

# NAIC BLANKS (E) WORKING GROUP

## Blanks Agenda Item Submission Form

DATE: <u>10/24/25</u>		<b>FOR NAIC USE ONLY</b>	
CONTACT PERSON:	_____	Agenda Item # <u>2025-20BWG</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>Dale Bruggeman</u>	<b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b>	
TITLE:	<u>Chair SAPWG</u>	No Impact <input type="checkbox"/> [ X ]	
AFFILIATION:	<u>Ohio Department of Insurance</u>	Modifies Required Disclosure <input type="checkbox"/> [ ]	
ADDRESS:	<u>50W. Town St., 3<sup>rd</sup> Fl., Ste. 300</u>	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? <input type="checkbox"/> [ No ]	
	<u>Columbus, OH 43215</u>	***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 type="checkbox"/> [ ] CROSSCHECKS              |
| <input type="checkbox"/> [ ] QUARTERLY STATEMENT                            | <input checked="" type="checkbox"/> [ X ] BLANK             |   |
| <input checked="" type="checkbox"/> [ X ] Life, Accident & Health/Fraternal | <input checked="" type="checkbox"/> [ X ] Separate Accounts | <input checked="" type="checkbox"/> [ X ] Title       |
| <input checked="" type="checkbox"/> [ X ] 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

Update Schedule D, Part 6, Section 1 reporting categories and Asset Valuation Reserve lines to update the classification of investment subsidiaries.

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

This proposal updates investment subsidiary categories due to questions on the classification of investments as "investment subsidiaries" on Schedule D, Part 6, Section 1 and Asset Valuation Reserve. (SAPWG Ref #2024-21)

**\*\*\*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 – LIFE/FRATERNAL, PROPERTY, HEALTH & TITLE

## SCHEDULE D – PART 6 – SECTION 1

### VALUATION OF SHARES OF SUBSIDIARY, CONTROLLED OR AFFILIATED COMPANIES

If a reporting entity has any common stock or preferred stock reported for any of the following required categories or subcategories, it shall report the subtotal amount of the corresponding category or subcategory, with the specified subtotal line number appearing in the same manner and location as the pre-printed total or grand total line and number:

<u>Category</u>	<u>Line Number</u>
Preferred Stocks:	
Parent .....	0199999
U.S. Property & Casualty Insurer .....	0299999
U.S. Life Insurer .....	0399999
U.S. Health Entity #.....	0499999
Alien Insurer .....	0599999
Non-Insurer Which Controls Insurer .....	0699999
*Investment Subsidiary .....	0799999
Other Affiliates .....	0899999079999
Subtotals – Preferred Stocks .....	0999999089999
Common Stocks:	
Parent .....	1099999099999
U.S. Property & Casualty Insurer .....	1199999109999
U.S. Life Insurer .....	1299999119999
U.S. Health Entity #.....	1399999129999
Alien Insurer .....	1499999139999
Non-Insurer Which Controls Insurer .....	1599999149999
*Investment Subsidiary .....	1699999
Other Affiliates .....	1799999159999
Subtotals – Common Stocks .....	1899999169999
Totals – Preferred and Common Stocks .....	1999999179999

# – Include in this category any health entities that file the Health Risk-Based Capital formula.

\*NOTE: Investment Subsidiary shall mean any subsidiary, other than a holding company, engaged or organized primarily in the ownership and management of investments for the reporting entity. An investment subsidiary shall not include any broker-dealer or a money management fund managing funds other than those of the parent company. The following criteria are applicable:

1. 95% or more of the investment subsidiary's assets would qualify as admitted assets;
2. The investment subsidiary's total liabilities are 5% or less of total assets;
3. Combining the pro-rata ownership shares of the assets of all the investment subsidiaries with the owning reporting entity's assets does not violate any state requirements concerning diversification of investments or limitations on investments in a single entity; and

4. ~~The investment subsidiary's book/adjusted carrying value does not exceed the imputed value on a statutory accounting basis. If the book/adjusted carrying value does exceed the imputed statutory value, the reporting entity may either nonadmit the excess or categorize such subsidiary in the "All Other Affiliates" category.~~



