NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: 12/10/2025	**FOR NAIC USE ONLY**
	Agenda Item #_2025-30BWG MOD
CONTACT PERSON:	Year 2026
	Changes to Existing Reporting [X]
TELEPHONE:	New Reporting Requirement [ ]
EMAIL ADDRESS:	**REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT**
ON BEHALF OF:	No Impact [X]
	Modifies Required Disclosure [ ]
NAME: **Dale Bruggeman**	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [No]
TITLE: **Chair SAPWG**	***If Yes, complete question below***
AFFILIATION: **Ohio Department of Insurance**	**DISPOSITION**
ADDRESS: **50W. Town St., 3rd Fl., Ste. 300**	[ ] Rejected For Public Comment
	[ ] Referred To Another NAIC Group
Columbus, OH 43215	[ ] Received For Public Comment
	[X] Adopted Date 3/5/2026
	[ ] Rejected Date
	[ ] Deferred Date
	[ ] Other (Specify)

BLANK(S) TO WHICH PROPOSAL APPLIES

[X] **ANNUAL STATEMENT**   [X] **INSTRUCTIONS**   [   ] **CROSSCHECKS**
[X] **QUARTERLY STATEMENT**   [   ] **BLANK**

[X] Life, Accident & Health/Fraternal   [   ] Separate Accounts   [X] Title
[X] Property/Casualty   [   ] Protected Cell   [   ] Other _____
[X] Health   [   ] Health (Life Supplement)   [   ] Life (Health Supplement)

Anticipated Effective Date: Annual 2026 / 1st Quarter 2027

IDENTIFICATION OF ITEM(S) TO CHANGE

Update Notes to Financials Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify reporting retirement plan assets at net asset value (NAV).

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

The purpose of this proposal is the provide clarification to Note 12 on how to complete fair value disclosures for retirement plan assets measured at NAV. (SAPWG Ref #2025-21)

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**

<u>**NOTES TO FINANCIAL STATEMENTS**</u>

⯬ ════════════════════ **Detail Eliminated To Conserve Space** ════════════════════ ⯮

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The disclosures required for this Note shall be aggregated for all of a reporting entity's defined benefit pension plans and for all of a reporting entity's other defined benefit postretirement plans unless disaggregating in groups is considered to provide useful information or is otherwise required by *SSAP No. 92—Postretirement Benefits Other Than Pensions* or *SSAP No. 102—Pensions*. Disclosures shall be as of the date of each statement of financial position presented. <u>Although investments reported at NAV as a practical expedient pursuant to *SSAP No. 100—Fair Value* are not to be categorized within the fair value hierarchy, a reporting entity shall separately identify NAV (or its equivalent) as required under SSAP No. 100.</u> Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, a reporting entity shall disclose:

- The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented.

- The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.

Refer to *SSAP No. 11—Postemployment Benefits and Compensated Absences*, *SSAP No. 92—Postretirement Benefits Other Than Pensions* and *SSAP No. 102—Pensions* for additional guidance.

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<u>**Note 12C – Instruction:**</u>
C.   The fair value <u>or NAV</u> of each class of plan assets as of each date for which a statement of financial position is presented. Asset classes shall be based on the nature and risks of assets in a reporting entity's plan(s).

Examples of classes of assets include, but are not limited to, the following:

- Cash and cash equivalents
- Equity securities (segregated by industry type, company size, or investment objective)
- Debt securities, issued by national, state, and local governments
- Corporate debt securities
- Asset-backed securities
- Structured debt
- Derivatives on a gross basis (segregated by type of underlying risk in the contract, for example):
  - ❖ Interest rate contracts
  - ❖ Foreign exchange contracts
  - ❖ Equity contracts

     ❖ Commodity contracts

     ❖ Credit contracts

     ❖ Other contracts

- Investment funds (segregated by type of fund)
- Real estate.

These examples are not meant to be all inclusive. A reporting entity should consider the overall objectives in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed.

The disclosure should include information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, a reporting entity shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the reporting entity shall disclose the following information for each class of plan assets disclosed above for each annual period:

(1)   The level within the fair value hierarchy in which the fair value measurements falls in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). Investments reported at net asset value (NAV) shall not be captured within the fair value hierarchy but shall be separately identified.

     NOTE: In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement falls in its entirety shall be determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

(2)   Information about the valuation technique(s) and inputs used to measure fair value, or the use of NAV, and a discussion of changes in valuation techniques and inputs, if any, during the period.

(3)   Investments measured using the NAV practical expedient must also comply with the NAV disclosure requirements detailed within SSAP No. 100.

Note 12C – Illustration:
C.

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.

(1)   Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	~~Total~~Net Asset Value (NAV)	~~Net Asset Value (NAV)~~Total
…………………………………………………………	$ ……………	$ ……………	$ ……………	$ ……………	$ ……………
…………………………………………………………	……………	……………	……………	……………	……………
…………………………………………………………	……………	……………	……………	……………	……………
…………………………………………………………	……………	……………	……………	……………	……………
Total Plan Assets	$ _____	$ _____	$ _____	$ _____	$ _____

     NOTE: See the instructions for this illustration for examples of descriptions of plan assets.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

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- The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented.

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