

2009 NAIC ANNUAL STATEMENT INSTRUCTIONS – TITLE

SEP 2009 REVISIONS

PAGE 97, 97.1 & 101:	NOTES TO FINANCIAL STATEMENT
Revision:	Modify instructions for Note 5D
Reason:	Adoption of new SSAP No. 43R disclosure in the AP&P Manual
PAGE 182 & 183:	INVESTMENT GENERAL INSTRUCTIONS
Revision:	Modify references to SVO Manual appendices
Reason:	SVO Manual has been reformatted
PAGE 194:	SUMMARY INVESTMENT SCHEDULE
Revision:	Modify references to SVO Manual appendices
Reason:	SVO Manual has been reformatted
PAGE 208 & 209:	SCHEDULE D, PART 1A, SECTION 1
Revision:	Revise Schedule DA, Part 1 column reference
Reason:	Column number changed due to addition of CUSIP Column to Schedule DA, Part 1
PAGE 210 & 211:	SCHEDULE D, PART 1A, SECTION 2
Revision:	Revise Schedule DA, Part 1 column reference
Reason:	Column number changed due to addition of CUSIP Column to Schedule DA, Part 1
PAGE 213:	SCHEDULE DA VERIFICATION
Revision:	Revise Schedule DA, Part 1 column reference
Reason:	Column number changed due to addition of CUSIP Column to Schedule DA, Part 1
PAGE 246:	SCHEDULE BA, PART 1
Revision:	Modify references to SVO Manual appendices
Reason:	SVO Manual has been reformatted
PAGE 258:	SCHEDULE D, PART 1
Revision:	Modify references to SVO Manual appendices
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PAGE 269: **SCHEDULE D, PART 2, SECTION 1**
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PAGE 275: **SCHEDULE D, PART 2, SECTION 2**
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PAGE 289: **SCHEDULE D, PART 6, SECTION 1**
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PAGE 294 & 295: **SCHEDULE DA, PART 1**
Revision: Modify references to SVO Manual appendices
Reason: SVO Manual has been reformatted

PAGE 336 & 337: **SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES**
Revision: Modify references to SVO Manual appendices
Reason: SVO Manual has been reformatted

EDITOR'S NOTE:

The above changes are highlighted within the attached instructions that follow this page.

Recent Blanks Working Group Agenda Items (Exposure Drafts) may be viewed in detail at the following web site:
http://www.naic.org/committees_e_app_blanks.htm.

- (11) For each period for which results of operations are presented, the activity in the allowance for credit losses account, including:
 - a) The balance in the allowance for credit losses account at the beginning of each period;
 - b) Additions charged to operations;
 - c) Direct write-downs charged against the allowance;
 - d) Recoveries of amounts previously charged off; and
 - e) The balance in the allowance for credit losses account at the end of each period.
- (12) The policy for recognizing interest income on impaired loans, including the method for recording cash receipts.

B. Debt Restructuring

For restructured debt in which the company is a creditor, disclose the following:

- (1) The recorded investment in the loans for which impairment has been recognized in accordance with SSAP No. 36, Troubled Debt Restructuring.
- (2) The related realized capital loss.
- (3) The amount of commitments, if any, to lend additional funds to debtors owing receivables whose terms have been modified in troubled debt restructuring.
- (4) The creditor's income recognition policy for interest income on an impaired loan.

C. Reverse Mortgages

For reverse mortgages, disclose the following:

- (1) A description of the reporting entity's accounting policies and methods, including the statistical methods and assumptions used in calculating the reserve;
- (2) General information regarding the reporting entity's commitment under the agreement;
- (3) The reserve amount that is netted against the asset; and
- (4) Investment income or loss recognized in the period as a result of the re-estimated cash flows.

D. Loan-Backed Securities

For loan-backed securities, disclose the following:

- (1) Fair values in accordance with SSAP No. 27, Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk, Financial Instruments with Concentrations of Credit Risk and Disclosures about Fair Value of Financial Instruments (SSAP No. 27).
- (2) Descriptions of sources used to determine prepayment assumptions.
- (3) Concentrations of credit risk in accordance with SSAP No. 27.

(4) All securities within the scope of this statement with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

- a. intent to sell,
- b. inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis, or
- c. present value of cash flows expected to be collected is less than the amortized cost basis of the security.

(5) For each security with a recognized other-than-temporary impairment, currently held by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

- a. The amortized cost basis, prior to any current-period other-than-temporary impairment.
- b. The other-than-temporary impairment recognized in earnings as a realized loss.
- c. The fair value of the security.
- d. The amortized cost basis after the current-period other-than-temporary impairment.

(6) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

- a. The aggregate amount of unrealized losses (that is, the amount by which cost or amortized cost exceeds fair value) and
- b. The aggregate related fair value of securities with unrealized losses.

The disclosures in (a) and (b) above should be segregated by those securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or longer using fair values determined in accordance with SSAP No. 27.

(7) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

(8) When it is not practicable to estimate fair value in accordance with SSAP No. 27, the investor should disclose the following additional information, if applicable:

- a. The aggregate carrying value of the investments not evaluated for impairment, and
- b. The circumstances that may have a significant adverse effect on the fair value.

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E. Repurchase Agreements and/or Securities Lending Transactions

- (1) For repurchase agreements, disclose the policy for requiring collateral or other security as required in SSAP No. 91R, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.
- (2) If the entity has pledged any of its assets as collateral, the carrying amount and classification of those assets as of the date of the latest statement of financial position presented;
- (3) If the entity has accepted collateral that it is permitted by contract or custom to sell or repledge, regardless of whether the transaction is considered “on-balance sheet” or “off-balance sheet,” the reporting entity shall provide the following information as of the date of each statement of financial position
 - a. The aggregate amount of contractually obligated open collateral positions (aggregate amount of securities at current fair value or cash received for which the borrower may request the return of on demand) and the aggregate amount of contractually obligated collateral positions under 30-day, 60-day, 90-day, and greater than 90-day terms
 - b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral), and
 - c. Information about the sources and uses of that collateral.

F. Real Estate

For investments in real estate, disclose the following information:

- (1) If an entity recognizes an impairment loss, the entity shall disclose all of the following in financial statements that include the period of the impairment write-down:
 - a. A description of the impaired assets and the facts and circumstances leading to the impairment;
 - b. The amount of the impairment loss and how fair value was determined; and
 - c. The caption in the statement of operations in which the impairment loss is aggregated.
- (2) If an entity has sold or classified real estate investments as held for sale, the entity shall disclose the following in the notes to the financial statements covering the period in which the sale was completed or the assets were classified as held for sale:
 - a. A description of the facts and circumstances leading to the expected disposal, the expected manner and timing of that disposal; and
 - b. If applicable, the gain or loss recognized and if not separately presented on the face of the summary of operations, the caption in the summary of operations that includes that gain or loss.
- (3) If an entity has experienced changes to a plan of sale for an investment in real estate, the entity shall disclose a description of the facts and circumstances leading to the decision to change the plan to sell the asset including the period the decision was made; and its effect on the results of operations for the period and any prior periods presented.
- (4) If an entity engages in retail land sales operations, the entity shall disclose the following:
 - a. Maturities of accounts receivables for each of the five years following the date of the financial statements;
 - b. Delinquent accounts receivable and the method(s) for determining delinquency;

B. Debt Restructuring

	<u>Current Year</u>	<u>Prior Year</u>
(1) The total recorded investment in restructured loans, as of year end	\$ _____	\$ _____
(2) The realized capital losses related to these loans	\$ _____	\$ _____
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$ _____	\$ _____
(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.		

C. Reverse Mortgages

- (1) The company accounts for its investment in reverse mortgages in accordance with SSAP No. 39, Reverse Mortgages, that requires the individual reverse mortgages to be combined into groups for purposes of providing an actuarially and statistically credible basis for estimating life expectancy to project future cash flows. The Company included actuarial estimates of contract terminations using mortality tables published by the Office of the Actuary of the United States Bureau of Census adjusted for expected prepayments and relocations and changes in the collateral value of the residence.
- (2) Reverse mortgage loans are contracts that require the lender to make monthly advances throughout the borrower's life or until the borrower relocates, prepays or sells the home, at which time the loan becomes due and payable. Since the reverse mortgages are non recourse obligations, the loan repayments are generally limited to the sale proceeds of the borrower's residence, and the mortgage balance consists of cash advanced and interest compounded over the life of the loan and a premium that represents a portion of the shared appreciation in the home's value, if any.
- (3) At December 31, 20____, the actuarial reserve of \$_____ reduced the asset value of the group of reverse mortgages.
- (4) The Company recorded an unrealized loss of \$_____ as a result of the re-estimate of the cash flows.

D. Loan-Backed Securities

- (2) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

E. Repurchase Agreements and/or Securities Lending Transactions

- (1) For repurchase agreements, Company policies require a minimum of __% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in Miscellaneous liabilities.
- (2) The Company has pledged \$_____ of its assets as collateral, which are classified as "Securities pledged to creditors" as of December 31, 20__.

(3) Collateral Received and Securities Acquired

a. Aggregate Amount Collateral Received

	(1)
Open	\$ _____
30 Days or Less	_____
31 to 60 Days	_____
61 to 90 Days	_____
Greater Than 90 Days	_____
Total Collateral Received	\$ _____

b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral) \$ _____

c. The reporting entity receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The reporting entity reinvests the cash collateral into higher-yielding securities than the securities which the reporting entity has lent to other entities under the arrangement. The reporting entity's sources of cash that it uses to return the cash collateral are dependent upon the liquidity of the current market conditions. Under current conditions, the reporting entity has \$1 billion of par value bonds (fair value of \$920 million) that are currently tradable securities that could be sold and used to pay for the \$850 million in collateral calls that could come due under a worst-case scenario.

6. Joint Ventures, Partnerships and Limited Liability Companies

Instruction:

A. For Investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets of the insurer, disclose the following information:

- (1) The name of each Joint Venture, Partnership and Limited Liability Company and percentage of ownership;
- (2) The accounting policies of the insurer with respect to investments in these entities; and
- (3) The difference, if any, between the amount at which the investment is carried and the amount of underlying equity in net assets, (i.e., nonadmitted goodwill, other nonadmitted assets) and the accounting treatment of the difference.
- (4) For each Joint Venture, Partnership and Limited Liability Company for which a quoted market price is available, the aggregate value of each investment based on the quoted market price; and
- (5) Summarized information as to assets, liabilities, and results of operations for Joint Ventures, Partnerships and Limited Liability Companies, either individually or in groups.

