

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>05/15/2017</u></p> <p>CONTACT PERSON: <u>Becky Meyer</u></p> <p>TELEPHONE: <u>816-783-8434</u></p> <p>EMAIL ADDRESS: <u>bmever@naic.org</u></p> <p>ON BEHALF OF: <u>Financial Regulation Standards and Accreditation (F) Committee</u></p> <p>NAME: <u>Steve Kerner</u></p> <p>TITLE: <u>Assistant Commissioner</u></p> <p>AFFILIATION: <u>New Jersey Dept of Banking and Insurance</u></p> <p>ADDRESS: _____</p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2017-19BWG MOD</u></p> <p>Year <u>2018</u></p> <p>Changes to Existing Reporting [<input checked="" type="checkbox"/>]</p> <p>New Reporting Requirement [<input type="checkbox"/>]</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact [<input checked="" type="checkbox"/>]</p> <p>Modifies Required Disclosure [<input type="checkbox"/>]</p> <hr/> <p style="text-align: center;">DISPOSITION</p> <p>[<input type="checkbox"/>] Rejected For Public Comment</p> <p>[<input type="checkbox"/>] Referred To Another NAIC Group</p> <p>[<input type="checkbox"/>] Received For Public Comment</p> <p>[<input checked="" type="checkbox"/>] Adopted Date <u>08/06/2017</u></p> <p>[<input type="checkbox"/>] Rejected Date _____</p> <p>[<input type="checkbox"/>] Deferred Date _____</p> <p>[<input type="checkbox"/>] Other (Specify) _____</p>
--	--

BLANK(S) TO WHICH PROPOSAL APPLIES

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

Anticipated Effective Date: 1st Quarter 2018

IDENTIFICATION OF ITEM(S) TO CHANGE

The proposal is to add a question to the General Interrogatories, Part 2 to help identify insurers that assume reinsurance business covering risks in at least two states.

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

Effective January 1, 2017, the definition of a multi-state insurer for accreditation Part B: Regulatory Practices and Procedures was updated to include domestic insurers that are reinsuring business covering risks residing in at least two states. As states seek to identify insurers that now fit the definition of multi-state, many have faced challenges in gathering the information to ensure a complete listing and the NAIC has fielded a number of inquiries on this issue. The challenges arise partly because, unlike other determinants of multi-state status that are documented on Schedule T – Exhibit of Premiums Written in the annual statement, there is no schedule or exhibit within the annual statement that clearly provides this information.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 6/13/2009

ANNUAL STATEMENT BLANK - LIFE

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES



Detail Eliminated To Conserve Space

12. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

12.1 Direct Premium Written \$ _____
 12.2 Total Incurred Claims \$ _____
 12.3 Number of Covered Lives _____

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

13. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes No

13.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one ~~other~~ state other than the state of domicile of the reporting entity? Yes No

ANNUAL STATEMENT BLANK - FRATERNAL

GENERAL INTERROGATORIES

PART 2 – FRATERNAL INTERROGATORIES



Detail Eliminated To Conserve Space

28. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

28.1 Direct Premium Written \$ _____
 28.2 Total Incurred Claims \$ _____
 28.3 Number of Covered Lives _____

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

29. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes No

29.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one ~~other~~ state other than the state of domicile of the reporting entity? Yes No

ANNUAL STATEMENT BLANK - HEALTH

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES



Detail Eliminated To Conserve Space

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1 Direct Premium Written \$ _____
 15.2 Total Incurred Claims \$ _____
 15.3 Number of Covered Lives _____

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [] No []
 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one other state other than the state of domicile of the reporting entity? Yes [] No []

ANNUAL STATEMENT BLANK - PROPERTY

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES



Detail Eliminated To Conserve Space

18.1 Do you act as a custodian for health savings accounts? Yes [] No []
 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____
 18.3 Do you act as an administrator for health savings accounts? Yes [] No []
 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____
 19. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [] No []
 19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one other state than other the state of domicile of the reporting entity? Yes [] No []

QUARTERLY STATEMENT BLANK - LIFE

GENERAL INTERROGATORIES

PART 2 – LIFE & HEALTH



Detail Eliminated To Conserve Space

- 3.1 Do you act as a custodian for health savings accounts? Yes [] No []
- 3.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____
- 3.3 Do you act as an administrator for health savings accounts? Yes [] No []
- 3.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

- 4. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [] No []
- 4.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one ~~other~~-state ~~other~~ than the state of domicile of the reporting entity? Yes [] No []

QUARTERLY STATEMENT BLANK - FRATERNAL

GENERAL INTERROGATORIES

PART 2 - FRATERNAL



Detail Eliminated To Conserve Space

- 5.1 Does the reporting entity have outstanding assessments in the form of liens against policy benefits that have increased surplus? Yes [] No []
- 5.2 If yes, what is the date(s) of the original lien and the total outstanding balance of liens that remain in surplus?

