Exhibit currently have a Note that they won't tie if there are Premium Deficiency Reserves. There are quite a few companies that have to provide an explanation for the crosscheck difference and with the addition of the footnote we can update the crosscheck and any failures will be true failures and will allow the review process to be more timely.

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.

Revised 11/17/2022

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

SUPPLEMENTAL HEALTH CARE EXHIBIT – PART 2

Column 13 – Total

For Part 2, the GT (Grand Total) page:

- Column 13, Line 1.16 (Net Premiums Earned) should equal the Accident and Health Policy Experience Exhibit, Column 5, Line D2 (Grand Total Individual, Group and Other Business) minus Line D1 (Total Non-U.S. Policy Forms).
- Column 13, Line 1.11 (Total Direct Premiums Earned) minus Line 1.5 (Paid Rate Credits) minus Line 1.8 (Change in Reserve for Rate Credits) plus Line 1.15 (Other Adjustments Due to MLR Calculation – Premiums) should equal the Accident and Health Policy Experience Exhibit, Column 2, Line D2 (Grand Total Individual, Group and Other Business) minus Line D1 (Total Non-U.S. Policy Forms).
- Column 13, Line 2.20 (Net Incurred Claims) minus Line 2.11 (Incurred Medical Incentive Pools and Bonuses) should equal the Accident and Health Policy Experience Exhibit, Columns 9 plus 10, Line D2 (Grand Total Individual, Group and Other Business) minus Line D1 (Total Non-U.S. Policy Forms).
- Column 13, Line 2.15 (Total Incurred Claims) minus Line 2.8 (Paid Rate Credits) minus Line 2.9 (Reserve for Rate Credits Current Year) plus Line 2.10 (Reserve for Rate Credits Prior Year) minus Line 2.11 (Incurred Medical Incentive Pools and Bonuses) plus Line 2.19 (Other Adjustments Due to MLR Calculation – Claims) should equal the Accident and Health Policy Experience Exhibit, Columns 6 plus 10, Line D2 (Grand Total Individual, Group and Other Business) minus Line D1 (Total Non-U.S. Policy Forms).

~~NOTE: If the reporting entity has a Premium Deficiency Reserve, they will fail the crosschecks above due to the Accident and Health Policy Experience Exhibit excluding Premium Deficiency Reserve. The reporting entity should provide that explanation for the crosscheck failure.~~

Detail Eliminated To Conserve Space

Footnote (a)

Report the amount of direct written premium included in Column 13, Line 1.1 for stand-alone dental and vision policies.

Footnote (b)

Report the amount premium deficiency reserves (PDR) that is included in Column 13, Line 2.19.

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL, PROPERTY/CASUALTY, & HEALTH
SUPPLEMENTAL HEALTH CARE EXHIBIT – PART 2
 (To Be Filed By April 1 – Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION _____ 2. _____ (LOCATION)

