

## **PROCEDURES OF THE FINANCIAL CONDITION (E) COMMITTEE BLANKS WORKING GROUP IN CONNECTION WITH PROPOSED AMENDMENTS TO ANNUAL AND QUARTERLY STATEMENT BLANKS AND INSTRUCTIONS**

The following establishes procedures and rules of the Financial Condition (E) Committee Blanks Working Group (Blanks (E) Working Group) with respect to proposed amendments to the annual and quarterly statement blanks and instructions.

1. The Blanks (E) Working Group may consider relevant proposals to change the NAIC statement blanks and instructions at any interim or national meeting as scheduled by the Working Group.
2. Suggested changes and amendments filed with the NAIC Executive Headquarters shall be considered at the next regularly scheduled meeting of the Blanks (E) Working Group if the proposal is filed at least thirty days prior to the meeting. Items filed less than thirty days prior to a regularly scheduled meeting will be considered at the following regularly scheduled meeting. In rare circumstances, suggested changes and amendments can be considered as an exception to the above stated process and timeframe based on a super majority (two-thirds) consent of the Working Group members present.
3. All proposals shall be stated in a concise and complete form. The submission form and instructions are available online at [http://www.naic.org/documents/committees\\_e\\_app\\_blanks\\_blanksagenda\\_formdoc.doc](http://www.naic.org/documents/committees_e_app_blanks_blanksagenda_formdoc.doc). An illustration of the format of exhibits or schedules should accompany the submission form. In addition, if another NAIC committee, task force or working group is known to have considered this proposal, that committee, task force or working group should provide any relevant information.

The following time guidelines apply:

The Blanks (E) Working Group will meet four times per year. Three of the meetings will be held during the NAIC Spring, Summer and Fall National Meeting, and one will be held by conference call in June of each year. **Other conference calls may be held as deemed necessary by the Working Group.**

Any proposal that affects a quarterly statement must be effective at the beginning of the year and any quarterly proposal must be adopted no later than the NAIC Summer National Meeting for changes effective the following year (change effective 1st quarter 2016 must be adopted no later than the 2015 Summer National Meeting). To meet this requirement, quarterly proposals must be filed at least thirty days prior to the June conference call.

Changes that only affect the annual statement must be adopted no later than June in the year of the change (change effective with annual statement 2016 must be adopted no later than June 2016). To meet this requirement, annual proposals must be filed no later than 30 days prior to the NAIC Spring National Meeting.

Changes that do not conform to the time guidelines above are limited to (a) disclosures required in the current year by the *Accounting Practices and Procedures Manual* and (b) those items providing instructional clarification of current reporting requirements. These proposals will modify the instructions only, including Notes to Financial Statements, and will not be data captured. If the proposal is to add a Note to Financial Statements that should be data captured, the Note may be added to the instructions in the current year and data captured the first subsequent year-end. The disclosure will not be data captured on a quarterly basis. Any new Note will generally be added as the last Note to avoid renumbering existing Notes. If necessary, the Note will be renumbered at the first subsequent year-end. If a Note is deleted, the remaining Notes will not be renumbered in the current year but will be renumbered at the first subsequent year-end.

Upon receipt of a proposal 30 days prior to a scheduled meeting, the Blanks (E) Working Group will review the proposal at the next scheduled meeting and determine whether to (1) receive the proposal for public comment or (2) reject the proposal. The public comment period ends 30 days prior to the next designated national or interim meeting of the Working Group. The Working Group will consider comments received on each proposal at its next meeting and take action. Proposals under consideration may be deferred by the Working Group until the following scheduled meeting. However, the Working Group will limit the number of deferrals to "two" based upon the belief the proposal should be revised and resubmitted if it requires further work or input after two meetings. At the third meeting, the proposal cannot be deferred again and must be otherwise acted upon. The Working Group may also refer proposals to other NAIC committees for technical expertise or review. If a proposal has been referred to another NAIC committee, the proposal will come off the Working Group's agenda and will only be considered again in the form of a new proposal.

4. The NAIC Executive Headquarters shall prepare an agenda of all suggestions. One copy of the agenda shall be sent to each member of the Blanks (E) Working Group or his/her representative, at least two weeks prior to the next regularly scheduled meeting.
5. The agenda shall be divided into two sections. NAIC staff will complete the initial classification of the submissions into one of the two sections prior to exposure of the agenda. The criteria for classification into one of the two sections are as follows:
  - a. ITEMS PREVIOUSLY EXPOSED - The first section of the agenda will be limited to items that the Blanks (E) Working Group received for public comment at its prior meeting.
  - b. NEW ITEMS - The second section of the agenda will be limited to new items.

At each meeting, the Blanks (E) Working Group shall not hold any discussions on any substantive item in the agenda until (1) the chair has briefly stated the agenda item and (2) the chair has called for a motion from the Working Group members. If a motion is made and seconded, the item is then discussed and voted upon.

6. NAIC staff will present to the Blanks (E) Working Group a list of necessary non-substantive changes discovered in the process of implementing proposals, e.g., reference changes due to new statements of statutory accounting principles or required changes discovered in the process of implementing proposals. The Working Group will review these changes and may adopt the appropriate items at any regularly scheduled meeting. Such actions will be documented in the minutes of the Working Group. NAIC staff may also request that the Working Group reconsider items adopted if these items contain substantial errors.
7. The Blanks (E) Working Group may, when deemed necessary, appoint an Ad Hoc Group to study and propose resolution of certain issues.
8. The NAIC Executive Headquarters will publish each agenda approximately two weeks prior to each interim or national meeting (including proposals received for comment and comments received) on the NAIC Web site.
9. The NAIC Executive Headquarters will publish the blanks and annual statement instructions for the next subsequent year on or about November 1st each year. NAIC staff will post to the NAIC Web site any subsequent corrections to these publications.

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