

**Statutory Accounting Principles (E) Working Group
Maintenance Agenda Submission Form
Form A**

Issue: Reporting of Funds Withheld and Modco Assets

Check (applicable entity):

	P/C	Life	Health
Modification of Existing SSAP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Issue or SSAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interpretation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Description of Issue: During 2023, as a result of rising interest rates, the Statutory Accounting Principles (E) Working Group addressed the issue of net negative (disallowed) interest maintenance reserve for statutory accounting with *Interpretation (INT) 23-01 Negative (Disallowed) Interest Maintenance Reserve*, as a short-term solution. Later in 2023, the IMR Ad Hoc Group was formed to find a more permanent solution to address IMR for statutory accounting. During the IMR Ad Hoc Group's review process and discussions, it was noted that there were issues with identifying assets that are subject to funds withheld or modified coinsurance (modco) arrangements within the financial statements and reporting schedules. The intent of this agenda item is to make it easier to identify assets that are subject to a funds withheld or modco arrangements through updated reporting in the financials. This agenda item does not intend to change statutory accounting for these arrangements.

Funds withheld and modco arrangements are defined in the glossary to SSAP No. 61—*Life, Deposit-Type and Accident and Health Reinsurance*:

- Funds withheld assets - *"Assets that would normally be paid over to a reinsurer but are withheld by the ceding entity to permit statutory credit for nonadmitted reinsurance, to reduce a potential credit risk, or to retain control over investments. Under certain conditions, the reinsurer may withhold funds from the ceding entity."*
- Modco arrangements - *"Indemnity life insurance that differs from coinsurance only in that the reserves are retained by the ceding entity, which represents a prepayment of all or a portion of the reinsurer's future obligation. Periodically an adjustment is made to the mean reserve on deposit with the ceding entity. This is usually done quarterly but may be done more frequently. If the reserve increases, the increase in mean reserve less interest on the mean reserve held at the end of the previous accounting period is paid by the reinsurer to the ceding entity. If the mean reserve decreases, the decrease and interest are paid by the ceding entity to the reinsurer. The appropriate interest rate is defined in the treaty."*

Although this issue of clarity of reporting of funds withheld and modco assets was raised as part of the IMR project, which is focused on life insurance, funds withheld also exist for property/casualty insurance, so this agenda item proposes to add this updated reporting to all the annual statement blanks.

The initial recommendation is to add a new part to the reinsurance Schedule S in the Life/Fraternal and Health annual statement blanks and Schedule F in the Property/Casualty and Title annual statement blanks. The new part would be similar in structure to Schedule DL and would include all assets held under a funds withheld arrangement and would include a separate signifier for modco assets.

Existing Authoritative Literature:

Funds withheld and modco arrangements are noted in SSAP No. 61—*Life, Deposit-Type and Accident and Health Reinsurance*. Funds withheld are also discussed in SSAP No. 62—*Property and Casualty Reinsurance* and Appendix A-785 Credit for Reinsurance.

Activity to Date (issues previously addressed by the Working Group, Emerging Accounting Issues (E) Working Group, SEC, FASB, other State Departments of Insurance or other NAIC groups): None.

Information or issues (included in *Description of Issue*) not previously contemplated by the Working Group:
None

Convergence with International Financial Reporting Standards (IFRS): None

Staff Recommendation:

NAIC staff recommend that the Working Group move this item to the active listing of the maintenance agenda categorized as a SAP clarification and expose the recommendation to add a new part to the reinsurance Schedule S in the Life/Fraternal and Health annual statement blanks and Schedule F in the Property/Casualty and Title annual statement blanks, that is similar in structure to Schedule DL and would include all assets held under a funds withheld arrangement and would include a separate signifier for modco assets.

Staff Review Completed by: Jake Stultz, NAIC Staff—February 2024

Summer 2024 Updated Staff Recommendation:

NAIC staff recommend that the Working Group expose the draft of the new reporting schedules (included in Exhibit 1 of this Form A), which add a new part to the reinsurance Schedule S in the Life/Fraternal and Health annual statement blanks and Schedule F in the Property/Casualty and Title annual statement blanks and direct NAIC staff to continue working with interest parties on this proposal.

