

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Kim Hudson</u> TITLE: _____ AFFILIATION: <u>California Department of Insurance</u> ADDRESS: <u>300 South Spring St.</u> <u>Los Angeles, CA 90013</u>	DATE: <u>03/13/2017</u>	FOR NAIC USE ONLY		
	Agenda Item # <u>2017-09BWG 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	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK |
| <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS | |
| <input checked="" type="checkbox"/> Life and Accident & Health | <input type="checkbox"/> Property/Casualty | <input 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: Annual 2017

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify the instructions for the Supplemental XXX/AXXX Reinsurance Exhibit to reflect changes to NAIC *Valuation of Life Insurance Policies Model Regulation* (#830). Modify some of the column header descriptions in Part 1. Add additional columns to Part 1, 2A, and 2B and remove columns from 2A and 2B to allow room on the page for the columns added. Modify the lines used on Part 3. ~~Change effective date of supplement from April 1 to March 1.~~

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

The purpose of this proposal is to modify the instruction and blank to be in line with the changes to NAIC *Valuation of Life Insurance Policies Model Regulation* (#830) and adds some crosschecks to ensure accuracy in reporting of some columns. ~~It also changes the effective date of the supplement from April 1 to March 1 to facilitate data pull from the supplement by RBC.~~

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – LIFE AND FRATERNAL

SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE~~XXX/AXXX~~ REINSURANCE EXHIBIT

PART 1 – ALL ~~CESSIONS~~ OF TERM AND UNIVERSAL LIFE INSURANCE WITH SECONDARY GUARANTEES~~XXX AND AXXX~~ ~~CESSIONS~~

This exhibit is required to be filed no later than ~~April~~ March 1.

Part 1 applies to all ~~those certain~~ life insurance policies containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees ~~required to be valued under Section 6 of the NAIC Valuation of Life Insurance Policies Model Regulation (#830) (other than risk ceded to an assuming insurer for policies eligible for exemption under Section 6F, Section 6G, Section 6H or to the portion of the reserve pursuant to YRT Reinsurance under Section 6E), commonly referred to as “Regulation XXX,” or to ULSG policies required to be valued under Section 7 of Regulation XXX as further clarified by the NAIC Actuarial Guideline XXXVIII – The Application of the Valuation of Life Insurance Policies Model Regulation (AG 38), commonly referred to as Regulation AXXX, by the reporting entity, regardless of the effective date of the cession or the issue date of the policies, excepting only reinsurance of:-~~

- (1) Policies that satisfy the criteria for exemption set forth in Section 6F or 6G of the NAIC Valuation of Life Insurance Policies Model Regulation (#830), as adopted in the reporting entity’s state of domicile, and which are issued before the later of:
 - (a) The effective date of the NAIC Term And Universal Life Insurance Reserve Financing Model Regulation (#787) in the reporting entity’s state of domicile, and
 - (b) The date on which the reporting entity begins to apply the provisions of VM-20 (as defined below) to establish the ceded policies’ statutory reserves, but in no event later than Jan 1, 2020;
- (2) Portions of policies that satisfy the criteria for exemption set forth in Section 6E of Model #830, as adopted in the reporting entity’s state of domicile, and which are issued before the later of:
 - (a) The effective date of Model #787 in the reporting entity’s state of domicile, and
 - (b) The date on which the reporting entity begins to apply the provisions of VM-20 to establish the ceded policies’ statutory reserves, but in no event later than Jan. 1, 2020;
- (3) Any universal life policy that meets all of the following requirements:
 - (a) Secondary guarantee period, if any, is five (5) years or less;
 - (b) Specified premium for the secondary guarantee period is not less than the net level reserve premium for the secondary guarantee period based on the Commissioners Standard Ordinary (CSO) valuation tables and valuation interest rate applicable to the issue year of the policy; and
 - (c) The initial surrender charge is not less than one hundred percent (100%) of the first year annualized specified premium for the secondary guarantee period;

NOTE: For purposes of this Exhibit, the term “universal life with secondary guarantees” shall not include the policies described in (3) above.

- (4) Credit life insurance;
- (5) Any variable life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts; or
- (6) Any group life insurance certificate unless the certificate provides for a stated or implied schedule of maximum gross premiums required in order to continue coverage in force for a period in excess of one year.

A cession described above shall be reported in Part 1, even if one or more of the following circumstances exist:

1. The domiciliary regulator of the reporting entity has issued a waiver of compliance with *Actuarial Guideline XLVIII—Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation (Model 830)* (AG48) to the reporting entity.
2. Regulation substantially similar to Model #787 has not been adopted by the domiciliary regulator of the reporting entity.
- ~~23.~~ The risks ceded arise under policies that meet the definition of “Grandfathered Policies” (as defined below) ~~do not fall within the definition of “Covered Policies” as a result of the proviso contained within that definition.~~
- ~~34.~~ The risks ceded qualify for an exemption from AG48 pursuant to Section 3 thereof or from Model #787 pursuant to Section 4 thereof.

