

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Jamie Walker</u> TITLE: <u>Assistant Deputy Commissioner</u> AFFILIATION: <u>Texas Department of Insurance</u> ADDRESS: <u>333 Guadalupe St</u> <u>Austin, TX 78701</u>	DATE: <u>12/14/2017</u>	<u>FOR NAIC USE ONLY</u>		
	Agenda Item # <u>2018-01BWG</u> Year <u>2018</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [X] New Reporting Requirement <input type="checkbox"/> []			
	<u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u>			
	No Impact <input checked="" type="checkbox"/> [X] Modifies Required Disclosure <input type="checkbox"/> []			
	<u>DISPOSITION</u>			

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 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

Update the language for the different lines on the Schedule DB, Part D, Section 1 regarding exchange traded derivatives and centrally cleared derivatives.

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

The purpose of this proposal is to clarify what line "cleared derivatives" should be reported on the Schedule DB, Part D, Section 1.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

SCHEDULE DB – PART D – SECTION 1

**COUNTERPARTY EXPOSURE FOR DERIVATIVE INSTRUMENTS OPEN
DECEMBER 31 OF CURRENT YEAR**

Counterparty Exposure to any one counterparty is the exposure to credit risk associated with the use of derivative instruments with that counterparty. This section displays the Book/Adjusted Carrying Value exposure and Fair Value exposure to each counterparty, net of collateral. Also displayed is the total potential exposure for each counterparty for Schedule DB, Parts A and B.

On the first line, show the aggregate sum for exchange traded derivatives, also known as listed derivatives or futures (Line 0199999). (Exchange-Traded derivatives are executed over a centralized trading venue known as an exchange and then booked with a central counterparty known as a clearing house.)

~~On subsequent lines~~ On the next six lines, show separately six groups of OTC (over-the-counter) derivative counterparties by NAIC Designation. (Lines 0299999 through 0799999);

~~followed by~~ Then show the aggregate sum for centrally cleared derivatives. (Line 0899999) This line is used to show centrally cleared derivatives that are not considered Exchange-Traded.

The final line will show a total of all derivatives listed in the lines above. (Line 0999999)

Within each group, list the counterparties or central clearinghouses in alphabetical order.

For each counterparty with a master agreement, show on a second line, if applicable, totals for derivative instruments not covered by the master agreement.

Use additional lines, as needed, if multiple master agreements with the counterparty exist that do not provide for netting of offsetting amounts by the reporting entity against the counterparty upon termination in the event that the counterparty defaults.

Show subtotals for each group.

If a reporting entity has any detail lines reported for any of the following required groups, it shall report the subtotal amount of the corresponding group with the specified subtotal line number appearing in the same manner and location as the pre-printed total.

Aggregate Sum of Exchange Traded Derivatives.....	0199999
<u>Over-The-Counter</u>	
Total NAIC 1 Designation.....	0299999
Total NAIC 2 Designation.....	0399999
Total NAIC 3 Designation.....	0499999
Total NAIC 4 Designation.....	0599999
Total NAIC 5 Designation.....	0699999
Total NAIC 6 Designation.....	0799999
Aggregate Sum of Central Clearinghouses <u>(Excluding Exchange Traded)</u>	0899999
Total (Sum of 0199999, 0299999, 0399999, 0499999, 0599999, 0699999, 0799999 & 0899999)	0999999


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Detail Eliminated To Conserve Space
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