National Association of Insurance Commissioners

& The Center for Insurance Policy and Research

TO:	Subscribers to the NAIC *Annual Statement Instructions* – Life, Accident and Health/Fraternal
FROM:	Calvin Ferguson, Senior Insurance Reporting Analyst
DATE:	September 1, 2019
RE:	2019 Life, Accident and Health/Fraternal Annual Statement Instructions

Enclosed please find a complete set of 2019 annual statement instructions. Revision bars in the left margin identify changes from the previous year. Modifications to these instructions that may occur during the current year are made available on the NAIC website at *https://naic-cms.org/cmte_e_app_blanks.htm*. Information regarding modifications may also be found on the cover page of this manual.

Questions regarding the content of these instructions should be directed to Calvin Ferguson, Senior Insurance Reporting Analyst, at cferguson@naic.org. Order inquiries may be addressed by an NAIC customer service representative at prodserv@naic.org.

ASI - LUA- 19

Official NAIC
Annual Statement Instructions

Life Accident and Health\Fraternal

For the 2019 reporting year
Printed September 2019

This guidance is adopted by the NAIC as of June 2019. Please note that there can be modifications to the instructions included in this manual from year to year. As such, guidance is subject to the maintenance process. To address this, the NAIC has a website dedicated to providing the latest information impacting quarterly and annual statement instructions.

Website: ***www.naic.org/cmte_e_app_blanks.htm***

NAIC

National Association of Insurance Commissioners

The NAIC is the authoritative source for insurance industry information. Our expert solutions support the efforts of regulators, insurers and researchers by providing detailed and comprehensive insurance information. The NAIC offers a wide range of publications in the following categories:

Accounting & Reporting
Information about statutory accounting principles and the procedures necessary for filing financial annual statements and conducting risk-based capital calculations.

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Important answers to common questions about auto, home, health and life insurance — as well as buyer's guides on annuities, long-term care insurance and Medicare supplement plans.

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Comprehensive collection of NAIC model laws, regulations and guidelines; state laws on insurance topics; and other regulatory guidance on antifraud and consumer privacy.

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Relevant studies, guidance and NAIC policy positions on a variety of insurance topics.

For more information about NAIC publications, visit us at:

http://www.naic.org//prod_serv_home.htm

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Appendix

EDITOR'S NOTE:

Some statement pages and items are considered self-explanatory and have no instructions other than what appears on the printed statement blank.

INSTRUCTIONS

For Completing Life, Accident and Health Companies/Fraternal Benefit Societies Annual Statement Blank

FOREWORD

Line titles and column headings of the various statement items and lines are in general self-explanatory and as such constitute instructions. Specific further instructions are prescribed for items and lines about which there might be some question as to content. Make any entry for which no specific instruction appears in accordance with sound insurance accounting principles and in a manner consistent with related items and lines covered by specific instructions. The *Accounting Practices and Procedures Manual* is one reference for guidance concerning statutory accounting principles.

For U.S. branches of non-U.S. insurers:

> In completing the annual statement blank, report all business done by the U.S. branch in the United States. The difference between the amounts reported on the Assets page, Total line, Net Admitted Assets, Current Year column and the Liabilities page, Total Liabilities line shall be reported on the Liabilities page, Line 38.

The format of the annual statement facilitates data capture. Therefore, do not change the captions for pre-printed items, lines, or columns and do not insert write-ins between pre-printed items, lines or columns (however, these requirements do not apply to the signature lines on the Jurat Page). An entry for which no specific pre-printed line title appears (for example, Deferred Option Income) should be included in the appropriate write-in line for each schedule or applicable page. Include an identifying title with each entry. Report write-in lines in descending order. The statement provides a limited number of lines for write-ins in each applicable section. Do not modify these pre-printed write-in detail schedules. If there is not sufficient room in a write-in detail schedule to accommodate all write-ins to be reported therein, report the write-in detail overflow on pages sequentially numbered beginning with Page 55 (Overflow page), followed by 55.1, 55.2, etc. In such instances, carry the summary of write-in overflow lines from this page to the prescribed line in the write-in detail schedule.

Each overflow write-in section should adhere to the following example:

Page 2

ASSETS
DETAILS OF WRITE-INS AGGREGATED AT LINE 25 FOR OTHER-THAN-INVESTED-ASSETS

2501.	Write-in caption aaaa	$	500,000
2502.	Write-in caption bbbb		350,000
2503.	Write-in caption cccc		250,000
2598.	Summary of remaining write-ins for Line 25 from Overflow page		300,000
2599.	TOTAL (Lines 2501 through 2503 plus 2598) (Page 2, Line 25)	$	1,400,000

Overflow Page
Page 2 – Continuation
Assets
Remainder of Write-ins Aggregated in Line 25

2504.	Write-in caption dddd	$	100,000
2505.	Write-in caption eeee		75,000
2506.	Write-in caption ffff		50,000
2507.	Write-in caption gggg		50,000
2508.	Write-in caption hhhh		20,000
2509.	Write-in caption iiii		5,000
2597.	Summary of remaining write-ins for Line 25 (Lines 2505 through 2596) (Page 2, Line 2598)	$	300,000

More than one detail overflow section may appear on one page. However, the items should remain in page number order. Notwithstanding the prohibition against changing the captions of pre-printed items or columns and against inserting write-ins between pre-printed lines or columns, certain portions of the annual statement may require more lines than are provided. When additional lines are required within any of these statement areas, companies shall continue the sequence of either the pre-printed line number range, or the line number range described in the appropriate instruction area.

When the use of such additional lines requires more room than exists on the pre-printed page, the continuation should be presented on a page, inserted immediately following the pre-printed page, designated as page n.1, n.2, etc. For instance, if Schedule BA, Part 1, Other Long-Term Invested Assets requires more lines, the continuation would be presented on Page E07.1, E07.2, etc. Adequately caption all such additional pages to enable ready identification.

Pre-printed subtotal, total, and grand total lines have specific line numbers assigned. The prescribed subtotal line numbers are set forth in the instructions for the respective annual statement page or part thereof, to which they pertain.

In most instances, the information appearing in the various sections of the statement will be sufficient to meet examination needs. However, each company must maintain adequate records and work papers to support the detail of all accounting transactions, enabling verification of the year-end statement values. Company management should perform a periodic review to determine that these records are accurate, sufficiently detailed, and retained in orderly, safe storage with appropriate retention periods.

INDEX

The annual statement shall contain an alphabetized index on the last page of the hardcopy statement, which references the title and page number of all of the pages that are required to be included in that filing. The NAIC shall maintain, and place on its Website at *www.naic.org/cmte_e_app_blanks.htm*, the alphabetized index for all statement types that is required to be included in the hardcopy of the statement. The above is only required on the March 1 filing, and specifically excludes any supplements.

GENERAL

The annual statement is to be completed in accordance with the *Annual Statement Instructions* and *Accounting Practices and Procedures Manual* except to the extent that state law, rules or regulations are in conflict with these publications. In cases of conflict, the life, accident and health annual statement will be filed pursuant to such state's filing requirements. The domiciliary state's insurance regulatory authority shall maintain full discretion in determining which NAIC annual statement blank must be filed. The annual statement blank filed with the domiciliary state shall be the blank submitted to, and maintained by, the NAIC, and barring conflict as described above, should be filed with all jurisdictions in which the reporting entity is licensed.

1. **Health Statement Test:**

If a reporting entity is licensed as a life and health insurer and completes the life, accident and health annual statement for the reporting year, the reporting entity must complete the Health Statement Test.

The Health Statement Test is designed to determine whether a reporting entity reports predominantly health lines of business. Health lines include hospital or medical policies or certificates, comprehensive major medical expense insurance and managed care contracts and exclude other health coverage such as credit insurance, disability income coverage, automobile medical coverage, workers' compensation, accidental death and dismemberment policies and long-term care policies.

Passing the Test:

A reporting entity is deemed to have passed the Health Statement Test if:

The values for the premium and reserve ratios in the Health Statement Test equal or exceed 95% for both the reporting and prior year

AND

The entity passing Health Statement Test is licensed and actively issuing and/or renewing business in five states or less

AND

At least seventy-five percent (75%) of the entity's current year premiums are written in its domiciliary state

OR

The values for the premium and reserve ratios in the Health Statement Test equal 100% for both the reporting and prior year, regardless of the number of states in which the entity is licensed.

If a reporting entity is a) licensed as a life and health insurer; b) completes the Life, Accident and Health annual statement for the reporting year; and c) passes the Health Statement Test (as described above), the reporting entity must complete the health statement beginning with the first quarter's statement for the second year following the reporting year in which the reporting entity passes the Health Statement Test and must also file the corresponding risk-based capital report and the life supplements for that year-end.

Variances from following these instructions:

If a reporting entity's domestic regulator requires the reporting entity to complete an annual statement form and risk-based capital report that differs from these instructions, the domestic regulator shall notify the reporting entity in writing by June 1 of the year following the reporting year in which a Health Statement Test is submitted.

2. **Date of filing:**

The statement is required to be filed on or before March 1, unless otherwise provided.

3. Companies are required to file the quarterly statement 45 days after the end of the quarter and the annual statement on or before March 1 for the preceding calendar year, unless otherwise required.

4. The reporting date and the legal name of the company must be plainly written or stamped at the top of all pages, exhibits and schedules (and duplicate schedules) and also upon all inserted schedules and loose sheets. Where permitted, the assumed name can accompany the legal name.

5. It is the responsibility of the company to prepare and utilize the barcodes correctly. See the Appendix within these instructions for use of specific barcodes.

6. Printed statements or copies produced by some duplicating process on the annual blanks required by this Department, will be accepted if:

   a. Bound in covers similar in color to the blanks required by this Department;

   b. Printed or duplicated by a process resulting in permanent black characters on a good grade of paper of light color; and

   c. Such statements and all supporting schedules contain all the information required, with the same headings and footnotes, and are of the same size and arrangement, page for page, column for column, and line for line, as in the blanks required by this Department unless the company is otherwise instructed.

State insurance departments, other than the state of domicile, must choose to receive certain detailed investment schedules (as listed below) in hardcopy. The state filing instructions will serve as notice regarding the requirements. However, even if the detailed investment schedules are required by a state other than where the reporting entity is domiciled, those detailed pages may be included in a separate bound statement, provided some reference to the fact is included with the regular filing and to the location where those pages would be included.

The following schedules are to be filed in paper copy with the state of domicile only, unless specifically requested by other admitted states. The state filing checklist and instructions will serve as notice regarding the paper filing requirements.

Schedule A
Schedule B
Schedule BA
Schedule D, Parts 1 – 6 (excluding Part 1A)
Schedule DA, Part 1
Schedule DB, Parts A-E
Schedule DL, Parts 1 and 2
Schedule E, Parts 1, 2 and 3
Credit Insurance Experience Exhibit
Life, Health and Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit
Adjustment to Life, Health and Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit
Long-Term Care Insurance Experience Reporting Forms
Medicare Supplement Insurance Experience Exhibit
Trusteed Surplus Statement

If the reporting entity is filing with the NAIC, that filing shall be via the Internet only.

Photocopied or faxed pages are not acceptable.

Printing Standards

a. Commercial printers must be furnished with original laser printer output generated at appropriate laser settings to give the highest print quality (no photocopied or faxed pages).

b. No font smaller than 8-point type for the annual statement or 6-point type for the Long-Term Care Experience Reporting Forms 1 through 5 and all investment schedules may be used. Ornate fonts may not be used.

c. Present numbers in non-bold, non-italic type.

d. Numbers must be non-proportionally spaced.

e. The annual and quarterly statements must be printed at 9 lines per inch.

f. Unobtrusive dotted leader lines shall be printed across the page to guide the eye to the reported figures. They should not touch the reported figures.

g. Slashed zeros (∅) shall not be used.

h. The number of detail write-in lines printed in any detail write-in section shall be three (3). Remaining detail write-in lines, if any, shall be reported on the overflow page.

These rules do not apply to pre-printed line captions, column headings, or footnotes.

If a reporting entity utilizes a software package other than the annual statement vendors' package for producing variable line schedules, the reporting entity is responsible for ensuring that such package(s) meet all of the aforementioned printing standards.

All annual and quarterly statements and all filing forms associated with the annual and quarterly statement filings are to be 8 ½" x 14" unless otherwise specified by state(s).

7. Blank schedules will not be considered properly filed. If no entries are to be made, write "None" or "Nothing" across the schedule in question or complete the appropriate interrogatory of the Supplemental Exhibits and Schedules Interrogatories page of the annual statement blank. If a reporting entity chooses not to file allowable investment schedule detail, the schedule must be stamped, "Details filed with the state of domicile, state of commercial domicile and the NAIC." Companies should account for every page of the annual statement in consecutive page number order. If several consecutive pages are "None", (or in the case of some investment schedules that are not filed in hard copy in all states), the appropriate page numbers with exhibit or schedule headings may be listed on one page. Insert that page in the appropriate location in the annual statement.

8. If additional supporting statements or schedules are added in connection with answering interrogatories or providing information on the financial statement, the additions should be properly keyed to the item being answered.

9. Any item that cannot be readily classified under one of the printed items must be reported with an identifying title (for example, deferred option income) in the appropriate write-in section for each applicable page, or section thereof. The statement provides a limited number of lines for write-ins, but companies may add as many lines as necessary.

10. The "include" and "exclude" are examples only and are not intended to be all-inclusive.

11. If this report does not contain the information asked for in the blanks or is not prepared in accordance with these instructions, it will not be considered filed.

12. Report all amounts in whole dollars only, except for designated schedules where 000's are omitted. Companies may elect to report the amounts to the nearest dollar or may truncate digits below a dollar. (Examples: $602,543.52 may be reported as $602,544 by rounding or as $602,543 by truncation.) It is expected that the failure of items to add to the summary totals will reflect this treatment.

13. Report all amounts in U.S. dollars only, except for nominal information included in description fields that may be expressed in a foreign currency. Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance.

14. Effective 01/01/2001, all dates must be reported in the format of MM/DD/YYYY. For investments purchased prior to 01/01/2001 (or where complete dates are not available for activities prior to 01/01/2001), and the company does not have sufficient information to report month or day, 01/01 should be used.

15. The company should not change the page numbers designated in the association blank. If extra pages are needed, for other than sections entitled "Details of Write-Ins" use decimals after the page number like 52.1, 52.2, etc. For example, General Interrogatories, Part 1 – Common Interrogatories 20, 20.1, 20.2 etc. and Part 2 – Life Interrogatories 21, 21.1, 21.2, etc.

If pages are doubled up, double up the page numbers also. For example, if Pages 52, 53 and 54 are shown on the same page, show all three page numbers at the bottom of the page like 52, 53 and 54 or 52-54.

16. Unless otherwise specified, report all alphabetic code and YES/NO responses to interrogatories, exhibits and schedules in solid capital letters.

17. While there are instances where the filing of an amended annual statement may be necessary (in which case all related filings including electronic filing are resubmitted), the restatement of prior years' results is generally prohibited. The reporting entity should submit such changes with a new Jurat Page, completed in all respects, along with an amended annual statement.

18. Assets and liabilities should be offset and reported net only when a valid right of setoff exists and if it is not prohibited by specific statements of statutory accounting principles. Refer to *SSAP No. 64—Offsetting and Netting Assets and Liabilities* for accounting guidance concerning the offsetting and netting of assets and liabilities.

19. Except in situations where a merger has occurred, amounts reported for assets, liabilities, surplus, revenues, and expenses for prior years in the current year's annual statement shall be identical to the amounts that were reported in the annual statement of the prior year. However, amounts reported in prior years may need to be adjusted in the current year as a result of the following:

Changes in accounting principles or practices or changes in the methods of applying accounting principles or practices.

Changes in accounting estimates as a result of new events or new information.

Corrections of errors in previously filed information.

A merger.

If changes are required for amounts reported in prior years, such changes should be included in the amounts reported for the current year and the effects of such changes should be reported as follows, unless these instructions or the *Accounting Practices and Procedures Manual* specifically provide for a different treatment:

A. The cumulative effect of a change in accounting principles or practices, or a change in the method of applying accounting principles or practices, should be reported on the Summary of Operations page, Line 49 Cumulative Effect of Changes in Accounting Principles. The cumulative effect of changing to a new accounting principle is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principle had been applied retroactively for all prior periods. An example of a change in accounting principles would be a change in the method of accounting for pensions or other post-employment benefits.

B. The effects of changes in accounting estimates are included in income and expenses in the Summary of Operations for the current year. For example, a change in estimate for reserves for accident and health claims related to prior years should be included in the Summary of Operations in disability benefits and benefits under accident and health contracts.

C. The effects of changes resulting from corrections of errors in previously filed information (for example, mathematical mistakes, misapplication of accounting principles, or oversight or misuse of facts) should be reported as an adjustment to surplus in the current year. Such adjustments to surplus should be reported with an appropriate identifying title as a write-in item for gains and losses in surplus, Summary of Operations Page, Aggregate Write-ins for Gains and Losses in Surplus line.

D. In the case of a merger, prior years' amounts reported for assets, liabilities, surplus, revenues and expenses, as well as those amounts reflected in supporting annual statement schedules, should be reported on a merged basis consistent with the current year's post-merger reporting basis.

E. Changes that do not affect assets, liabilities, revenues, expenses, or surplus but that materially affect historical information in the financial statement supplemental schedules (e.g., Schedule O) should be reflected in the current years' schedules with appropriate notations made in the Notes to Financial Statements.

20. Related parties are defined in *SSAP No. 25—Affiliates and Other Related Parties* as entities that have common interests as a result of ownership, control, and affiliation or by contract. Refer to SSAP No. 25 for accounting guidance regarding the principles and disclosure requirements for related party transactions.

21. A "person" is an individual, corporation, partnership, joint venture or any other legal entity. A "parent" is any person that, directly or indirectly, owns or controls the reporting entity. A "subsidiary" is any person that is, directly or indirectly, owned or controlled by the reporting entity. An "affiliate" is any person that is, directly or indirectly, owned or controlled by the same person or by the same group of persons that, directly or indirectly, own or control the reporting entity. The term "affiliate" includes parent and subsidiaries. Control shall be presumed to exist if a person, directly or indirectly, owns, controls, holds with the power to vote or holds proxies, representing 10% or more of the voting securities of any other person.

22. All reported amounts less than zero shall be represented by the use of parentheses. Parentheses shall also be used to denote those instances in which the reported figure is contrary to what would normally be expected.

23. The Notes to Financial Statements are provided to disclose pertinent information, including comments on items or transactions that are unusual or not self-explanatory or that might otherwise be misunderstood.

24. If the company has separate accounts, a statement should appear in the Notes to Financial Statements that the amounts reported pertain to the entire company business including, as appropriate, its separate accounts business.

25. Unless otherwise specified, reinsurance assumed should be included, reinsurance ceded should be deducted, and net figures entered in the statement. Federal Employees' Group Life Insurance and Servicemen's Group Life Insurance are to be treated as reinsurance, except that in the case of the Exhibit of Life Insurance each company, including the administering companies, is to treat its share as direct business. FEGLI and SGLI figures should be included in the annual statement in accordance with the instructions distributed by the administering companies.

26. All reinsurance transactions involving separate accounts business, if any, must be reported as reinsurance transactions in the general account annual statement, including reinsurance premiums, deposits, benefits, withdrawals, Schedule S (for separate accounts modified coinsurance reserves), Schedule T and, where applicable, the Notes to Financial Statement and Schedule Y, Part 2.

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ACTUARIAL OPINION

1. There is to be included on or attached to Page 1 of the annual statement, the statement of the Appointed Actuary, entitled "Statement of Actuarial Opinion" (Actuarial Opinion), setting forth his or her opinion relating to contract reserves and other actuarial items. The Appointed Actuary must be a Qualified Actuary. Requirements regarding the Appointed Actuary and Qualified Actuary are prescribed by VM-30, Actuarial Opinion and Memorandum Requirements, of the *Valuation Manual* authorized by Section 3 of the *Standard Valuation Law* (#820) as amended by the NAIC in September 2009.

2. A separate Actuarial Opinion is required for each company filing an Annual Statement. The Actuarial Opinion must follow the requirements for statements of actuarial opinion prescribed by VM-30, Actuarial Opinion and Memorandum Requirements, of the *Valuation Manual* authorized by Section 3 of the Model #820 as amended by the NAIC in September 2009. The Actuarial Opinion should include the general account and the separate accounts.

3. The Appointed Actuary must report to the Board of Directors or the Audit Committee each year on the items within the scope of the Actuarial Opinion. The minutes of the Board of Directors shall indicate that the Appointed Actuary has presented such information to the Board of Directors or the Audit Committee.

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ANNUAL AUDITED FINANCIAL REPORTS

All states have a statute or regulation that requires an annual audit of their insurance companies by an independent certified public accountant based on the NAIC *Annual Financial Reporting Model Regulation* (#205). For guidance regarding this model, see Appendix G of the NAIC *Accounting Practices and Procedures Manual*.

The reporting entity shall require the independent certified public accountant to subject the information included in the Supplemental Schedule of Assets and Liabilities (illustrated below) to the auditing procedures applied in the audit of the current statutory financial statements to determine whether such information is fairly stated in all material respects in relation to the basic statutory financial statements taken as a whole and agrees to the reporting entity's annual statement filed with the state insurance departments and the NAIC.

The supplemental schedule should be included with the audited annual statutory financial statements. The auditor should issue a report on the supplemental information as to whether the information is fairly stated in relation to the financial statements taken as a whole.

Example Insurance Entity
Annual Statement for the Year Ended December 31, 20__
Schedule 1 – Selected Financial Data

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

Investment Income Earned:	
U.S. Government Bonds	________
Other bonds (unaffiliated)	________
Bonds of affiliates	________
Preferred stocks (unaffiliated)	________
Preferred stocks of affiliates	________
Common stocks (unaffiliated)	________
Common stocks of affiliates	________
Mortgages loans	________
Real estate	________
Premium notes, policy/certificate loans and liens	________
Cash on hand and on deposit	________
Short-term investments	________
Other invested assets	________
Derivative instruments	________
Aggregate write-ins for investment income	________
Gross Investment Income	________
Real Estate Owned – Book Value less Encumbrances	________
Mortgage Loans – Book Value:	
Farm mortgages	________
Residential mortgages	________
Commercial mortgages	________
Total mortgage loans	________

Mortgage Loans By Standing – Book Value:

Good standing
Good standing with restructured terms
Interest overdue more than 90 days, not in foreclosure
Foreclosure in process

Other Long Term Assets – Statement Value

Collateral Loans

Bonds and Stocks of Parents, Subsidiaries and Affiliates – Book Value:

Bonds
Preferred Stocks
Common Stocks

Bonds and Short-Term Investments by NAIC Designation and Maturity

Bonds by Maturity – Statement Value:

Due within one year less
Over 1 year through 5 years
Over 5 years through 10 years
Over 10 years through 20 years
Over 20 years

Total by Maturity

Bonds by NAIC Designation – Statement Value:

NAIC 1
NAIC 2
NAIC 3
NAIC 4
NAIC 5
NAIC 6

Total by NAIC Designation

Total Bonds Publicly Traded

Total Bonds Privately Placed

Preferred Stocks – Statement Value

Common Stocks – Market Value

Short Term Investments – Book Value

Options, Caps & Floors Owned – Statement Value

Options, Caps & Floors Written and In Force – Statement Value

Collar, Swap & Forward Agreements Open – Statement Value

Futures Contracts Open – Current Value

Cash on Deposit

Life Insurance In Force:

Industrial
Ordinary
Credit Life
Group Life

Amount of Accidental Death Insurance In Force Under Ordinary Policies

Life Insurance Policies with Disability Provisions In Force:

Industrial
Ordinary
Credit Life
Group Life

Supplementary Contracts In Force:

Ordinary – Not Involving Life Contingencies –

Amount on Deposit
Income Payable

Ordinary – Involving Life Contingencies –

Income Payable

Group – Not Involving Life Contingencies –

Amount of Deposit
Income Payable

Group – Involving Life Contingencies –

Income Payable

Annuities:

Ordinary –

Immediate – Amount of Income Payable
Deferred – Fully Paid Account Balance
Deferred – Not Fully Paid – Account Balance

Group –

Amount of Income Payable
Fully Paid Account Balance
Not Fully Paid – Account Balance

Accident and Health Insurance – Premiums In Force:

Ordinary ______________
Group ______________
Credit ______________

Deposit Funds and Dividend Accumulations:

Deposit Funds – Account Balance ______________
Dividend Accumulations – Account Balance ______________

Claim Payments 20__:

Group Accident and Health – Year Ended December 31, 20___ –

20__ ______________
20__-1 ______________
20__-2 ______________
20__-3 ______________
20__-4 ______________
Prior ______________

Other Accident and Health –
20__ ______________
20__-1 ______________
20__-2 ______________
20__-3 ______________
20__-4 ______________
Prior ______________

Other Coverages that Use Developmental Methods to Calculate

Claims Reserves:
20__ ______________
20__-1 ______________
20__-2 ______________
20__-3 ______________
20__-4 ______________
Prior ______________

MANAGEMENT'S DISCUSSION AND ANALYSIS[1]

Reporting entities are required to file a supplement to the annual statement titled "Management's Discussion and Analysis" (MD&A) by April 1 each year.

MD&A Requirements:

Discuss the reporting entity's financial condition, changes in financial condition and results of operations. The discussion shall provide information as specified in paragraphs that follow and also shall provide such other information that the reporting entity believes to be necessary for an understanding of its financial condition, changes in financial condition and results of operations. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

Introduction

1. The MD&A requirements are intended to provide, in one section, material historical and prospective textual disclosure enabling regulators to assess the financial condition and results of operations of the reporting entity. There is a need for a narrative explanation of the financial statements, because a numerical presentation and brief accompanying footnotes alone may be insufficient for regulators to judge the quality of earnings and the likelihood that past performance is indicative of future performance. The MD&A is intended to give the regulator an opportunity to look at the reporting entity through the eyes of management by providing both a short-term and long-term analysis of the business of the reporting entity.

2. The MD&A shall be of the financial statements and of other statistical data that the reporting entity believes will enhance a regulator's understanding of its financial condition, changes in financial condition and results of operations. Generally, the discussion shall cover the two year period covered by the financial statements and shall use year-to-year comparisons or any other formats that in the reporting entity's judgment enhance a regulator's understanding. However, where trend information is relevant, reference to the five year selected financial data schedule may be necessary.

3. The purpose of the MD&A shall be to provide regulators with information relevant to an assessment of the financial condition and results of operations of the reporting entity as determined by evaluating the amounts and certainty of cash flows from operations and from outside sources. The information provided pursuant to this MD&A need only include that which is available to the reporting entity without undue effort or expense and which does not clearly appear in the reporting entity's financial statements.

4. Management should ensure that disclosure in MD&A is balanced and fully responsive. To enhance regulator understanding of the financial statements, entities are encouraged to explain in the MD&A the effects of the critical accounting policies applied, the judgments made in their application, and any subsequent changes in assumptions or conditions which would have resulted in materially different reported results. Analytical discussion of significant accounting policies in the MD&A should not include information already reported in the significant accounting policies section of the notes to the financial statement.

5. The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This would include descriptions and amounts of (a) matters that would have an impact on future operations and have not had an impact in the past, and (b) matters that have had an impact on reported operations and are not expected to have an impact upon future operations.

[1] These requirements have been developed, in part, based upon the requirements set forth in Title 17–Commodity and Securities Exchanges, Chapter II–Securities and Exchange Commission (SEC), Part 229–Standard Instructions for Filing Forms Under Securities Act of 1933, Securities Exchange Act of 1934 and Energy Policy and Conservation Act of 1975, Regulation S-K, Section 229.303 (Item 303) Management's Discussion and Analysis of Financial Condition and Results of Operations. These requirements have also incorporated certain interpretative guidance as set forth in Release No. 33-6835, *SEC Interpretation: Management's Discussion and Analysis of Financial Condition and Results of Operations; Certain Investment Company Disclosures* (issued May 18, 1989), Release No. 33-8040, *Cautionary Advice Regarding Disclosure About Critical Accounting Policies* (issued December 12, 2001) and Release No. 33-8056, *Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations* (issued January 22, 2002).

6. Reporting entities are required to prepare the MD&A on a non-consolidated basis, unless the following conditions are met:

   a. The entity is part of a consolidated group of insurers that utilizes a pooling arrangement or one hundred percent reinsurance agreement that affects the solvency and integrity of the entity's reserves and such entity ceded substantially all of its direct and assumed business to the pool. An entity is deemed to have ceded substantially all of its direct and assumed business to a pool if the entity has less than $1,000,000 total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement and the net income of the business not subject to the pooling arrangement represents less than 5% of the company's capital and surplus.

   Or

   b. The entity's state of domicile permits audited consolidated financial statements.

   If a group of insurance companies prepares the MD&A on a consolidated basis, the discussion should identify and discuss significant differences between reporting entities (e.g., investment mix, leverage, liquidity, etc.).

Results of Operations

7. Reporting entities should describe any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported net income or other gains/losses in surplus and, in each case, indicate the extent to which net income or surplus was so affected. In addition, describe any other significant components of income that, in the reporting entity's judgment, should be described in order to understand the reporting entity's results of operations.

8. Reporting entities should describe any known trends or uncertainties that have had or are reasonably probable to have a material favorable or unfavorable impact on premium, net income or other gains/losses in surplus. If the reporting entity knows of events that will cause a material change in the relationship between expenses and premium, the change in the relationship shall be disclosed.

9. To the extent that the financial statements disclose material increases in premium, reporting entities should provide a narrative discussion of the extent to which such increases are attributable to increases in prices or to increases in the volume or amount of existing products being sold or to the introduction of new products.

Prospective Information

10. Reporting entities are encouraged to supply forward-looking information. The MD&A may include discussions of "known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the reporting entity's liquidity increasing or decreasing in any material way." Further, descriptions of known material trends in the reporting entity's capital resources and expected changes in the mix and cost of such resources should be included. Disclosure of known trends or uncertainties that the reporting entity reasonably expects will have a material impact on premium, net income or other gains/losses in surplus is also encouraged.

11. In the event that a reporting entity does supply forward-looking information, the reporting entity may disclaim any responsibility for the accuracy of such information and condition the delivery of such information upon a waiver of any claim under any theory of law based on the inaccuracy of such information; provided that the reporting entity supplied such information in good faith.

Material Changes

12. Reporting entities are required to provide adequate disclosure of the reasons for material year-to-year changes in line items, or discussion and quantification of the contribution of two or more factors to such material changes. An analysis of changes in line items is required where material and where the changes diverge from changes in related line items of the financial statements, where identification and quantification of the extent of contribution of each of two or more factors is necessary to an understanding of a material change, or where there are material increases or decreases in net premium.

13. Repetition and line-by-line analysis is not required or generally appropriate when the causes for a change in one line item also relate to other line items. The discussion need not recite amounts of changes readily computable from the financial statements and shall not merely repeat numerical data contained in such statements. However, quantification should otherwise be as precise, including use of dollar amounts or percentages, as reasonably practicable.

Liquidity, Asset/Liability Matching and Capital Resources

14. The term "liquidity" as used in this MD&A refers to the ability of the reporting entity to generate adequate amounts of cash to meet the reporting entity's needs for cash. Except where it is otherwise clear from the discussion, the reporting entity shall indicate those balance sheet conditions or income or cash flow items, which the reporting entity believes, may be indicators of its liquidity condition. Liquidity generally shall be discussed on both a long-term and short-term basis. The issue of liquidity shall be discussed in the context of the reporting entity's own business or businesses.

15. The discussion of liquidity shall include a discussion of the nature and extent of restrictions on the ability of subsidiaries to transfer funds to the reporting entity in the form of cash dividends, loans or advances and the impact such restrictions may, if any, have on the ability of the reporting entity to meet its cash obligations.

16. Generally, short-term liquidity and short-term capital resources cover cash needs up to 12 months into the future. These cash needs and the sources of funds to meet such needs relate to the day-to-day operating expenses of the reporting entity and material commitments coming due during that 12-month period.

17. The discussion of long-term liquidity and long-term capital resources must address material expenditures, significant balloon payments or other payments due on long-term obligations, and other demands or commitments, including any off-balance sheet items, to be incurred beyond the next 12 months, as well as the proposed sources of funding required to satisfy such obligations.

18. Reporting entities should identify any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the reporting entity's liquidity increasing or decreasing in any material way. If a material decline in liquidity is identified, indicate the course of action that the reporting entity has taken or proposes to take to remedy the decline. Also identify and separately describe internal and external sources of liquidity, and briefly discuss any material unused sources of liquid assets.

19. Reporting entities should describe any known material trends, favorable or unfavorable, in the reporting entity's capital resources. Indicate any expected material changes in the mix and relative cost of such resources. The discussion shall consider changes between equity, debt and any off-balance sheet financing arrangements.

20. Reporting entities are expected to use the statement of cash flows, and other appropriate indicators, in analyzing their liquidity, and to present a balanced discussion dealing with cash flows from investing and financing activities as well as from operations. This discussion should address those matters that have materially affected the most recent period presented but are not expected to have short-term or long-term implications, and those matters that have not materially affected the most recent period presented but are expected materially to affect future periods. Examples of such matters include:

   a. Discretionary operating expenses such as expenses relating to advertising;

   b. Debt refinancings or redemptions;

   c. Dividend requirements to the reporting entity's parent to fund the parent's operations or debt service; or

   d. Future potential sources of capital, such as a parent entity's planned investment in the reporting entity, and the form of that investment.

21. MD&A disclosures should not be overly general. For example, disclosure that the reporting entity has sufficient short-term funding to meet its liquidity needs for the next year provides little useful information. Instead, reporting entities should consider describing the sources of short-term funding and the circumstances that are reasonably likely to affect those sources of liquidity. The discussion should be limited to material risks, and, as with the MD&A generally, should be sufficiently detailed and tailored to the entity's individual circumstances, rather than "boilerplate."

22. If the reporting entity's liquidity is dependent on the use of off-balance sheet financing arrangements, such as securitization of receivables or obtaining access to assets through special purpose entities, the reporting entity should consider disclosure of the factors that are reasonably likely to affect its ability to continue using those off-balance sheet financing arrangements. Reporting entities also should make informative disclosures about matters that could affect the extent of funds required within management's short- and long-term planning horizon.

23. Reporting entities are reminded that identification of circumstances that could materially affect liquidity is necessary if they are "reasonably likely" to occur. This disclosure threshold is lower than "more likely than not." (See guidance provided in *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*.) Market price changes, economic downturns, defaults on guarantees, or contractions of operations that have material consequences for the reporting entity's financial position or operating results can be reasonably likely to occur under some conditions. Material effects on liquidity as a result of any reasonably likely changes should be disclosed.

24. To identify trends, demands, commitments, events and uncertainties that require disclosure, management should consider the following:

   a. Provisions in financial guarantees or commitments, debt agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation, such as adverse changes in the reporting entity's credit rating, financial ratios, earnings, cash flows, stock price or changes in the value of underlying, linked or indexed assets;

   b. Circumstances that could impair the reporting entity's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential, or that could render that activity commercially impracticable, such as the inability to maintain a specified claims paying ability or investment grade credit rating, level of earnings, earnings per share, financial ratios, or collateral; and

   c. Factors specific to the reporting entity and its markets that the reporting entity expects to be given significant weight in the determination of the reporting entity's credit rating or will otherwise affect the reporting entity's ability to raise short-term and long-term financing.

Loss Reserves (Property & Casualty Companies only)

25. The MD&A should include a discussion of those items that affect the reporting entity's volatility of loss reserves, including a description of those risks that contribute to the volatility.

Off-Balance Sheet Arrangements

26. Reporting entities should consider the need to provide disclosures concerning transactions, arrangements and other relationships with entities or other persons that are reasonably likely to affect materially liquidity or the availability of or requirements for capital resources. Specific disclosure may be necessary regarding relationships with entities that are contractually limited to narrow activities that facilitate the reporting entity's transfer of or access to assets. These entities are often referred to as structured finance or special purpose entities. These entities may be in the form of corporations, partnerships or limited liability companies, or trusts.

27. Material sources of liquidity and financing, including off-balance sheet arrangements and transactions with limited purpose entities should be discussed. The extent of the reporting entity's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, or market or credit risk support for the reporting entity; engage in leasing or hedging services with the reporting entity; or expose the reporting entity to liability that is not reflected on the face of the financial statements. Where contingencies inherent in the arrangements are reasonably likely to affect the continued availability of a material historical source of liquidity and finance, reporting entities must disclose those uncertainties and their effects.

28. Reporting entities should consider the need to include information about the off-balance sheet arrangements such as: their business purposes and activities; their economic substance; the key terms and conditions of any commitments; the initial and ongoing relationships with the reporting entity and its affiliates; and the reporting entity's potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.

29. For example, a reporting entity may be economically or legally required or reasonably likely to fund losses of a limited purpose entity, provide it with additional funding, issue securities pursuant to a call option held by that entity, purchase the entity's capital stock or assets, or the reporting entity otherwise may be financially affected by the performance or non-performance of an entity or counterparty to a transaction or arrangement. In those circumstances, the reporting entity may need to include information about the arrangements and exposures resulting from contractual or other commitments to provide investors with a clear understanding of the reporting entity's business activities, financial arrangements, and financial statements. Other disclosures that reporting entities should consider to explain the effects and risks of off-balance sheet arrangements include:

a. Total amount of assets and obligations of the off-balance sheet entity, with a description of the nature of its assets and obligations, and identification of the class and amount of any debt or equity securities issued by the reporting entity;

b. The effects of the entity's termination if it has a finite life or it is reasonably likely that the reporting entity's arrangements with the entity may be discontinued in the foreseeable future;

c. Amounts receivable or payable, and revenues, expenses and cash flows resulting from the arrangements;

d. Extended payment terms of receivables, loans and debt securities resulting from the arrangements, and any uncertainties as to realization, including repayment that is contingent upon the future operations or performance of any party;

e. The amounts and key terms and conditions of purchase and sale agreements between the reporting entity and the counterparties in any such arrangements; and

f. The amounts of any guarantees, lines of credit, standby letters of credit or commitments or take or pay contracts or other similar types of arrangements, including tolling, capacity, or leasing arrangements, that could require the reporting entity to provide funding of any obligations under the arrangements, including guarantees of repayment of obligors of parties to the arrangements, make whole agreements, or value guarantees.

30. Although disclosure regarding similar arrangements can be aggregated, important distinctions in terms and effects should not be lost in that process. The relative significance to the reporting entity's financial position and results of the arrangements with unconsolidated, non-independent, limited purpose entities should be clear from the disclosures to the extent material. While legal opinions regarding "true sale" issues or other issues relating to whether a reporting entity has contingent, residual or other liability can play an important role in transactions involving such entities, they do not obviate the need for the reporting entity to consider whether disclosure is required. In addition, disclosure of these matters should be clear and individually tailored to describe the risks to the reporting entity, and should not consist merely of recitation of the transactions' legal terms or the relationships between the parties or similar boilerplate.

Participation in High Yield Financings, Highly Leveraged Transactions or Non-Investment Grade Loans and Investments

31. A reporting entity, consistent with its domiciliary state's law, may participate in several ways, directly or indirectly, in high yield financings, or highly leveraged transactions or make non-investment grade loans or investments relating to corporate restructurings such as leveraged buyouts, recapitalizations including significant stock buybacks and cash dividends, and acquisitions or mergers. A reporting entity may participate in the financing of such a transaction either as originator, syndicator, lender, purchaser of secured senior debt, or as an investor in other debt instruments (often unsecured or subordinated), redeemable preferred stock or other equity securities. Participation in high yield or highly leveraged transactions, as well as investment in non-investment grade securities, generally involves greater returns, in the form of higher fees and higher average yields or potential market gains. Participation in such transactions may involve greater risks, often related to credit worthiness, solvency, relative liquidity of the secondary trading market, potential market losses, and vulnerability to rising interest rates and economic downturns.

32. In view of these potentially greater returns and potentially greater risks, disclosure of the nature and extent of a reporting entity's involvement with high yield or highly leveraged transactions and non-investment grade loans and investments may be required, if such participation or involvement has had or is reasonably likely to have a material effect on financial condition or results of operations. For each such participation or involvement or grouping thereof, there shall be identification, consistent with the Annual Statement schedules or detail, description of the risks added to the reporting entity; associated fees recognized or deferred; amount, if any, of loss recognized; the reporting entity's judgment whether there has been material negative effect on the entity's financial condition; and the reporting entity's judgment whether there will be material negative effect on the entity's financial condition in subsequent reporting periods.

Preliminary Merger/Acquisition Negotiations

33. While the MD&A requirements could be read to impose a duty to disclose otherwise nondisclosed preliminary merger or acquisition negotiations, as known events or uncertainties reasonably likely to have material effects on future financial condition or results of operations, the NAIC does not intend to apply the MD&A in this manner. Where disclosure is not otherwise required, and has not otherwise been made, the MD&A need not contain a discussion of the impact of preliminary merger negotiations where, in the reporting entity's view, inclusion of such information would jeopardize completion of the transaction. Where disclosure is otherwise required or has otherwise been made by or on behalf of the reporting entity, the interests in avoiding premature disclosure no longer exist. In such case, the negotiations would be subject to the same disclosure standards under the MD&A as any other known trend, demand, commitment, event or uncertainty. These policy determinations also would extend to preliminary negotiations for the acquisition or disposition of assets not in the ordinary course of business.

Conclusion

34. In preparing the MD&A disclosure, reporting entities should be guided by the general purpose of the MD&A requirements: to give regulators an opportunity to look at the reporting entity through the eyes of management by providing a historical and prospective analysis of the reporting entity's financial condition and results of operations, with particular emphasis on the reporting entity's prospects for the future. The MD&A requirements are intentionally flexible and general. Because no two reporting entities are identical, good MD&A disclosure for one reporting entity is not necessarily good MD&A disclosure for another. The same is true for MD&A disclosure of the same reporting entity in different years. The flexibility of MD&A creates a framework for providing regulators with appropriate information concerning the reporting entity's financial condition, changes in financial condition and results of operations.

Financial Statement

JURAT PAGE

Enter all information completely as indicated by the format of the page.

NAIC Group Code

Current Period

Enter the NAIC Group Code for the current filing.

Prior Period

Enter the NAIC Group Code for the prior quarter.

State of Domicile or Port of Entry

Alien companies doing business in the United States through a port of entry should complete this line with the appropriate state. U.S. insurance entities should enter the state of domicile.

Country of Domicile

U.S. branches of alien insurers should enter the three-character identifier for the reporting entity's country of domicile from the Appendix of Abbreviations. Domestic insurers should enter "US" in this field.

Commenced Business

Enter the date when the reporting entity first became obligated for any insurance risk via the issuance of policies and/or entering into a reinsurance agreement.

Statutory Home Office

As identified with the Certificate of Authority in domiciled state.

Main Administrative Office

Location of the reporting entity's main administrative office.

Mail Address

Reporting entity's mailing address, if other than the main administrative office address. May be a P.O. Box and the associated ZIP code.

Primary Location of Books and Records

Location where examiners may review records during an examination.

Internet Website Address

Include the Internet Website address of the reporting entity. If none, and information relating to the reporting entity is contained in a related entity's Website, include that Website.

Statutory Statement Contact

Name & Email

Name and email address of the person responsible for preparing and filing all statutory filings with the reporting entity's regulators and the NAIC. The person should be able to respond to questions and concerns for annual and quarterly statements.

Telephone Number & Fax Number

Telephone and fax number should include area code and extension.

Officers, Directors, Trustees

The state of domicile regulatory authority may dictate the required officers, directors, trustees and any other positions to be listed on the Jurat Page. Show full name (initials not acceptable) and title (indicate by number sign (#) those officers and directors who did not occupy the indicated position in the prior annual statement). Additional lines may be required to identify officers, directors, trustees and any other positions in primary policy-making or managerial roles. Examples of titles are 1) President, Chief Executive Officer or Chief Operating Officer; 2) Secretary, or Corporate Secretary; 3) Treasurer or Chief Financial Officer; and, 4) Actuary. When identifying officers, if the Treasurer does not have charge of the accounts of the reporting entity, enter the name of the individual who does and indicate the appropriate title.

Statement of Deposition

Those states that have adopted the NAIC blank require that the blank be completed in accordance with the *Annual Statement Instructions* and *Accounting Practices and Procedures Manual* except to the extent that state law may differ. If the reporting entity deviates from any of these rules, disclose deviations in Note 1 of the Notes to Financial Statements, to the extent that there is an impact to the financial information contained in the annual statement.

Signatures

Complete the Jurat signature requirements in accordance with the requirements of the domiciliary state. Direct any questions concerning signature requirements to that state. At least one statement filed with the domiciliary state must have original signatures and must be manually signed by the appropriate corporate officers, have the corporate seal affixed thereon where appropriate, and be properly notarized. For statements filed in non-domestic states, facsimile signatures or reproductions of original signatures may be used except where otherwise mandated. If the appropriate corporate officers are incapacitated or otherwise not available due to a personal emergency, the reporting entity should contact the domiciliary state for direction as to who may sign the statement.

NOTE: If the United States Manager of a U.S. Branch or the Attorney-in-Fact of a Reciprocal Exchange or Lloyds Underwriters is a corporation, the affidavit should be signed by two (or three) principal officers of the corporation or, if a partnership, by two (or three) of the principal members of the partnership.

For domiciliary jurisdictions that require the reporting entity to submit signatures on the Jurat page as part of the PDF filed with the NAIC see the instructions for submitting a signed Jurat in the General Electronic Filing Directive. The link to that directive can be found at the following Web address:

www.naic.org/cmte_e_app_blanks.htm

If this is an amendment, change or modification of previously filed information, state the amendment number (each amendment made by a reporting entity should be sequentially numbered), the date this amendment is being filed, and the number of annual statement pages being changed by this amendment.

To be filed in electronic format only:

Policyowner Relations Contact

Name

List person able to respond to calls regarding policies, premium payments, etc. on individual policies.

Address

May be a P.O. Box and the associated ZIP code.

Telephone Number

Telephone number should include area code and extension.

Email Address

Email address of the policyowner relations contact person as described above.

Government Relations Contact

Name

The government relations contact represents the person the reporting entity designates to receive information from state insurance departments regarding new bulletins, company and producer licensing information, changes in departmental procedures and other general communication regarding non-financial information.

Address

May be a P.O. Box and the associated ZIP code.

Telephone Number

Telephone number should include area code and extension.

Email Address

Email address of the government relations contact person as described above.

Market Conduct Contact

Name

The market conduct contact represents the person the reporting entity designates to receive information from state insurance departments regarding market conduct activities. Such information would include (but not be limited to) data call letters, filing instructions, report cards and inquiries/questions about the reporting entity's market conduct.

Address

May be a P.O. Box and the associated ZIP code.

Telephone Number

Telephone number should include area code and extension.

Email Address

Email address of the market conduct contact person as described above.

Cybersecurity Contact

Name

The cybersecurity contact represents the person the reporting entity designates to receive information from regulatory agencies on active, developing and potential cybersecurity threats.

Address

May be a P.O. Box and the associated ZIP code.

Telephone Number

Telephone number should include area code and extension.

Email Address

Email address of the cybersecurity contact person as described above.

Life Insurance Policy Locator Contact (Not applicable to Property and Title companies)

Name

List person able to respond to calls regarding locating policies on lost or forgotten life insurance policies.

Address

May be a P.O. Box and the associated ZIP code.

Telephone Number

Telephone number should include area code and extension.

Email Address

Email address of the policy locator contact person as described above.

ASSETS

The value for real estate, bonds, stocks, and the amount loaned on mortgages must, in all cases, prove with corresponding values and admitted assets supported by the corresponding schedules.

Refer to the *Accounting Practices and Procedures Manual* for accounting guidance on these topics.

Companies should refer to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* to determine the filing requirements and the procedures for valuation of bonds and stocks owned or held as collateral for loans.

The Notes to Financial Statements are an integral part of this statement. Certain Notes are required regarding the valuation of invested assets. See instructions herein for Notes to Financial Statements.

Assets owned at the end of the current period that were not under the exclusive control of the reporting entity, including assets loaned to others as shown in the General Interrogatories, are to be individually identified in the investment schedules by placing the codes found in the Investment Schedules General Instructions in the Code Column of the appropriate investment schedule.

For statements with Separate Accounts, Segregated Accounts or Protected Cell Accounts: Exclude receivables from the Separate Accounts Statement, Segregated Accounts or Protected Cell Accounts from the assets of the General Account Statement. This eliminates the need for consolidating adjustments. Report such receivables as a negative liability and net the receivables against payables to the appropriate account as required elsewhere in these instructions.

The development of admitted assets is illustrated in two columns.

Column 1 – Assets

Record the amount by category, from the reporting entity's financial records, less any valuation allowance.

Column 2 – Nonadmitted Assets

Include: Amounts for which the state does not allow the reporting entity to take credit.

Refer to the Annual Statement Instructions, Exhibit of Nonadmitted Assets.

Column 3 – Net Admitted Assets

The amount in Column 3 equals Column 1 minus Column 2. The amounts reported in Column 3 should agree to the appropriate schedules.

Column 4 – Prior Year Net Admitted Assets

Amounts contained in Column 3 of the prior year Annual Statement.

Inside amount – Report net admitted assets amounts.

Line 1 – Bonds

Report all bonds with maturity dates greater than one year from the acquisition date. Bonds are valued and reported in accordance with guidance set forth in *SSAP No. 26R—Bonds* and *SSAP No. 43R—Loan-Backed and Structured Securities*.

Record bond acquisitions or disposals on the trade date, not the settlement date. Record private placements on the funding date.

Exclude: Interest due and accrued.

Line 2 – Stocks

The amount reported in Column 3 for common stocks and preferred stocks is the value in accordance with guidance set forth in *SSAP No. 30R—Unaffiliated Common Stock*; *SSAP No. 32—Preferred Stock*; and *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities*.

Line 3 – Mortgage Loans on Real Estate

Include: Foreclosed liens subject to redemption.

Exclude: Interest due and accrued.

The amount reported in Column 3 is the Book Value/Recorded Investment reduced by any valuation allowance and nonadmitted amounts. Mortgage loans are valued and reported in accordance with the guidance set forth in *SSAP No. 37—Mortgage Loans*.

Line 4 – Real Estate

Refer to *SSAP No. 40R—Real Estate Investments*, *SSAP No. 44—Capitalization of Interest* and *SSAP No. 90—Impairment or Disposal of Real Estate Investments* for accounting guidance.

The amount reported in Column 3 for properties occupied by the reporting entity (home office real estate), properties held for production of income and properties held for sale must not exceed actual cost, plus capitalized improvements, less normal depreciation. This formula shall apply whether the reporting entity holds the property directly or indirectly.

Report amounts net of encumbrances. The sum of all encumbrances reported in the inset lines should agree with the total of Schedule A, Part 1, Column 8.

Exclude: Income due and accrued.

Line 5 – Cash, Cash Equivalents and Short-Term Investments

Include: All cash, including petty cash, other undeposited funds, certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date and other instruments defined as cash and cash equivalents in accordance with *SSAP No. 2R—Cash, Cash Equivalents, Drafts, and Short-Term Investments*.

Include in Column 2, the excess of deposits in suspended depositories over the estimated amount recoverable.

The amount in Column 1 should agree with the sum of Schedule E, Part 1, Column 6, Schedule E, Part 2, Column 7 and Schedule DA, Part 1, Column 7. The amount in Column 1 should agree with Cash Flow, line 19.2. The prior year's Column 1 amount should agree with Cash Flow, line 19.1.

Line 6 – Contract Loans

Report loans at their unpaid balance in accordance with *SSAP No. 49—Policy Loans* (applicable to Life and Accident and Health) and reduced by the proportionate share of loans under any coinsurance arrangements.

Include: In Column 1, contract loans assumed under coinsurance arrangements.

In Column 2, premium notes, contract loans, and other policy assets in excess of net value and of other policy liabilities on individual policies.

Exclude: Interest due and accrued, less than 90 days past due. Refer to *SSAP No. 49—Policy Loans* for accounting guidance.

Premium extension agreements.

Line 7 – Derivatives

Derivative asset amounts shown as debit balances. Should equal Schedule DB, Part D, Section 1, Column 5, Footnote Question 2. The gross amounts from Schedule DB shall be adjusted to reflect netting from the valid right to offset in accordance with *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*.

Line 8 – Other Invested Assets (Schedule BA Assets)

Report admitted investments reported on Schedule BA and not included under another classification.

Include: Loans.

Certain affiliated securities, such as joint ventures, partnerships and limited liability companies (*SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*).

Low Income Housing Tax Credit Property Investments (*SSAP No. 93—Low Income Housing Tax Credit Property Investments*).

Line 9 – Receivables for Securities

Refer to *SSAP No. 21R—Other Admitted Asset* for accounting guidance.

Include: Amounts received within 15 days of the settlement date that are due from brokers when a security has been sold but the proceeds have not yet been received.

Exclude: Receivables for securities not received within 15 days of the settlement date. These receivables are classified as other-than-invested-assets and nonadmitted per *SSAP No. 21R—Other Admitted Assets*.

Line 10 – Securities Lending Reinvested Collateral Assets

Include reinvested collateral assets from securities lending programs where the program is administered by the reporting entity's unaffiliated agent or the reporting entity's affiliated agent if the reporting entity chooses not to report in the investment schedules.

Line 11 – Aggregate Write-ins for Invested Assets

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 11 for Invested Assets.

Line 13 – Title Plants (Applies to Title Insurers Only)

Refer to *SSAP No. 57—Title Insurance* for accounting guidance.

Column 1 should equal Schedule H – Verification Between Years, Line 8.

Line 14 – Investment Income Due and Accrued

Refer to *SSAP No 34—Investment Income Due and Accrued*, for accounting guidance.

Include: Income earned on investments but not yet received.

Line 15 – Premiums and Considerations

Include: Amounts for premium transactions conducted directly with the insured.

Amounts due from agents resulting from various insurance transactions.

Premiums receivable for government insured plans, including fixed one-time premium payments (such as for Medicaid low birth weight neonates and Medicaid maternity delivery).

Refer to *SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers*, *SSAP No. 57—Title Insurance* and *SSAP No. 53—Property Casualty Contracts – Premiums*. Refer to *SSAP No. 62R—Property and Casualty Reinsurance*, and *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance* for accounting guidance pertaining to reinsurance transactions.

Line 15.1 – Uncollected Premiums and Agents' Balances in Course of Collection

Include: Direct and group billed uncollected premiums.

Amounts collected but not yet remitted to home office.

Accident and health premiums due and unpaid.

Life insurance premiums and annuity considerations uncollected on in force business (less premiums on reinsurance ceded and less loading).

Title insurance premiums and fees receivable.

Do not deduct: **For Property/Casualty and Title companies:**

Ceded reinsurance balances payable.

Exclude: Receivables relating to uninsured accident and health plans and the uninsured portion of partially insured accident and health plans.

Line 15.2 – Deferred Premiums, Agents' Balances and Installments Booked but Deferred and Not Yet Due

Include: Receivable amounts not yet due.

Life insurance premiums and annuity considerations deferred on in force business (less premiums on reinsurance ceded and less loading).

For Property/Casualty companies:

Earned but unbilled premiums.

Deduct: **For Property/Casualty companies:**

Reinsurance assumed premiums received after the effective date of the contract but prior to the contractual due date. Refer to *SSAP No. 62R—Property and Casualty Reinsurance* for accounting guidance.

Exclude: Ceded reinsurance balances payable.

Line 15.3 – Accrued Retrospective Premiums ($_____) and contracts subject to redetermination ($______)

Include: Accrued retrospective premiums on insurance contracts.

Receivables for all contracts subject to redetermination, including risk adjustment for Medicare Advantage and Medicare Part D and Affordable Care Act risk adjustment. See *SSAP No. 54R—Individual and Group Accident and Health Contracts.*

Refer to *SSAP No. 66—Retrospectively Rated Contracts* for accounting guidance and nonadmission criteria.

<u>Direct Accrued Retrospective Premiums:</u>

For Property/Casualty companies:

If retrospective premiums are estimated by reviewing each retrospectively rated risk, report on Line 15.3 the gross additional retrospective premiums included in the total reserve for unearned premiums.

If retrospective premiums are estimated through the use of actuarially accepted methods applied to aggregations of multiple retrospectively rated risks in accordance with filed and approved retrospective rating plans and the result of such estimation is net additional retrospective premiums, report on Line 15.3 the net additional retrospective premiums included in the total reserve for unearned premiums.

Line 16.1 – Amounts Recoverable from Reinsurers

Property/Casualty and Title companies should refer to *SSAP No. 62R—Property and Casualty Reinsurance* for accounting guidance.

Include: Amounts recoverable on paid losses/claims and loss/claim adjustment expenses.

Reinsurance recoverables on unpaid losses are treated as a deduction from the reserve liability.

Line 16.2 – Funds Held by or Deposited with Reinsured Companies

Property/Casualty and Title companies should refer to *SSAP No. 62R—Property and Casualty Reinsurance* for accounting guidance.

Include: Reinsurance premiums withheld by the ceding entity as specified in the reinsurance contract (for example, funds withheld equal to the unearned premiums and loss reserves), or advances from the reinsurer to the ceding entity for the payment of losses before an accounting is made by the ceding entity.

Line 16.3 – Other Amounts Receivable Under Reinsurance Contracts

For **Life companies,** include commissions and expense allowances due and experience rating and other refunds due. Include the amounts for FEGLI/SEGLI pools and any other amounts not reported in Lines 16.1 or 16.2.

Property/Casualty companies should refer to *SSAP No. 62R—Property and Casualty Reinsurance* for accounting guidance.

Line 17 – Amounts Receivable Relating to Uninsured Plans

The term "uninsured plans" includes the uninsured portion of partially insured plans.

Include: Amounts receivable from uninsured plans for (a) claims and other costs paid by the administrator on behalf of the third party at risk and (b) fees related to services provided by the administrator to the plan.

Pharmaceutical rebates relating to uninsured plans that represent an administrative fee and that are retained by the reporting entity and are earned in excess of the amounts to be remitted to the uninsured plan.

Refer to *SSAP No. 84—Health Care and Government Insured Plan Receivables* for accounting guidance.

Exclude: Pharmaceutical rebates of insured plans. These amounts should be reported on Line 24.

Refer to *SSAP No. 47—Uninsured Plans* for accounting guidance.

Line 18.1 – Current Federal and Foreign Income Tax Recoverable and Interest Thereon

This line is not applicable to Fraternal Benefit Societies.

Exclude: Deferred tax assets.

Refer to *SSAP No. 101—Income Taxes* for accounting guidance.

Reporting entities may recognize intercompany transactions arising from income tax allocations among companies participating in a consolidated tax return, provided the following conditions are met:

1. There is a written agreement describing the method of allocation and the manner in which intercompany balances will be settled; and
2. Such an agreement requires that any intercompany balance will be settled within a reasonable time following the filing of the consolidated tax return; and
3. Such agreement complies with regulations promulgated by the Internal Revenue Service; and
4. Any receivables arising out of such allocation meet the criteria for admitted assets as prescribed by the domiciliary state of the reporting entity; and
5. Other companies participating in the consolidated return have established liabilities that offset the related intercompany receivables.

Line 18.2 – Net Deferred Tax Asset

Refer to *SSAP No. 101—Income Taxes* for accounting guidance.

Line 19 – Guaranty Funds Receivable or on Deposit

This line is not applicable to Fraternal Benefit Societies.

Include: Any amount paid in advance or amounts receivable from state guaranty funds to offset against premium taxes in future periods.

Line 20 – Electronic Data Processing Equipment and Software

Include: Electronic data processing equipment, operating and non-operating systems software (net of accumulated depreciation).

Refer to *SSAP No. 16R—Electronic Data Processing Equipment and Software* for accounting guidance. Non-operating systems software must be nonadmitted. Admitted asset is limited to three percent of capital and surplus for the most recently filed statement adjusted to exclude any EDP equipment and operating system software, net deferred tax assets and net positive goodwill.

Line 21 – Furniture and Equipment, Including Health Care Delivery Assets

Include: Health care delivery assets reported in the Furniture and Equipment Exhibit.

All leasehold improvements.

Refer to *SSAP No. 19—Furniture, Fixtures, Equipment and Leasehold Improvements*, *SSAP No. 44—Capitalization of Interest* and *SSAP No. 73—Health Care Delivery Assets and Leasehold Improvements in Health Care Facilities* for accounting guidance.

Line 22 – Net Adjustment in Assets and Liabilities Due to Foreign Exchange Rates

Include: The appropriate exchange differential applied to the excess, if any, of foreign currency Canadian Insurance Operations assets over foreign currency Canadian Insurance Operations liabilities. This method can be used if the Canadian Insurance Operations result in less than 10% of the reporting entity's assets, liabilities and premium. The difference, if an asset, is recorded on Page 2, Line 22, Net Adjustment in Assets and Liabilities Due To Foreign Exchange Rates; or, if a liability, on Page 3, Net Adjustment in Assets and Liabilities Due To Foreign Exchange Rates. Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance.

Line 23 – Receivables from Parent, Subsidiaries and Affiliates

Include: Unsecured current accounts receivable from parent, subsidiaries and affiliates.

Exclude: Amounts owed due to intercompany tax sharing agreements.

Amounts related to intercompany reinsurance transactions. Report reinsurance between affiliated companies through the appropriate reinsurance accounts.

Loans to affiliates and other related parties that are reported in the appropriate category of Schedule BA.

Affiliated securities which are reported in the appropriate investment schedules (Schedule D or DA).

Refer to *SSAP No. 25—Affiliates and Other Related Parties* for accounting guidance.

Line 24 – Health Care and Other Amounts Receivable

Include: Bills Receivable – Report any unsecured amounts due from outside sources or receivables secured by assets that do not qualify as investments.

Amounts due resulting from advances to agents or brokers – Refer to *SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers* for accounting guidance.

Health Care Receivables – Include pharmaceutical rebate receivables, claim overpayment receivables, loans and advances to providers, capitation arrangement receivables and risk sharing receivables from affiliated and non-affiliated entities. Refer to *SSAP No. 84—Health Care and Government Insured Plan Receivables* for accounting guidance.

Other amounts receivable that originate from the government under government insured plans, including **undisputed** amounts over 90 days due that qualify as accident and health contracts are admitted assets. Refer to *SSAP No. 84—Health Care and Government Insured Plans Receivables* and *SSAP No. 50—Classifications of Insurance or Managed Care Contracts* for accounting guidance.

Exclude: Pharmaceutical rebates relating to uninsured plans that represent an administrative fee and that are retained by the reporting entity and earned in excess of the amounts to be remitted to the uninsured plan. These amounts should be reported on Line 17.

Premiums receivable for government insured plans reported on Lines 15.1, 15.2 or 15.3.

Line 25 – Aggregate Write-ins for Other-Than-Invested-Assets

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 25 for Other-Than-Invested-Assets.

Details of Write-ins Aggregated at Line 11 for Invested Assets

List separately each category of invested assets for which there is no pre-printed line on Page 2 (and that are not on Schedule BA).

Include: Receivables resulting from the sale of invested assets other than securities.

Exclude: Collateral held on securities lending. In accordance with *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*, this collateral should be reported on the appropriate invested asset line or the securities lending line depending on the guidance in SSAP No. 103R.

Details of Write-ins Aggregated at Line 25 for Other-Than-Invested-Assets

List separately each category of assets (other-than-invested-assets) for which there is no pre-printed line on Page 2.

Include:

Equities and deposits in pools and associations.

COLI – Report the cash value of corporate owned life insurance including amounts under split dollar plans.

Consideration paid for retroactive reinsurance contract(s). Refer to *SSAP No. 62R—Property and Casualty Reinsurance.*

Other Receivables – Report any other reimbursement due the reporting entity.

Prepaid pension cost and the intangible asset resulting from recording an additional liability with a description of "prepaid pension cost" and "intangible pension asset," respectively. See *SSAP No. 102—Pensions*, for guidance.

Receivables for securities not received within 15 days of the settlement date are classified as other-than-invested-assets and are nonadmitted per *SSAP No. 21R—Other Admitted Assets.*

For Property/Casualty Companies:

Amounts accrued for reimbursement of high deductible claims paid by the reporting entity. Refer to *SSAP No. 65—Property and Casualty Contracts* for accounting guidance.

Annuities at their present value purchased to fund future fixed loss payments. Refer to *SSAP No. 65—Property and Casualty Contracts.*

Reinsurance premiums paid by a ceding entity prior to the effective date of the contract. Refer to *SSAP No. 62R—Property and Casualty Reinsurance* for accounting guidance.

For Life and Health Companies:

Reinsurance premiums paid by a ceding entity prior to the due date. Refer to *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance.*

For Life, Accident & Health and Fraternal Companies:

Any negative IMR that is nonadmitted.

Deferred assets for hedging relationships qualifying for and applying the special accounting treatment described in SSAP No. 108. See *SSAP No. 108—Derivative Hedging Variable Annuity Guarantees* for guidance.

LIABILITIES, SURPLUS AND OTHER FUNDS

Line 1 – Aggregate Reserve for Life Contracts

Exclude: Reserves relating to uninsured accident and health plans and the uninsured portions of partially insured accident and health plans.

Line 2 – Aggregate Reserves for Accident and Health Contracts (including ___ Modco Reserves)

Include: Accrued return premium adjustments for contracts subject to redetermination.

Line 3 – Liability for Deposit-type Contracts

Include: Liabilities for contracts that have no mortality or morbidity risk. Refer to *SSAP No. 52—Deposit-Type Contracts* for accounting guidance. Report the total amount shown on the Exhibit of Deposit-Type Contracts.

Line 4.2 – Contract Claims – Accident and Health

Exclude: Liabilities relating to uninsured accident and health plans and the uninsured portions of partially insured accident and health plans.

Line 5 – Policyholders' Dividends/Refunds to Members and Coupons Due and Unpaid

Include: Coupons, guaranteed annual pure endowments not exceeding the annual premium and similar benefits contingent on payment of deferred and uncollected premiums, and dividends to policyholders/refunds to members contingent on payment of deferred and uncollected premiums.

Line 6 – Provision for Policyholders' Dividends, Refunds to Members and Coupons Payable in Following Calendar Year

Include: Coupons, guaranteed annual pure endowments not exceeding the annual premium and similar benefits contingent on payment of renewal premiums, and dividends to policyholders/refunds to members contingent on the payment of renewal premiums.

Line 8 – Premiums and Annuity Considerations For Life and Accident and Health Contracts Received in Advance

Include: Any amount received by the company for payments that are received in advance, in accordance with guidance set forth in *SSAP No. 51R—Life Contracts* and *SSAP No. 54R—Individual and Group Accident and Health Contracts.*

Line 9.2 – Provision for Experience Rating Refunds

Include: Accrued return retrospective premiums net of reinsurance, refer to *SSAP No. 66—Retrospectively Rated Contracts* for accounting guidance. Per SSAP No. 66, retrospective premium adjustments shall be estimated based on the experience to date.

The first inset amount should be the accrual for all experience rating refunds for accident and health business. This will include any amount reported in the second inset, which is the amount of the accrual specifically for medical loss ratio rebates as provided for in Section 2718(b)(1)(a) of the Public Health Service Act net of reinsurance.

Inset amount #2 should equal Note 24, Retrospectively Rated Contracts & Contracts Subject to Redetermination, Line 24D(12), Column 5.

Line 9.3 – Other Amounts Payable on Reinsurance Assumed and Ceded

Include: Refunds payable and modified coinsurance reserve increases payable.

Exclude: Commissions and expense allowances payable.

Claims payable.

Line 9.4 – Interest Maintenance Reserve

Report the amount calculated on the Form for Calculating Interest Maintenance Reserve, Line 6.

Line 10 – Commissions to Agents Due or Accrued

Include: Liability for commissions and collection fees due on direct business and commissions due or accrued on deferred commissions contracts.

Liability for commissions and collection fees due on premium notes and loans when paid.

Exclude: Deductions for commissions receivable on reinsurance ceded. These should be included on Page 2, Line 16.3, Column 3.

Liability for commissions due on reinsurance assumed. These should be reported under Page 3, Line 11.

Commissions on nonadmitted uncollected accident and health premiums.

Line 12 – General Expenses Due or Accrued

Include: Expenses not yet incurred, but that the reinsurer anticipates will be incurred in connection with accident and health claims and deposit-type funds at the year-end. Refer to *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses* for accounting guidance.

Unfunded postretirement benefit obligation.

Line 13 – Transfers to Separate Accounts Due or Accrued (Net) (including $_______ accrued for expense allowances recognized in reserves, net of reinsured allowances)

Enter the due or accrued net transfer to or (from) the Separate Accounts Statement net of any payable or (receivable) for reinsurance assumed or ceded separate accounts reserve expense allowances. This item should agree with the amount shown parenthetical on Page 3, Line 17 of the Separate Accounts Statement, adjusted for reinsurance assumed or ceded separate accounts reserve expense allowances retained in the ceding company's Separate Accounts Statement. Adjustments for reinsured modified reserve expense allowances should be recorded in this line of the General Account Statement but should not be recorded in the Separate Accounts Statement.

In the parenthetical portion of the caption, disclose as a negative amount, the excess, if any, of policyholder account values as appropriate, over modified reserves used in the Separate Accounts Statement, such as the expense allowance provided by the use of CARVM or CRVM net of any reinsured expense allowances.

Exclude from the parenthetical disclosure all other types of accruals, such as accruals for fees and charges.

Line 14 – Taxes, Licenses and Fees Due or Accrued, Excluding Federal Income Taxes

Include: Guaranty fund assessments accrued in accordance with *SSAP No. 35R—Guaranty Fund and Other Assessments*.

Exclude: Any amounts withheld or retained by the company acting as agents for others. (See instructions for Line 17.)

Income and excess profit taxes of any foreign country or of any possession of the U.S.

Line 15.1 – Current Federal & Foreign Income Taxes (including $_____ on realized capital gains (losses))

Include: Income and excess profit taxes of any foreign country or of any possession of the U.S.

Exclude: Income taxes recoverable.

Deferred tax liabilities.

This line is not applicable to Fraternal Benefit Societies.

Refer to *SSAP No. 101—Income Taxes* for accounting guidance.

Line 15.2 – Net Deferred Tax Liability

Refer to *SSAP No. 101—Income Taxes* for accounting guidance.

This line is not applicable to Fraternal Benefit Societies.

Line 16 – Unearned Investment Income

Report all unearned investment income.

Include: That portion of interest or income from any investment (bond, stock, real estate, etc.) that has been received but not earned as of year-end.

Line 17 – Amounts Withheld or Retained by Reporting Enity as Agent or Trustee

Include: Employees' FICA and unemployment contributions, withholdings for purchase of savings bonds, taxes withheld at source and other withholdings, as well as amounts held in escrow for payment of taxes, insurance, etc., under F.H.A. or other mortgage loan investments or held for guarantee of contract performance and any other funds that the reporting entity holds in a fiduciary capacity for the account of others (excluding reinsurance funds held).

If, however, a reporting entity has separate bank accounts for exclusive use in connection with employee bond purchases or escrow F.H.A. payments or other amounts withheld or retained in a similar manner, or other assets deposited to guarantee performance, the related assets should be shown separately on the asset page and extended at zero value, unless such assets are income-producing for the reporting entity, in which case they should be shown both as assets and liabilities in the statement.

Exclude: Liabilities relating to uninsured accident and health plans and the uninsured portions of partially insured accident and health plans.

Refer to *SSAP No. 67—Other Liabilities* for accounting guidance.

Line 18 – Amounts Held for Agents' Account

Include: Agents' credit balances as well as any other amounts due or contingently due to agents (but not commissions, which should be included in Line 10). Do not offset the debit balance of one agent against the credit balance of another.

Line 19 – Remittances and Items Not Allocated

Report a liability for cash receipts that cannot be identified for a specific purpose or, for other reasons, cannot be applied to a specific account when received. Refer to *SSAP No. 67—Other Liabilities* for accounting guidance.

Do not offset credit suspense balances by unrelated debit suspense balances. The latter, to the extent not offset by related liability items, should be entered as a separate item on Page 2.

Line 20 – Net Adjustment in Assets and Liabilities Due to Foreign Exchange Rates

Include: The appropriate exchange differential applied to the excess, if any, of foreign currency Canadian Insurance Operations assets over foreign currency Canadian Insurance Operations liabilities. This method can be used if the Canadian Insurance Operations result in less than 10% of the reporting entity's assets, liabilities and premium. The difference, if an asset, is recorded on Page 2, Line 22, Net Adjustments in Assets and Liabilities Due to Foreign Exchange Rates; or, if a liability on Page 3, Line 20, Net Adjustments in Assets and Liabilities Due to Foreign Exchange Rates. Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance.

Line 21 – Liability for Benefits for Employees and Agents if not Included Above

This item should include all liabilities for benefits to employees and agents under an uninsured plan.

Line 22 – Borrowed Money

Report the unpaid balance outstanding at the year-end on any borrowed money plus accrued interest and any unamortized premium or discount (commercial paper, bank loans, notes, etc.).

Include: Interest payable on all debt reported as a liability, approved interest on surplus notes and interest payable on debt reported as a reduction in the carrying value of real estate. Refer to *SSAP No. 15—Debt and Holding Company Obligations* for accounting guidance.

Debt obligations of an employee stock ownership plan by the reporting entity and dividends on unallocated employee stock ownership plan shares. Refer to *SSAP No. 12—Employee Stock Ownership Plans* for accounting guidance.

Exclude: Debt on real estate in accordance with *SSAP No. 40R—Real Estate Investments* (i.e., reported as a reduction in the carrying value of real estate).

Debt offset against another asset in accordance with *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*.

Debt for which treatment is specified elsewhere. Instruments that meet the requirements to be recorded as surplus as specified in *SSAP No. 72—Surplus and Quasi-Reorganizations* are not considered debt.

Debt issuance costs (e.g., loan fees and legal fees).

The value attributable to detachable stock purchase warrants. Report this value as paid-in capital.

Line 23 – Dividends to Stockholders Declared and Unpaid

Include: The amount of dividends on outstanding shares of capital stock (excluding stock dividends of the company's own shares) that are declared by the board of directors, but are unpaid at the balance sheet date.

This line is not applicable to Fraternal Benefit Societies.

Line 24.01 – Asset Valuation Reserve

Report the amount calculated on the Asset Valuation Reserve, Line 16, Column 7.

Line 24.02 – Reinsurance in Unauthorized and Certified Companies

Total net amount from Schedule S, Part 4 (Column 8 minus Column 10) plus Schedule S, Part 5 (Column 26 x 1000).

Line 24.03 – Funds Held Under Reinsurance Treaties with Unauthorized and Certified Reinsurers

Total amount from Schedule S, Part 4 (Columns 12 and 13) plus Schedule S, Part 5 [(Columns 20 and 21) x 1000), (other than amounts of letters of credit or trust agreements included therein)] to the extent that such funds were included as a part of the total assets on Page 2 of the statement and were not offset by a directly related credit offset on Page 2.

Line 24.04 – Payable to Parent, Subsidiaries and Affiliates

A liability is recognized and identified as due to affiliates for expenditures incurred on behalf of the reporting entity by a parent, affiliates or subsidiaries, or for amounts owed through other intercompany transactions. Refer to *SSAP No. 67—Other Liabilities* for accounting guidance.

Include: Unreimbursed expenditures on behalf of the reporting entity by a parent, affiliates or subsidiaries; or amounts owing through other intercompany transactions.

Exclude: Amounts owed due to intercompany tax-sharing agreements.

Amounts related to intercompany reinsurance transactions. Report reinsurance between affiliated companies through the appropriate reinsurance accounts.

Loans from affiliates that are reported as borrowed money. See *SSAP No. 15—Debt and Holding Company Obligations* for accounting guidance.

Refer to *SSAP No. 25—Affiliates and Other Related Parties* for accounting guidance.

Line 24.06 – Liability for Amounts Held Under Uninsured Plans

The term uninsured plans includes the uninsured portion of partially insured plans.

Include: A liability for funds held by an administrator in its general assets for the benefit of an uninsured plan or for funds which may be owed by the administrator in connection with the administration of an uninsured plan.

Refer to *SSAP No. 47—Uninsured Plans* for accounting guidance.

This line is not applicable to Fraternal Benefit Societies.

Line 24.07 – Funds Held Under Coinsurance

Report the amount of funds withheld from reinsurers under coinsurance treaties other than amounts reported on Line 24.03.

Line 24.08 – Derivatives

Derivative liability amounts shown as credit balances. Should equal Schedule DB, Part D, Section 1, Column 6, Footnote Question 2 times -1. The gross amounts from Schedule DB shall be adjusted to reflect netting from the valid right to offset in accordance with *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*.

Line 24.09 – Payable for Securities

Include: Amounts that are due to brokers when a security has been purchased but has not yet been paid.

Line 24.10 – Payable for Securities Lending

Include Liability for securities lending collateral received by the reporting entity that can be reinvested or repledged.

Line 24.11 – Capital Notes

Report the unpaid balance outstanding at year-end on any capital notes plus accrued interest and any unamortized premium or discount. Furnish pertinent information concerning conditions of repayment, redemption price, interest features, etc. in the Notes to Financial Statements.

This line is not applicable to Fraternal Benefit Societies.

Line 25 – Aggregate Write-ins for Liabilities

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 25 for Liabilities.

Line 27 – From Separate Accounts Statement

Report the total liabilities shown on the company's Separate Accounts Statement.

Line 29 – Common Capital Stock

Should equal the par value per share multiplied by the number of issued shares, or in the case of no-par shares, the total stated value.

Authorized capital stock is the number of shares that the state has authorized a corporation to issue.

Outstanding capital stock is the number of authorized shares that have been issued and are presently held by stockholders (excludes treasury stock, as defined in the instructions for Line 36).

Issued capital stock is the cumulative total number of authorized shares that have been issued to date. The number of issued shares includes treasury stock.

Mutual companies should enter amount of Guaranty Capital, if any, with appropriate designation. Canadian companies should enter amount of Statutory Deposit with appropriate designation.

This line is not applicable to Fraternal Benefit Societies.

Line 30 – Preferred Capital Stock

Should equal the par value per share multiplied by the number of shares, or in the case of no-par shares, the total stated or liquidation value.

Authorized, outstanding and issued stocks have the same meaning as in Line 29.

This line is not applicable to Fraternal Benefit Societies.

Line 31 – Aggregate Write-ins for Other-Than-Special Surplus Funds

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 31 for Other-Than-Special Surplus Funds.

Line 32 – Surplus Notes

Include: That portion of any subordinated indebtedness, surplus debenture, contribution certificate, surplus note, debenture premium income note, bond or other contingent evidence of indebtedness, not included in Line 26 that is a financing vehicle for increasing surplus. Furnish pertinent information concerning conditions of repayment, redemption price, interest features, etc., in the Notes to Financial Statements. Report amount of premium, if any, in the balance sheet as a direct deduction from or addition to the face amount of the note.

Exclude: Surplus notes that are required, or are a prerequisite for, purchasing an insurance contract and are held by the policyholder.

Cost of issuing surplus notes (e.g., loan fees and legal fees). Charge these amounts to operations when incurred.

Refer to *SSAP No. 41R—Surplus Notes* for accounting guidance.

Line 33 – Gross Paid In and Contributed Surplus

Include: Amounts for quasi-reorganizations. Refer to *SSAP No. 72—Surplus and Quasi-Reorganizations* for accounting guidance.

Line 34 – Aggregate Write-ins for Special Surplus Funds

Enter the total of write-ins listed in schedule Details of Write-ins Aggregated at Line 34 for Special Surplus Funds.

Line 35 – Unassigned Funds (Surplus)

Unassigned funds (surplus) are the undistributed and unappropriated amounts of surplus.

Include: Reductions for unearned employee stock ownership plan shares.

Amounts for quasi-reorganizations. Refer to *SSAP No. 72—Surplus and Quasi-Reorganizations* for accounting guidance.

Changes in the additional minimum pension liability. Refer to *SSAP No. 102—Pensions* for accounting guidance.

Line 36 – Treasury Stock, at Cost

Treasury stock is the corporation's own shares that have been issued, fully paid, and reacquired by the issuing corporation but not canceled. Treasury stock is included in issued capital stock but is not part of outstanding stock.

Include: In the description the number of shares and the value in the appropriate spaces provided in Lines 36.1 and 36.2 for the current year. Cost method of accounting should determine the cost basis of treasury stock acquired.

Cost of reacquired suspense shares of an employee stock ownership plan.

This line is not applicable to Fraternal Benefit Societies.

Line 37 – Surplus (including $_______ in Separate Accounts Statement)

In the parenthetical portion of the caption, disclose the total amount of surplus funds reported on Page 3, Line 21 of the Separate Accounts Statement.

Details of Write-ins Aggregated at Line 25 for Liabilities

List separately each category of liability for which there is no pre-printed line on Page 3.

Include: Uncashed drafts and checks that are pending escheatment to a state.

Interest paid in advance on mortgage loans, rents paid in advance and retroactive reinsurance amounts, if any.

Estimated amounts of rate credits to group policyholders on premiums earned to and including December 31, if not included elsewhere.

Servicing liabilities as described in *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.

Unearned compensation for employee stock ownership plan stock options issued and stock purchase and award plans. Refer to *SSAP No. 12—Employee Stock Ownership Plans* and *SSAP No. 104R—Share-Based Payments* for accounting guidance.

Amount recorded as required by the additional minimum liability calculation with a description of "additional pension liability." See *SSAP No. 102—Pensions* for guidance.

Deferred liabilities for hedging relationships qualifying for and applying the special accounting treatment described in SSAP No. 108. See *SSAP No. 108—Derivative Hedging Variable Annuity Guarantees* for guidance

Exclude: Accumulations of coupons, guaranteed annual pure endowments not exceeding the annual premium and similar benefits.

All voluntary and general contingency reserves, group life contingency reserves, and other special surplus funds not in the nature of liabilities.

Details of Write-ins Aggregated at Line 31 for Items Other-Than-Special Surplus Funds

Enter separately by category the amount of guaranty fund notes, contribution certificates, statutory deposits of alien insurers, or similar funds other than capital stock, with appropriate descriptions. The aggregate amount of all surplus notes required or which are a prerequisite for purchasing an insurance contract and are held by the policyholder should be listed as a separate item.

Details of Write-ins Aggregated at Line 34 for Special Surplus Funds

Enter separately only voluntary and general contingency reserves, group life contingency reserves, and other special surplus funds that are not in the nature of liabilities.

Include: Estimated subsequent year assessment for the federal Affordable Care Act (ACA) Section 9010 fee for the data year reclassified from unassigned surplus. See *SSAP No. 106—Affordable Care Act Section 9010 Assessment* for accounting guidance.

For hedging relationships qualifying for and applying the special accounting treatment described in SSAP No. 108 include an amount equal to the net deferred asset and deferred liability (net amount for all deferrals made in accordance with *SSAP No. 108—Derivative Hedging Variable Annuity Guarantees*) shall be allocated from unassigned funds to special surplus.)

SUMMARY OF OPERATIONS

The purpose of the Summary of Operations is to identify earned income, incurred disbursements, and increase in reserves, (much of which is displayed in the supporting exhibits), in order to calculate net gain from operations for the year. This summary should be completed on the accrual, i.e., earned and incurred basis. Certain items may be either positive or negative and should be entered accordingly. The various investment items of interest, rent, profit and loss, depreciation, appreciation, etc., appearing in the exhibits supporting this summary must check with the data relating to the same transactions as set forth in the appropriate schedules. Profit and loss items must be itemized. The lists of items to be included in the various lines of the Summary of Operations and supporting exhibits are not intended to exclude analogous items that are omitted from the lists.

The results of the reporting entity's discontinued operations and extraordinary items shall be reported consistently with the company's reporting of continuing operations (i.e., no separate line item presentation in the balance sheet or statement of operations aggregating current and future losses from the measurement date).

Include in the premium, deposit, benefit, withdrawal or other appropriate captioned lines of the Summary of Operations, all separate accounts premiums, deposits, benefit, withdrawal or other types of transactions that are transferred to or from the Separate Accounts Statement (Line 26). Such transactions are also to be reported as premiums, deposits, benefits, withdrawals or other types of transactions in the Summary of Operations of the Separate Accounts Statement.

Lines 1 through 33 should agree to Analysis of Operations by Lines of Business – Summary, Lines 1 through 33, Column 1.

Line 1 – Premiums and Annuity Considerations for Life and Accident and Health Contracts

Report premium and annuity considerations for life and accident and health contracts including experience rating refunds, assumed reinsurance and net of reinsurance ceded. Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts, SSAP No. 51R—Life Contracts, SSAP No. 52—Deposit-Type Contracts, SSAP No. 54R—Individual and Group Accident and Health Contracts* for life, accident and health and deposit-type contract definitions, and *SSAP No. 66—Retrospectively Rated Contracts* for experience rating refunds.

Include: Accrued return premium adjustments for contracts subject to redetermination.

