

# NAIC BLANKS (E) WORKING GROUP

## Blanks Agenda Item Submission Form

|                        |  |  |  |
|------------------------|--|--|--|
| DATE: <u>9/19/2025</u> |  | <b>FOR NAIC USE ONLY</b>   |  |
| CONTACT PERSON:        | _____  | Agenda Item # <u>2025-18BWG</u>  |  |
| TELEPHONE:             | _____  | Year <u>2026</u>   |  |
| EMAIL ADDRESS:         | _____  | Changes to Existing Reporting <input type="checkbox"/> [ X ]   |  |
| ON BEHALF OF:          | _____  | New Reporting Requirement <input type="checkbox"/> [ ]   |  |
| NAME:                  | <u>Steve Drutz</u>                             | <b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b>   |  |
| TITLE:                 | <u>Chief Financial Analyst</u>                 | No Impact <input type="checkbox"/> [ X ]   |  |
| AFFILIATION:           | <u>WA Office of the Insurance Commissioner</u> | Modifies Required Disclosure <input type="checkbox"/> [ ]  |  |
| ADDRESS:               | _____<br>_____                                 | Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? <input type="checkbox"/> [ No ] |  |
|                        |  | ***If Yes, complete question below***  |  |
|                        |  | <b>DISPOSITION</b>   |  |
|                        |  | <input type="checkbox"/> [ ] Rejected For Public Comment   |  |
|                        |  | <input type="checkbox"/> [ ] Referred To Another NAIC Group  |  |
|                        |  | <input checked="" type="checkbox"/> [ X ] Received For Public Comment  |  |
|                        |  | <input type="checkbox"/> [ ] Adopted Date _____  |  |
|                        |  | <input type="checkbox"/> [ ] Rejected Date _____   |  |
|                        |  | <input type="checkbox"/> [ ] Deferred Date _____   |  |
|                        |  | <input type="checkbox"/> [ ] Other (Specify) _____   |  |

### BLANK(S) TO WHICH PROPOSAL APPLIES

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> [ X ] ANNUAL STATEMENT     | <input checked="" type="checkbox"/> [ X ] INSTRUCTIONS | <input checked="" type="checkbox"/> [ X ] CROSSCHECKS |
| <input type="checkbox"/> [ ] QUARTERLY STATEMENT               | <input type="checkbox"/> [ ] BLANK                     |   |
| <input type="checkbox"/> [ ] Life, Accident & Health/Fraternal | <input type="checkbox"/> [ ] Separate Accounts         | <input type="checkbox"/> [ ] Title                    |
| <input type="checkbox"/> [ ] Property/Casualty                 | <input type="checkbox"/> [ ] Protected Cell            | <input type="checkbox"/> [ ] Other _____              |
| <input checked="" type="checkbox"/> [ X ] Health               | <input type="checkbox"/> [ ] Health (Life Supplement)  | <input type="checkbox"/> [ ] Life (Health Supplement) |

Anticipated Effective Date: Annual 2026

### IDENTIFICATION OF ITEM(S) TO CHANGE

Add instructions for Health General Interrogatory 10.21 through 10.24 to add clarifying instructions and an example to the Health General Interrogatory Part 2 Instructions. Also add a crosscheck from the general interrogatory to Exhibit 7, Part 1.

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

This proposal was created to add clarity to what should be included in each line of interrogatory 10.2 by adding instructions, an example, and a crosscheck reference back to Exhibit 7, Part 1.

**\*\*\*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.

Revised 11/17/2022

## ANNUAL STATEMENT INSTRUCTIONS – HEALTH

### GENERAL INTERROGATORIES

#### PART 2 – HEALTH INTERROGATORIES

#### **Detail Eliminated To Conserve Space**

9. This interrogatory only applies to those lines of accident and health business that include a medical trend risk, i.e., Comprehensive Medical, Medicare Supplement, Dental, and Stop-Loss and Minimum Premium. Premiums entered should be earned premium for the current calendar year period and not for the entire period of the rate guarantees. Premium amounts should be shown net of reinsurance only when the reinsurance ceded premium is also subject to the same rate guarantee.

10.21 Report the maximum incentive pool/bonus arrangement amounts contractually available to be paid out for the reporting year.

10.22 Report the actual amount paid to the providers during the reporting year as required by the bonus arrangements.

10.23 Report the maximum amount of withholds contractually available to be paid to providers for the reporting year.

10.24 Report the actual amount of withholds paid to the providers during the reporting year.

EXAMPLE (10.2 If yes):

|              |  |                     |
|--------------|--|---------------------|
| <u>10.21</u> | <u>Maximum amount payable bonuses</u>          | <u>\$ 1,000,000</u> |
| <u>10.22</u> | <u>Amount actually paid for year bonuses</u>   | <u>\$ 750,000</u>   |
| <u>10.23</u> | <u>Maximum amount payable withholds</u>        | <u>\$ 1,250,000</u> |
| <u>10.24</u> | <u>Amount actually paid for year withholds</u> | <u>\$ 500,000</u>   |

Line 10.22 plus 10.24 should equal Exhibit 7, Part 1, Column 1, Line 7 plus 8.

11. If the Plans' statutory minimum capital and surplus requirement is based upon a contingency reserve for statutory minimum capital and surplus that is other than a flat dollar amount, the calculation must be shown. An example of the disclosure of a calculation based upon 2% of the net capitation revenue from risk contracts is:

|                                   |    |            |
|-----------------------------------|----|------------|
| Net earned subscription revenue   | \$ | 33,103,906 |
|                                   |    | 2%         |
| Addition to Reserve               |    | 662,078    |
| Reserve Balance Beginning of Year |    | 353,689    |
| Reserve Balance End of Year       |    | 1,025,767  |

Item 11.4 should equal Column 1, Line 3 of the Five-Year History Page.