

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p align="right">DATE: <u>2/21/25</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., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p align="center">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2025-06BWG MOD</u></p> <p>Year <u>2025</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p align="center">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</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">DISPOSITION</p> <p>[] Rejected For Public Comment</p> <p>[] Referred To Another NAIC Group</p> <p>[] Received For Public Comment</p> <p>[X] Adopted Date <u>5/29/2025</u></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 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

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Note 5L – Restricted Assets instructions and illustrations to make the changes for clarification on what should be reflected within the restricted asset note.

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

The purpose of this proposal is to update Note 5L – Restricted Assets to clarify how assets held under modified coinsurance (Modco) or funds withheld (FWH) agreements shall be reflected within the restricted asset disclosure in paragraph 23 of *SSAP No. 1—Accounting Policies, Risks & Uncertainties, and Other Disclosures*. (SAPWG Ref # 2024-20)

*****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 INSTRUCTIONS – HEALTH & TITLE

NOTES TO FINANCIAL STATEMENTS

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



Detail Eliminated To Conserve Space

5. Investments

Instruction:

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Disclose the total gross (admitted and nonadmitted) book/adjusted carrying value amount of restricted assets by category, with separate identification of the admitted and nonadmitted restricted assets by category and nature of any assets pledged to others as collateral or otherwise restricted (e.g., not under the exclusive control, assets subject to a put option contract, etc.) by the reporting entity. Provide the total gross amount of restricted assets (current year, prior year and the change between years), the total admitted of restricted assets and the percentage the restricted asset amount (gross and admitted) is of the reporting entity's total assets amount reported on Line 28 of the asset page (gross and admitted respectively) by the following categories:

- a. Subject to contractual obligation for which liability is not shown
- b. Collateral held under security lending agreements
- c. Subject to repurchase agreements
- d. Subject to reverse repurchase agreements
- e. Subject to dollar repurchase agreements
- f. Subject to dollar reverse repurchase agreements
- g. Placed under option contracts
- h. Letter stock or securities restricted as to sale – excluding FHLB capital stock
- i. FHLB capital stock
- j. On deposit with states
- k. On deposit with other regulatory bodies
- l. Pledged collateral to FHLB (including assets backing funding agreements)
- m. Pledged as collateral not captured in other categories
- n. Other restricted assets

o. Collateral Assets Received and on Balance Sheet

Exclude: Collateral under security lending and repurchase agreements reported on balance sheet.

p. Assets held under Modco Reinsurance Agreements

q. Assets held under Funds Withheld Reinsurance Agreements

er. Total restricted assets

Items captured “pledged as collateral not captured in other categories” shall include, but not be limited to, assets pledged under derivative arrangements.

Detail Eliminated To Conserve Space

(4) Collateral Received and Assets Held under Modco/Funds Withheld Reinsurance Agreements Reflected as Assets Within the Reporting Entity’s Financial Statements

Disclose the following for the general account regarding collateral received and assets held under modco/funds withheld reinsurance agreements under SSAP No. 1, paragraph 23c:

- Nature of any assets received as collateral reflected as assets within the reporting entity’s financial statements
- Book/adjusted carrying value (BACV) of the collateral assets
- Fair value of the collateral assets
- The recognized liability to return these collateral assets or obligation under the Modco/Funds Withheld Reinsurance Agreements
- The percentage the collateral asset BACV amount (gross and admitted) is of the reporting entity’s total assets amount reported on Line 26 of the asset page (gross and admitted, respectively).

NOTE: The information captured within this disclosure is intended to aggregate the information reported in the Annual Statement Investment Schedules in accordance with the coding of investments that are not under the exclusive control of the reporting entity, including assets loaned to others, and the information reported in the General Interrogatories.

(5) Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

Illustration:

L. Restricted Assets

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR TABLES 5L(1) THROUGH 5L(45) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

This illustration includes the presentation of all restricted assets reported on the financial statements for a total comparison to total assets. This includes the items captured in SSAP No. 1, paragraphs 23.b. and 23.c. (Items captured in paragraph 23.c. should have a corresponding liability recognized, therefore there is no capture within the general interrogatories or capture as a noncontrolled asset in the RBC formula.)

