

**REVISIONS TO  
2026 NAIC QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL**

**DECEMBER 2025**

<b>PAGE 51 &amp; 89:</b>	<b>Note 8A Instruction and Illustration</b>
Revision:	Update Note 8A(8) reference to Note 8A(9)
Reason:	Adopted proposal 2025-01BWG is effective Annual 2025. The line numbers for Note 8 were renumbered in this proposal. The quarterly instructions and illustration needed to be updated for the renumbering of Note 8A(8) to 8A(9).

**EDITOR'S NOTE:**

The above changes are highlighted on the revised pages that follow.

Recent Blanks (E) Working Group agenda items (exposure drafts) may be viewed in detail on the BWG web page at <https://content.naic.org/committees/e/blanks-wg>.

## **NOTES TO FINANCIAL STATEMENTS**

The interim financial information shall include disclosures sufficient to make the information presented not misleading. It may be presumed that the users of the interim financial information have read or have access to the annual statement for the preceding period and that the adequacy of additional disclosure needed for a fair presentation, except in regard to material contingencies, may be determined in that context. Accordingly, footnote disclosure that would substantially duplicate the disclosure contained in the most recent annual statement or audited financial statements, such as a statement of significant accounting policies and practices, details of accounts that have not changed significantly in amount or composition since the end of the most recently completed fiscal year, may be omitted but the footnote number and annotation such as “no change” should be included. However, provide disclosure for annual Note 1A, 1C(2), 1C(6), 1D, 5D, 5E(3)b, 5F, 5G, 5H, 5I, 5L, 5M(2), 5M(3), 5N, 5R, 8A(9), 8B(2)a, 8B(2)b, 8B(2)c, 11B, 12A(4), 17B(2), 17B(4)a, 17B(4)b, 17C, 20, 24E and 25 in all quarters; and all other Notes where events subsequent to the end of the most recent fiscal year have occurred that have a material impact on the reporting entity. Disclosures shall encompass, for example, significant changes since the end of the period reported on the last annual statement in such items as statutory accounting principles and practices; estimates inherent in the preparation of financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financial arrangements; and the reporting entity resulting from business combinations or dispositions. Notwithstanding the above, where material noninsurance contingencies exist, disclosure of such matters shall be provided even though a significant change since year-end may not have occurred. If the reporting entity has changed the accounting policies since the end of its preceding year, the changes shall be disclosed in the quarterly financial statements. Information should be reported for current year-to-date.

# Note 8 - Derivative Instruments

## Instruction:

### A. Derivatives under SSAP No. 86—Derivatives

- (9) Disclose the aggregate, non-discounted total premium cost for these contracts and the premium cost due in each of the following four years, and thereafter. Also disclose the aggregate fair value of derivative instruments with financing premiums excluding the impact of financing premiums.

### B. Derivatives under SSAP No. 108—Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only)

- (2) Recognition of gains/losses and deferred assets and liabilities

Provide the following:

Schedule showing the current period amortization, including any accelerated amortization elected by the reporting entity, and the future scheduled amortization of the deferred assets and deferred liabilities.

Information on derivative instruments that were originally captured in SSAP No. 108 and repurposed to be within scope of SSAP No. 86 (or vice versa). If the reporting entity has repurposed derivatives, information on the derivative to reconcile the fair value (realized/unrealized gains or losses) is required. (These disclosures should only be included if open derivatives were reclassified between SSAP No. 86 and SSAP No. 108. It is expected to be uncommon.)

The amortization of deferred assets and liabilities shall be completed on an annual basis only. Quarterly changes (resulting in new amortization projections) from the recognition of new deferred assets/liabilities shall be shown in the quarterly completion of Schedule DB, Part E.

## Illustration:

### A. Derivatives under SSAP No. 86—Derivatives

(9)

a.

<u>Fiscal Year</u>		<u>Derivative Premium</u> <u>Payments Due</u>
1.	2025	\$ .....
2.	2026	.....
3.	2027	.....
4.	2028	.....
5.	Thereafter	_____
6.	Total Financing Premiums (Sum of 1 through 5)	\$ _____