

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: _____</p> <p>NAME: <u>Kevin Fry</u></p> <p>TITLE: <u>Chair, VOS Task Force</u></p> <p>AFFILIATION: _____</p> <p>ADDRESS: _____</p>	<p style="text-align: center;">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2019-04BWG MOD</u></p> <p>Year <u>2019</u></p> <p>Changes to Existing Reporting [<input checked="" type="checkbox"/>]</p> <p>New Reporting Requirement [<input type="checkbox"/>]</p> <hr/> <p style="text-align: center;">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact [<input checked="" type="checkbox"/>]</p> <p>Modifies Required Disclosure [<input type="checkbox"/>]</p> <hr/> <p style="text-align: center;">DISPOSITION</p> <p>[<input type="checkbox"/>] Rejected For Public Comment</p> <p>[<input type="checkbox"/>] Referred To Another NAIC Group</p> <p>[<input type="checkbox"/>] Received For Public Comment</p> <p>[<input checked="" type="checkbox"/>] Adopted Date <u>06/24/2019</u></p> <p>[<input type="checkbox"/>] Rejected Date _____</p> <p>[<input type="checkbox"/>] Deferred Date _____</p> <p>[<input type="checkbox"/>] 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

Remove the reference to "Life and Fraternal Only" in the General Instructions for Schedule BA regarding investments that have the underlying characteristics of bonds or fixed instruments. Also remove the reference from the instructions for Schedule BA regarding the CUSIP and NAIC Designation Column. Add additional lines to the categories "Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument" and "Joint Ventures or Partnership Interests for Which the Primary Underlying Investments are Considered to Be Fixed Income Instruments" to distinguish between those have been reviewed and approved by the SVO and those that have not. Add interrogatory regarding Schedule BA investments with FE designation acquired prior to 1/1/2019.

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

The purpose of this proposal is to bring consistency in reporting investments for Schedule BA across statement types for investments in the categories "Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument" and "Joint Ventures or Partnership Interests for Which the Primary Underlying Investments are Considered to Be Fixed Income Instruments".

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

After exposure of the proposal at the national meeting on 4/6/2019, it was requested by the sponsor that an interrogatory related to Schedule BA investments with FE designation acquired prior to 1/1/2019 should have been included in the proposal. That interrogatory has been added on Page 19 of this proposal.

** This section must be completed on all forms.

Revised 6/13/2009

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

SCHEDULE BA – PARTS 1, 2 AND 3

OTHER LONG-TERM INVESTED ASSETS – GENERAL INSTRUCTIONS

Include only those classes of invested assets not clearly or normally includable in any other invested asset schedule. Such assets should include any assets previously written off for book purposes, but which still have a market or investment value. Give a detailed description of each investment and the underlying security. If an asset is to be recorded in Schedule BA that is normally reported in one of the other invested asset schedules, make full disclosure in the Name or Description column of the reason for recording such an asset in Schedule BA.

For accounting guidance related to foreign currency transactions and translations, refer to *SSAP No. 23—Foreign Currency Transactions and Translations*.

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

<u>Group or Category</u>	<u>Line Number</u>
Oil and Gas Production	
Unaffiliated.....	0199999
Affiliated	0299999
Transportation Equipment	
Unaffiliated.....	0399999
Affiliated	0499999
Mineral Rights	
Unaffiliated.....	0599999
Affiliated	0699999
Fixed or Variable Interest Rate Investments that have the <u>Non-Registered Private Funds with Underlying Assets Having</u> Characteristics of:	
Bonds	
<u>NAIC Designation Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated	0799999
Affiliated.....	0899999
<u>NAIC Designation Not Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated	0999999
Affiliated.....	1099999
Mortgage Loans	
Unaffiliated	09999991199999
Affiliated.....	10999991299999
Other Fixed Income Instruments	
Unaffiliated	11999991399999
Affiliated.....	12999991499999
Joint Venture, Partnership or Limited Liability Company Interests <u>for Which that have the Underlying Assets Have the</u> Characteristics of:	
Fixed Income Instruments	
<u>NAIC Designation Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated	13999991599999
Affiliated.....	14999991699999
<u>NAIC Designation Not Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated	1799999