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)	8 Amount Reported in General Interrogatories	9 Difference from Note and GI	10 GI Ref
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$%%	\$	\$	
b. Collateral held under security lending agreements	25.04 + 25.05
c. Subject to repurchase agreements	26.21
d. Subject to reverse repurchase agreements	26.22
e. Subject to dollar repurchase agreements	26.23
f. Subject to dollar reverse repurchase agreements	26.24
g. Placed under option contracts	26.25
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	26.26
i. FHLB capital stock	26.27
j. On deposit with states	26.28
k. On deposit with other regulatory bodies	26.29
l. Pledged as collateral to FHLB (including assets backing funding agreements)	26.31
m. Pledged as collateral not captured in other categories	26.30
n. Other restricted assets	26.32
o. Collateral Assets Received and on Balance Sheet	XXX	XXX	N/A
p. Assets held under Modco Reinsurance Agreements	XXX	XXX	N/A
q. Assets held under Funds Withheld Reinsurance Agreements	XXX	XXX	N/A
er. Total Restricted Assets (Sum of a through qg)	\$	\$	\$	\$	\$	XXX.....%	XXX.....%	XXX	XXX	XXX

(a) Column 1 divided by Asset Page, Column 1, Line 28
 (b) Column 5 divided by Asset Page, Column 3, Line 28

Reporting entities shall explain the differences between amounts reported in Note 5L(1) and the general interrogatories. This shall include all instances in which an amount is reported in column 9 above.

GI Reference	Difference between Note and GI (Per Column 8 above)	Explanation
25.04+25.05		
26.21		
26.22		
26.23		
26.24		
26.25		
26.26		
26.27		
26.28		
26.29		
26.31		
26.30		
26.32		

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance (excluding modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Asset)	6 Admitted Restricted to Total Admitted Assets
.....	\$	\$	\$	\$ % %
.....						
.....						
Total (a)	\$	\$	\$	\$ % %
Amount of Total pledged under derivative contracts	\$	\$	\$	\$ % %
Total Excluding Derivative Collateral (Total minus Amt of Total pledged under derivative contracts)	\$	\$	\$	\$	XXX	XXX

(a) Total Line for Columns 1 through 3 should equal 5L(1)m Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)m Column 5

Note: The amount of pledged under derivative contracts should agree to Schedule DB and agree to what is subtracted from the life RBC formula.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance (exclude modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
.....	\$	\$	\$	\$ % %
.....						
.....						
Total (a)	\$	\$	\$	\$	-%XXX	-%XXX

(a) Total Line for Columns 1 through 3 should equal 5L(1)n Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)n Column 5

(4) Collateral Received and Assets Held under Modco/Funds Withheld (FWH) Reinsurance Agreements
 Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral-Assets	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>37</u>	<u>48</u>
	<u>BACV</u> Collateral ***	<u>BACV</u> Modco ****	<u>BACV</u> FWH *****	<u>Fair</u> Value Collateral	<u>Fair</u> Value Modco	<u>Fair</u> Value FWH	% of BACV to Total Assets (Admitted and Nonadmitted *	% of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ % %
b. Schedule D, Part 1, Section 1	_____	_____	_____	_____	_____	_____ % %
c. Schedule D, Part 1, Section 2	_____	_____	_____	_____	_____	_____ % %
d. Schedule D, Part 2, Section 1	_____	_____	_____	_____	_____	_____ % %
e. Schedule D, Part 2, Section 2	_____	_____	_____	_____	_____	_____ % %
f. Schedule B	_____	_____	_____	_____	_____	_____ % %
g. Schedule A	_____	_____	_____	_____	_____	_____ % %
h. Schedule BA, Part 1	_____	_____	_____	_____	_____	_____ % %
i. Schedule DL, Part 1	_____	_____	_____	_____	_____	_____ % %
j. Other	_____	_____	_____	_____	_____	_____ % %
k. Total Collateral-Assets (a+b+c+d+e+f+g+h+i+j)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ % %

* Column 1 (Total of Collateral, Modco, FWH) divided by Asset Page, Line 26 (Column 1)

** Column 1 (Total of Collateral, Modco, FWH) divided by Asset Page, Line 26 (Column 3)

*** k (Collateral BACV) should equal Note 5L(1) Column 1, Line o.

**** k (Modco BACV) should equal Note 5L(1) Column 1, Line p.

***** k (FWH BACV) should equal Note 5L(1) Column 1, Line q.

	<u>1</u>	<u>2</u>
	Amount	% of Liability to Total Liabilities *
l. Recognized Obligation to Return Collateral Asset	\$ %
m. Recognized Obligation for Modco assets	\$ %
n. Recognized Obligation for FWH (excluding Modco) assets	\$ %

* l + m + n = Column 1 divided by Liability Page, Line 24 (Column 3)

(5) Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

	<u>Collateral Held</u>	<u>Modco</u>	<u>FWH</u>
a. <u>Securities Lending</u>
b. <u>Repo / repurchase Agreements</u>
c. <u>Placed under option contracts</u>
d. <u>On deposit with states</u>
e. <u>On deposit with other regulatory bodies</u>
f. <u>Pledged as collateral to FHLB (including assets backing funding agreements)</u>
g. <u>Pledged as collateral not captured in other categories</u>
<u>Total</u>			

NOTES TO FINANCIAL STATEMENTS

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



5. **Investments**

Instruction:

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Disclose the total gross (admitted and nonadmitted) book/adjusted carrying value amount of restricted assets by category, with separate identification of the admitted and nonadmitted restricted assets by category and nature of any assets pledged to others as collateral or otherwise restricted (e.g., not under the exclusive control, assets subject to a put option contract, etc.) by the reporting entity. Provide the gross amount of restricted assets (total general account, general account assets supporting separate account activity, total separate account, separate account assets supporting general account activity and sum of the general account and the separate account for current year, prior year and the change between years), the total admitted of restricted assets and the percentage the restricted asset amount (gross and admitted) is of the reporting entity's total assets amount reported on Line 28 of the asset page (gross and admitted respectively) by the following categories:

- a. Subject to contractual obligation for which liability is not shown
- b. Collateral held under security lending agreements
- c. Subject to repurchase agreements
- d. Subject to reverse repurchase agreements
- e. Subject to dollar repurchase agreements
- f. Subject to dollar reverse repurchase agreements
- g. Placed under option contracts
- h. Letter stock or securities restricted as to sale – excluding FHLB capital stock
 - i. FHLB capital stock
- j. On deposit with states
- k. On deposit with other regulatory bodies
- l. Pledged collateral to FHLB (including assets backing funding agreements)
- m. Pledged as collateral not captured in other categories

n. Other restricted assets

o. Collateral Assets Received and on Balance Sheet

Exclude: Collateral under security lending and repurchase agreements reported on balance sheet.

p. Assets held under Modco Reinsurance Agreements

q. Assets held under Funds Withheld Reinsurance Agreements

or. Total restricted assets

Items captured “pledged as collateral not captured in other categories” shall include, but not be limited to, assets pledged under derivative arrangements.



Detail Eliminated To Conserve Space



(4) Collateral Received and Assets Held under Modco/Funds Withheld Reinsurance Agreements Reflected as Assets Within the Reporting Entity’s Financial Statements

Disclose the following for the general account and separate account regarding collateral received and assets held under modco/funds withheld reinsurance agreements under SSAP No. 1, paragraph 23c:

- Nature of ~~any assets received as collateral~~ reflected as ~~assets~~ within the reporting entity’s financial statements
- Book/adjusted carrying value (BACV) of the ~~collateral~~assets
- Fair value of the ~~collateral~~assets
- The recognized liability to return ~~these collateral assets~~ or obligation under the Modco/Funds Withheld Reinsurance Agreements
- The percentage the ~~collateral~~ asset BACV amount (gross and admitted) is of the reporting entity’s total assets amount reported on Line 26 of the asset page (gross and admitted, respectively).

NOTE: The information captured within this disclosure is intended to aggregate the information reported in the Annual Statement Investment Schedules in accordance with the coding of investments that are not under the exclusive control of the reporting entity, including assets loaned to others, and the information reported in the General Interrogatories.

Restricted assets in the separate account are not intended to capture amounts “restricted” only because they are insulated from the general account or because they are attributed to specific policyholders. Separate account assets shall be captured in this disclosure only if they are restricted outside of these characteristics.

