2014 NAIC QUARTERLY STATEMENT INSTRUCTIONS – TITLE

DEC 2013 REVISIONS

PAGE 40: NOTES TO FINANCIAL STATEMENTS
Revision: Add Working Capital Finance Investments to list of required quarterly disclosures

PAGE 43: NOTES TO FINANCIAL STATEMENTS
Revision: Modify the instruction for Note 5D(3)
Reason: SAPWG modified the disclosure language

PAGE 43 & 45: NOTES TO FINANCIAL STATEMENTS
Revision: Add disclosure to Note 5 for Working Capital Finance Investments

PAGE 118 & 119: SCHEDULE BA – GENERAL INSTRUCTIONS
Revision: Correct reference to Mortgage Obligations in the category line definitions
Reason: Mortgage Loans now have their own lines.

PAGE 121: SCHEDULE BA – GENERAL INSTRUCTIONS
Revision: Add SSAP No. reference to Working Capital Finance category line instructions.
Reason: SAPWG adopted SSAP No. 105 in December 2013

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.
Reconcile Change in Accounting:

Capital and Surplus Account (Page 4) Line 25 of current year-to-date

Allocate all amounts due to change in accounting to the appropriate section of the worksheet

Supplemental Disclosure of Non-cash Transactions

Report the amount of non-cash investing and financing transactions consistent with the classifications contained on the Assets and Liabilities, Surplus and Other Funds (all except Health) Liabilities, Capital and Surplus (Health) page of the financial statement excluding amounts associated with policy or contract loans. Refer to SSAP No. 69, Statement of Cash Flows, for accounting guidance.

Examples of non-cash investing and financing transactions include:

- Converting debt to equity;
- Acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; and
- Exchanging non-cash assets or liabilities for other non-cash assets or liabilities.

Illustration:

The Company reported the following non-cash investing and financing activities in 20___:

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.0001. Real estate acquired in satisfaction of debt</td>
<td>XXX</td>
</tr>
<tr>
<td>20.0002. Bonds &amp; stocks acquired in a business acquisition</td>
<td>XXX</td>
</tr>
<tr>
<td>20.0003. Policy reserves acquired in a business acquisition</td>
<td>XXX</td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENTS

The interim financial information shall include disclosures sufficient to make the information presented not misleading. It may be presumed that the users of the interim financial information have read or have access to the annual statement for the preceding period and that the adequacy of additional disclosure needed for a fair presentation, except in regard to material contingencies, may be determined in that context. Accordingly, footnote disclosure that would substantially duplicate the disclosure contained in the most recent annual statement or audited financial statements, such as a statement of significant accounting policies and practices, details of accounts that have not changed significantly in amount or composition since the end of the most recently completed fiscal year, may be omitted but the footnote number and annotation such as “no change” should be included. However, provide disclosure for annual Note 1A, 5D, 5E(3)b, 5I(2), 5I(3), 11B, 12A(4), 17B(2)b, 17B(4)a, 17B(4)b, 17C, 20, 21G and 25 in all quarters; and all other Notes where events subsequent to the end of the most recent fiscal year have occurred that have a material impact on the reporting entity. Disclosures shall encompass, for example, significant changes since the end of the period reported on the last annual statement in such items as statutory accounting principles and practices; estimates inherent in the preparation of financial statements; status of long term contracts; capitalization including significant new borrowings or modifications of existing financial arrangements; and the reporting entity resulting from business combinations or dispositions. Notwithstanding the above, where material noninsurance contingencies exist, disclosure of such matters shall be provided even though a significant change since year-end may not have occurred. If the reporting entity has changed the accounting policies since the end of its preceding year, the changes shall be disclosed in the quarterly financial statements. Information should be reported for current year-to-date.

1. Summary of Significant Accounting Policies

Instruction:

Refer to SSAP No. 1, Disclosure of Accounting Policies, Risks & Uncertainties, and Other Disclosures, for accounting guidance regarding disclosure requirements. The major disclosure requirements are as follows:

A. This note is to be completed, even if there are no prescribed practices or permitted practices to report. Indicate that the statement has been completed in accordance with the Accounting Practices and Procedures Manual. If a reporting entity employs accounting practices that depart from the Accounting Practices and Procedures Manual including different practices required by state law, disclose the following information about those accounting practices that affect net income, statutory surplus or risk-based capital.