	<u>Affiliated</u>	1899999
Common Stocks		
	Unaffiliated	15999991999999
	Affiliated	16999992099999
Real Estate		
	Unaffiliated	17999992199999
	Affiliated	18999992299999
Mortgage Loans		
	Unaffiliated	19999992399999
	Affiliated	20999992499999
Other		
	Unaffiliated	21999992599999
	Affiliated	22999992699999
Surplus Debentures, etc.		
	Unaffiliated.....	23999992799999
	Affiliated	24999992899999
Collateral Loans		
	Unaffiliated.....	25999992999999
	Affiliated	26999993099999
Non-collateral Loans		
	Unaffiliated.....	27999993199999
	Affiliated	28999993299999
Capital Notes		
	Unaffiliated.....	29999993399999
	Affiliated	30999993499999
Guaranteed Federal Low Income Housing Tax Credit		
	Unaffiliated.....	31999993599999
	Affiliated	32999993699999
Non-Guaranteed Federal Low Income Housing Tax Credit		
	Unaffiliated.....	33999993799999
	Affiliated	34999993899999
Guaranteed State Low Income Housing Tax Credit		
	Unaffiliated.....	35999993999999
	Affiliated	36999994099999
Non-Guaranteed State Low Income Housing Tax Credit		
	Unaffiliated.....	37999994199999
	Affiliated	38999994299999
All Other Low Income Housing Tax Credit		
	Unaffiliated.....	39999994399999
	Affiliated	40999994499999
Working Capital Finance Investment		
	Unaffiliated.....	41999994599999
Any Other Class of Assets		
	Unaffiliated.....	42999994699999
	Affiliated	43999994799999
Subtotals		
	Unaffiliated.....	44999994899999
	Affiliated	45999994999999
TOTALS		46999995099999

Fixed or Variable Interest Rate Investments that Have the Non-Registered Private Funds with Underlying Assets Having Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument

Include: Fixed income instruments that are not corporate or governmental unit obligations (Schedule D) or secured by real property (Schedule B).

For Life and Fraternal Insurers:

Any investments deemed by the reporting entity to possess the underlying characteristics of a bond or other fixed income instrument which ~~has qualify for Filing Exemption or that have been assigned an NAIC designation reviewed and approved~~ by the Securities Valuation Office (SVO) ~~within pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office~~ for this category. Report these investments on Lines 0799999 and 0899999.

Exclude: ~~—————~~ **For Life and Fraternal Insurers:**

Any investments deemed by the reporting entity to possess the underlying characteristics of a bond or other fixed income investment, ~~but for which has not been assigned an NAIC designation by the Securities Valuation Office (SVO) has not yet affirmed that the specific BA investment (identified by CUSIP) fits in pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office for this category (as identified in the NAIC Valuation of Securities).~~ Report these investments on Lines 0999999, 1099999, 1199999, 1299999, 1399999 and 1499999. ~~Until affirmed by the SVO, report these BA investments in the category for “Any Other Class of Assets.”~~

Joint Ventures, or Partnership or Limited Liability Company Interests for Which the Primary Underlying Assets Have the Characteristics of Investments are Considered to Be:

Fixed Income Instruments

Include: Leveraged Buy-out Fund.
A fund investing in the “Z” strip of Collateralized Mortgage Obligations.

For Life and Fraternal Insurers:

Any investments deemed by the reporting entity to possess the underlying characteristics of fixed income instruments which ~~has qualify for Filing Exemption or that have been assigned an NAIC designation reviewed and approved~~ by the Securities Valuation Office (SVO) ~~within pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office~~ for this category. Report these investments on Lines 1599999 and 1699999.

Exclude: ~~—————~~ **For Life and Fraternal Insurers:**

Any investments deemed by the reporting entity to possess the underlying characteristics of fixed income instruments, ~~but for which has not been assigned an NAIC designation by the Securities Valuation Office (SVO) has not affirmed that the specific BA investment (identified by CUSIP) fits in this subcategory. Until affirmed by the SVO, report these BA investments in the “Other” subcategory of pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office for this category.~~ Report these investments on Lines 1799999 and 1899999.

↓ **Detail Eliminated To Conserve Space** ↓

Other

Include: Limited partnership interests in oil and gas production.

Forest product partnerships.

Investments within the Joint Venture and Partnership Interests category that do not qualify for inclusion in the “Fixed Income Instruments,” “Common Stocks,” “Real Estate” or “Mortgage Loans” subcategories.

Reporting should be consistent with the corresponding risk-based capital factor for this investment category (i.e., Other Long-Term Assets).

For Life and Fraternal Insurers:

~~This includes investments believed by the reporting entity to have the underlying characteristics of “Fixed Income Instruments” but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to have the underlying characteristics of “Other” instruments.~~

↓ **Detail Eliminated To Conserve Space** ↓

Any Other Class of Assets

Include: Investments that do not fit into one of the other categories. An example of items that may be included are reverse mortgages.

For Life and Fraternal Insurers:

~~This includes investments believed by the reporting entity to fit the category of “Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument,” but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to be “Any Other Class of Assets.”~~

SCHEDULE BA – PART 1

OTHER LONG-TERM INVESTED ASSETS OWNED DECEMBER 31 OF CURRENT YEAR

Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance.

Column 1 – CUSIP Identification

This column must be completed for those investments included on Lines 0799999 and 1599999 by **Life and Fraternal** insurers that file Schedule BA investments with the Securities Valuation Office.

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.

For those investments not included on Lines 0799999 and 1599999 a CUSIP should be provided if one has been assigned.

If no CUSIP number exists, the CUSIP field should be zero-filled.



Detail Eliminated To Conserve Space

Column 7 – NAIC Designation and Administrative Symbol

This column must be completed for those investments included on Lines 0799999 and 1599999 by **Life and Fraternal** insurers only. All other insurers may ignore this column and its instructions.

For Schedule BA investments with the underlying characteristics of a bond or a preferred stock instrument, insert the appropriate combination of the NAIC designation (1 through 6) and administrative symbol. The List of valid administrative symbols is shown below.

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

Following are valid administrative symbols for bonds and 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
- YE Year-end carry over
- FE Filing Exempt
- PL Private Letter Rating
- PLGI Private Letter Rating reported on General Interrogatory
- F Sub-paragraph D Company – insurer self-designated

The NAIC designation and administrative symbol field should be ~~left blank zero filled~~ for those Schedule BA investments ~~with the underlying characteristics of a bond or a preferred stock instrument which have not been filed with assigned an NAIC designation by the Securities Valuation Office (SVO) pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office and do not meet the requirements of Filing Exemption, as well for any other investments reported in the respective "Other" categories (non fixed income like BA investments).~~

Detail Eliminated To Conserve Space

Column 11 – Fair Value

~~Fair Value shall be determined in accordance with SSAP No. 100R—Fair Value.~~

~~Include: _____ For all statement types:~~

~~Use fair value received from a counter party when available. For example, for limited partnerships and hedge funds, the latest financial statement's fair value should be used. For other types of instruments, a quote from a broker, seller, or another counter party should be used. If such quote is not available, the reporting entity should make an estimate of fair value at which the investment could be sold to an unaffiliated third party. A record of the quote, or the methodology used to reach an estimate should be kept in file.~~

~~**Life and Fraternal** entities who have filed Schedule BA assets with the SVO must complete this column with the assigned value as reported in the AVS+ database.~~

Detail Eliminated To Conserve Space

SCHEDULE BA – PART 2

OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND ADDITIONS MADE DURING THE YEAR

This schedule should reflect not only those newly acquired long-term invested assets but also any increases or additions to long-term invested assets acquired in the current and prior periods, including, for example, capital calls from existing limited partnerships.

Column 1 – CUSIP Identification

This column must be completed for those investments included on Lines 0799999 and 1599999 by **Life and Fraternal** insurers that file Schedule BA investments with the Securities Valuation Office.

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.

For those investments not included on Lines 0799999 and 1599999 a CUSIP should be provided if one has been assigned.

If no CUSIP number exists, the CUSIP field should be zero-filled.



Detail Eliminated To Conserve Space

SCHEDULE BA – PART 3

OTHER LONG-TERM INVESTED ASSETS DISPOSED, TRANSFERRED OR REPAID DURING THE YEAR

This schedule should reflect not only disposals of an entire “other invested asset” but should also include partial disposals and amounts received during the year on investments still held, including, for example, return of capital distributions from limited partnerships.

Column 1 – CUSIP Identification

This column must be completed for those investments included on Lines 0799999 and 1599999 by ~~Life and Fraternal~~ insurers that file Schedule BA investments with the Securities Valuation Office.

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.

