

Line 2.2 – Multiple Peril Crop

Include: Insurance protection that is subsidized or reinsured by the Federal Crop Insurance Corporation for protection against losses due to damage, decreases in revenues and/or gross margins from crop, livestock and other agricultural-related production from unfavorable weather conditions, drought, wind, frost, fire or lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or perils.

Line 2.3 – Federal Flood

Include: Coverage provided by the Federal Insurance Administration (FIA) of the Federal Emergency Management Agency (FEMA) through insurers participating in the National Flood Insurance Program's (NFIP) Write Your Own (WYO) program. Coverage is subject to the terms and conditions provided in the Financial Assistance/Subsidy Arrangement between the reporting entity and the FIA.

Line 2.4 – Private Crop

Include: Private market coverage for crop insurance and agricultural-related protection, such as hail and fire, and is not reinsured by the Federal Crop Insurance Corporation.

Line 2.5 – Private Flood

Include: Private market coverage (primary standalone, first dollar policies) that covers the flood peril and excess flood) for flood insurance that is not offered through the National Flood Insurance Program.

Exclude: Creditor-placed flood insurance.

Exclude: Sewer/water backup coverage issued as an endorsement to a homeowners or commercial policy.

Exclude: Crop flood peril coverage appropriately reported on Lines 2.2 and 2.4.

Line 3 – Farmowners Multiple-Peril

A package policy for farming and ranching risks, similar to a homeowners policy, that has been adopted for farms and ranches and includes both property and liability coverages for personal and business losses. Coverages include farm dwellings and their contents, barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.

Commercial Farm and Ranch

A commercial package policy for farming and ranching risks that includes both property and liability coverage. Coverage includes barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.

Line 4 – Homeowners Multiple-Peril

A package policy combining broad property coverage for the personal property and/or structure with broad personal liability coverage. Coverage applicable to the dwelling, appurtenant structures, unscheduled personal property and additional living expense are typical. Includes mobile homes at a fixed location.

Line 5 – Commercial Multiple-Peril

A contract for a commercial enterprise that packages two or more insurance coverages protecting an enterprise from various property and liability risk exposures. Frequently includes fire, allied lines, various other coverages (e.g., difference in conditions) and liability coverage (such coverages would be included in other annual statement lines, if written individually). Include multi-peril policies (other than farmowners, homeowners and automobile policies) that include coverage for liability other than auto.

Builders' Risk Policies

Typically written on a reporting or completed value form, this coverage insures against loss to buildings in the course of construction. The coverage also includes machinery and equipment used in the course of construction and to materials incidental to construction.

Businessowners

The Businessowners policy (BOP) provides a broad package of property and liability coverages for small and medium-size apartment buildings, offices and retail stores.

Commercial Package Policy

The Commercial Package Policy (CPP) provides a broad package of property and liability coverage for commercial ventures other than those provided insurance through a businessowners policy. (The older Special Multiple-Peril program (SMP) also use this code.)

Manufacturers Output Policies

Provides broad form all risks coverage of personal property of an insured manufacturer that is located away from the premises of the manufacturer at the time of a claim.

E-Commerce

Coverage for all aspects of e-commerce business.

Difference in Conditions (DIC)

DIC is a special form of open-peril coverage written in conjunction with basic fire coverage and designed to provide protection against losses not reimbursed under the standard fire forms.

Line 5.1 – Commercial Multiple-Peril – Non-Liability Portion

Include: All business covering the fire and allied portion of Multiple-Peril policies.

Line 5.2 – Commercial Multiple-Peril – Liability Portion

Include: All business covering the liability portion of Multiple-Peril policies.

Line 6 – Mortgage Guaranty

Insurance that indemnifies a lender from loss if a borrower fails to meet required mortgage payments.

Mortgages – Fixed Rate Mortgages

The type of loan in which the interest rate will not change for the entire term of the loan.

Mortgages – Trust/ Pools

Insure pools of loans secured by instruments constituting a first lien on real estate and evidenced by pass-through certificates or other instruments.

Mortgages – Variable Mortgages

The type of loan in which the interest rate may vary or float periodically throughout the term of the loan based on an interest rate index.

Line 8 – Ocean Marine

Coverage for ocean and inland water transportation exposures; goods or cargoes; ships or hulls; earnings; and liability.

Line 9 – Inland Marine

Coverage for property that may be in transit, held by a bailee, at a fixed location, a movable good that is often at different locations (e.g., off-road construction equipment) or scheduled property (e.g., Homeowners Personal Property Floater), including items such as live animals, property with antique or collector's value, etc. This line also includes instrumentalities of transportation and communication, such as bridges, tunnels, piers, wharves, docks, pipelines, power and phone lines, and radio and television towers.

Animal Mortality

Coverage that provides a death benefit to the owner of a policy in the event of the death of the insured livestock.

EDP Policies

Coverage to protect against losses arising out of damage to or destruction of electronic data processing equipment and its software.

Pet Insurance Plans

Veterinary care plan insurance policy providing care for a pet animal (e.g., dog or cat) of the insured owner in the event of its illness or accident.

Communications Equipment (Cellular Telephones)

Provides insured subscribers of Communications Equipment Service Provider replacement coverage for loss of and damage, theft or mechanical breakdown to communications equipment. Communications equipment means wireless telephones and pagers, and any other devices incorporating wireless phone and pager capabilities, including but not limited to personal digital assistants (PDA) and wireless aircards.

Event Cancellation

Coverage for financial loss because of the cancellation or postponement of a specific event due to weather or other unexpected cause beyond the control of the insured.

Travel Coverage

Covers financial loss due to trip cancellation/interruption; lost or damaged baggage; trip or baggage delays; missed connections and/or changes in itinerary; and casualty losses due to rental vehicle damage.

Vehicle Excess Waiver

Coverage of rental excess or personal excess due to the vehicle being involved in an accident while under the control of the insured or rental vehicle is damaged or stolen.

Boatowners/Personal Watercraft

Covers damage to pleasure boats, motors, trailers, boating equipment and personal watercraft, as well as bodily injury and property damage liability to others.

Other Commercial Inland Marine

All other inland marine coverage that is sold to commercial ventures, including coverage on property rented/leased by the named insured to others.

Other Personal Inland Marine

All other inland marine coverage that is sold for personal, family or household purposes.

Cash and Cash in Transit Insurance

Coverage of the transport, processing and storage of currency, securities, precious metals and diamonds. (Armored carriers, courier operations, check cashers and ATM servicers).

Line 10 – Financial Guaranty

A surety bond, insurance policy, or when issued by an insurer, an indemnity contract and any guaranty similar to the foregoing types, under which loss is payable upon proof of occurrence of financial loss to an insured claimant, obligee or indemnitee as a result of failure to perform a financial obligation (see *Financial Guaranty Insurance Guideline* (#1626)).

Line 11 – Medical Professional Liability

Insurance coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence, or incompetence in rendering professional services. Medical Professional Liability is also known as Medical Malpractice.

Line 12 – Earthquake

Property coverages for losses resulting from a sudden trembling or shaking of the earth, including that caused by volcanic eruption. Excluded are losses resulting from fire, explosion, flood or tidal wave following the covered event.

Line 13 – Group Accident and Health

Coverage written on a group basis (e.g., employees of a single employer and their dependents) that pays scheduled benefits or medical expenses caused by disease, accidental injury or accidental death. Excludes amounts attributable to uninsured accidents and health plans and the uninsured portion of partially insured accident and health plans. Coverage is usually provided in the following manner:

A single policy called a “master contract” is issued to the group policyholder to cover a group of individuals who have a defined relationship (other than insurance) to the policyholder, such as:

- employee/employer
- member/union
- debtor/creditor

The contract provides specified types of insurance coverage for the individuals in a group. Policies generally provide benefits for one or more of the following coverages: short- or long-term disability income benefits, accidental death or dismemberment coverage, major medical expense benefits, and dental expense benefits.

Line 14 – Credit Accident and Health
(Group and Individual)

Coverage provided to, or offered to, borrowers in connection with a consumer credit transaction where the proceeds are used to repay a debt or an installment loan in the event the consumer is disabled as the result of an accident, including business not exceeding 120 months duration.

Line 15 – Other Accident and Health

Accident and health coverages not otherwise properly classified as Group Accident and Health or Credit Accident and Health (e.g., collectively renewable and individual non-cancelable, guaranteed renewable, non-renewable for stated reasons only, etc.). 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 15.1 – Collectively Renewable A&H

Include: Amounts pertaining to policies that are made available to groups of persons under a plan sponsored by an employer, or an association or a union or affiliated associations or unions or a group of individuals supplying materials to a central point of collection or handling a common product or commodity, under which the reporting entity has agreed with respect to such policies that renewal will not be refused, subject to any specified age limit, while the insured remains a member of the group specified in the agreement unless the reporting entity simultaneously refuses renewal to all other policies in the same group. A sponsored plan shall not include any arrangement where the reporting entity's customary individual policies are made available without special underwriting considerations and where the employer's participation is limited to arranging for salary allotment premium payments with or without contribution by the employer. Such plans are sometimes referred to as payroll budget or salary allotment plans. A sponsored plan may be administered by an agent or trustee.

Amounts pertaining to policies issued by a company or group of companies under a plan, other than a group insurance plan, authorized by special legislation for the exclusive benefit of the aged through mass enrollment.

Amounts pertaining to policies issued under mass enrollment procedures to older people, such as those age 65 and over, in some geographic region or regions under which the reporting entity has agreed with respect to such policies that renewal will not be refused unless the reporting entity simultaneously refuses renewal to all other policies specified in the agreement.

Line 15.2 – Non-Cancelable A&H

Include: Amounts pertaining to policies, which are guaranteed renewable for life or to a specified age, such as 60 or 65, at guaranteed premium rates.

Line 15.3 – Guaranteed Renewable A&H

Include: Amounts pertaining to policies that are guaranteed renewable for life or to a specified age, such as 60 or 65, but under which the reporting entity reserves the right to change the scale of premium rates.

Line 15.4 – Non-Renewable for Stated Reasons Only

Include: Amounts pertaining to policies in which the reporting entity has reserved the right to cancel or refuse renewal for one or more stated reasons, but has agreed implicitly or explicitly that, prior to a specified time or age, it will not cancel or decline renewal solely because of deterioration of health after issue.

Line 15.5 – Other Accident Only

Include: Policies that provide coverage, singly or in combination, for death, dismemberment, disability, or hospital and medical care caused by or necessitated as a result of accident or specified kinds of accidents not included in Annual Statement lines 13, 14, 15.1 through 15.4, 15.6 and 15.8. Types of coverage include student accident, sports accident, travel accident, blanket accident, specific accident or accidental death and dismemberment (A&D).

Line 15.6 – Medicare Title XVIII Exempt from State Taxes or Fees

Report Medicare Title XVIII premiums that are exempted from state taxes or other fees by Section 1854(g) of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003. This includes, but is not limited to, premiums written under a Medicare Advantage product, a Medicare P/D product or a stand-alone Medicare Part D product.

Line 15.7 – All Other A&H

Include: Any other accident and health coverages not specifically required in Annual Statement lines 13, 14, 15.1 through 15.6 and 15.8.

Line 15.8 – Federal Employees Health Benefits Plan Premium

Include: Premiums, dividends and losses allocable to the Federal Employees Health Benefits Plan that are exempted from state taxes or other fees by Section 8909(f)(1) of Title 5 of the U.S. Code.

Line 16 – Workers’ Compensation

Insurance that covers an employer’s liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or Federal workers’ compensation laws and other statutes. Includes employer’s liability coverage against the common law liability for injuries to employees (as distinguished from the liability imposed by Workers’ Compensation Laws). Excludes excess workers’ compensation.

Alternative Workers’ Compensation

Other than standard workers’ compensation coverage, employer’s liability and excess workers’ compensation (e.g., large deductible managed care).

Employers’ Liability

Employers’ liability coverage for the legal liability of employers arising out of injuries to employees. This line of business should be used when coverage is issued as an endorsement or as part of a statutory workers’ compensation policy. When coverage is issued as a stand-alone policy, or as an endorsement a package policy, the appropriate “Other Liability” line of business should be used.

Standard Workers’ Compensation

Insurance that covers an employer’s liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or federal workers’ compensation laws and included within the basic policy employers’ liability coverage.

Line 17 – Other Liability

Insurance coverage protects the insured against legal liability resulting from negligence, carelessness or a failure to act, causing property damage or personal injury to others. Typically, coverages include construction and alteration liability; contract liability; contractual liability; elevators and escalators liability; errors and omissions liability, environmental pollution liability; excess stop loss, excess over insured or self-insured amounts and umbrella liability; liquor liability; personal injury liability; premises and operations liability; completed operations liability, nonmedical professional liability, etc. Also includes indemnification coverage provided to self-insured employers on an excess of loss basis (excess workers’ compensation).

Completed Operations Liability

Premiums attributable to policies covering the liability of contractors, plumbers, electricians, repair shops and similar firms to persons who have incurred bodily injury or property damage from defective work or operations completed or abandoned by or for the insured, away from the insured’s premises.

Construction and Alteration Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from alterations involving demolition, new construction or change in size of a structure on the insured’s premises.

Contingent Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from work done by an independent contractor hired by the insured to perform work that was illegal, inherently dangerous, supervised too closely; or it was a situation that does not permit delegation of responsibility.

Contractual Liability

Premiums attributable to policies covering the liability of an insured that has assumed the legal liability of another party by written or oral contract. Includes coverage that names the lender/lessor as beneficiary and indemnifies the borrower/lessee for the liability of the balance due on the automobile loan/lease for an automobile that has been destroyed in an accident.

Elevators and Escalators Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from use of elevators or escalators operated, maintained or controlled by the insured.

Errors and Omissions Liability

Professional Liability Other Than Medical

Premiums attributable to policies covering the liability of a professional or quasi-professional insured to persons who have incurred bodily injury or property damage, or who have sustained any loss from omissions arising from the performance of services for others, errors in judgment, breaches of duty, or negligent or wrongful acts in business conduct.

Environmental Pollution Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from acids, fumes, smoke, toxic chemicals, waste materials or other pollutants.

Excess and Umbrella Liability

Premiums attributable to policies covering the liability of an insured above a specific amount set forth in a basic policy issued by the primary insurer; or a self-insurer for losses over a stated amount; or an insured or self-insurer for known or unknown gaps in basic coverages or self-insured retentions.

Liquor Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from an intoxicated person.

Personal Injury Liability

Premiums attributable to policies covering the liability of an insured to persons who have been discriminated against, falsely arrested, illegally detained, libeled, maliciously prosecuted, slandered, suffered mental anguish or alienation of affections, or have had their right of privacy violated. Includes identity theft.

Premises and Operations Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage on an insured's premises during normal operations or routine maintenance, or from an insured's business operations either on or off of the insured's premises.

Excess Workers' Compensation

Either specific and/or aggregate excess workers' compensation insurance written above an attachment point or self-insured retention.

Commercial General Liability

Flexible and broad commercial liability coverage with two major sub-lines: premises/operations sub-line and products/completed operations sub-line.

Comprehensive Personal Liability

Comprehensive liability coverage for exposures arising out of the residence premises and activities of individuals and family members. (Non-business liability exposure protection for individuals.)

Day Care Centers

Liability coverage for day care centers.

Directors and Officers Liability

Liability coverage protecting directors or officers of a corporation from liability arising out of the performance of their professional duties on behalf of the corporation.

Employee Benefit Liability

Liability protection for an employer for claims arising from provisions in an employee benefit insurance plan provided for the economic and social welfare of employees. Examples of items covered are pension plans, group life insurance, group health insurance, group disability income insurance, and accidental death and dismemberment.

Employers' Liability

Employers' liability coverage for the legal liability of employers arising out of injuries to employees. This line of business should be used when coverage is issued as a stand-alone policy, or as an endorsement to a package policy. When this coverage is issued as an endorsement to a statutory workers' compensation policy, the "Workers' Compensation" line of business should be used.

Employment Practices Liability

Liability protection for an employer providing personal injury coverage arising out of employment-related practices, personnel policies, acts or omissions. Examples of claims such policies respond to are refusal to employ, termination, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation and discrimination.

Fire Legal Liability

Coverage for property loss liability as the result of separate negligent acts and/or omissions of the insured that allows a spreading fire to cause bodily injury or property damage of others. An example is a tenant who, while occupying another party's property, through negligence causes fire damage to the property.

Municipal Liability

Liability coverage for the acts of a municipality.

Nuclear Energy Liability

Coverage for bodily injury and property damage liability resulting from the nuclear energy material (whether or not radioactive) on the insured business's premises or in transit.

Veterinarian

Liability coverage for the acts of a veterinarian.

Internet Liability

Liability arising out of claims for wrongful acts related to the content posted on a website by the insured or the insured's failure to maintain the security of its computer systems.

Cyber Liability

Stand-alone comprehensive coverage for liability arising out of claims related to unauthorized access to or use of personally identifiable or sensitive information due to events including, but not limited to, viruses, malicious attacks, or system errors or omissions. This coverage could also include expense coverage for business interruption, breach management and/or mitigation services. When cyber liability is provided as an endorsement or as part of a multi-peril policy, as opposed to a stand-alone policy, use the appropriate annual statement line of business of the product to which the coverage will be attached.

Line 17.1 – Other Liability Occurrence

Exclude: Excess workers' compensation included in Line 17.3.

Line 17.2 – Other Liability Claims Made

Exclude: Excess workers' compensation included in Line 17.3.

Line 17.3 – Excess Workers' Compensation

Include: Indemnification coverage provided to self-insured employers on an excess of loss basis.

Line 18 – Product Liability

Insurance coverage protecting the manufacturer, distributor, seller or lessor of a product against legal liability resulting from a defective condition causing personal injury, or damage, to any individual or entity, associated with the use of the product.

Line 19 – Auto Liability

Coverage that protects the insured against financial loss because of legal liability for motor vehicle-related injuries (bodily injury and medical payments) or damage to the property of others caused by accidents arising out of ownership, maintenance or use of a motor vehicle (including recreational vehicles such as motor homes). "Commercial" is defined as all motor vehicle policies that include vehicles that are used primarily in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit. "No Fault" is defined by the state concerned.

Line 19.1 – Private Passenger Auto No-Fault (Personal Injury Protection)

"No Fault" is defined by the state concerned.

Line 19.2 – Other Private Passenger Auto Liability

Include: Bodily Injury, Property Damage, Uninsured Motorist and Underinsured Motorist Coverages.