Date	Outstanding Lien Amount
	\$
	\$
	\$

- 6. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [] No []
- 6.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one ~~other~~-state ~~other~~ than the state of domicile of the reporting entity? Yes [] No []

QUARTERLY STATEMENT BLANK - HEALTH

GENERAL INTERROGATORIES

PART 2 – HEALTH



Detail Eliminated To Conserve Space

- 1. Operating Percentages:
 - 1.1 A&H loss percent _____ %
 - 1.2 A&H cost containment percent _____ %
 - 1.3 A&H expense percent excluding cost containment expenses _____ %

- 2.1 Do you act as a custodian for health savings accounts? Yes [] No []
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____
- 2.3 Do you act as an administrator for health savings accounts? Yes [] No []
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____
- 3. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [] No []
- 3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one other state other than the state of domicile of the reporting entity? Yes [] No []

QUARTERLY STATEMENT BLANK - PROPERTY

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES



Detail Eliminated To Conserve Space

- 6.1 Do you act as a custodian for health savings accounts? Yes [] No []
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____
- 6.3 Do you act as an administrator for health savings accounts? Yes [] No []
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____
- 7. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [] No []
- 7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one other state other than the state of domicile of the reporting entity? Yes [] No []

ANNUAL STATEMENT INSTRUCTIONS - LIFE

PART 2 – LIFE INTERROGATORIES



Detail Eliminated To Conserve Space

12. Ordinary Life Insurance (U.S. business only) for the current year for Lines 12.1, 12.2 and 12.3 (prior to reinsurance assumed or ceded)

U.S. business includes U.S. States, Territories and Possessions (composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands). The method for determining which jurisdiction a contract or certificate is reported in should be the same method used for reporting on Schedule T.

Include:

- Term (whether full underwriting, limited underwriting, jet issue, “short form app”)
- Whole Life (whether full underwriting, limited underwriting, jet issue, “short form app”)
- Variable Life (with or without Secondary Guarantee)
- Universal Life (with or without Secondary Guarantee)
- Variable Universal Life (with or without Secondary Guarantee)

Exclude:

- Credit Life
- Simplified Issue/Guaranteed Issue (if it can be separated)
- Worksite
- Individually Solicited Group Life
- Direct Response
- Final Expense
- Pre-need
- Home Service
- COLI/BOLI/CHOLI.

Refer to the *NAIC Valuation Manual* for additional guidance on what policies should be included.

13. A “YES” answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1 the answer to Question 13 should be “YES.”

- 13.1 A “YES” answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity’s assumption of business that covers risks in at least two states will qualify the entity as multi-state.

ANNUAL STATEMENT INSTRUCTIONS - FRATERNAL

PART 2 – FRATERNAL INTERROGATORIES



Detail Eliminated To Conserve Space

28. Ordinary Life Insurance (U.S. business only) for the current year for Lines 28.1, 28.2 and 28.3 (prior to reinsurance assumed or ceded)

U.S. business includes U.S. States, Territories and Possessions (composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands). The method for determining which jurisdiction a contract or certificate is reported in should be the same method used for reporting on Schedule T.

Include:

- Term (whether full underwriting, limited underwriting, jet issue, “short form app”)
- Whole Life (whether full underwriting, limited underwriting, jet issue, “short form app”)
- Variable Life (with or without Secondary Guarantee)
- Universal Life (with or without Secondary Guarantee)
- Variable Universal Life (with or without Secondary Guarantee)

Exclude:

- Credit Life
- Simplified Issue/Guaranteed Issue (if it can be separated)
- Worksite
- Individually Solicited Group Life
- Direct Response
- Final Expense
- Pre-need
- Home Service
- COLI/BOLI/CHOLI.

Refer to the *NAIC Valuation Manual* for additional guidance on what policies should be included.

29. “YES” answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1 the answer to Question 29 should be “YES.”

29.1 A “YES” answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity’s assumption of business that covers risks in at least two states will qualify the entity as multi-state.

ANNUAL STATEMENT INSTRUCTIONS - HEALTH

PART 2 – HEALTH INTERROGATORIES



Detail Eliminated To Conserve Space

15. Ordinary Life Insurance (U.S. business only) for the current year for Lines 15.1, 15.2 and 15.3 (prior to reinsurance assumed or ceded)

U.S. business includes U.S. States, Territories and Possessions (composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands). The method for determining which jurisdiction a policy is reported in should be the same method used for reporting on Schedule T.

Include:

- Term (whether full underwriting, limited underwriting, jet issue, “short form app”)
- Whole Life (whether full underwriting, limited underwriting, jet issue, “short form app”)
- Variable Life (with or without Secondary Guarantee)
- Universal Life (with or without Secondary Guarantee)
- Variable Universal Life (with or without Secondary Guarantee)

Exclude:

- Credit Life
- Simplified Issue/Guaranteed Issue (if it can be separated)
- Worksite
- Individually Solicited Group Life
- Direct Response
- Final Expense
- Pre-need
- Home Service
- COLI/BOLI/CHOLI.

Refer to the *NAIC Valuation Manual* for additional guidance on what policies should be included.

16. “YES” answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1 the answer to Question 16 should be “YES.”

