

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p style="text-align: right;">DATE: <u>03/04/2019</u></p> <p>CONTACT PERSON: <u>Charles Therriault</u></p> <p>TELEPHONE: <u>212 386-1920</u></p> <p>EMAIL ADDRESS: <u>CTherriault@naic.org</u></p> <p>ON BEHALF OF: <u>Kevin Fry, Chair, VOS Task Force</u></p> <p>NAME: <u>Robert Carcano</u></p> <p>TITLE: <u>Senior Counsel, Investment Analysis Office</u></p> <p>AFFILIATION: <u>NAIC Staff Support to the VOS TF</u></p> <p>ADDRESS: <u>One New York Plaza</u> <u>New York, NY 10004</u></p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2019-03BVG MOD</u></p> <p>Year <u>2019</u></p> <p>Changes to Existing Reporting [X]</p> <p>New Reporting Requirement []</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact [X]</p> <p>Modifies Required Disclosure []</p> <hr/> <p style="text-align: center;">DISPOSITION</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>06/24/2019</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 checked="" type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2019

IDENTIFICATION OF ITEM(S) TO CHANGE

Add designation column for use with mutual funds to the annual Schedule D, Part 2, Section 2 and modify the instructions to reflect the addition. Modify the instructions for the NAIC Designation and Administrative Symbols Column for the quarterly Schedule D, Parts 3 and 4 to reflect capturing designation for mutual funds.

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

The requested change would facilitate identification of fund investments that have been assigned an NAIC Designation by the SVO under the instructions in the Purposes and Procedures Manual and give insurers who own those funds a mechanical process to report the investment and the SVO Designation assigned to it. The requested change is part of a broader effort to align treatment for funds that only or predominantly hold fixed income assets across Schedules. Other components of the effort include a comprehensive amendment to the Purposes and Procedures Manual, a referral to the Capital Adequacy Task Force to consider how to integrate risk-based capital treatment for this activity and a referral made by the Statutory Accounting Principles Working Group expressing support for the requested reporting mechanism.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

Revised 7/18/2018

SCHEDULE D – PART 2 – SECTION 2

COMMON STOCKS OWNED DECEMBER 31 OF CURRENT YEAR



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Column 1 – CUSIP Identification

CUSIP numbers for all purchased publicly issued securities are available from the broker's confirmation or the certificate. For private placement securities, the NAIC has created a special number called a PPN to be assigned by the Standard & Poor's CUSIP Bureau. For foreign securities, use a CINS that is assigned by the Standard & Poor's CUSIP Bureau: www.cusip.com/cusip/index.htm.

If no valid CUSIP, CINS or PPN number exists then report a valid ISIN (Column ~~23~~24) security number. The CUSIP field should be zero-filled.



Detail Eliminated to Conserve Space

Column 17 – Date Acquired

For public placements use trade date, not settlement date. For private placements, use funding date. Each issue of stocks acquired at public offerings on more than one date may be totaled on one line and the date of last acquisition inserted.

Column 18 – NAIC Designation

For securities reported on Line 9499999 (Mutual Funds) provide the appropriate NAIC designation (1 through 6) as assigned by the Securities Valuation Office. For all other common stock the NAIC designation and administrative symbol field should be left blank~~zero-filled~~.

The listing of valid NAIC designations can be found on the NAIC's website for the Securities Valuation Office (www.naic.org/svo.htm).

**** Columns ~~18-19~~ through ~~23-24~~ will be electronic only. ****

Column ~~18~~19 – Fair Value Hierarchy Level and Method Used to Obtain Fair Value Code



Detail Eliminated to Conserve Space

Column ~~19~~20 – Source Used to Obtain Fair Value

 **Detail Eliminated to Conserve Space**

Column ~~20~~21 – Legal Entity Identifier (LEI)

Provide the 20-character Legal Entity Identifier (LEI) for any issuer as assigned by a designated Local Operating Unit. If no LEI number has been assigned, leave blank.

Column ~~21~~22 – Issuer

 **Detail Eliminated to Conserve Space**

Column ~~22~~23 – Issue

 **Detail Eliminated to Conserve Space**

Column ~~23~~24 – ISIN Identification

The International Securities Identification Numbering (ISIN) system is an international standard set up by the International Organization for Standardization (ISO). It is used for numbering specific securities, such as stocks, bonds, options and futures. ISIN numbers are administered by a National Numbering Agency (NNA) in each of their respective countries, and they work just like serial numbers for those securities. Record the ISIN number only if no valid CUSIP, CINS or PPN exists to report in Column 1.