**Detail Eliminated To Conserve Space**



## ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

### ASSET VALUATION RESERVE

This exhibit and its supporting calculations are designed to address the non-interest-related (default) and equity risks of the company's assets by calculating a basic contribution, a reserve objective and a maximum reserve amount and controlling the flow of the reserve from/into surplus. These instructions cover the Asset Valuation Reserve (AVR) for both the General Account Statement and the Separate Account Statement. If an AVR is required for investments in the Separate Accounts Statement, it is combined with the General Account AVR and accounted for in the General Accounts statement. Worksheets supporting the separate accounts portion of the reserve are included with the Separate Accounts Statement. The criteria for determining when an AVR is required for separate accounts are described in the Separate Accounts AVR Worksheet instructions.



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



Lines 5

through 14 ———— ~~Subsidiary, Controlled or Affiliated Common Stock—Investment Subsidiaries~~

~~Report the book/adjusted carrying value of all common stocks owned in an investment subsidiary or that portion of the book/adjusted carrying value of holding company subsidiaries that represents investments in investment subsidiaries in Column 1, any related party encumbrances on these common stocks in Column 2, and any third party encumbrances on these common stocks in Column 3. If a portion of the book/adjusted carrying value of a holding company subsidiary is reflected in Column 1, the debt of that holding company subsidiary should be reflected in Columns 2 and 3. However, the total holding company debt to be reflected in Columns 2 and 3 should not exceed the aggregate book/adjusted carrying value of any investment subsidiaries on the holding company subsidiary books. (An investment subsidiary is any subsidiary, other than a holding company subsidiary, engaged or organized to engage primarily in the ownership and management of investments authorized as investments for the reporting entity. A broker-dealer or money management firm that manages outside funds is not an investment subsidiary. This definition is intended to be identical to the investment subsidiary definition for Risk-Based Capital (RBC) purposes and will be amended if the RBC definition is changed.) Allocate the common stock value in Column 1 and the encumbrances in Columns 2 and 3 among Lines 5 through 14 based on the nature of the underlying investment held by the investment subsidiary. Follow the Securities Valuation Office guidelines and categorize these assets as if the SVO had assigned a NAIC designation of 1 through 6, P1 through P6, or RP1 through RP6. Report the sum of Columns 1, 2, and 3 in Column 4.~~

~~For Lines 5 through 11, multiply the amount in Column 4 by the appropriate bond, preferred stock, or other fixed income instrument (excluding mortgage loans) reserve factors (as listed in Columns 5, 7 and 9 of the various sections of the Equity Component schedule) and report the products in Columns 6, 8 and 10, respectively.~~

~~For Line 12, multiply the amount in Column 4 by the reserve factors calculated for Columns 5, 7 and 9 (see instructions for Line 1 of this schedule) and report the products in Columns 6, 8 and 10, respectively.~~

~~For Line 13, multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.~~

~~For Line 14, multiply the amounts included in Column 4 by the reserve factors and breakdowns used for directly owned real estate and report the products in Columns 6, 8 and 10, respectively.~~

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

**SCHEDULE D – PART 6 – SECTION 1**

### Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

[illegible]