Cessions shall be reported on a treaty-by-treaty basis.

The terms below shall have the following definitions for the purposes of this Part 1:

- A. **Actuarial Method:** The methodology used to determine the Required Level of Primary Security, as described in Section 6 of Model #7875 of AG48.
- B. **Covered Policies:** Subject to the exemptions described in Section 4 of ~~Model #7873 of AG48,~~ Covered Policies are those policies, other than Grandfathered Policies, of the following policy types: that are required to be valued under Sections 6 or 7 of Model #830 and that have risk ceded to an assuming insurer; provided, however, that Covered Policies shall not include policies that were both (1) issued prior to January 1, 2015, and (2) ceded so that they were part of a reinsurance arrangement, as of December 31, 2014, that would not qualify for exemption as described in Section 3 of AG48.
 1. Life insurance policies with guaranteed non-level gross premiums and/or guaranteed non-level benefits, except for flexible premium universal life insurance policies; or
 2. Flexible premium universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period.
- C. **Grandfathered Policies:** Policies of the types described in Subsections B1 and B2 above that were:
 1. Issued prior to Jan. 1, 2015; and
 2. Ceded, as of Dec. 31, 2014, as part of a reinsurance treaty that would not have met one of the exemptions set forth in Section 4 of Model #787 had that section then been in effect.
- ~~CD.~~ **Required Level of Primary Security:** The dollar amount determined by applying the Actuarial Method to the risks ceded with respect to Covered Policies but not more than the total reserve ceded.
- ~~DE.~~ **Primary Security:** The following forms of security:
 1. Cash meeting the requirements of Section 3A of the NAIC *Credit for Reinsurance Model Law* (#785);
 2. Securities listed by the Securities Valuation Office SVO-listed securities meeting the requirements of Section 3B of Model #785, but excluding any synthetic letter of credit, contingent note, credit-linked note or other similar security that operates in a manner similar to a letter of credit, and excluding any securities issued by the ceding insurer or any of its affiliates; and

3. For security held in connection with funds withheld and modified coinsurance reinsurance arrangements:
 - a. Commercial loans in good standing of CM3 quality and higher;
 - b. Policy loans; and
 - c. Derivatives acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance arrangement.

E. **Other Security:** Any ~~security asset, including any asset meeting the definition of Primary Security,~~ acceptable to the commissioner of the ceding insurer's domiciliary state other than security meeting the definition of Primary Security.

F. **Valuation Manual:** The valuation manual adopted by the NAIC as described in Section 11B(1) of the NAIC Standard Valuation Law (#820), with all amendments adopted by the NAIC that are effective for the financial statement date on which credit for reinsurance is claimed.

G. **VM-20:** "Requirements for Principle-Based Reserves for Life Products," including all relevant definitions, from the Valuation Manual.

Detail Eliminated To Conserve Space

Column 4 – Reinsurer that is Licensed, Accredited or Domiciled in Another State and that Meets Certain Additional Statutory Accounting and RBC Requirements ~~Licensed Reinsurer~~ (YES/NO)

Enter "YES" if the reinsurance was ceded to an assuming insurer that meets the applicable requirements of Section 2A, Section 2B or Section 2C of Model #785, as adopted in the reporting entity's state of domicile, and ~~that~~, in addition:

1. Prepares ~~its~~ statutory financial statements in compliance with the *NAIC Accounting Practices and Procedures Manual*, without any departures from NAIC statutory accounting practices and procedures pertaining to the admissibility or valuation of assets or liabilities that increase the assuming insurer's reported surplus and are material enough that they would need to be disclosed in the financial statement of the assuming insurer pursuant to *SSAP No. 1—Accounting Policies, Risks & Uncertainties, and Other Disclosures*, ~~paragraph 7, if the assuming insurer were required to comply with SSAP No. 1;~~ and
2. Is not in a Company Action Level Event, Regulatory Action Level Event, Authorized Control Level Event, or Mandatory Control Level Event as those terms are defined in the *NAIC Risk-Based Capital (RBC) for Insurers Model Act* (#312) when its RBC is calculated in accordance with the life RBC report, including overview and instructions for companies, as the same may be amended by the NAIC from time to time, without deviation.

