

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Richard L. Ford</u> TITLE: <u>Chief Examiner</u> AFFILIATION: <u>Alabama Department of Insurance</u> ADDRESS: <u>P.O. Box 303351</u> <u>Montgomery, AL 36130-3351</u>	DATE: <u>10/12/2016</u>	FOR NAIC USE ONLY
	Agenda Item # <u>2016-30BWG MOD</u> Year <u>2017</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [X] New Reporting Requirement <input type="checkbox"/> []	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT
	No Impact <input checked="" type="checkbox"/> [X] Modifies Required Disclosure <input type="checkbox"/> []	DISPOSITION
	<input type="checkbox"/> [] Rejected For Public Comment <input type="checkbox"/> [] Referred To Another NAIC Group <input type="checkbox"/> [] Received For Public Comment <input checked="" type="checkbox"/> [X] Adopted Date <u>04/08/2017</u> <input type="checkbox"/> [] Rejected Date _____ <input type="checkbox"/> [] Deferred Date _____ <input type="checkbox"/> [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input type="checkbox"/> [] QUARTERLY STATEMENT | |
| <input checked="" type="checkbox"/> [X] INSTRUCTIONS | <input checked="" type="checkbox"/> [X] CROSSCHECKS | <input type="checkbox"/> [] BLANK |
| <input checked="" type="checkbox"/> [X] Life and Accident & Health | <input checked="" type="checkbox"/> [X] Property/Casualty | <input checked="" type="checkbox"/> [X] Health |
| <input type="checkbox"/> [] Separate Accounts | <input checked="" type="checkbox"/> [X] Fraternal | <input type="checkbox"/> [] Title |
| <input type="checkbox"/> [] Other Specify | | |

Anticipated Effective Date: Annual 2017

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify instructions for Long-Term Care Insurance Experience Reporting Form 5 to indicate a Grand Total page should be filed. Add crosschecks to Columns 1, 2 and 3 to Form 2, Part C and Form 3.

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

The purpose of this proposal is to clarify a Grand Total page should be completed for Long-Term Care Insurance Experience Reporting Form 5 and to provide crosschecks for Columns 1, 2 and 3.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – LIFE, HEALTH, PROPERTY AND FRATERNAL

INSTRUCTIONS FOR FORM 5

OVERVIEW

For long-term care insurance reported in the Long-Term Care Insurance Experience Reporting Form 1, Form 2 and Form 3, these lines are the state’s portion of the earned premium, incurred claims and number of in force count of lives at end of the year. A schedule must be prepared for each jurisdiction in which the company has long-term care direct earned premiums, and/or has direct incurred claims. In addition, a schedule must be prepared that contains the grand total (GT) for the company.

DEFINITIONS AND FORMULAS

Policy forms should be grouped by individual and group and reported on Lines 1 and 2, respectively. The subtotals for these two classes (i.e., individual and group) must be provided. Line 3 is the sum of Lines 1 and 2.

Column 1 – Earned Premiums

Earned premiums reported should be the state amount that is included in the current year of Form 2, Part C, Column 4. ~~Once the state forms are completed, the Earned Premiums for the Current Year for all states (Grand Total State Page) should equal the amount in Form 2, Part C, Column 4.~~

Grand Total Page:

Line 1 should equal the amount in Form 2, Part C, Column 4, Line 1.

Line 2 should equal the amount in Form 2, Part C, Column 4, Line 4.

Line 3 should equal the amount in Form 2, Part C, Column 4, Line 7.

For Line 4 “Actual total reported experience through prior year”, the amount will be Line 5 from the previous year’s report.

For Line 5 “Actual total reported experience through statement year”: should be the state’s allocated earned premium for the current year (as reported on Line 3) added to the state’s cumulative experience through prior year (as reported on Line 4).

Column 2 – Incurred Claims

Incurred claims reported should be the state amount that is included in the current year of Form 2, Part C, Column 5. Incurred claims should be paid claims in the state plus a reasonable allocation of claim reserves less the reported allocated portion of the prior year’s claim reserve. The allocation method should be consistent from year-to-year when estimating reserves for each state. ~~Once the state forms are completed, the Incurred Claims for the Current Year for all states (Grand Total State Page) should equal the amount in the summary of Form 3, Part 2, Column 8.~~

Grand Total Page:

Line 1 should equal the amount in Form 2, Part C, Column 5, Line 1.

Line 1 should also equal the amount in Form 3, Part 2, Column 8, Line A9.

Line 2 should equal the amount in Form 2, Part C, Column 5, Line 4.

Line 2 should also equal the amount in Form 3, Part 2, Column 8, Line B9.

Line 3 should equal the amount in Form 2, Part C, Column 5, Line 7.

Line 3 should also equal the amount in Form 3, Part 2, Column 8, Line C9.

For Line 4 “Actual total reported experience through prior year”, the amount will be Line 5 from the previous year’s form.

For Line 5 “Actual total reported experience through statement year”: This should be the state’s allocated incurred claims for the current year (as reported on Line 3) added to the state’s cumulative experience through prior year (as reported on Line 4).

Column 3 – In Force Count End of Year

The In Force Count End of Year should be the state total used in calculating the In Force Count End of Year in Form 2, Part C, Column 11. ~~Once the state forms are completed, the In Force Count End of Year for all states (Grand Total State Page) should equal the number in Form 2, Part C, Column 11.~~

Grand Total Page:

Line 1 should equal the amount in Form 2, Part C, Column 11, Line 1.

Line 2 should equal the amount in Form 2, Part C, Column 11, Line 4.

Line 3 should equal the amount in Form 2, Part C, Column 11, Line 7.

Column 4 – Lives In force End of Year

Actual number of lives in force at the end of the year. Joint policies should be counted by number of lives. Once the state forms are completed, the Lives In force End of Year for all states (Grand Total State Page) LTC Form 5, Column 4, Line 01 should equal LTC Form 1, Column 7, Line A01 + A09 + A17 and Form 5, Line 02 should equal Form 1, Line B01 + B09 + B17. The number of lives for each state for individual policies should be based on the policies that were issued in that state. The number of lives for each state in group policies should be based on the certificates that were issued in that state.

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