QUARTERLY STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY AND TITLE

SCHEDULE D – PART 3

LONG-TERM BONDS AND STOCKS ACQUIRED DURING THE CURRENT QUARTER



Detail Eliminated to Conserve Space

Column 10 – NAIC Designation and Administrative Symbol

Provide the appropriate combination of NAIC designation (1 through 6) and administrative symbol (see below) at the end of the quarter for each security shown. The list of valid administrative symbols is shown below.

The listing of valid NAIC designation and administrative symbol combinations can be found on the NAIC’s website for the Securities Valuation Office (www.naic.org/svo.htm).

Long Term Bond:

For Bond Mutual Funds – as Identified by the SVO, enter 1.

Exchange Traded Funds – as Identified by the SVO should be reported as perpetual securities.

Following are valid administrative symbols for bonds.

S	Additional or other non-payment risk
FE	Filing Exempt
FM	Financially Modeled RMBS/CMBS subject to SSAP 43R
AM	Analytically Modeled subject to SSAP 43R
YE	Year-end carry over
IF	Initial filing
PL	Private Letter Rating
PLGI	Private Letter Rating – General Interrogatory
Z	Insurer self-designated
GI	General Interrogatory
F	Sub-paragraph D Company – insurer self-designated
*	Limited to NAIC Designations 6

Preferred Stock:

Following are valid administrative symbols for preferred stock. Refer to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* for the application of these symbols.

- S Additional or other non-payment risk
- FE Filing Exempt
- YE Year-end carry over
- IF Initial filing
- PL Private Letter Rating
- PLGI Private Letter Rating – General Interrogatory
- Z Insurer self-designated
- GI General Interrogatory
- F Sub-paragraph D Company – insurer self-designated
- * Limited to NAIC Designations 6

Common Stock:

For securities reported on Line 9499999 (Mutual Funds) provide the appropriate NAIC designation (1 through 6) as assigned by the Securities Valuation Office. For all other common stock the NAIC designation and administrative symbol field should be left blankzero filled.

The listing of valid NAIC designations can be found on the NAIC’s website for the Securities Valuation Office (www.naic.org/svo.htm).



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SCHEDULE D – PART 4

**LONG-TERM BONDS AND STOCKS SOLD, REDEEMED OR OTHERWISE
DISPOSED OF DURING THE CURRENT QUARTER**

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Column 22 – NAIC Designation and Administrative Symbol

Provide the appropriate combination of the NAIC designation (1 through 6) and administrative symbol (see below) at date of disposal for each security shown. The list of valid administrative symbols is shown below. Where multiple disposal transactions occurred for the same CUSIP, and those transactions are summarized on one line, enter the appropriate combination of NAIC designation, administrative symbol and market indicator for the last disposal using the last available designation.

The listing of valid NAIC designation and administrative symbol combinations can be found on the NAIC’s website for the Securities Valuation Office (www.naic.org/svo.htm).

Long Term Bond:

For Bond Mutual Funds – as Identified by the SVO, enter 1.

Exchange Traded Funds – as Identified by the SVO should be reported as perpetual securities.

Following are valid administrative symbols for bonds. Refer to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* for the application of these symbols

S	Additional or other non-payment risk
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FM	Financially Modeled RMBS/CMBS subject to SSAP 43R
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Preferred Stock:

Following are valid administrative symbols for preferred stock.

S	Additional or other non-payment risk
FE	Filing Exempt
YE	Year-end carry over
IF	Initial filing
PL	Private Letter Rating
PLGI	Private Letter Rating – General Interrogatory
Z	Insurer self-designated
GI	General Interrogatory
F	Sub-paragraph D Company – insurer self-designated
*	Limited to NAIC Designations 6

Common Stock:

For securities reported on Line 9499999 (Mutual Funds) provide the appropriate NAIC designation (1 through 6) as assigned by the Securities Valuation Office. For all other common stock the NAIC designation and administrative symbol field should be left blank zero-filled.

The listing of valid NAIC designations can be found on the NAIC's website for the Securities Valuation Office (www.naic.org/svo.htm).



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