B. For investments in impaired Joint Ventures, Partnerships and Limited Liability Companies disclose in the year of an impairment write-down the following:

- (1) A description of the impaired assets and the facts and circumstances leading to the impairment, and
- (2) The amount of the impairment and how fair value was determined.

INVESTMENT SCHEDULES GENERAL INSTRUCTIONS

(Applies to all investment schedules)

The following definitions apply to the investment schedules.

SAP Book Value (Defined in Glossary of *Accounting Practices and Procedures Manual*):

Original Cost, including capitalized acquisition costs and accumulated depreciation, unamortized premium and discount, deferred origination and commitment fees, direct write-downs, and increase/decrease by adjustment.

SAP Carrying Value (Defined in Glossary of *Accounting Practices and Procedures Manual*):

The SAP Book Value plus accrued interest and reduced by any valuation allowance (IF APPLICABLE) and any nonadmitted adjustment applied to the individual investment. Carrying Value is used in the determination of impairment.

Adjusted Carrying Value:

Carrying Value amount adjusted to remove any accrued interest and to add back any of the following amounts: individual nonadmitted amounts, individual valuation allowances (IF APPLICABLE), and aggregate valuation allowance (IF APPLICABLE). In effect, this is equivalent to the definition of SAP Book Value (not to be confused with the old “Book Value” reported in the annual statement blanks for data years 2000 and prior).

Recorded Investment:

The SAP Book Value (Adjusted Carrying Value) plus accrued interest.

The information included in the investment schedules shall be broken down to the level of detail as required when all columns and rows are considered together unless otherwise addressed in specific instructions. For example, on Schedule D Part 4, a reporting entity is required to list the CUSIP book adjusted carrying value, among other things. The reporting entity would only be required to break this information down to a lower level of detail if the information was inaccurate if reported in the aggregate. Thus, the reporting entity would not be required to break the information down by lot (information for each individual purchase) and could utilize the information for book/adjusted carrying value using an average cost basis, or some other method, provided the underlying data reported in that cell was calculated in accordance with the *Accounting Practices and Procedures Manual*. However, reporting entities are not precluded from reporting the information at a more detailed level (by lot) if not opposed by their domiciliary commissioner.

For the columns that disclose information regarding investments that are not under the exclusive control of the insurer, and also including assets loaned to others, the following codes should be used:

LS	–	loaned or leased to others
RA	–	subject to repurchase agreement
RR	–	subject to reverse repurchase agreement
DR	–	subject to dollar repurchase agreement
DRR	–	subject to dollar reverse repurchase agreement
C	–	pledged as collateral
DB	–	placed under an option agreement
DBP	–	placed under an option agreement involving “asset transfers with put options”
R	–	letter stock or otherwise restricted as to sale (Note: Private placements are not to be included unless specific restrictions as to sale are included as part of the security agreement)
SD	–	placed on deposit with state or other regulatory body
M	–	not under the exclusive control of the insurer for multiple reasons
O	–	other

To be announced securities (commonly referred to as TBAs) are to be reported in Schedule D unless the structure of the security more closely resembles a derivative, as defined within SSAP 86, *Accounting for Derivative Instruments and Hedging Activities*, in which case the security should be reported on Schedule DB. The exact placement of TBAs in the investment schedules depends upon how a company uses TBA.

For the Foreign Code columns in Schedules D and DA, the following codes should be used:

Code	Nationality of Issuer			Country Issued In			Currency of Security		
	US	Canada	Foreign	US	Canada	Foreign	US	Canada	Foreign
	Y	N	N	Y	N	N	Y	N	N
A	N	Y	N	N	Y	N	Y	N	N
C	Y	Y	Y	N	Y	Y	N	Y	N
D	N	N	Y	N	N	Y	N	N	Y
F	N	N	Y	N	N	Y	Y	N	N
I	N	Y	N	Y	N	N	Y	N	N
R	N	N	Y	Y	N	N	Y	N	N
T	N	Y	N	Y	Y	Y	N	N	Y
U	N	Y	N	Y	N	N	N	Y	N
O	Y	N	N	Y	N	N	N	N	Y

“D” is for foreign securities that are denominated in a foreign currency (excluding Canadian currency).

“F” is for securities issued in a foreign country that are denominated in U.S. dollars.

“C” is for securities denominated in Canadian currency.

“U” is for Canadian securities issued in U.S. but denominated in Canadian currency.

“I” is for Canadian securities issued in U.S. and denominated in U.S. dollars.

“T” is for Canadian securities denominated in any other foreign currency.

“O” is for U.S. securities issued in U.S. but denominated in any foreign currency other than Canadian.

“A” is for Canadian securities issued in Canada and denominated in U.S. dollars.

“R” is for foreign securities issued in the U.S. and denominated in U.S. dollars.

The following is the description of the General and Specific Classifications used for reporting the detail lines for bonds and stocks.

General Classifications Bonds Only:

U.S. Government:

Securities meeting the definition of:

1. Direct obligations of the U.S. government.
2. Securities that are backed by the full faith and credit of the U.S. government.
3. Securities that are highly rated but not full faith and credit obligations.
4. Securities deemed exempt (for AVR and RBC purposes) pursuant to the determination of the Valuation of Securities Task Force. Securities listed in the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, **Part SIX, Section 2(e)**, are the only securities that meet this definition and therefore the only ones reported in this category. Included in **Part SIX, Section 2(e)** are 1 through 3 above.

Single class mortgage-backed/asset-backed securities of the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Agriculture Mortgage Corporation (Farmer Mac) and the Federal Home Loan Banks (FHL Banks) are not to be considered exempt and are reported in the Special Revenue and Special Assessment Obligations group. For statutory reporting purposes, GNMA and VA CMOs are not to be considered U.S. government bonds and are reported in the Special Revenue and Special Assessment Obligations group.

Multi-class securities as defined below, regardless of issuer, are not to be considered U.S. government bonds. For statutory reporting purposes, GNMA and VA CMOs are not to be considered U.S. government bonds and are reported in the Special Revenue and Special Assessment Obligations group.

All Other Governments:

This includes bond investments issued by non-U.S. governments, including bonds of political subdivisions and special revenue. This includes bonds issued by utilities owned by non-U.S. governments.

U.S. States, Territories and Possessions (Direct and Guaranteed):

General obligations of these entities (NAIC members), as well as bonds issued by utility companies owned by these entities. NAIC membership is composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed):

General obligations of cities, counties, townships, etc., as well as bonds issued by utility companies owned by these entities.

U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions:

Those U.S. government issues not listed in [Part SIX, Section 2\(e\)](#) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, yet included in [Part TWO, Section 4\(d\)\(i\), 4\(d\)\(ii\) and 4\(d\)\(iii\)](#). This category also includes bonds that are issued by states, territories, possessions and other political subdivisions that are issued for a specific financing project rather than as general obligation bonds.

Industrial and Miscellaneous (Unaffiliated):

This category includes all non-governmental issues that do not qualify for some other category in Schedule D, Part 1, including privatized (non-government ownership) utility companies, Class One Bond Mutual Fund as listed in [Part SIX Section 2\(h\)](#) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, and Exchange Traded Funds listed in [Part SIX, Section 2\(i\)](#) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*. Include Public Utilities.

Credit Tenant Loans:

First liens on real property where rental payments are assigned to the lender (i.e., the credit standing of the major tenant backs the loan).

Hybrid Securities:

Securities whose proceeds are accorded some degree of equity treatment by one or more of the nationally recognized statistical rating organizations and/or which are recognized as regulatory capital by the issuer's primary regulatory authority. Hybrid securities are designed with characteristics of debt and of equity and are intended to provide protection to the issuer's senior note holders. Hybrid securities products are sometimes referred to as capital securities. Examples of hybrid securities include Trust Preferreds, Yankee Tier 1s (with and without coupon step-ups) and debt-equity hybrids (with and without mandatory triggers).

This specifically excludes surplus notes, which are reported in Schedule BA; subordinated debt issues, which have no coupon deferral features; and "Traditional" preferred stocks, which are reported in Schedule D Part 2 Section 1. With respect to preferred stock, traditional preferred stocks include, but are not limited to a) U.S. issuers that do not allow tax deductibility for dividends; and b) those issued as preferred stock of the entity or an operating subsidiary, not through a trust or a special purpose vehicle.

Parent, Subsidiaries and Affiliates:

Defined by SSAP 97

General Classifications Preferred Stock Only:

Industrial and Miscellaneous (Unaffiliated):

All unaffiliated preferred stocks. Include Public Utilities, Banks, Trusts and Insurance Companies.

Parent, Subsidiaries and Affiliates:

Defined by SSAP 97

General Classifications Common Stock Only:

Industrial and Miscellaneous (Unaffiliated):

All unaffiliated common stocks that are not mutual funds or money market mutual funds. Include Public Utilities, Banks, Trusts and Insurance Companies.

Mutual Funds:

All investments in shares of funds regulated as mutual funds by the Securities and Exchange Commission. This definition does not include closed funds or hedge funds.

Money Market Mutual Funds:

All investment in shares of funds regulated as money market mutual funds by the Securities and Exchange Commission.

Parent, Subsidiaries and Affiliates:

Defined by SSAP 97

- Line 1.51 – Pass-through Securities
- Include: The value of all holdings of mortgage pass-through securities. In general, a mortgage pass-through security represents an undivided interest in a pool that provides the holder with a pro rata share of all principal and interest payments on the residential mortgages in the pool, and includes certificates of participation in pools of residential mortgages. U.S. Government-issued participation certificates (PCs) that represent a pro rata share of all principal and interest payments on a pool of resecuritized participation certificates that, in turn, are backed by residential mortgages, (e.g., FHLMC Giant PCs).
- Exclude: All collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).
- Line 1.511 – Issued or Guaranteed by GNMA
- Include: The value of all holdings of mortgage pass-through securities guaranteed by the Government National Mortgage Association (GNMA).
- Exclude: Mortgage pass-through securities issued by FNMA and FHLMC.
- Line 1.512 – Issued or Guaranteed by FNMA and FHLMC
- Include: The value of all holdings of mortgage pass-through securities issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).
- Exclude: Mortgage pass-through securities that are guaranteed by the Government National Mortgage Association (GNMA).
- Line 1.513 – All Other
- Include: The value of all holdings of mortgage pass-through securities issued by others (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) that are not guaranteed by the U.S. Government.
- Line 1.52 – CMOs and REMICs
- Include: The value of all mortgage-backed securities other than pass-through securities. Other mortgage-backed securities include all classes of collateralized mortgage obligations (CMOs) and real estate mortgage investments conduits (REMICs), CMO and REMIC residuals and similar interests, stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).
- Line 1.521 – Issued or Guaranteed by GNMA, FNMA, FHLMC, or VA
- Include: The value of all classes of CMOs and REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA). For purposes of this schedule, also include REMICs issued by the U.S. Department of Veterans Affairs (VA) in this item.