(5) Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

Illustration:

L. Restricted Assets

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR TABLES 5L(1) THROUGH 5L(4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

This illustration includes the presentation of all restricted assets reported on the financial statements for a total comparison to total assets. This includes the items captured in SSAP No. 1, paragraphs 23.b. and 23.c. (Items captured in paragraph 23.c. should have a corresponding liability recognized, therefore there is no capture within the general interrogatories or capture as a noncontrolled asset in the RBC formula.)

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Current Year						
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage		12 Amount Reported in General Interrogatories	13 Difference from Note and GI	14 GI Ref
			10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)			
a. Subject to contractual obligation for which liability is not shown	\$	\$%%	\$	\$	
b. Collateral held under security lending agreements	25.04+25.05
c. Subject to repurchase agreements	26.21
d. Subject to reverse repurchase agreements	26.22
e. Subject to dollar repurchase agreements	26.23
f. Subject to dollar reverse repurchase agreements	26.24
g. Placed under option contracts	26.25
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	26.26
i. FHLB capital stock	26.27
j. On deposit with states	26.28
k. On deposit with other regulatory bodies	26.29
l. Pledged as collateral to FHLB (including assets backing funding agreements)	26.31
m. Pledged as collateral not captured in other categories	26.30
n. Other restricted assets	26.32
o. Collateral Assets Received and on Balance Sheet	XXX	XXX	N/A
p. Assets held under Modco Reinsurance Agreements	XXX	XXX	N/A
q. Assets held under Funds Withheld Reinsurance Agreements	XXX	XXX	N/A
er. Total Restricted Assets (Sum of a through qg)	\$	\$%%	XXX	XXX	XXX

(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

Reporting entities shall explain the differences between amounts reported in Note 5L(1) and the general interrogatories. This shall include all instances in which an amount is reported in column 13 above.

GI Reference	Difference between Note and GI (Per Column 12 above)	Explanation
25.04+25.05		
26.21		
26.22		
26.23		
26.24		
26.25		
26.26		
26.27		
26.28		
26.29		
26.31		
26.30		
26.32		

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance (excluding modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)		9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)	3 Total Separate Account (S/A) Restricted Assets	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
.....	\$	\$	\$	\$	\$	\$	\$ % %	
.....										
.....										
Total (c)	\$	\$	\$	\$	\$	\$	\$ % %	
Amount of Total pledged under derivative contracts	\$	\$	\$	\$	\$	\$	\$ % %	
Total Excluding Derivative Collateral (Total minus Amt of Total pledged under derivative contracts)	\$	\$	\$	\$	\$	\$	\$	XXX %	XXX %	

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

Note: The amount of pledged under derivative contracts should agree to Schedule DB and agree to what is subtracted from the life RBC formula.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance (exclude modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)		9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)	3 Total Separate Account (S/A) Restricted Assets	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
.....	\$	\$	\$	\$	\$	\$	\$ % %	
.....										
.....										
Total (c)	\$	\$	\$	\$	\$	\$	\$	XXX %	XXX %	

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively

(4) Collateral Received and Assets Held under Modco/Funds Withheld (FWH) Reinsurance Agreements
 Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral-Assets	1	2	3	4	5	6	37	48
	<u>BACV</u> Collateral ***	<u>BACV</u> Modco ****	<u>BACV</u> FWH *****	<u>Fair</u> <u>Value</u> Collateral	<u>Fair</u> <u>Value</u> Modco	<u>Fair Value</u> FWH	% of BACV to Total Assets (Admitted and Nonadmitted *	% of BACV to Total Admitted Assets **
General Account:								
a. Cash, Cash Equivalents and Short-Term Investments	\$	\$	\$	\$	\$	\$ % %
b. Schedule D, Part 1, Section 1 % %
c. Schedule D, Part 1, Section 2 % %
d. Schedule D, Part 2, Section 1 % %
e. Schedule D, Part 2, Section 2 % %
f. Schedule B % %
g. Schedule A % %
h. Schedule BA, Part 1 % %
i. Schedule DL, Part 1 % %
j. Other % %
k. Total Collateral Assets (a+b+c+d+e+f+g+h+i+j)	\$	\$	\$	\$	\$	\$ % %
Separate Account:								
l. Cash, Cash Equivalents and Short-Term Investments	\$	\$	\$	\$	\$	\$ % %
m. Schedule D, Part 1, Section 1 % %
n. Schedule D, Part 1, Section 2 % %
o. Schedule D, Part 2, Section 1 % %
p. Schedule D, Part 2, Section 2 % %
q. Schedule B % %
r. Schedule A % %
s. Schedule BA, Part 1 % %
t. Schedule DL, Part 1 % %
u. Other % %
v. Total Collateral Assets (l+m+n+o+p+q+r+s+t+u)	\$	\$	\$	\$	\$	\$ % %

