

## **Proposed Changes to the Blanks (E) Working Group Procedures**

The Blanks (E) Working Group (BWG) will not be meeting at national meetings in the foreseeable future, and as a result will be conducting its business via conference call. Changes to the BWG procedures are being proposed to reflect this change.

Attached are two copies of the modified BWG procedures. One is a tracked version showing the specific modifications to the procedures being proposed. The other is a clean, untracked version for easier reading.

In addition to the attached proposed changes, comments are requested regarding moving from June to May the last meeting/conference call to adopt proposals to change the annual statement instructions and blanks.

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## **PROCEDURES OF THE BLANKS (E) WORKING GROUP OF THE FINANCIAL CONDITION (E) COMMITTEE IN CONNECTION WITH PROPOSED AMENDMENTS TO ANNUAL AND QUARTERLY STATEMENT BLANKS AND INSTRUCTIONS**

The following establishes procedures and rules of the Blanks (E) Working Group of the Financial Condition (E) Committee with respect to proposed amendments to the annual and quarterly statement blanks and instructions.

1. The Blanks (E) Working Group (Working Group) may consider relevant proposals to change the NAIC statement blanks and instructions at any meeting/conference call as scheduled by the Working Group.
2. Suggested changes and amendments filed with the NAIC Central Office shall be considered at the next scheduled meeting/conference call of the Working Group if the proposal is filed at least thirty days prior to the meeting/conference call date. Items filed less than thirty days prior to a scheduled meeting/conference call will be considered at the next scheduled meeting/conference call of the Working Group. In rare circumstances, suggested changes and amendments can be considered as an exception to the above-stated process and timeframe based on a super majority (two-thirds) consent of the Working Group members present.
3. All proposals shall be stated in a concise and complete form. The submission form and instructions are available online at [https://naic.org/documents/committees\\_e\\_app\\_blanks\\_blanksagenda\\_formdoc.doc](https://naic.org/documents/committees_e_app_blanks_blanksagenda_formdoc.doc). An illustration of the format of exhibits or schedules should accompany the submission form. In addition, if another NAIC committee, task force or working group is known to have considered this proposal, that committee, task force or working group should provide any relevant information.

The following time guidelines apply:

The Working Group will meet by conference call in order to meet scheduled deadlines (e.g. publications and distribution of blanks, instructions, specs., etc.).

Any proposal that affects a quarterly statement must be effective at the beginning of the year and any quarterly proposal must be adopted no later than August of the preceding year for changes effective the following year (e.g., changes effective 1<sup>st</sup> quarter 2020 must be adopted no later than August 2019). To meet this requirement, quarterly proposals must be filed no later than thirty days prior to a June meeting/conference call of the Working Group.

Changes that only affect the annual statement must be adopted no later than June in the year of the change (change effective with annual statement 2020 must be adopted no later than June 2020). To meet this requirement, annual proposals must be exposed no later than 60 days prior to a June conference call.

Changes that do not conform to the time guidelines above are limited to a) disclosures required in the current year by the *Accounting Practices and Procedures Manual*, and b) those items providing instructional clarification of current reporting requirements. These proposals will modify the instructions only, including Notes to Financial Statements, and will not be data captured. If the proposal is to add a Note to Financial Statements that should be data captured, the Note may be added to the instructions in the current year and data captured the first subsequent year-end. The disclosure will not be data captured on a quarterly basis. Any new Note will be added as the last Note to avoid renumbering existing Notes. If necessary, the Note will be renumbered at the first subsequent year-end. If a Note is deleted, the remaining Notes will not be renumbered in the current year but will be renumbered at the first subsequent year-end.

Proposals should be submitted no later than 30 days prior to a scheduled meeting/conference call of the Working Group. The Working Group will review the proposals at its next scheduled meeting/conference call and determine whether to 1) receive the proposal for public comment, or 2) reject the proposal. The public comment period ends 30 days prior to the next scheduled meeting/conference call of the Working Group. The Working Group will consider comments received on each proposal at its next meeting/conference call and take action. Proposals under consideration may be deferred by the Working Group until its next scheduled meeting/conference call. However, the Working Group will limit the number of deferrals to “two” based upon the belief the proposal should be revised and resubmitted if it required further work or input after two meetings/conference calls. At the third meeting/conference call, the proposal cannot be deferred again and must be otherwise acted upon. The Working Group may also refer proposals to other NAIC groups due to their technical expertise or for other review. If a proposal has been referred to another NAIC group, the proposal will come off the Working Group’s agenda and will only be considered again in the form of a new proposal.