Column 5 – Reinsurer that is Licensed, Accredited, or Domiciled in Another State and that Meets Certain Additional Non-affiliation, Statutory Accounting, Licensing, and RBC Requirements ~~Accredited Reinsurer~~ (YES/NO)

Enter "YES" if the reinsurance was ceded to an assuming insurer that meets the applicable requirements of Section 2A, Section 2B or Section 2C of Model #785, as adopted in the reporting entity's state of domicile, and that, in addition:

1. Is not an affiliate, as that term is defined in Section 1A of the NAIC Insurance Holding Company System Regulatory Act (#440), of:
 - (a) The insurer ceding the business to the assuming insurer; or

(b) Any insurer that directly or indirectly ceded the business to that ceding insurer;

2. Prepares statutory financial statements in compliance with the NAIC Accounting Practices and Procedures Manual;

3. Is both:

(a) Licensed or accredited in at least 10 states (including its state of domicile), and

(b) Not licensed in any state as a captive, special purpose vehicle, special purpose financial captive, special purpose life reinsurance company, limited purpose subsidiary, or any other similar licensing regime; and

4. Is not, or would not be, below 500% of the Authorized Control Level RBC as that term is defined in NAIC Risk-Based Capital (RBC) for Insurers Model Act (#312) when its Risk-Based Capital (RBC) is calculated in accordance with the life RBC report including overview and instructions for companies, as the same may be amended by the NAIC from time to time, without deviation, and without recognition of any departures from NAIC statutory accounting practices and procedures pertaining to the admission or valuation of assets or liabilities that increase the assuming insurer's reported surplus

~~1. Prepares its statutory financial statements in compliance with the NAIC Accounting Practices and Procedures Manual, without any departures from NAIC statutory accounting practices and procedures pertaining to the admissibility or valuation of assets or liabilities that increase the assuming insurer's reported surplus and are material enough that they would need to be disclosed in the financial statement of the assuming insurer pursuant to SSAP No. 1—Accounting Policies, Risks & Uncertainties, and Other Disclosures, paragraph 7, if the assuming insurer were required to comply with SSAP No. 1; and~~

~~2. Is not in a Company Action Level Event, Regulatory Action Level Event, Authorized Control Level Event, or Mandatory Control Level Event as those terms are defined in the NAIC Risk-Based Capital (RBC) for Insurers Model Act (#312) when its RBC is calculated in accordance with the life RBC report, including overview and instructions for companies, as the same may be amended by the NAIC from time to time, without deviation.~~

Column 6 – Certified Reinsurer (YES/NO)

Enter “YES” if the reinsurance was ceded to an assuming insurer that meets the applicable requirements of Section 2E of the NAIC *Credit for Reinsurance Model Law* (#785) and has been certified in the ceding insurer's domiciliary state or, if that state has not adopted a provision equivalent to Section 2E, in a minimum of five states.

Column 7 – ~~Reinsurer Meeting Certain Size and Licensing Requirements Domiciled in Another Jurisdiction (YES/NO)~~

~~Enter “YES” if the reinsurance was ceded to an assuming insurer that maintains at least \$250 million in capital and surplus when determined in accordance with the NAIC Accounting Practices and Procedures Manual, including all amendments thereto adopted by the NAIC, excluding the impact of any permitted or prescribed practices; and is:meets the applicable requirements of Section 2C of the NAIC Credit for Reinsurance Model Law (#785), as adopted in the reporting entity's state of domicile, and that, in addition:~~

~~1. Licensed in at least 26 states; or~~

~~2. Licensed in at least 10 states, and licensed or accredited in a total of at least 35 states.~~

~~1. Prepares its statutory financial statements in compliance with the NAIC Accounting Practices and Procedures Manual, without any departures from NAIC statutory accounting practices and procedures pertaining to the admissibility or valuation of assets or liabilities that increase the assuming insurer's reported surplus and are material enough that they would need to be disclosed in the financial statement of the assuming insurer~~

~~pursuant to SSAP No. 1 – Accounting Policies, Risks & Uncertainties, and Other Disclosures, paragraph 7, if the assuming insurer were required to comply with SSAP No. 1; and~~

~~2. Is not in a Company Action Level Event, Regulatory Action Level Event, Authorized Control Level Event, or Mandatory Control Level Event as those terms are defined in the NAIC Risk Based Capital (RBC) for Insurers Model Act (#312) when its RBC is calculated in accordance with the life risk based capital report, including overview and instructions for companies, as the same may be amended by the NAIC from time to time, without deviation.~~

Column 8 Reinsurer Maintaining Trust Fund (YES/NO)

Enter “YES” if the reinsurance was ceded to an assuming insurer that meets the applicable requirements of Section 2D of the NAIC *Credit for Reinsurance Model Law* (#785), as adopted in the reporting entity’s state of domicile.