Deduct: Premiums and annuity considerations returned (other than cash surrender values) including amounts returned during the year due to rescission of certificates or contracts not taken, "free-look" provision, reformation of contract, other contractual return premium provisions, erroneously computed premiums or similar returns.

Exclude: Amounts attributable to uninsured accident and health plans and the uninsured portions of partially insured accident and health plans.

Changes in reserves for experience rating refunds.

Line 2 – Considerations for Supplementary Contracts with Life Contingencies

Include: Proceeds retained at death, disability or upon surrender or maturity of policy or annuity contract to be settled by a supplementary contract involving life contingencies.

Line 3 – Net Investment Income

Include: Investment income earned from all forms of investments, including investment fees earned relating to uninsured plans.

Dividends from SCA entities, Joint Ventures, Partnership, and Limited Liability Companies, less investment expenses, taxes (excluding federal income taxes), licenses, fees, depreciation on real estate, and other invested assets.

Investment income credited to uninsured plans.

Interest on borrowed money.

Exclude: Capital gains and losses on investments.

Equity in undistributed income or loss of SCA entities, Joint Ventures, Partnerships, and Limited Liability Companies as defined in *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* and *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*.

Line 4 – Amortization of Interest Maintenance Reserve (IMR)

Report the amount calculated on the Form for Calculating Interest Maintenance Reserve, Line 5.

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4, of the Separate Accounts Statement, excluding the portion due to unrealized capital gains or losses. (See instructions for separate accounts net gain from operations disclosure.)

Line 6 – Commissions and Expense Allowances on Reinsurance Ceded

Include: Commissions and expense allowances on reinsurance ceded excluding, for group insurance, any portion thereof which represents specific reimbursement of premium taxes and expenses.

Line 7 – Reserve Adjustments on Reinsurance Ceded

Include: Reserve increase received each year from reinsurer on modified coinsurance ceded.

Line 8.1 – Income from Fees Associated with Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Only fees and charges for investment management, administration and contract guarantees from the Separate Accounts. This should agree with the Separate Accounts Summary of Operations, line 11, column 1.

Line 8.3 – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 10 – Death Benefits

Exclude: Death benefits under annuity contracts.

Line 11 – Matured Endowments (excluding Guaranteed Annual Pure Endowments)

Exclude: Guaranteed annual pure endowments that do not exceed the annual premium and similar benefits. These should be reported under Line 14.

Line 12 – Annuity Benefits

Exclude: Matured endowment, disability or surrender benefits under annuity contracts. These should be reported on Lines 11, 13 and 15, respectively.

Line 13 – Disability Benefits and Benefits Under Accident and Health Contracts

Exclude: Amounts attributable to uninsured accident and health plans and the uninsured portions of partially insured plans.

Line 15 – Surrender Benefits and Withdrawals for Life Contracts

Include: All surrender or other withdrawal benefit amounts incurred in connection with contract provisions for surrender or withdrawal.

Exclude: Premium and annuity considerations for life contracts returned deducted on Line 1 in accordance with the instructions for that line.

Withdrawals on deposit-type contracts.

Amounts transferred to premium and annuity considerations, separate account or amounts redeposited.

Line 17 – Interest and Adjustments on Contract or Deposit-type Contract Funds

Include: Interest credited to liabilities for funds held on deposit by the company where the deposits, withdrawals or other payments between the policy/certificate holder and the company are recorded as balance sheet transactions, refer to *SSAP No. 51R—Life Contracts* and *SSAP No. 52—Deposit-Type Contracts*.

Change in reserves or other adjustments to deposit-type contracts.

Deduct: Discount on contract proceeds paid in advance.

Line 19 – Increase in Aggregate Reserves for Life and Accident and Health Contracts

Include: Any deficiency reserves.

Exclude: Any increase in reserves on account of change in valuation basis.

Line 21 – Commissions on Premiums, Annuity Considerations and Deposit-type Contract Funds (Direct Business Only)

Include: Collection or service fees; Contract, membership and other fees; Commuted renewal commissions.

Exclude: Commissions on reinsurance either assumed or ceded.

Line 22 – Commissions and Expense Allowances on Reinsurance Assumed

Include: Commissions and expense allowances on reinsurance assumed excluding, for group insurance, any portion thereof which represents specific reimbursement of premium taxes and expenses.

Line 23 – General Insurance Expenses and Fraternal Expenses

Enter the sum of Columns 1, 2, 3, 4 and 6, Line 10 of Exhibit 2. Refer to *SSAP No. 70—Allocation of Expenses* for accounting guidance.

Line 24 – Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes

Report all guaranty fund assessments, insurance taxes (excluding federal income taxes), licenses and fees, net of reinsurance ceded.

Should equal Exhibit 3 Line 7 the sum of Columns 1, 2, 3 and 5.

Line 26 – Net Transfers To or (From) Separate Accounts Net of Reinsurance

Include: The amount of decrease or (increase), if any, in the excess of policy/certificate holder account values as appropriate, over modified reserves such as the expense allowance provided by the use of CARVM or CRVM included in Line 13, Transfers to Separate Accounts Due or Accrued on the Liabilities page of the General Account Statement and reported in Line 9.2, Change in Expense Allowances Recognized in Reserves on the Summary of Operations page of the Separate Accounts Statement. Such excess or expense allowance must be reported as a transfer to the general account.

The change in reinsured expense allowances held in the Separate Accounts Statement of the ceding company.

Exclude: Income from fees associated with investment management, administration and contract guarantees from Separate Accounts. Report such amounts as income from fees associated with investment management, administration and contract guarantees from Separate Accounts, on Line 8.1.

Line 27 – Aggregate Write-ins for Deductions

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 27 for Deductions.

Line 30 – Dividends to Policyholders and Refunds to Members

Include: Dividends to life policyholders net of reinsurance ceded and dividends on Accident and Health Policies.

Refunds to members net of reinsurance ceded.

Exclude: Coupon, guaranteed annual pure endowment benefits that do not exceed the annual premium and similar benefits. These should be reported under Line 14.

Should equal Exhibit 4 Line 17 (Column 1 plus Column 2).

Line 32 – Federal and Foreign Income Taxes Incurred

Include: Current year provisions for federal and foreign income taxes, and federal and foreign income taxes incurred or refunded during the year relating to prior periods.

Exclude: Taxes on capital gains and losses.

This line is not applicable to Fraternal Benefit Societies.

Line 34 – Net Realized Capital Gains (Losses)

Include: Realized investment related foreign exchange gains/(losses).

Exclude: Unrealized capital gains (losses).

The realized capital gains (losses) transferred to the IMR.

CAPITAL AND SURPLUS ACCOUNT

The purpose of the Capital and Surplus Account is to delineate certain charges and credits not included in operations such as net capital gains and items pertaining to prior years and to reconcile the change in capital and surplus during the year.

Line 38 – Change in Net Unrealized Capital Gains (Losses) Less Capital Gains Tax of $________

Include: Equity in undistributed income or loss of SCA Entities, Joint Ventures, Partnerships and Limited Liability Companies as defined in *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities* and *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*.

Exclude: Realized capital gains (losses).

Line 39 – Change in Net Unrealized Foreign Exchange Capital Gain (Loss)

Include: Unrealized investment related foreign exchange gains (losses).

Exclude: Realized investment foreign exchange gains (losses).

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

Line 40 – Change in Net Deferred Income Tax

Record the change in net deferred income tax. Refer to *SSAP No. 101—Income Taxes* for accounting guidance. The amount shown on this line should represent the gross change in net deferred tax, with any change in the nonadmitted deferred tax asset reported on Line 41.

This line is not applicable to Fraternal Benefit Societies.

Line 41 – Change in Nonadmitted Assets

Equals the amount on the Exhibit of Nonadmitted Assets, Line 28, Column 3.

Line 42 – Change in Liability for Reinsurance in Unauthorized and Certified Companies

Report the change between years from the Liabilities, Surplus and Other Funds page, Reinsurance in Unauthorized and Certified Companies line.

Line 43 – Change in Reserve on Account of Change in Valuation Basis, (Increase) or Decrease

Column 1 should equal (Exhibit 5A, Line 9999999, Column 4) x – 1.

Include: All reserve strengthening commitments of a permanent nature.

Exclude: Any deficiency reserves.

Line 44 – Change in Asset Valuation Reserve

Report the amount calculated on (Page 29, Lines 2 + 3 + 4 + 5 - 6 + 7 + [illegible] + [illegible] - 15, Column 7) x – 1.

Line 45 – Change in Treasury Stock

Include: Change between years in ownership of treasury stock at cost.

This line is not applicable to Fraternal Benefit Societies.

Line 46 – Surplus (Contributed to) Withdrawn from Separate Accounts During Period

Include: All seed monies (contributed to) or withdrawn from accounts maintained in the Separate Accounts Statement and any accumulated profits withdrawn from the Separate Accounts Statement.

Report amounts contributed as negative amounts in this line.

Line 47 – Other Changes in Surplus in Separate Accounts Statement

Report the total change in surplus in the Separate Accounts Statement excluding the amount of change resulting from the net gain from operations in the Separate Accounts Statement as reported on Line 5 of the General Account Statement. Include the change, if any, due to net contributions or withdrawals of surplus between the Separate Accounts Statement and the General Account Statement. This will offset the general account impact of such transactions which should be recorded appropriately in Line 53, Aggregate Write-ins for Gains and Losses in Surplus of the General Account Statement but which does not change the aggregate surplus of the company.

Line 49 – Cumulative Effect of Changes in Accounting Principles

Exclude: Corrections of errors in previously issued financial statements. Corrections of errors should be reported on Line 53, Aggregate Write-ins for Gains and Losses on Surplus.

Changes in accounting estimates. A change in an accounting estimate should be included in the Summary of Operations.

Line 50.1 – Paid in Capital

Include: The value attributable to stock purchase warrants.

Only when issued stock increases\(decreases) should this line increase\(decrease). The amount included in this line will be the par value.

Refer to *SSAP No. 15—Debt and Holding Company Obligations* and *SSAP No. 72—Surplus and Quasi-Reorganizations* for accounting guidance.

This line is not applicable to Fraternal Benefit Societies.

Line 50.2 – Capital Transferred From Surplus (Stock Dividend)

Report the increase in capital resulting from a stock dividend (corresponding to the decrease in surplus shown on Line 51.2).

This line is not applicable to Fraternal Benefit Societies.

NOTE: The sum of lines 50.1 through 50.3 should equal the change between years from Liabilities page, lines 29 and 30, current year minus prior year.

Line 51.1 – Surplus Adjustment Paid In

Include: Amounts paid over par for capital stock upon issuance.

Any other infusions of capital/surplus.

This should equal the change between years of Liabilities page, Line 33, column 1 minus column 2. Refer to *SSAP No. 72—Surplus and Quasi-Reorganizations* for accounting guidance.

This line is not applicable to Fraternal Benefit Societies.

Line 51.2 – Surplus Transferred to Capital

Report the decrease in surplus resulting from a stock dividend (corresponding to the increase in Line 50.2).

This line is not applicable to Fraternal Benefit Societies.

Line 51.4 – Change in Surplus as a Result of Reinsurance

Report net increases and decreases in surplus from reinsurance ceded and reinsurance assumed in accordance with the accounting guidance described in *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance*, *SSAP No. 72—Surplus and Quasi-Reorganizations* and Appendix A-791.

Line 52 – Dividends to Stockholders

Include: Dividends paid in cash and dividends on allocated employee stock ownership plan shares.

Exclude: Dividends on unallocated employee stock ownership plan shares. Losses in surplus on account of stock dividends (show as a transfer to capital, Lines 50.2 and 51.2).

This line is not applicable to Fraternal Benefit Societies.

Line 53 – Aggregate Write-ins for Gains and Losses in Surplus

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 53 for Gains and Losses in Surplus.

Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income

List separately each category of miscellaneous income for which there is no pre-printed line on Page 4.

Include: Net realized foreign exchange gains and losses not related to investment income. Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance.

Gains/losses on fixed assets.

Amounts reported in Exhibit 2, Lines 3.11 and 3.12 for self-administered plan not reported in Exhibit 1.

As income, interest due from ceding reinsureds on funds held by the ceding company on behalf of the reporting entity (assuming entity).

Other sundry receipts and adjustments not reported elsewhere.

Exclude: Investment foreign exchange gains (losses).

Details of Write-ins Aggregated at Line 27 for Deductions

List separately each category of deductions for which there is no pre-printed line on Page 4.

Report the amount from the Form For Calculating the Interest Maintenance Reserve, Line 3.

Include: Fines and penalties of all regulatory authorities (not just the insurance regulatory authority) that should be shown here as a separate item.

As an expense, interest due or payable to assuming reinsurers on funds held by the reporting entity.

Reserve adjustment on modified coinsurance assumed.

Exclude: Expenses to be recorded on a specific line on Exhibit 2, or on Exhibit 2, Line 9.3, Aggregate Write-ins for Expenses, e.g., general insurance expenses and other expenses.

Details of Write-ins Aggregated at Line 53 for Gains and Losses in Surplus

Report separately any other changes to Capital and Surplus, not included above, including amounts received for subordinated surplus debentures.

Include: The initial transition obligation for unfunded postretirement benefits obligation if a company elects to immediately recognize such obligation.

Corrections of errors in previously issued financial statements.

(Charges) or credits for investment reserve other than AVR.

Changes in the additional minimum pension liability. Refer to *SSAP No. 102—Pensions* for accounting guidance.

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(Charges) or credits for extraordinary amounts of expenses paid or accrued in prior years.

Exclude: Cumulative effect of changes in accounting principles. The effect of changes in accounting principles should be reported on Line 49, Cumulative Effect of Changes in Accounting Principles.

Changes in accounting estimates. A change in accounting estimate should be included in the Summary of Operations.

CASH FLOW

The Statement of Cash Flow is prepared using the direct method consistent with the Summary of Operations, excluding the effect of current and prior year accruals. All revenue, expenditures, purchases and sale transactions involving cash should be entered gross. Pursuant to *SSAP No. 69—Statement of Cash Flow*, for purposes of the Cash Flow Statement, cash is defined to include cash, cash equivalents and short-term investments. Refer to SSAP No. 69 for accounting guidance regarding the disclosure of non-cash operating, investing and financing transactions.

The following worksheets are provided to facilitate completion of the Cash Flow Statement. The format reflects common reporting practices. Reporting entities may need to make adjustments to various lines consistent with their operations. For example, changes in the asset for foreign exchange rates is typically associated with the investment portfolio and shown as an adjustment to investment income. Alternatively, the adjustment could be made to insurance operations if appropriate. The Worksheets exclude certain non-cash activities; (e.g., change in nonadmitted assets and change in Asset Valuation Reserve for life and fraternal companies), since the offset is to surplus and has no effect on cash, but adjustments are needed to remove other non-cash transactions. While the worksheets do not take into account the cumulative effect of changes in accounting principles, the appropriate lines of the Cash Flow Statement need to be adjusted for this change. Note that the Worksheets are designed to take into account all lines of the Assets and Liabilities, Surplus and Other Funds pages, as well as the Summary of Operations.

Amounts generally described as restricted cash or restricted cash equivalents shall be included in the beginning and ending balance in the cash flow statement beginning with 12/31/2019 reporting. Early adoption is allowed. Transfers between cash, cash equivalents, amounts generally described as restricted cash or restricted cash equivalents, and short-term investments are not part of the entity's operating, investing and financing activities, and details of those transfers are not reported as cash flow activities in the statement of cash flows.

Cash from Operations Worksheet

Ref. #	Premiums Collected Net of Reinsurance	
1.1	Summary of Operations (Page 4) Lines 1 + 2 – 23, current year	______
1.2	Assets (Page 2) Lines 15 + 16.2 (In part for amount related to earned premiums) + 16.3 (In part for experience rating and other amounts related to earned premiums), Column 1, current year less previous year	______
1.3	Liabilities (Page 3) Lines 8 + 9.2, current year less previous year	______
1.4	______	______
1.5	Total of 1.1 – 1.2 + 1.3 + 1.4 (Report on Line 1 of the Cash Flow)	______
	Net Investment Income	
2.1	Summary of Operations (Page 4) Line 3, current year	______
2.2	Assets (Page 2) Lines 14 + 22, Column 1, current year less previous year	______
2.3	Liabilities (Page 3) Lines 12 (In part for investment related expenses) + 16 + 20, current year less previous year	______
2.4	Amortization of premium from Investment Worksheet B8 + S8 + M9 + O9	______
2.5	Accrual of discount from Investment Worksheet B9 + S9 + M5 + O5	______
2.6	Depreciation expense (included in 2.1)	______
2.7	______	______
2.8	Total of 2.1 – 2.2 + 2.3 + 2.4 – 2.5 + 2.6 + 2.7 (Report on Line 2 of the Cash Flow)	______

Miscellaneous Income

3.1 Summary of Operations (Page 4)

Lines 5 + 6 + 8, current year __________

3.2 Assets (Page 2)

Lines 16.2 (<u>In part</u> for all amounts not reported in Line 1.2 above) + 16.3, (<u>In part</u> for all amounts not reported in Line 1.2 above or Line 7.2 below) Column 1, current year less previous year __________

3.3 __________ __________

3.4 Total of 3.1 – 3.2 + 3.3 (Report on Line 3 of the Cash Flow) __________

Benefit and Loss Related Payments

5.1 Summary of Operations (Page 4)

Lines 20 – 43 – 7, current year __________

5.2 Assets (Page 2)

Line 16.1, Column 1, current year less previous year __________

5.3 Liabilities (Page 3)

Lines 1 + 2 + 4 + 6.3 + 9.1 + 9.3, current year less previous year __________

5.4 __________ __________

5.5 Total of 5.1 + 5.2 – 5.3 + 5.4 (Report on Line 5 of the Cash Flow) __________

Net Transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts

6.1 Summary of Operations (Page 4)

Line 26, current year __________

6.2 Liabilities (Page 3)

Line 13, current year less previous year __________

6.3 __________ __________

6.4 Total of 6.1 – 6.2 + 6.3 (Report on Line 6 of the Cash Flow) __________

Commissions, Expenses Paid and Aggregate Write-ins for Deductions

7.1 Summary of Operations (Page 4)

Lines 21 + 22 + 23 + 24 + 27, current year ____________

7.2 Assets (Page 2)

Lines 16.3 (In part for commissions and expense allowance due) + 17 + 19, Column 1, current year less previous year ____________

7.3 Liabilities (Page 3)

Lines 10 + 11 + 12 (In part for amount not included in Lines 2.3 above; i.e., non-investment expenses) + 14 + 24.06, current year less previous year ____________

7.4 Depreciation expense (included in 7.1) ____________

7.5 ____ ____________

7.6 Total of 7.1 + 7.2 – 7.3 – 7.4 + 7.5 (Report on Line 7 of the Cash Flow) ____________

Dividends Paid to Policyholders

8.1 Summary of Operations (Page 4)

Line 30, current year ____________

8.2 Liabilities (Page 3)

Lines 5 + 6.1 + 6.2 + 7, current year less previous year ____________

8.3 ____ ____________

8.4 Total of 8.1 – 8.2 + 8.3 (Report on Line 8 of the Cash Flow) ____________

Federal and Foreign Income Taxes Paid (Recovered)

9.1 Summary of Operations and Capital and Surplus Account (Page 4)

Line 32 + 40 + tax amount included in Lines 34, 38 and 39, current year ____________

9.2 Assets (Page 2)

Lines 18.1 + 18.2, Column 1, current year less previous year ____________

9.3 Liabilities (Page 3)

Lines 15.1 + 15.2, current year less previous year ____________

9.4 Total of 9.1 + 9.2 – 9.3 (Report on Line 9 of the Cash Flow) ____________

Cash from Investments Worksheet

The following section provides a reconciliation of investment activity. Although non-cash items are included for reconciliation purposes, the Statement of Cash Flow shall only include transactions involving cash. In addition to excluding the lines that are explicitly non-cash items (e.g., change in admitted assets) from what is reported in the Statement of Cash Flow, adjustments are necessary to remove non-cash acquisitions or disposals. Cash proceeds from investments sold, matured or repaid shall be included in Line 12. Cash remitted for acquired long-term investments is included in Line 13.

<u>**Bonds**</u>

B1 Change in net admitted asset value for Bonds (Page 2)

Column 3 current less previous year ____________

B2 Change in assets nonadmitted for Bonds (Page 2)

Column 2 current less previous year ____________

B3 Sum of B1 + B2 ____________

B4 Cost of Acquired

Line 2 Schedule D-Verification Between Years, <u>In part</u> for cash acquisition of bonds (Report on Line 13.1 of the Cash Flow) ____________

B5 Calculate from Schedule D-Verification Between Years

Line 4 Unrealized Valuation Increase (Decrease), <u>In part</u>
Plus Line 8 Total Foreign Exchange Change in Book/Adjusted Carrying Value, <u>In part</u>
Minus Line 9 Current Year's Other-Than-Temporary Impairment, <u>In part</u> ____________

B6 Total Gain (Loss) on Disposals

Line 5 Schedule D-Verification Between Years, <u>In part</u> ____________

B7 Consideration on Disposals

Line 6 Schedule D-Verification Between Years, <u>In part</u> for cash disposal of bonds (Report B7 minus B10 on Line 12.1 of the Cash Flow) ____________

B8 Amortization of Premium

Line 7 Schedule D-Verification Between Years, <u>In part</u> ____________

B9 Accrual of Discount

Line 3 Schedule D-Verification Between Years, <u>In part</u> ____________

B10 Total Investment Income Recognized as a Result of Prepayment Penalties and/or Acceleration Fees

Line 10 Schedule D-Verification Between Years, <u>In part</u> for cash received for investment income recognized ____________

B11 Other amount increases/(decreases)

Include non-cash items not already included in B4 through B10 ____________

B12 Total of B4 + B5 + B6 – B7 – B8 + B9 + B10 + B11 ____________

B3 – B12 (If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in B11) 0

Stocks

S1 Change in net admitted asset value for Stocks (Page 2)

Column 3 current less previous year ____________

S2 Change in assets nonadmitted for Stocks (Page 2)

Column 2 current less previous year ____________

S3 Sum of S1 + S2 ____________

S4 Cost of Acquired

Line 2 Schedule D-Verification Between Years, In part for cash acquisition of stocks (Report on Line 13.2 of the Cash Flow) ____________

S5 Calculate from Schedule D-Verification Between Years

Line 4 Unrealized Valuation Increase (Decrease), In part
Plus Line 8 Total Foreign Exchange Change in Book/Adjusted Carrying Value, In part
Minus Line 9 Current Year's Other-Than-Temporary Impairment, In part ____________

S6 Total Gain (Loss) on Disposals

Line 5 Schedule D-Verification Between Years, In part ____________

S7 Consideration on Disposals

Line 6 Schedule D-Verification Between Years, In part for cash disposal of stocks (Report on Line 12.2 of the Cash Flow) ____________

S8 Amortization of Premium

Line 7 Schedule D-Verification Between Years, In part ____________

S9 Accrual of Discount

Line 3 Schedule D-Verification Between Years, In part ____________

S10 Other amount increases/(decreases)

Include non-cash items not already included in S4 through S9 ____________

S11 Total of S4 + S5 + S6 – S7 – S8 + S9 + S10 ____________

S3 – S11 (If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in S10) 0

Reconciliation of Bonds and Stocks to Schedule D – Verification Between Years

B4 + S4 = Line 2, Cost of Bonds and Stocks acquired ______

B5 + S5 = Line 4, Unrealized Valuation Increase (Decrease) + Line 8, Total Foreign Exchange Change in Book/Adjusted Carrying Value – Line 9, Current Year's Other-Than-Temporary Impairment ______

B6 + S6 = Line 5, Total Gains (Losses) ______

B7 + S7 = Line 6, Consideration for Bonds and Stocks Disposed of ______

Mortgage Loans

M1 Change in net admitted asset value for Mortgages

Page 2, Column 3, current year less previous year ______

M2 Change in assets nonadmitted for Mortgages

Page 2, Column 2, current year less previous year ______

M3 Total of M1 + M2 ______

Schedule B – Verification Between Years

M4 Line 2 Cost of Acquired, In part for cash acquisitions (Report on Line 13.3 of the Cash Flow) ______

M5 Line 4 Accrual of Discount ______

M6 Line 5 Unrealized Valuation Increase (Decrease)
Plus Line 9 Total Foreign Exchange Change in Book/Adjusted Carrying Value
Minus Line 10 Current Year's Other-Than-Temporary Impairment ______

M7 Line 6 Total Gain (Loss) on Disposals ______

M8 Line 7 Amount Received on Disposals, In part for cash disposals (Report on Line 12.3 of the Cash Flow) ______

M9 Line 8 Amortization of Premium and Mortgage Interest Points and Commitment Fees ______

M10 Other amounts increases (decreases)

Include non-cash items not already included in M4 through M9 ______

M11 Total of M4 + M5 + M6 + M7 – M8 – M9 + M10 ______

M3 – M11 (If difference is not = 0, identify difference and add to amount(s) in the appropriate line(s) or in M10) 0

Real Estate

R1 Change in net admitted asset value for Real Estate

Page 2, Column 3, current year less previous year ______

R2 Change in assets nonadmitted for Real Estate

Page 2, Column 2, current year less previous year ______

R3 Total of R1 + R2 ______

Schedule A – Verification Between Years

R4		Line 6	Total Foreign Exchange Change in Book/Adjusted Carrying Value	
	Minus	Line 7	Current Year's Other-Than-Temporary Impairment	
	Minus	Line 8	Current Year's Depreciation	______
R5		Line 2.1	Cost of Acquired, <u>In part</u> for cash acquisitions	
	Plus	Line 2.2	Cost of Additional Investments Made, <u>In part</u> for cash investments	
	Plus	Line 3	Current Year Change in Encumbrances, <u>In part</u> for cash changes	______
	(Report the sum of Lines 2.1, 2.2 and 3 on Line 13.4 of the Cash Flow)			
R6	Line 4	Total Gain (Loss) on Disposals		______
R7	Line 5	Amounts Received on Disposals, <u>In part</u> for cash disposals (Report on Line 12.4 of the Cash Flow)		______
R8	Other amounts increases (decreases)			
		Include non-cash items not already included in R4 through R7		______
R9	Total of R4 + R5 + R6 – R7 + R8			______
	R3 – R9	(If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in R8)		0

Other Invested Assets

O1	Change in net admitted asset value for Other Invested Assets (Page 2)		
		Column 3 current less previous year	______
O2	Change in assets nonadmitted for Other Invested Assets (Page 2)		
		Column 2 current less previous year	______
O3	Total of O1 + O2		______

Schedule BA – Verification Between Years

O4	Line 2	Cost of Acquisition, <u>In part</u> for cash acquisitions (Report on Line 13.5 of the Cash Flow)		______
O5	Line 4	Accrual of Discount		______
O6		Line 5	Unrealized Valuation Increase (Decrease)	
	Plus	Line 9	Total Foreign Exchange Change in Book/Adjusted Carrying Value	
	Minus	Line 10	Current Year's Other-Than-Temporary Impairment	______
O7	Line 6	Total Gain (Loss) on Disposals		______
O8	Line 7	Amounts Received on Disposals, <u>In part</u> for cash disposals (Report on Line 12.5 of the Cash Flow)		______
O9	Line 8	Amortization of Premium and Depreciation		______
O10	Other amounts increases (decreases)			
		Include non-cash items not already included in O4 through O9		______
O11	Total of O4 + O5 + O6 + O7 – O8 – O9 + O10			______
	O3 – O11	(If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in O10)		0

Contract Loans and Premium Notes

P1 Change in net admitted asset value for Contract Loans and Premium Notes (Page 2)

Column 3 current less previous year ______________

P2 Change in assets nonadmitted for Contract Loans and Premium Notes (Page 2)

Column 2 current less previous year ______________

P3 Total of P1 + P2 ______________

P4 Increase (Decrease) by Adjustment ______________

P5 Net Increase (Decrease) in Amount Paid and Received

(Report on Line 14 of the Cash Flow) ______________

P6 Realized Gain (Loss) ______________

P7 Other amount increases (decreases)

Include non-cash items not already included in P4 through P6 ______________

P8 Total of P4 + P5 + P6 + P7 ______________

P3 – P8 (If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in P7) 0

Derivatives, Securities Lending Reinvested Collateral and Aggregate Write-ins for Invested Assets

W1 Change in net admitted asset value for Derivatives, Securities Lending Reinvested Collateral and Aggregate Write-ins for Invested Assets (Page 2)

	Column 3	Line 7	current year less previous year
Plus	Column 3	Line 10	current year less previous year
Plus	Column 3	Line 11	current year less previous year ______________

W2 Change in assets nonadmitted for Derivatives, Securities Lending Reinvested Collateral and Aggregate Write-ins for Invested Assets (Page 2)

	Column 2	Line 7	current year less previous year
Plus	Column 2	Line 10	current year less previous year
Plus	Column 2	Line 11	current year less previous year ______________

W3 Total of W1 + W2 ______________

W4 Increase (Decrease) by Adjustment ______________

W5 Net Increase (Decrease) in Amounts Paid and Received (Report as cash from investments misc. on Line 12.7 if amount is a decrease and Line 13.6 if amount is an increase ______________

W6 Realized Gain (Loss) ______________

W7 Other amounts increases (decreases)

Include non-cash items not already included in W4 through W6 ______________

W8 Total of W4 + W5 + W6 + W7 ______________

W3 – W8 (If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in W7) 0

Receivable (Payable) for Securities

X1 Change in net admitted asset value for Receivable for Securities

Page 2, Column 3, current year less previous year ______

X2 Change in assets nonadmitted for Receivable for Securities

Page 2, Column 2, current year less previous year ______

X3 Net change in Payable for Securities

Page 3, Column 1 less Column 2 ______

X4 Total of X1 + X2 – X3 (Report absolute value as cash from investments misc. on Line 12.7 if amount is a decrease and Line 13.6 if amount is an increase) ______

Reconcile Change in IMR Liability (Life and Fraternal Companies Only)

1 Change in IMR liability

Page 3, Line 9.4, current year less previous year ______

2 Current period amounts transferred to IMR

Primarily from Form for Calculating IMR, Line 2 ______

3 Current period amounts recognized in income

Summary of Operations, Page 4, Line [illegible] ______

4 Other amount increases (decreases) ______

5 Total of 2 – 3 + 4 ______

6 1 – 5 (If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in Line 4) 0

Reconcile Change in AVR liability (Life and Fraternal companies only)

1 Change in AVR liability

Page 3, Line [illegible]01, current year less previous year ______

2 Current period amounts transferred to AVR

Page 4, Line 44 ______

3 Other amount increases (decreases) ______

4 Total of 2 + 3 ______

5 1 – 4 (If difference is not = 0, identify differences and add to amount(s) in the appropriate line(s) or in Line 3) 0

Reconcile Unrealized Capital Gains (Losses)

1 Capital and Surplus Account (Page 4)

Line 38 (In part excluding tax) + 39 (In part excluding tax), current year ______________

2 Increase (Decrease) by Adjustment from Investment Worksheet

(Ref. # B5 + S5 + M6 + R4 + O6 + P4 + W4) ______________

3 Increase (Decrease) on Cash, Cash Equivalents and Short-term Investments

(Report on Line 12.6 of the Cash Flow) ______________

4 Depreciation (included in Line 2 and reported on Line 2.6 of Cash from Operations Worksheet) ______________

5 Total of 1 – 2 – 3 –4

(Amount should = 0, if not = 0 balance should be reported as cash from investments misc. on Line 12.7 if amount is an increase and Line 13.6 if amount is a decrease) 0

Reconcile Realized Capital Gains (Losses)

1 Summary of Operations (Page 4)

Line 34, current year before transfer to IMR and before taxes ______________

2 Realized Gain (Loss) from Investment Worksheet

(Ref. # B6 + S6 + M7 + R6 + O7 + P5 + W5) ______________

3 Gain (Loss) on Cash, Cash Equivalents and Short-term Investments

(Report on Line 12.6 of the Cash Flow) ______________

4 Total of 1 – 2 – 3

(Amount should = 0, if not = 0 balance should be reported as cash from investments misc. on Line 12.7 if amount is an increase and Line 13.6 if amount is a decrease) 0

Cash from Financing Worksheet

These lines calculate Line 16 of the Cash Flow.

