

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>09/17/2018</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Justin C. Schrader</u></p> <p>TITLE: <u>Chief Financial Examiner</u></p> <p>AFFILIATION: <u>Nebraska Department of Insurance</u></p> <p>ADDRESS: <u>1135 M St. Ste. 300</u> <u>Lincoln, NE 68501-2089</u></p>	<p style="text-align: center;"><u>FOR NAIC USE ONLY</u></p> <p>Agenda Item # <u>2018-26BWG MOD</u></p> <p>Year <u>2019</u></p> <p>Changes to Existing Reporting <input checked="" type="checkbox"/> [X]</p> <p>New Reporting Requirement <input type="checkbox"/> []</p> <hr/> <p style="text-align: center;"><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></p> <p>No Impact <input checked="" type="checkbox"/> [X]</p> <p>Modifies Required Disclosure <input type="checkbox"/> []</p> <hr/> <p style="text-align: center;"><u>DISPOSITION</u></p> <p><input type="checkbox"/> [] Rejected For Public Comment</p> <p><input type="checkbox"/> [] Referred To Another NAIC Group</p> <p><input type="checkbox"/> [] Received For Public Comment</p> <p><input checked="" type="checkbox"/> [X] Adopted Date <u>11/15/2018</u></p> <p><input type="checkbox"/> [] Rejected Date _____</p> <p><input type="checkbox"/> [] Deferred Date _____</p> <p><input type="checkbox"/> [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input checked="" type="checkbox"/> [X] INSTRUCTIONS | <input checked="" type="checkbox"/> [X] CROSSCHECKS |
| <input type="checkbox"/> [] QUARTERLY STATEMENT | <input checked="" type="checkbox"/> [X] BLANK | |
| <input checked="" type="checkbox"/> [X] Life, Accident & Health/Fraternal | <input checked="" type="checkbox"/> [X] Separate Accounts | <input type="checkbox"/> [] Title |
| <input type="checkbox"/> [] Property/Casualty | <input type="checkbox"/> [] Protected Cell | <input type="checkbox"/> [] Other _____ |
| <input type="checkbox"/> [] Health | <input type="checkbox"/> [] Health (Life Supplement) | |

Anticipated Effective Date: Annual 2019

IDENTIFICATION OF ITEM(S) TO CHANGE

Add Analysis of Operations by Lines of Business – Summary blank page and instructions for the general and separate accounts. Modify crosschecks in the Summary of Operations and Analysis of Operations by Lines of Business pages for life (individual and group), annuities (individual and group) and health to have a direct tie between the Summary of Operations and the Analysis of Operations by Lines of Business – Summary.

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

The purpose of this proposal is to add an Analysis of Operations by Lines of Business – Summary page for the general and separate accounts to facilitate a direct tie between the Analysis of Operations by Lines of Business and the Summary of Operations.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

**** This section must be completed on all forms.**

Revised 7/18/2018

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL (GENERAL ACCOUNT)

SUMMARY OF OPERATIONS

↓ **Detail Eliminated To Conserve Space** ↓

Include in the premium, deposit, benefit, withdrawal or other appropriate captioned lines of this Summary of Operations, all separate accounts premiums, deposits, benefit, withdrawal or other types of transactions that are transferred to or from the Separate Accounts Statement (Line 26). Such transactions are also to be reported as premiums, deposits, benefits, withdrawals or other types of transactions in the Summary of Operations of the Separate Accounts Statement.

Lines 1 through 33 should agree to the Analysis of Operations by Lines of Business – Summary Lines 1 through 33, Column 1.

↓ **Detail Eliminated To Conserve Space** ↓

Line 2 – Considerations for Supplementary Contracts With Life Contingencies

Include: Proceeds retained at death, disability or upon surrender or maturity of policy or annuity contract to be settled by a supplementary contract involving life contingencies.

↓ **Detail Eliminated To Conserve Space** ↓

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4, of the Separate Accounts Statement, excluding the portion due to unrealized capital gains or losses. (See instructions for separate accounts net gain from operations disclosure.)

- Line 6 – Commissions and Expense Allowances on Reinsurance Ceded
- Include: Commissions and expense allowances on reinsurance ceded excluding, for group insurance, any portion thereof which represents specific reimbursement of premium taxes and expenses.
- Line 7 – Reserve Adjustments on Reinsurance Ceded
- Include: Reserve increase received each year from reinsurer on modified coinsurance ceded.
- Line 8.1 – Income from Fees Associated with Investment Management, Administration and Contract Guarantees from Separate Accounts
- Include: Only fees and charges for investment management, administration and contract guarantees from the Separate Accounts. This should agree with the Separate Accounts Summary of Operations, line 11, column 1.
- Line 8.3 – Aggregate Write-Ins for Miscellaneous Income
- Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.
- Line 10 – Death Benefits
- Exclude: Death benefits under annuity contracts.