- Line 1.522 – Issued by Non-U.S. Government Issuers and Collateralized by Mortgage Backed Securities Issued or Guaranteed by Agencies Shown in Line 1.521
- Include: The value of all classes of CMOs, REMICs, CMO and REMIC residuals, and stripped mortgage backed securities issued by non-U.S. Government issuers (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) for which the collateral consists of GNMA (Ginnie Mae) pass-throughs, FNMA (Fannie Mae) pass-throughs, FHLMC (Freddie Mac) participation certificates, or other mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by FNMA, FHLMC, GNMA, or VA.
- Line 1.523 – All Other
- Include: The value of all CMOs, REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by non-U.S. Government issuers (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) for which the collateral does not consist of GNMA (Ginnie Mae) pass-throughs, FNMA (Fannie Mae) pass-throughs, FHLMC (Freddie Mac) participation certificates, or other mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by FNMA, FHLMC, GNMA, or VA.
- Line 2 – Other Debt and Other Fixed Income Securities (excluding short term)
- Include: The value of all debt securities that cannot properly be reported within Line 1, above.
- Class One Bond Mutual Funds as listed in the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, [Part SIX, Section 2\(h\)](#) and Exchange Traded Funds listed in the *Purposes and Procedures Manual of the Securities Valuation Office*, [Part SIX, Section 2\(i\)](#).
- Line 2.1 – Unaffiliated Domestic Securities (includes credit tenant loans rated by the SVO)
- Include: The value of all unaffiliated domestic debt securities. Unaffiliated domestic debt securities includes but is not limited to bonds, notes, debentures, equipment trust certificates, and commercial paper issued by unaffiliated U.S.-chartered corporations, detached U.S. Government security coupons and ex-coupon U.S. Government securities held as the result of either their purchase or the stripping of such securities, and treasury receipts such as CATS, TIGRs, COUGARs, LIONs, and ETRs.
- Other U.S. issuers not reportable elsewhere within Line 1.
- Line 2.2 – Unaffiliated Non-U.S. Securities (Including Canada)
- Include: The value of all unaffiliated foreign debt securities. Unaffiliated foreign debt securities include bonds, notes, debentures, equipment trust certificates, and commercial paper issued by unaffiliated non-U.S.-chartered corporations.
- Line 2.3 – Affiliated Securities
- Include: The value of all affiliated debt securities. Affiliated debt securities include bonds, notes, debentures, equipment trust certificates, and commercial paper issued by affiliated non-U.S.-chartered corporations.

SCHEDULE D – SUMMARY BY COUNTRY

LONG-TERM BONDS AND STOCKS OWNED DECEMBER 31 OF CURRENT YEAR

Enter summarized amounts in the appropriate columns by the specified major classifications, subdividing into United States, Canada, and Other Countries where applicable. For purposes of this schedule, investments in Other Countries are considered Foreign Investments. For the definition of Foreign Investment, and Domestic Investment, see instructions to the Supplemental Investment Risk Interrogatories.

Column 2 – Fair Value

For certain bonds, values other than actual market may appear in this column. (See Schedule D, Part 1 instructions for details.)

Exclude: Accrued interest.

Column 3 – Actual Cost

Include: Brokerage and other related fees, to the extent they do not exceed the fair market value at the date of acquisition.

Exclude: Accrued interest.

Lines 8 through 11 – Bonds – Industrial and Miscellaneous (Unaffiliated)

Include: Class one bond money market mutual funds and Exchange Traded Funds (ETFs) reported in Schedule D, Part 1.

Line 13 – Total Bonds

Columns 1, 2, 3, and 4, should agree with Columns 11, 9, 7 and 10, respectively, in Schedule D, Part 1.

Line 19 – Total Preferred Stocks

Columns 1, 2 and 3 should agree with Columns 8, 10 and 11, respectively, in Schedule D, Part 2, Section 1.

Lines 20 through 23 – Common Stocks – Industrial and Miscellaneous (Unaffiliated)

Include: Money market mutual funds and mutual funds reported in Schedule D, Part 2, Section 2.

Line 25 – Total Common Stocks

Columns 1, 2 and 3 should agree with Columns 6, 8 and 9, respectively, in Schedule D, Part 2, Section 2.

SCHEDULE D – PART 1A – SECTION 1

**QUALITY AND MATURITY DISTRIBUTION OF ALL BONDS OWNED DECEMBER 31
BY MAJOR TYPE AND NAIC DESIGNATION**

The schedule summarizes the aggregate book/adjusted carrying value of all bond holdings, including those in Schedule DA and Schedule E, Part 2, by quality, designation, maturity and bond categories. Include non-rated short-term and cash equivalent bonds in the category that most closely resembles their credit risk.

The maturity category for a particular holding is determined by the following criteria:

- a. Serial issues and mandatory fixed prepayment obligations valued on an amortizable basis may be distributed based on the par value of each scheduled repayment date and the final installment and adjusted for any discount or premium. Such holdings reported at market may be distributed based on market value by applying market rate to each scheduled repayment.
- b.
 - (i) Single class mortgage-backed/asset-backed securities, and multi-class residential or commercial mortgage-backed/asset-backed securities (these securities are considered loan-backed securities and subject to the guidance in SSAP No. 43, Loan-backed and Structured Securities) should be distributed based on the anticipated future prepayment cash flows used to value the security.
 - (ii) Other bonds with optional prepayment provisions should be distributed based on the expected future prepayments used to value the security.
 - (iii) Class One Bond Mutual Funds (as described in the Investment Schedules General Instructions) should be reported in Column 2, “Over 1 Year Through 5 Years” in Section 7.1 “Industrial and Miscellaneous (Unaffiliated), Issuer Obligations.”
- c. Place all holdings in default as to principal or interest in the “Over 20 years” category in the absence of definitive information as to final settlement. Perpetual bonds should also be included in this category.
- d. Consider obligations without maturity date and payable on demand to be due within one year if in good standing. Otherwise, include in the “Over 20 years” category, or earlier if justifiable.

There are thirteen sections to this schedule: Sections 1 through 9 for each of the nine bond categories, Section 10 for total bonds current year, Section 11 for total bonds prior year, Section 12 for total bonds publicly traded and Section 13 for total bonds privately placed. The nine bond categories combine corresponding subtotals from Schedule D, Part 1; Schedule DA, Part 1; and Schedule E, Part 2 as follows:

Section 1. U.S. Governments

Lines 0399999 from Schedule D, Part 1, Column 11 and Schedule DA, Part 1, Column 8; Line 8899999 from Schedule DA, Part 1; Column 8 (Exempt Money Market Mutual Funds); and Line 0399999 from Schedule E, Part 2, Column 6.

Section 2. All Other Governments

Lines 1099999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 3. U.S. States, Territories and Possessions, Guaranteed

Lines 1799999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed

Lines 2499999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 5. U.S. Special Revenue & Special Assessment Obligations, Non-Guaranteed

Lines 3199999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and in Schedule E, Part 2, Column 6.

Section 6. Industrial & Miscellaneous (Unaffiliated)

Lines 3899999 from Schedule D, Part 1, Column 11 and Schedule DA, Part 1, Column 8; Line 8999999 from Schedule DA, Part 1, Column 8 (Class One Money Market Mutual Funds); and Line 3899999 from Schedule E, Part 2, Column 6.

Section 7. Credit Tenant Loans

Lines 4199999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 8. Hybrid Securities

Lines 4899999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 9. Parent, Subsidiaries and Affiliates

Lines 5599999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

The quality designation used is the “NAIC Designation” that appear with each bond as listed in the NAIC *Valuations of Securities*. Include non-rated short-term and cash equivalent bonds in the category that most closely resembles their credit risk. For each Section 1 through 13, seven lines of information are shown, which are numbered in a format “X.Y” where the number “X” is the number of the section and the number “Y” is the order of the line within the section. The lines within each section are categorized as follows for Section “X”.

X.1	Highest Quality	(Class 1)
X.2	High Quality	(Class 2)
X.3	Medium Quality	(Class 3)
X.4	Low Quality	(Class 4)
X.5	Lower Quality	(Class 5)
X.6	In or near default	(Class 6)
X.7	Total for section	

Column 10 is to contain publicly traded securities; i.e., those securities that have been assigned a CUSIP/CINS number in the NAIC *Valuations of Securities*. Any securities outside the CUSIP/PPN/CINS coding system will be considered to be publicly traded for Annual Statement purposes (e.g., short-term investments). Exclude bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144.

Column 11 is to contain privately placed securities as identified with Private Placement Numbers (PPN) in the NAIC *Valuations of Securities*. A PPN can be differentiated by the presence of a *, #, or @ sign appearing in either the sixth, seventh or eighth digit of the nine-digit CUSIP-like number. Include bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144 that have been assigned a CUSIP/CINS number in the NAIC *Valuations of Securities*.

Column 11 Footnote

Include bonds that are qualified for resale under SEC Rule 144A.

Include bonds that are freely tradable under SEC Rule 144 (e.g., that are presently held by, and for the immediately preceding three year period have been held by, persons unrelated to the issuer); however, there shall be excluded any such security containing a contractual restriction against resale (a “right of first refusal” provision is not considered a restriction against resale).

SCHEDULE D – PART 1A – SECTION 2

MATURITY DISTRIBUTION OF ALL BONDS OWNED DECEMBER 31
BY MAJOR TYPE AND SUBTYPE

The schedule summarizes the aggregate book/adjusted carrying value of all bond holdings, including those in Schedule DA and Schedule E, Part 2, by maturity, major bond categories and the subcategories of issuer obligations, single class mortgage-backed/asset-backed securities, multi-class residential mortgage-backed securities, and multi-class commercial mortgage-backed/asset-backed securities. Multi-class securities are further disclosed as defined and other.

The maturity category for a particular holding is determined by the following criteria:

- a. Serial issues and mandatory fixed prepayment obligations valued on an amortizable basis may be distributed based on the par value of each scheduled repayment date and the final installment and adjusted for any discount or premium. Such holdings reported at market may be distributed based on market value by applying market rate to each scheduled repayment.
- b.
 - (i) Single class mortgage-backed/asset-backed securities, multi-class residential or commercial mortgage-backed/asset-backed securities (these securities are considered loan-backed securities and subject to the guidance in SSAP No. 43, Loan-backed and Structured Securities) should be distributed based on the anticipated future prepayment cash flows used to value the security.
 - (ii) Other bonds with optional prepayment provisions should be distributed based on the expected future prepayments used to value the security.
 - (iii) Class One Bond Mutual Funds (as described in the Investment Schedules General Instructions) should be reported in Column 2, “Over 1 Year Through 5 Years” in Section 7.1 “Industrial and Miscellaneous (Unaffiliated), Issuer Obligations.”
- c. Place all holdings in default as to principal or interest in the “Over 20 years” category in the absence of definitive information as to final settlement. Perpetual bonds should also be included in this category.
- d. Consider obligations without maturity date and payable on demand to be due within one year if in good standing. Otherwise, include in the “Over 20 years” category, or earlier if justifiable.