Cash Provided (Applied):

Surplus Notes and Capital Notes

1.1 Change in Surplus Notes

Liabilities, Surplus (Page 3) Line 32, current year less previous year ______________

1.2 Change in Capital Notes

Liabilities (Page 3) Line 24.11, current year less previous year ______________

1.3 ______________________________ ______________

1.4 Total of 1.1 + 1.2 + 1.3 (Report on Line 16.1 of the Cash Flow) ______________

Capital and Paid In Surplus, Less Treasury Stock

2.1 Change in Capital

Liabilities, Surplus (Page 3) Lines 29 + 30, current year less previous year ____________

2.2 Change in Paid in Surplus

Liabilities (Page 3) Line 33, current year less previous year ____________

2.3 Change in Treasury Stock

Liabilities, Surplus (Page 3) Line 36, current year less previous year ____________

2.4 Transfer from Unassigned Surplus to lines included in 2.1 or 2.2 ____________

2.5 ____ ____________

2.6 Total of 2.1 + 2.2 – 2.3 – 2.4 + 2.5 (Report on Line 16.2 of the Cash Flow) ____________

Borrowed Money

3.1 Change in Borrowed Money

Liabilities, Surplus (Page 3) Line 22, current year less previous year ____________

3.2 ____ ____________

3.3 Total of 3.1 + 3.2 (Report on Line 16.3 of the Cash Flow) ____________

Net Deposits on Deposit-type Contracts and Other Liabilities

4.1 Change in Deposit-type Contracts

Liabilities, Surplus (Page 3) Line 3, current year less previous year ____________

4.2 ____ ____________

4.3 Total of 4.1 + 4.2 (Report on Line 16.4 of the Cash Flow) ____________

Dividends to Stockholders

5.1 Dividends to Stockholders

Capital and Surplus Account (Page 4) Line 52 ____________

5.2 Change in Dividends to Stockholders

Liabilities, Surplus (Page 3) Line 23 of current year less previous year ____________

5.3 Total of 5.1 – 5.2 (Report on Line 16.5 of the Cash Flow) ____________

Other Cash Provided (Applied)

6.1 Aggregate Write-ins for Gains (Losses) to Surplus

Capital and Surplus Account (Page 4) Lines 51.4 and 53 ______

6.2 Change in Misc. Liabilities

Liabilities, Surplus (Page 3) Lines 17 + 18 + 19 + 21 +24.03 to 24.05 + 24.07 + 24.08 + 24.10 + 25 + 31 + 34, current year less previous year ______

6.3 Change in Misc. Assets

Assets (Page 2) Lines 20 + 21 + 23 + 24 (In part for amounts not included elsewhere) + 25 (In part for amounts not include elsewhere), Column 1, current year less previous year ______

6.4 Transfer from Unassigned Surplus to lines included in 6.2 ______

6.5 Depreciation (included on Line 7.4 of Cash from Operations Worksheet) ______

6.6 ______________________________ ______

6.7 Total of 6.1 + 6.2 – 6.3 – 6.4 + 6.5 + 6.6 (Report on Line 16.6 of the Cash Flow) ______

Reconcile Change in Liability in Reinsurance in Unauthorized and Certified Companies

1 Change in liability for Reinsurance in Unauthorized and Certified Companies

Capital and Surplus Account (Page 4) Line 42 ______

2 Change in liability for Reinsurance in Unauthorized and Certified Companies

Liabilities, Surplus (Page 3) Line 24.02, current year less previous year ______

3 Total of 1 + 2

(Amount should = 0, if not = 0 balance should be reported as an adjustment to the appropriate line on the Cash Flow Statement) 0

Reconcile Nonadmitted Assets

1 Capital and Surplus Account

Page 4, Line 41, current year ______

2 Change in nonadmitted

Page 2, Column 2 Total, current year less previous year ______

3 Other adjustments ______

4 Total of 1 + 2 + 3

(Amount should = 0, if not = 0, balance should be reported as cash from financing on Line 16.6) 0

Reconcile Change in Accounting

Capital and Surplus Account, (Page 4) Line 49, current year ____________

Allocate all amounts due to change in accounting to the appropriate section of the worksheet

Supplemental Disclosure of Non-cash Transactions

Report the amount of non-cash operating, investing and financing transactions consistent with the classifications contained on the Assets and Liabilities, Surplus and Other Funds (all except Health) Liabilities, Capital and Surplus (Health) page of the financial statement, excluding amounts associated with policy or contract loans. Refer to *SSAP No. 69—Statement of Cash Flow* for accounting guidance.

Examples of non-cash investing and financing transactions include:

- Receiving non-cash financial assets from parent as a capital contribution.
- Settling reinsurance transactions with exchange of non-cash financial assets.
- Converting debt to equity.
- Acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller.
- Exchanging non-cash assets or liabilities for other non-cash assets or liabilities.

Illustration:

The Company reported the following non-cash operating, investing and financing activities in 20___:

		Current Year	Prior Year
20.0001.	Real estate acquired in satisfaction of debt	XXX	XXX
20.0002.	Bonds & stocks acquired in a business acquisition	XXX	XXX
20.0003.	Policy reserves acquired in a business acquisition	XXX	XXX
20.0004.	Bonds acquired from parent as a capital contribution	XXX	XXX
20.0005.	Remitted bonds to settle assumed reinsurance obligations	XXX	XXX

Analysis Operation by
LOB & Analysis Increase
in Reserves

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 do not have a separate Analysis of Operations by Lines of Business pages.

For Fraternal Benefit Societies Only:

> Companies operating on a one-fund basis may, at their option, omit the use of Column 7 in which case fraternal and/or general expense disbursements in Lines 22, 23, 24, 25 and 26 must be distributed appropriately by line of insurance in Columns 2 through 6 and Column 8. The disbursements also must be distributed appropriately by line of insurance on the detail columns of the detail Analysis of Operations by Lines of Business pages (Individual Life, Group Life, Individual Annuities, Group Annuities and Accident and Health) whose Total Columns tie to specific columns of the summary page.

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 8.

Column 2 – Individual Life

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

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 12.

Column 4 – Individual Annuities

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

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

A company that is engaged in one or more insurance businesses (other than life business e.g., workers' compensation, aviation reinsurance) that cannot be reported in the columns on pages for Individual Life Insurance, Group Life Insurance, Individual Annuities, Group Annuities and Accident and Health shall add the amounts for each additional line of business and shall enter the total in Column 8.

Include Any Business that is not reported in Columns 2 through 7 or Column 9.

Column 8, Line 21 should agree with Exhibit 1 Part 2, Line 31, Column 11.

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.

For definitions of lines of business, see the appendix of these instructions.

A company shall not omit the columns for any lines of business in which it is not engaged.

Include in the premium, benefit, withdrawal or other appropriate captioned lines of this analysis of operations by lines of business, all separate accounts premiums, benefit, withdrawal or other types of transactions that are transferred to or from the Separate Accounts Statement on Line 26. Such transactions are also to be reported as premiums, benefits, withdrawals or other types of transactions in the analysis of operations by lines of business of the Separate Accounts Statement.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

If separating Credit Life Insurance into individual and group is a hardship, the reporting entity may combine this line of business on either the individual or group page and indicate by including a footnote on both pages.

Supplementary contracts with life contingencies should be reported on the annuity pages; supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts. For these contracts, continue to report to the income statement amounts consistently with prior year reporting.

Riders/Endorsements/Floaters:

> If a rider, endorsement or floater acts like a separate policy with separate premium, deductible and limit, and has benefits that are not tied to the value or benefits of the underlying contract, then it is to be recorded on the same line of business as if it were a stand-alone policy regardless of whether it is referred to as a rider, endorsement or floater. Otherwise, the rider, endorsement or floater should be reported on the same line of business as the base policy. Include incidental benefits such as total and permanent disability (including both waivers of premium and disability income benefits), accidental death benefits, accidental death and dismemberment benefits, etc., in the same lines of business as the contracts with which they are associated.

Column 1 – Total

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

Column 10 – Credit Life

Include: Business not exceeding 120 months.

This column 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.

Line 1 – Premiums for Life Contracts Footnote

Include: Policies used to fund funeral and final expenses as defined in the Definitions Appendix to this Manual under Preneed.

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4 of the Separate Accounts Statement, in part, excluding the portion due to unrealized capital gains or losses.

Line 8.1 – Fees associated with Income from Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Gross amount of fees and charges from separate accounts.

Line 8.2 – Charges and Fees for Deposit-type Contracts

Include: All charges and fees for deposit-type contracts. The sum of Line 8.2 for the Analysis of Operations by Lines of Business pages for life (individual and group) and annuities (individual and group) should agree with the Exhibit 7, Deposit-type Contracts, Lines 5 and 6, Column 1.

Line 8.3 – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 16 – Group Conversions

Include: The customary charges, in the appropriate columns, to cover the excess cost arising from group conversions.

This line is not applicable to Fraternal Benefit Societies.

Line 21 – Commissions on Premiums (Direct Business Only)

Column 2 should agree with Exhibit 1 Part 2, Line 31, Column 2.

Columns 3, 4, 5, 6, 7, 8, 9, and 11 should agree with Exhibit 1 Part 2, Line 31, Column 3.

Column 10 plus Analysis of Operations – Group Life Insurance, column 7, line 21 should agree with Exhibit 1 Part 2, Line 31, Column 5.

Line 27 – Aggregate Write–ins for Deductions

Enter the total of the write–ins listed in schedule Details of Write–ins Aggregated at Line 27 for Deductions.

Details of Write–ins Aggregated at Line 8.3 for Miscellaneous Income

List separately each category of miscellaneous income for which there is no pre–printed line on Analysis of Operations by Lines of Business – Individual.

Details of Write–ins Aggregated at Line 27 for Deductions

List separately each category of deductions for which there is no pre–printed line on Analysis of Operations by Lines of Business – Individual.

Include: The amount from the Form for Calculating the Interest Maintenance Reserve, Line 3, in part.

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.

For definitions of lines of business, see the appendix of these instructions.

A company shall not omit the columns for any lines of business in which it is not engaged.

Include in the premium, benefit, withdrawal or other appropriate captioned lines of this analysis of operations by lines of business – group, all separate accounts premiums, benefit, withdrawal or other types of transactions that are transferred to or from the Separate Accounts Statement on Line 26. Such transactions are also to be reported as premiums, benefits, withdrawals or other types of transactions in the analysis of operations by lines of business of the Separate Accounts Statement.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

If separating Credit Life Insurance into individual and group is a hardship, the reporting entity may combine this line of business on either the individual or group page and indicate by including a footnote on both pages.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts. For these contracts, continue to report to the income statement amounts consistently with prior year reporting.

Riders/Endorsements/Floaters:

> If a rider, endorsement or floater acts like a separate policy with separate premium, deductible and limit, and has benefits that are not tied to the value or benefits of the underlying contract, then it is to be recorded on the same line of business as if it were a stand-alone policy regardless of whether it is referred to as a rider, endorsement or floater. Otherwise, the rider, endorsement or floater should be reported on the same line of business as the base policy. Include incidental benefits such as total and permanent disability (including both waivers of premium and disability income benefits), accidental death benefits, accidental death and dismemberment benefits, etc., in the same lines of business as the contracts with which they are associated.

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.

Line 1 – Premiums for Life Contracts Footnote

Include: Policies used to fund funeral and final expenses as defined in the Definitions Appendix to this Manual under Preneed.

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4 of the Separate Accounts Statement, in part, excluding the portion due to unrealized capital gains or losses.

Line 8.1 – Fees associated with Income from Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Gross amount of fees and charges from separate accounts.

Line 8.2 – Charges and Fees for Deposit-type Contracts

Include: All charges and fees for deposit-type contracts. The sum of Line 8.2 for the Analysis of Operations by Lines of Business pages for life (individual and group) and annuities (individual and group) should agree with the Exhibit 7, Deposit-type Contracts, Lines 5 and 6, Column 1.

Line 8.3 – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 16 – Group Conversions

Include: The customary charges, in the appropriate columns, to cover the excess cost arising from group conversions.

This line is not applicable to Fraternal Benefit Societies.

Line 21 – Commissions on Premiums (Direct Business Only)

Columns 2, 3, 4, 5, 6 and 8 should agree with Exhibit 1 Part 2, Line 31, Column 6.
Note: Column 7 is included in Exhibit 1 Part 2, Line 31, column 5 with individual credit life business.

Line 27 – Aggregate Write–ins for Deductions

Enter the total of the write–ins listed in schedule Details of Write–ins Aggregated at Line 27 for Deductions.

Details of Write–ins Aggregated at Line 8.3 for Miscellaneous Income

List separately each category of miscellaneous income for which there is no pre–printed line on Analysis of Operations by Lines of Business-Group.

Details of Write–ins Aggregated at Line 27 for Deductions

List separately each category of deductions for which there is no pre–printed line on Analysis of Operations by Lines of Business-Group.

Include: The amount from the Form for Calculating the Interest Maintenance Reserve, Line 3, in part.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – INDIVIDUAL ANNUITIES

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

For definitions of lines of business, see the appendix of these instructions.

A company shall not omit the columns for any lines of business in which it is not engaged.

Include in the premium, benefit, withdrawal or other appropriate captioned lines of this analysis of operations by lines of business, all separate accounts premiums, benefit, withdrawal or other types of transactions that are transferred to or from the Separate Accounts Statement on Line 26. Such transactions are also to be reported as premiums, benefits, withdrawals or other types of transactions in the analysis of operations by lines of business of the Separate Accounts Statement.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts. For these contracts, continue to report to the income statement amounts consistently with prior year reporting.

Riders/Endorsements/Floaters:

> If a rider, endorsement or floater acts like a separate policy with separate premium, deductible and limit, and has benefits that are not tied to the value or benefits of the underlying contract, then it is to be recorded on the same line of business as if it were a stand-alone policy regardless of whether it is referred to as a rider, endorsement or floater. Otherwise, the rider, endorsement or floater should be reported on the same line of business as the base policy. Include incidental benefits such as total and permanent disability (including both waivers of premium and disability income benefits), accidental death benefits, accidental death and dismemberment benefits, etc., in the same lines of business as the contracts with which they are associated.

Column 1 – Total

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

Column 6 – Life Contingent Payout Annuities

Include: Individual supplementary contracts with life contingencies.

Any individual annuity-type contract that is in a payout phase.

Column 7 – Other Annuities

Include: All individual annuity amounts not included elsewhere.

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4 in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4 of the Separate Accounts Statement, in part, excluding the portion due to unrealized capital gains or losses.

Line 8.1 – Fees associated with Income from Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Gross amount of fees and charges from separate accounts.

Line 8.2 – Charges and Fees for Deposit-Type Contracts

Include: All charges and fees for deposit-type contracts. The sum of Line 8.2 for the Analysis of Operations by Lines of Business pages for life (individual and group) and annuities (individual and group) should agree with Exhibit 7, Deposit-Type Contracts, Lines 5 and 6, Column 1.

Line 8.3 – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 16 – Group Conversions

Include: The customary charges, in the appropriate columns, to cover the excess cost arising from group conversions.

This line is not applicable to Fraternal Benefit Societies.

Line 21 – Commissions on Annuity Considerations and Deposit-Type Contracts (Direct Business Only)

Columns 2, 3, 4, 5, and 7 should agree with Exhibit 1 Part 2, Line 31, Column 4.

Line 27 – Aggregate Write–ins for Deductions

Enter the total of the write–ins listed in schedule Details of Write–ins Aggregated at Line 27 for Deductions.

Details of Write–ins Aggregated at Line 8.3 for Miscellaneous Income

List separately each category of miscellaneous income for which there is no pre–printed line on Analysis of Operations by Lines of Business-Individual Annuities.

Details of Write–ins Aggregated at Line 27 for Deductions

List separately each category of deductions for which there is no pre–printed line on Analysis of Operations by Lines of Business-Individual Annuities.

Include: The amount from the Form for Calculating the Interest Maintenance Reserve, Line 3, in part.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – GROUP ANNUITIES

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

For definitions of lines of business, see the appendix of these instructions.

A company shall not omit the columns for any lines of business in which it is not engaged.

Include in the premium, benefit, withdrawal or other appropriate captioned lines of this analysis of operations by lines of business, all separate accounts premiums, benefit, withdrawal or other types of transactions that are transferred to or from the Separate Accounts Statement on Line 26. Such transactions are also to be reported as premiums, benefits, withdrawals or other types of transactions in the analysis of operations by lines of business of the Separate Accounts Statement.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts. For these contracts, continue to report to the income statement amounts consistently with prior year reporting.

Riders/Endorsements/Floaters:

> If a rider, endorsement or floater acts like a separate policy with separate premium, deductible and limit, and has benefits that are not tied to the value or benefits of the underlying contract, then it is to be recorded on the same line of business as if it were a stand-alone policy regardless of whether it is referred to as a rider, endorsement or floater. Otherwise, the rider, endorsement or floater should be reported on the same line of business as the base policy. Include incidental benefits such as total and permanent disability (including both waivers of premium and disability income benefits), accidental death benefits, accidental death and dismemberment benefits, etc., in the same lines of business as the contracts with which they are associated.

Column 1 – Total

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

Column 6 – Life Contingent Payout Annuities

Include: Group supplementary contracts with life contingencies.

Any group annuity-type contract that is in a payout phase.

Column 7 – Other Annuities

Include: All group annuity amounts not included elsewhere.

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4 of the Separate Accounts Statement, in part, excluding the portion due to unrealized capital gains or losses.

Line 8.1 – Fees associated with Income from Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Gross amount of fees and charges from separate accounts.

Line 8.2 – Charges and Fees for Deposit-type Contracts

Include: All charges and fees for deposit-type contracts. The sum of Line 8.2 for the Analysis of Operations by Lines of Business pages for life (individual and group) and annuities (individual and group) should agree with the Exhibit 7, Deposit-type Contracts, Lines 5 and 6, Column 1.

Line 8.3 – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 16 – Group Conversions

Include: The customary charges, in the appropriate columns, to cover the excess cost arising from group conversions.

This line is not applicable to Fraternal Benefit Societies.

Line 21 – Commissions on Annuity Considerations and Deposit-Type Contracts (Direct Business Only)

Columns 2, 3, 4, 5 and 7 should agree with Exhibit 1 Part 2, Line 31, Column 7.

Line 27 – Aggregate Write-ins for Deductions

Enter the total of the write–ins listed in schedule Details of Write–ins Aggregated at Line 27 for Deductions.

Details of Write–ins Aggregated at Line 8.3 for Miscellaneous Income

List separately each category of miscellaneous income for which there is no pre–printed line on Analysis of Operations by Lines of Business-Group Annuities.

Details of Write–ins Aggregated at Line 27 for Deductions

List separately each category of deductions for which there is no pre–printed line on Analysis of Operations by Lines of Business-Group Annuities.

Include: The amount from the Form for Calculating the Interest Maintenance Reserve, Line 3, in part.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – ACCIDENT AND HEALTH

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

For definitions of lines of business, see the appendix of these instructions.

A company shall not omit the columns for any lines of business in which it is not engaged.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

Riders/Endorsements/Floaters:

> If a rider, endorsement or floater acts like a separate policy with separate premium, deductible and limit, then it is to be recorded on the same line of business as if it were a stand-alone policy regardless of whether it is referred to as a rider, endorsement or floater. If there is no additional premium, separate deductible or limit, the rider, endorsement or floater should be reported on the same line of business as the base policy.

Column 1 – Total

Column 2 & 3 – Comprehensive (Hospital & Medical)

Include: Business that provides for medical coverages including hospital, surgical and major medical. Include State Children's Health Insurance Program (SCHIP) Medicaid Program (Title XXI) risk contracts.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), federal employees health benefit plan (FEHBP) premiums, Medicare (Title XVIII) and Medicaid (Title XIX) risk contracts, Medicare Supplement, Vision only Dental only business and limited benefit plans.

Column 4 – Medicare Supplement

Include: Business reported in the Medicare Supplement Insurance Experience Exhibit of the annual statement.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), federal employees health benefit plan (FEHBP) premiums, comprehensive hospital and medical policies, Medicare (Title XVIII) and Medicaid (Title XIX) risk contracts, Vision only and Dental only business.

Column 5 – Vision Only

Include: Policies providing for vision only coverage issued as stand-alone vision or as a rider to a medical policy that is not related to the medical policy through premiums, deductibles or out-of-pocket limits.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), federal employees health benefit plan (FEHBP) premiums, comprehensive hospital and medical policies, Medicare (Title XVIII) and Medicaid (Title XIX) risk contract, Medicare Supplement, and Dental only business.

Column 6 – Dental Only

Include: Policies providing for dental only coverage issued as stand alone dental or as a rider to a medical policy that is not related to the medical policy through premiums, deductibles or out-of-pocket limits.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), federal employees health benefit plan (FEHBP) premiums, comprehensive hospital and medical policies, Medicare (Title XVIII) and Medicaid (Title XIX) risk contracts, Medicare Supplement and Vision only business.

Column 7 – Federal Employees Health Benefits Plans (FEHBP)

Include: Business allocable to the Federal Employees Health Benefits Plan (FEHBP) premium that are exempted from state taxes or other fees by Section 8909(f)(1) of Title 5 of the United States Code.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), comprehensive hospital and medical policies, Medicare (Title XVIII) and Medicaid (Title XIX) risk contracts, Medicare Supplement, Vision only and Dental only business.

Column 8 – Title XVIII - Medicare

Include: Business where the reporting entity charges a premium and agrees to cover the full medical costs of Medicare subscribers. Policies providing Medicare Part D Prescription Drug Coverage through a Medicare Advantage product.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), federal employees health benefits plan (FEHBP) premiums, comprehensive hospital and medical policies, Medicaid (Title XIX) risk contracts, Medicare Supplement, Vision only and Dental only business. Policies providing stand alone Medicare Part D Prescription Drug Coverage.

Column 9 – Title XIX - Medicaid

Include: Business where the reporting entity charges a premium and agrees to cover the full medical costs of Medicaid subscribers.

Exclude: Administrative services only (ASO), other non-underwritten business, administrative services contracts (ASC), federal employees health benefits plan (FEHBP) premiums, comprehensive hospital and medical policies, Medicare (Title XVIII) risk contracts, Medicare Supplement, Vision only and Dental only business.

Column 10 – Credit Accident and Health

Include: Business not exceeding 120 months.

Column 11 – Disability

Include: Contracts providing disability income coverage, both short-term and long-term.

Column 12 – Long-Term Care

Include: Any insurance policy or rider that provides coverage for not less than twelve (12) consecutive months for each covered person on an expense incurred, indemnity, prepaid or other basis, for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance or personal care services, provided in a setting other than an acute care unit of a hospital.

A policy or rider which provides for payment of benefits based upon cognitive impairment or the loss of functional capacity.

Column 13 – Other Health

Include: Other health coverages such as stop loss, limited benefit plans and prescription drug plans and coverages not specifically addressed in any other columns. Policies providing stand alone Medicare Part D Prescription Drug Coverage.

On Line 20, expenses and reimbursements from administrative services only (ASO), other non-underwritten business and administrative services contracts (ASC).

Exclude: Policies providing Medicare Part D Prescription Drug Coverage through a Medicare Advantage product.

Line 4 – Amortization of the Interest Maintenance Reserve

Report the amount shown on Page 4, Line 4, in part, and on Page 28, Line 5, in part.

Allocate the amortization of the Interest Maintenance Reserve in the same manner that investment income would have been allocated had the investment not been sold.

Line 5 – Separate Accounts Net Gain from Operations Excluding Unrealized Gains or Losses

Report the total net gain from operations shown on Page 4 of the Separate Accounts Statement, in part, excluding the portion due to unrealized capital gains or losses.

Line 8.1 – Fees associated with income from Investment Management, Administration and Contract Guarantees from Separate Accounts

Include: Gross amount of fees and charges from separate accounts.

Line 8.3 – Aggregate Write-Ins for Miscellaneous Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 8.3 for Miscellaneous Income.

Line 16 – Group Conversions

Include: The customary charges, in the appropriate columns, to cover the excess cost arising from group conversions.

This line is not applicable to Fraternal Benefit Societies.

Line 21 – Commissions on Premiums (Direct Business Only)

Column1 should agree with Exhibit 1 Part 2, Line 31, Columns 8, 9 and 10.

Line 27 – Aggregate Write–ins for Deductions

Enter the total of the write–ins listed in schedule Details of Write–ins Aggregated at Line 27 for Deductions.

Details of Write–ins Aggregated at Line 8.3 for Miscellaneous Income.

List separately each category of miscellaneous income for which there is no pre–printed line on Analysis of Operations by Lines of Business-Accident and Health.

Details of Write–ins Aggregated at Line 27 for Deductions

List separately each category of deductions for which there is no pre–printed line on Analysis of Operations by Lines of Business-Accident and Health.

Include: The amount from the Form for Calculating the Interest Maintenance Reserve, Line 3, in part.

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.

A company shall not omit the columns for any lines of business in which it is not engaged. All figures for the ordinary individual variable life insurance business of the company, excluding separate accounts items, shall be included in Columns 8 or 9, as applicable.

This analysis applies to items reported in Exhibit 5.

Blocks of business in run-off (no new policies issued) as of December 31, 20[illegible], comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

If separating Credit Life Insurance into individual and group is a hardship, the reporting entity may combine this line of business on either the individual or group page and indicate by including a footnote on both pages.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts.

Lines 2 through 6 and Lines 9 through 11 do not include amounts related to the VM-20 Deterministic/Stochastic portion of the reserves, which are reported on Line 6.1.

Refer to *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance* for accounting guidance.

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.

Line 1 – Reserve December 31 of Prior Year

Enter individual reserves from the Life Insurance Section, Accidental Death Benefits Section, Disability-Active Lives Section, Disability-Disabled Lives Section and the Miscellaneous Reserves Section of Exhibit 5.

Include: Both active and disabled life reserves on Ordinary Life.

Line 2 – Tabular Net Premium or Considerations

Enter tabular net premiums or considerations as determined by valuation bases employed. Tabular premiums on Industrial business should be increased by one-half year's interest thereon.

Include: The full variable life insurance net premiums in Columns 8 and 9 corresponding to the gross premiums included in Analysis of Operations by Line of Business, Line 1, Columns 8 and 9.

Line 3 – Present Value of Disability Claims Incurred

Include: Claims pending, unreported, and resisted as well as approved claims.

Line 4 – Tabular Interest
Line 5 – Tabular Less Actual Reserve Released and
Line 9 – Tabular Cost

For these items either use formulas indicated below or derive them from basic data.

Indicate in the Notes to Financial Statements under Note [illegible] whether determination has been by formula or from basic data.

(1) Tabular Cost Minus Tabular Interest (C-I) on Life Insurance, Accidental Death Benefits and Disability, Active Lives

Line 1	–	Mean reserve Dec. 31 of prior year	
Line 2	–	Tabular premiums	
Line 7	–	Other increases	
		Total	

Deduct:

Line 15	–	Mean reserve Dec. 31 of current year	
Line 10	–	Terminal reserves released by death	
Line 11	–	Net reserves released by other terminations	
		Total deductions	
		Balance (C-I)	

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year	
One-half year's interest on mean reserve Dec. 31, of current year	
One-half year's interest on (C-I)	
One-half year's interest on terminal reserves released by death (life insurance only)	
Total equals tabular interest	

Tabular Cost:

C-I	
Add I	
Total equals tabular cost	

(2) Tabular Less Actual Reserve Released Plus Tabular Interest (T-A+I) on Annuities, Disability Annuities, and Supplementary Contracts with Life Contingencies

Line 15 – Mean reserve Dec. 31 of current year ____________
Line 12 – Benefits payable during year ____________
Total ____________

Deduct:

Line 1 – Mean reserve Dec. 31 of prior year ____________
Line 2 – Tabular considerations for annuities and supplementary contracts (or present value of disability claims incurred) ____________

Line 7 – Other increases net ____________
Total deductions ____________
Balance (T-A+I) ____________

Tabular Interest:

One-half year's interest on mean reserve Dec. 31 of prior year ____________
One-half year's interest on mean reserve Dec. 31, of current year ____________
Total ____________
Deduct one-half year's interest on (T-A+I) ____________
Balance equals tabular interest ____________

Tabular Less Actual Reserve Released:

T-A+I ____________
Deduct I ____________
Balance equals tabular less actual reserve released ____________

(3) Tabular Interest on Deposits and Contracts Without Life Contingencies

Mean Reserve December 31 of current year ____________
Payments Incurred during the year ____________
Total ____________

Deduct:

Mean Reserve December 31 of prior year ____________
Income during the year ____________
Other increases ____________
Total Deductions ____________
Balance equals tabular interest ____________

Column 2 through 9 – Use Formula 1 for life insurance, accidental death benefits and disability, active lives; Formula 2 for disabled lives; and Formula 3 for interest only benefits.

Column 10 – For yearly renewable term, use Formula 1 for (C-I), and use only the first two items in Formula 1 for calculating Tabular Interest, changing "One-half" to "Full" in each item; otherwise use Formula 1.

This column is not applicable to Fraternal Benefit Societies.

Line 6 – Increase in Reserve on Account of Change in Valuation Basis

Enter appropriate amounts from Part A of Exhibit 5A – Changes in Bases of Valuation During the Year.

Line 6.1 – Change in Excess of VM-20 Deterministic/Stochastic Reserve over Net Premium Reserve

As the line item describes, this is the change in excess of any Deterministic/Stochastic reserve over the amount of the VM-20 Net Premium Reserve.

Line 7 – Other Increases (Net)

Enter amounts that affect reserves but that are not included elsewhere (transfers between lines of business, group conversions, etc.).

Include: Adjustments due to fluctuations in foreign exchange rates.

Line 10 – Reserves Released by Death

Entries should be made only in the columns involving life insurance. Enter terminal reserves released.

Exclude Deterministic/Stochastic Reserves from the reporting of Reserves Released by Death

Line 11 – Reserves Released by Other Terminations (Net)

Enter reserves released by causes other than by death. The computation should be on a net basis so as to take account of revivals, increases, changes, etc.

Exclude Deterministic/Stochastic Reserves from the reporting of Reserves Released by Other Terminations (Net)

Line 12 – Annuity, Supplementary Contract, Disability Payments Involving Life Contingencies

Include: Surrender payments on annuities and supplementary contracts with life contingencies.

Line 13 – Net Transfers to or (From) Separate Accounts

Include: Net transfers to or (from) separate accounts of net premiums, considerations.

Line 15 – Reserve December 31 of Current Year

Line 8 minus Line 14. Amounts reported should equal (net) reserves by lines of business from Exhibit 5.

Include: Policies used to fund funeral and final expenses as defined in the Definitions Appendix to this Manual under Preneed in same line of business as Analysis of Operations.

An Analysis of Increase in Reserves is done by annual statement line of business, and within each line according to these formula types: insurance disability contingencies. The instructions specify that the various items are either to be derived from basic data or derived by formula. One item is always to be derived as the balancing item in its reserve analysis formula. Thus, the accuracy of the analysis for each line of business and formula type should be verified by the reasonableness of the various balancing items.

The balancing item for life insurance, accidental death benefit, and active life disability reserves is tabular cost. Tabular cost for life insurance can be expressed as the summation of the products of mortality rates times the excess of the face amount over the reserve. Using the tabular cost that was derived in the reserve analysis, the amount of insurance in force, and the reserves, the average mortality rate that is implied by the reserve analysis can be determined. This rate should be reasonable considering the nature of the in force and should show a reasonable progression from year to year.

The balancing item for annuity, supplementary contracts with life contingencies, and disabled life reserves is tabular less actual reserve released. This item reflects the relationship between the mortality and claim termination rates used for the reserves and the corresponding company experience. The level of this item and its variation from year to year should be reasonable in terms of these factors.

Cash Surrender Value (CSV) and Policy Loans:

Line 16 – CSV Ending Balance December 31, current year

The CSV is to be reported net of any policy loans taken and still outstanding.

Line 17 – Amount Available for Policy Loans Based upon Line 16 CSV

Report the current year balance of policy loans available to be taken by category.

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.

A company shall not omit the columns for any lines of business in which it is not engaged. All figures for the group variable life insurance business of the company, excluding separate accounts items, shall be included in Column 4 or 6, as applicable.

This analysis applies to items reported in Exhibit 5.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

If separating Credit Life Insurance into individual and group is a hardship, the reporting entity may combine this line of business on either the individual or group page and indicate by including a footnote on both pages.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts.

Refer to *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance* for accounting guidance.

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.

Line 1 – Reserve December 31 of Prior Year

Enter group reserves from the Life Insurance Section, Accidental Death Benefits Section, Disability-Active Lives Section, Disability-Disabled Lives Section and the Miscellaneous Reserves Section of Exhibit 5.

Enter tabular net premiums or considerations as determined by valuation bases employed. Tabular premiums on Industrial business should be increased by one-half year's interest thereon.

Include: The full variable life insurance net premiums in Columns 4 and 6 corresponding to the gross premiums included in Analysis of Operations by Line of Business, Line 1, Columns 4 and 6.

Line 3 – Present Value of Disability Claims Incurred

Include: Claims pending, unreported, and resisted as well as approved claims.

Line 4 – Tabular Interest
Line 5 – Tabular Less Actual Reserve Released and
Line 9 – Tabular Cost

For these items either use formulas indicated below or derive them from basic data.

Indicate in the Notes to Financial Statements under Note 31 whether determination has been by formula or from basic data.

(1) Tabular Cost Minus Tabular Interest (C-I) on Life Insurance, Accidental Death Benefits and Disability Active Lives

Line 1	–	Mean reserve Dec. 31 of prior year	________
Line 2	–	Tabular premiums	________
Line 7	–	Other increases	________
		Total	________

Deduct:

Line 15	–	Mean reserve Dec. 31 of current year	________
Line 10	–	Terminal reserves released by death	________
Line 11	–	Net reserves released by other terminations	________
		Total deductions	________
		Balance (C-I)	________

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year	________
One-half year's interest on mean reserve Dec. 31, of current year	________
One-half year's interest on (C-I)	________
One-half year's interest on terminal reserves released by death (life insurance only)	________
Total equals tabular interest	________

Tabular Cost:

C-I	________
Add I	________
Total equals tabular cost	________

(2) Tabular Less Actual Reserve Released Plus Tabular Interest (T-A+I) on Annuities, Disability Annuities, and Supplementary Contracts with Life Contingencies

Line 15	–	Mean reserve Dec. 31 of current year	________
Line 12	–	Benefits payable during year	________
		Total	________

Deduct:

Line 1	–	Mean reserve Dec. 31 of prior year	________
Line 2	–	Tabular considerations for annuities and supplementary contracts (or present value of disability claims incurred)	________

Line 7 – Other increases net
Total deductions
Balance (T-A+I)

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year
One-half year's interest on mean reserve Dec. 31, of current year
Total
Deduct one-half year's interest on (T-A+I)
Balance equals tabular interest

Tabular Less Actual Reserve Released:

T-A+I
Deduct I
Balance equals tabular less actual reserve released

(3) Tabular Interest on Deposits and Contracts Without Life Contingencies

Mean Reserve December 31 of current year
Payments Incurred during the year
Total

Deduct:

Mean Reserve December 31 of prior year
Income during the year
Other increases
Total Deductions
Balance equals tabular interest

Column 2 through 6 – Use Formula 1 for life insurance, accidental death benefits and disability, active lives; Formula 2 for disabled lives; and Formula 3 for interest only benefits.

Column 7 – For yearly renewable term, use Formula 1 for (C-I), and use only the first two items in Formula 1 for calculating Tabular Interest, changing "One-half" to "Full" in each item; otherwise use Formula 1.

Column 8 – For yearly renewable term (life insurance and disability, active lives) use Formula 1 for (C-I) and use only the first two items in Formula 1 for calculating Tabular interest, changing "One-half" to "Full" in each item; use Formula 1 for group permanent. Use Formula 2 for disability, disabled lives. Companies including supplementary contracts under group contracts in this column should use Formula 2 for Group supplementary contracts with life contingencies. Use Formula 3 for benefits valued at interest only.

Line 6 – Increase in Reserve on Account of Change in Valuation Basis

Enter appropriate amounts from Part A of Exhibit 5A – Changes in Bases of Valuation During the Year.

Line 7 – Other Increases (Net)

Enter amounts that affect reserves but that are not included elsewhere (transfers between lines of business, group conversions, etc.).

Include: Adjustments due to fluctuations in foreign exchange rates.

Line 10 – Reserves Released by Death

Entries should be made only in the columns involving life insurance. Enter terminal reserves released.

Line 11 – Reserves Released by Other Terminations (Net)

Enter reserves released by causes other than by death. The computation should be on a net basis so as to take account of revivals, increases, changes, etc.

Line 12 – Annuity, Supplementary Contract, Disability Payments Involving Life Contingencies

Include: Surrender payments on annuities and supplementary contracts with life contingencies.

Line 13 – Net Transfers to or (From) Separate Accounts

Include: Net transfers to or (from) separate accounts of net premiums, considerations.

Line 15 – Reserve December 31 of Current Year

Line 8 minus Line 14. Amounts reported should equal (net) reserves by lines of business from Exhibit 5.

Include: Policies used to fund funeral and final expenses as defined in the Definitions Appendix to this Manual under Preneed in same line of business as Analysis of Operations.

An Analysis of Increase in Reserves is done by annual statement line of business, and within each line according to these formula types: insurance, annuity, and contracts with life or disability contingencies. The instructions specify that the various items are either to be derived from basic data or derived by formula. One item is always to be derived as the balancing item in its reserve analysis formula. Thus, the accuracy of the analysis for each line of business and formula type should be verified by the reasonableness of the various balancing items.

The balancing item for life insurance, accidental death benefit and active life disability reserves is tabular cost. Tabular cost for life insurance can be expressed as the summation of the products of mortality rates times the excess of the face amount over the reserve. Using the tabular cost that was derived in the reserve analysis, the amount of insurance in force, and the reserves, the average mortality rate that is implied by the reserve analysis can be determined. This rate should be reasonable considering the nature of the in force and should show a reasonable progression from year to year.

The balancing item for disabled life reserves is tabular less actual reserve released. This item reflects the relationship between the mortality and claim termination rates used for the reserves and the corresponding company experience. The level of this item and its variation from year to year should be reasonable in terms of these factors.

Cash Surrender Value and Policy Loans:

Line 16 – CSV Ending Balance December 31, current year

The CSV is to be reported net of any policy loans taken and still outstanding.

Line 17 – Amount Available for Policy Loans Based upon Line 16 CSV

Report the current year balance of policy loans available to be taken by category.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR – INDIVIDUAL ANNUITIES

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.

A company shall not omit the columns for any lines of business in which it is not engaged.

This analysis applies to items reported in Exhibit 5.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts.

Refer to *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance* for accounting guidance.

Line 1 – Reserve December 31 of Prior Year

Enter individual annuity reserves from the Annuities Section, Supplementary Contracts with Life Contingencies Section, Disability-Active Lives Section, Disability-Disabled Lives Section and the Miscellaneous Section of Exhibit 5.

Line 2 – Tabular Net Considerations

Enter tabular net considerations as determined by valuation bases employed.

Line 3 – Present Value of Disability Claims Incurred

Not applicable to Annuities.

Line 4 – Tabular Interest
Line 5 – Tabular Less Actual Reserve Released and
Line 9 – Tabular Cost

For these items either use formulas indicated below or derive them from basic data.

Indicate in the Notes to Financial Statements under Note 31 whether determination has been by formula or from basic data.

(1) Tabular Cost Minus Tabular Interest (C-I) on Life Insurance, Accidental Death Benefits and Disability Active Lives

Line 1	–	Mean reserve Dec. 31 of prior year	________
Line 2	–	Tabular premiums	________
Line 7	–	Other increases	________
		Total	________

Deduct:

Line 15 – Mean reserve Dec. 31 of current year

Line 10 – Terminal reserves released by death

Line 11 – Net reserves released by other terminations

Total deductions

Balance (C-I)

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year

One-half year's interest on mean reserve Dec. 31, of current year

One-half year's interest on (C-I)

One-half year's interest on terminal reserves released by death (life insurance only)

Total equals tabular interest

Tabular Cost:

C-I

Add I

Total equals tabular cost

(2) Tabular Less Actual Reserve Released Plus Tabular Interest (T-A+I) on Annuities, Disability Annuities, and Supplementary Contracts with Life Contingencies

Line 15 – Mean reserve Dec. 31 of current year

Line 12 – Benefits payable during year

Total

Deduct:

Line 1 – Mean reserve Dec. 31 of prior year

Line 2 – Tabular considerations for annuities and supplementary contracts (or present value of disability claims incurred)

Line 7 – Other increases net

Total deductions

Balance (T-A+I)

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year

One-half year's interest on mean reserve Dec. 31, of current year

Total

Deduct one-half year's interest on (T-A+I)

Balance equals tabular interest

Tabular Less Actual Reserve Released:

T-A+I

Deduct I

Balance equals tabular less actual reserve released

(3) Tabular Interest on Deposits and Contracts Without Life Contingencies

Mean Reserve December 31 of current year	
Payments Incurred during the year	
Total	

Deduct:

Mean Reserve December 31 of prior year	
Income during the year	
Other increases	
Total Deductions	
Balance equals tabular interest	

Columns 2 Through 7 – Use Formula 2 for all annuities "with a life contingency" claims. Use Formula 1 for disability, active lives; Formula 2 for disabled lives and Formula 3 for interest only benefits.

Line 6 – Increase in Reserve on Account of Change in Valuation Basis

Enter appropriate amounts from Part A of Exhibit 5A – Changes in Bases of Valuation During the Year.

Line 7 – Other Increases (Net)

Enter amounts that affect reserves but that are not included elsewhere (transfers between lines of business, group conversions, etc.).

Include: Adjustments due to fluctuations in foreign exchange rates.

Line 11 – Reserves Released by Other Terminations (Net)

Enter reserves released by all causes. The computation should be on a net basis so as to take account of revivals, increases, changes, etc.

Line 12 – Annuity, Supplementary Contract, Disability Payments Involving Life Contingencies

Include: Surrender payments on annuities and supplementary contracts with life contingencies.

Line 13 – Net Transfers to or (From) Separate Accounts

Include: Net transfers to or (from) separate accounts of net premiums, considerations.

Line 15 – Reserve December 31 of Current Year

Line 8 minus Line 14. Amounts reported should equal (net) reserves by lines of business from Exhibit 5, in part.

An Analysis of Increase in Reserves is done by annual statement line of business, and within each line according to these formula types: insurance, annuity, and contracts with life or disability contingencies. The instructions specify that the various items are either to be derived from basic data or derived by formula. One item is always to be derived as the balancing item in its reserve analysis formula. Thus, the accuracy of the analysis for each line of business and formula type should be verified by the reasonableness of the various balancing items.

The balancing item for active life disability reserves is tabular cost. Tabular cost for life insurance can be expressed as the summation of the products of mortality rates times the excess of the face amount over the reserve. Using the tabular cost that was derived in the reserve analysis, the amount of insurance in force, and the reserves, the average mortality rate that is implied by the reserve analysis can be determined. This rate should be reasonable considering the nature of the in force and should show a reasonable progression from year to year.

The balancing item for annuity, supplementary contracts with life contingencies, and disabled life reserves is tabular less actual reserve released. This item reflects the relationship between the mortality and claim termination rates used for the reserves and the corresponding company experience. The level of this item and its variation from year to year should be reasonable in terms of these factors.

Cash Surrender Value and Policy Loans:

Line 16 – CSV Ending Balance December 31, current year

The CSV is to be reported net of any policy loans taken and still outstanding.

Line 17 – Amount Available for Policy Loans Based upon Line 16 CSV

Report the current year balance of policy loans available to be taken by category.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR – GROUP ANNUITIES

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.

A company shall not omit the columns for any lines of business in which it is not engaged.

This analysis applies to items reported in Exhibit 5.

Blocks of business in run-off (no new policies issued) as of December 31, 2019 comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

Supplementary contracts with life contingencies should be reported on the annuities pages. Supplementary contracts without life contingencies should be included in Exhibit 7, Deposit-Type Contracts.

Refer to *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance* for accounting guidance.

Line 1 – Reserve December 31 of Prior Year

Enter group annuity reserves from the Annuities Section, Supplementary Contracts With Life Contingencies Section, Disability-Active Lives Section, Disability-Disabled Lives Section and the Miscellaneous Reserves Section of Exhibit 5.

Line 2 – Tabular Net Premium or Considerations

Enter tabular net premiums or considerations as determined by valuation bases employed.

Line 3 – Present Value of Disability Claims Incurred

Not applicable to annuities.

Line 4 – Tabular Interest
Line 5 – Tabular Less Actual Reserve Released and
Line 9 – Tabular Cost

For these items either use formulas indicated below or derive them from basic data.

Indicate in the Notes to Financial Statements under Note 31 whether determination has been by formula or from basic data.

(1) Tabular Cost Minus Tabular Interest (C-I) on Life Insurance, Accidental Death Benefits and Disability, Active Lives

Line 1	–	Mean reserve Dec. 31 of prior year	______
Line 2	–	Tabular premiums	______
Line 7	–	Other increases	______
		Total	______

Deduct:

Line 15	–	Mean reserve Dec. 31 of current year	______
Line 10	–	Terminal reserves released by death	______
Line 11	–	Net reserves released by other terminations	______
		Total deductions	______
		Balance (C-I)	______

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year	______
One-half year's interest on mean reserve Dec. 31, of current year	______
One-half year's interest on (C-I)	______
One-half year's interest on terminal reserves released by death (life insurance only)	______
Total equals tabular interest	______

Tabular Cost:

C-I	______
Add I	______
Total equals tabular cost	______

(2) Tabular Less Actual Reserve Released Plus Tabular Interest (T-A+I) on Annuities, Disability Annuities, and Supplementary Contracts with Life Contingencies

Line 15	–	Mean reserve Dec. 31 of current year	______
Line 12		Benefits payable during year	______
		Total	______

Deduct:

Line 1	–	Mean reserve Dec. 31 of prior year	______
Line 2	–	Tabular considerations for annuities and supplementary contracts (or present value of disability claims incurred)	______
Line 7	–	Other increases net	______
		Total deductions	______
		Balance (T-A+I)	______

Tabular Interest:

One-half year's interest on mean reserve Dec. 31, of prior year	______
One-half year's interest on mean reserve Dec. 31, of current year	______
Total	______
Deduct one-half year's interest on (T-A+I)	______
Balance equals tabular interest	______

Tabular Less Actual Reserve Released:

T-A+I
Deduct I
Balance equals tabular less actual reserve released

(3) Tabular Interest on Deposits and Contracts Without Life Contingencies

Mean Reserve December 31 of current year
Payments Incurred during the year
Total

Deduct:

Mean Reserve December 31 of prior year
Income during the year
Other increases
Total Deductions
Balance equals tabular interest

Columns 2 Through 7 – Use Formula 2 for all annuities "with a life contingency" basis. Use Formula 1 for disability, active lives; Formula 2 for disabled lives; and Formula 3 for interest only benefits.

Line 6 – Increase in Reserve on Account of Change in Valuation Basis

Enter appropriate amounts from Part A of Exhibit 5A – Changes in Bases of Valuation During the Year.

Line 7 – Other Increases (Net)

Enter amounts that affect reserves but that are not included elsewhere (transfers between lines of business, group conversions, etc.).

Include: Adjustments due to fluctuations in foreign exchange rates.

Line 11 – Reserves Released by Other Terminations (Net)

Enter reserves released by all causes. The computation should be on a net basis so as to take account of revivals, increases, changes, etc.

Line 12 – Annuity, Supplementary Contract, Disability Payments Involving Life Contingencies

Include: Surrender payments on annuities and supplementary contracts with life contingencies.

Line 13 – Net Transfers to or (From) Separate Accounts

Include: Net transfers to or (from) separate accounts of net premiums, considerations.

Line 15 – Reserve December 31 of Current Year

Line 8 minus Line 14. Amounts reported should equal (net) reserves by lines of business from Exhibit 5, in part.

An Analysis of Increase in Reserves is done by annual statement line of business, and within each line according to these formula types: insurance, annuity, and contracts with life or disability contingencies. The instructions specify that the various items are either to be derived from basic data or derived by formula. One item is always to be derived as the balancing item in its reserve analysis formula. Thus, the accuracy of the analysis for each line of business and formula type should be verified by the reasonableness of the various balancing items.

The balancing item for active life disability reserves is tabular cost. Tabular cost for life insurance can be expressed as the summation of the products of mortality rates times the excess of the face amount over the reserve. Using the tabular cost that was derived in the reserve analysis, the amount of insurance in force, and the reserves, the average mortality rate that is implied by the reserve analysis can be determined. This rate should be reasonable considering the nature of the in force and should show a reasonable progression from year to year.

The balancing item for annuity, supplementary contracts with life contingencies, and disabled life reserves is tabular less actual reserve released. This item reflects the relationship between the mortality and claim termination rates used for the reserves and the corresponding company experience. The level of this item and its variation from year to year should be reasonable in terms of these factors.

Cash Surrender Value and Policy Loans:

Line 16 – CSV Ending balance December 31, current year

The CSV is to be reported net of any policy loans taken and still outstanding.

Line 17 – Amount Available for Policy Loans Based upon Line 16 CSV.

Report the current year balance of policy loans available to be taken by category.

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Exhibit of Net Inv.
Income, 1 - 8 &
Nonadmitted Assets

EXHIBIT OF NET INVESTMENT INCOME

Include the amount of investment income collected and earned by each type of invested asset. Interest on encumbrances should be deducted by type of invested asset that is encumbered. Investment income should be assessed for collectibility. If uncollectible, the amount should be written off and charged against investment income. Refer to *SSAP No. 34—Investment Income Due and Accrued* for accounting guidance.

Include the income from securities that the company no longer owns in the appropriate line of the Exhibit of Net Investment Income.

Report in Column 2 amounts needed to adjust income from a spot rate to a periodic rate. Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance.

Column 1 – Collected During Year

Subtract amounts paid for accrued interest on purchases from this amount.

Column 2 – Earned During Year

Earned investment income reported here should be on an accrual basis.

Lines 1, 1.1, 1.2 and 1.3 – Bonds

Report interest earned on bonds.

Include:

- Accrual of discount.
- Amortization of origination fees intended to compensate the reporting entity for interest rate risk (e.g., points).
- Amortization of commitment fees (if such qualify for amortization).
- Prepayment penalty or acceleration fees where the investment is liquidated prior to the scheduled termination date on mortgage-backed/loan-backed and structured securities.
- Commitment fees, if the loan or bond is not granted or if the commitment is not exercised.
- Nonrefundable fees other than points.

Exclude: Interest due and accrued on bonds in default as to principal or interest. The market value of such bonds includes such interest.

Deduct: Amortization of premium during the year.

Line 1.1 – Bonds Exempt from U.S. Tax

This line is applicable to Property/Casualty entities only.

Lines 2.1, 2.11, 2.2 and 2.21 – Stocks

Include: Accrual of discount for redeemable preferred stocks.

Dividends on stocks declared to be ex-dividend on or prior to December 31.

Deduct: Amortization of premium for redeemable preferred stocks.

Line 3 – Mortgage Loans

Refer to *SSAP No. 34—Investment Income Due and Accrued* for accounting guidance.

Include: Income from property for which the transfer of legal title is awaiting expiration of redemption or moratorium period.

Accrual of discount.

Amortization of mortgage interest points.

Amortization of commitment fees (if such qualify for amortization under *SSAP No. 37—Mortgage Loans*).

Prepayment penalty or acceleration fees.

Commitment fees, if the loan or bond is not granted or if the commitment is not exercised.

Nonrefundable fees other than points.

Deduct: Outgo on such property, unless capitalized or shown in:

Exhibits 2 or 3 for **life and fraternal companies**

Underwriting and Investment Exhibit, Part 3 for **property and health companies**

Operations and Investment Exhibit, Part 3 for **title companies**

Servicing fees paid to correspondents and others unless included in:

Exhibit 2 for **life and fraternal companies**

Underwriting and Investment Exhibit, Part 3 for **property and health companies**

Operations and Investment Exhibit, Part 3 for **title companies**

Amortization of premium.

Line 4 – Real Estate

Include: Income from ownership of Schedule A properties.

Adequate rent for the reporting entity's occupancy, in whole or in part, of its own buildings, and for space therein occupied by agencies.

Exclude: Reimbursements of amounts previously capitalized; such amounts should normally be credited to the item to which the expenditure was charged originally.

Deduct: Interest on encumbrances.

Line 6 – Cash, Cash Equivalents and Short-term Investments

Include: Earned investment income on investments for which maturities (or repurchase dates) at the time of acquisition were one year or less.

Line 7 – Derivative Instruments

Include: Amount of investment income from Schedule DB.

Line 8 – Other Invested Assets

Include: Earned investment income for any class of investments includable in Schedule BA.

Line 9 – Aggregate Write-ins for Investment Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 9 for Investment Income.

Line 13 – Interest Expense

Include: All interest on debt, surplus notes and other related items.

Debt issuance costs that must be charged in the period incurred.