* k = Column 1 (Total of Collateral, Modco, FWH) divided by Asset Page, Line 26 (Column 1)
 v = Column 1 (Total of Collateral, Modco, FWH) divided by Asset Page, Line 27 (Column 1)

** k = Column 1 (Total of Collateral, Modco, FWH) divided by Asset Page, Line 26 (Column 3)
 v = Column 1 (Total of Collateral, Modco, FWH) divided by Asset Page, Line 27 (Column 3)

*** k (Collateral BACV) should equal Note 5L(1) Column 1, Line o.
 v (Collateral BACV) should equal Note 5L(1) Column 2, Line o.

**** k (Modco BACV) should equal Note 5L(1) Column 1, Line p.
 v (Modco BACV) should equal Note 5L(1) Column 2, Line p.

***** k (FWH BACV) should equal Note 5L(1) Column 1, Line q.
 v (FWH BACV) should equal Note 5L(1) Column 2, Line q.

	1	2
	Amount	% of Liability to Total Liabilities *
w. Recognized Obligation to Return Collateral Asset (General Account)	\$	%
x. Recognized Obligation to Return Collateral Asset (Separate Account)	\$	%
y. Recognized Obligation for Modco assets (General Account)	\$	%

z. <u>Recognized Obligation for Modco assets (Separate Account)</u>	\$	_____ %
aa. <u>Recognized Obligation for FWH (excluding Modco) assets (General Account)</u>	\$	_____ %
bb. <u>Recognized Obligation for FWH (excluding Modco) assets (Separate Account)</u>	\$	_____ %

* $w+y+aa$ = Column 1 divided by Liability Page, Line 26 (Column 1)
 $x+z+bb$ = Column 1 divided by Liability Page, Line 27 (Column 1)

(5) Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

	<u>Collateral Held</u>	<u>Modco</u>	<u>FWH</u>
a. <u>Securities Lending</u>
b. <u>Repo / repurchase Agreements</u>
c. <u>Placed under option contracts</u>
d. <u>On deposit with states</u>
e. <u>On deposit with other regulatory bodies</u>
f. <u>Pledged as collateral to FHLB (including assets backing funding agreements)</u>
g. <u>Pledged as collateral not captured in other categories</u>
<u>Total</u>			

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY

NOTES TO FINANCIAL STATEMENTS

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



5. Investments

Instruction:

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Disclose the total gross (admitted and nonadmitted) book/adjusted carrying value amount of restricted assets by category, with separate identification of the admitted and nonadmitted restricted assets by category and nature of any assets pledged to others as collateral or otherwise restricted (e.g., not under the exclusive control, assets subject to a put option contract, etc.) by the reporting entity. Provide the gross amount of restricted assets (total general account, general account assets supporting protected cell account activity, total protected cell account, protected cell account assets supporting general account activity and sum of the general account and the protected cell account for current year, prior year and the change between years), the total admitted of restricted assets and the percentage the restricted asset amount (gross and admitted) is of the reporting entity's total assets amount reported on Line 28 of the asset page (gross and admitted respectively) by the following categories:

- a. Subject to contractual obligation for which liability is not shown
- b. Collateral held under security lending agreements
- c. Subject to repurchase agreements
- d. Subject to reverse repurchase agreements
- e. Subject to dollar repurchase agreements
- f. Subject to dollar reverse repurchase agreements
- g. Placed under option contracts
- h. Letter stock or securities restricted as to sale – excluding FHLB capital stock
 - i. FHLB capital stock
- j. On deposit with states
- k. On deposit with other regulatory bodies
- l. Pledged collateral to FHLB (including assets backing funding agreements)
- m. Pledged as collateral not captured in other categories

n. Other restricted assets

o. Collateral Assets Received and on Balance Sheet

Exclude: Collateral under security lending and repurchase agreements reported on balance sheet.

p. Assets held under Modco Reinsurance Agreements

q. Assets held under Funds Withheld Reinsurance Agreements

or. Total restricted assets

Items captured “pledged as collateral not captured in other categories” shall include, but not be limited to, assets pledged under derivative arrangements.



