

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p align="right">DATE: <u>07/16/2019</u></p> <p>CONTACT PERSON: <u>Todd Sells</u></p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: <u>Liquidity Assessment (EX) Subgroup</u></p> <p>NAME: <u>Justin Schrader (NE)</u></p> <p>TITLE: <u>Chair</u></p> <p>AFFILIATION: _____</p> <p>ADDRESS: _____</p>	<p align="center"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2019-21BWG</u></p> <p>Year <u>2020</u></p> <p>Changes to Existing Reporting [ X ]</p> <p>New Reporting Requirement [ ]</p> <hr/> <p align="center"><b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b></p> <p>No Impact [ X ]</p> <p>Modifies Required Disclosure [ ]</p> <hr/> <p align="center"><b>DISPOSITION</b></p> <p>[ ] Rejected For Public Comment</p> <p>[ ] Referred To Another NAIC Group</p> <p>[ X ] Received For Public Comment</p> <p>[ ] Adopted Date _____</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 checked="" type="checkbox"/> INSTRUCTIONS  | <input type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT                          | <input type="checkbox"/> BLANK                    |                                      |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts        | <input type="checkbox"/> Title       |
| <input type="checkbox"/> Property/Casualty                            | <input type="checkbox"/> Protected Cell           | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health                                       | <input type="checkbox"/> Health (Life Supplement) |                                      |

Anticipated Effective Date: Annual 2020

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

For Note 33, modify the illustration to disclose individually Separate Account with Guarantees products and Separate Account Nonguaranteed products.

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

The purpose of this proposal is to data capture individually Separate Account with Guarantees products and Separate Account Nonguaranteed products.

**NAIC STAFF COMMENTS**

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

Other Comments:

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

NOTES TO FINANCIAL STATEMENTS



**Detail Eliminated To Conserve Space**



**33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics**

Instruction:

Disclose the amounts of account value, cash value and reserve for the breakouts of life insurance by withdrawal characteristics, separately for General Account products, Separate Account with Guarantees products and Separate Account Nonguaranteed products, as follows:

Note: The difference between the account value and the cash value is the surrender charge, if any. After the surrender period is over, there is no difference. Some contract types have no account value such as traditional whole life, term, etc. So, if there is no account value, leave it blank. UL typically has an account value and a cash surrender value.

Just as account values are not reduced for policy loans taken and outstanding, the cash value amount reported in this note should not be reduced for policy loans taken and outstanding. This will ensure the difference between account value and cash value is the actual surrender charge.

- A.—Subject to discretionary withdrawal, surrender values, or policy loans:

- ❖ (1) —Term Policies with Cash Value
- ❖ (2) —Universal Life
- ❖ (3) —Universal Life with Secondary Guarantees
- ❖ (4) —Indexed Universal Life
- ❖ (5) —Indexed Universal Life with Secondary Guarantees
- ❖ (6) —Indexed Life
- ❖ (7) —Other Permanent Cash Value Life Insurance
- ❖ (8) —Variable Life
- ❖ (9) —Variable Universal Life
- ❖ (10) —Miscellaneous Reserves

- B.—Not subject to discretionary withdrawal or no cash value.

- ❖ (1) —Term Policies without Cash Value
- ❖ (2) —Accidental Death Benefits
- ❖ (3) —Disability - Active Lives
- ❖ (4) —Disability - Disabled Lives
- ❖ (5) —Miscellaneous Reserves

- C.—Total (Gross: Direct + Assumed).

- D.—Reinsurance ceded.

- E.—Total (net)–(C)–(D).

Total (net) = Total (Gross: Direct + Assumed) – Reinsurance ceded

- F.—Reconcile total life insurance reserves amount disclosed to the appropriate sections of the Aggregate Reserves for Life Policies and Contracts Exhibit (Exhibit 5) of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement. The reconciliation is a single presentation including all amounts from the sections on Individual Life Insurance and Group Life Insurance.

Illustration:

**THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.**

	Account Value	Cash Value	Reserve
<b>A. General Account</b>			
(1) Subject to discretionary withdrawal, surrender values, or policy loans:			
a. Term Policies with Cash Value	.....	.....	.....
b. Universal Life	.....	.....	.....
c. Universal Life with Secondary Guarantees	.....	.....	.....
d. Indexed Universal Life	.....	.....	.....
e. Indexed Universal Life with Secondary Guarantees	.....	.....	.....
f. Indexed Life	.....	.....	.....
g. Other Permanent Cash Value Life Insurance	.....	.....	.....
h. Variable Life	.....	.....	.....
i. Variable Universal Life	.....	.....	.....
j. Miscellaneous Reserves	.....	.....	.....
(2) Not subject to discretionary withdrawal or no cash values			
a. Term Policies without Cash Value	XXX	XXX	.....
b. Accidental Death Benefits	XXX	XXX	.....
c. Disability - Active Lives	XXX	XXX	.....
d. Disability - Disabled Lives	XXX	XXX	.....
e. Miscellaneous Reserves	XXX	XXX	.....
(3) Total (gross: direct + assumed)	.....	.....	.....
(4) Reinsurance Ceded	.....	.....	.....
(5) Total (net) (3) - (4)	.....	.....	.....
<b>B. Separate Account with Guarantees</b>			
(1) Subject to discretionary withdrawal, surrender values, or policy loans:			
a. Term Policies with Cash Value	.....	.....	.....
b. Universal Life	.....	.....	.....
c. Universal Life with Secondary Guarantees	.....	.....	.....
d. Indexed Universal Life	.....	.....	.....
e. Indexed Universal Life with Secondary Guarantees	.....	.....	.....
f. Indexed Life	.....	.....	.....
g. Other Permanent Cash Value Life Insurance	.....	.....	.....
h. Variable Life	.....	.....	.....
i. Variable Universal Life	.....	.....	.....
j. Miscellaneous Reserves	.....	.....	.....
(2) Not subject to discretionary withdrawal or no cash values			
a. Term Policies without Cash Value	XXX	XXX	.....
b. Accidental Death Benefits	XXX	XXX	.....
c. Disability - Active Lives	XXX	XXX	.....
d. Disability - Disabled Lives	XXX	XXX	.....
e. Miscellaneous Reserves	XXX	XXX	.....
(3) Total (gross: direct + assumed)	.....	.....	.....
(4) Reinsurance Ceded	.....	.....	.....
(5) Total (net) (3) - (4)	.....	.....	.....

