

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>9/5/2025</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., 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>2025-17BWG MOD</u></p> <p>Year <u>2026</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>[ ] Received For Public Comment</p> <p>[ X ] Adopted Date <u>3/5/2026</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 checked="" type="checkbox"/> CROSSCHECKS   |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT               | <input checked="" 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 2026 / 1<sup>st</sup> Quarter 2027

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

Add an annual general interrogatory that indicates the method used for reporting residuals and update Notes to Financials (Note 1C6 and 5D) for consistent reporting between SSAP No. 26, SSAP No. 43, and SSAP No. 21.

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

This proposal was prepared to make updates for consistent disclosures for certain reporting elements between SSAP No. 26—*Bonds*, SSAP No. 43—*Asset-Backed Securities* and for non-bond debt securities and residuals in SSAP No. 21—*Other Admitted Assets*. (SAPWG Ref #2025-20)

**\*\*\*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.



**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies and Going Concern**

Instruction:

Refer to *SSAP No. 1—Accounting Policies, Risks & Uncertainties, and Other Disclosures* for accounting guidance regarding disclosure requirements. The major disclosure requirements are as follows:



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- C. Disclose all accounting policies that materially affect the assets, liabilities, capital and surplus or results of operations.

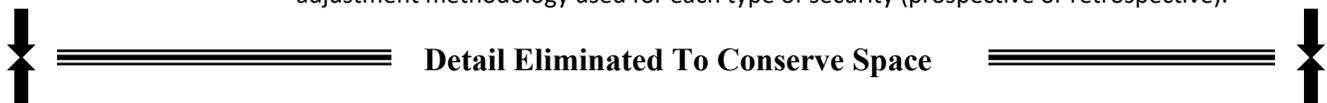
Include:

- (1) Basis at which the short-term investments are stated.
- (2) Basis at which the bonds, mandatory convertible securities and SVO-Identified investments identified in SSAP No. 26 are stated, and the amortization method.

Amortization method for bonds and mandatory convertible securities and if elected by the reporting entity, the approach for determining the systematic value for SVO-Identified securities per SSAP No. 26. If utilizing the systematic value measurement method approach for SVO-Identified investments, the reporting entity must include the following information:

- Whether the reporting entity consistently utilizes the same measurement method for all SVO-Identified investments (e.g., fair value or systematic value). If different measurement methods are used, information on why the reporting entity has elected to use fair value for some SVO-Identified investments and systematic value for others.
- Whether SVO-Identified investments are being reported at a different measurement method from what was used in an earlier current-year interim and/or in a prior annual statement. (For example, if reported at systematic value prior to the sale, and then reacquired and reported at fair value.) This disclosure is required in all interim reporting periods and in the year-end financial statements for the year in which an SVO-Identified investment has been reacquired and reported using a different measurement method from what was previously used for the investment. (This disclosure is required regardless of the length of time between the sale/reacquisition of the investments but is only required in the year in which the investment is reacquired.)
- Identification of securities still held that no longer qualify for the systematic value method. This should separately identify those securities that are still within scope of SSAP No. 26 and those that are being reported under a different SSAP.

- (3) Basis at which the common stocks are stated.
- (4) Basis at which the preferred stocks are stated.
- (5) Description of the valuation basis of the mortgage loans.
- (6) Basis at which the asset-backed securities and non-bond debt securities are stated and the adjustment methodology used for each type of security (prospective or retrospective).



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Illustration:

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

=====  
| X | **Detail Eliminated To Conserve Space** | X |  
=====

(6) Asset-backed securities and non-bond debt securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities, except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.

=====  
| X | **Detail Eliminated To Conserve Space** | X |  
=====

**ANNUAL STATEMENT INSTRUCTIONS – PROPERTY, HEALTH & TITLE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Investments**

Instruction:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D descriptions of sources used to determine prepayment assumptions.
- (2) All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
  - Intent to sell.
  - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
  - The amortized cost basis, prior to any current-period other-than-temporary impairment.
  - The other-than-temporary impairment recognized in earnings as a realized loss.
  - The fair value of the security.
  - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) For non-bond debt securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in ~~earnings~~ as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
  - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
  - b. The aggregate related fair value of securities with unrealized losses.