For those investments not included on Lines 0799999 and 1599999 a CUSIP should be provided if one has been assigned.

If no CUSIP number exists, the CUSIP field should be zero-filled.



Detail Eliminated To Conserve Space

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

SCHEDULE BA – PARTS 2 AND 3

OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND DISPOSED OF

Report the other long-term assets acquired during the current quarter. Investments acquired and sold during the same quarter should be reported in both Part 2 and Part 3. Include only those classes of invested assets not clearly or normally includable in any other invested asset schedule. Such assets should include any assets previously written off for book purposes, but that still have a market or investment value. Give a detailed description of each investment and the underlying security. If an asset is to be recorded in Schedule BA that is normally reported in one of the other invested asset schedules, make full disclosure in a footnote of the reason for recording such an asset in Schedule BA.

For accounting guidance related to foreign currency transactions and translations, refer to *SSAP No. 23—Foreign Currency Transactions and Translations*.

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

<u>Group or Category</u>	<u>Line Number</u>
Oil and Gas Production	
Unaffiliated.....	0199999
Affiliated	0299999
Transportation Equipment	
Unaffiliated.....	0399999
Affiliated	0499999
Mineral Rights	
Unaffiliated.....	0599999
Affiliated	0699999
Fixed or Variable Interest Rate Investments that have the <u>Non-Registered Private Funds with Underlying Assets Having</u> Characteristics of:	
Bonds	
<u>NAIC Designation Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated	0799999
Affiliated.....	0899999
<u>NAIC Designation Not Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated.....	0999999
Affiliated.....	1099999
Mortgage Loans	
Unaffiliated	0999999 1199999
Affiliated.....	1099999 1299999
Other Fixed Income Instruments	
Unaffiliated	1199999 1399999
Affiliated.....	1299999 1499999
Joint Venture, Partnership or Limited Liability Company Interests <u>for Which that have</u> the Underlying Assets Have the Characteristics of:	
Fixed Income Instruments	
<u>NAIC Designation Assigned by the Securities Valuation Office (SVO)</u>	
Unaffiliated	1399999 1599999
Affiliated.....	1499999 1699999
<u>NAIC Designation Not Assigned by the Securities Valuation Office (SVO)</u>	

	Unaffiliated	1799999
	Affiliated	1899999
Common Stocks		
	Unaffiliated	15999991999999
	Affiliated	16999992099999
Real Estate		
	Unaffiliated	17999992199999
	Affiliated	18999992299999
Mortgage Loans		
	Unaffiliated	19999992399999
	Affiliated	20999992499999
Other		
	Unaffiliated	21999992599999
	Affiliated	22999992699999
Surplus Debentures, etc.		
	Unaffiliated	23999992799999
	Affiliated	24999992899999
Collateral Loans		
	Unaffiliated	25999992999999
	Affiliated	26999993099999
Non-collateral Loans		
	Unaffiliated	27999993199999
	Affiliated	28999993299999
Capital Notes		
	Unaffiliated	29999993399999
	Affiliated	30999993499999
Guaranteed Federal Low Income Housing Tax Credit		
	Unaffiliated	31999993599999
	Affiliated	32999993699999
Non-Guaranteed Federal Low Income Housing Tax Credit		
	Unaffiliated	33999993799999
	Affiliated	34999993899999
Guaranteed State Low Income Housing Tax Credit		
	Unaffiliated	35999993999999
	Affiliated	36999994099999
Non-Guaranteed State Low Income Housing Tax Credit		
	Unaffiliated	37999994199999
	Affiliated	38999994299999
All Other Low Income Housing Tax Credit		
	Unaffiliated	39999994399999
	Affiliated	40999994499999
Working Capital Finance Investment		
	Unaffiliated	41999994599999
Any Other Class of Assets		
	Unaffiliated	42999994699999
	Affiliated	43999994799999
Subtotals		
	Unaffiliated	44999994899999
	Affiliated	45999994999999
TOTALS		46999995099999

Fixed or Variable Interest Rate Investments that Have the Non-Registered Private Funds with Underlying Assets Having Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument

Include: Fixed income instruments that are not corporate or governmental unit obligations (Schedule D) or secured by real property (Schedule B).