The Life RBC formula reflects a reduction in RBC charges for modco and funds withheld assets. This reduction is by asset type and often by asset designation. The fair value of the assets withheld is also reported in the reinsurance Schedules S and F as collateral. Accordingly, to accomplish both things, asset-by-asset identification is necessary. Therefore, some of the submitted comments regarding not being able to identify assets withheld which are not held in trust would indicate a disconnect. Comments are requested regarding if the assets cannot be identified, then how are the numbers determined for the life risk-based capital charge reductions reported and the collateral fair value.

Spring 2025 Updated Staff Recommendation:

NAIC staff recommend that the Working Group expose the draft of the new reporting schedule (included in Exhibit 1 of this Form A), which add a new part to the reinsurance Schedule S in the Life/Fraternal. After reviewing the comment letters received and discussions with interested parties, the updated draft of the schedule follows closely with the recommendations that were received. There is now only a new Schedule S, Part 8 for the Life/Fraternal Instructions and Blank, and these new disclosures will not be required for Health companies or for P&C and Title companies. Additionally, the new draft schedule includes aggregated data and follows closely with AVR reporting. A corresponding SAPWG sponsored blanks proposal was exposed by the Blanks (E) Working Group on March 6. The full Schedule S, Part 8 blank and instructions is included in Exhibit 1 below.

If Working Group members continue to support inclusion of comparable schedules in the P/C and Health blanks, NAIC staff can include those items in the exposure and direct their inclusion in the Blank proposal.

Status:

On March 16, 2024, the Statutory Accounting Principles (E) Working Group exposed a project which proposes to add a new part to the reinsurance Schedule S in the Life/Fraternal and Health annual statement blanks and Schedule F in the Property/Casualty (P/C) and Title annual statement blanks, which is similar in structure to Schedule DL and would include all assets held under a funds withheld arrangement and would include a separate signifier for modified coinsurance assets.

On August 13, 2024, the Statutory Accounting Principles (E) Working Group exposed this agenda item which proposes to add a new part to the reinsurance Schedule S in the Life/Fraternal and Health annual statement blanks and Schedule F in the Property/Casualty and Title annual statement blanks as illustrated on the following pages. In response to comments submitted that indicated that non-trust assets could not be identified, the Working Group also specifically requested comments asking if the assets cannot be identified, then how are the numbers determined for the life risk-based capital charge reductions reported and the collateral fair value?

On March 24, 2025, the Statutory Accounting Principles (E) Working Group exposed an updated draft of Schedule S, Part 8 for only the Life/Fraternal blank. After reading the comments and holding discussions with interested parties, NAIC staff has removed Schedule F, Part 7 from the proposal, and will also not include a new Schedule S, Part 8 on the Health blank. The updated draft is consistent with the recommendations from interested parties, and more closely aligns with AVR reporting. A corresponding SAPWG sponsored blanks proposal was exposed by the Blanks (E) Working Group on March 6. The full Schedule S, Part 8 blank and instructions is included in Exhibit 1 of the agenda item. With the exposure, NAIC staff was directed to research adding subtotals or a reconciliation to identify the funds withheld and modco assets reported which will feed into the RBC adjustments. This agenda item will not result in changes to the *Accounting Practices and Procedures Manual*.

May 2025 Updated Staff Recommendation:

NAIC Staff recommend that the Working Group adopt the draft of the new reporting schedule (included in Exhibit 1 of this Form A), which add a new part to the reinsurance Schedule S in the Life/Fraternal Annual Statement Blanks and Instructions, and recommend that the Blanks (E) Working Group move forward with the adoption of their corresponding agenda item 2025-05BWG. The adoption of this agenda item will not result in changes to statutory accounting. Below are the details of the responses to the comments received on the last exposure, with NAIC staff notes to incorporate industry comments.

