

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

DEC 2024

PAGE ##: 228 & 235
Revision: Remove paragraph 18 in Notes to Financial note 12(A).
Reason: Note 12(A)18 paragraph was removed with the 2023 SAPWG memo to BWG. This instruction removal was missed when preparing the 2024 annual instructions.

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.

- (15) If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.
- (16) An explanation of the following information:
 - The reasons for significant gains and losses related to changes in the defined benefit obligation for the period.
 - Any other significant change in the benefit obligation or plan assets not otherwise apparent in the other required disclosures in this statement.
- (17) Reporting entities are required to disclose the accumulated postretirement and pension benefit obligation and the fair value of plan assets for defined postretirement and pension benefit plans in the first reporting period after the effective date of this standard and in each subsequent reporting period. This disclosure shall specifically note the funded/underfunded status of the postretirement benefit plan. Reporting entities shall also specifically note the surplus impact necessary, at each reporting date, to reflect the full benefit obligation within the financial statements.

Information about plan assets:

The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

- How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies:
- The classes of plan assets.
- The inputs and valuation techniques used to measure the fair value of plan assets.
- The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period.
- Significant concentrations of risk within plan assets.

A reporting entity shall consider those overall objectives in providing the following information about plan assets.

- B. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to “C” below, as of the latest statement of financial position presented (on a weighted-average basis for reporting entities with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in “C” below, a description of the significant investment strategies of those funds shall be provided.

- (9) The company has multiple non-pension postretirement benefit plans. The health care plans are contributory, with participants' contributions adjusted annually; the life insurance plans are noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the company's expressed intent to increase retiree contributions each year by ___ percent of the excess of the expected general inflation rate over ___ percent. On December 31, 20___, the company amended its postretirement health care plans to provide long-term care coverage.

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.

- (10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Year(s)	Amount
a.	20__	\$ _____
b.	20__	\$ _____
c.	20__	\$ _____
d.	20__	\$ _____
e.	20__	\$ _____
f.	20__ through 20__	\$ _____

- (11) The Company does not have any regulatory contribution requirements for 20___, however, the Company currently intends to make voluntary contributions to the defined benefit pension plan of \$245 million in 20___.

- (17) See implementation guide for *SSAP No. 102—Pensions* for examples of disclosure.

C.

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- (1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
.....	\$	\$	\$	\$
.....
.....
.....
Total Plan Assets	\$ _____	\$ _____	\$ _____	\$ _____

NOTE: See the instructions for this illustration for examples of descriptions of plan assets.

E. Defined Contribution Plan

Insurance company employees are covered by a qualified defined contribution pension plan sponsored by the insurance company.

Contributions of ___ percent of each employee's compensation are made each year. The Company's contribution for the plan was \$ ___ million and \$ ___ million for 20___ and 20___, respectively. At December 31, 20___, the fair value of plan assets was \$ ___ million.