For Life and Fraternal Insurers:

Any investments deemed by the reporting entity insurer to possess the underlying characteristics of a bond or other fixed income instrument which qualify for Filing Exemption or that have has been assigned an NAIC designation reviewed and approved by the Securities Valuation Office (SVO) within pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office for this category. Report these investments on Lines 0799999 and 0899999.

Exclude: **For Life and Fraternal Insurers:**

Any investments deemed by the reporting entity insurer to possess the underlying characteristics of a bond or other fixed income investment, but for which has not been assigned an NAIC designation by the Securities Valuation Office (SVO) has not yet affirmed that the specific BA investment (identified by CUSIP) fits in pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office for this category (as identified in the Valuations of Securities product). Report these investments on Lines 0999999, 1099999, 1199999, 1299999, 1399999 and 1499999. Until affirmed by the SVO, report these BA investments in the category for "Any Other Class of Assets."

Joint Ventures, or Partnership or Limited Liability Company Interests for Which the Primary Underlying Assets Have the Characteristics of Investments are Considered to Be:

Fixed Income Instruments

Include: Leveraged Buy-out Fund.
A fund investing in the "Z" strip of Collateralized Mortgage Obligations.

For Life and Fraternal Insurers:

Any investments deemed by the reporting entity insurer to possess the underlying characteristics of fixed income instruments which qualify for Filing Exemption or that have has been assigned an NAIC designation reviewed and approved by the Securities Valuation Office (SVO) within pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office for this category. Report these investments on Lines 1599999 and 1699999.

Exclude: **For Life and Fraternal Insurers:**

Any investments deemed by the reporting entity insurer to possess the underlying characteristics of fixed income instruments, but for which has not been assigned an NAIC designation by the Securities Valuation Office (SVO) has not affirmed that the specific BA investment (identified by CUSIP) fits in this subcategory. Until affirmed by the SVO, report these BA investments in the "Other" subcategory of pursuant to the policies in the Purposes and Procedures Manual of the NAIC Investment Analysis Office for this category. Report these investments on Lines 1799999 and 1899999.

Other

Include: Limited partnership interests in oil and gas production.

Forest product partnerships.

Investments within the Joint Venture and Partnership Interests category that do not qualify for inclusion in the “Fixed Income Instruments,” “Common Stocks,” “Real Estate” or “Mortgage Loans” subcategories.

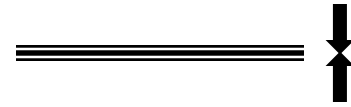
Reporting should be consistent with the corresponding risk-based capital factor for this investment category (i.e., Other Long-Term Assets).

For Life and Fraternal Insurers:

~~This includes investments believed by the insurer to have the underlying characteristics of “Fixed Income Instruments” but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to have the underlying characteristics of “Other” instruments.~~



Detail Eliminated To Conserve Space



Any Other Class of Assets

Include: Investments that do not fit into one of the other categories. An example of items that may be included are reverse mortgages.

For Life and Fraternal Insurers:

~~This includes investments believed by the insurer to fit the category of “Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument,” but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to be “Any Other Class of Assets.”~~

SCHEDULE BA – PART 2

OTHER LONG-TERM INVESTED ASSETS ACQUIRED AND ADDITIONS MADE DURING THE CURRENT QUARTER

This schedule should reflect not only those newly acquired long-term invested assets, but also any increases or additions to long-term invested assets acquired in the current and prior periods, including, for example, capital calls from existing limited partnerships.

Column 1 – CUSIP Identification

This column must be completed for those investments included on Lines 0799999 and 1599999 by Life and Fraternal insurers that file Schedule BA investments with the Securities Valuation Office.

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.

For those investments not included on Lines 0799999 and 1599999 a CUSIP should be provided if one has been assigned.

If no CUSIP number exists, the CUSIP field should be zero-filled.



Detail Eliminated To Conserve Space

Column 6 – NAIC Designation and Administrative Symbol

This column must be completed for those investments included on Lines 0799999 and 1599999 by Life and Fraternal insurers only. All other insurers may ignore this column and its instructions.

For Schedule BA investments with the underlying characteristics of a bond or a preferred stock instrument, insert the appropriate combination of the NAIC designation (1 through 6) and administrative symbol. 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).

