

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Debbie Doggett</u> TITLE: <u>Financial Analysis Supervisor</u> AFFILIATION: <u>MO Department of Insurance</u> ADDRESS: _____ _____ _____	DATE: <u>03/19/20189</u>	FOR NAIC USE ONLY
	Agenda Item # <u>2019-16BVG MOD</u> Year <u>2019</u> Changes to Existing Reporting [X] New Reporting Requirement []	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT
	No Impact [X] Modifies Required Disclosure []	DISPOSITION
	[] Rejected For Public Comment [] Referred To Another NAIC Group [] Received For Public Comment [X] Adopted Date <u>06/24/2019</u> [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input checked="" type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input type="checkbox"/> Title |
| <input type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2019

IDENTIFICATION OF ITEM(S) TO CHANGE

Add new column "YRT Mortality Risk Only" to the Analysis of Operations by Lines of Business (Summary, Individual Life and Group Life) and Analysis of Increase in Reserves During Year (Individual Life and Group Life) blank pages and instructions for yearly-renewable-term reinsurance business where the only risk included is mortality.

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

The purpose of this proposal is to allow yearly-renewable-term reinsurance business where mortality is the only risk covered, to be reported separately in its own column, as the specific type of insurance product is not relevant for pure mortality risk.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business. Columns 2 through 6 of this exhibit reflect the total column from the Analysis of Operations by Lines of Business pages for Individual Life, Group Life, Individual Annuities, Group Annuities and Accident and Health with additional columns included for Fraternal Line of Business and Other Lines of Business which does not have a separate Analysis of Operations by Lines of Business pages.

Column 1 – Total

The lines in this column should equal Page 4, Column 1.

The lines in this column should equal the sum of Columns 2 through 89.

Column 2 – Individual Life

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Life, Column 1 minus Column 12.

Column 3 – Group Life

The lines in this column should equal the Analysis of Operations by Lines of Business – Group Life, Column 1. minus Column 9

Column 4 – Individual Annuities

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Annuities, Column 1.

Column 5 – Group Annuities

The lines in this column should equal the Analysis of Operations by Lines of Business – Group Annuities, Column 1.

Column 6 – Accident and Health

The lines in this column should equal the Analysis of Operations by Lines of Business – Accident and Health, Column 1.

Column 7 – Fraternal

Transactions related to the fraternal mission.

Column 8 – Other Lines of Business

Include Any Business that is not reported in Columns 1 through 7 or Column 9.

Column 9 – YRT Mortality Risk Only

The lines in this column should equal the Analysis of Operations by Lines of Business – Individual Life Column 12 plus Analysis of Operations by Lines of Business – Group Life Column 9.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL LIFE INSURANCE

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business, in part. The sum of the Analysis of Operations for all lines of business (Individual Life, Group Life, Individual Annuities, Group Annuities and Accident and Health) should tie to the Summary of Operation except for those companies reporting fraternal lines of business.



Detail Eliminated to Conserve Space

Column 1 – Total

The lines in this column are to agree with Page 4, Column 1, in part.

Column 6 – Credit Life

Include: Business not exceeding 120 months.

These columns are not applicable to Fraternal Benefit Societies.

Column 11 – Other Individual Life

Include: All individual life insurance not included in columns 2 through 10.

Column 12 – YRT Mortality Risk Only

This column should only be completed for assumed and retained (net) yearly-renewable-term reinsurance business where the only risk included is mortality.

If a company reports YRT assumed business in Columns 2 through 11, then that business should not be reported in column 12.



Detail Eliminated to Conserve Space

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP LIFE INSURANCE

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business, in part.



Detail Eliminated to Conserve Space

Column 1 – Total

The lines in this column are to agree with Page 4, Column 1, in part.

Column 7 – Credit Life

Include: Business not exceeding 120 months.

Column 8 – Other Group Life

Include: All group life insurance not included elsewhere.

Federal Employees' Group Life Insurance (FEGLI) and Servicemen's Group Life Insurance (SGLI)

Column 9 – YRT Mortality Risk Only

This column should only be completed for assumed and retained (net) yearly-renewable-term reinsurance business where the only risk included is mortality.