4. The NAIC Central Office shall prepare and publish on the NAIC website an agenda of all suggestions (including proposals received for comment and comments received) approximately two weeks prior to the scheduled meeting/conference call. One copy of the agenda shall be sent to each Working Group member or his/her representative, at least two weeks prior to the scheduled meeting/conference call.
5. The agenda shall be divided into two sections. NAIC staff will complete the initial classification of each submission into one of the two sections prior to exposure of the agenda. The criteria for classification into one of the two sections are as follows:
  - a. ITEMS PREVIOUSLY EXPOSED – The first section of the agenda will be limited to items that the Blanks (E) Working Group received for public comment at its prior meeting/conference call.
  - b. NEW ITEMS – The second section of the agenda will be limited to new items.

At each meeting/conference call, the Working Group shall not hold any discussions on any substantive item on the agenda under Items Previously Exposed until 1) the chair or proposal sponsor has briefly stated the agenda item, and 2) the chair has called for a motion from the members. If a motion is made and seconded, the item is then discussed and voted upon. A motion is not required for the exposure of new items. Per NAIC procedures, the Working Group chair should ask if there are any objections to exposing.

6. NAIC staff will present to the Working Group a list of necessary non-substantive changes discovered in the process of implementing proposals., e.g., reference changes due to new SSAPs or required changes discovered in the process of implementing proposals. The Working Group will review these changes and may adopt the appropriate items at any scheduled meeting/conference call. Such actions will be documented in the meeting minutes of the Working Group. NAIC staff may also request that the Working Group reconsider items adopted if the items contain substantial errors.
7. The Working Group may, when deemed necessary, appoint an Ad Hoc group to study and propose resolution of certain issues.
8. The NAIC Central Office will publish the blanks and instructions for the next subsequent year on or about September 1 for the annual and on or about November 1 for quarterly of each year. NAIC staff will post to the NAIC website any subsequent corrections to these publications.

**PROCEDURES OF THE BLANKS (E) WORKING GROUP OF THE  
FINANCIAL CONDITION (E) COMMITTEE BLANKS  
WORKING GROUP IN CONNECTION WITH PROPOSED  
-AMENDMENTS TO  
ANNUAL AND QUARTERLY STATEMENT BLANKS AND INSTRUCTIONS**

The following establishes procedures and rules of the Blanks (E) Working Group of the Financial Condition (E) Committee ~~Blanks Working Group (Blanks (E) Working Group)~~ with respect to proposed amendments to the annual and quarterly statement blanks and instructions.

1. The Blanks (E) Working Group (Working Group) may consider relevant proposals to change the NAIC statement blanks and instructions at any ~~interim or national~~ meeting/conference call as scheduled by the Working Group.
2. Suggested changes and amendments filed with the NAIC ~~Executive Headquarters~~ Central Office shall be considered at the next ~~regularly~~ scheduled meeting/conference call of the ~~Blanks (E) Working Group~~ if the proposal is filed at least thirty days prior to the meeting/conference call date. Items filed less than thirty days prior to a ~~regularly~~ scheduled meeting/conference call will be considered at the ~~following regularly~~ next scheduled meeting/conference call of the Working Group. In rare circumstances, suggested changes and amendments can be considered as an exception to the above ~~stated~~ process and timeframe based on a super majority (two-thirds) consent of the Working Group members present.
3. All proposals shall be stated in a concise and complete form. The submission form and instructions are available online at [https://naic.org/documents/committees\\_e\\_app\\_blanks\\_blanksagenda\\_formdoc.doc](https://naic.org/documents/committees_e_app_blanks_blanksagenda_formdoc.doc) ~~[http://www.naic.org/documents/committees\\_e\\_app\\_blanks.htm](http://www.naic.org/documents/committees_e_app_blanks.htm)~~ BlanksAgenda\_Form.doc. An illustration of the format of exhibits or schedules should accompany the submission form. In addition, if another NAIC committee, task force or working group is known to have considered this proposal, that committee, task force or working group should provide any relevant information.

The following time guidelines apply:

The Blanks (E) Working Group will meet ~~four times per year~~. ~~Three of the meetings will be held during the NAIC Spring, Summer and Fall National Meeting, and one will be held by conference call, tentatively scheduled in for March, June, August and November in order to meet scheduled contractual deadlines (e.g., publications and distribution of blanks, instructions, specs., etc.) of each year.~~ **Other conference calls may be held as deemed necessary by the Working Group.**

Any proposal that affects a quarterly statement must be effective at the beginning of the year and any quarterly proposal must be adopted no later than ~~the NAIC Summer National Meeting~~ August of the preceding year ~~conference call~~ for changes effective the following year (e.g., changes effective 1<sup>st</sup> quarter ~~2016-2020~~ must be adopted no later than ~~the 2015 Summer National Meeting~~ August 2019). To meet this requirement, quarterly proposals must be filed ~~at least no later than~~ thirty days prior to the June meeting/conference call of the Working Group.