Interested parties had no comments on the Spring 2025 exposure, noted support for the revisions that had been previously provided by the ACLI, which are included in the final version in Exhibit 1, and noted that they had provided comments to the Blanks (E) Working Group, which have been incorporated as described below:

IPs have the following comments:

- Will other lines that are not historically part of an AVR but could be included in an agreement be added? These include, but not limited to, Cash, Cash Equivalents, Collateral loans, etc. **NAIC staff response: Added a single line for cash and cash equivalents, and any other items will be caught in the “All Other Investments” section at the bottom of the schedule.**
- References to ‘Default Component’ and ‘Equity and Other Invested Asset Component’ should be removed as these are utilized in AVR only. **NAIC staff response: This has been updated in the modified Blanks proposal.**

- The Life/Fraternal RBC instructions (e.g., LR045-LR048 – Modco or Funds Withheld Reinsurance Agreements) provide directions to a company when a ceding company does not provide the details of the assets being ceded to an assuming company. Will there be similar language in the Annual Statement instructions for assumed blocks where an assuming insurer does not receive the asset details from the ceding insurer? **NAIC staff response: NAIC staff has added reference to what is currently included in the RBC instructions when there is a lag in information, to update the appropriate asset categories in the schedule which support the reported funds on deposit with reinsured companies on the assets page. This allocation should be to support the assets reported (reserve held). (See shaded text in Exhibit 1).**
- If 2025-12BWG is adopted, will the ‘Unrated Multi-Class Securities Acquired by Conversion’ line in this Schedule also be removed? **NAIC staff response: Yes, we will update this schedule for the adoption of 2025-12BWG.**

IPs have the following editorial revisions:

- Consider renaming the header for clarification on what is included: **REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR** **NAIC staff response: This change has been made.**
- The following category header should be modified as follows:
 - ~~INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF~~ SURPLUS NOTES AND CAPITAL NOTES **NAIC staff response: This has been updated and included in the final version in Exhibit 1.**
 - The instructions for Column 7 & 8, Column 9 & 10, and Column 11 & 12 should be ‘Assumed’ not ‘Ceded’. **NAIC staff response: This has been updated and included in the final version in Exhibit 1.**

Scope comments:

United Healthcare provided comments recommending that the scope of Schedule S, Part 8 be changed to include only assets supporting reinsurance contracts that transfer investment risk, which would impact health insurers that report using the life and health blank. At the Spring Meeting, the vice chair directed NAIC staff to research adding revisions to the exposure, which would clearly identify funds withheld and modco assets between those that transfer investment risk (and thereby result in an RBC adjustment) and those that do not transfer investment risk. He noted that one of the key objectives was to provide better detail which supported the RBC adjustments for such assets.

After research, NAIC identified that the schedule could not be easily divided to identify both categories of assets without revisions that would necessitate re-exposure. As the goal was to initially obtain information for 2025 reporting, the decision was made that the 2025 schedule should only identify the funds withheld / modco assets where investment risk is transferred. This result is similar to the recommendation from United Healthcare but is not targeted only at health entities. NAIC staff worked with the chair and vice chair of the Working Group to add a new first paragraph (See Exhibit 1 below) which clarifies that this schedule is only required for contracts supported by funds withheld or modco assets where the reinsurance contract transfers investment risk.

The Working Group will determine in future discussions if the 2026 version of the schedule should be expanded to also include the funds withheld / modco assets which do not result in investment risk transfer.

On May 22, 2025, the Statutory Accounting Principles (E) Working Group adopted, as final, this agenda item with the modifications discussed in the May 2025 recommendation above. This adoption does not result in changes to the *Accounting Practices and Procedures Manual*. The adoption communicates support to the Blanks (E) Working Group for the adoption of agenda item 2025-05BWG. This Blanks proposal creates a new reporting schedule (included in Exhibit 1 of this Form A) and adds a new part to the reinsurance Schedule S in the Life/Fraternal

Annual Statement Blanks and Instructions. The modifications to the prior exposure are shown as shaded text in Exhibit I below.

Exhibit 1, Draft Schedule S, Part 8 Instructions and Blanks

Note: Exhibit 1, which included the original draft changes to the Annual Statement Instructions and Blanks from the prior exposure has been removed from this version for clarity. The Spring 2025 exposure is only a new Schedule S, Part 8 for the Life/Fraternal Blanks.