If a company reports YRT assumed business in Columns 2 through 8, then that business should not be reported in column 9.



Detail Eliminated to Conserve Space

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR – INDIVIDUAL LIFE INSURANCE

This exhibit analyzes the development of life policy and contract reserves by showing how the reserve may be traced mathematically from one year-end to the next by taking account of its various theoretical components:

Reinsurance – Ordinarily, it will be satisfactory to compute all items net of reinsurance ceded. However, companies will generally find it more useful to compute gross and reinsurance ceded separately, unless the latter is not material.

Coinsurance – For the ceding company, all items are computed similarly to its own direct business. For the assuming company, all items are included with its direct business and are similarly computed.

Modified Coinsurance – For the ceding company, there is no deduction from reserves for reinsurance ceded.

Yearly Renewable Term Reinsurance – For the ceding company, items are computed on the same basis as its direct business. For the assuming company, all items are included with its direct business and are similarly reported.

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Column 10 – Credit Life

Include: Business not exceeding 120 months.

This column is not applicable to Fraternal Benefit Societies.

Column 12 – YRT Mortality Risk Only

This column should only be completed for assumed and retained (net) yearly-renewable-term reinsurance business where the only risk included is mortality.

If a company reports YRT assumed business in Columns 2 through 11, then that business should not be reported in column 12.

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ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR – GROUP LIFE INSURANCE

This exhibit analyzes the development of life policy and contract reserves by showing how the reserve may be traced mathematically from one year-end to the next by taking account of its various theoretical components:

Reinsurance – Ordinarily, it will be satisfactory to compute all items net of reinsurance ceded. However, companies will generally find it more useful to compute gross and reinsurance ceded separately, unless the latter is not material.

Coinsurance – For the ceding company, all items are computed similarly to its own direct business. For the assuming company, all items are included with its direct business and are similarly computed.

Modified Coinsurance – For the ceding company, there is no deduction from reserves for reinsurance ceded.

Yearly Renewable Term Reinsurance – For the ceding company, items are computed on the same basis as its direct business. For the assuming company, all items are included with its direct business and are similarly reported.

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Column 7 – Credit Life

Include: Business not exceeding 120 months.

Column 9 – YRT Mortality Risk Only

This column should only be completed for assumed and retained (net) yearly-renewable-term reinsurance business where the only risk included is mortality.

If a company reports YRT assumed business in Columns 2 through 8, then that business should not be reported in column 9.

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ANNUAL STATEMENT BLANK – LIFE/FRATERNAL