~~Column 9 Reinsurance Required by Law (YES/NO)~~

~~Enter “YES” if the reinsurance risk is located in jurisdictions where the reinsurance is required by law or regulation within the meaning of Section 2F of the NAIC *Credit for Reinsurance Model Law* (#785), as adopted in the reporting entity’s state of domicile.~~

~~Column 409~~ – Special Exemption by Domestic Regulator (YES/NO)

Enter “YES” if the ceding insurer’s domiciliary regulator, after consulting with the NAIC Financial Analysis (E) Working Group (FAWG) or other group of regulators designated by the NAIC, as applicable, has determined under all the facts and circumstances that all of the following apply ~~to risks ceded~~: (1) ~~such~~ the risks are clearly outside of the intent and purpose of ~~AG48~~ Model #787; and (2) such risks are included within the scope of Model #787 ~~AG48~~ only as a technicality; and (3) the application of Model #787 ~~AG48~~ to such risks is not necessary to provide appropriate protection to policyholders ~~under all the facts and circumstances~~.

~~Column 410~~ – Affiliate (YES/NO)

Enter “YES” if the assuming insurer identified in Column 3 is an affiliate.

~~Column 4211~~ – Effective Date

Provide the effective date of the reinsurance ceding arrangement.

~~Column 12~~ -- ~~Statutory Reserve~~

~~State the dollar amount of the statutory reserve for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees included in the ceded reinsurance contract.~~

Column 13 – Statutory Reserve Credit Taken

~~State~~ Provide the dollar amount of the total statutory reserve credit taken for ~~all XXX and AXXX life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees included in the ceded reinsurance contract.~~ For reserves subject to modified coinsurance, report the modified coinsurance reserve.

Column 13 should equal the sum of Column 14 and Column 15.

~~Column 14~~ – ~~XXX~~ Term Life Statutory Policy Reserve Credit Taken

~~State~~ Provide the dollar amount of ~~XXX~~ statutory policy reserve credit taken (include the impact of any liability established as a result of Primary Security being less than the Required Level of Primary Security offset) for life insurance products containing guaranteed non-level gross premiums or guaranteed non-level benefits. For reserves subject to modified coinsurance, report the modified coinsurance reserve.

Column 15 – ~~AXXX-Universal Life~~ Statutory Policy Reserve Credit Taken

~~State Provide~~ the dollar amount of ~~AXXX~~ statutory policy reserve credit taken for universal life insurance policies with secondary guarantees. For reserves subject to modified coinsurance, report the modified coinsurance reserve.

SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE~~XXX/XXX~~ REINSURANCE EXHIBIT

PART 2 – TRANSACTIONS SUBJECT TO PART 2A OR PART 2B DISCLOSURE
(GENERAL INSTRUCTIONS)

This exhibit is required to be filed no later than ~~April~~ March 1. All capitalized terms used in Part 2 shall have the meanings ascribed to them in Part 1.

Part 2 applies to all cessions identified in Part 1 except cessions as to which Column 4, 5, 6, 7-8 or ~~9-8~~ 9-8 is reported as “YES.”

A cession to which Part 2 applies shall be reported in Part 2A if:

- a. Column ~~4-9~~ 9 in Part 1 is reported as “YES” with respect to such cession; or
- b. The cession is of risks under policies that ~~do not~~ meet the definition of “~~Covered~~ Grandfathered Policies,” ~~because they were both (1) issued prior to January, 1, 2015; and (2) ceded so that they were part of a reinsurance arrangement, as of December 31, 2014, that would not qualify for exemption as described in Section 3 of AG48.~~

All other cessions to which Part 2 applies shall be reported in Part 2B. In the event that a cession contains both risks required to be reported in Part 2A according to the instructions above, and risks to be reported in Part 2B according to the instructions above, the reporting of the cession shall be bi-furcated accordingly between Part 2A and Part 2B under the same Cession ID.

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

SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE~~XXX/XXX~~ REINSURANCE EXHIBIT

PART 2A – TRANSACTIONS SUBJECT TO PART 2 DISCLOSURE
(GRANDFATHERED OR SPECIAL EXEMPTION)

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

As of Effective Date or Prior Year’s Annual Statement

Column 6 – Statutory Reserve

State the dollar amount of the statutory reserve for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees included in the ceded reinsurance contract.

Column ~~6~~ 7 – Statutory Reserve Credit Taken

State the dollar amount of the statutory reserve credit taken by the reporting entity for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and

~~universal life insurance policies with secondary guarantees XXX and AXXX products~~ included in the ceded reinsurance contract as of the date reported in Column 5. For reserves subject to modified coinsurance, report the modified coinsurance reserve.