Line 19.3 – Commercial Auto No-Fault (Personal Injury Protection)

“No Fault” is defined by the state concerned.

Line 19.4 – Other Commercial Auto Passenger Liability

Include: Bodily Injury, Property Damage, Uninsured Motorist and Underinsured Motorist Coverages.

Line 21 – Auto Physical Damage

Any motor vehicle insurance coverage (including collision, vandalism, fire and theft) that insures against material damage to the insured’s vehicle. “Commercial” is defined as all motor vehicle policies that include vehicles that are used in connection with business, commercial establishments, activity, employment or activities carried on for gain or profit.

Line 21.1 – Private Passenger Auto Physical Damage

Include: Comprehensive and Collision Coverages.

Line 21.2 – Commercial Auto Physical Damage

Include: Comprehensive and Collision Coverages.

Line 22 – Aircraft

Coverage for aircraft (hull) and their contents; aircraft owners’ and aircraft manufacturers’ liability to passengers, airports and other third parties.

Line 23 – Fidelity

A bond covering an employer’s loss resulting from an employee’s dishonest act (e.g., loss of cash, securities, valuables, etc.).

Line 24 – Surety

A three-party agreement where the insurer agrees to pay a second party (the obligee) or make complete an obligation in response to the default, acts or omissions of a third party (the principal).

Line 25 – Glass
(1996 Annual Statement and previous)

Coverage for the costs of replacement and incidental costs of building glass due to breakage or application of chemicals to glass. NOTE: This coverage should be included in Allied Lines.

Line 26 – Burglary and Theft

Coverage for property taken or destroyed by breaking and entering the insured’s premises, burglary or theft, forgery or counterfeiting, fraud, kidnap and ransom, and off-premises exposure.

Line 27 – Boiler and Machinery

Coverage for the failure of boilers, machinery and electrical equipment. Benefits include:

- (i) property of the insured that has been directly damaged by the accident.
- (ii) Costs of temporary repairs and expediting expenses.
- (iii) Liability for damage to the property of others.

Line 28 – Credit

Coverage purchased by consumers, manufacturers, merchants, educational institutions or other providers of goods and services extending credit, for indemnification of losses or damages resulting from the nonpayment of debts owed to/from them for goods or services provided in the normal course of their business.

Credit insurance is generally issued in connection with the issuance of credit to an individual by a bank, retailer, finance company or other similar organization and protects the organization for the unpaid balance of the loan and frequently for durations of less than 120 months. (Taken from *SSAP No. 59—Credit Life and Accident and Health Contracts.*)

Personal GAP (Guaranteed Asset Protection) Insurance

Credit insurance that insures the excess of the outstanding indebtedness over the primary property insurance benefits in the event of a total loss to a collateral asset.

Credit Involuntary Unemployment

Credit insurance that provides a monthly or lump sum benefit during an unpaid leave of absence from employment resulting from specified causes, such as layoff, business closure, strike, illness of a close relative and adoption or birth of a child. This insurance is sometimes referred to as Credit Family Leave.

Line 29 – International

Includes all business transacted outside the U.S. and its territories and possessions where the appropriate line of business is not determinable.

Line 30 – Warranty

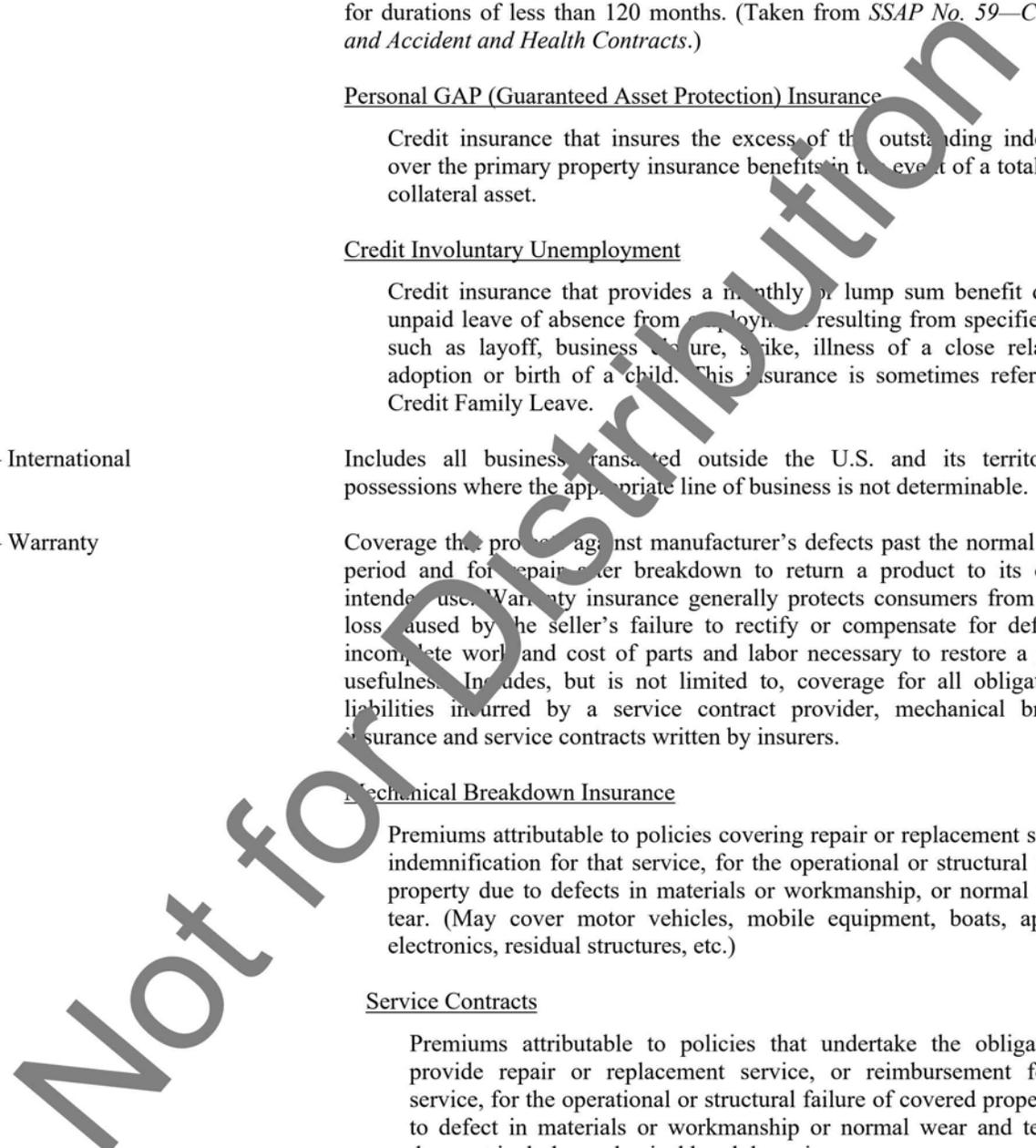
Coverage that protects against manufacturer's defects past the normal warranty period and for repair or breakdown to return a product to its originally intended use. Warranty insurance generally protects consumers from financial loss caused by the seller's failure to rectify or compensate for defective or incomplete work and cost of parts and labor necessary to restore a product's usefulness. Includes, but is not limited to, coverage for all obligations and liabilities incurred by a service contract provider, mechanical breakdown insurance and service contracts written by insurers.

Mechanical Breakdown Insurance

Premiums attributable to policies covering repair or replacement service, or indemnification for that service, for the operational or structural failure of property due to defects in materials or workmanship, or normal wear and tear. (May cover motor vehicles, mobile equipment, boats, appliances, electronics, residual structures, etc.)

Service Contracts

Premiums attributable to policies that undertake the obligation to provide repair or replacement service, or reimbursement for that service, for the operational or structural failure of covered property due to defect in materials or workmanship or normal wear and tear, but does not include mechanical breakdown insurance.



Reinsurance

Proportional assumed reinsurance is allocated to and reported in the appropriate lines of business and excluded from the reinsurance lines of business. For assumed reinsurance contracts that afford proportional and nonproportional reinsurance, the business is allocated to its component parts and reported in the appropriate lines of business.

Nonproportional assumed reinsurance means excess of a retention by the ceding company, and proportional reinsurance means fixed percentage of all losses.

Line 31 – Nonproportional Assumed Reinsurance – Property

Nonproportional Assumed Reinsurance – Property in the following lines: fire allied lines, ocean marine, inland marine, earthquake, gross accident and health, credit accident and health, other accident and health, auto physical damage, boiler and machinery, glass, burglary and theft and international (of the foregoing).

Line 32 – Nonproportional Assumed Reinsurance – Liability

Nonproportional Assumed Reinsurance – Liability in the following lines: farmowners multiple-peril, homeowners multiple-peril, commercial multiple-peril, medical professional liability, workers' compensation, other liability, products liability, auto liability, aircraft (all perils) and international (of the foregoing).

Line 33 – Nonproportional assumed Reinsurance – Financial Lines

Nonproportional Assumed Reinsurance – Financial Lines in the following lines: mortgage guaranty, financial guaranty, fidelity, surety, credit and international (of the foregoing).

Line 34 – Details for Write-ins

Coverages not generally described above.

Involuntary Unemployment Insurance

Space

Coverage of satellites, shuttles, hull, drones and other non-standard aircraft.