Following are valid administrative symbols for bonds and 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
- YE Year-end carry over
- FE Filing Exempt
- PL Private Letter Rating
- PLGI Private Letter Rating reported on General Interrogatory
- F Sub-paragraph D Company – insurer self-designated

The NAIC designation and administrative symbol field should be ~~left blank~~^{zero-filled} for those Schedule BA investments ~~with the underlying characteristics of a bond or a preferred stock instrument which have not been filed with~~ assigned an NAIC designation by the Securities Valuation Office (SVO) pursuant to the policies in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* and do not meet the requirements of Filing Exemption, as well for any other investments reported in the respective “Other” categories (non-fixed income like BA investments).

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Detail Eliminated To Conserve Space
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SCHEDULE BA – PART 3

OTHER LONG-TERM INVESTED ASSETS DISPOSED, TRANSFERRED OR REPAID DURING THE CURRENT QUARTER

This schedule should reflect not only disposals of an entire “other invested asset” but should also include partial disposals and amounts received during the year on investments still held, including, for example, return of capital distributions from limited partnerships.

Column 1 – CUSIP Identification

This column must be completed ~~for those investments included on Lines 0799999 and 1599999 by Life and Fraternal insurers that file Schedule BA investments with the Securities Valuation Office.~~

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.

For those investments not included on Lines 0799999 and 1599999 a CUSIP should be provided if one has been assigned.

If no CUSIP number exists, the CUSIP field should be zero-filled.

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Detail Eliminated To Conserve Space
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ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

EQUITY AND OTHER INVESTED ASSET COMPONENT –
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS

This supporting form is used to calculate the basic contribution, reserve objective and maximum reserve targets for the common stock, real estate and other invested assets sub-components of the equity component of the AVR. Instructions apply to the general account and to the separate accounts, if applicable.



Detail Eliminated To Conserve Space

Lines 22 through 28 – Other Invested Assets with Underlying Characteristics of Bonds

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to bonds (Lines 0799999 and 0899999 and the portion of Lines ~~1199999~~1399999, ~~1299999~~1499999, ~~1399999~~1599999 and ~~1499999~~1699999 that applies to fixed income instruments similar to bonds) that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* in Columns 1 and 4. Follow the SVO guidelines and categorize these assets into NAIC designations one through six as directed by the NAIC Securities Valuation Office instructions, except those exempt obligations (as listed in the AVR instructions for Line 2) which should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9 and report the products by designation in Columns 6, 8 and 10, respectively.

~~Include: Any investments believed by the reporting entity to fit the category of “Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument,” or “Joint Ventures or Partnership Interests for Which the Primary Underlying Investments are Considered to Be “Fixed Income Instruments” which qualify for Filing Exemption or have been reviewed by the SVO.~~

~~Exclude: Any investments believed by the reporting entity to possess the underlying characteristics of a bond, but for which the Securities Valuation Office (SVO) has not yet affirmed that the specific BA asset (identified by CUSIP) fits in this category (as identified in the Valuation of Securities product). Until affirmed by the SVO, these investments are to be reported in Line 83 (Other Invested Assets – Schedule BA) of this schedule.~~

Lines 30 through 35 – Other Invested Assets with Underlying Characteristics of Preferred Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to preferred stocks (the portion of Lines ~~1199999~~1399999, ~~1299999~~1499999, ~~1399999~~1599999 and ~~1499999~~1699999 that applies to fixed income instruments similar to preferred stocks) that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* and certain surplus debentures (included in Lines ~~2399999~~2799999 and ~~2499999~~2899999) and capital notes (included in Lines ~~2999999~~3399999 and ~~3099999~~3499999) in Columns 1 and 4. Follow the SVO guidelines and categorize these assets into classes P1 through P6 or RP1 through RP6 as directed by the NAIC Securities Valuation Office instructions. For surplus debentures and capital notes, use the Credit Rating Provider (CRP) rating to categorize these assets as if the SVO had assigned an NAIC designation of 1 through 6. ONLY those surplus debentures and capital notes with a CRP rating equivalent to an NAIC 1 or NAIC 2 designation may be included in this section (in Lines 30 and 31). Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

~~Include: Any investments believed by the reporting entity to fit the category of “Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument,” or “Joint Ventures or Partnership Interests for Which the Primary Underlying Investments are Considered to Be Fixed Income Instruments” which qualify for Filing Exemption or have been reviewed by the SVO.~~

Include: Surplus debentures and capital notes that possess a CRP rating equivalent to an NAIC 1 or NAIC 2 designation.