Column ~~7A~~8A – “Economic Reserve” Level

State the value as of the date reported in Column 5 of:

- (A) That portion of the statutory reserve credit that the reporting entity and the reporting entity’s domestic regulator have agreed must be supported by assets admissible per the NAIC *Accounting Practices and Procedures Manual* and that cannot be financed; or
- (B) If no such agreement exists, the reserves calculated by the method required under the Generally Accepted Accounting Principles (GAAP) for the jurisdiction in which the reinsurer’s affiliated group prepares GAAP financial statements; or
- (C) If the no-agreement referenced in (A) does not exist and (B) does not apply, that portion of the reserve required established by the regulator-reinsurer that the reinsurer and reinsurer’s in the jurisdiction of the reinsurer domestic regulator have agreed must be supported by assets admissible per the NAIC Accounting Practices and Procedures Manual and that cannot be financed; or
- (D) If (A), (B) or (C) does not apply, the reserve required by the regulator in the jurisdiction of the reinsurer

Column ~~7B~~8B – “Economic Reserve” Level (Method Used)

Indicate the method used to calculate the amount stated in Column ~~7A~~8A by inserting (A), (B), (C) or (D) after the stated value.

Column ~~8~~9 – Primary Security

State the value as of the date reported in Column 5 of the Primary Security received by the reporting entity as collateral.

~~Column 9 – Primary Security – Trust~~

~~State the value as of the date reported in Column 5 of any part of the collateral reported in Column 8 that is held in trust by the assuming insurer for the benefit of the reporting entity.~~

~~Column 10 – Primary Security – Funds Withheld or Modified Coinsurance~~

~~State the value as the date reported in Column 5 of any part of the collateral reported in Column 8 that is held by the reporting entity on a funds withheld basis or on a modified coinsurance basis.~~

Column ~~4+10~~10 – Other Security

State the value as of the date reported in Column 5 of all collateral that is not reported in Column ~~8~~9.

As of Current Year’s Annual Statement

Column 11 – Statutory Reserve

State the dollar amount of the statutory reserve for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees included in the ceded reinsurance contract.

Column 12 – Statutory Reserve Credit Taken

State the dollar amount of the statutory reserve credit taken by the reporting entity (include the impact of any liability established as a result of Primary Security being less than the Required Level of Primary Security offset) for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees ~~XXX and XXXX products~~ included in the ceded reinsurance contract as of the current annual statement date. For reserves subject to modified coinsurance, report the modified coinsurance reserve.

Column 13A – “Economic Reserve” Level

State the value as of the current annual statement date of:

- (A) That portion of the statutory reserve credit that the reporting entity and the reporting entity’s domestic regulator have agreed must be supported by assets admissible per the NAIC *Accounting Practices and Procedures Manual* and that cannot be financed; or
- (B) If no such agreement exists, the reserves calculated by the method required under the Generally Accepted Accounting Principles (GAAP) for the jurisdiction in which the reinsurer’s affiliated group prepares GAAP financial statements; or
- (C) If the no-agreement referenced in (A) does not exist and (B) does not apply, that portion of the reserve required established by the regulator-reinsurer that the reinsurer and reinsurer’s in the jurisdiction of the reinsurer domestic regulator have agreed must be supported by assets admissible per the NAIC *Accounting Practices and Procedures Manual* and that cannot be financed; or
- (D) If (A), (B) or (C) does not apply, the reserve required by the regulator in the jurisdiction of the reinsurer

Column 13B – “Economic Reserve” Level (Method Used)

Indicate the method used to calculate the amount stated in Column 13A by inserting (A), (B), (C) or (D) after the stated value.



Detail Eliminated To Conserve Space

SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE XXX/XXX REINSURANCE EXHIBIT

**PART 2B – TRANSACTIONS SUBJECT TO PART 2 DISCLOSURE
(NON-GRANDFATHERED)**

Column 1 – Cession ID

Enter a unique Cession ID for each line (01 – 99).

To differentiate between cessions that contain risks subject to the provisions of AG48 and those that contain risks subject to the provisions of a state regulation equivalent to Model #787, append an A or B after the cession ID.

In the event that a cession contains risks subject to both the provisions of AG48 and the provisions of a state regulation equivalent to Model #787, the reporting of the cession shall be bi-furcated accordingly and listed on two distinct lines. The unique Cession ID should be modified by appending “A” or “B” after the Cession ID.

Use "A" for cession that contain risks subject to the provisions of AG48.

Use "B" for cession that contain risks subject to the provisions of a state regulation.

Detail Eliminated To Conserve Space

As of Effective Date or Prior Year's Annual Statement

Column 6 – Statutory Reserve

State the dollar amount of the statutory reserve for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees included in the ceded reinsurance contract.

Column 67 – Statutory Reserve Credit Taken

State the dollar amount of the statutory reserve credit taken by the reporting entity for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees XXX and AXXX products included in the ceded reinsurance contract as of the date reported in Column 5. For reserves subject to modified coinsurance, report the modified coinsurance reserve.