Political and Natural Disaster Evacuation

Coverage of specified costs for an insured person to return to their country of residence or nearest place of safety and specified reasonable accommodation costs (if the insured person is unable to return to their country of residence), as a direct result of a covered evacuation or if a natural disaster has occurred in the country the insured person is currently in requiring their immediate evacuation to avoid the risk of bodily injury or sickness, while the insured person is on a journey covered by the policy.

War Risk Insurance/War Terrorism and Political Violence

Mortgage Interest Insurance

Money Insurance

APPENDIX

INSTRUCTIONS FOR UNIFORM CLASSIFICATIONS OF EXPENSES OF
PROPERTY AND CASUALTY INSURERS

For the purpose of establishing uniformity in classifications of expenses of property and casualty insurers recorded in statements and reports filed with and statistics reported to Insurance Departments, all such insurers shall observe the instruction set forth below. Refer to *SSAP No. 63—Underwriting Pools* for accounting guidance.

LIST OF OPERATING EXPENSE CLASSIFICATIONS FOR ANNUAL STATEMENT PURPOSES

1. Claim Adjustment Services
 - 1.1 Direct
 - 1.2 Reinsurance Assumed
 - 1.3 Reinsurance Ceded
2. Commission and Brokerage
 - 2.1 Direct excluding contingent
 - 2.2 Reinsurance Assumed excluding contingent
 - 2.3 Reinsurance Ceded excluding contingent
 - 2.4 Contingent—Direct
 - 2.5 Contingent—reinsurance assumed
 - 2.6 Contingent—reinsurance ceded
 - 2.7 Policy and Membership Fees
3. Allowances to Managers and Agents
4. Advertising
5. Boards, Bureaus, and Associations
6. Surveys and Underwriting Reports
7. Audit of Assureds' Records
8. Salary and Related Items
 - 8.1 Salaries
 - 8.2 Payroll taxes
9. Employee Relations and Welfare
10. Insurance
11. Directors' Fees

12. Travel and Travel Items
13. Rent and Rent Items
14. Equipment
15. Cost or Depreciation of EDP Equipment and Software
16. Printing and Stationery
17. Postage, Telephone and Telegraph, Exchange and Express
18. Legal and Auditing
20. Taxes, Licenses and Fees
 - 20.1 State and Local Insurance Taxes deducting guaranty association credits
 - 20.2 Insurance Department Licenses and Fees
 - 20.3 Guaranty Association Assessments
 - 20.4 Other (excluding Federal Income and Real Estate)
21. Real Estate Expenses
22. Real Estate Taxes
24. Miscellaneous

Not for Distribution

RULES RELATING TO OPERATING EXPENSE CLASSIFICATIONS

1. CLAIM ADJUSTMENT SERVICES

1.1 Direct

Include: The Following Expenses When in Connection With the Investigation and Adjustment of Policy Claims:

Independent Adjusters: Fees and expenses of independent adjusters or settling agents

Legal: Fees and expenses of lawyers for legal services in the defense, trial, or appeal of suits, or for other legal services

Bonds: Premium costs of bonds

Appeal Costs and Expenses: Appeal bond premiums, charges for printing records, charges for printing briefs, court fees and incidental to appeals

General Court Costs and Fees: Entry fees and other court costs, and other fees not includible in Losses (Not: Interest and costs assessed as part of or subsequent to judgment are includible in Losses.)

Medical Testimony: Fees and expenses of medical witnesses of attendance or testimony at trials or hearings ("Medical" includes physicians, surgeons, chiropractors, chiropodists, dentists, osteopaths, veterinarians, and hospital representatives.)

Expert Witnesses: Fees and expenses of expert witnesses for attendance or testimony at trials or hearings

Lay Witnesses: Fees and expenses of lay witnesses for attendance or testimony at trials or hearings

Services of Process: Constables, sheriffs, and other fees and expenses for service of process, including subpoenas

Transcripts of Testimony: Stenographers' fees and fees for transcripts of testimony

Medical Examinations: Fees for medical examinations, fees for performing autopsies, fees for impartial examination, x-rays, etc., for the purpose of trial and determining questions of liability (This does not include fees for medical examinations, x-rays, etc., made to determine necessary treatment, or made solely to determine the extent or continuation of disability, or first aid charges, as such fees and charges are includible in Losses.)

Miscellaneous: Costs of appraisals, expert examinations, surveys, plans, estimates, photographs, maps, weather reports, detective reports, audits, credit or character reports, watchmen (Charges for hospital records and records of other kinds, notary fees, certified copies of certificates and legal documents, charges for Claim Adjustment Services by underwriting syndicates, pools, and associations)

- Exclude:
- Compensation to employees (see Salaries)
 - Expenses of salaried employees (see Travel and Travel Items)
 - Items includible in Allowances to Managers and Agents
 - Payments to State Industrial Commissions (see Taxes, Licenses, and Fees)
 - Payments to claim adjusting organizations except where the expense is billed specifically to individual companies (see Boards, Bureaus, and Associations)
 - Cost of services of medical examiners for underwriting purposes (see Surveys and Underwriting Reports)
 - Salvage and subrogation recovery expense, rewards, loss and found advertising, expenses for disposal of salvage (Such expenses shall be deducted from salvage.)
 - Any expenses which by these instructions are includible elsewhere

Separation of Claim Adjustment Services:

The Statistical Plans filed by certain rating bureaus contain definitions of "Allocated Loss Adjustment Expenses" which exclude for rating purposes certain types of claim adjustment services as defined herein. For the lines of business thus affected, companies that are members of such rating bureaus shall maintain records necessary to the reporting of Claim Adjustment Services—direct as follows:

- a. As defined in Statistical Plans
- b. Other than as defined in Statistical Plans

1.2 Reinsurance Assumed

Include: Claim adjustment expenses in bills rendered by ceding companies

1.3 Reinsurance Ceded

Include: Claim adjustment expenses billed to assuming entities

2. COMMISSION AND BROKERAGE

2.1 Direct including contingent

Include: All payments, reimbursements and allowances, on direct writings, computed as a percentage of premiums for production, management, or other services to:

- | | |
|------------------------------|----------------------------|
| Managers | Office Agents |
| Supervising General Agents | Brokers |
| General Agents | Solicitors |
| Regional and District Agents | Other producers and agents |
| Local Agents | |

Commissions and brokerage to employees when the activities for which the commissions are paid are not a part of their duties as employees.

Exclude: Compensation to employees except as noted above (see Salaries)

Allowances, reimbursements and payments not computed as a percentage of premiums (see Allowances to Managers and Agents)

Expenses involved in transactions between insurance companies (see Joint Expenses; Commission and Brokerage—Reinsurance Assumed and Ceded; Expenses for Account of Another, and Income from Special Services)

Contingent commission (see Commission and Brokerage—Contingent)

Fees of investment counsel (see Legal and Auditing)

Expenses includible in Boards, Bureaus, and Associations

Taxes on premiums (see Taxes, Licenses, and Fees)

Commission received for special services such as loss adjustment and inspection not related to policies issued by the company (see Income from Special Services)

2.2 Reinsurance Assumed excluding contingent

Commission and allowances of every nature on reinsurance assumed including tax and board allowances and reinsurance brokerage, except contingent commission, should be included in Commission and Brokerage—Reinsurance Assumed

Exception: Where commission and allowances under reinsurance assumed take the form of accurate proportions of actual expenses incurred, as in some quota share and pooling arrangements, entries shall be made to the actual expenses.

2.3 Reinsurance Ceded excluding contingent

Commission and allowances of every nature on reinsurance ceded including tax and board allowances and reinsurance brokerage, except contingent commission, shall be included in Commission and Brokerage—Reinsurance Ceded.

Exception: Where commission and allowances under reinsurance ceded take the form of accurate proportions of actual expenses incurred, as in some quota share and pooling agreements, entries shall be made to the actual expenses.

Commissions and tax allowances received from FEMA should be reported consistent with reinsurance ceding commissions. Refer to *SSAP No. 62R—Property and Casualty Reinsurance*.

Examples Relating to the Treatment of Commission on Reinsurance Assumed and Reinsurance Ceded

1. Company A cedes business to Company B under a treaty specifying a commission of 35% and an allowance for taxes and board fees of 5%. On the statement filed by Company A, both the 35% and the 5% shall be entered in Commission and Brokerage—Reinsurance Ceded. On the statement filed by Company B, both the 35% and the 5% shall be entered in Commission and Brokerage—Reinsurance Assumed.

2. Company A cedes 10% of all of its business to Company B under an agreement whereby Company B pays 10% of all actual expenses on such business incurred by Company A. Assume the expenses of Company A on the business reinsured as follows:

	Paid on Written Business
Commission and Brokerage - Direct	\$ 100,000
Salaries	30,000
Rent and Rent Items	7,000
Printing and Stationary	7,000
Postage, etc.	5,000
Surveys and Underwriting Reports	8,000
Total	<u>\$ 157,000</u>

(NOTE: These are not intended to show the complete list of expenses involved but are given only for illustrative purposes.)