Include:

- A description of the accounting practice;
- A statement that the accounting practice differs from NAIC statutory accounting practices and procedures (NAIC SAP);
- The monetary effect on net income and statutory surplus of using an accounting practice that differs from NAIC statutory accounting practices and procedures; and
- If an Insurance enterprise’s risk-based capital would have triggered a regulatory event had it not used a prescribed or permitted practice, that fact should be disclosed in the financial statements.

In addition, disclose the following information about accounting practices when NAIC statutory accounting practices and procedures do not address the accounting for the transaction:

- A description of the transaction and of the accounting practice used; and
- A statement that the NAIC statutory accounting practices and procedures do not address the accounting for the transaction.
NOTE: Amounts reported in other notes to the financial statements shall reference Note 1 if impacted by prescribed or permitted practices. The following is an example of inserting a statement within applicable notes:

Example Illustration: Note 3. Business Combinations and Goodwill

Illustration:

A. Statutory Purchase Method

(1) The Company purchased 100% interest of XYZ Insurance Company on 6/30/_____. XYZ Insurance Company is licensed in 49 states and sells individual term life products exclusively.

(2) The transaction was accounted for as a statutory purchase.

(3) The cost was $_________, resulting in goodwill in the amount of $________.*

(4) Goodwill amortization relating to the purchase of XYZ Insurance Company was $_________ for the year ended 12/31/_____.*

* These amounts reflect prescribed or permitted practices that depart from the *NAIC Accounting Practices and Procedures Manual*, See Note 1, Summary of Significant Accounting Policies for additional information.

Illustration:

A. Accounting Practices

The financial statements of XYZ Company are presented on the basis of accounting practices prescribed or permitted by the ABC Insurance Department.

The ABC Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of ABC for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the ABC Insurance Law. The *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of ABC. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, 1) goodwill arising from the purchase of a subsidiary, controlled or affiliated entity is written off directly to surplus in the year it originates by ABC domiciled companies. In NAIC SAP, goodwill in amounts not to exceed 10% of an insurer’s capital and surplus may be capitalized and all amounts of goodwill are amortized to unrealized gains and losses on investments over periods not to exceed 10 years, and, 2) 100% of all fixed assets are admitted by ABC domiciled companies. In NAIC SAP, fixed assets are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

The Company, with the explicit permission of the Commissioner of Insurance of the State of ___, records the value of its home office building at fair market value instead of at depreciated cost required by the NAIC SAP. If the home office building were carried at depreciated cost, home office property and statutory surplus would be decreased by $______ and $______ as of December 31, 20__ (prior year end) and 20__ (current year to date), respectively. Additionally, net income would be increased by $______ and $______, respectively, for the years then ended. Finally, if the Company had not been permitted to record the value of its home office building at fair market value, the Company’s risk-based capital would have triggered a regulatory event.
A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of ABC is shown below:

<table>
<thead>
<tr>
<th></th>
<th>State of Domicile</th>
<th>20____</th>
<th>20____</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) ABC Company state basis (Page 4, Line 15, Columns 1 &amp; 3)</td>
<td>$________</td>
<td>$________</td>
<td></td>
</tr>
<tr>
<td>(2) State Prescribed Practices that increase/(decrease) NAIC SAP:</td>
<td>e.g., Depreciation of fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) State Permitted Practices that increase/(decrease) NAIC SAP:</td>
<td>e.g., Depreciation, home office property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) NAIC SAP</td>
<td>(1-2-3=4)</td>
<td>$________</td>
<td>$________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>State of Domicile</th>
<th>20____</th>
<th>20____</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SURPLUS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) ABC Company state basis (Page 3, Line 32, Columns 1 &amp; 2)</td>
<td>$________</td>
<td>$________</td>
<td></td>
</tr>
<tr>
<td>(6) State Prescribed Practices that increase/(decrease) NAIC SAP:</td>
<td>e.g., Goodwill, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g., Fixed Assets, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) State Permitted Practices that increase/(decrease) NAIC SAP:</td>
<td>e.g., Home Office Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) NAIC SAP</td>
<td>(5-6-7=8)</td>
<td>$________</td>
<td>$________</td>
</tr>
</tbody>
</table>

**NOTE:** The permitted and prescribed adjustments detailed in the reconciliation illustrated above are only examples of permitted or prescribed practices that could be disclosed in the Notes to Financial Statements. Other permitted or prescribed practices not shown in the example should also be shown in the reporting entities printed and electronic notes.
5. Investments

Instruction:

D. Loan-Backed Securities

For loan-backed securities, disclose the following:

(1) Descriptions of sources used to determine prepayment assumptions.

(2) 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:
   - Intent to sell.
   - Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.