Life/Fraternal Instructions

SCHEDULE S – PART 8

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

This schedule reports the assets supporting modified coinsurance (MODCO) and other reinsurance transactions with funds withheld where the entire asset credit or variability in statement value risk associated with the assets supporting the business reinsured is transferred to the assuming company for the entire duration of the reinsurance treaty. Only the portion of the assets used to support the ceded or assumed liabilities should be included, i.e. amounts in excess of the reserve should be excluded.

The ceding company is required to supply the assuming company with sufficient information in order for the assuming company to determine the amount of assets withheld under Modco or other funds withheld. An assuming company that has not received timely information shall follow the procedures in the Life Risk-Based Capital instructions for Modco or Funds Withheld Reinsurance Agreements (LR045, LR046, LR047 and LR048) to apply the Modco liability ratio by asset category. The allocated assets should support the portion of the funds held by or deposited with reinsured companies that represents the investment risk assumed as described above, that is, the estimated investment risk assumed should not be greater than the assets reported on the asset page.

If a reporting entity's detail lines report any of the following required categories, it shall report the subtotal amount of the corresponding category, with the specified subtotal line number appearing in the same manner and location as the pre-printed total line and number.

Column 1 & 2 – Ceded General Account Assets

Report the FWH and MODCO ceded amounts for the reporting entity's general account.

Column 3 & 4 – Ceded Guaranteed Separate Account Assets

Report the FWH and MODCO ceded guaranteed amounts for the reporting entity's separate account.

Column 5 & 6 – Total Ceded Assets

Report the Total Ceded Assets for the reporting entity's general and separate account.

Column 5 should equal Column 1 plus Column 3

Column 6 should equal Column 2 plus Column 4

Column 7 & 8 – Assumed General Account Assets

Report the FWH and MODCO assumed general account amounts by the reporting entity.

Column 9 & 10 – Assumed Guaranteed Separate Account Assets

Report the FWH and MODCO assumed guaranteed separate account amounts by the reporting entity.

Column 11 & 12 – Total Assumed Assets

Report the Total Assumed Assets by the reporting entity.

Column 11 should equal Column 7 plus Column 9

Column 12 should equal Column 8 plus Column 10

ANNUAL STATEMENT BLANKS –LIFE/FRATERNAL

SCHEDULE S PART 8

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

		Ceded General Account Assets		Ceded Guaranteed Separate Account Assets		Total Ceded Assets		Assumed General Account Assets		Assumed Guaranteed Separate Account Assets		Total Assumed Assets	
		1	2	3	4	5	6	7	8	9	10	11	12
		FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 1+3	Modco B/ACV Col 2+4	FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 7+9	Modco B/ACV Col 8+10
	LONG-TERM BONDS												
1	Exempt Obligations.....												
2.1	NAIC Designation Category 1.A.....												
2.2	NAIC Designation Category 1.B.....												
2.3	NAIC Designation Category 1.C.....												
2.4	NAIC Designation Category 1.D.....												
2.5	NAIC Designation Category 1.E.....												
2.6	NAIC Designation Category 1.F.....												
2.7	NAIC Designation Category 1.G.....												
2.8	Subtotal NAIC 1 (2.1+2.2+2.3+2.4+2.5+2.6+2.7).....												
3.1	NAIC Designation Category 2.A.....												
3.2	NAIC Designation Category 2.B.....												
3.3	NAIC Designation Category 2.C.....												
3.4	Subtotal NAIC 2 (3.1+3.2+3.3).....												
4.1	NAIC Designation Category 3.A.....												
4.2	NAIC Designation Category 3.B.....												
4.3	NAIC Designation Category 3.C.....												
4.4	Subtotal NAIC 3 (4.1+4.2+4.3).....												
5.1	NAIC Designation Category 4.A.....												
5.2	NAIC Designation Category 4.B.....												
5.3	NAIC Designation Category 4.C.....												
5.4	Subtotal NAIC 4 (5.1+5.2+5.3).....												
6.1	NAIC Designation Category 5.A.....												
6.2	NAIC Designation Category 5.B.....												
6.3	NAIC Designation Category 5.C.....												
6.4	Subtotal NAIC 5 (6.1+6.2+6.3).....												
7	NAIC 6.....												
8	Total Long-Term Bonds (Sum of Lines 1+2.8+3.4+4.4+5.4+6.4 +7)												
	PREFERRED STOCKS												
9	Highest Quality.....												
10	High Quality.....												
11	Medium Quality.....												
12	Low Quality.....												
13	Lower Quality.....												
14	In or Near Default.....												
15	Affiliated Life with AVR.....												
16	Total Preferred Stocks (Sum of Lines 9 through 15)												