On the statement filed by Company A the commission and allowances by Company B shall be credited as follows:

	Paid on Written Business
Commission and Brokerage - Ceded	\$ 10,000
Salaries	3,000
Rent and Rent Items	700
Printing and Stationary	700
Postage, etc.	500
Surveys and Underwriting Reports	800
Total	<u>\$ 15,700</u>

On the statement filed by Company B the commission and allowances made to Company A shall be debited as follows:

	Paid on Written Business
Commission and Brokerage - Reinsurance Assumed	\$ 10,000
Salaries	3,000
Rent and Rent Items	700
Printing and Stationary	700
Postage, etc.	500
Surveys and Underwriting Reports	800
Total	<u>\$ 15,700</u>

2.4 Contingent Direct

Contingent or profit commission paid

Contingent or profit commission received

Contingent commission to employees when the activities for which the contingent commission is paid is not a part of their duties as employees

2.5 Contingent reinsurance assumed

2.6 Contingent reinsurance ceded

2.7 Policy and Membership Fees

Include: Policy and membership fees retained by or paid to agents

Policy and membership fees to employees when the activities for which the policy and membership fees are paid are not a part of their duties as employees

3. ALLOWANCES TO MANAGERS AND AGENTS

Include: Net allowances, reimbursements and payments for expenses of every nature, not computed as a percentage of premiums, to managers, agents, brokers, solicitors, and other producers

Exclude: Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Expenses of management where one insurance company has been appointed manager for another (see Joint Expenses; Commission and Brokerage—Reinsurance Assumed and Ceded; and Expenses for Account of Another)

Contingent commission (see Commission and Brokerage—Contingent)

Policy and membership fees (see Commission and Brokerage—Policy and Membership Fees)

Expenses in connection with owned real estate (see Real Estate Expenses)

Amounts representing exact reimbursements for Losses, Taxes, Licenses and Fees, Boards, Bureaus and Associations, and Advertising, where only the minimum space required by law is taken

Amounts representing exact reimbursements for Claim Adjustment Services, Surveys and Underwriting Reports and Audit of Assureds' Records when these services are performed by others than employees of managers, agents, brokers, solicitors or other producers

4. ADVERTISING

Include

Services of advertising agents

Public relations counsel

Space in newspapers, periodicals, billboards, programs, and other publications

Circulars, pamphlets, calendars and literature issued for advertising or promotional purposes

Drawing, plans, etc., in connection with advertising

All charges for printing, paper, etc., in bills covering advertising

Media Broadcasts (e.g., radio, television, etc.)

Prospect and mailing lists

Signs, frames, medals, etc., for agents

Souvenirs for general distribution

House organs and similar publications distributed to others than employees

Advertising required by law when more than the minimum space required to comply with the law is taken

- Exclude:
- Compensation to employees (see Salaries)
 - Items includible in Travel and Travel Items, Claim Adjustment Services, and Boards, Bureaus and Associations
 - Cost of literature, booklets, placards, signs, etc., issued solely for accident and loss prevention (see Surveys and Underwriting Reports)
 - Advertising and business development expenses allowed, reimbursed or paid to managers, agents, brokers, solicitors, and other producers (see Allowances to Managers and Agents)
 - Cost of help wanted advertising (see Employee Relations and Welfare)
 - Cost of advertising in connection with owned real estate (see Real Estate Expenses)
 - Cost of house organs and similar publications for the use of employees (see Printing and Stationery)
 - Donations to organized charities (see Miscellaneous)
 - Cost of souvenirs not generally distributed (see Travel and Travel Items)

5. BOARDS, BUREAUS AND ASSOCIATIONS

- Include:
- Dues, assessments, fees and charges of:
 - Underwriting boards, rating organizations, statistical agencies, inspection and audit bureaus
 - Underwriters' advisory and service organizations
 - Accident and loss prevention organizations
 - Claim organizations
 - Specific payments to boards, bureaus and associations for rate manuals, revisions, fillers, rating plans and experience data
- Exclude:
- Cost of inspection (engineering or accident and loss prevention billed specifically to individual companies (see Surveys and Underwriting Reports)
 - Loss adjustment expenses billed specifically to individual companies (see Claim Adjustment Services)
 - Allowances under reinsurance contracts for board and bureau expenses (see Commission and Brokerage—Reinsurance Assumed and Ceded)
 - Payments to State Industrial Commissions (see Taxes, Licenses, and Fees)
 - Payments into State Security Funds (see Taxes, Licenses, and Fees)
 - Commission and Brokerage, Claim Adjustment Services, and Taxes, Licenses and Fees of underwriting syndicates, pools, and associations
 - Cost of Survey, credit, moral hazard, character and commercial reports obtained for underwriting purposes (see Surveys and Underwriting Reports)
 - Cost of commercial reporting services (see Surveys and Underwriting Reports)
 - Dues and subscriptions to social or civic clubs or affairs (see Travel and Travel Items)
 - Dues and subscriptions to accounting, legal, actuarial or similar societies and associations (see Travel and Travel Items)

6. SURVEYS AND UNDERWRITING REPORTS

Include:

Survey, credit, moral hazard, character and commercial reports obtained for underwriting purposes

Commercial reporting services

Appraisals for underwriting purposes

Fire records

Inspection, engineering, and accident and loss prevention billed specifically

Literature, booklets, placards, signs, etc., issued solely for accident and loss prevention

Maps and corrections

Services of medical examiners for underwriting purposes

Exclude:

Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Items includible in Boards, Bureaus and Associations, Claim Adjustment Services, and Allowances to Manager and Agents

Cost of character or credit reports on employees or applicants for employment (see Employee Relations and Welfare)

Fees for physical examinations of employees or applicants for employment (see Employee Relations and Welfare)

Income from inspections, which shall be classified in accordance with the instruction "Income from Special Services"

7. AUDIT OF ASSURED'S RECORD

Include: Auditing fees and expenses of independent auditors for auditing payrolls and other premium bases

Exclude:

Compensation to employees (see Salaries)

Expenses of salaried employees (see Travel and Travel Items)

Items includible in Claim Adjustment Services

Items includible in Allowances to Managers and Agents

8. SALARY AND RELATED ITEMS

8.1 Salaries

Include: Salaries, bonus, overtime, contingent compensation, pay while on leave, dismissal allowance, pay while training and other compensation of employees

Commission and brokerage to employees when the activities for which the commission is paid are a part of their duties as employees

Exclude: Salaries or wages of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate (see Real Estate Expenses)

8.2 Payroll Taxes

Include: Old age benefit taxes

Unemployment insurance taxes

Exclude: Payroll taxes includible in Real Estate Taxes

9. EMPLOYEE RELATIONS AND WELFARE

A. Pensions and Insurance Benefits for Employees

Include: Cost of retirement insurance

Payments or appropriations to funds irrevocably devoted to the payment of pensions or other employees' benefits

Pensions or other retirement allowances

Accident, health and hospitalization insurance for employees

Group life insurance for employees

Workers' compensation insurance

Payments to or on behalf of employees under self-insurance

Any other insurance for the benefit of employees

Exclude: Cost of insurance on lives of employees when the company is the beneficiary

Payments or appropriations to pension funds not irrevocably devoted to the payment of pensions or other employees' benefits (such payments or appropriations shall not appear among expenses.)

Items includible in Real Estate Expenses

All other types of insurance premiums

B. All Other

Include:

- Advertising—help wanted
- Training and welfare of employees
- Physical examinations of employees or applicants for employment
- Character or credit reports on employees or applicants for employment
- Gatherings, outings and entertainment for employees
- Visiting nurse service for or on behalf of employees
- Medical and hospital bills for employees (not covered by 9A)
- Direct payments, other than salaries, to employees for injury and sickness (not covered by 9A)
- Supper money
- Donations to or on behalf of employees
- Food and catering for employees

Exclude:

- Salaries, bonus, overtime, contingent compensation, pay while on leave, dismissal allowances, pay while training and other compensation of employees (see Salaries)
- Items includible in Real Estate Expenses
- Cost of house organs and similar publications (see Advertising, and Printing and Stationery)

10. INSURANCE

Include:

- Fidelity or surety bonds covering employees and agents
- Burglary and robbery insurance premiums
- Public liability insurance premiums (Excluding owned Real Estate)
- Premium for insurance on office contents
- Cost of insurance on automobiles
- All other insurance premiums not specifically provided for in other operating accounts

Exclude:

- Items includible in Employee Relations and Welfare
- Items includible in Real Estate expenses

11. DIRECTORS' FEES

- Include: Directors' fees and other compensation of directors for attendance at board or committee meetings
Other fees, compensation, and expenses paid to directors
- Exclude: Commission to directors for the production of business (see Commission and Brokerage—Direct)

12. TRAVEL AND TRAVEL ITEMS

- Include: Transportation, hotel, meals, postage, telephone, telegraph, express and incidental living expenses of employees while traveling
Expenses for transfer of employees
Depreciation, repairs and other operating expenses of automobiles
Rent of automobiles
Fees for automobile license plates
Cost of transportation, hotel, meals and entertainment of guests
Cost of favors and presents given or extended to others than employees
Cost of souvenirs not generally distributed
Dues and subscriptions to social or civic clubs or affairs
Dues and subscriptions to accounting, legal, actuarial, or similar societies and associations
- Exclude: Items includible in Salaries, Advertising, Commission and Brokerage, Taxes, Licenses and Fees, Boards, Bureaus and Associations, and Equipment
Cost of gatherings, outings, etc., and entertainment for employees (see Employee Relations and Welfare)
Travel and Travel Items expenses paid, reimbursed, or allowed to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)
Items includible in Real Estate Expenses
Contributions to organized charities (see Miscellaneous)
Cost of souvenirs for general distribution (see Advertising)