~~Exclude: Any investments believed by the reporting entity to possess the underlying characteristics of a preferred stock, but for which the Securities Valuation Office (SVO) has not yet affirmed that the specific BA asset (identified by CUSIP) fits in this category (as identified in the Valuation of Securities product). Until affirmed by the SVO, these investments are to be reported in Line 83 (Other Invested Assets – Schedule BA) of this schedule.~~

Exclude: All surplus debentures and capital notes that do NOT possess an CRP rating equivalent to an NAIC 1 or NAIC 2 designation. These surplus debentures are to be reported in Line 83 (Other Invested Assets – Schedule BA) of this schedule.

Lines 38
through 63

– Other Invested Assets with Underlying Characteristics of Mortgage Loans

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to mortgage loans (Lines ~~0999999~~1199999, ~~1099999~~1299999, ~~1999999~~2399999 and ~~2099999~~2499999), excluding any mortgage-backed/asset-backed securities included in Lines 22 through 28 above, in Columns 1 and 4. Categorize the mortgage loans as indicated in Lines 38 through 55.

For Lines 38 through 63, the classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7 and 9, Lines 38 through 63. Report the products by category in Columns 6, 8 and 10, respectively. For 2015 reporting, unaffiliated, overdue and in process of foreclosure mortgages that are insured or guaranteed should be included in Lines 47, 49, 52 or 54.

Lines 65
through 69

– Other Invested Assets with Underlying Characteristics of Common Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investments are similar to common stock (Lines ~~1599999~~1999999 and ~~1699999~~2099999) in Columns 1 and 4. Line 68 should show all Schedule BA assets owned where the characteristics of the underlying investments are similar to subsidiary, controlled or affiliated company common stocks owned and these assets should be valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Categorize these assets consistent with the directions for Pages 32 and 33, Lines 1 through 4, 15 and 16. For Line 65, the reserve factor must be calculated on an individual company basis. It is equal to 13% times the beta factor as discussed in the Pages 32 and 33, Line 1 instructions, and must be at least 10% but not more than 20%. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively. For Lines 66 through 69, multiply the amounts in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 74 – Total Other Invested Assets with Underlying Characteristics of Real Estate

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to real estate (Lines ~~1799999-2199999~~ and ~~1899999-2299999~~ items that are not reported in AVR category of Other Invested Assets with Underlying Characteristics of Mortgage Loans) in Column 1, any related encumbrances on these assets in Column 2, and any third party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 10) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third party encumbrances with recourse which are included in Column 3.

Lines 75 through 80 – Low-Income Housing Tax Credit Investments

Report Column 1 in accordance with *SSAP No. 93—Low-Income Housing Tax Credit Property Investments*.

For Line 75, report guaranteed low-income housing tax credit (LIHTC) investments. There must be an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment. Line 75 should equal Schedule BA, Part 1, Column 12, Line ~~3499999-3599999~~ + Line ~~3299999-3699999~~.

For Line 76, report non-guaranteed LIHTC investments with the following risk mitigation factors:

- I. A level of leverage below 50%. For LIHTC Fund, the level of leverage is measured at the fund level.
- II. There is a Tax Credit Guarantee Agreement from General Partner or managing member. This agreement requires the General Partner or managing member to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the life of the partnership. For an LIHTC Fund, a Tax Credit Guarantee is required from the developers of the lower tier LIHTC properties to the upper tier partnership.
- III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable foreclosure risk at the time of the investment.

Line 76 should equal Schedule BA, Part 1, Column 12, Line ~~3399999-3799999~~ + Line ~~3499999-3899999~~.

Only federal low-income housing tax credit investments can be reported on Lines 75 and 76. State low-income housing tax credit investments that meet the requirements of SSAP No. 93 and that, at a minimum, meet the requirements for federal guaranteed programs should be reported on Line 77. Line 77 should equal Schedule BA, Part 1, Column 12, Line ~~3599999-3999999~~ + Line ~~3699999-4099999~~.

State low-income housing tax credit investments that do not meet the requirements of SSAP No. 93 and that do not, at a minimum, meet the requirements for federal non-guaranteed programs should be reported on Line 78. Line 78 should equal Schedule BA, Part 1, Column 12, Line ~~3799999-4199999~~ + Line ~~3899999-4299999~~.