The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with *SSAP No. 100—Fair Value*.

- (5) For the impaired items identified in paragraph (4), Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.
- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21—Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

Illustration:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

- (1) Prepayment assumptions for ~~mortgage-backed/asset-backed and structured securities and non-bond debt securities~~ were obtained from broker-dealer survey values or internal estimates.

**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.**

- (2) For securities in scope of SSAP No. 43 and non-bond debt securities in scope of SSAP No. 21 with a recognized OTTI:

(1)	(2)	(3)
Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than- Temporary Impairment Recognized in Loss	Fair Value 1 – 2

OTTI recognized 1<sup>st</sup> Quarter


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(3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
Total		\$XXX	\$XXX	\$	\$XXX	\$XXX	XXX

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

**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 NARRATIVE.)

(4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	1	2	3	4	5
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 – Non-Bond Debt Securities	SSAP No. 21 – Residuals under the Allowable Earned Yield Method	Total – Impaired Debt Securities
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. The aggregate amount of unrealized losses:

- 1. Less than 12 Months \$ \_\_\_\_\_
- 2. 12 Months or Longer \$ \_\_\_\_\_

b. The aggregate related fair value of securities with unrealized losses:

- 1. Less than 12 Months \$ \_\_\_\_\_
- 2. 12 Months or Longer \$ \_\_\_\_\_

(5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

**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.**

(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21— Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	<u>Sales</u>			<u>Maturities</u>		
	<u>1</u> Proceeds	<u>2</u> Realized Gains	<u>3</u> Realized Losses	<u>4</u> Proceeds	<u>5</u> Realized Gains	<u>6</u> Realized Losses
<u>Bonds:</u>						
SSAP No. 2	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 26	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 43	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Non-Bond Debt Securities:</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

NOTES TO FINANCIAL STATEMENTS

Note 5 - Investments

Instruction:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D descriptions of sources used to determine prepayment assumptions.
- (2) All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
  - Intent to sell.
  - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
  - The amortized cost basis, prior to any current-period other-than-temporary impairment.
  - The other-than-temporary impairment recognized in earnings as a realized loss.
  - The fair value of the security.
  - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) For non-bond debt securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in ~~earnings~~ as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
  - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
  - b. The aggregate related fair value of securities with unrealized losses.



**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.**

- (3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
Total		\$XXX	\$XXX	\$	\$XXX	\$XXX	XXX

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

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

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	1	2	3	4	5
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 - Non-Bond Debt Securities	SSAP No. 21 - Residuals under the Allowable Earned Yield Method	Total - Impaired Debt Securities
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. The aggregate amount of unrealized losses:

- 1. Less than 12 Months \$ \_\_\_\_\_
- 2. 12 Months or Longer \$ \_\_\_\_\_

b. The aggregate related fair value of securities with unrealized losses:

- 1. Less than 12 Months \$ \_\_\_\_\_
- 2. 12 Months or Longer \$ \_\_\_\_\_

(5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

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(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21— Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	Sales			Maturities		
	1 Proceeds	2 Realized Gains	3 Realized Losses	4 Proceeds	5 Realized Gains	6 Realized Losses
<b>Bonds:</b>						
SSAP No. 2	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 26	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 43	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Non-Bond Debt Securities:</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**ANNUAL STATEMENT BLANKS – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE**

**GENERAL INTERROGATORIES**

**PART 1 – COMMON INTERROGATORIES**

**INVESTMENT**



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- 40.1 ~~For residuals, does the company utilize the Practical Expedient or Allowable Earned Yield method? (Select one, unless the company is transitioning to the PE to AEY method. Enter PE or AEY for the method the company utilizes, unless the company is transitioning from the PE to AEY method, then enter T, PE for Practical Expedient, AEY for Allowable Earned Yield, or T for Transitioning)~~ PE [ ] AEY [ ] T [ ]
- 40.2 ~~If the company is transitioning from the Practical Expedient (PE) to Allowable Earned Yield (AEY) method, what is the transition date to apply the AEY method? Date format MM/DD/YYYY. (Under SSAP No. 21, residuals acquired prior to the transition date shall continue the PE method, whereas residuals after the transition date shall follow the AEY method.)~~