1. Total amount of goodwill nonadmitted \$.....

**ANNUAL STATEMENT BLANK – LIFE/FRATERNAL AND SEPARATE ACCOUNTS**

**ASSET VALUATION RESERVE  
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1	2	3	4	Basic Contribution		Reserve Objective		Maximum Reserve	
			Book/ Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Cols. 1+2+3)	5  Factor	6  Amount (Cols. 4x5)	7  Factor	8  Amount (Cols. 4x7)	9  Factor	10  Amount (Cols. 4x9)
		COMMON STOCK										
1		Unaffiliated public.....		XXX	XXX		0.0000		0.1580 (a)		0.1580 (a)	
2		Unaffiliated private.....		XXX	XXX		0.0000		0.1945		0.1945	
3		Federal Home Loan Bank .....		XXX	XXX		0.0000		0.0061		0.0097	
4		Affiliated life with AVR .....		XXX	XXX		0.0000		0.0000		0.0000	
		Affiliated Investment Subsidiary:										
5		Fixed income exempt obligations .....					XXX		XXX		XXX	
6		Fixed income highest quality .....					XXX		XXX		XXX	
7		Fixed income high quality .....					XXX		XXX		XXX	
8		Fixed income medium quality .....					XXX		XXX		XXX	
9		Fixed income low quality .....					XXX		XXX		XXX	
10		Fixed income lower quality .....					XXX		XXX		XXX	
11		Fixed income in or near default .....					XXX		XXX		XXX	
12		Unaffiliated common stock public .....					0.0000		0.1580 (a)		0.1580 (a)	
13		Unaffiliated common stock private .....					0.0000		0.1945		0.1945	
14		Real estate .....					(b)		(b)		(b)	
15		Affiliated-certain other (See SVO Purposes & Procedures Manual) .....		XXX	XXX		0.0000		0.1580		0.1580	
16		Affiliated - all other .....		XXX	XXX		0.0000		0.1945		0.1945	
17		Total common stock (Sum of Lines 1 through 16)					XXX		XXX		XXX	
		REAL ESTATE										
18		Home office property (General Account only) .....					0.0000		0.0912		0.0912	
19		Investment properties .....					0.0000		0.0912		0.0912	
20		Properties acquired in satisfaction of debt .....					0.0000		0.1337		0.1337	
21		Total real estate (Sum of Lines 18 through 20)					XXX		XXX		XXX	
		OTHER INVESTED ASSETS										
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS										
22		Exempt obligations .....		XXX	XXX		0.0000		0.0000		0.0000	
23	1	Highest quality .....		XXX	XXX		0.0005		0.0016		0.0033	
24	2	High quality .....		XXX	XXX		0.0021		0.0064		0.0106	
25	3	Medium quality.....		XXX	XXX		0.0099		0.0263		0.0376	
26	4	Low quality .....		XXX	XXX		0.0245		0.0572		0.0817	
27	5	Lower quality .....		XXX	XXX		0.0630		0.1128		0.1880	
28	6	In or near default .....		XXX	XXX		0.0000		0.2370		0.2370	
29		Total with bond characteristics (Sum of Lines 22 through 28)		XXX	XXX		XXX		XXX		XXX	