Any other low-income housing tax credit investments that meet the requirements of SSAP No. 93 and cannot be reported on Lines 75 through 78 should be reported on Line 79. Line 79 should equal Schedule BA, Part 1, Column 12, Line ~~3999999~~4399999 + Line ~~4099999~~4499999.

Multiply the amount in Column 4 for each category by the reserve factors for Page 34, Columns 5, 7 and 9, Lines 75 through 79. Report the products by category in Columns 6, 8 and 10, respectively.

Line 81 & 82 – Working Capital Finance Investments

Report the book/adjusted carrying value of all working capital finance investments owned (Schedule BA, Part 1, Line ~~4199999~~4599999) in Columns 1 and 4. Categorize the working capital finance investments into NAIC designations 1 or 2 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Line 83 – Other Invested Assets – Schedule BA

Report the book/adjusted carrying value of all other Schedule BA investments owned that cannot be classified into one of the above categories (Lines ~~0199999, 0299999, 0399999, 0499999, 0599999, 0699999, 0999999, 1099999, 1799999, 1899999, 2199999~~2599999, 2299999~~2699999, 2399999~~2799999, 2499999~~2899999, 2999999~~3399999, 3099999~~3499999, 4299999~~4699999 and ~~4399999~~4799999) in Column 1 and any encumbrances on these assets in Column 3. Schedule DL, Part 1 investments reported on Line ~~8899999~~ would be included in this total if not classified in one of the above categories. Collateral loans (Lines ~~2599999–2999999~~ and ~~2699999~~3099999) have been intentionally excluded from this total. For surplus debentures and capital notes, the amount to report in Column 1 is to be calculated based upon the accounting prescribed in *SSAP No. 41—Surplus Notes*. Report the sum of Columns 1 and 3 in Column 4. Column 4 may not be less than zero. Note that ALL surplus debentures and capital notes should be included here in Line 83, EXCEPT those with a CRP rating equivalent to an NAIC 1 or NAIC 2 designation (which are reported in Lines 30 and 31 of this schedule). Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9, and report the products in Columns 6, 8 and 10, respectively.

~~Include: Any investments believed by the reporting entity to fit the category of “Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument,” or “Joint Ventures or Partnership Interests for which the Primary Underlying Investments are considered to be Fixed Income Instruments” but which do not qualify for Filing Exemption and have not been reviewed by the SVO. In addition, include those investments that have been reviewed by the SVO and were determined to have the underlying characteristics of “Other” instruments (joint venture, partnership and LLC investments) or to be “Any Other Class of Assets”.~~

Exclude: All surplus debentures and capital notes that possess a CRP rating equivalent to an NAIC 1 or NAIC 2 designation. These surplus debentures are to be reported in Line 30 and 31 (Other Invested Assets with Underlying Characteristics of Preferred Stocks) of this schedule.



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GENERAL INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No []

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No []

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No []

OTHER

3536.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ _____

3536.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

3637.1 Amount of payments for legal expenses, if any? \$ _____

3637.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

3738.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ _____

3738.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

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

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

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GENERAL INTERROGATORIES

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [] No []

- 17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

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19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No []

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No []

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No []

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES



Detail Eliminated To Conserve Space

OTHER

- | ~~3536~~. The purpose of this General Interrogatory is to capture information about payments to any trade association, service organization, and statistical or rating bureau. A “service organization” is defined as every person, partnership, association or corporation that formulates rules, establishes standards, or assists in the making of rates or standards for the information or benefit of insurers or rating organizations.
- | ~~3637~~. The purpose of this General Interrogatory is to capture information about legal expenses paid during the year. These expenses include all fees or retainers for legal services or expenses, including those in connection with matters before administrative or legislative bodies. It excludes salaries and expenses of company personnel, legal expenses in connection with investigation, litigation and settlement of policy claims, and legal fees associated with real estate transactions, including mortgage loans on real estate. Do not include amounts reported in General Interrogatories No. ~~35-36~~ and No. ~~3738~~.
- | ~~3738~~. The purpose of this General Interrogatory is to capture information about expenditures in connection with matters before legislative bodies, officers or departments of government paid during the year. These expenses are related to general legislative lobbying and direct lobbying of pending and proposed statutes or regulations before legislative bodies and/or officers or departments of government. Do not include amounts reported in General Interrogatories No. ~~35-36~~ and No. ~~3637~~.

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