- Line 11 – Matured Endowments (excluding Guaranteed Annual Pure Endowments)
- Exclude: Guaranteed annual pure endowments that do not exceed the annual premium and similar benefits. These should be reported under Line 14.
- Line 12 – Annuity Benefits
- Exclude: Matured endowment, disability or surrender benefits under annuity contracts. These should be reported on Lines 11, 13 and 15, respectively.
- Line 13 – Disability Benefits and Benefits Under Accident and Health Contracts (Including \$..... Premiums Waived)
- Exclude: Amounts attributable to uninsured accident and health plans and the uninsured portions of partially insured plans.

- Line 15 – Surrender Benefits and Withdrawals for Life Contracts
- Include: All surrender or other withdrawal benefit amounts incurred in connection with contract provisions for surrender or withdrawal.
- Exclude: Premium and annuity considerations for life contracts returned deducted on Line 1 in accordance with the instructions for that line.
- Withdrawals on deposit-type contracts.
- Amounts transferred to premium and annuity considerations, separate account or amounts redeposited.
- Line 17 – Interest and Adjustments on Contract or Deposit-type Contract Funds
- Include: Interest credited to liabilities for funds held on deposit by the company where the deposits, withdrawals or other payments between the policyholder and the company are recorded as balance sheet transactions, refer to *SSAP No. 51R—Life Contracts* and *SSAP No. 52—Deposit-Type Contracts*.
- Change in reserves or other adjustments to deposit-type contracts.
- Deduct: Discount on contract proceeds paid in advance.

- Line 19 – Increase in Aggregate Reserves for Life and Accident and Health Contracts
- Include: Any deficiency reserves.
- Exclude: Any increase in reserves on account of change in valuation basis.

Detail Eliminated To Conserve Space

- Line 23 – General Insurance Expenses and Fraternal Expenses
- Enter the sum of Columns 1, 2, 3, 4 and 6, Line 10 of Exhibit 2. Refer to *SSAP No. 70—Allocation of Expenses* for accounting guidance.
- Line 24 – Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes
- Report all guaranty fund assessments, insurance taxes (excluding federal income taxes), licenses and fees, net of reinsurance ceded.
- Should equal Exhibit 3 Line 10 the sum of Columns 1, 2, 3 and 5.
- Line 26 – Net Transfers To or (From) Separate Accounts Net of Reinsurance
- Include: The amount of decrease or (increase), if any, in the excess of policyholder account values as appropriate, over modified reserves such as the expense allowance provided by the use of CARVM or CRVM included in Line 13, Transfers to Separate Accounts Due or Accrued on the Liabilities page of the General Account Statement and reported in Line 9.2, Change in Expense Allowances Recognized in Reserves on the Summary of Operations page of the Separate Accounts Statement. Such excess or expense allowance must be reported as a transfer to the general account.
- The change in reinsured expense allowances held in the Separate Accounts Statement of the ceding company.

Exclude: Income from fees associated with investment management, administration and contract guarantees from Separate Accounts. Report such amounts as income from fees associated with investment management, administration and contract guarantees from Separate Accounts, on Line 8.1.

Line 27 – Aggregate Write-ins for Deductions

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 27 for Deductions.

Line 30 – Dividends to Policyholders and Refunds to Members

Include: Dividends to life policyholders net of reinsurance ceded and dividends on Accident and Health Policies.

Refunds to members net of reinsurance ceded.

Exclude: Coupon, guaranteed annual pure endowment benefits that do not exceed the annual premium and similar benefits. These should be reported under Line 14.

Should equal Exhibit 4 Line 17 (Column 1 plus Column 2).

 **Detail Eliminated To Conserve Space** 

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business. Columns 2 through 6 of this exhibit reflect the total column from the Analysis of Operations by Lines of Business pages for Individual Life, Group Life, Individual Annuities, Group Annuities and Accident and Health with additional columns included for Fraternal Line of Business and Other Lines of Business which does not have a separate Analysis of Operations by Lines of Business pages.

Column 1 – Total

The lines in this column should equal Page 4, Column 1.

The lines in this column should equal the sum of Columns 2 through 8.

Column 2 – Individual Life

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Life, Column 1.

Column 3 – Group Life

The lines in this column should equal the Analysis of Operations by Lines of Business – Group Life, Column 1.

Column 4 – Individual Annuities

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Annuities, Column 1.

Column 5 – Group Annuities

The lines in this column should equal the Analysis of Operations by Lines of Business – Group Annuities, Column 1.

Column 6 – Accident and Health

The lines in this column should equal the Analysis of Operations by Lines of Business – Accident and Health, Column 1.