Detail Eliminated To Conserve Space



(4) Collateral Received and Assets Held under Modco/Funds Withheld Reinsurance Agreements Reflected as Assets Within the Reporting Entity’s Financial Statements

Disclose the following for the general account and protected cell regarding collateral received and assets held under modco/funds withheld reinsurance agreements under SSAP No. 1, paragraph 23c:

- Nature of ~~any assets received as collateral~~ reflected as ~~assets~~ within the reporting entity’s financial statements
- Book/adjusted carrying value (BACV) of the ~~collateral~~assets
- Fair value of the ~~collateral~~assets
- The recognized liability to return ~~these collateral assets~~ or obligation under the Modco/Funds Withheld Reinsurance Agreements
- The percentage the ~~collateral~~ asset BACV amount (gross and admitted) is of the reporting entity’s total assets amount reported on Line 26 of the asset page (gross and admitted, respectively).

NOTE: The information captured within this disclosure is intended to aggregate the information reported in the Annual Statement Investment Schedules in accordance with the coding of investments that are not under the exclusive control of the reporting entity, including assets loaned to others, and the information reported in the General Interrogatories.

Restricted assets in the protected cell are not intended to capture amounts “restricted” only because they are insulated from the general account or because they are attributed to specific policyholders. Protected cell assets shall be captured in this disclosure only if they are restricted outside of these characteristics.

(5) Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

Illustration:

L. Restricted Assets

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR TABLES 5L(1) THROUGH 5L(45) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

This illustration includes the presentation of all restricted assets reported on the financial statements for a total comparison to total assets. This includes the items captured in SSAP No. 1, paragraphs 23.b. and 23.c. (Items captured in paragraph 23.c. should have a corresponding liability recognized, therefore there is no capture within the general interrogatories or capture as a noncontrolled asset in the RBC formula.)

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Current Year						
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage		12 Amount Reported in General Interrogatories	13 Difference from Note and GI	14 GI Ref
			10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)			
a. Subject to contractual obligation for which liability is not shown	\$	\$%%	\$	\$	
b. Collateral held under security lending agreements	25.04+25.05
c. Subject to repurchase agreements	26.21
d. Subject to reverse repurchase agreements	26.22
e. Subject to dollar repurchase agreements	26.23
f. Subject to dollar reverse repurchase agreements	26.24
g. Placed under option contracts	26.25
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	26.26
i. FHLB capital stock	26.27
j. On deposit with states	26.28
k. On deposit with other regulatory bodies	26.29
l. Pledged as collateral to FHLB (including assets backing funding agreements)	26.31
m. Pledged as collateral not captured in other categories	26.30
n. Other restricted assets	26.32
o. Collateral Assets Received and on Balance Sheet	XXX	XXX	N/A
p. Assets held under Modco Reinsurance Agreements	XXX	XXX	N/A
q. Assets held under Funds Withheld Reinsurance Agreements	XXX	XXX	N/A
er. Total Restricted Assets (Sum of a through q)	\$	\$%%	XXX	XXX	XXX

(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

Reporting entities shall explain the differences between amounts reported in Note 5L(1) and the general interrogatories. This shall include all instances in which an amount is reported in column 13 above.

GI Reference	Difference between Note and GI (Per Column 12 above)	Explanation
25.04+25.05		
26.21		
26.22		
26.23		
26.24		
26.25		
26.26		
26.27		
26.28		
26.29		
26.31		
26.30		
26.32		

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance (excluding modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)		9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
.....	\$	\$	\$	\$	\$	\$	\$%%	
.....	
.....	
Total (c)	\$	\$	\$	\$	\$	\$	\$%%	
Amount of Total pledged under derivative contracts	\$	\$	\$	\$	\$	\$	\$%%	
Total Excluding Derivative Collateral (Total minus Amt of Total pledged under derivative contracts)	\$	\$	\$	\$	\$	\$	\$	XXX	XXX	

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

Note: The amount of pledged under derivative contracts should agree to Schedule DB and agree to what is subtracted from the life RBC formula.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance (exclude modco/FWH) and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)		9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
.....	\$	\$	\$	\$	\$	\$	\$%%	
.....	
.....	
Total (c)	\$	\$	\$	\$	\$	\$	\$	XXX%	XXX%	