Changes that only affect the annual statement must be adopted no later than June in the year of the change (change effective with annual statement ~~2016~~ 2020 must be adopted no later than June 2016). To meet this requirement, annual proposals must be ~~exposed~~ filed no later than 630 days prior to the NAIC Spring National Meeting ~~June~~ March conference call.

Changes that do not conform to the time guidelines above are limited to: (a) disclosures required in the current year by the *Accounting Practices and Procedures Manual*, and (b) those items providing instructional clarification of current reporting requirements. These proposals will modify the instructions only, including Notes to Financial Statements, and will not be data captured. If the proposal is to add a Note to Financial Statements that should be data captured, the Note may be added to the instructions in the current year and data captured the first subsequent year-end. The disclosure will not be data captured on a quarterly basis. Any new Note will be added as the last Note to avoid renumbering existing Notes. If necessary, the Note will be renumbered at the first subsequent year-end. If a Note is deleted, the remaining Notes will not be renumbered in the current year but will be renumbered at the first subsequent year-end.

Upon receipt of a P ~~proposals~~ proposals should be submitted no later than 30 days prior to a scheduled meeting/conference call of the Working Group. ~~T~~ the Blanks Working Group will review the proposals at the its next scheduled meeting/conference call and determine whether to 1) receive the proposal for public comment, or 2) reject the proposal. The public comment period

ends 30 days prior to the next ~~designated national or interim~~ scheduled meeting/conference call of the Working Group. The Working Group will consider comments received on each proposal at its next meeting/conference call and take action. Proposals under consideration may be deferred by the Working Group until ~~the following~~ its next scheduled meeting/conference call. However, the Working Group will limit the number of deferrals to “two” based upon the belief the proposal should be revised and resubmitted if it required further work or input after two meetings/conference calls. At the third meeting/conference call, the proposal cannot be deferred again and must be otherwise acted upon. The Working Group may also refer proposals to other NAIC groups due to their technical expertise or for other review. If a proposal has been referred to another NAIC group, the proposal will come off the Working Group’s agenda and will only be considered again in the form of a new proposal.

4. The NAIC ~~Executive Headquarters~~ Central Office shall prepare and publish on the NAIC web-site, —an agenda of all suggestions (including proposals received for comment and comments received) approximately two weeks prior to the scheduled meeting/conference call. One copy of the agenda shall be sent to each Working Group member of the Blanks (E) Working Group or his/her representative, at least two weeks prior to the ~~next regularly~~ scheduled meeting/conference call.
5. The agenda shall be divided into two sections. NAIC ~~S~~ staff will complete the initial classification of ~~the each~~ submissions into one of the two sections prior to exposure of the agenda. The criteria for classification into one of the two sections are as follows:
  - a. ITEMS PREVIOUSLY EXPOSED —The first section of the agenda will be limited to items that the Blanks (E) Working Group received for public comment at its prior meeting/conference call.
  - b. NEW ITEMS —The second section of the agenda will be limited to new items.

At each meeting/conference call, the ~~Blanks (E)~~ Working Group shall not hold any discussions on any substantive item ~~in~~ on the agenda under the Items Previously Exposed until (1) the chair or proposal sponsor has briefly stated the agenda item, and (2) the chair has called for a motion from the members. If a motion is made and seconded, the item is then discussed and voted upon. A motion is not required for the exposure of new items. Per NAIC procedures, the Working Group chair should ask if there are any objections to exposing.

6. NAIC ~~S~~ staff will present to the ~~Blanks (E)~~ Working Group a list of necessary non-substantive changes discovered in the process of implementing proposals., e.g., reference changes due to new SSAP’s or required changes discovered in the process of implementing proposals. The Working Group will review these changes and may adopt the appropriate items at any ~~regularly~~ scheduled meeting/conference call. Such actions will be documented in the meeting minutes of the Working Group. NAIC staff may also request that the Working Group reconsider items adopted; if these items contain substantial errors.
7. The ~~Blanks (E)~~ Working Group may, when deemed necessary, appoint an Ad Hoc ~~G~~ group to study and propose resolution of certain issues.
8. ~~The NAIC Executive Headquarters~~ Central Office will publish each agenda approximately two weeks prior to each interim or national meeting (including proposals received for comment and comments received) on the NAIC Web site.
98. The NAIC ~~Executive Headquarters~~ Central Office will publish the ~~B~~ lanks and ~~Annual Statement I~~ nstructions for the next subsequent year on; or about September 1 for the annual and on or about November 1 for quarterly of each year. NAIC ~~S~~ staff will post to the NAIC ~~W~~ web-site any subsequent corrections to these publications.