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols.4x9)
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS										
<del>2030</del>	1	Highest quality .....	.....	XXX	XXX	.....	0.0005	.....	0.0016	.....	0.0033	.....
<del>2131</del>	2	High quality .....	.....	XXX	XXX	.....	0.0021	.....	0.0064	.....	0.0106	.....
<del>2232</del>	3	Medium quality .....	.....	XXX	XXX	.....	0.0099	.....	0.0263	.....	0.0376	.....
<del>2333</del>	4	Low quality .....	.....	XXX	XXX	.....	0.0245	.....	0.0572	.....	0.0817	.....
<del>2434</del>	5	Lower quality .....	.....	XXX	XXX	.....	0.0630	.....	0.1128	.....	0.1880	.....
<del>2535</del>	6	In or near default .....	.....	XXX	XXX	.....	0.0000	.....	0.2370	.....	0.2370	.....
<del>2636</del>		Affiliated life with AVR .....	.....	XXX	XXX	.....	0.0000	.....	0.0000	.....	0.0000	.....
<del>2737</del>		Total with preferred stock characteristics (Sum of Lines <del>2030</del> through <del>2636</del> )		XXX	XXX		XXX		XXX		XXX	
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS										
		In Good Standing Affiliated:										
<del>2838</del>		Mortgages – CM1 – highest quality .....	.....		XXX	.....	0.0011	.....	0.0057	.....	0.0074	.....
<del>2939</del>		Mortgages – CM2 – high quality .....	.....		XXX	.....	0.0040	.....	0.0114	.....	0.0149	.....
<del>3040</del>		Mortgages – CM3 – medium quality .....	.....		XXX	.....	0.0069	.....	0.0200	.....	0.0257	.....
<del>3141</del>		Mortgages – CM4 – low medium quality .....	.....		XXX	.....	0.0120	.....	0.0343	.....	0.0428	.....
<del>3242</del>		Mortgages – CM5 – low quality .....	.....		XXX	.....	0.0183	.....	0.0486	.....	0.0628	.....
<del>3343</del>		Residential mortgages – insured or guaranteed .....	.....		XXX	.....	0.0003	.....	0.0007	.....	0.0011	.....
<del>3444</del>		Residential mortgages – all other .....	.....	XXX	XXX	.....	0.0015	.....	0.0034	.....	0.0046	.....
<del>3545</del>		Commercial mortgages – insured or guaranteed .....	.....		XXX	.....	0.0003	.....	0.0007	.....	0.0011	.....
		Overdue, Not in Process Affiliated:										
<del>3646</del>		Farm mortgages .....	.....		XXX	.....	0.0480	.....	0.0868	.....	0.1371	.....
<del>3747</del>		Residential mortgages – insured or guaranteed .....	.....		XXX	.....	0.0006	.....	0.0014	.....	0.0023	.....
<del>3848</del>		Residential mortgages – all other .....	.....		XXX	.....	0.0029	.....	0.0066	.....	0.0103	.....
<del>3949</del>		Commercial mortgages – insured or guaranteed .....	.....		XXX	.....	0.0006	.....	0.0014	.....	0.0023	.....
<del>4050</del>		Commercial mortgages – all other .....	.....		XXX	.....	0.0480	.....	0.0868	.....	0.1371	.....
		In Process of Foreclosure Affiliated:										
<del>4151</del>		Farm mortgages .....	.....		XXX	.....	0.0000	.....	0.1942	.....	0.1942	.....
<del>4252</del>		Residential mortgages – insured or guaranteed .....	.....		XXX	.....	0.0000	.....	0.0046	.....	0.0046	.....
<del>4353</del>		Residential mortgages – all other .....	.....		XXX	.....	0.0000	.....	0.0149	.....	0.0149	.....
<del>4454</del>		Commercial mortgages – insured or guaranteed .....	.....		XXX	.....	0.0000	.....	0.0046	.....	0.0046	.....
<del>4555</del>		Commercial mortgages – all other .....	.....		XXX	.....	0.0000	.....	0.1942	.....	0.1942	.....
<del>4656</del>		Total affiliated (Sum of Lines <del>2838</del> through <del>4555</del> ) .....			XXX		XXX		XXX		XXX	
<del>4757</del>		Unaffiliated – in good standing with covenants .....	.....		XXX	.....	(c)	.....	(c)	.....	(c)	.....
		Unaffiliated – in good standing defeased with government securities .....	.....		XXX	.....	0.0011	.....	0.0057	.....	0.0074	.....
<del>4858</del>		Unaffiliated – in good standing primarily senior .....	.....		XXX	.....	0.0040	.....	0.0114	.....	0.0149	.....
<del>4959</del>		Unaffiliated – in good standing all other .....	.....		XXX	.....	0.0069	.....	0.0200	.....	0.0257	.....
<del>5060</del>		Unaffiliated – qverdue, not in process .....	.....		XXX	.....	0.0480	.....	0.0868	.....	0.1371	.....
<del>5161</del>		Unaffiliated – in process of foreclosure .....	.....		XXX	.....	0.0000	.....	0.1942	.....	0.1942	.....
<del>5262</del>		Total unaffiliated (Sum of Lines <del>4757</del> through <del>5262</del> ) .....			XXX		XXX		XXX		XXX	
<del>5363</del>		Total with mortgage loan characteristics (Lines <del>4656</del> + <del>5363</del> )			XXX		XXX		XXX		XXX	

