

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

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| <p align="right">DATE: <u>3/26/2026</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Kevin Clark</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Iowa Insurance Division</u></p> <p>ADDRESS: _____</p> | <p align="center">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2026-11BWG</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>[X] Received For Public Comment</p> <p>[] Adopted Date _____</p> <p>[] Rejected Date _____</p> <p>[] Deferred Date _____</p> <p>[] Other (Specify) _____</p> |
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BLANK(S) TO WHICH PROPOSAL APPLIES

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|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input 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 Notes to Financials Note 5A – Mortgage Loans by adding a paragraph to disclose mortgage loans acquired through a qualifying investment in a qualifying statutory trust.

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

The purpose of this proposal is update Notes to Financials with the new disclosure in SSAP No. 37 – Mortgage Loans. (SAPWG Ref. 2025-13)

*****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.

NOTES TO FINANCIAL STATEMENTS



Detail Eliminated To Conserve Space

Note 5 - Investments

Note 5A – Instruction:

A. Mortgage Loans, including Mezzanine Real Estate Loans

For mortgage loans, disclose the following information:



Detail Eliminated To Conserve Space

(9) The policy for recognizing interest income on impaired loans, including the method for recording cash receipts.

(10) The following disclosures shall be made for mortgage loans acquired through a qualifying investment in a qualifying statutory trust:

a. A description of the qualifying statutory trust(s). Mortgage loans held in qualifying statutory trusts must be separately reported on Schedule B in accordance with the annual statement instructions.

- If the qualifying statutory trust(s) holds any amount of subprime mortgages, the reporting entity must disclose this fact in the description of the qualifying statutory trust(s) and complete the subprime mortgage disclosures as detailed in SSAP No. 1—Accounting Policies, Risks & Uncertainties, and Other Disclosures. Transactions of the qualifying statutory trusts within the scope of SSAP No. 25 shall also be disclosed.

- The description of each qualifying statutory trust must specify its state of domicile as well as each U.S. state and/or foreign country, if applicable, in which the qualifying statutory trust holds residential mortgage loans.

- Summary of assets and liabilities held within qualifying statutory trusts; aggregated by total residential mortgage loans, real estate acquired through foreclosure, cash and cash equivalents, and liabilities (if any) to be shown by reporting line.

b. Disclosure of material litigation and any kind of material state or federal regulatory review and/or action concerning the qualifying statutory trust(s).

c. Disclosure of financing transactions of any sort which are secured, directly or indirectly, by statutory trust assets.

d. Total of residential mortgages held in qualifying statutory trusts, disaggregated by loan standing: In Good Standing, Restructured, Overdue Interest Over 90 Days Not in the Process of Foreclosure, and In the Process of Foreclosure.

Note 5A – Illustration:

A. Mortgage Loans, including Mezzanine Real Estate Loans



Detail Eliminated To Conserve Space



(9) The company recognizes interest income on its impaired loans upon receipt.

(10) The following disclosures shall be made for mortgage loans acquired through a qualifying investment in a qualifying statutory trust:

a. The reporting entity holds one qualifying statutory trust captured in SSAP No. 37, with the mortgage loans within the trust individually reported on Schedule B. The statutory trust is domiciled in Delaware and holds residential mortgage loans for properties located in Florida and Georgia. The qualifying statutory trust includes \$1.3 million of residential mortgage loans and does not include any foreclosed real estate or cash or cash equivalents.

b. There are no material litigations concerning the qualifying statutory trust.

c. The reporting entity has pledged residential mortgage loans held in the qualifying statutory trust to the Federal Home Loan Bank under their FHLB borrowing agreement. These pledged assets are captured in the restricted asset note (Note 5L) as well as the FHLB note (Note 11B).

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLES (5A(10)d) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THESE ILLUSTRATIONS.

d. Total of residential mortgages held in qualifying statutory trusts, disaggregated by loan standing:

| <u>In Good Standing</u> | <u>Restructured</u> | <u>Overdue Interest Over 90 Days Not in the Process of Foreclosure</u> | <u>In the Process of Foreclosure</u> |
|-------------------------|---------------------|--|--------------------------------------|
| \$ _____ | \$ _____ | \$ _____ | \$ _____ |