

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

|   |  |                                 |  |
|---|--|---------------------------------|--|
| <b>CONTACT PERSON:</b> _____<br><b>TELEPHONE:</b> _____<br><b>EMAIL ADDRESS:</b> _____<br><b>ON BEHALF OF:</b> _____<br><b>NAME:</b> <u>Kim Hudson</u><br><b>TITLE:</b> _____<br><b>AFFILIATION:</b> <u>California Department of Insurance</u><br><b>ADDRESS:</b> <u>300 South Spring St.</u><br><u>Los Angeles, CA 90013</u> | <b>DATE:</b> <u>03/25/2021</u>   | <b><u>FOR NAIC USE ONLY</u></b> |  |
|   | Agenda Item # <u>2021-06BWG</u><br>Year <u>2021</u><br>Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ]<br>New Reporting Requirement <input type="checkbox"/> [ ] |                                 |  |
|   | <b><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></b>  |                                 |  |
|   | No Impact <input checked="" type="checkbox"/> [ X ]<br>Modifies Required Disclosure <input type="checkbox"/> [ ]   |                                 |  |
|   | <b><u>DISPOSITION</u></b>  |                                 |  |

- [ ] Rejected For Public Comment
- [ ] Referred To Another NAIC Group
- [ ] Received For Public Comment
- [ X ] Adopted Date 05/26/2021
- [ ] Rejected Date \_\_\_\_\_
- [ ] Deferred Date \_\_\_\_\_
- [ ] Other (Specify) \_\_\_\_\_

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

Anticipated Effective Date: Annual 2021

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add crosschecks between LTC Form 5 and Form 1 for Columns 2, 3, 4, 6 and 7 of Form 5.

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

The purpose of this proposal is to add crosschecks for Columns 2, 3, 4, 6 and 7 of Form 5 to Columns 8, 1, 2, 5 and 3 respectively.

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_

Other Comments:

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

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH AND PROPERTY

**INSTRUCTIONS FOR FORM 5**

**Standalone and Hybrid Products – Direct State Reporting (\$000 Omitted)**



**Detail Eliminated to Conserve Space**

- Column 1 – Number of New Lives Insured
- Total number of new lives issued LTC or hybrid policies during the year. Values in rows that are labeled “inception-to-date” should be the sum of all new lives insured in each year during which the form was sold.
- Column 2 – Number of Lives In-force Year End
- Total number of lives in force at the end of the year. Joint policies are to be counted as two lives.
- Grand Total Page, Line 1 should equal Form 1, Column 8, Line 1 plus Line 6.
- Column 3 – Earned Premiums
- Collected Premiums + Change in Due Premiums – Change in Advanced Premiums – Change in Unearned Premium Reserves.
- If necessary, the premium may be derived as the gross premium of the policy with the inclusion of LTC coverage less the gross premium of that policy without LTC coverage.
- Grand Total Page, Line 1 should equal Form 1, Column 1, Line 1 plus Line 6.
- Column 4 – Incurred LTC Claims
- Developed claim amounts for LTC claims incurred during the calendar year including accelerated claims, but not including payments due to extension of benefits. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.
- Grand Total Page, Line 1 should equal Form 1, Column 2, Line 1 plus Line 6.
- Column 5 – Incurred Extended Benefits Claims
- Developed claim amounts for LTC claims incurred during the calendar year due to extension of benefits after exhaustion of accelerated benefits. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.

Column 6 – Number of Claims Remaining Open

Open claims are all claims that have been opened at any date but have not been closed as of the end of the year.

Grand Total Page, Line 1 should equal Form 1, Column 5, Line 1 plus Line 6.

Column 7 – Number of Claims Opened

The number of claims that have at least one LTC benefit payment made during the year after the elimination period but have no payments in previous years. If a claimant has prior claims, he or she should be counted if the current claim is considered as a new claim. For the purpose of including a claim in this count, payments that do not require satisfaction of the elimination period are excluded. A claim that has terminated by the end of the year should be included in the count.

Grand Total Page, Line 1 should equal Form 1, Column 3, Line 1 plus Line 6.

 **Detail Eliminated to Conserve Space**

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