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/ Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK												
5565		Unaffiliated public .....		XXX	XXX		0.0000		0.1580(a)		0.1580(a)	
5666		Unaffiliated private .....		XXX	XXX		0.0000		0.1945		0.1945	
5767		Affiliated life with AVR .....		XXX	XXX		0.0000		0.0000		0.0000	
5868		Affiliated certain other (See SVO Purposes & Procedures Manual) .....		XXX	XXX		0.0000		0.1580		0.1580	
5969		Affiliated other - all other .....		XXX	XXX		0.0000		0.1945		0.1945	
6070		Total with common stock characteristics (Sum of Lines 5565 through 5969)		XXX	XXX		XXX		XXX		XXX	
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE												
6171		Home office property (General Account only) .....					0.0000		0.0912		0.0912	
6272		Investment properties .....					0.0000		0.0912		0.0912	
6373		Properties acquired in satisfaction of debt .....					0.0000		0.1337		0.1337	
6474		Total with real estate characteristics (Sum of Lines 6171 through 6473)					XXX		XXX		XXX	
INVESTMENTS IN TAX CREDIT STRUCTURES												
6575		Yield guaranteed state tax credit investments .....					0.0003		0.0006		0.0010	
6676		Qualifying federal tax credit investments .....					0.0063		0.0120		0.0190	
6777		Qualifying state tax credit investments .....					0.0063		0.0120		0.0190	
6878		Other tax credit investments .....					0.0273		0.0600		0.0975	
6979		Total tax credit investments (Sum of Lines 6575 through 6878)					XXX		XXX		XXX	
RESIDUAL TRANCHES OR INTERESTS												
7080		Bonds – unaffiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7181		Bonds – affiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7282		Common stock – unaffiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7383		Common stock – affiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7484		Preferred stock – unaffiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7585		Preferred stock – affiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7686		Real estate – unaffiliated .....					0.0000		0.1580		0.1580	
7787		Real estate – affiliated .....					0.0000		0.1580		0.1580	
7888		Mortgage loans – unaffiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
7989		Mortgage loans – affiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
8090		Other – unaffiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
8191		Other – affiliated .....		XXX	XXX		0.0000		0.1580		0.1580	
8292		Total residual tranches or interests (Sum of Lines 7080 through 8191)					XXX		XXX		XXX	
SURPLUS NOTES AND CAPITAL NOTES												
8393	1	Highest quality .....		XXX	XXX		0.0005		0.0016		0.0033	
8494	2	High quality .....		XXX	XXX		0.0021		0.0064		0.0106	
8595	3	Medium quality .....		XXX	XXX		0.0099		0.0263		0.0376	
8696	4	Low quality .....		XXX	XXX		0.0245		0.0572		0.0817	
8797	5	Lower quality .....		XXX	XXX		0.0630		0.1128		0.1880	
8898	6	In or near default .....		XXX	XXX		0.0000		0.2370		0.2370	
8999		Total surplus notes and capital notes (Sum of Lines 8393 through 8898)		XXX	XXX		XXX		XXX		XXX	
ALL OTHER INVESTMENTS												
90100		NAIC 1 working capital finance investments .....		XXX			0.0000		0.0042		0.0042	
91101		NAIC 2 working capital finance investments .....		XXX			0.0000		0.0137		0.0137	
92102		Other invested assets - Schedule BA .....		XXX			0.0000		0.1580		0.1580	
93103		Other short-term invested assets - Schedule DA .....		XXX			0.0000		0.1580		0.1580	
94104		Total all other (Sum of Lines 90100 through 93103)		XXX			XXX		XXX		XXX	
95105		Total other invested assets - Schedules BA & DA (Sum of Lines 1929, 2727, 5464, 6070, 6474, 6979, 8292, 8999 and 94104)					XXX		XXX		XXX	

- (a) Times the company's weighted average portfolio beta (Minimum .1215, Maximum .2431).  
(b) Determined using same factors and breakdowns used for directly owned real estate.  
(c) This will be the factor associated with the risk category determined in the company generated worksheet.

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