SCHEDULE S PART 8 (Continued)

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

		Ceded General Account Assets		Ceded Guaranteed Separate Account Assets		Total Ceded Assets		Assumed General Account Assets		Assumed Guaranteed Separate Account Assets		Total Assumed Assets	
		1	2	3	4	5	6	7	8	9	10	11	12
		FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 1+3	Modco B/ACV Col 2+4	FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 7+9	Modco B/ACV Col 8+10
SHORT-TERM BONDS													
17	Exempt Obligations												
18.1	NAIC Designation Category 1.A												
18.2	NAIC Designation Category 1.B												
18.3	NAIC Designation Category 1.C												
18.4	NAIC Designation Category 1.D												
18.5	NAIC Designation Category 1.E												
18.6	NAIC Designation Category 1.F												
18.7	NAIC Designation Category 1.G												
18.8	Subtotal NAIC 1 (18.1+18.2+18.3+18.4+18.5+18.6+18.7)												
19.1	NAIC Designation Category 2.A												
19.2	NAIC Designation Category 2.B												
19.3	NAIC Designation Category 2.C												
19.4	Subtotal NAIC 2 (19.1+19.2+19.3)												
20.1	NAIC Designation Category 3.A												
20.2	NAIC Designation Category 3.B												
20.3	NAIC Designation Category 3.C												
20.4	Subtotal NAIC 3 (20.1+20.2+20.3)												
21.1	NAIC Designation Category 4.A												
21.2	NAIC Designation Category 4.B												
21.3	NAIC Designation Category 4.C												
21.4	Subtotal NAIC 4 (21.1+21.2+21.3)												
22.1	NAIC Designation Category 5.A												
22.2	NAIC Designation Category 5.B												
22.3	NAIC Designation Category 5.C												
22.4	Subtotal NAIC 5 (22.1+22.2+22.3)												
23	NAIC 6												
24	Total Short-Term Bonds (17+18.8+19.4+20.4+21.4+22.4+23)												
DERIVATIVE INSTRUMENTS													
25	Exchange Traded												
26	Highest Quality												
27	High Quality												
28	Medium Quality												
29	Low Quality												
30	Lower Quality												
31	In or Near Default												
32	Total Derivative Instruments												
33	Total (Lines 8+ 16+ 24+ 32)												

SCHEDULE S PART 8 (Continued)

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

		Ceded General Account Assets		Ceded Guaranteed Separate Account Assets		Total Ceded Assets		Assumed General Account Assets		Assumed Guaranteed Separate Account Assets		Total Assumed Assets	
		1	2	3	4	5	6	7	8	9	10	11	12
		FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 1+3	Modco B/ACV Col 2+4	FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 7+9	Modco B/ACV Col 8+10
MORTGAGE LOANS													
In Good Standing:													
34	Farm Mortgages – CM1 – Highest Quality												
35	Farm Mortgages – CM2 – High Quality												
36	Farm Mortgages – CM3 – Medium Quality												
37	Farm Mortgages – CM4 – Low Medium Quality												
38	Farm Mortgages – CM5 – Low Quality												
39	Residential Mortgages – Insured or Guaranteed												
40	Residential Mortgages – All Other												
41	Commercial Mortgages – Insured or Guaranteed												
42	Commercial Mortgages – All Other – CM1 – Highest Quality												
43	Commercial Mortgages – All Other – CM2 – High Quality ..												
44	Commercial Mortgages – All Other – CM3 – Medium Quality												
45	Commercial Mortgages – All Other – CM4 – Low Medium Quality ..												
46	Commercial Mortgages – All Other – CM5 – Low Quality												
Overdue, Not in Process:													
47	Farm Mortgages												
48	Residential Mortgages – Insured or Guaranteed												
49	Residential Mortgages - All Other												
50	Commercial Mortgages - Insured or Guaranteed												
51	Commercial Mortgages - All Other												
In Process of Foreclosure:													
52	Farm Mortgages												
53	Residential Mortgages - Insured or Guaranteed												
54	Residential Mortgages - All Other												
55	Commercial Mortgages - Insured or Guaranteed												
56	Commercial Mortgages - All Other												
57	Total Schedule B Mortgages (Sum of Lines 34 through 56)												

