

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>12/14/2017</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Jamie Walker</u></p> <p>TITLE: <u>Assistant Deputy Commissioner</u></p> <p>AFFILIATION: <u>Texas Department of Insurance</u></p> <p>ADDRESS: <u>333 Guadalupe St</u> <u>Austin, TX 78701</u></p>	<p align="center"><b><u>FOR NAIC USE ONLY</u></b></p> <p>Agenda Item # <u>2018-03BWG</u></p> <p>Year <u>2018</u></p> <p>Changes to Existing Reporting [ X ]</p> <p>New Reporting Requirement [ ]</p> <hr/> <p align="center"><b><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></b></p> <p>No Impact [ X ]</p> <p>Modifies Required Disclosure [ ]</p> <hr/> <p align="center"><b><u>DISPOSITION</u></b></p> <p>[ ] Rejected For Public Comment</p> <p>[ ] Referred To Another NAIC Group</p> <p>[ ] Received For Public Comment</p> <p>[ X ] Adopted Date <u>06/12/2018</u></p> <p>[ ] Rejected Date _____</p> <p>[ ] Deferred Date _____</p> <p>[ ] Other (Specify) _____</p>
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**BLANK(S) TO WHICH PROPOSAL APPLIES**

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT           | <input type="checkbox"/> QUARTERLY STATEMENT          |  |
| <input checked="" type="checkbox"/> INSTRUCTIONS               | <input type="checkbox"/> CROSSCHECKS                  | <input 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 checked="" type="checkbox"/> Title  |
| <input type="checkbox"/> Other Specify                         |   |  |

Anticipated Effective Date: Annual 2018

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add the definition of Supranational to the Supplemental Investment Risks Interrogatories section of the Annual Statement Instructions.

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

The purpose of this proposal is clarify what Supranationals are by adding a definition to the Annual Statement Instructions and to clarify how they should be listed on the Supplemental Investment Risks Interrogatories.

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_

Other Comments:

\*\* This section must be completed on all forms.

Revised 6/13/2009

**ANNUAL STATEMENT INSTRUCTIONS – LIFE, HEALTH, PROPERTY, FRATERNAL AND TITLE**

**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.

If listing a Supranational, put Supranational and the union or member on the line (Example: Supranational – World Trade Organization)

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 a reporting entity 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 a reporting entity looks for payment as to an investment and against which a reporting entity 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.
- Supranational:** Entities with more than one sovereign government as a member

↓ **====** **Detail Eliminated To Conserve Space** **====** ↓