Column 7 – Fraternal

Transactions related to the fraternal mission.

Column 8 – Other Lines of Business

Include Any Business that is not reported in Columns 1 through 7.

ANNUAL STATEMENT INSTRUCTIONS – LIFE AND FRATERNAL

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL LIFE INSURANCE

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business, in part.



Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP LIFE INSURANCE

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business, in part.



Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL ANNUITIES

This exhibit show Lines 1 through 33 of the Summary of Operations by Line of Business, in part.



Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4 in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

⌄===== **Detail Eliminated To Conserve Space** =====⌄

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP ANNUITIES

This exhibit show Lines 1 through 33 of the Summary of Operations by Line of Business, in part.

⌄===== **Detail Eliminated To Conserve Space** =====⌄

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

⌄===== **Detail Eliminated To Conserve Space** =====⌄

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – ACCIDENT AND HEALTH

This exhibit show Lines 1 through 33 of the Summary of Operations by Line of Business, in part.

⌄===== **Detail Eliminated To Conserve Space** =====⌄

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

⌄===== **Detail Eliminated To Conserve Space** =====⌄

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL (SEPARATE ACCOUNT)

SUMMARY OF OPERATIONS

Lines 1 through 17 should agree to Analysis of Operations by Lines of Business – Summary Lines 1 through 17, Column 1.

Line 1.1 – Net Premiums and Annuity Considerations for Life and Accident and Health Contracts

Report premium and annuity considerations for life and accident and health contracts. Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts*, for life, accident and health deposit-type contract definitions and *SSAP No. 51R—Life Contracts*, and *SSAP No. 52—Deposit-Type Contracts*.

- Include:

Accrued net premiums required to maintain the larger of the aggregate reserves or the aggregate benefit base. All considerations for annuity products, including pension products, for which purchases have been made for individuals or individual certificateholders.
- Experience rating refunds received.
- Deduct:

Premiums and annuity considerations returned (other than cash surrender values) including amounts returned during the year due to recession of contracts not taken, “free-look” provision, reformation or contract, other contractual return premium provisions, erroneously computed premiums or similar returns.
- Experience rating refunds paid.
- Exclude:

Deposits to deposit-type contract funds. Refer to *SSAP No. 51R—Life Contracts* and *SSAP No. 52—Deposit-type Contracts*, for accounting guidance.

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Detail Eliminated To Conserve Space

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY

This exhibit shows Lines 1 through 17 of the Summary of Operations by Line of Business. Columns 2 through 6 of this exhibit reflect the total column from the Analysis of Operations by Lines of Business pages for Individual Life, Group Life, Individual Annuities, Group Annuities and Accident and Health.

Column 1 – Total

The lines in this column should equal Page 4, Column 1.

The lines in this column should equal the sum of Columns 2 through 7.

Column 2 – Individual Life

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Life, Column 1.

Column 3 – Group Life

The lines in this column should equal the Analysis of Operations by Lines of Business – Group Life, Column 1.

Column 4 – Individual Annuities

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Annuities, Column 1.

Column 5 – Group Annuities

The lines in this column should equal the Analysis of Operations by Lines of Business – Group Annuities, Column 1.

Column 6 – Accident and Health

The lines in this column should equal the Analysis of Operations by Lines of Business – Accident and Health, Column 1.

Column 7 – Other Lines of Business

Include Any business that is not reported in Columns 2 through 6.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL LIFE INSURANCE

This exhibit shows Lines 1 through 17 of the Summary of Operations by Line of Business, in part.



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP LIFE INSURANCE

This exhibit shows Lines 1 through 17 of the Summary of Operations by Line of Business, in part.



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL ANNUITIES

These exhibits show Lines 1 through 17 of the Summary of Operations by Line of Business.



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP ANNUITIES

These exhibits show Lines 1 through 17 of the Summary of Operations by Line of Business.



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – ACCIDENT AND HEALTH

These exhibits show Lines 1 through 17 of the Summary of Operations by Line of Business