SCHEDULE S PART 8

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

		Ceded General Account Assets		Ceded Guaranteed Separate Account Assets		Total Ceded Assets		Assumed General Account Assets		Assumed Guaranteed Separate Account Assets		Total Assumed Assets	
		1	2	3	4	5	6	7	8	9	10	11	12
		FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 1+3	Modco B/ACV Col 2+4	FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 7+9	Modco B/ACV Col 8+10
	COMMON STOCK												
58	Unaffiliated Public												
59	Unaffiliated Private												
60	Federal Home Loan Bank												
61	Affiliated Life with AVR												
	Affiliated Investment Subsidiary:												
62	Fixed Income Exempt Obligations												
64	Fixed Income Highest Quality												
64	Fixed Income High Quality												
65	Fixed Income Medium Quality												
66	Fixed Income Low Quality												
67	Fixed Income Lower Quality												
68	Fixed Income In or Near Default												
69	Unaffiliated Common Stock Public												
70	Unaffiliated Common Stock Private												
71	Real Estate												
72	Affiliated-Certain Other (See SVO Purposes & Procedures Manual)												
73	Affiliated - All Other												
74	Total Common Stock (Sum of Lines 58 through 73)												
	REAL ESTATE												
75	Home Office Property (General Account only)												
76	Investment Properties												
77	Properties Acquired in Satisfaction of Debt												
78	Total Real Estate (Sum of Lines 75 through 77)												
	OTHER INVESTED ASSETS												
	INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS												
79	Exempt Obligations												
80	Highest Quality												
81	High Quality												
82	Medium Quality												
83	Low Quality												
84	Lower Quality												
85	In or Near Default												
86	Total with Bond Characteristics (Sum of Lines 79 through 85)												

SCHEDULE S PART 8 (Continued)

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

		Ceded General Account Assets		Ceded Guaranteed Separate Account Assets		Total Ceded Assets		Assumed General Account Assets		Assumed Guaranteed Separate Account Assets		Total Assumed Assets	
		1	2	3	4	5	6	7	8	9	10	11	12
		FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 1+3	Modco B/ACV Col 2+4	FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 7+9	Modco B/ACV Col 8+10
	INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS												
87	Highest Quality												
88	High Quality												
89	Medium Quality												
90	Low Quality												
91	Lower Quality												
92	In or Near Default												
93	Affiliated Life with AVR												
94	Total with Preferred Stock Characteristics (Sum of Lines 87 through 93)												
	INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS												
	In Good Standing Affiliated:												
95	Mortgages – CM1 – Highest Quality												
96	Mortgages – CM2 – High Quality												
97	Mortgages – CM3 – Medium Quality												
98	Mortgages – CM4 – Low Medium Quality												
99	Mortgages – CM5 – Low Quality												
100	Residential Mortgages – Insured or Guaranteed												
101	Residential Mortgages – All Other												
102	Commercial Mortgages – Insured or Guaranteed												
	Overdue, Not in Process Affiliated:												
103	Farm Mortgages												
104	Residential Mortgages – Insured or Guaranteed												
105	Residential Mortgages – All Other												
106	Commercial Mortgages – Insured or Guaranteed												
107	Commercial Mortgages – All Other												
	In Process of Foreclosure Affiliated:												
108	Farm Mortgages												
109	Residential Mortgages – Insured or Guaranteed												
110	Residential Mortgages – All Other												
111	Commercial Mortgages – Insured or Guaranteed												
112	Commercial Mortgages – All Other												
113	Total Affiliated (Sum of Lines 95 through 112)												
114	Unaffiliated – In Good Standing With Covenants												
	Unaffiliated – In Good Standing Defeased With Government Securities												
115	Unaffiliated – In Good Standing Primarily Senior												
116	Unaffiliated – In Good Standing All Other												
117	Unaffiliated – Overdue, Not in Process												
118	Unaffiliated – In Process of Foreclosure												
119													
120	Total Unaffiliated (Sum of Lines 114 through 119)												
121	Total with Mortgage Loan Characteristics (Lines 113 + 120)												