13. RENT AND RENT ITEMS

- Include:
- Rent of home office and branch offices
 - Rent for space occupied in buildings owned
 - Light, heat, power and water charges in leased premises
 - Interest, taxes, etc., paid in lieu of rent for leased premises
 - Cost of alternations and repairs of leased premises
 - Rent of storage, safekeeping and warehouse space
 - Rent of safe deposit boxes
 - Rent of post office boxes
 - Time clock service charges
 - Cost of cleaning, towels, ice, water, electric lamp replacement and other expenses incidental to office maintenance
- Exclude:
- Compensation to employees (see Salaries)
 - Rent of automobiles (see Travel and Travel Items)
 - Rent allowed, reimbursed, or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)
 - Items includible in Real Estate Expenses
 - Rent income from owned real estate

14. EQUIPMENT

- Include:
- Rent and repairs of furniture, equipment, and office machines (including printers' equipment, postage machines and data processing equipment)
 - Depreciation of furniture, equipment and office machines (including printers' equipment, postage machines and data processing equipment)
- Exclude:
- Compensation to employees (see Salaries)
 - Rent, repairs and depreciation of automobiles (see Travel and Travel Items)
 - Cost of insurance on automobiles (see Insurance)
 - Cost of alterations and repairs of leased premises (see Rent and Rent Items)
 - Equipment expenses allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)
 - Items includible in Real Estate Expenses

16. PRINTING AND STATIONERY

Include:

Printing, stationery and office supplies such as: letterhead, envelopes, paper stock, printed forms or manuals, adding machine tape, carbon paper, binders and posts, photostatic copies, pencils, pens, leads, ink, glue, stamps and stamp pads, staplers, staples, clips and pins, desk top equipment (calendars, trays, etc.), waste baskets, analysis pads, ledgers, journals, minute books, etc.

Policies and policy forms

House organs and similar publications for the use of employees

Books, newspapers and periodicals including investment, tax and legal publications and services

Exclude:

Compensation to employees (see Salaries)

Specific payments to boards, bureaus and associations for rate manuals, revisions, fillers, rating plans and experience data (see Boards, Bureaus and Associations)

Literature, booklets, placards, signs, etc., issued solely for accident and loss prevention (see Surveys and Underwriting Reports)

Items includible in Claim Adjustment Services

Items includible in Advertising

Printers' equipment in company owned printing departments (see Equipment)

Printing and stationery allowed, reimbursed or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)

House organs and similar publications distributed to others than employees (see Advertising)

Commercial reporting services (see Surveys and Underwriting Reports)

Items includible in Real Estate Expenses

Not for Distribution

17. POSTAGE, TELEPHONE AND TELEGRAPH, EXCHANGE AND EXPRESS

- Include: Express, freight and cartage
- Postage
- Cost of telephone and telegrams, cable, radiograms and teletype
- Bank charges for collection and exchange
- Exclude: Compensation to employees (see Salaries)
- Rent, repairs and depreciation of postage machines (see Equipment)
- Postage, telephone, telegraph and express of employees while traveling (see Travel and Travel Items)
- Postage, telephone and telegraph, exchange, and express allotted, reimbursed or paid to managers, agents, brokers, solicitors and other producers (see Allowances to Managers and Agents)
- Profits or losses resulting from exchange on remittances to Home Office by a United States Branch. Such profits or losses shall not be included in expenses
- Items includible in Real Estate Expenses
- Rent of post office boxes (see Rent and Real Estate Expenses)

18. LEGAL AND AUDITING

- Include: Legal retainers, fees and other legal expenses (except on losses and salvage)
- Auditing fees of independent auditors for examining records of home and branch offices
- Cost of services of tax experts
- Fees of investment counsel
- Registrar fees
- Custodian fees
- Trustees' fees
- Transfer agent fees
- Fees and expenses of others than employees, for collecting balances
- Notary fees
- Exclude: Compensation to employees (see Salaries)
- Expenses of salaried employees (see Travel and Travel Items)
- Items includible in Claim Adjustment Services
- Items includible in Real Estate Expenses
- Cost of auditing of assureds' records (see Audit of Assureds' Records)

20. TAXES, LICENSES AND FEES

20.1 State and Local Insurance Taxes deducting guaranty association assessment association credits

- Include:
- State, county and municipal taxes, licenses and fees based upon premiums
 - Fire Patrol assessments
 - Payments to State Industrial (or other) Commissions for administration of Workers' Compensation or other State Benefit Acts (including assessments for administering Financial Responsibility Laws) regardless of basis of assessment
 - Net payments to State Security Funds, Reopened Case Funds, Second Injury Funds and other State Funds, when construed by the company as operating expenses, regardless of basis of assessment
- Exclude:
- Allowances for taxes under reinsurance contracts (see Commission and Brokerage Reinsurance Assumed and Ceded)

20.2 Insurance Department Licenses and Fees

- Include:
- Agents' Licenses
 - Certificates of authority, compliance, deposit, etc.
 - Filing fees
 - Fees and expenses of examination by insurance departments or other governmental agencies
- Exclude:
- Items includible in Claim Adjustment Services

20.4 All Other (Excluding Federal Income and Real Estate)

- Include:
- Qualifying bond premiums
 - Statement publication fees
 - Advertising required by law
 - Personal property taxes
 - State income taxes
 - Capital stock taxes
 - Business or corporation licenses or fees (not includible under 20.1 or 20.2)
 - Marine profits taxes
 - Documentary stamps on reinsurance
 - Any other taxes not assignable under 20.1, 20.2, and 20.3 and not otherwise excluded

- Exclude:
- Cost of advertising required by law where more than minimum space required to comply with the law is taken. Such expense shall be included in Advertising.
 - Real estate taxes, licenses and fees (see Real Estate Taxes)
 - Items includible in Claim Adjustment Services
 - Fees for automobile license plates (see Travel and Travel Items)
 - Federal income tax
 - Sales taxes, etc., included on invoices of vendors. Such taxes are to follow allocation of cost of items purchased.

21. REAL ESTATE EXPENSES

- Include:
- Salaries, wages and other compensation of janitors, caretakers, maintenance workers and agents paid in connection with owned real estate
 - Cost of operating and maintaining owned real estate
 - Cost of insurance in connection with owned real estate
 - Cost of advertising in connection with owned real estate

22. REAL ESTATE TAXES

- Include: Taxes, licenses and fees on owned real estate

24. MISCELLANEOUS

Expenses not listed as includible in other operating expense classifications, and not analogous thereto, shall be included in "Miscellaneous." Specifically, the following shall be included:

- Cost of tabulating service when such service is rendered by outside organizations
- Amounts received and handled in accordance with the Instruction "Income from Special Services"
- Donations to organized charities
- Differences between actual amounts paid, and amounts apportioned in accordance with the Instruction "Joint Expenses"

GENERAL INSTRUCTIONS IN CONNECTION WITH OPERATING EXPENSE CLASSIFICATIONS

A. Joint 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, the expenses involved shall be apportioned in accordance with the instructions relating to Joint Expenses, and such apportioned expenses shall be allocated by each company to the same operating expense classifications as if the expenses had been borne wholly. Any difference between the actual amount paid, and the amount of such apportioned expenses shall be included in the operating expense classification "Miscellaneous."

This instruction does not apply to the allocation of the following, which are covered by separate instructions herein:

Reinsurance commission and allowances (see Commission and Brokerage—Reinsured Assumed and Ceded)

Commission and brokerage paid to managers and agents (see Commission and Brokerage—Direct)

Allowances to managers and agents (see Allowances to Managers and Agents)

Expenses allocable in accordance with the instruction "Income from Special Services"

B. Expenses for Account of Another

Whenever expenses are paid by one company for account of another, the payments shall not appear among the expenses reported by the former and shall be included by the latter in the same expense classifications as if originally paid by it.

C. Income from Special Services

Whenever an insurance company receives compensation for sales or services, such as loss adjustment or inspection not related to policies written by the company, and such compensation is not calculated as a joint expense reimbursement, the amount thereof shall be included in the operating expense classification "Miscellaneous." Where an insurance company pays the compensation, allocation shall be made to the expense classification dictated by the nature of the expense.

Reinsurance commission and allowances (see Commission and Brokerage—Reinsurance Assumed and Ceded)

Expenses incurred for the benefit of companies in the same group or fleet are covered by the instruction "Joint Expenses."

D. Analogous Items

The lists of expenses includible in the operating expense classifications are representative and do not exclude analogous items that are omitted from the lists.