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – SUMMARY

	1	2	3	4	5	6	7	8	9
	Total	Individual Life	Group Life	Individual Annuities	Group Annuities	Accident and Health	Fraternal	Other Lines of Business	YRT Mortality Risk Only
1. Premiums and annuity considerations for life and accident and health contracts
2. Considerations for supplementary contracts with life contingencies	XXX	XXX	.....	.....	XXX	XXX	.....	.....
3. Net investment income
4. Amortization of Interest Maintenance Reserve (IMR)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	XXX	.....	.....
6. Commissions and expense allowances on reinsurance ceded	XXX	.....	.....
7. Reserve adjustments on reinsurance ceded	XXX	.....	.....
8. Miscellaneous Income:									
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts
8.2 Charges and fees for deposit-type contracts	XXX	.....	.....
8.3 Aggregate write-ins for miscellaneous income	XXX	.....	.....
9. Totals (Lines 1 to 8.3).....
10. Death benefits	XXX	XXX	.....	.....
11. Matured endowments (excluding guaranteed annual pure endowments)	XXX	XXX	.....	.....
12. Annuity benefits	XXX	XXX	.....	.....
13. Disability benefits and benefits under accident and health contracts	XXX	XXX	.....	.....	.....	XXX	.....	.....
14. Coupons, guaranteed annual pure endowments and similar benefits	XXX	.....	.....
15. Surrender benefits and withdrawals for life contracts	XXX	XXX	.....	.....
16. Group conversions	XXX	.....	.....
17. Interest and adjustments on contract or deposit-type contract funds	XXX	.....	.....
18. Payments on supplementary contracts with life contingencies	XXX	.....	.....
19. Increase in aggregate reserves for life and accident and health contracts	XXX	.....	.....
20. Totals (Lines 10 to 19).....	XXX	.....	.....
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	XXX
22. Commissions and expense allowances on reinsurance assumed	XXX	.....	.....
23. General insurance expenses and fraternal expenses
24. Insurance taxes, licenses and fees, excluding federal income taxes
25. Increase in loading on deferred and uncollected premiums	XXX	.....	.....
26. Net transfers to or (from) Separate Accounts net of reinsurance	XXX	.....	.....
27. Aggregate write-ins for deductions
28. Totals (Lines 20 to 27).....
29. Net gain from operations before dividends to policyholders, and refunds to members and federal income taxes (Line 9 minus Line 28).....
30. Dividends to policyholders and refunds to members	XXX	.....	.....
31. Net gain from operations after dividends to policyholders, and refunds to members and before federal income taxes (Line 29 minus Line 30)
32. Federal income taxes incurred (excluding tax on capital gains)
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)
34. Policies/certificates in force end of year	XXX	.....	.....
DETAILS OF WRITE-INS									
08.301.
08.302.
08.303.
08.398. Summary of remaining write-ins for Line 8.3 from overflow page
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)
2701.
2702.
2703.
2798. Summary of remaining write-ins for Line 27 from overflow page
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL LIFE INSURANCE (b)

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Industrial Life	Whole Life	Term Life	Indexed Life	Universal Life	Universal Life With Secondary Guarantees	Variable Life	Variable Universal Life	Credit Life	Other Individual Life	YRT Mortality Risk Only
1. Premiums for life contracts (a)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. Considerations for supplementary contracts with life contingencies												XXX
3. Net investment income												
4. Amortization of Interest Maintenance Reserve (IMR)												
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income												
9. Totals (Lines 1 to 8.3)												
10. Death benefits												
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Disability benefits and benefits under accident and health contracts												
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts												
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds												
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts												
20. Totals (Lines 10 to 19)												
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)												
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses												
24. Insurance taxes, licenses and fees, excluding federal income taxes												
25. Increase in loading on deferred and uncollected premiums												
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Lines 20 to 27)												
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)												
30. Dividends to policyholders and refunds to members												
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)												
32. Federal income taxes incurred (excluding tax on capital gains)												
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)												
34. Policies/certificates in force end of year												
DETAILS OF WRITE-INS												
08.301												
08.302												
08.303												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)												
2701												
2702												
2703												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)												

(a) Include premium amounts for preneed plans included in Line 1

(b) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

(c) Individual and Group Credit Life are combined and included on page. (Indicate whether included with Individual or Group.)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP LIFE INSURANCE (c)