SCHEDULE S PART 8 (Continued)

REINSURANCE AGREEMENTS WITH FUNDS WITHHELD AND MODIFIED COINSURANCE AS OF DECEMBER 31, CURRENT YEAR

		Ceded General Account Assets		Ceded Guaranteed Separate Account Assets		Total Ceded Assets		Assumed General Account Assets		Assumed Guaranteed Separate Account Assets		Total Assumed Assets	
		1	2	3	4	5	6	7	8	9	10	11	12
		FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 1+3	Modco B/ACV Col 2+4	FWH B/ACV	Modco B/ACV	FWH B/ACV	Modco B/ACV	FWH B/ACV Col 7+9	Modco B/ACV Col 8+10
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK													
122	Unaffiliated Public												
123	Unaffiliated Private												
124	Affiliated Life with AVR												
125	Affiliated Certain Other (See SVO Purposes & Procedures Manual)												
126	Affiliated Other - All Other												
127	Total with Common Stock Characteristics (Sum of Lines 122 through 126)												
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE													
128	Home Office Property (General Account only)												
129	Investment Properties												
130	Properties Acquired in Satisfaction of Debt												
131	Total with Real Estate Characteristics (Sum of Lines 128 through 130)												
INVESTMENTS IN TAX CREDIT STRUCTURES													
132	Yield Guaranteed State Tax Credit Investments												
133	Qualifying Federal Tax Credit Investments												
134	Qualifying State Tax Credit Investments												
135	Other Tax Credit Investments												
136	Total Tax Credit Investments (Sum of Lines 132 through 135)												
RESIDUAL TRANCHES OR INTERESTS													
137	Bonds – Unaffiliated												
138	Bonds – Affiliated												
139	Common Stock – Unaffiliated												
140	Common Stock – Affiliated												
141	Preferred Stock – Unaffiliated												
142	Preferred Stock – Affiliated												
143	Real Estate – Unaffiliated												
144	Real Estate – Affiliated												
145	Mortgage Loans – Unaffiliated												
146	Mortgage Loans – Affiliated												
147	Other – Unaffiliated												
148	Other – Affiliated												
149	Total Residual Tranches or Interests (Sum of Lines 137 through 148)												
SURPLUS NOTES AND CAPITAL NOTES													
150	Highest Quality												
151	High Quality												
152	Medium Quality												
153	Low Quality												
154	Lower Quality												
155	In or Near Default												
156	Total with Bond Characteristics (Sum of Lines 150 through 155)												
ALL OTHER INVESTMENTS													
157	NAIC 1 Working Capital Finance Investments												
158	NAIC 2 Working Capital Finance Investments												
159	Other Invested Assets - Schedule BA												
160	Other Short-Term Invested Assets - Schedule DA												
161	Cash and Cash Equivalents												
162	Total All Other (Sum of Lines 157, 158, 159, 160 and 161)												
163	Total Other Invested Assets - Schedules BA, DA & E (Sum of Lines 29, 37, 64, 70, 74, 79, 92, 99 and 105)												

164	Total Non-guaranteed Separate Account Assets	XXX	XXX	XXX	XXX			XXX	XXX	XXX	XXX		
165	Total Assets including Non-guaranteed Separate Account Assets	XXX	XXX	XXX	XXX			XXX	XXX	XXX	XXX		

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