Subsequent to the issuance of convertible debt securities, consideration issued to induce conversion of convertible debt.

Exclude: Interest on encumbrances on real estate.

Interest on debt that is offset against another asset.

Capitalized interest on debt.

Line 14 – Depreciation on Real Estate and Other Invested Assets

Include: Depreciation reported in Schedule A, Part 1, Column 11 and Schedule A, Part 3, Column 9.

Line 15 – Aggregate Write-ins for Deductions from Investment Income

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 15 for Deductions from Investment Income.

Details of Write-ins Aggregated at Line 9 for Investment Income

List separately each category of investment income for which there is no pre-printed line in the Exhibit of Net Investment Income.

Include: Amortization for the period of the difference between original proceeds received and the strike price obligation for asset transfers with put options accounted for as financing. Also include an amount equal to the hypothecated income for these transactions reported in Column 1. Any paid interest items included in this line should be enclosed in parentheses.

Investment fees relating to uninsured accident and health plans and the uninsured portion of partially insured accident and health plans.

Fees received by the transferor for the loaning of securities, net of direct expenses. (NOTE: Interest income on loaned securities that is unrelated to securities lending is reported in the annual statement categories and exhibits that are consistent with the income earned on similar investment categories, e.g., bonds.)

Amortization of servicing assets or liabilities as described in *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.

Details of Write-ins Aggregated at Line 15 for Deductions from Investment Income

List separately each category of deductions from investment income for which there is no pre-printed line in the Exhibit of Net Investment Income.

Include: Accrued interest on borrowed money, with appropriate designation. Report investment income credited to uninsured accident and health plans and the uninsured portion of partially insured accident and health plans.

EXHIBIT OF CAPITAL GAINS (LOSSES)

Gains and losses may be offset against each other only where they apply to the same bond issue, property, etc. Only gains/losses pertaining to invested assets are to be included in this exhibit. Amounts in this exhibit shall be presented before federal and foreign income taxes.

Column 1 – Realized Gain (Loss) on Sales or Maturity

Exclude: Realized foreign exchange gain or loss.

Column 2 – Other Realized Adjustments

Include: Other-than-temporary impairment write-downs as negative amounts.

Realized foreign exchange gain or loss.

Column 4 – Change in Unrealized Capital Gain (Loss)

Include: Any unrealized valuation changes reported in the investment schedules.

The change in any valuation allowance between the current period and previous year-end amount.

Exclude: Other-than-temporary impairment write-downs.

Amounts reported in the Unrealized Foreign Exchange Change in Book/Adjusted Carrying Value column in the detailed investment schedules.

Column 5 – Change in Unrealized Foreign Exchange Capital Gain (Loss)

Include: Amounts reported in the foreign exchange change in book/adjusted carrying value column in the detailed investment schedules.

Lines 1, 1.1, 1.2 and 1.3 – Bonds

Include: Amounts from Schedule D, Part 1 and Part 4 that represent either realized or unrealized adjustments on bonds.

In Column 2, the decline in the fair value of a bond that is other-than-temporary.

Line 1.1 – Bonds Exempt from U.S. Tax

Applicable to Property/Casualty entities only.

Lines 2.1, 2.11, 2.2, and 2.21 – Stocks

Include: Amounts from Schedule D, Part 2 and Part 4 that represent either realized or unrealized adjustments on stocks.

Exclude: Proceeds from sale of rights, etc. (Reduce the stock asset accordingly.)

Line 3 – Mortgage Loans

Include: Amounts from Schedule B that represent either realized or unrealized adjustments.

Amounts from Schedule B that represent adjustments to statement value for recognizing an impairment of a mortgage loan by creating a valuation allowance or by adjusting an existing valuation allowance for an impaired loan.

Line 4 – Real Estate

Include: Amounts from Schedule A that represent either realized or unrealized adjustments.

Line 5 – Contract Loans

Include: Any realized or unrealized adjustments on contract loans.

Line 6 – Cash, Cash Equivalents and Short-term Investments

Include: Gains or (losses) arising from the transfer of funds to or from other countries. Also include in Column 4, the net change in deduction for deposits in suspended depositories.

Line 7 – Derivative Instruments

Include: Amounts from Schedule DB that represent either realized or unrealized adjustments.

Line 8 – Other Invested Assets

Include: Amounts from Schedule BA that represent either realized or unrealized adjustments.

Line 9 – Aggregate Write-ins for Capital Gains (Losses)

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 9 for Capital Gains and (Losses).

Line 10 – Total Capital Gains (Losses)

Column 3 total should agree with reported net realized capital gains (losses) before the tax effects.

Column 3, Line 10 should equal:

[Page 4, Line 10, Col 1 + Page 4, Line 10 inset amount for the PC statement]

[Page 4, Line 34, Col 1 + Page 4, Line 34, inset amount #1 + Page 28 IMR, Line 2, Col 1 + Page 28 IMR, Line 2, inset amount #2 for the Life and Fraternal statement]

[Page 4, Line 26, Col 2 + Page 4, Line 26 inset amount for the Health statement]

[Page 4, Line 10, Col 1 + Page 4, Line 10 inset amount for the Title statement]

Column 4 total should agree with the change in unrealized capital gains or (losses) before taxes.

Column 4, Line 10 should equal:

[Page 4, Line 24, Col 1 + Page 4, Line 24, inset amount for the PC statement]

[Page 4, Line 38, Col 1 + Page 4, Line 38, inset amount for the Life and Fraternal statement]

[Page 5, Line 36, Col 1, + Page 5, Line 36, inset amount for the Health statement]

[Page 4, Line 18, Col 1 + Page 4, Line 18, inset amount for the Title statement]

Details of Write-ins Aggregated at Line 9 for Capital Gains (Losses)

List separately each category of capital gains (losses) for which there is no pre-printed line in the Exhibit of Capital Gains (Losses).

Include: Capital gains from investments previously charged off.

For Clearly Defined Hedging Strategies qualifying for and applying the provisions of SSAP No. 108 include total current year amortization of SSAP No. 108 deferred liabilities and deferred assets as realized capital gains (losses).

For hedging strategies no longer identified as highly effective within the scope of SSAP No. 108 or which the reporting entity has elected to terminate include total current year amortization of deferred liabilities and deferred assets as unrealized capital gains (losses).

Exclude: Capital gains and losses on extinguishment of debt related to employee stock option plans.

EXHIBIT 1 – PART 1 – PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

Amounts reported should be reflected in U.S. dollars based on the foreign currency exchange rate. Refer to *SSAP No. 23—Foreign Currency Transactions and Translations* for accounting guidance. Any foreign currency exchange gain or loss is reported as a realized capital gain or loss.

The separation into first-year, single and renewal is required only for Columns 3 and 4.

Include: Contract, membership and other fees whether or not retained by agents.

Experience rating refunds and accrued return retrospective premiums. Refer to *SSAP No. 66—Retrospectively Rated Contracts* for accounting guidance.

Exclude: Amounts attributable to uninsured plans and the uninsured portions of partially insured plans.

Deduct: Refunds to policyholders for direct payment of industrial premiums.

Premiums and annuity considerations returned.

Do not deduct: Commissions and allowances on reinsurance premiums assumed and ceded.

The reporting entity shall not omit the columns for any lines of business in which it is not engaged. All figures for the ordinary variable life insurance business of the reporting entity, excluding separate accounts items, shall be included in Column 3.

Include premiums and annuity considerations that are transferred to the Separate Accounts Statement. They are also to be reported as premiums and annuity considerations in the Separate Accounts Statement.

Column 9 – Credit Accident and Health (Group and Individual)

Include: Business not exceeding 120 months.

Column 10 – Other Accident and Health

Include: All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

Column 12 – Fraternal

Transactions related to the fraternal mission.

Line 1 – Uncollected Premiums and Considerations First Year (Other Than Single) and
Line 11 – Uncollected Premiums and Considerations Renewal

These are premiums and considerations on contracts in force which were due before the end of the year and unpaid on the valuation date or have not been recorded in the premium or consideration account.

The sum of Column 8, 9 and 10 should be included on Page 2, Line 15.1, Column 1.

Line 2 – Deferred and Accrued Premiums and Considerations First Year (Other Than Single) and
Line 12 – Deferred and Accrued Premiums and Considerations Renewal

Include: Change in experience rating refund liability and accrued return retrospective premiums.

These are premiums and considerations on policies in force which were due on policies in force extending from (and including) the modal (monthly, quarterly, semiannual) premium due date or dates following the valuation date to the next policy anniversary date when annualized premium was assumed to be collected in the reserve valuation.

Line 4 – Advance Premiums and Considerations First Year (Other Than Single) and
Line 14 – Advance Premiums and Considerations Renewal

Include: Premiums and considerations on certificates in force received by the reporting entity prior to the valuation date but which are due on or after the next certificate anniversary date.

Reporting entities may include here unearned premiums on accident and health business.

The total of these lines, excluding A&H unearned premium reserve, must balance to Page 3, Line 8, or to this item prior to deduction of discount depending upon the basis used for crediting advance premiums to the premium account.

Column 8 should agree with Schedule H, Part 2, Line A2, Column 2.

Column 9 should agree with Schedule H, Part 2, Line A2, Column 3.

Column 10 should agree with Schedule H, Part 2, Line A2, Columns 4 through 9.

Line 6 – Collected During Year – First Year (Other Than Single)

Include: All premiums and considerations (other than single premiums) pertaining to the first contract year.

Experience rating refunds and return retrospective premiums received.

Deduct: Experience rating refunds and return retrospective premiums paid.

Line 10 – Single Premiums and Considerations – Single

Include: All single premiums and considerations and dividends/refunds, coupons, guaranteed annual pure endowments and similar benefits applied to provide paid-up additions and annuities.

Line 16 – Collected During Year - Renewal

Include: All other premiums and considerations including dividends/refunds, coupons, guaranteed annual pure endowments and similar benefits applied to pay renewal premiums and to shorten the endowment or premium-paying period.

Experience rating refunds and return retrospective premiums received.

Deduct: Experience rating refunds and return retrospective premiums paid.

Line 20.4 – Net Total Premiums and Annuity Considerations – Total

Column 1 less Column 11 should agree with Summary of Operations, Line 1, and all appropriate columns should agree with Line 1 of Analysis of Operations by Lines of Business.

EXHIBIT 1 – PART 2 – POLICYHOLDERS' DIVIDENDS, REFUNDS TO MEMBERS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED

The separation into first-year, single and renewal is required only for Columns 3 and 4.

Column 9 – Credit Accident and Health (Group and Individual)

Include: Business not exceeding 120 months.

Column 10 – Other Accident and Health

Include: All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

Column 12 – Fraternal

Transactions related to the fraternal mission.

Line 22 – Dividends and Coupons Applied All Other

Include: Coupons, guaranteed annual pure endowments and similar benefits.

Line 26.1 – Reinsurance Ceded

Column 8 should agree with Schedule H, Part 4, Line B4, Column 2.

Column 9 should agree with Schedule H, Part 4, Line B4, Column 3.

Column 10 should agree with Schedule H, Part 4, Line B4, Columns 4 through 9.

Line 26.2 – Reinsurance Assumed

Column 8 should agree with Schedule H, Part 4, Line A4, Column 2.

Column 9 should agree with Schedule H, Part 4, Line A4, Column 3.

Column 10 should agree with Schedule H, Part 4, Line A4, Columns 4 through 9.

EXHIBIT 2 – GENERAL EXPENSES

General expense items must be itemized and entered in sufficient detail to indicate their precise nature. General expenses include virtually all of the expenses of a life insurance company other than benefits to policyholders, commissions, and taxes, licenses and fees.

The statutory financial statement provides for two broad categories of general expenses (1) insurance, subdivided into life insurance, accident and health insurance, and all other lines of business, and (2) investment. In addition, the Analysis of Operations by Lines of business requires allocation of general expenses to more detailed lines of business. The Summary of Operations classifies the investment expense portion of general expenses as an offset to investment income while classifying general insurance expenses separately in the expense section of the summary.

General Expenses Due or Accrued

The amount included in the balance sheet under this caption represents the company's liability for general expenses applicable to the current year that are unpaid at year-end. There are a number of guidelines to consider with respect to whether an item represents a liability of the company at the statement date. Distinguish between (1) bills for items purchased or services rendered, and (2) the recognition of accruals for such things as payroll. With respect to accruals, the liability should be established so that each period bears its pro rata share of the expense even though no bill has been received. Accrual payroll, for example, represents the cost for the period from the last payroll to period-end.

Generally, the liability for purchases of supplies and materials should be established as of the receipt date or shipment date, if FOB. If a company has an irrevocable contract as of the statement date, the liability must be established even though the supplies or materials have not been received.

Functional Costs

General expenses are not to be reported on a functional basis unless specifically permitted and then only if (1) services are independently organized; (2) rent, salaries and wages, and other major items of direct expense are charted to the functions; and (3) adequate accounting for the functional classifications is maintained. Those expense classifications that companies may specifically report on a functional basis are rent, salaries and wages, other employee and agent welfare and printing and stationery.

Allocation of Expenses

As stated above, companies must allocate general expenses to life insurance, accident and health insurance or investment expense. The all other lines of business category should include the corporate overhead line of business where that normal designation exists. In addition, the Analysis of Operations by Lines of Business requires allocation of general insurance expenses to more detailed lines of business. The *Annual Statement Instructions* discuss the allocation of receipts and expenses to lines of business.

The *Annual Statement Instructions* state that the company shall employ those principles and methods that reflect the actual incidence of costs to lines of business. Companies should consider the relative time spent, the extent of usage, and the varying volume of work performed. The instructions further state that companies should base the allocations upon objective measurement rather than estimates unless the cost of the measurement clearly outweighs the benefit derived. Where estimates are used, individuals familiar with the nature of the activity should make these estimates and knowledgeable, responsible persons should review these estimates.

The *Annual Statement Instructions* also state that companies should not use general indices such as premium volume, number of policies and insurance in force unless the incidence of cost is closely related to the indices or there is no more appropriate basis. In no event should such indices be used to distribute claims costs to secondary lines of business.

Report expenses incurred by the reporting entity for uninsured accident and health plans on a gross basis by type of expense; however, administrative fees and expense reimbursements relating to uninsured business are reduced in the general expense and general insurance expenses are to be reported in the Summary of Operations net of such fees and reimbursements.

Expenses for accident and health activities must be allocated between cost containment expenses, Column 2 or all other, Column 3. For guidance on cost containment expenses, refer to *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.

Whenever personnel or facilities are used in common by two or more companies, or whenever the personnel or facilities of one company are used in the activities of two or more companies, each reporting entity shall assign its share of the expense to the same expense classification as if it had incurred the entire expense. This latter requirement shall not apply to activities such as administration of jointly underwritten group contracts and joint mortality and morbidity studies.

A company that pays any affiliated entity (including a managing general agent) for the management, administration, or service of all or part of its business or operations shall allocate these costs to the appropriate expense classification item (salaries, rent, postage, etc.) as if these costs had been borne directly by the company. Management, administration, or similar fees should not be reported as a one-line expense. The company may estimate these expense allocations based on a formula or other reasonable basis.

A company that pays any non-affiliated entity (including a managing general agent) for the management, administration, or service of all or part of its business or operations shall allocate these costs to the appropriate expense classification items as follows:

a. Payments for claims handling or adjustment services shall be reported as Expense of Investigation and Settlement of Contract Claims, Line 4.5 and allocated to Life, Accident and Health, and/or All Other Lines of Business as appropriate (Columns 1, 2, 3 and/or 4) in Exhibit 2, General Expenses. If the total of such expenses incurred equals or exceeds 10 percent of the total General Expenses Incurred (Line 10), the company shall allocate these costs to the appropriate expense classification item as if these costs had been borne directly by the company.

b. Payments for services other than claims handling or adjustment services shall be allocated to the appropriate expense classifications as if these costs had been borne directly by the company, if the total of such fees paid to the non-affiliate(s) equals or exceeds 10 percent of the total General Expenses Incurred (Line 10). If the total is less than 10 percent, the payments may be reported on Line 7.1.

The total management and service fees incurred attributable to affiliates and non-affiliates shall be reported in the footnote to Exhibit 2, General Expenses in the annual statement blank and the method(s) used for allocation shall be disclosed in the Notes to Financial Statements. The company shall use the same method(s) on a consistent basis. Refer to *SSAP No. 70—Allocation of Expenses* for accounting guidance.

Column 6 – Fraternal

Transactions related to the fraternal mission.

Line 1 – Rent

Rent expense includes, in addition to rent paid for leased properties, an estimated amount that represents "rent" for properties owned and occupied by the company. Report the offset to this amount as investment income. Net rents received for property under sublease against rent expense.

Include:	Rent for all premises occupied by the company, including any adequate rent for occupancy of its own buildings, in whole or in part, except to the extent that allocation to other expense classifications on a functional basis is permitted and used.
	Expenses incurred as tenant for light, heat, water, fuel, interest, taxes, building maintenance, alterations and service, etc.
	Amortization expense for leasehold improvements as lessee.
Deduct:	Rent under sublease.

Line 2 – Salaries and Wages

Salaries and wages, in addition to virtually all direct payments of compensation to employees, salaries and wages should include all payments to directors for attendance at board or committee meetings.

Include: Salaries and wages, bonuses and incentive compensation to employees, overtime payments, continuation of salary during temporary short-term absences, dismissal allowances, payments to employees while in training and other compensation to employees not specifically designated herein, except to the extent that allocation to other expense classifications is permitted and used.

Fees and other compensation to directors for attendance at board or committee meetings and any other fees and compensation paid to them in their capacities as directors or committee members.

Agency compensation other than commissions.

Line 3.11 – Contributions for Benefit Plans for Employees and
Line 3.12 – Contributions for Benefit Plans for Agents

Include: Contributions by company for pension and total and permanent disability benefits, life insurance benefits, accident, health, hospitalization, medical, surgical, or other temporary disability benefits under a self-administered or trusteed plan or for the purchase of annuity or insurance contracts.

Appropriation or any other assignment of funds by company in connection with any benefit plan of the types enumerated herein, e.g., the net periodic postretirement benefit cost, whether it be defined in terms of specified benefits or in terms of monetary amounts.

Earned amounts related to employee stock option plans.

Exclude: Contributions or appropriations for past service if reported in Surplus Account.

Benefit payments (to be reported in the appropriate benefit item of the Summary of Operations when reserves are included in Page 3, Lines 1 and 2, and as a separate item in the Summary of Operations when the liability is included in Page 3, Line 21).

Line 3.21 – Payments to Employees Under Non-funded Benefit Plans and
Line 3.22 – Payments to Agents Under Non-funded Benefit Plans

Include: Payments by company under a program for pension, stock options, purchase and award plans (including change in quoted market value), and total and permanent disability benefits, death benefits, accident, health hospitalization, medical, surgical, or other temporary disability benefits, where no contribution or appropriation is made prior to the payment of the benefit.

Refer to *SSAP No. 12—Employee Stock Ownership Plans* and *SSAP No. 104R—Share-Based Payments*.

Line 3.31 – Other Employee Welfare and
Line 3.32 – Other Agent Welfare

Expenses included in this line may be reported on a functional basis.

Include: Meals to employees. Companies so desiring may exclude this item from Other Employee Welfare and Other Agent Welfare and include it under Details of Write-ins Aggregated on Line 9.3 for Expenses.

Contributions to employee associations or clubs.

Expense and maintenance of recreation grounds.

Payments to employees and agents in military service.

Expense of periodical medical or dental examinations or of medical dispensary, convalescent home or sanitarium for employees and agents.

Line 4.1 – Legal Fees and Expenses

Include: Cost of outside counsel as well as court costs to the extent that these costs do not relate to the claims or investment functions, penalties and all fees or retainers for legal services or expenses in connection with matters before administrative or legislative bodies.

Exclude: Salaries and expenses of company personnel.

Legal expenses in connection with investigation, litigation and settlement of contract claims.

Legal fees specifically associated with real estate transactions.

Line 4.2 – Medical Examination Fees

Include: Fees to medical examiners in connection with new business, reinstatements, contract changes and applications for employment.

Exclude: Fees for medical examinations for the welfare of employees and agents.

Medical examination fees in connection with the investigation, litigation and settlement of contract claims.

Line 4.3 – Inspection Report Fees

Include: Fees for inspection reports in connection with new business, reinstatements, contract changes and applications for employment.

Cost of services furnished by the Medical Information Bureau (M.I.B.).

Exclude: Salaries of inspectors.

Inspection report fees in connection with the investigation, litigation and settlement of contract claims.

Assessment for expenses of M.I.B. Executive Committee.

Line 4.4 – Fees of Public Accountants and Consulting Actuaries

Exclude: Fees for examinations made by State Departments.

Expense of internal audits by company employees.

Line 4.5 – Expense of Investigation and Settlement of Policy Claims

Include: Payment to other than employees of fees and expenses for the investigation, litigation and settlement of policy claims.

Exclude: Payments to a policyholder, agent, broker, or a third party for administration of group claims.

Line 5.1 – Traveling Expenses

Include: Traveling expense of officers, other employees, directors and agents, including hotel, meals, telephone, telegraph and postage charges incurred while traveling.

Amounts allowed employees for use of their own cars on company business.

The cost of, or depreciation on, and maintenance and running expenses of company-owned automobiles.

Exclude: Such expenses properly chargeable to Real Estate Expenses (Line 9.1) or required to be reported in Lines 7.1 and 7.3.

Line 5.2 – Advertising

Include: Advertising should include all costs relating to advertising for new insurance business except salaries and expenses of an advertising department.

Newspaper, magazine and trade journal advertising for the purpose of solicitation and conservation of business.

Billboard, sign and directory advertising.

Television, radio broadcasting and motion picture advertising, excluding subjects dealing wholly with health and welfare.

All canvassing or other literature, such as pamphlets, circulars, leaflets, contract/certificate illustration forms and other sales aids, printed material, etc., prepared for distribution to the public by agents or through the mail for purposes of solicitation and conservation of business.

All calendars, blotters, wallets, advertising novelties, etc., for distribution to the public.

Printing, paper stock, etc., in connection with advertising.

Prospect and mailing lists when used for advertising purposes.

Fees and expenses of advertising agencies related to advertising.

Exclude: Pamphlets on health, welfare and educational subjects.

Advertising required by law, regulation or ruling except to the extent that it substantially exceeds the space required for compliance.

Salaries and expenses of advertising department.

Help-wanted advertisements.

Advertising in connection with investments.

Line 5.3 – Postage, Express, Telegraph and Telephone

Include: Freight and cartage.

Cables, radiograms and teletype.

Charges for use, installation and maintenance of related equipment if not included elsewhere.

Line 5.4 – Printing and Stationery

Expenses included in this line may be reported on a functional basis.

Include: Contract/certificate forms, riders, supplementary contracts, applications, etc., rate books, instruction manuals, punch-cards, house organs, and all other printed material which is not required to be included in any other expense classification.

Office supplies.

Pamphlets on health, welfare and educational subjects.

Annual reports to policyholders/members and stockholders if not included in Line 5.2.

Line 5.5 – Cost or Depreciation of Furniture and Equipment

The general practice with respect to "Cost or depreciation of furniture and equipment" is to either (1) charge depreciation to this expense classification and write off the remaining asset balance to surplus as a nonadmitted asset or (2) to charge expenditures for furniture and equipment directly to expense, in which case, these expenditures would be included in this classification.

Include: The cost or depreciation of office machines except for such charges as may be reported in Line 5.3.

Exclude: The cost or depreciation of equipment used by employees handling maintenance and repair work on company-occupied property.

Line 5.6 – Rental of Equipment

Include: Rental of office machines except for such charges as may be reported in Line 5.3.

Line 5.7 – Cost or Depreciation of EDP Equipment and Software

Include: Depreciation and amortization expense for electronic data processing equipment and operating and non-operating systems software.

Refer to *SSAP No. 16R—Electronic Data Processing Equipment and Software* for accounting guidance.

Line 6.1 – Books and Periodicals

Include: Books, newspapers, periodicals, etc., including investment, tax and legal publications and information services, and including any such material for company's law department and libraries.

Line 6.2 – Bureau and Association Fees

Include: All dues and assessments of organizations of which the company is a member.

All dues for employees' and agents' memberships on the company's behalf.

Exclude: Contributions in connection with scientific, disease prevention, or other activity directly pertaining to the welfare of policyholders and the public.

Line 6.3 – Insurance, Except on Real Estate

Include: Premiums for Workers' Compensation, burglary, holdup, forgery and public liability insurance, fidelity or surety bonds, insurance on contents of company-occupied buildings and all other insurance or bonds not included elsewhere.

Line 6.4 – Miscellaneous Losses

Include: Uncollectible losses due to deficiencies, defalcations, robbery, or forgery, except those offset by bonding companies' payments.

Workers' Compensation benefits not covered by insurance.

Other uninsured losses not included elsewhere.

Exclude: Capital and investment losses.

Line 6.5 – Collection and Bank Service Charges

Include: Collection charges on checks and drafts and charges for checking accounts and money orders.

Exclude: Foreign exchange losses on funds transferred in or out of the country (include in Exhibit of Capital Gains and (Losses), Line 10, Column 2).

Line 6.6 – Sundry General Expenses

Amounts paid to agents for administering group, credit, or individual blocks of business.

Include: Direct expense of local agency meetings, luncheons and dinners.

Tabulating service rendered by outside organizations.

Gifts and donations.

Any portion of commissions and expense allowances on reinsurance assumed for group business that represents specific reimbursement of expenses.

Reimbursement to another insurer for expense of jointly underwritten group contracts.

Exclude: Any one type of expense that would represent more than 25 percent of the total for this line. Such items should be reported on Line 9.3.

Deduct: Any portion of commissions and expense allowances on reinsurance ceded for group business that represents specific reimbursement of expenses.

Reimbursement from other insurers for expense of jointly underwritten group contracts.

Line 6.7 – Group Service and Administration Fees

Include: Administration fees, service fees, or any other form of allowance, reimbursement of expenses, or compensation (other than commissions) to agents, brokers, applicants, policyholders or third parties in connection with the solicitation, sale, issuance, service and administration of group business.

Line 6.8 – Reimbursements by Uninsured Plans

Report as a negative amount, administrative fees, direct reimbursement of expenses, or other similar receipts or credits attributable to uninsured plans and the uninsured portion of partially insured plans.

Line 7.1 – Agency Expense Allowance

Include: All bona fide allowances for agency expense, but not allowances constituting additional compensation.

Line 7.2 – Agents' Balances Charged Off (Net)

Include: Agents' balances charged off less any amounts recovered during the year.

Line 7.3 – Agency Conferences Other Than Local Meetings

Include: Cost of banquets and rental of meeting rooms.

Expenses of all persons traveling to conferences and their expenses at conferences.

Line 8.1 – Official Publication (Fraternal Benefit Societies Only)

Expenses incurred by a fraternal benefit society for publications related to the society and its fraternal mission. Does not include publications related to the insurance operations.

Line 8.2 – Expense of Supreme Lodge Meetings (Fraternal Benefit Societies Only)

Expenses incurred by a fraternal benefit society for supreme lodge meetings of the society and its fraternal mission. Does not include meetings related to the insurance operations.

Line 9.1 – Real Estate Expenses

Include: The cost of repairs, maintenance, service, and operation of all real estate properties including insurance whether occupied by the company or not; salaries and other compensation of managing agents and their employees; expenses incurred in connection with rental of such properties; legal fees specifically associated with real estate transactions other than similar rent, salaries and wages, and other direct expenses of any branch or home office unit engaged solely in real estate work (not real estate and mortgages combined).

Salaries or wages of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate.

Exclude: Salaries and wages of any other home office, general branch office, or investment branch office employees. These should be charged to salaries and wages, where they will automatically be subject to allocation as "insurance" or "investment," in Exhibit 2. The same rule applies to other expenses or charges associated with the activities of such employees.

Line 9.2 – Investment Expenses Not Included Elsewhere

Include: Only items for which no specific provision has been made elsewhere, e.g., contributions or assessments for bondholders' protective committees, fees of investment counsel, custodian and trustee fees.

All other costs including internal costs or costs paid to an affiliated company related to origination, purchase or commitment to purchase bonds.

Exclude: Home office salaries and expenses on account of investment work, salaries and expenses of mortgage loan branch offices.

Legal fees and expenses.

Real Estate expenses properly chargeable to Line 9.1.

Brokerage and other related fees; to the extent they are included in the actual cost of a bond upon acquisition. Refer to SSAP No. 26R.

Line 9.3 – Aggregate Write-ins for Expenses

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 9.3 for Expenses.

