

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>12/17/2024</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>2024-21BWG</u></p> <p>Year <u>2025</u></p> <p>Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ]</p> <p>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 ]</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"><b>DISPOSITION</b></p> <p><input type="checkbox"/> [ ] Rejected For Public Comment</p> <p><input type="checkbox"/> [ ] Referred To Another NAIC Group</p> <p><input checked="" type="checkbox"/> [ X ] Received For Public Comment</p> <p><input type="checkbox"/> [ ] Adopted Date _____</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 checked="" type="checkbox"/> [ X ] INSTRUCTIONS      | <input type="checkbox"/> [ ] CROSSCHECKS              |
| <input checked="" type="checkbox"/> [ X ] QUARTERLY STATEMENT               | <input type="checkbox"/> [ ] 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 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 / 1<sup>st</sup> Quarter 2026

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

Update Schedule D, Part 4 and Part 5 instructions to add clarifying instructions on what should be included on the investment schedule.

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

SAPWG agenda item 2024-16 adds clarifying language to the annual and quarterly statement instructions to clarify that the sale of the security that is reacquired with different terms shall be reported as a sale on Schedule D, Part 4 and a new acquisition on Schedule D, Part 3.

**\*\*\*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.

**ANNUAL STATEMENT BLANK – LIFE/FRATERNAL, PROPERTY/CASUALTY, HEALTH, & TITLE**

**SCHEDULE D – PART 4**

**LONG-TERM BONDS AND STOCKS SOLD, REDEEMED OR OTHERWISE DISPOSED OF  
DURING CURRENT YEAR**

This schedule should include a detailed listing of all securities that were sold/disposed of during the current reporting year that were owned as of the beginning of the current reporting year (amounts purchased and sold during the current reporting year are reported in detail on Schedule D, Part 5 and only in subtotal in Schedule D, Part 4). This should include all transactions that adjust the cost basis of the securities (except other-than-temporary impairments that are not part of a disposal transaction). ~~Thus, if~~ This schedule should not be used for allocations of TBAs to specific pools subsequent to initial recording in Schedule D, Part 3 or ~~other~~ situations ~~such as~~ that only involve CUSIP number changes. The following list of items provides examples (not all inclusive) of the items that should be included:

Pay downs of securities still owned (including CMO prepayments);

Subsequent partial sales of investment issues still owned;

Sales of securities to an SPV or other entity for which a new instrument is reacquired from the SPV/entity reflecting a combined instrument containing the original security and derivative instruments or other components (such as a credit repack note). The sale shall be captured on this schedule (or Schedule D, Part 5 if the debt security was acquired in the current year), and the new security shall be reported on Schedule D, Part 3.

Reallocation of the cost basis of an already owned stock to the cost basis of a new stock received as a dividend (e.g., spin off); and

Any decreases in the investments in SCA companies that adjust the cost basis, not including other-than-temporary impairments alone (e.g., subsequent return of capital from investments in SCA companies valued using the equity method).

## SCHEDULE D – PART 5

### LONG-TERM BONDS AND STOCKS ACQUIRED DURING THE YEAR AND FULLY DISPOSED OF DURING CURRENT YEAR

This schedule should include a detailed listing of all securities that were both purchased/acquired and sold/disposed of during the current reporting year (amounts purchased and sold during the current reporting year are also reported in subtotals in Schedule D, Parts 3 and 4).

Reporting entities should track information separately for securities purchased in different lots rather than using some type of averaging for the issue in aggregate. Thus, this schedule should only be used when an entire lot of a security has been purchased and sold during the current reporting year (even when different lots of the same security still exist on the reporting entity's books).

As with Schedule D, Parts 3 and 4, this schedule should ~~not~~ be used for ~~a~~-transactions ~~unless it that~~ affects the cost basis of the securities. ~~Thus, if~~ This schedule should not be used for allocations of TBAs to specific pools subsequent to initial recording in Schedule D, Part 3 or ~~other~~ situations ~~such as that only involve~~ CUSIP number changes. Refer to the examples on Schedule D, Part 4 of transactions that should be captured.

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

**SCHEDULE D – PART 4**

**LONG-TERM BONDS AND STOCKS SOLD, REDEEMED OR OTHERWISE  
DISPOSED OF DURING THE CURRENT QUARTER**

This schedule should include a detail listing of all securities that were sold/disposed of during the current quarter that were owned as of the beginning of the current quarter. Detailed information for investments that are acquired and disposed of during the current reporting quarter should be included in this schedule and in Schedule D, Part 3. Note that this is not a detailed listing of items for the Year-to-Date. This should include all transactions that adjust the cost basis of the securities (except other-than-temporary impairments that are not part of a disposal transaction). ~~Thus, it~~ This schedule should not be used for allocations of TBAs to specific pools subsequent to initial recording in Schedule D, Part 3, or ~~other~~ situations ~~such as~~ that only involve CUSIP number changes. The following list of items provides examples (not all inclusive) of the items that should be included:

Pay downs of securities still owned (including CMO prepayments);

Subsequent partial sales of investment issues still owned;

Sales of securities to an SPV or other entity for which a new instrument is reacquired from the SPV/entity reflecting a combined instrument containing the original security and derivative instruments or other components (such as a credit repack note). The sale shall be captured on this schedule (or Schedule D, Part 5 if the debt security was acquired in the current year), and the new security shall be reported on Schedule D, Part 3.

Reallocation of the cost basis of an already owned stock to the cost basis of a new stock received as a dividend (e.g., spin off); and

Any decreases in the investments in SCA companies that adjust the cost basis, not including other-than-temporary impairments (e.g., subsequent return of capital from investments in SCA companies valued using the equity method).

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