(3) For each security, by CUSIP, with an other-than-temporary impairment, recognized in the current reporting period 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:
   - The amortized cost basis, prior to any current-period other-than-temporary impairment.
   - The other-than-temporary impairment recognized in earnings as a realized loss.
   - The fair value of the security.
   - The amortized cost basis after the current-period other-than-temporary impairment.

(4) 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, Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

(5) 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.

E. Repurchase Agreements and/or Securities Lending Transactions

(3) If the entity or its agent has accepted collateral that it is permitted by contract or custom to sell or repledge, disclose the following information by type of program (repurchase agreement, securities lending or dollar repurchase agreement) as of the date of each statement of financial position:
   b. The fair value as of the date of each statement of financial position presented of that collateral and of the portion of that collateral that it has sold or repledged.

I Working Capital Finance Investments

(2) Disclose the aggregate book/adjusted carrying value maturity distribution on the underlying Working Capital Finance Programs by the following categories: maturities up to 180 days and 181 to 365 days.

(3) Disclose any events of default of working capital finance investments during the reporting period.
Illustration:

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.

(2)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
</table>
| Amortized Cost Basis Before Other-Than-Temporary Impairment | Other-Than-Temporary Impairment Recognized in Loss | Fair Value 1 – 2

OTTI recognized 1st Quarter

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 $________ $ ______________ $________
c. Total 1st Quarter $________ $ ______________ $________

OTTI recognized 2nd Quarter

d. Intent to sell $________ $ ______________ $________
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis $________ $ ______________ $________
f. Total 2nd Quarter $________ $ ______________ $________

OTTI recognized 3rd Quarter

g. Intent to sell $________ $ ______________ $________
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis $________ $ ______________ $________
i. Total 3rd Quarter $________ $ ______________ $________

OTTI recognized 4th Quarter

j. Intent to sell $________ $ ______________ $________
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis $________ $ ______________ $________
l. Total 4th Quarter $________ $ ______________ $________
m. Annual Aggregate Total $ ______________
<table>
<thead>
<tr>
<th>CUSIP</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book/Adjusted Carrying Value Before Current Period OTTI</td>
<td>Present Value of Projected Cash Flows</td>
<td>Recognized Other-Than-Temporary Impairment</td>
<td>Amortized Cost After Other-Than-Temporary Impairment</td>
<td>Fair Value at Time of OTTI</td>
<td>Date of Financial Statement Where Reported</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>XXX</td>
<td>XXX</td>
<td>$</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE: Each CUSIP should be listed separately each time an OTTI is recognized.**

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4  
Column 2 minus Column 4 should equal Column 5

(4) 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:
   1. Less than 12 Months $————
   2. 12 Months or Longer $————

b. The aggregate related fair value of securities with unrealized losses:
   1. Less than 12 Months $————
   2. 12 Months or Longer $————

**E. Repurchase Agreements and/or Securities Lending Transactions**

(3) Collateral Received

b. The fair value of that collateral and of the portion of that collateral that it has sold or pledged $————

**I. Working Capital Finance Investments**

(2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs

| c. | Up to 180 Days | Book/Adjusted Carrying Value |
| d. | 181 to 365 Days | $ |
| e. | Total | $ |
11. Debt

Instruction:

B. For FHLB (Federal Home Loan Bank) agreements, the following information shall be disclosed for the current year and prior year-end (The information in the disclosures shall be presented gross even if a right to offset per SSAP No. 64, Offsetting and Netting of Assets and Liabilities, exists):

(1) General description with information on the nature of the agreement, type of borrowing (advances, lines of credit, borrowed money, etc.), and use of the funding.

(2) FHLB Capital Stock

a. Amount of FHLB capital stock held, in aggregate, and classified as follows:
   - Membership stock (separated by Class A and Class B);
   - Activity Stock;
   - Excess Stock; and
   - The actual or estimated maximum borrowing capacity as determined by the insurer

Also provide a description of how the borrowing capacity was determined.

b. For membership stock (Class A and B), report the amount of FHLB capital stock eligible for redemption (for FHLB membership stock to be eligible for redemption, written notification must have been provided to the FHLB prior to the reporting date) and the anticipated timeframe for redemption showing:
   - Total Current Year
   - Not Eligible for Redemption
   - Less than 6 months,
   - 6 months to 1 year,
   - 1 year to 3 years, and
   - 3 to 5 years.

