

**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>2024-22BWG</u></p> <p>Year <u>2025</u></p> <p>Changes to Existing Reporting [ X ]</p> <p>New Reporting Requirement [ ]</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>[ X ] Received For Public Comment</p> <p>[ ] Adopted Date _____</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 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 2025 / 1<sup>st</sup> Quarter 2026

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

Update Schedule BA definitions for Surplus Debentures and Capital Notes to add clarification on what should be reported in these categories.

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

SAPWG agenda item 2024-28 adds clarifying language to the annual and quarterly statement instructions to incorporate the changes to *SSAP No. 41 – Surplus Notes* to clarify capital notes references and guidance.

**\*\*\*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 BA – PARTS 1, 2 AND 3

OTHER LONG-TERM INVESTED ASSETS – GENERAL INSTRUCTIONS



Detail Eliminated To Conserve Space

Surplus Notes

Include: That portion of any subordinated indebtedness, surplus debenture, surplus note, debenture note, premium income note, bond, or other contingent evidence of indebtedness, that qualifies as a surplus note pursuant to SSAP No. 41—Surplus Notes, that is reported in the surplus of the issuer.

Capital Notes

Include: This reporting line shall be utilized for held debt securities, that do not qualify as issued surplus notes pursuant to SSAP No. 41—Surplus Notes, that are treated as regulatory capital by the issuer’s primary regulatory authority and that do not qualify under the principles-based bond definition solely because interest can be cancelled in the event of financial stress in a non-resolution scenario without triggering an event of default. The portion of any capital note that is reported on the line for capital notes of the issuing insurance reporting entity.

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

**SCHEDULE BA – PARTS 2 AND 3**

**OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND DISPOSED OF**

**Detail Eliminated To Conserve Space**

**Surplus Notes**

Include: That portion of any subordinated indebtedness, surplus debenture, surplus note, debenture note, premium income note, bond, or other contingent evidence of indebtedness, that qualifies as a surplus note pursuant to SSAP No. 41—Surplus Notes, that is reported on the surplus.

**Capital Notes**

Include: This reporting line shall be utilized for held debt securities, that do not qualify as issued surplus notes pursuant to SSAP No. 41—Surplus Notes, that are treated as regulatory capital by the issuer’s primary regulatory authority and that do not qualify under the principles-based bond definition solely because interest can be cancelled in the event of financial stress in a non-resolution scenario without triggering an event of default. The portion of any capital note that is reported on the line for capital notes of the issuing insurance reporting entity.

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