ANNUAL STATEMENT BLANK – LIFE/FRATERNAL (GENERAL ACCOUNT)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY

	1	2	3	4	5	6	7	8
	Total	Individual Life	Group Life	Individual Annuities	Group Annuities	Accident and Health	Fraternal	Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts.....								
2. Considerations for supplementary contracts with life contingencies.....		XXX	XXX			XXX	XXX	
3. Net investment income.....								
4. Amortization of Interest Maintenance Reserve (IMR).....								
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....							XXX	
6. Commissions and expense allowances on reinsurance ceded.....							XXX	
7. Reserve adjustments on reinsurance ceded.....							XXX	
8. Miscellaneous Income:								
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....							XXX	
8.2 Charges and fees for deposit-type contracts.....						XXX	XXX	
8.3 Aggregate write-ins for miscellaneous income.....								
9. Totals (Lines 1 to 8.3).....								
10. Death benefits.....						XXX	XXX	
11. Matured endowments (excluding guaranteed annual pure endowments).....						XXX	XXX	
12. Annuity benefits.....		XXX	XXX			XXX	XXX	
13. Disability benefits and benefits under accident and health contracts.....							XXX	
14. Coupons, guaranteed annual pure endowments and similar benefits.....							XXX	
15. Surrender benefits and withdrawals for life contracts.....						XXX	XXX	
16. Group conversions.....							XXX	
17. Interest and adjustments on contract or deposit-type contract funds.....							XXX	
18. Payments on supplementary contracts with life contingencies.....							XXX	
19. Increase in aggregate reserves for life and accident and health contracts.....							XXX	
20. Totals (Lines 10 to 19).....							XXX	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....								
22. Commissions and expense allowances on reinsurance assumed.....							XXX	
23. General insurance expenses and fraternal expenses.....								
24. Insurance taxes, licenses and fees, excluding federal income taxes.....								
25. Increase in loading on deferred and uncollected premiums.....							XXX	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....							XXX	
27. Aggregate write-ins for deductions.....								
28. Totals (Lines 20 to 27).....								
29. Net gain from operations before dividends to policyholders, and refunds to members and federal income taxes (Line 9 minus Line 28).....								
30. Dividends to policyholders and refunds to members.....							XXX	
31. Net gain from operations after dividends to policyholders, and refunds to members and before federal income taxes (Line 29 minus Line 30).....								
32. Federal income taxes incurred (excluding tax on capital gains).....								
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....								
34. Policies/certificates in force end of year.....							XXX	
DETAILS OF WRITE-INS								
08.301.....								
08.302.....								
08.303.....								
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....								
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above).....								
2701.								
2702.								
2703.								
2798. Summary of remaining write-ins for Line 27 from overflow page.....								
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above).....								

ANNUAL STATEMENT BLANK – LIFE/FRATERNAL (SEPARATE ACCOUNT)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY

	1	2	3	4	5	6	7
	Total	Individual Life	Group Life	Individual Annuities	Group Annuities	Accident and Health	Other Lines of Business
1. Transfers to Separate Accounts:							
1.1 Net premiums and annuity considerations for life and accident and health contracts	XXX	XXX	.....	XXX	XXX	.....
1.2 Considerations for supplementary contracts with life contingencies
1.3 Aggregate write-ins for other transfers to Separate Accounts.....
1.4 Totals (Lines 1.1 to 1.3).....
2. Transfers on account of deposit-type contracts (including \$..... deposits less \$..... withdrawals).....
3. Net investment income and capital gains and losses
4. Aggregate write-ins for other income
5. Totals (Lines 1.4 to 4)
DEDUCT:							
6. Transfers from the Separate Account on account of contract benefits:							
6.1 Death benefits.....					XXX	.....
6.2 Matured endowments (excluding guaranteed annual pure endowments)					XXX	.....
6.3 Annuity benefits.....	XXX	XXX			XXX	.....
6.4 Payments on supplementary contracts with life contingencies	XXX	XXX			XXX	.....
6.5 Accident & Health benefits	XXX	XXX	XXX	XXX		.....
6.6 Surrender benefits and withdrawals for life contracts.....					XXX	.....
6.7 Aggregate write-ins for other transfers from Separate Accounts on account of contract benefits
7. Transfers on account of policy loans					XXX	.....
8. Net transfer of reserves from or (to) Separate Accounts.....
9. Other transfers from the Separate Accounts:							
9.1 Federal and foreign income taxes incurred.....					XXX	.....
9.2 Change in expense allowances recognized in reserves					XXX	.....
9.3 Aggregate write-ins for other transfers from Separate Accounts
10. Subtotals (lines 6.1 to 9.3)
11. Fees associated with charges for investment management, administration and contract guarantees
12. Increase in aggregate reserves.....
13. Increase in liability for deposit-type contracts					XXX	.....
14. Increase in reserve for future federal income taxes
15. Aggregate write-ins for reserves and funds
16. Totals (Lines 10 to 15).....
17. Net gain from operations \$..... unrealized capital gains) (Line 5 minus Line 16)							
18. Policies/certificates in force end of year.....							
DETAILS OF WRITE-INS							
0501.
0502.
0503.
0598. Summary of remaining write-ins for Line 5 from overflow page.....
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)
1201.
1202.
1203.
1298. Summary of remaining write-ins for Line 12 from overflow page
1299. Total (Lines 1201 through 1203 plus 1298) (Line 12 above)

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