Column 78 – Required Level of Primary Security

State the Required Level of Primary Security applicable to the ~~statutory policy reserves covered policies~~ as of date reported in Column 5.

Column 89 – Primary Security

State the value ~~as of the date reported in Column 5~~ of the Primary Security received by the reporting entity as collateral ~~as of the date reported in Column 5~~.

Column 9 – Primary Security – Trust

State the value as of the date reported in Column 5 of any part of the collateral reported in Column 8 that is held in trust by the assuming insurer for the benefit of the reporting entity.

Column 10 – Primary Security – Funds Withheld or Modified Coinsurance

State the value as the date reported in Column 5 of any part of the collateral reported in Column 8 that is held by the reporting entity on a funds withheld basis or on a modified coinsurance basis.

Column 4+10 – Other Security

State the value as of the date reported in Column 5 of all collateral that is not reported in Column 89.

As of Current Year's Annual Statement

Column 11 – Statutory Reserve

State the dollar amount of the statutory reserve for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees included in the ceded reinsurance contract as of the current annual statement date.

Column 12 – Statutory Reserve Credit Taken

State the dollar amount of the statutory reserve credit taken by the reporting entity (include the impact of any liability established as a result of Primary Security being less than the Required Level of Primary Security offset) for the life insurance products containing guaranteed non-level gross premiums, guaranteed non-level benefits and universal life insurance policies with secondary guarantees ~~XXX and AXXX products~~ included in the ceded reinsurance contract as of the current annual statement date. For reserves subject to modified coinsurance, report the modified coinsurance reserve.

Column 13 – Required Level of Primary Security

State the Required Level of Primary Security applicable to the ~~statutory policy reserves covered policies~~ as of the current annual statement date.

Should not be zero if an amount is reported in Column 12.

Column 14 – Primary Security

State the value ~~as of the current annual statement date~~ of the Primary Security received by the reporting entity as collateral as of the current annual statement date.

Should not be zero if an amount is reported in Column 12.

Column 15 – Primary Security Remediation Adjustment

If Column 13 is greater than Column 14, state the value as of the current annual statement date of any additional Primary Security received by the reporting entity after the as of date of the current annual statement as collateral to cover the difference.



Detail Eliminated To Conserve Space

**** Columns 19 through 20 will be electronic only. ****

Column 19 – Primary Security Shortfall

~~If Column 13 is greater than the sum of Columns 14 and 15, state the difference. If Column 13 is less than or equal to the sum of Columns 14 and 15, leave this column blank.~~

If Column 12 is greater than Column 14 and if Column 13 is greater than the sum of Column 14 and Column 15, state the difference between Column 13 and the sum of Column 14 and Column 15.

If Column 12 is equal to or less than Column 14 or if Column 13 is less than or equal to the sum of Column 14 and Column 15, leave this column blank.

Column 20 – Other Security Shortfall

~~If Column 12 minus the sum of Columns 14 and 15 is greater than Column 18, state the difference. If Column 12 minus the sum of Columns 14 and 15 is less than or equal to Column 18, leave this column blank.~~

If Column 12 is greater than Column 14 and if Column 12 minus the sum of Column 14 and Column 15 is greater than Column 18, state the difference between Column 12 and the sum of Column 14 and Column 15.

If Column 12 is equal to or less than Column 14 or if Column 12 minus the sum of Column 14 and Column 15 is less than or equal to Column 18, leave this column blank.

SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE-XXX/AXXX REINSURANCE EXHIBIT

PART 3 – COLLATERAL FOR ALL TERM AND UNIVERSAL LIFE INSURANCE-XXX/AXXX REINSURANCE TRANSACTIONS REPORTED ON PART 2A OR PART 2B

This exhibit is required to be filed no later than ~~April~~ March 1. All capitalized terms used in Part 3 shall have the meanings ascribed to them in Part 1.



As of Effective Date or Prior Year’s Annual Statement

Column 1 – Assets

State the value as of the latter of the effective date of the cession or the annual statement date immediately preceding the current annual statement date for collateral held in each category identified. ~~Report cash, SVO securities, commercial loans, policy loans and derivatives acquired in the normal course meeting the definition of Primary Security held as Primary Security separately from cash, SVO securities, commercial loans, policy loans and derivatives acquired in the normal course meeting the definition of Primary Security held as Other Security.~~

For the Grand Total page, the total for Column 1 should equal the sum of Column ~~8-9~~ (Primary Security) plus Column ~~11-10~~ (Other Security) from Parts 2A and 2B

Column 2 – Affiliate or Parental Guarantee (YES/NO)

Enter “YES” if any asset identified in Column 1 as to which an affiliate of the reporting entity has issued a guarantee.