There are thirteen sections to this schedule: Sections 1 through 9 for each of the nine bond categories, Section 10 for total bonds current year, Section 11 for total bonds prior year, Section 12 for total bonds publicly traded and Section 13 for total bonds privately placed. The nine bond categories combine corresponding subtotals from Schedule D, Part 1; Schedule DA, Part 1; and Schedule E, Part 2 as follows:

Section 1. U.S. Governments

Lines 0399999 from Schedule D, Part 1, Column 11 and Schedule DA, Part 1, Column 8; Line 8899999 from Schedule DA, Part 1, Column 8 (Exempt Money Market Mutual Funds); and Line 0399999 from Schedule E, Part 2, Column 6.

Section 2. All Other Governments

Lines 1099999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 3. U.S. States, Territories and Possessions, Guaranteed

Lines 1799999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed

Lines 2499999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 5. U.S. Special Revenue & Special Assessment Obligations, etc. Non-guaranteed

Lines 3199999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 6. Industrial & Miscellaneous (Unaffiliated)

Lines 3899999 from Schedule D, Part 1, Column 11 and Schedule DA, Part 1, Column 8; Line 8999999 from Schedule DA, Part 1, Column 8 (Class One Money Market Mutual Funds); and Line 3899999 from Schedule E, Part 2, Column 6.

Section 7. Credit Tenant Loans

Lines 4199999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 8. Hybrid Securities

Lines 4899999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

Section 9. Parent, Subsidiaries and Affiliates

Lines 5599999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 8; and Schedule E, Part 2, Column 6.

For each major section the following subgroups, which are described in the Investment Schedules General Instructions, shall be presented by maturity category:

1. Issuer Obligations
2. Single Class Mortgage-Backed/Asset-Backed Securities
3. Defined Multi-Class Residential Mortgage-Backed Securities
4. Other Multi-Class Residential Mortgage-Backed Securities
5. Defined Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities
6. Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities

Column 10 is to contain publicly traded securities; i.e., those securities that have been assigned a CUSIP/CINS number in the NAIC *Valuations of Securities*. Any securities outside the CUSIP/PPN/CINS coding system will be considered to be publicly traded for annual statement purposes (e.g., short-term investments). Exclude bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144.

Column 11 is to contain privately placed securities as identified with Private Placement Numbers (PPN) in the NAIC *Valuations of Securities*. A PPN can be differentiated by the presence of a *, #, or @ sign appearing in either the sixth, seventh or eighth digit of the nine-digit CUSIP-like number. Include bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144 that have been assigned a CUSIP/CINS number in the NAIC *Valuations of Securities*.

SCHEDULE DA – VERIFICATION BETWEEN YEARS

SHORT-TERM INVESTMENTS

Report the aggregate amounts required by type of short-term investment asset. The categories of assets to be reported are: bonds (including exempt money market mutual funds and class one money market mutual funds), mortgage loans, other short-term investment assets, and investments in parent, subsidiaries and affiliates. A grand total of all activity is also required.

- Column 1 – Total
Equals the sum of Columns 2 through 5.
- Line 1 – Book/Adjusted Carrying Value, December 31 of Prior Year
In Column 1, report the book/adjusted carrying value per Schedule DA, Part 1, Column 7 of the prior year's annual statement.
- Line 2 – Cost of Short-Term Investments Acquired
Report the aggregate cost of short-term investments acquired during the year. A reporting entity may summarize all "overnight" transactions and report the net amount as an increase in short-term investments on this line; all other transactions shall be recorded gross.
- Line 3 – Accrual of Discount
In Column 1, report the total amount of accrual of discount during the year. The accrual of discount should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.
- Line 4 – Unrealized Valuation Increase (Decrease)
Report the total unrealized valuation increase (decrease) for the year.
- Line 5 – Total Gain (Loss) on Disposals
In Column 1, report the profit (loss) on disposal of short-term investments.
- Line 6 – Deduct Consideration Received on Disposals of Short-Term Investments
Report the proceeds received on disposal of short-term investments. A reporting entity may summarize all "overnight" transactions and report the net amount as a decrease in short-term investments on this line; all other transactions shall be recorded gross.
- Line 7 – Deduct Amortization of Premium
In Column 1, report the total amount of amortization of premium during the year. The amortization of premium should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.
- Line 8 – Total Foreign Exchange Change in Book/Adjusted Carrying Value
In Column 1, report the unrealized foreign exchange gain or loss for the year.
- Line 9 – Deduct Current Year's Other Than Temporary Impairment Recognized
Report the other than temporary impairments for the year.

Line 10 – Book/Adjusted Carrying Value, Current Year

Column 1 equals Schedule DA, Part 1, Column 8, Total.

Line 11 – Deduct Total Nonadmitted Amounts

In column 1, report the adjustment for nonadmitted amounts as of the end of the current period.

Include: The amount of the portfolio that is in excess of any investment limitation.

Line 12 – Statement Value at End of Current Period

In Column 1, report the statement value of as of the end of the current period. This amount should tie to the Assets Page, Line 5, inset for short-term investments.

SCHEDULE DB – PART A – VERIFICATION BETWEEN YEARS

OPTIONS, CAPS, FLOORS AND INSURANCE FUTURES OPTIONS OWNED

- Line 1 – Book Value, December 31, Prior Year
Show the total from Line 8 of the prior year.
- Line 2 – Cost/Option Premium
Show the total from Section 2, Column 7.
- Line 3 – Increase/(Decrease) by Adjustment
Show the sum of the totals from Section 1, Column 12, plus Section 3, Column 13.
- Line 4 – Gain (Loss) on Termination:
- Line 4.1 – Recognized
Show total of Section 3, Column 14.
- Line 4.2 – Used to Adjust Basis of Hedged Item
Show total of Section 3, Column 15.
- Line 5 – Consideration Received on Terminations
Show the total of Section 3, Column 12.
- Line 6 – Used to Adjust Basis on Open Contracts
Show the total of Section 1, Column 13.
- Line 7 – Disposition of Deferred Amount on Contracts Terminated in Prior Year:
- Line 7.1 – Recognized
Show the amount of deferred gain (loss) on contracts terminated in prior years that was recognized in the current year.
- Line 7.2 – Used to Adjust Basis of Hedged Item
Show the amount of deferred gain (loss) on contracts terminated in prior year that was used to adjust basis of hedged item in the current year.
- Line 8 – Book Value, December 31, Current Year
Show the net of Line 1 + Line 2 + Line 3 + Line 4 – Line 5 – Line 6 – Line 7 = Line 8.

SCHEDULE BA – PART 1

OTHER LONG-TERM INVESTED ASSETS OWNED DECEMBER 31 OF CURRENT YEAR

Refer to SSAP No. 23, Foreign Currency Transactions and Translations, for accounting guidance.

Column 1 – CUSIP Identification

This column must be completed by Life and Fraternal insurers that file Schedule BA investments with the Securities Valuation Office.

All CUSIP/PPN/CINS numbers entered in this column must conform to those as published by the Securities Valuation Office (SVO). CUSIP numbers for all purchased publicly issued securities are available from the broker's confirmation or the certificate and will be identical to those used by the SVO. For private placement securities, the NAIC has created a special number called a PPN to be assigned by the Standard and Poor's CUSIP Bureau. For foreign securities, use a CINS that is assigned by the Standard and Poor's CUSIP Bureau.

NAIC numbers for privately placed (unregistered) securities (PPNs) owned prior to December 31, 1988, were made available to all insurers by the SVO in a special publication in early 1989, and are published in the December 31, 1989, and all subsequent versions of the NAIC *Valuation of Securities*. Number assignments for privately issued securities purchased subsequent to December 31, 1988, will be made by a special NAIC facility at the Standard and Poor's CUSIP Bureau. Call the SVO for details. Such a number must be obtained and provided to the SVO before any privately issued security can be listed in the NAIC *Valuation of Securities*.

If no CUSIP number exists, the CUSIP field should be zero filled.

Column 2 – Name or Description

Show name of the asset, such as the name of a limited partnership. If not applicable, show description of the asset.

Column 3 – Code

If long-term invested assets are not under the exclusive control of the company as shown in the General Interrogatories, it is to be identified by placing one of the symbols identified in the General Investment Schedules instructions located at the beginning of this section in this column.

Column 4 – City

For real estate partnerships or joint ventures located in the United States, list city. If the city is unknown, indicate the county. If the investment is outside the U.S., indicate city or province. For other BA asset types, use the city of incorporation. If no city of incorporation, use the city of administrative office.

Column 5 – State

For real estate partnerships or joint ventures located in the United States, list the state using the postal two-character state code. If the investment is outside the U.S., indicate the country.

Column 6 – Name of Vendor or General Partner

Provide the name of the entity from which the property was acquired, or the name of the General Partner of the fund. For internal transfers, indicate "internal transfer" in lieu of a vendor name.

Column 7 – NAIC Designation

This column must be completed by Life and Fraternal insurers only. All other insurers may ignore this column and its instructions.

For Schedule BA investments with the underlying characteristics of a bond or a preferred stock instrument, insert the NAIC designation, valuation indicator or market indicator as printed in the NAIC *Valuation of Securities* or its *Supplement*.

Following is a matrix of the valid combinations of designations and suffixes for bonds.

1	2	3	4	5	6
				5*	6*
1FE	2FE	3FE	4FE	5FE	6FE

Following is a matrix of the valid combinations of designations and suffixes for preferred stock.

