

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p align="right">DATE: <u>10/24/25</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>2025-20BWG 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">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>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 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 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

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.

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	0899999 0799999
Subtotals – Preferred Stocks	0999999 0899999
Common Stocks:	
Parent	1099999 0999999
U.S. Property & Casualty Insurer	1199999 1099999
U.S. Life Insurer	1299999 1199999
U.S. Health Entity #.....	1399999 1299999
Alien Insurer	1499999 1399999
Non-Insurer Which Controls Insurer	1599999 1499999
*Investment Subsidiary	1699999
Other Affiliates	1799999 1599999
Subtotals – Common Stocks	1899999 1699999
Totals – Preferred and Common Stocks	1999999 1799999

– 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

***** Drafting Note*** - The Line numbers on the AVR schedule are subject to change with proposal 2025-27BWG. 2025-27BWG is redoing how the line numbers are separated on the AVR schedule.**

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 AND SEPARATE ACCOUNTS

***** Drafting Note *** - The Line numbers on the AVR schedule are subject to change with proposal 2025-27BWG. 2025-27BWG is redoing how the line numbers are separated on the AVR schedule.**

**ASSET VALUATION RESERVE
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)
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	
<i>Affiliated Investment Subsidiary:</i>												
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												
2030	1	Highest quality		XXX	XXX		0.0005		0.0016		0.0033	
2131	2	High quality		XXX	XXX		0.0021		0.0064		0.0106	
2232	3	Medium quality		XXX	XXX		0.0099		0.0263		0.0376	
2333	4	Low quality		XXX	XXX		0.0245		0.0572		0.0817	
2434	5	Lower quality		XXX	XXX		0.0630		0.1128		0.1880	
2535	6	In or near default		XXX	XXX		0.0000		0.2370		0.2370	
2636		Affiliated life with AVR		XXX	XXX		0.0000		0.0000		0.0000	
2737		Total with preferred stock characteristics (Sum of Lines 2030 through 2636)		XXX	XXX		XXX		XXX		XXX	
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS												
In Good Standing Affiliated:												
2838		Mortgages – CM1 – highest quality			XXX		0.0011		0.0057		0.0074	
2939		Mortgages – CM2 – high quality			XXX		0.0040		0.0114		0.0149	
3040		Mortgages – CM3 – medium quality			XXX		0.0069		0.0200		0.0257	
3141		Mortgages – CM4 – low medium quality			XXX		0.0120		0.0343		0.0428	
3242		Mortgages – CM5 – low quality			XXX		0.0183		0.0486		0.0628	
3343		Residential mortgages – insured or guaranteed			XXX		0.0003		0.0007		0.0011	
3444		Residential mortgages – all other		XXX	XXX		0.0015		0.0034		0.0046	
3545		Commercial mortgages – insured or guaranteed			XXX		0.0003		0.0007		0.0011	
Overdue, Not in Process Affiliated:												
3646		Farm mortgages			XXX		0.0480		0.0868		0.1371	
3747		Residential mortgages – insured or guaranteed			XXX		0.0006		0.0014		0.0023	
3848		Residential mortgages – all other			XXX		0.0029		0.0066		0.0103	
3949		Commercial mortgages – insured or guaranteed			XXX		0.0006		0.0014		0.0023	
4050		Commercial mortgages – all other			XXX		0.0480		0.0868		0.1371	
In Process of Foreclosure Affiliated:												
4151		Farm mortgages			XXX		0.0000		0.1942		0.1942	
4252		Residential mortgages – insured or guaranteed			XXX		0.0000		0.0046		0.0046	
4353		Residential mortgages – all other			XXX		0.0000		0.0149		0.0149	
4454		Commercial mortgages – insured or guaranteed			XXX		0.0000		0.0046		0.0046	
4555		Commercial mortgages – all other			XXX		0.0000		0.1942		0.1942	
4656		Total affiliated (Sum of Lines 2838 through 4555)			XXX		XXX		XXX		XXX	
4757		Unaffiliated – in good standing with covenants			XXX		(eb)		(eb)		(eb)	
4858		Unaffiliated – in good standing defeased with government securities			XXX							
4959		Unaffiliated – in good standing primarily senior			XXX		0.0011		0.0057		0.0074	
5060		Unaffiliated – in good standing all other			XXX		0.0040		0.0114		0.0149	
5161		Unaffiliated – overdue, not in process			XXX		0.0069		0.0200		0.0257	
5262		Unaffiliated – in process of foreclosure			XXX		0.0480		0.0868		0.1371	
5363		Total unaffiliated (Sum of Lines 4757 through 5262)			XXX		0.0000		0.1942		0.1942	
5464		Total with mortgage loan characteristics (Lines 4656 + 5363)			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												
6174		Home office property (General Account only)					0.0000		0.0912		0.0912	
6274		Investment properties					0.0000		0.0912		0.0912	
6374		Properties acquired in satisfaction of debt					0.0000		0.1337		0.1337	
6474		Total with real estate characteristics (Sum of Lines 6174 through 6474)					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												
90400		NAIC 1 working capital finance investments		XXX			0.0000		0.0042		0.0042	
91401		NAIC 2 working capital finance investments		XXX			0.0000		0.0137		0.0137	
92402		Other invested assets - Schedule BA		XXX			0.0000		0.1580		0.1580	
93403		Other short-term invested assets - Schedule DA		XXX			0.0000		0.1580		0.1580	
94404		Total all other (Sum of Lines 90400 through 93403)		XXX			XXX		XXX		XXX	
95405		Total other invested assets - Schedules BA & DA (Sum of Lines 90400, 91401, 92402, 93403, 94404)					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.
(eb) This will be the factor associated with the risk category determined in the company generated worksheet.