

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p align="right">DATE: <u>3/20/2025</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>2025-09BWG</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>[] 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 type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input checked="" type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input 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 Life/Fraternal Note to Financial #35 for separate account transfers. Also add a general interrogatories to Separate Account Blank for transfers and repurchase agreements and reverse repurchase transactions.

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

This blanks proposal reflects changes adopted in SAPWG Ref #2024-10. The revisions include new disclosures for separate account products where the general account provides an inherent or ultimate guarantee, with identification of whether risk charges have been provided to the general account and affirmation of the separate account products in the asset-adequacy testing. The adopted disclosures also incorporate disclosures on repurchase and reverse/repurchase activity in the separate account, as well as discussion of asset transfers that did not reflect sales for cash between the general account and the separate account.

*****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.

Notes to Financial Statements

35. Separate Accounts

Instruction:

A. Separate Account Activity

The general account financial statement shall include detailed information on the reporting entity’s separate account activity. These disclosures shall include:

- (1) A narrative of the general nature of the reporting entity’s separate account business.
- (2) Identification of the separate account assets that are legally insulated from the general account claims.
- (3) Identification of the separate account products that have guarantees backed by the general account. This shall include:
 - Amount of risk charges paid by the separate account to the general account for the past five years as compensation for the risk taken by the general account; and
 - Amount paid by the general account due to separate account guarantees during the past five years.
 - Separate account contracts where the general account provides an inherent or ultimate guarantee, such as with pension risk transfer (PRT) or registered index-linked annuity (RILA) products. These products often do not have stated yield or death benefit guarantees, but rather the general account serves as a final backstop if the separate account assets are insufficient to support the product obligations. This disclosure shall identify whether risk charges have been provided to the general account and affirm the inclusion of these separate account products within asset-liability testing.
- (4) Discussion of securities lending transactions and repurchase/reverse repurchase agreements within the separate account, ~~separately including~~ This shall include the amount of loaned securities within the separate account and the amount of any sold / acquired securities under repurchase agreements, and if policies and procedures for the separate account differ from the general account.
- (5) Discussion of asset transfers that did not reflect sales in exchange for cash between the general account and the separate account. This shall include, but not be limited to, asset-for-asset swaps, contributions of general account assets to support separate account deficiencies, and dividends of assets from the separate account to the general account.



Illustration:

A. Separate Account Activity

- (1) XYZ Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For the current reporting year, XYZ reported assets and liabilities from the following product lines/transactions into a separate account:
 - Variable Life Insurance Products
 - Variable Annuities

- Modified Guaranteed Annuities
- Funding Agreements
- Employee Benefit Plans
- Etc.

In accordance with the domiciliary state procedures for approving items within the separate account, the separate account classification of the following items are supported by a specific state statute (cite reference):

- Product Identifier (Variable Life) – State Statute Reference

The following items are supported by direct approval by the commissioner:

- Product Identifier (Funding Agreements) – Commissioner Approval

The following items are not supported by state statute or direct approval, but are permitted for separate account reporting in accordance with the following guidance:

- Product Identifier (Employee Benefit Plans) – Cite Guidance

(Include additional information regarding the general nature of the entity's separate account business as necessary.)

- (2) In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. (The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.)

As of December 31, 20__ and 20__ the Company separate account statement included legally insulated assets of \$_____ and \$_____, respectively. The assets legally insulated from the general account as of December 31, 20__ are attributed to the following products/transactions:

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.

<u>Product/Transaction</u>	<u>Legally Insulated Assets</u>	<u>Separate Account Assets (Not Legally Insulated)</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
<u>Total</u>	\$ _____	\$ _____

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.

(NOTE: THIS DOES NOT INCLUDE THE BEGINNING AND ENDING NARRATIVE.)

- (3) In accordance with the products/transaction recorded within the separate account, some separate account liabilities are guaranteed by the general account. (In accordance with the guarantees provided, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account.)