		Account Value	Cash Value	Reserve
<b>C. Separate Account Nonguaranteed</b>				
<b>(1) Subject to discretionary withdrawal, surrender values, or policy loans:</b>				
a.	Term Policies with Cash Value	.....	.....	.....
b.	Universal Life	.....	.....	.....
c.	Universal Life with Secondary Guarantees	.....	.....	.....
d.	Indexed Universal Life	.....	.....	.....
e.	Indexed Universal Life with Secondary Guarantees	.....	.....	.....
f.	Indexed Life	.....	.....	.....
g.	Other Permanent Cash Value Life Insurance	.....	.....	.....
h.	Variable Life	.....	.....	.....
i.	Variable Universal Life	.....	.....	.....
j.	Miscellaneous Reserves	.....	.....	.....
<b>(2) Not subject to discretionary withdrawal or no cash values</b>				
a.	Term Policies without Cash Value	XXX	XXX	.....
b.	Accidental Death Benefits	XXX	XXX	.....
c.	Disability - Active Lives	XXX	XXX	.....
d.	Disability - Disabled Lives	XXX	XXX	.....
e.	Miscellaneous Reserves	XXX	XXX	.....
(3)	Total (gross: direct + assumed)	.....	.....	.....
(4)	Reinsurance Ceded	.....	.....	.....
(5)	Total (net) (3) - (4)	.....	.....	.....

	General Account			Separate Account - Guaranteed and Nonguaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
<b>A. Subject to discretionary withdrawal, surrender values, or policy loans:</b>						
(1) Term Policies with Cash Value	.....	.....	.....	.....	.....	.....
(2) Universal Life	.....	.....	.....	.....	.....	.....
(3) Universal Life with Secondary Guarantees	.....	.....	.....	.....	.....	.....
(4) Indexed Universal Life	.....	.....	.....	.....	.....	.....
(5) Indexed Universal Life with Secondary Guarantees	.....	.....	.....	.....	.....	.....
(6) Indexed Life	.....	.....	.....	.....	.....	.....
(7) Other Permanent Cash Value Life Insurance	.....	.....	.....	.....	.....	.....
(8) Variable Life	.....	.....	.....	.....	.....	.....
(9) Variable Universal Life	.....	.....	.....	.....	.....	.....
(10) Miscellaneous Reserves	.....	.....	.....	.....	.....	.....
<b>B. Not subject to discretionary withdrawal or no cash values</b>						
(1) Term Policies without Cash Value	XXX	XXX	.....	XXX	XXX	.....
(2) Accidental Death Benefits	XXX	XXX	.....	XXX	XXX	.....
(3) Disability - Active Lives	XXX	XXX	.....	XXX	XXX	.....
(4) Disability - Disabled Lives	XXX	XXX	.....	XXX	XXX	.....
(5) Miscellaneous Reserves	XXX	XXX	.....	XXX	XXX	.....
C. Total (gross: direct + assumed)	.....	.....	.....	.....	.....	.....
D. Reinsurance Ceded	.....	.....	.....	.....	.....	.....
E. Total (net) (C) - (D)	.....	.....	.....	.....	.....	.....

**THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION. Amounts reported in F-D to balance to the appropriate amounts from the Sections A, B and B-C reported above.**

<u>F-D.</u>	Amount	
	Life & Accident & Health Annual Statement:	
(1)	Exhibit 5, Life Insurance Section, Total (net)	\$ _____
(2)	Exhibit 5, Accidental Death Benefits Section, Total (net)	_____
(3)	Exhibit 5, Disability – Active Lives Section, Total (net)	_____
(4)	Exhibit 5, Disability – Disabled Lives Section, Total (net)	_____
(5)	Exhibit 5, Miscellaneous Reserves Section, Total (net)	_____
(6)	Subtotal	=====
	Separate Accounts Annual Statement:	
(7)	Exhibit 3, Line 0199999, Column 2	_____
(8)	Exhibit 3, Line 0499999, Column 2	_____
(9)	Exhibit 3, Line 0599999, Column 2	_____
(10)	Subtotal (Lines (7) through (9))	=====
(11)	Combined Total ((6) and (10))	\$ =====

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