	1	2	3	4	5	6	7	8	9
	Total	Whole Life	Term Life	Universal Life	Variable Life	Variable Universal Life	Credit Life (d)	Other Group Life (a)	YRT Mortality Risk Only
1. Premiums for life contracts (a)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. Considerations for supplementary contracts with life contingencies									
3. Net investment income									
4. Amortization of Interest Maintenance Reserve (IMR)									
5. Separate Accounts net gain from operations excluding unrealized gains or losses									
6. Commissions and expense allowances on reinsurance ceded									
7. Reserve adjustments on reinsurance ceded									
8. Miscellaneous Income:									
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts									
8.2 Charges and fees for deposit-type contracts									
8.3 Aggregate write-ins for miscellaneous income									
9. Totals (Lines 1 to 8.3)									
10. Death benefits									
11. Matured endowments (excluding guaranteed annual pure endowments)									
12. Annuity benefits	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Disability benefits and benefits under accident and health contracts									
14. Coupons, guaranteed annual pure endowments and similar benefits									
15. Surrender benefits and withdrawals for life contracts									
16. Group conversions									
17. Interest and adjustments on contract or deposit-type contract funds									
18. Payments on supplementary contracts with life contingencies									
19. Increase in aggregate reserves for life and accident and health contracts									
20. Totals (Lines 10 to 19)									
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)									
22. Commissions and expense allowances on reinsurance assumed									
23. General insurance expenses									
24. Insurance taxes, licenses and fees, excluding federal income taxes									
25. Increase in loading on deferred and uncollected premiums									
26. Net transfers to or (from) Separate Accounts net of reinsurance									
27. Aggregate write-ins for deductions									
28. Totals (Lines 20 to 27)									
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)									
30. Dividends to policyholders and refunds to members									
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)									
32. Federal income taxes incurred (excluding tax on capital gains)									
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)									
34. Policies/certificates in force end of year									
DETAILS OF WRITE-INS									
08.301.									
08.302.									
08.303.									
08.398. Summary of remaining write-ins for Line 8.3 from overflow page									
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)									
2701.									
2702.									
2703.									
2798. Summary of remaining write-ins for Line 27 from overflow page									
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)									

- (a). Includes the following amounts for FEGLI/SGLI: Line 1..... Line 10..... Line 16..... Line 23..... Line 24.....
- (b). Include premium amounts for preneed plans included in Line 1.....
- (c). Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.
- (d) Individual and Group Credit Life are combined and included on page. (Indicate whether included with Individual or Group.)

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR – INDIVIDUAL LIFE INSURANCE ^(a)

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Industrial Life	Whole Life	Term Life	Indexed Life	Universal Life	Universal Life With Secondary Guarantees	Variable Life	Variable Universal Life	Credit Life ^(b) (N/A Fraternal)	Other Individual Life	YRT Mortality Risk Only
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)												
1. Reserve December 31, prior year.....												
2. Tabular net premiums or considerations.....												
3. Present value of disability claims incurred.....												
4. Tabular interest.....												
5. Tabular less actual reserve released.....												
6. Increase in reserve on account of change in valuation basis.....												
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve.....		XXX								XXX		
7. Other increases (net).....												
8. Totals (Lines 1 to 7).....												
9. Tabular cost.....												
10. Reserves released by death.....												
11. Reserves released by other terminations (net).....												
12. Annuity, supplementary contract, and disability payments involving life contingencies.....												
13. Net transfers to or (from) Separate Accounts.....												
14. Total deductions (Lines 9 to 13).....												
15. Reserve December 31, current year.....												
Cash Surrender Value and Policy Loans												
16. CSV Ending balance December 31, current year.....												
17. Amount Available for Policy Loans Based upon Line 16 CSV.....												

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

(b) Individual and Group Credit Life are combined and included on page. (Indicate whether included with Individual or Group.)

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR – GROUP LIFE INSURANCE ^(a)
(N/A Fraternal)**

	1	2	3	4	5	6	7	8	9
	Total	Whole Life	Term Life	Variable Life	Universal Life	Variable Universal Life	Credit Life ^(b)	Other Group Life	YRT Mortality Risk Only
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)									
1. Reserve Dec. 31 of prior year.....
2. Tabular net premiums and considerations
3. Present value of disability claims incurred
4. Tabular interest.....
5. Tabular less actual reserve released
6. Increase in reserve on account of change in valuation basis
7. Other increases (net).....
8. Totals (Lines 1 to 7)
9. Tabular cost	XXX	.....	.....	.....
10. Reserves released by death.....
11. Reserves released by other terminations (net).....
12. Annuity, supplementary contract, and disability payments involving life contingencies
13. Net transfers to or (from) Separate Accounts.....
14. Total deductions (Lines 8 to 14)
15. Reserve December 31 of current year
Cash Surrender Value and Policy Loans									
16. CSV Ending balance December 31, current year.....
17. Amount Available for Policy Loans Based upon Line 16 CSV

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

(b): Individual and Group Credit Life are combined and included on page. (Indicate whether included with Individual or Group)

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