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Gatherings for employees, Sec. 9
General agents, payments to, Sec. 2 (A) and Sec. 3
Gifts to employees, Sec. 9
Glue, Sec. 16
Group life insurance for employees, Sec. 9
Guests, cost of transportation, hotel, meals and entertainment, Sec. 12
Heat, light, power and water charges in leased premises, Sec. 13
Health insurance for employees, Sec. 9
Help wanted advertising, Sec. 9
Home office rent, Sec. 13
Hospital bills of employees, Sec. 9
Hospital records relating to claim adjustment, Sec. 1 (A)
Hospitalization insurance for employees, Sec. 9

Hotel expenses for guests, Sec. 12
 Hotel expenses for employees while traveling, Sec. 12
 House organs distributed to others than employees, Sec. 4
 House organs for use of employees, Sec. 16
 Income from special services, General Sec. (C)
 Income taxes, state, Sec. 20 (D)
 Independent adjusters, Sec. 1 (A)
 Industrial commissions, Sec. 20 (A)
 Injury payments to employees, Sec. 9
 Inspection billed specifically, Sec. 6
 Inspection bureaus, Sec. 5
 Insurance department examinations, Sec. 20 (B)
 Insurance department licenses and fees, Sec. 20 (B)
 Insurance, accident, Sec. 9
 Insurance, automobile, Sec. 10
 Insurance, compensation, Sec. 9
 Insurance, health, Sec. 9
 Insurance, in connection with owned real estate, Sec. 21
 Insurance, on office contents, Sec. 10
 Insurance, public liability, Sec. 10
 Insurance, retirement, Sec. 9
 Interest, taxes, etc., paid in lieu of rent for leased premises, Sec. 13
 Investment counsel fees, Sec. 18
 Joint expenses, General Sec. (A)
 Journals, Sec. 16
 Lawyers' expenses relating to claim adjustment, Sec. 1 (A)
 Lawyers' fees and expenses, Sec. 18
 Leased premises, cost of alterations and repairs, Sec. 13
 Leased premises, interest, taxes, etc., paid in lieu of rent, Sec. 13
 Leased premises, light, heat, power and water charges, Sec. 13
 Leave pay for employees, Sec. 8 (A)
 Ledgers, Sec. 16
 Legal and auditing, Sec. 18
 Legal expenses relating to claim adjustment, Sec. 1 (A)
 Legal expenses, Sec. 18
 Legal societies, dues and subscriptions to, Sec. 12
 Letterhead, Sec. 16
 Licenses, taxes and fees, Sec. 20
 License plates, automobile, Sec. 12
 Life insurance for employees, Sec. 9
 Light, heat, power and water charges in leased premises, Sec. 13
 Literature for accident and loss prevention, Sec. 6
 Literature for advertising purposes, Sec. 4
 Local agents, payments to, Sec. 2 (A) and Sec. 3
 Local insurance taxes, Sec. 20 (A)
 Loss adjustment expenses, Sec. 1
 Loss prevention billed specifically, Sec. 6
 Loss prevention literature, Sec. 6
 Loss prevention organizations, Sec. 5
 Machine depreciation, rent, repairs and insurance of, Sec. 14
 Mailing lists, Sec. 4
 Maintaining owned real estate, Sec. 21
 Managers, payments to, Sec. 2 (A) and Sec. 3
 Maps relating to claim adjustment, Sec. 1 (A)
 Maps and corrections, Sec. 6
 Marine profits taxes, Sec. 20 (D)
 Meals for employees while traveling, Sec. 12
 Meals for guests, Sec. 12
 Medals for agents, Sec. 4

Medical bills of employees, Sec. 9
 Medical examinations relating to claim adjustment, Sec. 1 (A)
 Medical examiners, services of, for underwriting purposes, Sec. 6
 Medical testimony relating to claim adjustment, Sec. 1 (A)
 Membership and policy fees, Sec. 2 (E)
 Minute books, Sec. 16
 Miscellaneous, Sec. 24
 Moral hazard reports, Sec. 6
 Municipal and county taxes, licenses and fees, Sec. 20 (A)
 Newspapers, advertising in, Sec. 4
 Newspapers, books, periodicals, etc., including investment, tax and legal publications and services, Sec. 16
 Notary fees, Sec. 18
 Notary fees relating to claim adjustment, Sec. 1 (A)
 Nurse service to employees, Sec. 9
 Office agents, payments to, Sec. 2 (A) and Sec. 3
 Office machines, depreciation, rent repairs and insurance of, Sec. 14
 Office maintenance expense, Sec. 13
 Old age benefit taxes, Sec. 8 (B)
 Operating expenses of owned real estate, Sec. 21
 Overtime, Sec. 8 (A)
 Outings for employees, Sec. 9
 Pamphlets, advertising in, Sec. 4
 Paper in bills covering advertising, Sec. 4
 Paper stock, Sec. 16
 Payroll audit, Sec. 7
 Payroll taxes, Sec. 8 (B)
 Pencils and pens, Sec. 16
 Pensions, Sec. 9
 Periodicals, advertising in, Sec. 4
 Periodicals, newspapers, books, etc., including investment, tax and legal publications and services, Sec. 16
 Personal property taxes, Sec. 20 (D)
 Photographs relating to claim adjustment, Sec. 1 (A)
 Photo static copies, Sec. 16
 Physical examinations of employees, Sec. 9
 Pins, Sec. 16
 Placards for accident and loss prevention, Sec. 6
 Plates in connection with advertising, Sec. 4
 Policies and policy forms, Sec. 6
 Policy and membership fees, Sec. 2 (C)
 Policy claims, investigation and adjustment, Sec. 1 (A)
 Pools and associations, Sec. 2
 Pool and quota share agreements, Sec. 2 (B) (C)
 Post office boxes, rent of, Sec. 13
 Postage machines, Sec. 4
 Postage expenses incurred by employees while traveling, Sec. 12
 Postage, telephone, telegraph, exchange and express, Sec. 17
 Power, light, heat and water charges in leased premises, Sec. 13
 Premium cost rebonds relating to claim adjustment, Sec. 1 (A)
 Premium taxes, licenses and fees, Sec. 20 (A)
 Premiums for insurance on office contents, Sec. 10
 Presents and favors given to others than employees, Sec. 12
 Printed forms, Sec. 16
 Printers' equipment, rent, repairs, depreciation and insurance of, Sec. 14
 Printing and stationary, Sec. 16
 Printing and stationary relating to claim adjustment, Sec. 1 (A)
 Printing in bills covering advertising, Sec. 4
 Process, service of, relating to claim adjustment, Sec. 1 (A)
 Producers, payments to, Sec. 2 (A) and Sec. 3
 Profit commission, Sec. 2 (D)

Programs, advertising in, Sec. 4
Prospect lists, Sec. 4
Public liability insurance premiums, Sec. 10
Public relations counsel, Sec. 4
Publication fees, Sec. 20 (D)
Publications, advertising in, Sec. 4
Publications such as house organs, for use of employees, Sec. 16
Qualifying bond premiums, Sec. 20 (D)
Quota share and pool arrangements, Sec. 2 (B) (C)
Radio broadcasts, Sec. 4
Radiograms, Sec. 17
Rate manuals, Sec. 5
Rating organizations, Sec. 5
Rating plans, Sec. 5
Real estate expenses, Sec. 21
Real estate taxes, Sec. 22
Regional agents, payments to, Sec. 2 (A) and Sec. 3
Registrar fees, Sec. 18
Reinsurance assumed, claim adjustment services, Sec. 1 (B)
Reinsurance assumed, commission and brokerage, Sec. 2 (B)
Reinsurance ceded, claim adjustment services, Sec. 1 (C)
Reinsurance ceded, commission and brokerage, Sec. 2 (C)
Rent and rent items, Sec. 13
Rent of furniture, equipment and office machines, Sec. 14
Rent of automobiles, Sec. 12
Reopened case funds, Sec. 20 (A)
Repairs and alterations in leased premises, Sec. 13
Repairs of automobiles, Sec. 12
Repairs of furniture, equipment and office machines, Sec. 14
Retirement allowances, Sec. 9
Retirement insurance, Sec. 9
Safe deposit boxes, rent of, Sec. 13
Safekeeping, storage and warehouse space, rent of, Sec. 13
Salaries, operating expense classification, Sec. 8 (A)
Salaries, paid in connection with owned real estate, Sec. 21
Second injury funds, Sec. 20 (A)
Security funds, Sec. 20 (A)
Service organizations, Sec. 5
Services, tabulating, rendered by outside organizations, Sec. 24
Sickness payments to employees, Sec. 9
Signs for accident and loss prevention, Sec. 6
Signs for agents, Sec. 4
Solicitors, payments to, Sec. 2 (A) and Sec. 3
Souvenirs for general distribution, Sec. 4
Souvenirs not generally distributed, Sec. 12
Social clubs, dues and subscriptions to, Sec. 12
Space occupied in buildings owned, Sec. 13
Stamps, Sec. 16
Staples and staplers, Sec. 16
State income taxes, Sec. 20 (D)
State industrial commissions, Sec. 20 (A)
State insurance taxes, Sec. 20 (A)
State licenses and fees, Sec. 20 (B)
State premium taxes, licenses and fees, Sec. 20 (A)
State security funds, Sec. 20 (A)
Statement publication fees, Sec. 20 (D)
Stationery, Sec. 16
Statistical services, Sec. 24
Statistical agencies, Sec. 5