(3) Collateral Pledged to FHLB

a. Amount (fair value and carrying value) of collateral pledged to the FHLB as of the reporting date and total aggregate borrowing.

b. Maximum amount of collateral (fair value and carrying amount) pledged to the FHLB at any time during the current reporting period and amount borrowed at time of maximum collateral. (Maximum shall be determined on the basis of carrying value, but with fair amount also reported)
### Surplus Debentures, etc.
- **Unaffiliated**: 2399999
- **Affiliated**: 2499999

### Collateral Loans
- **Unaffiliated**: 2599999
- **Affiliated**: 2699999

### Non-collateral Loans
- **Unaffiliated**: 2799999
- **Affiliated**: 2899999

### Capital Notes
- **Unaffiliated**: 2999999
- **Affiliated**: 3099999

### Guaranteed Federal Low Income Housing Tax Credit
- **Unaffiliated**: 3199999
- **Affiliated**: 3299999

### Non-Guaranteed Federal Low Income Housing Tax Credit
- **Unaffiliated**: 3399999
- **Affiliated**: 3499999

### Guaranteed State Low Income Housing Tax Credit
- **Unaffiliated**: 3599999
- **Affiliated**: 3699999

### Non-Guaranteed State Low Income Housing Tax Credit
- **Unaffiliated**: 3799999
- **Affiliated**: 3899999

### All Other Low Income Housing Tax Credit
- **Unaffiliated**: 3999999
- **Affiliated**: 4099999

### Working Capital Finance Investment
- **Unaffiliated**: 4199999

### Any Other Class of Assets
- **Unaffiliated**: 4299999
- **Affiliated**: 4399999

### Subtotals
- **Unaffiliated**: 4499999
- **Affiliated**: 4599999

### TOTALS
- **Unaffiliated**: 4699999
- **Affiliated**: 4699999

The following listing is intended to give examples of investments to be included in each category; however, the list should not be considered all inclusive and it should not be implied that any invested asset currently being reported in Schedules A, B or D is to be reclassified to Schedule BA.

**Oil and Gas Production**
- Include: Offshore oil and gas leases.

**Transportation Equipment**
- Include: Aircraft owned under leveraged lease agreements.
- **Motor Vehicle Trust Certificates.**
Mineral Rights

Include: Investments in extractive materials.
Timber Deeds.

Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument

Include: Fixed income instruments that are not corporate or governmental unit obligations (Schedule D) or secured by real property (Schedule B).

For Life and Fraternal Insurers:

Any investments deemed by the insurer to possess the underlying characteristics of a bond or other fixed income instrument which qualify for Filing Exemption or that have been reviewed and approved by the Securities Valuation Office (SVO) within this category.

Exclude: For Life and Fraternal Insurers:

Any investments deemed by the insurer to possess the underlying characteristics of a bond or other fixed income investment, but for which the Securities Valuation Office (SVO) has not yet affirmed that the specific BA investment (identified by CUSIP) fits in this category (as identified in the Valuations of Securities product). Until affirmed by the SVO, report these BA investments in the category for “Any Other Class of Assets.”

Joint Ventures or Partnership Interests for Which the Primary Underlying Investments are Considered to Be:

Fixed Income Instruments

Include: Leveraged Buy-out Fund.

A fund investing in the “Z” strip of Collateralized Mortgage Obligations.

For Life and Fraternal Insurers:

Any investments deemed by the insurer to possess the underlying characteristics of fixed income instruments which qualify for Filing Exemption or that have been reviewed and approved by the Securities Valuation Office (SVO) within this category.

Exclude: For Life and Fraternal Insurers:

Any investments deemed by the insurer to possess the underlying characteristics of fixed income instruments, but for which the Securities Valuation Office (SVO) has not affirmed that the specific BA investment (identified by CUSIP) fits in this subcategory. Until affirmed by the SVO, report these BA investments in the “Other” subcategory of this category.
**Common Stocks**
Include: Venture Capital Funds.

**Real Estate**
Include: Real estate development interest.

**Mortgage Loans**
Include: Mortgage Obligations.

**Other**
Include: Limited partnership interests in oil and gas production. Forest product partnerships.

Investments within the Joint Venture and Partnership Interests category that do not qualify for inclusion in the “Fixed Income Instruments”, “Common Stocks”, “Real Estate” or “Mortgage Loans” subcategories.

**For Life and Fraternal Insurers:**
This includes investments believed by the insurer to have the underlying characteristics of “Fixed Income Instruments” but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to have the underlying characteristics of “Other” instruments.

**Surplus Debentures, etc.**
Include: That portion of any subordinated indebtedness, surplus debenture, surplus note, debenture note, premium income note, bond, or other contingent evidence of indebtedness that is reported on the surplus.