To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five (5) years:

- a. 2025 \$ _____;
- b. 2024 \$ _____;
- c. 2023 \$ _____;
- d. 2022 \$ _____;
- e. 2021 \$ _____.

As of December 31, 20___, the general account of XYZ Company had paid \$ _____ toward separate account guarantees. The total separate account guarantees paid by the general account for the preceding four years ending December 31, 20___, 20___, 20___, and 20___ was \$ _____, \$ _____, \$ _____, and \$ _____, respectively.

(4) XYZ Company engages in securities lending transactions and repurchase/reverse repurchase agreements within the separate account. In accordance with such transactions conducted from the separate account, XYZ Company follows the same policies and procedures from the general account, except as follows:

- Description of deviation from general account policies/procedures

For the year-ended December 31, 20___, XYZ Company loaned securities attributable to the following products/transactions in accordance with securities lending transactions:

- Variable Life Insurance Products (product identifier)
- Variable Annuities (product identifier)

Pursuant to the policies and procedures, XYZ Company is required to obtain approval and/or otherwise notify the contract holders that assets backing their investments may be loaned in securities lending transactions.

(5) Discussion of asset transfers that did not reflect sales in exchange for cash between the general account and the separate account. This shall include, but not be limited to, asset-for-asset swaps, contributions of general account assets to support separate account deficiencies, and dividends of assets from the separate account to the general account.

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	<u>Transfers from SA to GA</u>	<u>Transfer from GA to SA</u>
<u>Fair Value of Assets Transferred as a Sale for Cash</u>		
<u>Fair Value of Assets Transferred Not Reflected as a Sale for Cash</u>		

ANNUAL STATEMENT BLANK – SEPARATE ACCOUNTS

GENERAL INTERROGATORIES



Detail Eliminated To Conserve Space

Separate Account Products with General Account Guarantees

- 2.1 Does the reporting entity have products with guarantees provided by the general account? Yes [] No []
- 2.2 Has the separate account collected amounts from the general account within the past five years related to separate account guarantees? Yes [] No []
- 2.3 If yes, provide detail on these guarantees paid by the general account:

1	2
<u>Year</u>	<u>Amount</u>
2.301 As of December 31, 2025	\$ _____
2.302 As of December 31, 2024	\$ _____
2.303 As of December 31, 2023	\$ _____
2.304 As of December 31, 2022	\$ _____
2.305 As of December 31, 2021	\$ _____

- 2.4 To compensate the general account for the risk taken, for any separate account products with general account guarantees, does the separate account remit risk charges to the general account related to separate account guarantees? Yes [] No []
- 2.5 If yes, identify the separate account products with risk charges that are remitted to the general account and whether the risk charge for that product is reviewed and opined upon:

1	2	3
Product Identifier with Risk Charges	Risk Charge Reviewed and Opined Upon	Name and Title of Individual Who Provided Opinion on Risk Charges
2.5A00001 Pension risk transfer group annuities		
2.5B00001 All other group annuities		
2.5C00001 Registered index linked annuities individual annuities		
2.5D00001 All other individual annuities		
2.5E00001 Life insurance		

- 2.6 Provide detail on the risk charges paid to the general account related to separate account guarantees for the past five years:

1	2
<u>Year</u>	<u>Amount</u>
2.601 As of December 31, 2025	\$ _____
2.602 As of December 31, 2024	\$ _____
2.603 As of December 31, 2023	\$ _____
2.604 As of December 31, 2022	\$ _____
2.605 As of December 31, 2021	\$ _____

2.7 Does the reporting entity have products where the general account provides an inherent or ultimate guarantee? Yes No

These products often do not have stated yield or death benefit guarantees, but rather the general account serves as a final backstop if the separate account assets are insufficient to support the product obligations.