As of Current Year’s Annual Statement

Column 3 – Assets

State the value as of the current annual statement date for collateral held in each category identified. ~~Report cash, SVO securities, commercial loans, policy loans and derivatives acquired in the normal course meeting the definition of Primary Security held as Primary Security separately from cash, SVO securities, commercial loans, policy loans and derivatives acquired in the normal course meeting the definition of Primary Security held as Other Security.~~

For the Grand Total page, the total for Column 3 should equal Column 14 (Primary Security) from Parts 2A and 2B plus Column 17 (Other Security) from Part 2A plus Column 15 (Primary Security Remediation Adjustment) from Part 2B plus Column 18 (Other Security) from Part 2B.

Column 4 – Affiliate or Parental Guarantee (YES/NO)

Enter “YES” if any asset identified in Column 3 as to which an affiliate of the reporting entity has issued a guarantee.

For Lines 1 through ~~28~~ 17, the reporting entity shall report the amount of assets in which collateral supporting the cession was held corresponding to the categories shown below.

Primary Security



Detail Eliminated To Conserve Space

Other Security

- Line 12 ————— Cash
Cash meeting the definition of Primary Security found in the instructions for Part 1.
- Line 13 ————— NAIC 1 SVO Listed Securities
NAIC 1 SVO Listed Securities meeting the definition of Primary Security found in the instructions for Part 1.
- Line 14 ————— NAIC 2 SVO Listed Securities
NAIC 2 SVO Listed Securities meeting the definition of Primary Security found in the instructions for Part 1.
- Line 15 ————— NAIC 3 SVO Listed Securities
NAIC 3 SVO Listed Securities meeting the definition of Primary Security found in the instructions for Part 1.
- Line 16 ————— NAIC 4 SVO Listed Securities
NAIC 4 SVO Listed Securities meeting the definition of Primary Security found in the instructions for Part 1.
- Line 17 ————— NAIC 5 SVO Listed Securities
NAIC 5 SVO Listed Securities meeting the definition of Primary Security found in the instructions for Part 1.
- Line 18 ————— NAIC 6 SVO Listed Securities
NAIC 6 SVO Listed Securities meeting the definition of Primary Security found in the instructions for Part 1.
- Line 19 ————— Commercial Loans
Commercial loans meeting the definition of Primary Security found in the instructions for Part 1.
- Line 11 ———— — Other Investments Admissible per the NAIC AP&P Manual
Other Investments Admissible per the NAIC Accounting Practices and Procedures Manual.
- Line 20 ————— Policy Loans
Policy loans meeting the definition of Primary Security found in the instructions for Part 1.
- Line 21 ————— Derivatives Acquired in the Normal Course
Derivatives acquired in the normal course meeting the definition of Primary Security found in the instructions for Part 1.

Line 22 ~~Other Investments Admissible per the NAIC AP&P Manual~~

~~Other investments admissible per the NAIC Accounting Practices and Procedures Manual.~~

~~222~~

Line 2312 – Evergreen, Unconditional LOCs

Evergreen, unconditional letters of credit.

Line 2413 – Other LOCs

Conditional letters of credit issued by qualified U.S. banks.

Line 2514 – Affiliate or Parental Guarantees

Affiliate or parental guarantees.

Line 2615 – LOC-like Assets

Synthetic letters of credit, contingent notes, credit-linked notes or other similar securities that operate in a manner similar to letters of credit.

Line 2716 – Excess of Loss Reinsurance

Excess of loss reinsurance.

Line 2817 – All Other Assets

All other assets.

SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE~~XXX/AXXX~~ REINSURANCE EXHIBIT

PART 4 – NON-COLLATERAL ASSETS SUPPORTING RESERVES FOR ALL AFFILIATE TERM AND UNIVERSAL LIFE INSURANCE~~XXX/AXXX~~ REINSURANCE TRANSACTIONS REPORTED ON PART 2A OR PART 2B

This exhibit is required to be filed no later than ~~April~~ March 1. All capitalized terms used in Part 4 shall have the meanings ascribed to them in Part 1.