P1A	P2A	P3A	P4A	P5A	P6A
				P5*A	P6*A
P1L	P2L	P3L	P4L	P5L	P6L
				P5*L	P6*L
P1U	P2U	P3U	P4U	P5U	P6U
				P5*U	P6*U
P1V	P2V	P3V	P4V	P5V	P6V
				P5*V	P6*V
P1LFE	P2LFE	P3LFE	P4LFE	P5LFE	P6LFE
P1UFE	P2UFE	P3UFE	P4UFE	P5UFE	P6UFE
P1VFE	P2VFE	P3VFE	P4VFE	P5VFE	P6VFE
RP1A	RP2A	RP3A	RP4A	RP5A	RP6A
				RP5*A	RP6*A
RP1L	RP2L	RP3L	RP4L	RP5L	RP6L
				RP5*L	RP6*L
RP1U	RP2U	RP3U	RP4U	RP5U	RP6U
				RP5*U	RP6*U
RP1V	RP2V	RP3V	RP4V	RP5V	RP6V
				RP5*V	RP6*V
RP1LFE	RP2LFE	RP3LFE	RP4LFE	RP5LFE	RP6LFE
RP1UFE	RP2UFE	RP3UFE	RP4UFE	RP5UFE	RP6UFE
RP1VFE	RP2VFE	RP3VFE	RP4VFE	RP5VFE	RP6VFE

If the VOS data file has a designation for a specific Schedule BA investment, that designation must be reported in this column. If the VOS data file does not provide a designation and the investment qualifies for Filing Exemption, a “FE” must follow the designation reported in this column. For the meaning and applicability of suffixes and designations, please refer to the most recent version of the *Purposes and Procedures* Manual of the NAIC Securities Valuation Office [Part THREE, Section I](#).

The NAIC designation field should be zero filled for those Schedule BA investments with the underlying characteristics of a bond or a preferred stock instrument which have not been filed with the SVO and do not meet the requirements of Filing Exemption, as well for any other investments reported in the respective “Other” categories (non-fixed income-like BA investments).

Column 8 – Date Originally Acquired

State the date the investment was originally acquired.

Column 1 – CUSIP Identification

All CUSIP/PPN/CINS numbers entered in this column must conform to those as published by the Securities Valuation Office (SVO). CUSIP numbers for all purchased publicly issued securities are available from the broker's confirmation or the certificate and will be identical to those used by the SVO. For private placement securities, the NAIC has created a special number called a PPN to be assigned by the Standard and Poor's CUSIP Bureau. For foreign securities, use a CINS that is assigned by the Standard and Poor's CUSIP Bureau.

NAIC numbers for privately placed (unregistered) securities (PPNs) owned prior to December 31, 1988, were made available to all insurers by the SVO in a special publication in early 1989, and are published in the December 31, 1989, and all subsequent versions of the *Valuation of Securities*. Number assignments for privately issued securities purchased subsequent to December 31, 1988, will be made by a special NAIC facility at the Standard and Poor's CUSIP Bureau. Call the SVO for details. Such a number must be obtained and provided to the SVO before any privately issued security can be listed in the *Valuation of Securities*.

If no CUSIP number exists, the CUSIP field should be zero filled.

Column 2 – Description

Give a complete and accurate description of all bonds owned as listed in the *Valuation of Securities*, including the location of all miscellaneous companies.

For Class One Bond Mutual Funds and Exchange Traded Funds, enter complete name of the fund.

For Certificate of Deposit Account Registry Service (CDARs) or other similar services that have a maturity of greater than one year, individually list the various banking institutions that are financially responsible for honoring certificate of deposits.

For CDOs (Collateralized Debt Obligations) or CLOs (Collateralized Loan Obligations), indicate what the CDO/CLO collateral is, such as high-yield bonds, corporate loans, etc. If the collateral is of mixed type, indicate "Mix," in addition to the largest type of collateral in the mix. If the collateral is derived synthetically, indicate "synthetic."

Column 3 – Code

Enter "*" in this column for all Class One Bond Mutual Funds.

Enter "#" in this column for all Exchange Traded Funds.

Enter "@" in this column for all Principal STRIP Bonds or other zero coupon bonds.

Enter "&" in this column for TBA (To Be Announced) securities.

If bonds are not under the exclusive control of the company as shown in the General Interrogatories, they are to be identified by placing one of the codes (identified in the Investment Schedules General Instructions located at the beginning of this section) in this column.

If the security is a Class One Bond Mutual Fund, an Exchange Traded Fund, a Principal STRIP bond or other zero coupon bond or a TBA (To Be Announced) security and is not under the exclusive control of the company, the "*", "#", "@" or "&" should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).

Column 4 – Foreign

Insert the appropriate code in the column based on the matrix provided in the Investment Schedules General Instructions.

Column 5 – Bond Characteristics

If bonds have one or more of the following characteristics, then list the appropriate number(s). If none of the characteristics apply, then leave the column blank.

1. Call Option.
2. Securities (exclude items reported in 1) where the issuer has the right to vary the timing of principal or coupon payments, for example, such mortgage-backed and sinking fund securities that do not have a fixed payment schedule.
3. Variable coupon securities, where the issuer has the right to vary the amount of periodic payments (include: equity-linked coupons, exclude: floating rate notes with an unleveraged coupon, linked directly to an interest rate index).
4. Terms that may result in principal (or initial investment) not being repaid in full (include: Catastrophe bonds, IOs).
5. Payments linked to foreign exchange rates (exclude: bonds simply denominated in a currency other than US dollars).
6. Securities where payments are determined by the performance of a credit other than that of the issuer (include: credit-linked notes).
7. Other types of options controlled by the issuer (exclude items reported in 1 – 6).

Column 6 – NAIC Designation

Insert the NAIC designation for such security printed in the *Valuation of Securities*. Any NAIC Designation that is not obtained from the current edition of the *Valuation of Securities* or its *Supplement* and that is entered by the insurer under its own judgment shall have the letter “Z” appended to the designation. For the meaning and applicability of suffixes and designations, please refer to the most recent version of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* **Part THREE, Section 1**.

For Class One Bond Mutual Funds and Exchange Traded Funds, enter 1.

Following is a matrix of the valid combinations of designations and suffixes for bonds.

1	2	3	4	5	6
				5*	6*
1F	2F	3F	4F	5F	6F
1FE	2FE	3FE	4FE	5FE	6FE
1Z	2Z	3Z	4Z	5Z	6Z
1Z*	2Z*	3Z*	4Z*	5Z*	6Z*

If the VOS datafile has a designation for a specific security, that designation must be reported in this column. If the VOS datafile does not provide a designation for a specific security, a “FE”, “Z” or “F” must follow the designation reported in this column.

Column 17 – Current Year’s Other Than Temporary Impairment Recognized

If the security has suffered an “other than temporary impairment,” this column should contain the amount of the direct writedown recognized. The amounts in this column are to be reported as realized capital losses in the Exhibit of Capital Gains/(Losses) and in the calculation of Net Income.

Column 18 – Total Change in Book/Adjusted Carrying Value

This column should equal the net of: Unrealized Valuation Increase/(Decrease) plus
 Current Year’s (Amortization)/Accretion minus
 Current Year’s Other Than Temporary Impairment Recognized.

This amount, plus any foreign exchange adjustment related to these amounts (reported in the Total Foreign Exchange Change in Book/Adjusted Carrying Value column), should represent the difference between the current reporting year’s Book/Adjusted Carrying Value and the prior year’s Book/Adjusted Carrying Value (excluding changes due to amounts reported in Schedule D, Parts 3, 4 and 5).

Column 19 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

This is a positive or negative amount that is defined as the portion of the total change in Book/Adjusted Carrying Value for the current year that is attributable to foreign exchange differences for a particular security. The amounts reported in this column should be included as net unrealized foreign exchange capital gain/(loss) in the Capital and Surplus Account (Page 4).

Column 20 – NAIC Designation

Insert the NAIC designation for such security printed in the *Valuation of Securities*. Include the market indicator A, J, K, L, U or V at the end of the NAIC designation. Any NAIC Designation that is not obtained from the current edition of the *Valuation of Securities* or its *Supplement* and that is entered by the insurer under its own judgment shall have the letter “FE”, “Z” or “F” appended to the designation. For the meaning and applicability of suffixes and designations, please refer to the most recent version of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office Part THREE, Section I*.

Following is a matrix of the valid combinations of codes for preferred stock.

P1A	P2A	P3A	P4A	P5A	P6A
				P5*A	P6*A
P1J	P2J	P3J	P4J	P5J	P6J
				P5*J	P6*J
P1K	P2K	P3K	P4K	P5K	P6K
				P5*K	P6*K
P1L	P2L	P3L	P4L	P5L	P6L
				P5*L	P6*L
P1U	P2U	P3U	P4U	P5U	P6U
				P5*U	P6*U
P1V	P2V	P3V	P4V	P5V	P6V
				P5*V	P6*V
P1AZ	P2AZ	P3AZ	P4AZ	P5AZ	P6AZ
P1AF	P2AF	P3AF	P4AF	P5AF	P6AF
P1AZ*	P2AZ*	P3AZ*	P4AZ*	P5AZ*	P6AZ*
P1JZ	P2JZ	P3JZ	P4JZ	P5JZ	P6JZ
P1JF	P2JF	P3JF	P4JF	P5JF	P6JF
P1JZ*	P2JZ*	P3JZ*	P4JZ*	P5JZ*	P6JZ*
P1KZ	P2KZ	P3KZ	P4KZ	P5KZ	P6KZ
P1KF	P2KF	P3KF	P4KF	P5KF	P6KF
P1KZ*	P2KZ*	P3KZ*	P4KZ*	P5KZ*	P6KZ*

P1LFE	P2LFE	P3LFE	P4LFE	P5LFE	P6LFE
P1LZ	P2LZ	P3LZ	P4LZ	P5LZ	P6LZ
P1LF	P2LF	P3LF	P4LF	P5LF	P6LF
P1LZ*	P2LZ*	P3LZ*	P4LZ*	P5LZ*	P6LZ*
P1UFE	P2UFE	P3UFE	P4UFE	P5UFE	P6UFE
P1UZ	P2UZ	P3UZ	P4UZ	P5UZ	P6UZ
P1UF	P2UF	P3UF	P4UF	P5UF	P6UF
P1UZ*	P2UZ*	P3UZ*	P4UZ*	P5UZ*	P6UZ*
P1VFE	P2VFE	P3VFE	P4VFE	P5VFE	P6VFE
P1VZ	P2VZ	P3VZ	P4VZ	P5VZ	P6VZ
P1VF	P2VF	P3VF	P4VF	P5VF	P6VF
P1VZ*	P2VZ*	P3VZ*	P4VZ*	P5VZ*	P6VZ*
RP1A	RP2A	RP3A	RP4A	RP5A	RP6A
				RP5*A	RP6*A
RP1J	RP2J	RP3J	RP4J	RP5J	RP6J
				RP5*J	RP6*J
RP1K	RP2K	RP3K	RP4K	RP5K	RP6K
				RP5*K	RP6*K
RP1L	RP2L	RP3L	RP4L	RP5L	RP6L
				RP5*L	RP6*L
RP1U	RP2U	RP3U	RP4U	RP5U	RP6U
				RP5*U	RP6*U
RP1V	RP2V	RP3V	RP4V	RP5V	RP6V
				RP5*V	RP6*V
RP1AZ	RP2AZ	RP3AZ	RP4AZ	RP5AZ	RP6AZ
RP1AF	RP2AF	RP3AF	RP4AF	RP5AF	RP6AF
RP1AZ*	RP2AZ*	RP3AZ*	RP4AZ*	RP5AZ*	RP6AZ*
RP1JZ	RP2JZ	RP3JZ	RP4JZ	RP5JZ	RP6JZ
RP1JF	RP2JF	RP3JF	RP4JF	RP5JF	RP6JF
RP1JZ*	RP2JZ*	RP3JZ*	RP4JZ*	RP5JZ*	RP6JZ*
RP1KZ	RP2KZ	RP3KZ	RP4KZ	RP5KZ	RP6KZ
RP1KF	RP2KF	RP3KF	RP4KF	RP5KF	RP6KF
RP1KZ*	RP2KZ*	RP3KZ*	RP4KZ*	RP5KZ*	RP6KZ*
RP1LFE	RP2LFE	RP3LFE	RP4LFE	RP5LFE	RP6LFE
RP1LZ	RP2LZ	RP3LZ	RP4LZ	RP5LZ	RP6LZ
RP1LF	RP2LF	RP3LF	RP4LF	RP5LF	RP6LF
RP1LZ*	RP2LZ*	RP3LZ*	RP4LZ*	RP5LZ*	RP6LZ*
RP1UFE	RP2UFE	RP3UFE	RP4UFE	RP5UFE	RP6UFE
RP1UZ	RP2UZ	RP3UZ	RP4UZ	RP5UZ	RP6UZ
RP1UF	RP2UF	RP3UF	RP4UF	RP5UF	RP6UF
RP1UZ*	RP2UZ*	RP3UZ*	RP4UZ*	RP5UZ*	RP6UZ*
RP1VFE	RP2VFE	RP3VFE	RP4VFE	RP5VFE	RP6VFE
RP1VZ	RP2VZ	RP3VZ	RP4VZ	RP5VZ	RP6VZ
RP1VF	RP2VF	RP3VF	RP4VF	RP5VF	RP6VF
RP1VZ*	RP2VZ*	RP3VZ*	RP4VZ*	RP5VZ*	RP6VZ*

Column 21 – Date Acquired

For public placements use trade date, not settlement date. For private placements, use funding date. Each issue of stocks acquired at public offerings on more than one date may be totaled on one line and the date of last acquisition inserted.

Column 17 – NAIC Market Indicator

Insert the NAIC market indicator for such security printed in the *Valuation of Securities*. If this market indicator is not available, the insurer should include a market indicator of “A”, “J”, “K”, “L”, “U” or “V” as appropriate. For the meaning and applicability of suffixes and designations, please refer to the most recent version of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office Part THREE, Section 1*.

Following is a listing of the valid codes for common stock.

A	J	K	L	U	V
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Column 18 – Date Acquired

For public placements use trade date, not settlement date. For private placements, use funding date. Each issue of stocks acquired at public offerings on more than one date may be totaled on one line and the date of last acquisition inserted.

**** Column 19 and 20 will be electronic only ****

Column 19 – Method Used to Obtain Fair Value Code

Whenever possible, fair value should represent the price at which the security could be sold, based on market information. Fair value should only be determined analytically when the market based value cannot be obtained.

Insert the code for the method used by the insurer to determine the Rate Per Share Used to Obtain Fair Value. Following is a listing of the valid method indicators for stocks:

“a” for securities where the rate is determined by a pricing service.

“b” for securities where the rate is determined by a stock exchange.

“c” for securities where the rate is determined by a broker or custodian. The insurer should obtain and maintain the pricing policy for any broker or custodian used as a pricing source. In addition, the broker must either be approved by the insurer as a counterparty for buying and selling securities or be an underwriter of the security being valued.

“d” for securities where the rate is determined by the insurer. The insurer is required to maintain a record of the pricing methodology used.

“e” for securities where the rate is determined by the unit price published in the NAIC *Valuation of Securities*.

Column 20 – Source Used to Obtain Fair Value

For Method Code “a” identify the specific pricing service used.

For Method Code “b” identify the specific stock exchange used.

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

www.fixprotocol.org/specifications/exchanges.shtml

For Method Code “c” identify the specific broker or custodian used.

For Method Code “d” leave blank.

For Method Code “e” leave blank.

SCHEDULE D – PART 3

LONG-TERM BONDS AND STOCKS ACQUIRED DURING CURRENT YEAR

This schedule should include a detailed listing of all securities that were purchased/acquired during the current reporting year that are still owned as of the end of the current reporting year (amounts purchased and sold during the current reporting year are reported in detail on Schedule D, Part 5 and only in subtotal in Schedule D, Part 3). This should include all transactions that adjust the cost basis of the securities. Thus, it should not be used for allocations of TBAs to specific pools subsequent to initial recording in Schedule D, Part 3 or other situations such as CUSIP number changes. The following list of items provides examples of the items that should be included:

Purchases of securities not previously owned;

Subsequent purchases of investment issues already owned;

Acquisition of a new stock through a stock dividend (e.g., spin off); and

Any increases in the investments in SCA companies that adjust the cost basis (e.g., subsequent capital infusions [investments] in SCA companies valued using the equity method).

This schedule should NOT be used for stock splits to show increases in the number of shares; nor should it be used for stock dividends to show increases in the number of shares (unless the stock shares received as dividends are in a stock that is not already owned by the insurer – e.g., received in a spin off). Rather, for stock splits and stock dividends of an already owned stock, adjustments for the appropriate columns should be made in Schedule D, Part 2, Section 1 and in Schedule D, Part 2, Section 2.

Bonds, preferred stocks and common stocks are to be grouped separately, showing a subtotal for each category.

Class One Bond Mutual Funds and Exchange Traded Funds, which are described in the Investment Schedules General Instructions, are to be included in Industrial and Miscellaneous (Unaffiliated).

Bonds are to be grouped as listed below and each category arranged alphabetically (securities included in U.S. States, Territories and Possessions; U.S. Political Subdivisions of States, Territories and Possessions; and U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions should be listed with a state abbreviation in the column provided for electronic data capture).

If an insurer has any detail lines reported for any of the following required categories or subcategories, it shall report the subtotal amount of the corresponding category or subcategory, with the specified subtotal line number appearing in the same manner and location as the pre-printed total or grand total line and number:

<u>Category</u>	<u>Line Number</u>
Bonds:	
U.S. Governments	0399999
All Other Governments	1099999
U.S. States, Territories and Possessions (Direct and Guaranteed).....	1799999
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed).....	2499999
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	3199999
Industrial and Miscellaneous (Unaffiliated)	3899999
Credit Tenant Loans	4199999
Hybrid Securities	4899999
Parent, Subsidiaries, and Affiliates.....	5599999
Subtotals – Bonds – Part 3.....	8399997
Summary item from Part 5 for Bonds.....	8399998
Subtotals – Bonds.....	8399999

Column 1 – CUSIP Identification

All CUSIP/PPN/CINS numbers must conform to those published by the Securities Valuation Office (SVO). CUSIP numbers for all purchased publicly issued securities are available from the broker's confirmation or the certificate and will be identical to those used by the SVO. For private placement securities, the NAIC has created a special number called a PPN to be assigned by the Standard and Poor's CUSIP Bureau. For foreign securities, use a CINS that is assigned by the Standard and Poor's CUSIP Bureau.

NAIC numbers for privately placed (unregistered) securities (PPNs) owned prior to December 31, 1988, were made available to all insurers by the SVO in a special publication in early 1989 and are published in the December 31, 1989, and all subsequent versions of the *Valuation of Securities*. Number assignments for privately issued securities purchased subsequent to December 31, 1988, will be made by a special NAIC facility at the Standard and Poor's CUSIP Bureau. Call the SVO for details. Such a number must be obtained and provided to the SVO before any privately issued security can be listed in the *Valuation of Securities*.

Column 2 – Description

List the preferred and common stocks for each subsidiary, controlled, or affiliated (SCA) company, as defined in the General section of these instructions.

Column 3 – Foreign

Insert the appropriate code in the column based on the matrix provided in the Investment Schedules General Instructions.

Column 5 – NAIC Valuation Method

Include the NAIC valuation method as detailed in **Part FIVE, Section 4** of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*.

Use the following codes to indicate a specific valuation method:

<u>CODE</u>	<u>Valuation Method</u>
3i	Market Value
3ii A	Investment in US Insurance Company SCAs
3ii B	Investments in non-insurance SCA Entities Statutory Basis
3ii C	Investments in non-insurance SCA Entities GAAP Basis
3ii D	Investments in Foreign Insurance Company SCA Entities
3ii E	Investments in Foreign non-insurance SCA Entities
3ii F	Investments in Preferred Stock of an SCA

Any NAIC Valuation Method which has not been approved by the filing of a SUB 1 form with the NAIC Securities Valuation Office and which is entered by the insurer under its own judgment shall have the letter "Z" appended to the method designation.

Column 6 – Do Insurer’s Assets Include Intangible Assets Connected with Holding of Such Company’s Stock?

State whether the assets shown by the insurer in this statement include, through the carrying value of stock of the SCA Company valued under the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, intangible assets arising out of the purchase of such stock by the insurer or the purchase by the SCA Company of the stock of a lower-tier company controlled by the SCA Company. For purposes of this question, intangible assets at purchase shall be defined as the excess of the purchase price over the tangible net worth (total assets less intangible assets and total liabilities) represented by such shares as recorded, immediately prior to the date of purchase, on the books of the company whose stock was purchased.

Column 7 – Total Amount of Such Intangible Assets

If the answer in Column 6 is “Yes,” give the total amount of intangible assets involved whether admitted or nonadmitted. The intangible assets shown for the SCA Company should include any intangible assets that are included in the SCA Company’s carrying value of the stock of one or more lower-tier companies controlled by the SCA Company. In all cases, the current intangible assets equal the intangible assets at purchase, as defined above, minus any writeoff thereof between the date of purchase and the statement date. If any portion of the total amount of intangible assets is required to be nonadmitted for all SCA companies combined in accordance with SSAP No. 88, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 46 and SSAP No. 68, Business Combinations and Goodwill, state the total amount nonadmitted in the footnote at the bottom of the this section of the schedule.

Columns 9 and 10 – Stock of Such Company Owned by Insurer on Statement Date

State the number of shares of stock of the SCA Company owned by the insurer on the statement date and the percent owned of the outstanding shares of the same class.