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively

(4) Collateral Received and Assets Held under Modco/Funds Withheld (FWH) Reinsurance Agreements
 Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral-Assets	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>37</u>	<u>48</u>
	<u>BACV</u> Collateral ***	<u>BACV</u> Modco ****	<u>BACV</u> FWH *****	<u>Fair</u> <u>Value</u> Collateral	<u>Fair</u> <u>Value</u> Modco	<u>Fair</u> <u>Value</u> FWH	% of BACV to Total Assets (Admitted and Nonadmitted *	% of BACV to Total Admitted Assets **
General Account:								
a. Cash, Cash Equivalents and Short-Term Investments	\$	\$	\$	\$	\$	\$ % %
b. Schedule D, Part 1, Section 1 % %
c. Schedule D, Part 1, Section 2 % %
d. Schedule D, Part 2, Section 1 % %
e. Schedule D, Part 2, Section 2 % %
f. Schedule B % %
g. Schedule A % %
h. Schedule BA, Part 1 % %
i. Schedule DL, Part 1 % %
j. Other % %
k. Total Collateral-Assets (a+b+c+d+e+f+g+h+i+j)	\$	\$	\$	\$	\$	\$ % %
Protected Cell:								
l. Cash, Cash Equivalents and Short-Term Investments	\$	\$	\$	\$	\$	\$ % %
m. Schedule D, Part 1, Section 1 % %
n. Schedule D, Part 1, Section 2 % %
o. Schedule D, Part 2, Section 1 % %
p. Schedule D, Part 2, Section 2 % %
q. Schedule B % %
r. Schedule A % %
s. Schedule BA, Part 1 % %
t. Schedule DL, Part 1 % %
u. Other % %
v. Total Collateral-Assets (l+m+n+o+p+q+r+s+t+u)	\$	\$	\$	\$	\$	\$ % %

* k = Column 1 divided by Asset Page, Line 26 (Column 1)
 v = Column 1 divided by Asset Page, Line 27 (Column 1)

** k = Column 1 divided by Asset Page, Line 26 (Column 3)
 v = Column 1 divided by Asset Page, Line 27 (Column 3)

*** k (Collateral BACV) should equal Note 5L(1) Column 1, Line o.
 v (Collateral BACV) should equal Note 5L(1) Column 2, Line o.

**** k (Modco BACV) should equal Note 5L(1) Column 1, Line p.
 v (Modco BACV) should equal Note 5L(1) Column 2, Line p.

***** k (FWH BACV) should equal Note 5L(1) Column 1, Line q.
 v (FWH BACV) should equal Note 5L(1) Column 2, Line q.

	1	2
	Amount	% of Liability to Total Liabilities *
w. Recognized Obligation to Return Collateral Asset (General Account)	\$	%
x. Recognized Obligation to Return Collateral Asset (Protected Cell)	\$	%
y. Recognized Obligation for Modco assets (General Account)	\$	%
z. Recognized Obligation for Modco assets (Protected Cell)	\$	%
aa. Recognized Obligation for FWH (excluding Modco) assets (General Account)	\$	%
bb. Recognized Obligation for FWH (excluding Modco) assets (Protected Cell)	\$	%

* $w+y+aa$ = Column 1 divided by Liability Page, Line 26 (Column 1)
 $x+z+bb$ = Column 1 divided by Liability Page, Line 27 (Column 1)

(5) Disclose whether any of the assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer). For example, if the insurance reporting entity has used these assets as the collateral in a securities lending agreement, a repo transaction, pledged as collateral to the FHLB, etc. (For Modco/FWH assets, items pledged on behalf of the reinsurer shall not be captured.)

	<u>Collateral Held</u>	<u>Modco</u>	<u>FWH</u>
a. <u>Securities Lending</u>
b. <u>Repo / repurchase Agreements</u>
c. <u>Placed under option contracts</u>
d. <u>On deposit with states</u>
e. <u>On deposit with other regulatory bodies</u>
f. <u>Pledged as collateral to FHLB (including assets backing funding agreements)</u>
g. <u>Pledged as collateral not captured in other categories</u>
<u>Total</u>			