

**REVISIONS TO
2024 NAIC ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**

NOV 2024

PAGE 141: **Notes to Financial Statements**
Revision: Update Data Capture Table to include Note 21J
Reason: Note 21J should be data captured and it was inadvertently left off of the Data Capture Table.

PAGE 273: **Notes to Financial Statements**
Revision: Remove Life/Fraternal only language from Note 21J
Reason: This note is only on the Life/Fraternal instructions so the language was not needed for clarification.

EDITOR’S NOTE:

The above changes are highlighted on the revised pages that follow.

Recent Blanks (E) Working Group agenda items (exposure drafts) may be viewed in detail on the BWG web page at https://content.naic.org/cmte_e_app_blanks.htm.

NOTES TO FINANCIAL STATEMENTS

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

These instructions include guidance for the annual statement. These instructions provide specific examples that illustrate the disclosures required by the *Accounting Practices and Procedures Manual* and depict the application of certain Statements of Statutory Accounting Principles (SSAP). UNLESS OTHERWISE INDICATED, the format and level of detail in the illustrations are not requirements. The NAIC encourages a format that provides the information in the most understandable manner in the specific circumstances. Entities are not required to display the disclosure information contained herein in the specific manner illustrated, except where indicated in the illustrations provided for specific notes.

To facilitate comparison to the electronic notes database, the following data-captured disclosures should be presented in whole dollars in the same format and level of detail in the specific manner shown in the illustration. When the disclosure for a particular illustration is not applicable or the reporting entity has nothing to report, the reporting entity is not required to present the disclosure in the illustrated format with zero amounts except for the reconciliation table illustrated in Note 1A, which must be provided regardless of whether the reporting entity has any state prescribed or permitted practices. It will still be acceptable to indicate “none” or “not applicable” for the whole disclosure or specific parts of the disclosure, as appropriate, as long as the numbering format of the disclosure is preserved. Following the presentation of the illustration is not meant to preclude reporting entities from providing additional clarification before or after the illustration to enable users to better understand the disclosure.

Note #	Parts to be presented in whole dollars in the same format and level of detail in the specific manner shown in the illustration.
1	1A(1) through 1A(8)
3	3A and 3E
4	4A(1), 4A(3) and 4A(4)
5	5A(3) through 5A(8), 5B(1) through 5B(3), 5D(2) through 5D(4), 5E(3)a, 5E(3)b, 5E(5)a, 5E(7), 5F(2), 5F(3), 5F(5) through 5F(11), 5G(2), 5G(3), 5G(5) through 5G(10), 5H(2), 5H(3), 5H(5) through 5H(9), 5I(2), 5I(3), 5I(5) through 5I(8), 5L, 5M(1), 5M(2), 5N, 5O, 5P, 5Q, 5R and 5S
7	7C, 7D and 7E
8	8A(8), 8A(9) and 8B(2) through 8B(4)
9	9A1, 9A2, 9A3, 9A4, 9C and 9I
10	10C, 10M, 10N(2) and 10O
11	11B(2) through 11B(4)
12	12A(1) through 12A(7), 12A(10) and 12C(1)
13	13K and 13L NOTE: Applies to the table only and does not apply to narratives of these disclosures.
14	14A(2), 14A(3), 14B(2), 14B(3) and 14D
15	15A(2)a, 15B(1)c, 15B(2)b and 15B(2)c
16	16(1)
17	17B and 17C(2)
18	18A and 18B
19	All
20	20A(1), 20A(2), 20C and 20D
21	21E(1), 21E(4), 21F(2) through 21F(4), 21G(2), 21G(3), 21H, 21I and 21J
23	23B, 23C, 23D(1)a, 23D(2)a and 23G
24	24D and 24E
27	All
28	All
30	All
31	31(6)

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Disclose the amount of the aggregate cash surrender value that is within investment vehicles and percentage by the following investment category:

- Bonds
- Stocks
- Mortgage Loans
- Real Estate
- Cash and Short-Term Investments
- Derivatives
- Other Invested Assets *

* Investments in private funds/hedge funds shall be reported as other invested assets

J. Reporting entities admitting net negative (disallowed) IMR are required to complete the following disclosures in the quarterly and annual financial statements.

- (1) Net negative (disallowed) IMR in aggregate and allocated between the general account, insulated separate account and non-insulated account.
- (2) Amounts of negative IMR admitted in the general account and reported as an asset in the insulated separate account and non-insulated blank. (Note: If a company completes this Note, consideration should be given to updating Note 131 – Reasons for Changes in Balance of Special Surplus Funds from Prior Period.)
- (3) The calculated adjusted capital and surplus.
- (4) Percentage of adjusted capital and surplus for which the admitted net negative (disallowed) IMR represents (including what is admitted in the general account and what is recognized as an asset in the separate account).
- (5) Reporting entities that have allocated gains/losses to IMR from derivatives that were reported at fair value prior to the termination of the derivative shall disclose the unamortized balances in IMR from these allocations separately between the gains and losses.

Illustration:

A. Unusual or Infrequent Items

On November __, 20__, the Company prepaid the holders of its __% senior notes. Accordingly, the Company recorded a loss of \$ _____ related to the early retirement of debt. The loss comprised a \$ _____ million prepayment penalty and a write off of premium associated with the debt. This loss is reflected in Line __ of the Income Statement.

B. Troubled Debt Restructuring

- (1) The Company has one mortgage loan payable with restructured terms. The principal changes in terms include the modification of terms from __ years to __ years and an increase in the interest rate from __% to __%.
- (2) The aggregate gain on restructuring the payable and the related income tax effect were \$ _____ and \$ _____, respectively.
- (3) The aggregate gain on the transfer of assets during 20__ was \$ _____.