

## NAIC BLANKS (E) WORKING GROUP

### Blanks Agenda Item Submission Form

<p style="text-align: right;"><b>DATE:</b> <u>07/17/2017</u></p> <p><b>CONTACT PERSON:</b> <u>Bruce Jensen</u></p> <p><b>TELEPHONE:</b> <u>816-783-8348</u></p> <p><b>EMAIL ADDRESS:</b> <u>bjenson@naic.org</u></p> <p><b>ON BEHALF OF:</b> <u>NAIC/AICPA (E) Working Group</u></p> <p><b>NAME:</b> <u>Doug Stolte (Chair)</u></p> <p><b>TITLE:</b> <u>Deputy Commissioner – Financial Regulation</u></p> <p><b>AFFILIATION:</b> <u>Virginia State Corporation Commission</u></p> <p><b>ADDRESS:</b> _____</p>	<p style="text-align: center;"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2017-20BWG</u>  Year <u>2018</u>  Changes to Existing Reporting [ X ]  New Reporting Requirement [ ]</p> <p style="text-align: center;"><b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b></p> <p>No Impact [ X ]  Modifies Required Disclosure [ ]</p> <p style="text-align: center;"><b>DISPOSITION</b></p> <p>[ ] Rejected For Public Comment  [ ] Referred To Another NAIC Group  [ X ] Received For Public Comment  [ ] Adopted Date _____  [ ] Rejected Date _____  [ ] Deferred Date _____  [ ] 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"/> QUARTERLY STATEMENT |  |   |
| <input checked="" type="checkbox"/> INSTRUCTIONS               | <input checked="" type="checkbox"/> CROSSCHECKS         |  | <input checked="" type="checkbox"/> BLANK |
| <input checked="" type="checkbox"/> Life and Accident & Health | <input checked="" type="checkbox"/> Property/Casualty   | <input checked="" type="checkbox"/> Health |   |
| <input type="checkbox"/> Separate Accounts                     | <input checked="" type="checkbox"/> Fraternal           | <input checked="" type="checkbox"/> Title  |   |
| <input type="checkbox"/> Other Specify                         |   |  |   |

Anticipated Effective Date: January 1, 2018

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

Add question to the General Interrogatories Part 1 to determine if the reporting entity is part of a publicly traded group. Add clarifying instruction to Schedule Y, Part 1A when a Central Index Key (“CIK”) is provided. Add crosscheck between Column 6 and Column 7 of Schedule Y, Part 1A to ensure that when data is provided for one it is provided for the other.

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

This blanks proposal is intended to simplify the process of identifying insurance legal entities that are part of a publicly traded group and subject to SEC reporting requirements. Such information is necessary to evaluate the Model Audit Rule premium threshold and to identify public reporting that can facilitate both legal entity and holding company analysis. Currently, the process to identify insurers subject to SEC reporting is based on affiliate data reported through Schedule Y, which is an indirect review, subject to common reporting errors and manual consideration. Therefore, this blanks proposal includes a new interrogatory to directly address the issue of whether the insurer is subject to SEC reporting, as well as enhanced instructions to improve the accuracy of affiliate reporting on Schedule Y.

#### NAIC STAFF COMMENTS

Comment on Effective Reporting Date: The reporting date is intended to be effective for 1<sup>st</sup> quarter 2018 to facilitate the annual review of public company affiliations that occurs each summer.

Other Comments:

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

Revised 6/13/2009

ANNUAL STATEMENT INSTRUCTIONS – LIFE, HEALTH, PROPERTY, FRATERNAL AND TITLE

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.2 N/A is an acceptable response only if Interrogatory 1.1 was answered NO.

1.4 Answer YES if the reporting entity is publicly traded or part of a publicly traded group.

Publicly traded company is defined as a company whose securities are required to be registered under Section 12 and is subject to periodic reporting under Section 15(d) of the Securities Exchange Act of 1934.

1.5 Provide the Central Index Key (CIK) issued by the SEC to the publicly traded entity or group. Do not provide a CIK issued for a variable insurance product written by the entity.

3.1 The date of the financial examination that should be reported is for a financial examination conducted by a state regulatory authority. (It is not a CPA annual audit.) The financial examination is considered “being made” for a given calendar year as soon as a formal notice is received from the domiciliary state that it intends to conduct the examination.

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QUARTERLY STATEMENT INSTRUCTIONS – LIFE, HEALTH, PROPERTY, FRATERNAL AND TITLE

GENERAL INTERROGATORIES

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↓ **Detail Eliminated To Conserve Space** =====

PART 1 – COMMON INTERROGATORIES

GENERAL

3.3 If the response to question 3.2 is “YES,” provide a brief description of the nature of the changes to the organizational chart.

3.4 Answer YES if the reporting entity is publicly traded or part of a publicly traded group.

Publicly traded company is defined as a company whose securities are required to be registered under Section 12 and is subject to periodic reporting under Section 15(d) of the Securities Exchange Act of 1934.

3.5 Provide the Central Index Key (CIK) issued by the SEC to the publicly traded entity or group. Do not provide a CIK issued for a variable insurance product written by the entity.

6.1 The date of the financial examination that should be reported is for a financial examination conducted by a state regulatory authority. (It is not a CPA annual audit.) The financial examination is considered “being made” for a given calendar year as soon as a formal notice is received from the domiciliary state that it intends to conduct the examination.

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**SCHEDULE Y**

**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**



**Detail Eliminated To Conserve Space**

Column 5 – Federal RSSD

RSSD is the primary identifier for the Federal Reserve’s National Information Center (NIC) of the entity in Column 8, if applicable.

Column 6 – CIK

Central Index Key (CIK) (for example the U. S. Securities and Exchange Commission (SEC) or any other exchange) of the entity in Column 8, if applicable.

Only provide the CIK issued for a publicly traded entity in Column 8. Do not provide a CIK issued for a variable insurance product written by the entity in Column 8.

If the name of a securities exchange is provided for Column 7 then a CIK should be provided for Column 6.

Column 7 – Name of Securities Exchange if Publicly Traded (U.S. or International)

If the entity in Column 8 is publicly traded either in the U.S. or internationally, list the name of the securities exchange (e.g., New York Stock Exchange).

For companies traded on more than one exchange, show the U.S. exchange if traded both in the U.S. and internationally; otherwise show the primary exchange.

The listing of most stock exchanges can be found in the Investment Schedules General Instructions or at the following Web address:

*[www.fixprotocol.org/specifications/exchanges.shtml](http://www.fixprotocol.org/specifications/exchanges.shtml)*

If a CIK is provided for Column 6 then the name of a securities exchange should be provided for Column 7.



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**ANNUAL STATEMENT BLANK – LIFE, HEALTH, PROPERTY, FRATERNAL AND TITLE**

**GENERAL INTERROGATORIES**

**PART 1 – COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [ ]
- 1.3 State Regulating? \_\_\_\_\_
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [ ]
- 1.5 If yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ ]

**QUARTERLY STATEMENT BLANK – LIFE, HEALTH, PROPERTY, FRATERNAL AND TITLE**

**GENERAL INTERROGATORIES**

**PART 1 – COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ ]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ ]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [ ]  
 If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
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- 3.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [ ]
- 3.5 If yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ ]