

2009 NAIC QUARTERLY STATEMENT INSTRUCTIONS - HEALTH

DEC 2008 REVISIONS

PAGE 24: **STATEMENT OF REVENUE AND EXPENSES**
Revision: Modify instruction for Details of Write-ins Aggregated at Line 7
Reason: Clarify that it is non-premium amounts

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.

- Line 13 – Prescription Drugs
- Include: Expenses for Prescription Drugs and other pharmacy benefits covered by the reporting entity.
- Deduct: Pharmaceutical rebates relating to insured plans.
- Exclude: Prescription drug charges that are included in a hospital billing, which should be classified as Hospital/Medical Benefits on Line 9.
- Line 14 – Aggregate Write-ins for Other Hospital and Medical
- Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 14 for Other Medical and Hospital.
- Line 15 – Incentive Pool, Withhold Adjustments and Bonus Amounts
- This category is for adjusting the full medical expenses reported by means of both debit and credit entries. For example, report physician withholds forfeited to the reporting entity as a credit entry. Report amounts incurred due to an arrangement whereby the reporting entity agrees to utilization savings with a provider as a debit entry.
- Line 17 – Net Reinsurance Recoveries
- Amounts recovered and recoverable from reinsurers on paid losses.
- Include: Amounts related to assumed and ceded business.
- Line 19 – Non-Health Claims (net)
- Include: Claims for life or property/casualty insurance, net of reinsurance.
- Line 20 – Claims Adjustment Expenses, Including \$_____ Cost Containment Expenses
- All expenses incurred in connection with the recording, adjustment and settlement of claims
- Cost Containment Expenses and Other Claim Adjustment Expenses have been defined in SSAP No. 85. Refer to SSAP No. 85 for accounting guidance.
- Line 21 – General Administrative Expenses
- Refer to SSAP No. 70, Allocation of Expenses, for accounting guidance.
- Exclude: All expenses related to cost containment activities in accordance with SSAP No. 85. SSAP No. 85, Claim Adjustment Expenses, Amendments to SSAP No. 55, Unpaid Claims, Losses and Adjustment Expenses.
- Line 22 – Increase in Reserves for Life and Accident and Health Contracts (including \$_____ increase in reserves for life only)
- Include: Increase in policy reserves.
- Change in premium deficiency reserve.

- Line 25 – Net Investment Income Earned
- Include: Investment income earned from all forms of investments, including investment fees earned relating to uninsured plans.
- Dividends from subsidiary controlled and affiliated (SCA) entities, joint ventures, partnerships and limited liability companies less investment expenses, taxes (excluding federal income taxes), licenses, fees, depreciation on real estate and other invested assets.
- Investment income credited to uninsured plans.
- Interest on borrowed money.
- Exclude: Capital gains and losses on investments.
- Equity in undistributed income or loss of SCA entities, joint ventures, partnerships and limited liability companies.
- Line 26 – Net Realized Capital Gains (Losses) Less Capital Gains Tax of \$ _____
- Include: Realized investment-related foreign exchange gains/losses.
- Exclude: Unrealized capital gains/losses.
- Line 28 – Net Gain or (Loss) from Agents' or Premium Balances Charged Off
- Include: Agents' or premium balances determined to be uncollectible and written off as losses. Also include recoveries during the current year on balances previously written off.
- Line 29 – Aggregate Write-ins for Other Income or Expenses
- Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 29 for Other Income or Expenses.
- Line 31 – Federal and Foreign Income Taxes Incurred
- Include: Current year provisions for federal and foreign income taxes, and federal and foreign income taxes incurred or refunded during the period relating to prior periods.
- Line 32 – Net Income (Loss)
- Excess or deficiency of total revenues over total expenses adjusted for extraordinary items and less federal taxes for period.

Detail of Write-ins Aggregated at Line 6 for Other Health Care Related Revenues

Include: Revenue from sources not covered in the other revenue accounts.

Detail of Write-ins Aggregated at Line 7 for Other Non-Health Revenues

Include: Revenue from life and property/casualty business (non-premium amounts).

Gains/losses on fixed assets.