2.71 If 2.7 is yes, identify the products where the general account provides an inherent/ultimate guarantee, the reported book/adjusted carrying value of the assets attributed to that product, risk charges paid to the general account for the risk and affirmation on the products includes within asset-adequacy testing:

Product Identifier	Separate Account Assets	Risk Charges to General Account	Assets Included in Asset-Adequacy Testing?
2.7A00001 Pension risk transfer group annuities			
2.7B00001 All other group annuities			
2.7C00001 Registered index linked annuities individual annuities			
2.7D00001 All other individual annuities			
2.7E00001 Life insurance			

Securities Lending and Repurchase/Reverse Repurchase Transactions Within Separate Accounts

- 6.1 Does the reporting entity engage in securities lending or repurchase/reverse repurchase (repo) transactions with separate account assets? Yes No
- 6.2 If yes, does the reporting entity have written policies and procedures for such transactions? Yes No N/A
- 6.3 Does the reporting entity obtain approval, or otherwise provide notification to contract holders, regarding securities lending or repo transactions that occur with separate account assets? Yes No N/A
- 6.4 Are all securities lending transactions reported on balance sheet? Yes No N/A
- 6.5 Provide a description of the reporting entity's securities lending and repo transaction program, specifically identifying any variations from the securities lending / repo transaction program administered by the general account.
.....

6.6 Provide detail on the current status of separate account transactions by separate account product:

- 6.61 Amount of any loaned securities within the separate account and the percentage of separate account assets lent

6.611	Amount	\$ _____
6.612	Percentage	_____ %
- 6.62 Identify whether securities lent are reported at book value or market value

6.621	Book Value	\$ _____
6.622	Market Value	\$ _____
- 6.63 Detail on collateral received:

6.631	Aggregate Amount Collateral Received	
	6.6311	Open
	6.6312	30 Days or Less
	6.6313	31 to 60 Days
	6.6314	61 to 90 Days
	6.6315	Greater Than 90 Days
	6.6316	Total Collateral Received
- 6.632 The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral). \$ _____
- 6.633 Narrative discussion about sources and uses of collateral:
.....
- 6.634 Collateral for transactions that extend beyond one year from the reporting date \$ _____

- 6.7 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 6.71 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 (Sum of Schedule DL, Parts 1 and 2, Column 5) \$ _____
 - 6.72 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 (Sum of Schedule DL, Parts 1 and 2, Column 6) \$ _____
 - 6.73 Total payable for securities lending reported on the liability page (Page 3, Line 14, Column 3) \$ _____

6.8 Provide detail on the current status of repurchase/reverse repurchase transactions:

6.81 Fair value of securities sold in a repurchase transaction within the separate account and percentage of separate account assets sold

	6.611	Amount	\$ _____
	6.612	Percentage	_____ %

6.82 Identify whether securities sold are reported at book value or fair value

	6.621	Book Value	\$ _____
	6.622	Fair Value	\$ _____

6.83 Detail on collateral received:

- 6.831 Aggregate Amount of Cash Received _____
- 6.832 Aggregate Fair Value of Non-Cash Collateral Received \$ _____
- 6.833 Total Collateral Received from Sold Securities \$ _____
- 6.834 Amount of the Total Collateral Used for Working Capital (not retained in the Separate Account) \$ _____
- 6.633 Narrative discussion about sources and uses of collateral:..... \$ _____
- 6.634 Amount of total collateral for transactions that extend beyond one year from the reporting date \$ _____

6.81 Fair value of securities acquired in a reverse repurchase transaction within the separate account and the percentage of separate account assets acquired

	6.611	Amount	\$ _____
	6.612	Percentage	_____ %

6.82 Identify whether securities acquired are reported at book value or market value

	6.621	Book Value	\$ _____
	6.622	Market Value	\$ _____

6.83 Detail on collateral provided:

- 6.831 Aggregate Amount of Cash Provided _____
- 6.832 Aggregate Fair Value of Non-Cash Collateral Provided \$ _____
- 6.833 Total Collateral Provided from Acquired Securities \$ _____
- 6.634 Total Collateral Provided for transactions that extend beyond one year from the reporting date \$ _____

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