

**REVISIONS TO  
2023 NAIC ANNUAL STATEMENT INSTRUCTIONS – HEALTH**

**NOV 2023**

**PAGE 234:**                    **Notes to Financial Statements**  
Revision:                    Update Note 20C  
Reason:                     Update to make Note 20C consistent with SSAP No. 100R

**PAGE 603:**                    **Life Supplement - State Page**  
Revision:                    Add instruction to Column 21  
Reason:                     Clarification instructions were added to Column 21

**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/cmte\\_e\\_app\\_blanks.htm](https://content.naic.org/cmte_e_app_blanks.htm).

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- C. A reporting entity shall disclose in the notes to the financial statements, as of each date for which a statement of financial position is presented in the quarterly or annual financial statements, the aggregate fair value or NAV for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall. This disclosure shall be summarized by the type of financial instrument for which it is practicable to estimate fair value, except for certain financial instruments identified below.

The disclosures about fair value prescribed in the paragraph above are not required for the following: (Note: These exclusions are specific to Note 20C and do not impact the reporting of fair value that may be required in other SSAPs or statutory accounting schedules.)

- Employers' and plans' obligations for pension benefits, other postretirement benefits (see scope paragraph of *SSAP No. 92—Postretirement Benefits Other Than Pensions*), postemployment benefits, employee stock option and stock purchase plans, and other forms of deferred compensation arrangements, as defined in *SSAP No. 12—Employee Stock Ownership Plans*, *SSAP No. 104R—Share-Based Payments*, *SSAP No. 92—Postretirement Benefits Other Than Pensions* and *SSAP No. 102—Pensions*.
- Substantively extinguished debt subject to the disclosure requirements of *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.
- Insurance contracts, other than financial guarantees and deposit-type contracts
- Lease contracts as defined in *SSAP No. 22R—Leases*.
- Warranty obligations and rights.
- Investments accounted for under the equity method.
- Equity instruments issued by the entity.
- **Deposit liabilities with no defined or contractual maturities.**

Fair value disclosed in the notes shall be presented together with the related admitted values in a form that makes it clear whether the fair values and admitted values represent assets or liabilities and to which line items in the Statement of Assets, Liabilities, Surplus and Other Funds they relate. Unless specified otherwise in another SSAP, the disclosures may be made net of encumbrances, if the asset or liability is so reported. A reporting entity shall also disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments.

If it is not practicable for a reporting entity to estimate the fair value of the financial instrument or a class of financial instruments and the investment does not qualify for the NAV practical expedient, the aggregate carrying amount for those items shall be reported in the “not practicable” column with additional disclosure as required in paragraph 20D below.

- D. If it is not practicable for an entity to estimate the fair value of a financial instrument or a class of financial instruments, the following shall be disclosed:
- (1) Information pertinent to estimating the fair value of that financial instrument or class of financial instruments and the investment does not qualify for the NAV practical expedient, such as the carrying amount, effective interest rate and maturity; and
  - (2) The reasons why it is not practicable to estimate fair value.

Column 16 – Reduction by Compromise – Pols\Certs }  
 Column 17 – Reduction by Compromise – Amount }  
 Provide the amount for claims reduced by compromise and the number of policies\certificates for the claims reduced by compromise.

Column 18 – Amount Rejected – Pols\Certs }  
 Column 19 – Amount Rejected – Amount }  
 Provide the amount for claims rejected and the number of policies\certificates for the claims rejected.

Column 20 – Total Settled During Current Year - Pols\Certs (Col 14+16+18)  
 Provide the total number of policies\certificates for claims settled during the current year.

Column 21 – Total Settled During Current Year - Amount (Col 15+17+19)

**Total Settled should be for claims that are paid in full.**

Column 22 – Unpaid December. 31, Current Year  
 Should equal Column 22 (prior year) plus Column 13 minus Column 21.  
 Note: Prior Year data for this formula will not be available until 2024 reporting.

**Policy Exhibit**

\*\*\* For 2023, the reporting entity can choose to break out Columns 14 through 21 and Columns 23 through 28 by Lines of Business for each group (Individual Life, Group Life, Individual Annuities, Group Annuities, and Accident and Health) OR report in the “Other” line for each group if the reporting entity chooses not to break out the lines of business for 2023 reporting. For 2024 reporting, all columns will need to be broken out by Lines of Business.\*\*\*

Column 24 – Issued During Year – Amount  
 For Individual Life and Group Life lines of business, use the Amount of Insurance amount.  
 For Individual Annuities and Group Annuities lines of business, use the Account Balance amount.  
 For Accident and Health lines of business, use the Premiums in Force amount.

Column 26 – Other Changes to in Force – Amount  
 For Individual Life and Group Life lines of business, use the Amount of Insurance amount.  
 For Individual Annuities and Group Annuities lines of business, use the Account Balance amount.  
 For Accident and Health lines of business, use the Premiums in Force amount.

Column 27 – In Force December 31, Current Year – Number of Pols\Certs  
 Should equal Column 27 (prior year) plus Column 23 plus Column 25.  
 Note: Prior Year data for this formula will not be available until 2024 reporting.

Column 28 – In Force December 31, Current Year – Amount  
 For Individual Life and Group Life lines of business, use the Amount of Insurance amount.  
 For Individual Annuities and Group Annuities lines of business, use the Account Balance amount.  
 For Accident and Health lines of business, use the Premiums in Force amount.  
 Should equal Column 28 (prior year) plus Column 24 plus Column 26.  
 Note: Prior Year data for this formula will not be available until 2024 reporting.