\*\*\* Drafting Note – all lines after these new lines will be renumbered. \*\*\*

NOTES TO FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies and Going Concern**

↓ **====** **Detail Eliminated To Conserve Space** **====** ↓

Illustration:

- C. Disclose all accounting policies that materially affect the assets, liabilities, capital and surplus or results of operations. Include:
  - (2) Whether SVO-Identified investments are being reported at a different measurement method from what was used in an earlier current-year interim and/or in a prior annual statement. (For example, if reported at systematic value prior to the sale, and then reacquired and reported at fair value.) This disclosure is required in all interim reporting periods and in the year-end financial statements for the year in which an SVO-Identified investment has been reacquired and reported using a different measurement method from what was previously used for the investment. (This disclosure is required regardless of the length of time between the sale/reacquisition of the investments but is only required in the year in which the investment is reacquired.)
  - (6) Basis at which the asset-backed securities and non-bond debt securities are stated and the adjustment methodology used for each type of security (prospective or retrospective).

↓ **====** **Detail Eliminated To Conserve Space** **====** ↓

## QUARTERLY STATEMENT INSTRUCTIONS –PROPERTY, HEALTH & TITLE

### Note 5 - Investments

#### Instruction:

#### D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D descriptions of sources used to determine prepayment assumptions.
- (2) All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, F with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
  - Intent to sell.
  - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
  - The amortized cost basis, prior to any current-period other-than-temporary impairment.
  - The other-than-temporary impairment recognized in earnings as a realized loss.
  - The fair value of the security.
  - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) For non-bond securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized ~~in earnings~~ as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
  - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
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The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with *SSAP No. 100—Fair Value*.

(5) For the impaired items identified in paragraph (4), Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21—Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

**Detail Eliminated To Conserve Space**

Illustration:

D. Asset-Backed Securities Debt Securities and Residual Interests

(1) Prepayment assumptions for mortgage-backed/asset-backed securities and non-bond debt securities were obtained from broker dealer survey values or internal estimates.

(2) For securities in scope of SSAP No. 43 and non-bond debt securities in scope of SSAP No. 21 with a recognized OTTI:

1	2	3
Amortized Cost Basis Before Other-Than-Temporary Impairment	Other-Than-Temporary Impairment Recognized in Loss	Fair Value 1 – 2

OTTI recognized 1<sup>st</sup> Quarter

**Detail Eliminated To Conserve Space**

(3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
<u>Aggregate Total</u>		XXX	XXX	\$	XXX	XXX	XXX

**NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.**

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
	<u>SSAP No. 26 - ICO</u>	<u>SSAP No. 43 - ABS</u>	<u>SSAP No. 21 – Non-Bond Debt Securities</u>	<u>SSAP No. 21 – Residuals under the Allowable Earned Yield Method</u>	<u>Total – Impaired Debt Securities</u>
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. The aggregate amount of unrealized losses:

1. Less than 12 Months \$ \_\_\_\_\_  
 2. 12 Months or Longer \$ \_\_\_\_\_

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months \$ \_\_\_\_\_  
 2. 12 Months or Longer \$ \_\_\_\_\_

- (5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

**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.**

- (6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21— Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	<u>Sales</u>			<u>Maturities</u>		
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	<u>Proceeds</u>	<u>Realized Gains</u>	<u>Realized Losses</u>	<u>Proceeds</u>	<u>Realized Gains</u>	<u>Realized Losses</u>
<u>Bonds:</u>						
SSAP No. 2	\$	\$	\$	\$	\$	\$
SSAP No. 26	\$	\$	\$	\$	\$	\$
SSAP No. 43	\$	\$	\$	\$	\$	\$
<u>Non-Bond Debt Securities:</u>	\$	\$	\$	\$	\$	\$
<u>Aggregate Total</u>	\$	\$	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