| NAIC Group Code _____ BUSINESS IN THE STATE OF _____ DURING THE YEAR _____ NAIC Company Code _____ | | Comprehensive Health Coverage | | | Business Subject to MLR | | | Expatriate Plans | | 9 | 10 | 11 | 12 | 13 |
|--|--|-------------------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|------------------|-------------|----------------------|---|-----------------------|--|---------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | | | |
| | | Individual | Small Group Employer | Large Group Employer | Individual | Small Group Employer | Large Group Employer | Small Group | Large Group | Student Health Plans | Government Business (excluded by statute) | Other Health Business | Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA | Total (a) (b) |
| 1. | Health Premiums Earned: | | | | | | | | | | | | | |
| | 1.1 Direct premiums written..... | | | | | | | | | | | | | |
| | 1.2 Unearned premium prior year..... | | | | | | | | | | | | | |
| | 1.3 Unearned premium current year..... | | | | | | | | | | | | | |
| | 1.4 Change in unearned premium (Lines 1.2 – 1.3) | | | | | | | | | | | | | |
| | 1.5 Paid rate credits | | | | | | | | | | | | | |
| | 1.6 Reserve for rate credits current year..... | | | | | | | | | | | | | |
| | 1.7 Reserve for rate credits prior year..... | | | | | | | | | | | | | |
| | 1.8 Change in reserve for rate credits (Lines 1.6 – 1.7) | | | | | | | | | | | | | |
| | 1.9 Premium balances written off..... | | | | | | | | | | | | | |
| | 1.10 Group conversion charges | | | | | | | | | | | | | |
| | 1.11 Total direct premiums earned (Lines 1.1 + 1.4 – 1.9 + 1.10)..... | | | | | | | | | | | | | |
| | 1.12 Assumed premiums earned from non-affiliates..... | | | | | | | | | | | | | |
| | 1.13 Net assumed less ceded premiums earned from affiliates..... | | | | | | | | | | | | | |
| | 1.14 Ceded premiums earned to non-affiliates..... | | | | | | | | | | | | | |
| | 1.15 Other adjustments due to MLR calculation – Premiums..... | | | | | | | | | | | | | |
| | 1.16 Net premiums earned (Lines 1.11 – 1.5 – 1.8 + 1.12 + 1.13 – 1.14 + 1.15) | | | | | | | | | | | | | |
| 2. | Direct Claims Incurred: | | | | | | | | | | | | | |
| | 2.1 Paid claims during the year | | | | | | | | | | | | | |
| | 2.2 Direct claim liability current year | | | | | | | | | | | | | |
| | 2.3 Direct claim liability prior year..... | | | | | | | | | | | | | |
| | 2.4 Direct claim reserves current year..... | | | | | | | | | | | | | |
| | 2.5 Direct claim reserves prior year | | | | | | | | | | | | | |
| | 2.6 Direct contract reserves current year..... | | | | | | | | | | | | | |
| | 2.7 Direct contract reserves prior year | | | | | | | | | | | | | |
| | 2.8 Paid rate credits | | | | | | | | | | | | | |
| | 2.9 Reserve for rate credits current year | | | | | | | | | | | | | |
| | 2.10 Reserve for rate credits prior year | | | | | | | | | | | | | |
| | 2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b – 2.11c) | | | | | | | | | | | | | |
| | 2.11a Paid medical incentive pools and bonuses current year..... | | | | | | | | | | | | | |
| | 2.11b Accrued medical incentive pools and bonuses current year | | | | | | | | | | | | | |
| | 2.11c Accrued medical incentive pools and bonuses prior year | | | | | | | | | | | | | |
| | 2.12 Net health care receivables (Lines 2.12a – 2.12b)..... | | | | | | | | | | | | | |
| | 2.12a Health care receivables current year | | | | | | | | | | | | | |
| | 2.12b Health care receivables prior year | | | | | | | | | | | | | |
| | 2.13 Group conversion charge | | | | | | | | | | | | | |
| | 2.14 Multi-option coverage blended rate adjustment..... | | | | | | | | | | | | | |
| | 2.15 Total incurred claims (Lines 2.1 + 2.2 – 2.3 + 2.4 – 2.5 + 2.6 – 2.7 + 2.8 + 2.9 – 2.10 + 2.11 – 2.12 + 2.13 + 2.14)..... | | | | | | | | | | | | | |
| | 2.16 Assumed incurred claims from non-affiliates | | | | | | | | | | | | | |
| | 2.17 Net assumed less ceded incurred claims from affiliates | | | | | | | | | | | | | |
| | 2.18 Ceded incurred claims to non-affiliates | | | | | | | | | | | | | |
| | 2.19 Other adjustments due to MLR calculation – Claims | | | | | | | | | | | | | |
| | 2.20 Net Incurred Claims (Lines 2.15 – 2.8 – 2.9 + 2.10 + 2.16 + 2.17 – 2.18 + 2.19) | | | | | | | | | | | | | |
| 3. | Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only) | | | | | | | | | | | | | |

(a) Column 13, Line 1.1 includes direct written premium of \$..... for stand-alone dental and \$..... for stand-alone vision policies.
 (b) Premium Deficiency Reserves included in Column 13, Line 2.19 \$.....