Line 10 – General Expenses Incurred

The sum of Column 1, 2, 3 and 4 should agree with Page 4, Line 23.

Column 5 should agree with Exhibit of Net Investment Income, Line 11, Column 2.

Column 2 plus Column 3 should agree with Schedule H, Part 1, Line 4 plus Line 8, Column 1 amount.

Sum of Column 1 and 4 should equal the sum of Line 23, Column 1 for the following pages:

Analysis of Operations by Lines of Business – Individual Life Insurance
Analysis of Operations by Lines of Business – Group Life Insurance
Analysis of Operations by Lines of Business – Individual Annuities
Analysis of Operations by Lines of Business – Group Annuities

Sum of Columns 2 and 3 should equal Line 23, Column 1 for the Analysis of Operations by Lines of Business – Accident and Health.

Details of Write-ins Aggregated on Line 9.3 for Expenses

List separately all expenses for which there is no pre-printed line on Exhibit 2.

Include: Any type of expense that would represent more than 25 percent of Line 6.6, Sundry General Expenses.

Adjustments due to fluctuations in foreign exchange rates.

EXHIBIT 3 – TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

Taxes, licenses and fees general include all payments to federal, state, local and foreign governments with the exception of federal income taxes.

The term state includes reference to territories and possessions of the United States, to Canada and its provinces and to other foreign countries and political subdivisions thereof.

Taxes, Licenses and Fees Due or Accrued

Taxes, licenses and fees that are unpaid but applicable to the accounting period should be accrued and reported as a liability in the balance sheet. With respect to premium taxes and state income taxes, the amount accrued should relate to the related premiums or taxable income recorded in the period, less prepayments of these taxes. Payroll taxes accrued should include all unpaid taxes applicable to salaries and wages that have been paid, plus taxes applicable to accrued payroll.

Allocation of Expenses

The *Annual Statement Instructions* state that the company shall employ those principles and methods that reflect the actual incidence of cost by lines of business. Companies should consider the relative time spent, the extent of usage, and the varying volume of work performed. The instructions further state that companies should base the allocations upon objective measurement rather than estimates unless the cost of the measurement clearly outweighs the benefit derived. Where estimates are used, individuals familiar with the nature of the activity should make these estimates and thoroughly responsible persons should review these estimates.

The *Annual Statement Instructions* also state that companies should not use general indices such as premium volume, number of policies and insurance in force unless the incidence of cost is closely related to the indices or there is no more appropriate basis. In no event should such indices be used to distribute claims costs to secondary lines of business.

Taxes, licenses and fees are generally allocated to the same line of business as the items to which the specific tax, license or fee relates. For examples, premium taxes would follow the allocation of premiums while real estate taxes would be classified as an investment expenditure. As with general expense, the overriding allocation principle should be that of reasonableness.

Column 5 – Fraternal

Transactions related to the fraternal mission.

Line 1 – Real Estate Taxes

Include: Those taxes directly assessed against property owned by the company. Canadian and other foreign taxes should be included appropriately.

Line 2 – State Insurance Department Licenses and Fees

Include: Assessments to defray operating expenses of any state insurance department. Canadian and other foreign taxes should be included appropriately.

Fees for examinations by state departments.

Exclude: Fines and penalties of regulatory authorities that should be reported as a separate item on Page 4, Details of Write-ins Aggregated at Line 27 for Deductions.

Line 3 – State Taxes on Premiums

Include: State taxes based on contract reserves, if in lieu of premium taxes. Canadian and other foreign taxes should be included appropriately.

Deduct: Any portion of commissions or allowances on reinsurance ceded that represents specific reimbursement of premium taxes.

Any portion of a guaranty fund assessment used as an offset to the payment of premium taxes.

Line 4 – Other State Taxes, including $ _________ for Employee Benefits

Include: Assessments of state industrial or other boards for operating expenses or for benefits to sick unemployed persons in connection with disability benefit laws or similar taxes levied by states. Canadian and other foreign taxes are to be included appropriately.

Advertising required by law, regulation or ruling, except in connection with investments.

State sales taxes, if company does not exercise option of including such taxes with the cost of goods and services purchased.

State income taxes.

Line 6 – All Other Taxes

Include: Guaranty fund assessments and taxes of Canada or of any other foreign country not specifically provided for elsewhere.

Sales taxes, other than state sales taxes, if company does not exercise option of including such taxes with the cost of goods and services purchased.

Adjustments due to fluctuations in foreign exchange rates.

Line 7 – Taxes, Licenses and Fees Incurred

Column 2 should agree with Schedule H, Part 1, Line 9, Column 1.

Column 4 should agree with Exhibit of Net Investment Income, Line 12, Column 2.

The sum of Columns 1, 2, 3 and 5 should agree with Page 4, Line 24.

Sum of Column 1 and 3 should equal the sum of Line 24, Column 1 for the following pages:

Analysis of Operations by Lines of Business – Individual Life Insurance
Analysis of Operations by Lines of Business – Group Life Insurance
Analysis of Operations by Lines of Business – Individual Annuities
Analysis of Operations by Lines of Business – Group Annuities

Column 2 should equal Line 24, Column 1 for the Analysis of Operations by Lines of Business – Accident and Health.

Line 10 – Taxes, Licenses and Fees Paid During Year

Line 10 should equal Line 7 + Line 8 – Line 9.

EXHIBIT 4 – DIVIDENDS OR REFUNDS

The term refund is limited to amounts declared by Fraternal Organizations, paid or payable, to its members. Experience rating refunds are excluded.

Dividends/refunds may include interest allowed in excess of guaranteed rate on supplementary contracts and dividend/refunds accumulations. This analysis is presented net of reinsurance, i.e., reinsurance assumed should be included and reinsurance ceded should be deducted. No deduction should be taken for dividends ceded under a modified coinsurance arrangement until a cash settlement is made with the reinsurer.

Line 8 – Aggregate Write-ins for Dividend or Refund Options

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated on Line 8 for Dividend or Refund Options.

Line 9 – Total Lines 5 through 8

Report on Lines 1 through 4 and 6 through 8, dividends that have been paid or credited according to the elected dividend/refunds option and recorded as such in respective ledger accounts.

Line 10 – Amount Due and Unpaid

Report dividends or refunds that do not exceed the annual premium and similar benefits contingent on payment of deferred and uncollected premiums, due during the current and prior years that have not been paid or credited to policyholders as of December 31 of the current year. Should agree with amount on the line for Dividends or Refunds Due and Unpaid, of the Liability page.

Line 11 – Provision for Dividends or Refunds Payable in the Following Calendar Year

Report policyholders' dividends or refunds payable in the following calendar year including dividends or refunds that do not exceed the annual premiums and similar benefits contingent on payment or renewal premiums.

Line 13 – Provision for Deferred Dividend Contracts

Include: Dividends contingent on payment of renewal premiums.

Line 17 – Total Dividends or Refunds

Include: Refunds and similar benefits.

Should agree with Summary of Operations Line 30, Dividends to Policyholders and Refunds to Members plus Line 14 (in part for coupons).

Column 1 should agree with Schedule H, Part 1, Line 13, Column 1.

Column 1 should equal the sum of Line 30, Column 1 for the following pages:

Analysis of Operations by Lines of Business – Individual Life Insurance
Analysis of Operations by Lines of Business – Group Life Insurance
Analysis of Operations by Lines of Business – Individual Annuities
Analysis of Operations by Lines of Business – Group Annuities

Column 2 should equal Line 30, Column 1 for the Analysis of Operations by Lines of Business – Accident and Health.

Details of Write-ins Aggregated on Line 8 for Dividend or Refund Options

List separately all dividends or refund options for which there is no pre-printed line on Exhibit of Dividends or Refunds.

EXHIBIT 5 – AGGREGATE RESERVES FOR LIFE CONTRACTS

Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts*, for life, accident and health and deposit-type contract definitions and *SSAP No. 51R—Life Contracts*. Reserves should be computed on a "gross" basis, i.e., direct and reinsurance assumed combined. Then, deductions for reinsurance ceded should be computed, using the same assumptions for mortality and interest and using the same valuation method, but reflecting the actual mode of reinsurance. If the assuming reinsurer uses different valuation assumptions or methods (e.g., reinsurer uses net level, but ceding entity uses CRVM), then deductions for reinsurance ceded by the ceding reporting entity will not necessarily equal reserves established by the assuming reporting entity. No deductions should be taken for reserves ceded under a modified coinsurance arrangement.

If necessary, companies may add lines to report each reserve basis used.

Column 1 – Valuation Standard

State table of mortality, disability, etc. rate of interest; distinguish between (1) net level premium, and (2) preliminary term, modified preliminary term and select and ultimate standards. Valuation assumptions for mortality, morbidity and other contingencies, interest, and the valuation method should be indicated by years of issue. For annuities, indicate whether immediate, deferred, or both.

In describing the valuation assumptions and valuation methods, abbreviate as follows:

Mortality and Morbidity

AE .... American Experience Table.
AM (5) .... American Men (Ultimate) Table.
41 CSO .... Commissioners 1941 Standard Ordinary Table.
41 STD IND .... 1941 Standard Industrial Table.
41 STD INT .... 1941 Standard Intermediate Table.
58 CSO .... Commissioners 1958 Standard Ordinary Table.
58 CET .... Commissioners 1958 Extended Term Table.
60 CSG .... Commissioners 1960 Standard Group Table.
61 CSI .... Commissioners 1961 Standard Industrial Table.
80 CSO .... Commissioners 1980 Standard Ordinary Table or any modification of such table adopted by the NAIC.
80 CET .... Commissioners 1980 Extended Term Table or any modification of such table adopted by the NAIC.
2001 CSO .... Commissioners 2001 Standard Ordinary Table or any modification of such table adopted by the NAIC.
2017 CSO .... Commissioners 2017 Standard Ordinary Table or any modification of such table adopted by the NAIC.
37 SA .... 1937 Standard Annuity Table.
CA .... Combined Annuity Table.
a-1949 .... Annuity Table for 1949.
71 IAM .... 1971 Individual Annuity Mortality Table.
51 GAM .... Group Annuity Mortality Table for 1951.
51 GAM PROJ .... Group Annuity Mortality Table for 1951 with Projection.
71 GAM .... 1971 Group Annuity Mortality Table.
83a .... 1983 Table a.
83 GAM .... 1983 Group Annuity Mortality Table.
1994 GAR .... 1994 Group Annuity Mortality Table.
a-2000 .... Annuity 2000 Mortality Table.
INTERCO DI .... Inter-Company Double Indemnity Table.
IND DI .... Industrial Double Indemnity.
59 ADB .... 1959 Accidental Death Benefits Table.
52 INTERCO DISA .... 1952 Inter-Company Disability Table.
70 INTERCO DISA .... 1970 Inter-Company Group Life Disability Table.
64 CDT .... 1964 Commissioners Disability Table.
26 Class (3) .... Class (3) Disability Table (1926).
56 TASK FORCE IV .... 1956 Task Force IV Morbidity Table.
85 CIDA .... 1985 Commissioners Individual Disability Tables A.

85 CIDB ....1985 Commissioners Individual Disability Tables B.
2012 IAR.................................2012 Individual Annuity Reserve Mortality Table

Interest

4 1/2% ....Interest at 4 1/2% for all durations.
5%/10/2%........................Interest at 5% for the first 10 years after issue; 2% thereafter.

Valuation Method

NLP ....Net Level Premium Reserve Method.
CRVM...............................Commissioners Reserve Valuations Method.
NJ ....NJ Modified Reserve Method.
ILL ....Illinois Modified Reserve Method.
CARVM............................Commissioners Annuity Reserve Valuation Method.
MOD ....Other Modified Reserve Method (e.g., CRVM graded into Net Level).
VM-20NPR.......................Net Premium Reserve Component of VM-20 Reserve.
VM-20DET/STO ....Deterministic/Stochastic Reserve Component of VM-20 Reserve (Excess over Net Premium Reserve).
VM-22...............................Any CARVM Reserve Calculated Using Valuation Interest Rates Defined in Section VM-22 of the *Valuation Manual*.

Age Basis

ANB ....Age Nearest Birthday.
ALB ....Age Last Birthday.
(-1) ....With Ages Reduced One Year.

Other

CRF ....Curtate Functions.
CNF..................................Continuous Functions.
CP.....................................Continuous Premiums (but curtate death benefit).
IDB...................................Immediate Death Benefit (but non-continuous premiums).
55-79 ....Issue years 1955 to 1979 inclusive.

For example, typical entries for life insurance reserve bases in Exhibit 5 might be:

LIFE INSURANCE: NLP ANB CRF unless otherwise indicated

1. 41 CSO 2 1/2% 1947–1965
2. 58 CSO 4%/10/2% CRVM ALB CNF 1978–1980
3. 2001 CSO 4%/10/2% CRVM ALB CNF............ 2006–2016
4. 2017 CSO VM-20 4% NPR 2017
5. VM-20 DET/STO 2017

If additional space is needed to adequately describe the basis of valuation, use Note 31 of the Notes to Financial Statements to write in this information.

Column 5 – Credit (Group and Individual)

Include: Business not exceeding 120 months.

Refer to *SSAP No. 59—Credit Life and Accident and Health Insurance Contracts* for accounting guidance.

Life Insurance

Include the reserve for future transfers of unaccrued tabular net premiums to the end of the current contract year for variable life insurance contracts.

For any life insurance business valued under Section VM-20 of the *Valuation Manual*, include the total CRVM reserve required by VM-20 split into the following components with each component on a separate line:

The Net Premium Reserve identifying the valuation basis

The balance of the total required (Excess over Net Premium)

Annuities

For any annuity contracts valued using valuation interest rates defined in Section VM-22 of the *Valuation Manual*, include the reserve for Jumbo and Non-Jumbo contracts on separate lines in 50 basis point valuation interest rate intervals.

For example, typical entries in Exhibit 5 might be:

1. 2012 IAR VM-22 Jumbo 2% - 2.49% .... 2018 – 20XX
2. 2012 IAR VM-22 Jumbo 2.5% - 2.99%... .... 2018 – 20XX
3. 2012 IAR VM-22 Non-Jumbo 2% - 2.49% .... …2018 – 20XX
4. 2012 IAR VM-22 Non-Jumbo 2.5% - 2.99% .... 2018 – 20XX

Disability – Disabled Lives

Include "unaccrued" portion of liability for incurred claims (whether reported or unreported).

Miscellaneous Reserves

Classification by mortality and interest standards not required.

The words "return of premiums" in Line 3 of this section do not refer to benefits under so-called return premium contracts, but to the return of some part of the premium paid for the period current at the time of death. Compute reserve on basis of level premiums, not successive one year term premiums.

Include: The reserve for variable life insurance minimum death benefit guarantees in this section.

The excess of valuation net premiums over corresponding gross premiums on respective contracts, computed according to the standard of valuation required by this state.

The non-deduction of deferred fractional premiums or return of premiums at the death of the insured.

Surrender values in excess of reserves otherwise required and carried in this exhibit.

The additional actuarial reserves-asset/liability analysis.

NOTE: Total Reserve (9999999) at bottom of page should agree with Liabilities, Surplus and other Funds page, Line 1.

EXHIBIT 5 – INTERROGATORIES

Interrogatories 1 and 2

If the response to Interrogatories 1 and 2 indicate that the reporting entity issues or has issued participating insurance, the reporting entity shall supply the response to these interrogatories and an actuarial opinion as an attachment to the annual statement.

Instructions for Actuarial Opinion

Process of Dividend or Refund Determination

Describe the general methods and procedures used to determine dividends or refunds. The term "refunds" is limited to amounts declared by Fraternal organizations, paid or payable, to its members. Experience rating refunds are excluded.

Description of Experience Factors

Describe the basis used in making any distinction in experience factors that underlie the determination of dividends or refunds. The description should specifically include the basis for the following:

a. Investment income factors
b. Claims factors
c. Expense factors
d. Termination factors
e. Any other factors that may have a material effect on the dividends or refunds of any group of contracts.

Also, describe in a qualitative way any material changes made in the basis used to determine those factors.

Actuarial Interrogatories

I. Has the contribution principle been followed in determining dividends or refunds? If not, describe.

II. Has any material change occurred with respect to the determination of contract factors? If yes, describe.

III. Have there been any changes in the scales of dividends or refunds on new or existing business authorized for illustration by the reporting entity? If yes, describe in general the changes that were made.

IV. Have there been any changes in the scales of dividends or refunds apportioned for payment? If yes, describe in general the changes that were made.

V. For each major block of business, indicate when the dividend or refund scale was last changed (including changes described in IV, above), and indicate the extent of such change in terms of the percentage by which dividends or refunds payable under the new scale exceeded or were less than those that would have been paid in the year of change had the scale not been changed.

VI. Does the dividend or refund scale incorporate the use of projections or forecasts of experience factors for any period in excess of two years beyond the effective date of the scale? If yes, describe.

VII. In the case of determining investment income experience factors, state whether the reporting entity uses (a) a portfolio average approach, (b) an investment generation approach, or (c) a combination of the two approaches. If (b) or (c), describe the general basis used, including the issue year groupings.

VIII. With respect to contract loan provisions:

Describe how differences in such provisions affect dividends or refunds.

Does the dividend or refund scale contain any provision for varying the amount of dividend or refund in accordance with the extent to which an individual contract's loan provision is utilized? If yes, indicate the blocks of business where this treatment pertains, and describe the basis of variation used.

IX. Does the reporting entity pay termination dividends or refunds on its contracts? If yes:

a. Are they payable on death, surrender, and maturity?

b. Are they payable or credited either upon the commencement of nonforfeiture insurance or upon termination thereof by death, surrender, or maturity?

c. Do they reflect the incidence, size, and growth of amounts that may be attributed to the contracts in question?

If the answer to a., b., or c. is no, describe the basis used.

X. Does the reporting entity maintain separate participating and non-participating accounts? If yes, describe the basis.

XI. Are any transfers made from a participating account to another participating, non-participating, or shareholders' account? If yes, describe the basis for the transfers.

XII. Does the undersigned believe there is a substantial probability that, because of expected deterioration of experience or for any other reason, the dividends or refunds illustrated on new or existing business cannot be supported for at least two years? If yes, explain why.

XIII. Describe any aspects of the determination of the dividend or refund scale not covered above that involve material departures from the Actuarial Standards of Practice issued by the Actuarial Standards Board applicable to the determination of dividends or refunds.

XIV. Describe any material changes in the basis of determination of the dividend or refund scale that are not covered above.

The actuarial opinion should include a paragraph such as the following regarding dividends and refunds:

Actuarial Opinion

I, (name, title), am (relationship to Reporting Entity) and a Member of the American Academy of Actuaries. I have examined the actuarial assumptions and methods used in determining dividends or refunds under the dividend or refund scale for the individual participating life insurance contracts of the reporting entity issued for delivery in the United States. The dividends or refunds encompassed by this scale include:

i. Apportioned for payment during (year following year of statement); and

ii. In effect as of January 1, (year following year of statement) that are illustrated for payment on new or existing business in (second year following year of statement) and later that are authorized for illustration by the reporting entity.

My examination included such review of the actuarial assumptions and methods of the underlying basic records and such tests of the actuarial calculations, as I consider necessary. In my opinion, these dividends or refunds have been determined in accordance with Actuarial Standards of Practice issued by the Actuarial Standards Board applicable to the determination of dividends or refunds, except as described above.

____
Signature of Actuary

____
Date

Interrogatory 3

This interrogatory relates to the determination of nonguaranteed elements in individual life insurance and annuity contracts that provide for the adjustment of benefits, premiums or charges from time to time. For purposes of this question, the term "determination" shall mean both determination at issue and subsequent redetermination.

For the purpose of this interrogatory, "Individual Contracts" includes contracts issued under the "group" umbrella of any trust that does not have the discretion to select the insurer(s) on behalf of all the individual insureds.

The specific types of business encompassed by this question include, but are not limited to, the following types of contracts if they contain nonguaranteed elements:

1. Single and periodic premium deferred annuities.

2. Universal Life contracts providing for fixed and/or flexible premiums.

3. Adjustable periodic premium life contracts, also known as indeterminate premium life contracts.

4. Single and periodic premium life contracts.

5. Renewable and convertible term insurance contracts which do not guarantee the premiums payable upon renewal, or which provide for renewal on the then current premium basis.

The term "nonguaranteed" does not apply to charges or benefits that contractually follow a separate account result or a defined index.

INSTRUCTIONS FOR ACTUARIAL OPINION

Determination Procedures

For all contracts subject to this interrogatory which were first introduced during the current year and for any other such contracts not previously reported, define the reporting entity's policy to be used in the process of determining nonguaranteed elements, with particular reference to the degree of discretion reserved for the reporting entity, together with the general methods and procedures which are expected to be used.

Actuarial Interrogatories

I. Since this statement was last filed, have there been any changes in the values of nonguaranteed elements on new or existing business authorized for illustration by the reporting entity? If yes, describe the changes that were made.

II. Since this statement was last filed, have there been any changes in the values of nonguaranteed elements actually charged or credited? If yes, describe the changes that were made.

III. Indicate to what extent any changes described in I or II varies from the contract and/or general methods and procedures last reported for the affected contracts.

IV. Are the anticipated experience factors underlying any nonguaranteed elements different from current experience? If yes, describe in general terms the ways in which future experience is anticipated to differ from current experience and the nonguaranteed element factors that are affected by such anticipation.

V. State whether anticipated investment income experience factors are based on: (a) a portfolio average approach, (b) an investment generation approach, or (c) other. If (b) or (c), describe the general basis used, including the investment generation groupings.

VI. Describe how the reporting entity allocates anticipated experience among its various classes of business.

VII. Does the undersigned believe there is a substantial probability that illustrations authorized by the reporting entity to be presented on new and existing business cannot be supported by currently anticipated experience? If yes, indicate which classes and explain.

VIII. Describe any aspects of the determination of nonguaranteed elements not covered above that involve material departures from the Actuarial Standards of Practice issued by the Actuarial Standards Board, applicable to the determination of nonguaranteed elements.

The actuarial opinion should include a paragraph such as the following regarding nonguaranteed elements:

ACTUARIAL OPINION

I, (name, title), am (relationship to Company) and a Member of the American Academy of Actuaries. I have examined the actuarial assumptions and methods used in determining nonguaranteed elements for the individual life insurance and annuity contracts of the reporting entity used for delivery in the United States. The nonguaranteed elements included are those:

i. Paid, credited, charged or determined in (year of statement); and

ii. Authorized by the Reporting Entity to be illustrated on new and existing business during (year of statement).

My examination included such review of the actuarial assumptions and methods of the underlying basic records and such tests of the actuarial calculations, as I considered necessary. In my opinion, the nonguaranteed elements described above have been determined in accordance with Actuarial Standards of Practice issued by the Actuarial Standards Board applicable to the determination of nonguaranteed elements, except as described above.

____
Signature of Actuary

____
Date

Interrogatory 7

For purposes of this footnote disclosure, a synthetic GIC is defined as a contract or agreement in which the insurance entity guarantees specified payouts under the terms of an employee benefit plan from assets not owned by the insurance entity

Interrogatory 8

For purposes of this footnote disclosure, a Contingent Deferred Annuity is defined as an annuity contract that establishes a life insurer's obligation to make periodic payments for the annuitant's lifetime at the time designated investments, which are not owned or held by the insurer, are depleted to a contractually defined amount due to contractually permitted withdrawals, market performance, fees and/or other charges.

Interrogatory 9

For purposes of this footnote disclosure, a Guaranteed Lifetime Income Benefit is defined as a fixed deferred annuity contract, agreement or rider in which the insurance entity guarantees specified payouts during the lifetime of the insured(s) regardless of the performance of a contractual account value that is used to determine cash surrender values and traditional withdrawal benefits.

EXHIBIT 5A – CHANGES IN BASES OF VALUATION DURING THE YEAR

Increase or (decrease) in the actuarial reserves or liability included in Exhibits 5, 6 or 7 due to changes in the valuation bases during the calendar year should be included if the change is applicable to policies or contracts issued prior to January 1 of the current year. Show changes in bases separately by lines of business **(increases as a positive amount and decreases as a negative amount).**

If necessary, reporting entities may add lines to report each change in each reserve in basis used.

The total (increase) or decrease should be excluded from the income section of the Summary of Operations page and the Analysis of Operations by Line of Business page.

Include supplementary contracts set up on a basis other than that used to determine benefits.

Life Contract subtotal should agree with Analysis of Increase in Reserves During the Year on the Increase in Reserve on Account of Change in Valuation Basis line.

Life Contracts changes in basis of valuation during the year come from Exhibit 5. Similarly, Accident and Health Contract changes come from Exhibit 6 and Deposit-Type Contract changes come from Exhibit 7.

EXHIBIT 6 – AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts*, for life, accident and health and deposit-type contract definitions and *SSAP No. 54R—Individual and Group Accident and Health Contracts* for guidance regarding the bases for such additional contract reserves. The net amount should agree with the appropriate items in Schedule H – Accident and Health, and also Page 3, Line 2.

Blocks of business in run-off (no new policies issued) as of December 31, 2019, comprising less than five percent (5%) of premiums and less than five percent (5%) of reserve and loans liability, may be grouped with more material blocks. A footnote shall be added at the end of the page indicating when this has occurred and which columns are affected.

Reserves or other amounts relating to uninsured accident and health plans and the uninsured portion of partially insured accident and health plans should be excluded from this exhibit.

Column 10 – Credit Accident and Health (Group and Individual)

Include: Business not exceeding 120 months.

Refer to *SSAP No. 59—Credit Life and Accident and Health Insurance Contracts* for accounting guidance.

This column is not applicable to Fraternal Benefit Societies.

Column 13 – Other

Include: All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

Line 2 – Additional Contract Reserves

A reserve must be carried in this line for any contract or block of contracts:

(i) with which level premiums are used, or

(ii) with respect to which, due to the gross premium structure at issue, the value of future benefits exceeds the value of appropriate future valuation net premiums.

A reporting entity that enters the entire active life reserve (other than the reserves required for Line 4) in a single line must enter such amount in Line 2. Provide a statement as to the valuation standard used in calculating this reserve, specifying reserve bases, interest rates, and methods.

Line 3 – Additional Actuarial Reserves – Asset/Liability Analysis

Include: Premium deficiency reserves.

Line 4 – Reserve for Future Contingent Benefits (Active Life Reserve) or
Line 12 – Reserve for Future Contingent Benefits (Claim Reserve)

A reserve must be carried in either of these lines or in Exhibit 8, Part 1, Line 3 for any contract/certificate that provides for the extension of benefits after termination of the contract/certificate or of any insurance thereunder. Such benefits, which actually accrue and are payable at some future date, are predicated on a condition or actual disability which exists at the termination of the insurance and which is usually not known to the insurance entity. These benefits are normally provided by contract provision but may be payable as a result of court decisions or of departmental rulings. This reserve is required in addition to the Present Value of Amounts Not Yet Due on Claims, Line 10.

An example of the type of benefit for which a reserve must be carried is the coverage for hospital confinement after the termination of an employee's certificate but prior to the expiration of a stated period. This example is illustrative only and is not intended to limit the reserve to the benefits described. Some individual Accident and Health contracts may also provide benefits similar to those under the Extension of Benefits section of a group contract.

Line 5 – Reserve for Rate Credits

Reserves for rate credits, or experience refund reserves, should be included in Page 3, Line 9.2 of the statement with a parenthetical "including $ ________ for Accident and Health."

Line 6 – Aggregate Write-ins for Reserves

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 6 for Reserves.

Line 10 – Present Value of Amounts Not Yet Due on Claims

Include: Reserves for unaccrued benefits on incurred but unreported claims.

Accrued benefits should be reported in Exhibit 8, Part 1, Lines 2.2 and 3.

Line 13 – Aggregate Write-ins for Reserves

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 13 for Reserves.

Line 17 – Total of Lines 9 and 16

Column 1, Line 17 minus Line 5 should agree with the Aggregate Accident and Health Reserve, Line 2 of the Liability page.

Line 18 – Tabular Fund Interest

Include: Tabular fund interest on those reserves that have used interest assumptions in their derivation.

Details of Write-ins Aggregated at Line 6 for Reserves

List all reserves for which there is no pre-printed line on Exhibit 6, Aggregate Accident and Health Reserves, Active Life Reserves.

Include: Accrued return premium adjustments for contracts subject to redetermination.

Details of Write-ins Aggregated at Line 13 for Reserves

List all reserves for which there is no pre-printed line on Exhibit 6, Aggregate Accident and Health Reserves, Claim Reserves.