SCHEDULE DA – PART 1

SHORT-TERM INVESTMENTS OWNED DECEMBER 31 OF CURRENT YEAR

Include all investments whose maturities (or repurchase dates under repurchase agreement) at the time of acquisition were one year or less except those defined as cash or cash equivalents in accordance with SSAP No. 2, Cash, Drafts, and Short-term Investments. All short-term investments owned at December 31 of current year should be separated into bonds, mortgage loans, exempt money market funds, class one money market mutual funds, other short-term invested assets and investments in parent, subsidiaries and affiliates. Within each category, investments should be arranged alphabetically.

Refer to SSAP No. 23 Foreign Currency Transactions and Translations, for accounting guidance related to foreign currency transactions and translations.

If an insurer has any detail lines reported for any of the following required categories or subcategories, it shall report the subtotal amounts of the corresponding category or subcategory with the specified subtotal line number appearing in the same manner and location as the pre-printed total or grand total line and number:

<u>Category</u>	<u>Line Number</u>
Bonds:	
U.S. Governments	
Issuer Obligations	0199999
Single Class Mortgage-Backed/Asset-Backed Securities.....	0299999
Subtotals – U.S. Governments	0399999
All Other Governments	
Issuer Obligations	0499999
Single Class Mortgage-Backed/Asset-Backed Securities.....	0599999
Defined Multi-Class Residential Mortgage-Backed Securities	0699999
Other Multi-Class Residential Mortgage-Backed Securities.....	0799999
Defined Multi-Class Commercial Mortgage-Backed Securities	0899999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	0999999
Subtotals – All Other Governments	1099999
U.S. States, Territories and Possessions (Direct and Guaranteed)	
Issuer Obligations	1199999
Single Class Mortgage-Backed/Asset-Backed Securities.....	1299999
Defined Multi-Class Residential Mortgage-Backed Securities	1399999
Other Multi-Class Residential Mortgage-Backed Securities.....	1499999
Defined Multi-Class Commercial Mortgage-Backed Securities	1599999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	1699999
Subtotals – U.S. States, Territories and Possessions (Direct and Guaranteed).....	1799999
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	
Issuer Obligations	1899999
Single Class Mortgage-Backed/Asset-Backed Securities.....	1999999
Defined Multi-Class Residential Mortgage-Backed Securities	2099999
Other Multi-Class Residential Mortgage-Backed Securities.....	2199999
Defined Multi-Class Commercial Mortgage-Backed Securities	2299999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	2399999
Subtotals – U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed).....	2499999
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	
Issuer Obligations	2599999
Single Class Mortgage-Backed/Asset-Backed Securities.....	2699999
Defined Multi-Class Residential Mortgage-Backed Securities	2799999
Other Multi-Class Residential Mortgage-Backed Securities	2899999
Defined Multi-Class Commercial Mortgage-Backed Securities	2999999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	3099999
Subtotals – U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	3199999

Industrial and Miscellaneous (Unaffiliated)	
Issuer Obligations	3299999
Single Class Mortgage-Backed/Asset-Backed Securities.....	3399999
Defined Multi-Class Residential Mortgage-Backed Securities	3499999
Other Multi-Class Residential Mortgage-Backed Securities.....	3599999
Defined Multi-Class Commercial Mortgage-Backed Securities	3699999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	3799999
Subtotals – Industrial and Miscellaneous (Unaffiliated)	3899999
Credit Tenant Loans	
Issuer Obligations	3999999
Single Class Mortgage-Backed Securities.....	4099999
Subtotals – Credit Tenant Loans	4199999
Hybrid Securities	
Issuer Obligations	4299999
Single Class Mortgage-Backed/Asset-Backed Securities.....	4399999
Defined Multi-Class Residential Mortgage-Backed Securities	4499999
Other Multi-Class Residential Mortgage-Backed Securities.....	4599999
Defined Multi-Class Commercial Mortgage-Backed Securities	4699999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	4799999
Subtotals – Hybrid Securities.....	4899999
Parent, Subsidiaries and Affiliates Bonds	
Issuer Obligations	4999999
Single Class Mortgage-Backed/Asset-Backed Securities.....	5099999
Defined Multi-Class Residential Mortgage-Backed Securities	5199999
Other Multi-Class Residential Mortgage-Backed Securities	5299999
Defined Multi-Class Commercial Mortgage-Backed Securities	5399999
Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	5499999
Subtotals – Parent, Subsidiaries and Affiliates Bonds.....	5599999
Total Bonds	
Subtotals – Issuer Obligations.....	7799999
Subtotals – Single Class Mortgage-Backed/Asset-Backed Securities	7899999
Subtotals – Defined Multi-Class Residential Mortgage-Backed Securities	7999999
Subtotals – Other Multi-Class Residential Mortgage-Backed Securities	8099999
Subtotals – Defined Multi-Class Commercial Mortgage-Backed Securities.....	8199999
Subtotals – Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities	8299999
Subtotals – Bonds.....	8399999
Parent, Subsidiaries and Affiliates	
Mortgage Loans	8499999
Other Short-Term Invested Assets	8599999
Subtotals – Parent, Subsidiaries and Affiliates.....	8699999
Mortgage Loans	8799999
Exempt Money Market Mutual Funds	8899999
Class One Money Market Mutual Funds	8999999
Other Short-Term Invested Assets	9099999
Total Short-Term Investments	9199999

A money market fund shall be reported in this schedule as an Exempt Money Market Mutual Fund if such money market fund meets all of the conditions found in [Part SIX, Section 2\(b\)\(i\)](#) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, which are as follows: (1) the fund shall invest 100% of its total assets in U.S. Treasury bills, notes, bonds, and collateralized repurchase agreements comprised of those obligations at all times; (2) the fund shall maintain an AAA, rating from Standard and Poor’s or an Aaa rating from Moody’s Investor’s Services; (3) the fund shall maintain a constant net asset value per share at all times; and (4) the fund shall allow a maximum of seven day redemption of proceeds.

A money market fund shall also be reported in this schedule as an Exempt Money Market Mutual Fund if such money market fund meets all of the following conditions: (1) the fund shall invest its total assets in U.S. Government Bonds (see Investment Schedules General Instructions) and collateralized repurchase agreements comprised of those securities at all times; (2) the fund shall maintain an AAA Rating from Standard and Poor's or an Aaa rating from Moody's Investor's Services; (3) the fund shall maintain a constant net asset value per share at all times; and (4) the fund shall allow a maximum of seven day redemption of proceeds.

A money market fund shall be reported in this schedule as a Class One Money Market Mutual Fund if such money market fund meets all of the conditions found in **Part SIX, Section 2(b)(ii)** of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, which are as follows:

1. The fund shall invest at least 95% of its total assets in U.S. Government Bonds (see Investment Schedules General Instructions), short-term debt instruments with a maturity of 397 days or less, class one bonds, and collateralized repurchase agreements comprised of those securities at all times; (2) the fund shall maintain a rating of A or better from the Standard and Poor's or a rating of A or better from Moody's Investor's Services; (3) the fund shall maintain a constant net asset value per share at all times; and (4) the fund shall allow a maximum of seven day redemption of proceeds.

Investments in parent, subsidiaries and affiliates should be segregated into bonds, mortgage loans and other short-term investment assets.

Column 1 – CUSIP Identification

All CUSIP numbers entered in this column must conform to those as published in the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, **Part SIX, Sections 2(f) and (g)**.

CUSIP identification is **required and valid only** for Exempt Money Market Mutual Funds (Line 8899999) and Class one Money Market Mutual Funds (Line 8999999).

Column 2 – Description

Give a complete and accurate description of all bonds, including identifying the kind of investment vehicle if other than short-term bond. Identify "repos" in Column 1; and for "repos," show repurchase date. For collateral loans, the type of securities held and fair value of the securities should be included in the description.

Column 3 – Code

Enter "@" in this column for all Principal STRIP Bonds or other zero coupon bonds.

If short-term investments are not under the exclusive control of the company as shown in the General Interrogatories, they are to be identified by placing one of the codes (identified in the Investment Schedules General Instructions located at the beginning of this section) in this column.

If the security is a Principal STRIP bond or other zero coupon bond and is not under the exclusive control of the company, the "@" should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).

Column 4 – Foreign

Insert the appropriate code in the column based on the matrix provided in the Investment Schedules General Instructions.

- | Column 5 – Date Acquired
- For public placements use trade date, not settlement date. For private placements, use funding date. Insurers may total on one line each issue of bonds or stocks acquired at public offerings on more than one date and insert the date of last acquisition.
- For Exempt and Class One Money Market Mutual Funds, enter date of last purchase.
- | Column 6 – Name of Vendor
- Insurers may total on one line purchases of various issues of the same issuer of short-term investments and insert the word “various.”
- | Column 7 – Maturity Date
- Insurers may total on one line purchases of various issues of the same issuer of short-term investments and insert the appropriate maturity date.
- | Column 8 – Book/Adjusted Carrying Value
- This should be the amortized value or the lower of amortized value or fair value, as appropriate (and adjusted for any other than temporary impairment), as of the end of the current reporting year.
- Include: The original cost of acquiring the investment, including brokerage and other related fees, to the extent they do not exceed the fair market value at the date of acquisition.
- Amortization of premium or accrual of discount, but not including any accrued interest or dividends paid thereon.
- Amortization of deferred origination and commitment fees.
- Deduct: A direct write-down for a decline in the fair value that is other than temporary.
- Exclude: All other costs, including internal costs or costs paid to an affiliated reporting entity related to origination, purchase or commitment to purchase, are charged to expense when incurred. Cost should also be reduced by payments attributed to the recovery of cost.
- Accrued interest or dividends.
- The amount reported in this column should equal:
- | | | |
|-------|---|---------------------------------------|
| | Actual Cost | |
| plus | Unrealized Valuation Increase (Decrease) | Total in Book/Adjusted Carrying Value |
| plus | Current Year’s (Amortization)/Accretion | |
| minus | Current Year’s Other Than Temporary Impairment Recognized | |
| plus | Total Foreign Exchange Change in Book/Adjusted Carrying Value | |
| plus | Changes due to acquisitions or disposals. | |
- | Column 9 – Unrealized Valuation Increase (Decrease)
- The total unrealized valuation increase (decrease) for a specific security will be the change in Book/Adjusted Carrying Value that is due to carrying or having carried (in the previous year) the security at Fair Value.
- These amounts are to be reported as unrealized capital gains (losses) in the Exhibit of Capital Gains (Losses) and in the Capital and Surplus Account.