**Note 5 - Investments**

Instruction:

D. ~~Asset-Backed Securities~~ Debt Securities and Residual Interests

~~For asset-backed securities, disclose the following:~~

- (1) All securities within the scope of SSAP No. 43—Asset-Backed Securities and as applicable to non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets, D descriptions of sources used to determine prepayment assumptions.
- (2) All securities within the scope of SSAP No. 43—Asset-Backed Securities and non-bond debt securities in scope of SSAP No. 21—Other Admitted Assets with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
  - Intent to sell.
  - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.
- (3) For all securities within the scope of SSAP No. 43—Asset-Backed Securities, all non-bond debt securities, and residual interests captured under the allowable earned yield in scope of SSAP No. 21—Other Admitted Assets, F for each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:
  - The amortized cost basis, prior to any current-period other-than-temporary impairment.
  - The other-than-temporary impairment recognized in earnings as a realized loss.
  - The fair value of the security.
  - The amortized cost basis after the current-period other-than-temporary impairment.
- (4) For non-bond debt securities and residual interests captured under the allowable earned yield method captured in SSAP No. 21—Other Admitted Assets, and bonds in SSAP No. 26—Bonds and SSAP No. 43—Asset-Backed Securities, A all impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in ~~earnings~~ as a realized loss (including securities in scope of SSAP No. 21 and SSAP No. 43 with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities, including those reported at fair value (where the unrealized loss is recognized) and those reported at amortized cost (where the unrealized loss is not recognized):
  - a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value); and
  - b. The aggregate related fair value of securities with unrealized losses.



**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.**

- (3) For asset-backed securities (ABS) in scope of SSAP No. 43, all non-bond debt securities and residual interests captured under the allowable earned yield in scope of SSAP No. 21 with an other-than-temporary impairment recognized in the current reporting period as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

	1	2	3	4	5	6	7
	CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
<u>Asset-Backed Securities:</u>							
<u>ABS Total</u>							
<u>Non-Bond Debt Securities:</u>							
<u>Non-Bond Debt Total</u>							
<u>Residuals:</u>							
<u>Residual Total</u>							
Total		\$XXX	\$XXX	\$	\$XXX	\$XXX	XXX

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

**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 NARRATIVE.)

- (4) For all debt securities and residual interests measured under the allowable earned yield in scope of SSAP No. 21, and bonds in SSAP No. 26 and SSAP No. 43, All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains). This disclosure shall include all impaired securities even if reported at fair value with an unrealized loss recognized:

	1	2	3	4	5
	SSAP No. 26 - ICO	SSAP No. 43 - ABS	SSAP No. 21 – Non-Bond Debt Securities	SSAP No. 21 – Residuals under the Allowable Earned Yield Method	Total – Impaired Debt Securities
<u>Aggregate Amount of Unrealized Losses:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$
<u>Aggregate Related Fair Value of Securities:</u>					
<u>Less Than 12 Months:</u>	\$	\$	\$	\$	\$
<u>12 Months or Longer:</u>	\$	\$	\$	\$	\$

a. The aggregate amount of unrealized losses:

- 1. Less than 12 Months \$ \_\_\_\_\_
- 2. 12 Months or Longer \$ \_\_\_\_\_

b. The aggregate related fair value of securities with unrealized losses:

- 1. Less than 12 Months \$ \_\_\_\_\_
- 2. 12 Months or Longer \$ \_\_\_\_\_

(5) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

**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.**

(6) For bonds captured in SSAP No. 2, SSAP No. 26 and SSAP No. 43, and non-bond debt securities captured in SSAP No. 21— Other Admitted Assets separately report the proceeds from sales and maturities and the resulting gross realized gains and losses.

	Sales			Maturities		
	1 Proceeds	2 Realized Gains	3 Realized Losses	4 Proceeds	5 Realized Gains	6 Realized Losses
<u>Bonds:</u>						
SSAP No. 2	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 26	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
SSAP No. 43	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Non-Bond Debt Securities:</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Total</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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