- 16.1 A “YES” answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity’s assumption of business that covers risks in at least two states will qualify the entity as multi-state.

ANNUAL STATEMENT INSTRUCTIONS - PROPERTY

PART 2 – PROPERTY AND CASUALTY INTERROGATORIES

===== Detail Eliminated To Conserve Space =====

13.1 The intent of this interrogatory is to identify the company's total net exposure over all lines of coverage for the single largest policyholder [except Worker's Compensation, which is addressed in Interrogatory 6.1] that could be impacted by a loss occurring at a specific location. Include only policies in force as of the current statement date in the calculation.

19. "YES" answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E, Q and D provided in Column 1 of Schedule T is greater than 1 the answer to Question 19 should be "YES."

19.1 A "YES" answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity's assumption of business that covers risks in at least two states will qualify the entity as multi-state.

QUARTERLY STATEMENT INSTRUCTIONS - LIFE

PART 2 – LIFE INTERROGATORIES

2. Operating Percentages:

Calculation of the operating percentages should be net of reinsurance ceded, i.e., reinsurance assumed should be included and reinsurance ceded should be deducted.

2.1 A&H loss percent is (Incurred Claims plus Cost Containment Expenses plus Increase in Contract Reserves) divided by Premiums Earned for the Accident & Health lines of business.

2.2 A&H cost containment percent is Cost Containment Expenses divided by Premiums Earned for the Accident & Health lines of business.

2.3 A&H expense percent excluding cost containment expenses is (Commissions plus Other General Insurance Expense plus Taxes, Licenses and Fees) divided by Premiums Earned for the Accident & Health lines of business.

4. "YES" answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1 the answer to Question 4 should be "YES."

4.1 A "YES" answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity's assumption of business that covers risks in at least two states will qualify the entity as multi-state.

QUARTERLY STATEMENT INSTRUCTIONS - FRATERNAL

PART 2 – FRATERNAL INTERROGATORIES

3. Operating Percentages:

Calculation of the operating percentages should be net of reinsurance ceded, i.e., reinsurance assumed should be included and reinsurance ceded should be deducted.

- 3.1 A&H loss percent is (Incurred Claims plus Cost Containment Expenses plus Increase in Contract Reserves) divided by Premiums Earned for the Accident & Health lines of business.
- 3.2 A&H cost containment percent is Cost Containment Expenses divided by Premiums Earned for the Accident & Health lines of business.
- 3.3 A&H expense percent excluding cost containment expenses is (Commissions plus Other General Insurance Expense plus Taxes, Licenses and Fees) divided by Premiums Earned for the Accident & Health lines of business.

5.2 If there are multiple liens, they should be listed individually.

6. “YES” answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1 the answer to Question 6 should be “YES.”

6.1 A “YES” answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity’s assumption of business that covers risks in at least two states will qualify the entity as multi-state.

QUARTERLY STATEMENT INSTRUCTIONS - HEALTH

PART 2 – HEALTH INTERROGATORIES

1. Operating Percentages:

Calculation of the operating percentages should be net of reinsurance ceded, i.e., reinsurance assumed should be included and reinsurance ceded should be deducted.

- 1.1 A&H loss percent is (Incurred Claims plus Cost Containment Expenses plus Increase in Contract Reserves) divided by Premiums Earned for the Accident & Health lines of business.
- 1.2 A&H cost containment percent is Cost Containment Expenses divided by Premiums Earned for the Accident & Health lines of business.
- 1.3 A&H expense percent excluding cost containment expenses is (Commissions plus Other General Insurance Expense plus Taxes, Licenses and Fees) divided by Premiums Earned for the Accident & Health lines of business.

3. “YES” answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1 the answer to Question 3 should be “YES.”

- 3.1 A “YES” answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity’s assumption of business that covers risks in at least two states will qualify the entity as multi-state.

QUARTERLY STATEMENT INSTRUCTIONS - PROPERTY

PART 2 – PROPERTY INTERROGATORIES

5. Operating Percentages:

Calculation of the operating percentages should be net of reinsurance ceded, i.e., reinsurance assumed should be included and reinsurance ceded should be deducted.

- 5.1 A&H loss percent is (Incurred Claims plus Cost Containment Expenses plus Increase in Contract Reserves) divided by Premiums Earned for the Accident & Health lines of business.
- 5.2 A&H cost containment percent is Cost Containment Expenses divided by Premiums Earned for the Accident & Health lines of business.
- 5.3 A&H expense percent excluding cost containment expenses is (Commissions plus Other General Insurance Expense plus Taxes, Licenses and Fees) divided by Premiums Earned for the Accident & Health lines of business.

7. “YES” answer indicates the reporting entity is a multi-state company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E, Q and D provided in Column 1 of Schedule T is greater than 1 the answer to Question 7 should be “YES.”

- 7.1 A “YES” answer indicates that, while the reporting entity does not meet the criteria shown on Schedule T to be considered a multi-state insurer, the reporting entity’s assumption of business that covers risks in at least two states will qualify the entity as multi-state.

This page intentionally left blank.