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

This set of Supplemental Interrogatories is to assist regulators in identifying and analyzing the risks inherent in the entity's investment portfolio. The Supplemental Investment Risks Interrogatories apply only to general account assets. These lines were determined based upon the investment categories contained in the NAIC Statutory Statement and considered as invested assets. The reported amounts are to be consistent with net admitted amounts reported by the entity in the statement and supporting schedules, not on a consolidated basis. Compute the percentage calculations by dividing the reported amount by the total admitted assets reported in Line 1 of the Interrogatories unless otherwise indicated. It is recommended that the first step in responding to this set of Interrogatories is for the person preparing this document to read through the Interrogatories to gain an understanding of the reporting requirements.

All reporting entities must answer interrogatories 1 through 4, 11 through 16, 18, 19 and, if applicable 20 through 23. Answer each Interrogatory 5 through 10 only if the reporting entity's aggregate holdings in foreign investments as addressed in Interrogatory 4 equals or exceeds 2.5% of the reporting entity's total admitted assets. Answer Interrogatory 17 only if the reporting entity's aggregate holdings in mortgage loans as addressed in Interrogatory 16 equals or exceeds 2.5% of the reporting entity's total admitted assets. For Life and Fraternal blanks, responses are to exclude Separate Accounts. For the Property Casualty blank, responses are to exclude Protected Cell Accounts.

The following definitions apply to interrogatories 4 through 10, unless otherwise defined by state statute.

Foreign investment: An investment in a foreign jurisdiction, or an investment in a person, real estate or asset domiciled in a foreign jurisdiction. An investment shall not be deemed to be foreign if the issuing person, qualified primary credit source or qualified guarantor is a domestic jurisdiction or a person domiciled in a domestic jurisdiction, unless:

- (a) The issuing person is a shell business entity; and
- (b) The investment is not assumed, accepted, guaranteed or insured or otherwise backed by a domestic jurisdiction or a person, that is not a shell business entity, domiciled in a domestic jurisdiction.

Domestic jurisdiction: The United States, Canada, any state, any province of Canada or any political subdivision of any of the foregoing.

Foreign jurisdiction: A jurisdiction other than a domestic jurisdiction.

Shell business entity: A business entity having no economic substance, except as a vehicle for owning interests in assets issued, owned or previously owned by a person domiciled in a foreign jurisdiction.

Qualified guarantor: A guarantor against which an insurer has a direct claim for full and timely payment, evidenced by a contractual right for which an enforcement action can be brought in a domestic jurisdiction.

Qualified primary credit source: The credit source to which an insurer looks for payment as to an investment and against which an insurer has a direct claim for full and timely payment, evidenced by a contractual right for which an enforcement action can be brought in a domestic jurisdiction.

Line 1 – Report the reporting entity's total admitted assets as reported on Page 2 of the annual statement.

Report the total net admitted assets for the current year, Page 2, Assets, Column 3, excluding Separate Account, Protected Cell or Segregated Account business.

Line 2 – Report the single 10 largest exposures to a single issuer/borrower/investment.

Excluding: U.S. government securities (Part SIX, Section 2(e)), U. S. government agency securities (Part SIX, Section 2(e)), those U. S. Government money market funds (Part SIX, Section 2(f)) listed in the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* as exempt; property occupied by the company; and policy loans.

Determine the ten largest exposures by first, aggregating investments from all investment categories (except the excluded categories) by issuer. The first six digits of the CUSIP number can be used as a starting point; however, please note that the same issuer may have more than one unique series of the first six digits of the CUSIP. For example, the reporting entity owns bonds issued by the XYZ Company of \$500,000 and common stock of the XYZ Company of \$600,000. In addition the reporting entity has a mortgage loan to the XYZ Company of \$300,000. The total exposure to Issuer XYZ Company is \$1.4 million (\$500,000+\$600,000+\$300,000).

In Column 2, list the categories of securities that are included in the total for each issuer (e.g., bonds, mortgage loans, etc.)

Line 3 – Report by NAIC rating, the amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks.

Report the total amount for each subcategory. The amounts reported in the bond subcategories should be consistent with the amounts reported in Schedule D, Part 1A, Section 1, Column 6, Lines 10.1 – 10.6.

Line 4 – Report the amounts and percentages of the reporting entity's total admitted assets held in foreign investments (regardless of whether there is any foreign currency exposure) and unhedged foreign currency exposure.

Line 4.02 – Report the aggregate amount of foreign investments as determined by the rules or statutes of the state of domicile (regardless of whether there is any foreign currency exposure).

Line 4.03 – Report the portion of the aggregate amount of foreign investments that supports insurance liabilities denominated in that same foreign currency.

The amount reported in 4.03 should be included in all answers to Lines 5 through 10.

Line 4.04 – Report the amount of the insurance liabilities associated with the investments reported in 4.03 and that are denominated in the same currency.

Lines 5-10 should be answered only if the reporting entity's aggregate foreign investments exceed 2.5% of total admitted assets (response to 4.01 is no). The NAIC ratings for Lines 5, 6, 8, and 9 relate to Country ratings, not investment ratings. If the country does not have a rating, include the investment in the NAIC-3 or below category.

Line 5 – Report the aggregate foreign investment exposure (regardless of currency exposure) categorized by the country's NAIC sovereign rating. Aggregate foreign investments first by foreign jurisdiction and then by NAIC sovereign rating.

The sovereign ratings are available on the NAIC Web site.

Line 6 – Within each of the following three categories of NAIC Country Sovereign ratings, which are available on the NAIC Web site (1, 2, & 3 or below), identify the two countries in which the company has its largest aggregate foreign investment exposures (regardless of currency exposure), and report the dollar value and percentage of company investments issued within each of those countries.

- Line 8 – Report the aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating. Aggregate unhedged foreign currency exposures first by foreign jurisdiction and then by NAIC sovereign rating.
- The sovereign ratings are available on the NAIC Web site.
- Line 9 – Within each of the following three categories of NAIC Country Sovereign ratings, which are available on the NAIC Web site (1, 2, & 3 or below), identify the two countries in which the company has its largest aggregate unhedged foreign currency exposures, and report the dollar value and percentage of company investments issued within each of those countries.
- Line 10 – Report the 10 largest non-sovereign (i.e. non-governmental) exposures to a foreign issuer/borrower/investment.
- Determine the ten largest foreign exposures by first aggregating investments from all foreign investment categories by issuer. See example in Line 2. If an investment does not have an NAIC rating, indicate the investment category, e.g., mortgage loan, in the NAIC Rating column after first indicating any available NAIC ratings for that issuer/borrower.
- Line 11 – Report the amounts and percentages of the reporting entity’s total admitted assets held in Canadian investments, including Canadian-currency denominated investments, Canadian insurance liabilities (“Canadian Investments”) and unhedged Canadian currency exposure.
- Line 11.03 – Report the aggregate amount of Canadian Investments that support insurance liabilities denominated in Canadian currency.
- The amount listed in Line 11.03 should be included in all answers to Line 11.
- Line 11.04 – Report the aggregate amount of the insurance liabilities associated with the investments reported in Line 11.03.
- Line 11.05 – Unhedged Canadian Currency Exposure
- If the reporting entity’s aggregate Canadian investments exceed 2.5% of total admitted assets, answer this question.
- Line 12 – Report the aggregate amounts and percentages of the reporting entity’s total admitted assets held in investments with contractual sales restrictions (defined as investments having restrictions that prevent investment from being sold within 90 days).
- Line 12.02 – The aggregate amount reported in this line is limited to investments with contractual restrictions. It does not include, for instance, investments that have procedural requirements to be met prior to sale or internal company restrictions.
- Line 13.02 through 13.11 – Report the amounts and percentages of admitted assets held in the ten largest equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities (including Schedule BA equity interests), and excluding money market and bond mutual funds listed in [Part SIX Sections 2\(f\) and \(g\)](#) of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* as exempt or Class 1).
- Determine the ten largest equity interests by first aggregating investments included in this line by issuer. For example, the reporting entity owns preferred stock of the XYZ Company of \$600,000 and common stock of the XYZ Company of \$300,000. The total is \$900,000 (\$600,000+\$300,000). The reporting entity also owns bonds issued by the XYZ Company of \$500,000 that are excluded from this calculation because bonds are debt instruments. Other equity securities include partnerships and Limited Liability Companies (LLC) and any other investments reported in Schedule BA classified as equity.

- Line 14 – Report the amounts and percentages of the reporting entity’s total admitted assets held in nonaffiliated, privately placed equities (included in other equity securities) and excluding securities eligible for sale under Securities Exchange Commission (SEC) Rule 144a or SEC Rule 144 without volume restrictions.
- Line 14.02 – The amount reported in this line is a subset of the Line 14 amount, but excludes any public securities, any affiliated equity interests and any securities that can be sold under SEC Rule 144 or under Rule 144a without any volume restrictions.
- Line 15 – Report the amounts and percentages of the reporting entity’s total admitted assets held in general partnership interests (included in other equity securities).
- Line 15.02 – Report the aggregate amount of all general partnership interests reported in Schedule BA. The amount excludes limited partnership interests or any LLC investments.
- Lines 15.03 through 15.05 – Report the details of the three largest general partnership interests if the aggregate amount reported in Interrogatory 15.01 exceeds 2.5% of admitted assets.
- Line 16 – With respect to mortgage loans reported in Schedule B, report the amounts and percentages of the reporting entity’s total admitted assets.
- Line 16.02 through 16.11 – The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties.
- Report the details of the ten largest mortgage interests if the aggregate amount exceeds 2.5% of admitted assets.
- The amounts reported in 16.13, 16.14 and 16.16 should be consistent with the corresponding subtotals reported in Column 8 of Schedule B, Part 1.
- Line 17 – Report the aggregate mortgage loans having the indicated loan-to-value ratios as determined from the most current appraisal as of the annual statement date.
- Line 17.01 through 17.05 – For each mortgage loan, determine its loan-to-value ratio and assign it to one of the five loan-to-value categories, separated into residential, commercial or agricultural. Aggregate the amounts for each category and calculate the percent of admitted assets.
- Line 18.02 through 18.06 – Report the amounts and percentages of the reporting entity’s total admitted assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A, excluding property occupied by the company, if the aggregate amount reported in Interrogatory 18.01 exceeds 2.5% of admitted assets.
- Line 19 – Report the amounts and percentages of potential exposure (defined as the amount determined in accordance with the *Annual Statement Instructions*) for mezzanine real estate loans.
- Line 19.01 – If the response is yes, the reporting entity need not complete the remainder of Interrogatory 19.
- Line 20 – Report the amounts and percentages of the reporting entity’s total admitted assets subject to securities lending agreements, repurchase agreements, reverse repurchase agreements, dollar repurchase agreements and dollar reverse repurchase agreements.
- Line 20.01 through 20.05 – Report the aggregate amount for each category at yearend and at the end of each quarter. Calculate the percentage of admitted assets at yearend.