**Collateral Loans**
Include: Refer to SSAP No. 21, Other Admitted Assets, for a definition of collateral loans. In the description column, the name of the actual borrower and state if the borrower is a parent, subsidiary, affiliate, officer or director. Also include the type of collateral held.

**Non-collateral Loans**
Include: For purposes of this section, non-collateral loans are considered the unpaid portion of loans previously made to another organization or individual in which the reporting entity has a right to receive money for the loan, but for which the reporting entity has not obtained collateral to secure the loan. Non-collateral loans shall not include those instruments that meet the definition of a bond, per SSAP No. 26, Bonds, excluding, Loan-backed and Structured Securities, a mortgage loan per SSAP No. 37, Mortgage Loans, loan-backed or structured securities per SSAP No. 43R, Loan-backed and Structured Securities, or a policy or contract loan per SSAP No. 49, Policy Loans.

In the description column, the name of the actual borrower. For affiliated entities, state if the borrower is a parent, subsidiary, affiliate, officer or director. Refer to SSAP No. 20, Nonadmitted Assets and SSAP No. 25, Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties, for accounting guidance.
**Capital Notes**

Include: The portion of any capital note that is reported on the line for capital notes of the issuing insurance reporting entity.

**Low Income Housing Tax Credit**

Include: All Low Income Housing Tax Credit Investments (LIHTC or affordable housing) that are in the form of a Limited Partnership or a Limited Liability Company, including those investments that have the following risk mitigation factors:

A. Guaranteed Low Income Housing Tax Credit Investments. There must be an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment.

B. Non-guaranteed Low Income Housing Tax Credit Investments.

   I. A level of leverage below 50%. For a LIHTC Fund, the level of leverage is measured at the fund level.

   II. There is a Tax Credit Guarantee Agreement from General Partner or managing member. This agreement requires the General Partner or managing member to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the life of the partnership. For a LIHTC Fund, a Tax Credit Guarantee is required from the developers of the lower tier LIHTC properties to the upper tier partnership and all other LIHTC investments.

   III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable foreclosure risk at the time of the investment.

Non-qualifying LIHTCs should be reported in the all other category.
Working Capital Finance Investment

Include: Investments in an interest in a Confirmed Supplier Receivables (CSR) under a Working Capital Finance Program (WCFP) that is designated by the SVO as meeting the criteria specified in the Purposes and Procedures Manual of the NAIC Securities Valuation Office for an NAIC “1” or “2.”

Working Capital Finance Program (WCFP)

Open account program under which an Investor may purchase interests, or evidence thereof, in commercial non-insurance receivables. A WFCP is created for the benefit of a commercial investment grade obligor and its suppliers of goods or services, and facilitated by a financial intermediary.

Confirmed Supplier Receivables (CSR)

A first priority perfected security interest claim or right to payment of a monetary obligation from the Obligor arising from the sale of goods or services from the Supplier to the Obligor, the payment of which the Obligor has confirmed by representing and warranting that it will not protest, delay, or deny, nor offer nor assert any defenses against payment to the supplier or any party taking claim or right to payment from the supplier.

See SSAP No. 105, Working Capital Finance Investments, for accounting guidance

Any Other Class of Assets

Include: Investments that do not fit into one of the other categories. An example of items that may be included are reverse mortgages.

For Life and Fraternal Insurers:

This includes investments believed by the insurer to fit the category of “Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument,” but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to be “Any Other Class of Assets.”
### SCHEDULE BA – PART 2

**OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND ADDITIONS MADE DURING THE CURRENT QUARTER**

This schedule should reflect not only those newly acquired long-term invested assets, but also any increases or additions to long-term invested assets acquired in the current and prior periods, including, for example, capital calls from existing limited partnerships.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>CUSIP Identification</th>
</tr>
</thead>
<tbody>
<tr>
<td>This column must be completed by <strong>Life and Fraternal</strong> insurers that file Schedule BA investments with the Securities Valuation Office.</td>
<td></td>
</tr>
<tr>
<td>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: <a href="https://www.cusip.com/cusip/index.htm">https://www.cusip.com/cusip/index.htm</a>.</td>
<td></td>
</tr>
<tr>
<td>If no CUSIP number exists, the CUSIP field should be zero-filled.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Column 2</th>
<th>Name or Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Show name of the asset, such as the name of a limited partnership. If not applicable, show description of the asset.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Column 3</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Column 4</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Column 5</th>
<th>Name of Vendor or General Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>