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ANNUAL STATEMENT BLANK – LIFE AND FRATERNAL

DRAFTING NOTE: For the interrogatory question on Part 5, change the reference to the supplement title to be as shown below:

Supplemental Term and Universal Life Insurance~~XXX/AXXX~~ Reinsurance Exhibit

PART 3 – COLLATERAL FOR ALL TERM AND UNIVERSAL LIFE INSURANCE XXX/XXX REINSURANCE TRANSACTIONS REPORTED ON PART 2A OR PART 2B

Part 2 Cession ID _____

Name of Company _____

NAIC Company Code _____

ID Number _____

Effective Date or Prior Year Annual Statement Date: _____

Security Category Description	As of Effective Date or Prior Year's Annual Statement		As of Current Year's Annual Statement	
	1 Assets	2 Affiliate or Parental Guarantee (YES/NO)	3 Assets	4 Affiliate or Parental Guarantee (YES/NO)
Primary Security				
1. Cash
2. NAIC 1 SVO-Listed Securities
3. NAIC 2 SVO-Listed Securities
4. NAIC 3 SVO-Listed Securities
5. NAIC 4 SVO-Listed Securities
6. NAIC 5 SVO-Listed Securities
7. NAIC 6 SVO-Listed Securities
8. Commercial Loans
9. Policy Loans
10. Derivatives Acquired in the Normal Course
11. Subtotal Primary Security		XXX		XXX
Other Security				
12. Cash
13. NAIC 1 SVO Listed Securities
14. NAIC 2 SVO Listed Securities
15. NAIC 3 SVO Listed Securities
16. NAIC 4 SVO Listed Securities
17. NAIC 5 SVO Listed Securities
18. NAIC 6 SVO Listed Securities
19. Commercial Loans
20. Policy Loans
21. Derivatives Acquired in the Normal Course
22. Other Investments Admissible per the NAIC AP&P Manual
23. Evergreen, Unconditional LOCs
24. Other LOCs
25. Affiliate or Parental Guarantees
26. LOC like Assets
27. Excess of Loss Reinsurance
28. All Other Assets
29. Subtotal Other Security		XXX		XXX
30. Total		XXX		XXX

Indicate here the basis for the valuation used if the ceding company is unable to determine the statutory accounting value of any asset after making a diligent effort to do so:

PART 4 – NON-COLLATERAL ASSETS SUPPORTING RESERVES FOR ALL AFFILIATE TERM AND UNIVERSAL LIFE INSURANCE XXX/XXX REINSURANCE TRANSACTIONS REPORTED ON PART 2A OR PART 2B

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

PART 5 – SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE XXX/XXX REINSURANCE EXHIBIT INTERROGATORIES

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

ANNUAL STATEMENT BLANK – LIFE

**SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Responses

MARCH FILING

- 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
- 2. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?



AUGUST FILING

- 11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?
- 13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?



- 41. Will the VM-20 Reserves Supplement be filed with the state of domicile and the NAIC by March 1?

~~42. Will the Supplemental Term and Universal Life Insurance Reinsurance Exhibit be filed with the state of domicile and the NAIC by March 1?~~

APRIL FILING

- 42. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?
- 43. Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?
- 44. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?
- 45. Will the Accident and Health Policy Experience Exhibit be filed by April 1?
- 46. Will the Analysis of Annuity Operations by Lines of Business be filed with the state of domicile and the NAIC by April 1?
- 47. Will the Analysis of Increase in Annuity Reserves During the Year be filed with the state of domicile and the NAIC by April 1?
- 48. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?
- 49. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?
- 50. Will the confidential Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D be filed with the state of domicile by April 30?
- 51. Will the Supplemental XXX/AXXX Reinsurance Exhibit be filed with the state of domicile and the NAIC by April 1?
- 52. Will the Variable Annuities Supplement be filed by April 1?

AUGUST FILING

- 53. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?

Explanation:

Bar code:

ANNUAL STATEMENT BLANK – FRATERNAL

**SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your state of domicile waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

Response

- 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
- 2. Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?



AUGUST FILING

- 9. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

- 10. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?



- 36. Will the VM-20 Reserves Supplement be filed with the state of domicile and the NAIC by March 1?
- ~~37. Will the Supplemental Term and Universal Life Insurance Reinsurance Exhibit be filed with the state of domicile and the NAIC by March 1?~~

APRIL FILING

- 37. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?
- 38. Will the Interest Sensitive Life Insurance Products Report be filed with the state of domicile and the NAIC by April 1?
- 39. Will the Accident and Health Policy Experience Exhibit be filed by April 1?
- 40. Will the Analysis of Annuity Operations by Lines of Business be filed with the state of domicile and with the NAIC by April 1?
- 41. Will the Analysis of Increase in Annuity Reserves During the Year be filed with the state of domicile and with the NAIC by April 1?
- 42. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?
- 43. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?
- 44. Will the confidential Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D be filed with the state of domicile by April 30?
- 45. Will the Supplemental XXX-AXXX Reinsurance Exhibit be filed with the state of domicile and the NAIC by April 1?
- 46. Will the Variable Annuities Supplement be filed by April 1?

AUGUST FILING

- 47. Will Management's Report of Internal Control over Financial Reporting be filed with the state of domicile by August 1?

Explanation:

Bar code:

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