Stenographers' fees relating to claim adjustment, Sec. 1 (A)
Stock taxes, Sec. 20 (D)
Storage, safekeeping and warehouse space, rent of, Sec. 13
Subpoenas relating to claim adjustment, Sec. 1 (A)
Subscriptions to accounting, legal, actuarial and similar societies, Sec. 12
Subscription to social or civic clubs or affairs, Sec. 12
Supper money, Sec. 9
Surety bonds covering employees, Sec. 10
Survey reports relating to claim adjustment, Sec. 1 (A)
Surveys and underwriting reports, Sec. 6
Syndicates, underwriting, Sec. 5
Tabulating services, Sec. 24
Tax allowances, reinsurance, Sec. 2 (B) (C)
Tax expert services, Sec. 18
Taxes, interest, etc., paid in lieu of rent for leased premises, Sec. 13
Taxes, licenses and fees, Sec. 20
Taxes, real estate, Sec. 22
Telephone and telegraph, Sec. 17
Telephone and telegraph expenses of employees while traveling, Sec. 12
Teletype, Sec. 17
Television broadcasts, Sec. 4
Time clock service charges, Sec. 13
Towels, Sec. 13
Training of employees, Sec. 9
Training pay of employees, Sec. 9
Transcripts of testimony relating to claim adjustment, Sec. 1 (A)
Transfer agents' fees, Sec. 18
Transfer of employees, Sec. 12
Transfer taxes, Sec. 20 (D)
Transportation of guests, Sec. 12
Transportation of employees, Sec. 12
Travel and travel items, Sec. 12
Traveling expenses of employees, Sec. 12
Trustees' fees, Sec. 18
Underwriters' boards, Sec. 5
Underwriting reports, Sec. 6
Unemployment insurance taxes, Sec. 2 (B)
Visiting nurse service, Sec. 9
Wages paid in connection with owned real estate, Sec. 21
Warehouse, storage and safekeeping space, rent of, Sec. 13
Wastebasket, Sec. 16
Water, light, heat and power in leased premises, Sec. 13
Watchman expenses relating to claim adjustment, Sec. 1 (A)
Weather reports relating to claim adjustment, Sec. 1 (A)
Welfare of employees, Sec. 9
Witnesses relating to claim adjustment, Sec. 1 (A)

EARNED BUT UNBILLED (EBUB) PREMIUM IMPLEMENTATION
STATUTORY REPORTING PRO FORMA EXHIBITS

These exhibits are intended to apply to reporting entities that record earned but unbilled (EBUB) premium as an adjustment to earned premium. See *SSAP No. 53—Property Casualty Contracts – Premiums* for guidance.

The x's represent normal (non-EBUB) activity and balances for the purpose of these illustrations.

- A. In January 2019, the following entry is booked to record the initial adoption of SSAP No. 53 with respect to EBUB (amounts in \$ millions):

Dr. Earned but unbilled premium receivable (Page 2, Line 15.2)	60.0	
Cr. Cumulative effect of changes in accounting principles (surplus) (Page 4, Line 31)		4.0
Cr. Commissions payable (Page 3, Line 4)		0
Cr. Premium taxes payable (Page 3, Line 6)		1.2
Cr. Premium-based assessments accrual (Page 3, Line 6)		1.8
Dr. Change in nonadmitted assets (surplus) (Page 4, Line 27)	6.0	
Cr. Earned but unbilled premium receivable (Page 2, Line 15.2)		6.0

Assume that the lines of business to which the EBUB applies are worker's compensation (80%), other liability (10%) and commercial auto (10%).

Assume that EBUB is estimated quarterly and does not change until December 2019.

- B. The following entry is made in December 2019 to reflect the estimated EBUB at December 31, 2019 (amounts in \$ millions):

Dr. Earned but unbilled premium receivable (Page 2, Line 15.2)	15.0	
Dr. Commission expense (Page 4, Line 4)	2.25	
Dr. Premium tax expense (Page 4, Line 6)	.3	
Dr. Cr. Premium-based assessment expense (Page 4, Line 4)	.45	
Cr. Change in unearned premium reserve (Page 4, Line 1)		15.0
Cr. Commissions payable (Page 3, Line 4)		2.25
Cr. Premium taxes payable (Page 3, Line 6)		.3
Cr. Premium-based assessments accrual (Page 3, Line 6)		.45
Dr. Change in nonadmitted assets (surplus) (Page 4, Line 27)	1.5	
Cr. Earned but unbilled premium receivable (Page 2, Line 15.2)		1.5

The effects of above entries are detailed in the attached statutory quarterly/annual balance sheets, statement of income and annual underwriting and investment exhibit (Parts 1, 1A and 3).

EXAMPLE A

STATEMENT AS OF MARCH 31, 2019 OF THE

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens.....				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$..... encumbrances)				
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....), cash equivalents (\$.....) and short-term investments (\$.....)				
6. Contract loans (including \$..... premium notes).....				
7. Derivatives				
8. Other invested assets.....				
9. Receivables for securities.....				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)				
13. Title plants less \$..... charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$60 earned but unbilled premiums).....	60.0	6.0	54.0	0
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies.....				
16.3 Other amounts receivable under reinsurance contracts.....				
17. Amounts receivable relating to uninsured plans.....				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset.....				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software.....				
21. Furniture and equipment, including health care delivery assets				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates.....				
24. Health care (\$.....) and other amounts receivable				
25. Aggregate write-ins for other than invested assets.....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....				
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)				
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page.....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....)		
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges	9.0	0
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7.1 Current federal and foreign income taxes (including \$..... on realized capital gains (losses)).....		
7.2 Net deferred tax liability		
8. Borrowed money \$..... and interest thereon \$.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$..... and including warranty reserves of \$.....)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated.....		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured accident and health plans.....		
24. Capital notes \$..... and interest thereon \$.....		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....		
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....		
29. Aggregate write-ins for special surplus funds		
30. Common capital stock.....		
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes.....		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus).....	42.0	0
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$.....)		
36.2 shares preferred (value included in Line 31 \$.....)		
37. Surplus as regards policyholders (Lines 29 through 36, less 36).....		
38. Totals		
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums earned:			
1.1 Direct (written \$.....)			
1.2 Assumed (written \$.....)			
1.3 Ceded (written \$.....)			
1.4 Net (written \$.....)			
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....):			
2.1 Direct.....			
2.2 Assumed.....			
2.3 Ceded.....			
2.4 Net.....			
3. Loss adjusting expenses incurred.....			
4. Other underwriting expenses incurred.....			
5. Aggregate write-ins for underwriting deductions.....			
6. Total underwriting deductions (Lines 2 through 5).....			
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....			
INVESTMENT INCOME			
9. Net investment income earned.....			
10. Net realized capital gains (losses) less capital gains tax of \$.....			
11. Net investment gain (loss) (Lines 9 + 10).....			
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$..... amount charged off \$.....)			
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....			
15. Total other income (Lines 12 through 14).....			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....			
17. Dividends to policyholders.....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....			
19. Federal and foreign income taxes incurred.....			
20. Net income (Line 18 minus Line 19) (to Line 22).....			
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....			
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....			
27. Change in nonadmitted assets.....	(6.0)	0	0
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....	48.0	0	0
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins to gains and losses in surplus.....			
38. Change in surplus as regards policyholders (Lines 22 through 37).....			
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....			
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above).....			
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above).....			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above).....			

EXAMPLE B

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....				
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$..... encumbrances)				
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$....., Schedule E-Part 1), cash equivalents (\$....., Schedule E-Part 2) and short-term investments (\$....., Schedule DA)				
6. Contract loans (including \$..... premium notes).....				
7. Derivatives				
8. Other invested assets (Schedule BA).....				
9. Receivables for securities.....				
10. Securities lending reinvested collateral assets.....				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)				
13. Title plants less \$.....charged off (for Title insurers only)				
14. Investment income due and accrued.....				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$75. earned but unbilled premiums)	75.0	7.5	67.5	0
15.3 Accrued retrospective premiums.....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies.....				
16.3 Other amounts receivable under reinsurance contracts.....				
17. Amounts receivable relating to uninsured plans.....				
18.1 Current federal and foreign income tax recoverable and interest thereon.....				
18.2 Net deferred tax asset.....				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software.....				
21. Furniture and equipment, including health care delivery assets (\$.....)				
22. Net adjustment in assets and liabilities due to foreign exchange rates.....				
23. Receivables from parent, subsidiaries and affiliates.....				
24. Health care (\$.....) and other amounts receivable.....				
25. Aggregate write-ins for other than invested assets.....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....				
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)				
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page.....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....		
4. Commissions payable, contingent commissions and other similar charges	11.25	0
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	3.75	0
7.1 Current federal and foreign income taxes (including \$..... on realized capital gains (losses)).....		
7.2 Net deferred tax liability		
8. Borrowed money \$.....and interest thereon \$.....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....and including warranty reserves of \$.....)		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured accident and health plans		
24. Capital notes \$.....and interest thereon \$.....		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....		
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27).....		
29. Aggregate write-ins for special surplus funds.....		
30. Common capital stock.....		
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....		
33. Surplus notes		
34. Gross paid in and contributed surplus.....		
35. Unassigned funds (surplus).....	52.5	0
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$.....)		
36.2 shares common (value included in Line 31 \$.....)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 40).....		
38. Totals (Page 2, Line 28, Col. 3)		
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	15.0	0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 34, Column 7)		
3. Loss expenses incurred (Part 3, Line 25, Column 1)		
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3.0	0
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)		
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	12.0	0
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		
10. Net realized capital gains (losses) less capital gains tax of \$		
11. Net investment gain (loss) (Lines 9 + 10)		
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)		
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)		
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	12.0	0
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)		
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	12.0	0
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	(7.5)	0
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles	48.0	0
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or to Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Part 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	52.5	0
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)		
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 – PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice—occurrence				
11.2 Medical malpractice—claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation		X - (48.0)	X - (60.0)	12.0
17.1 Other liability—occurrence		X - (6.0)	X - (7.5)	1.5
17.2 Other liability—claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability—occurrence				
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability		X - (6.0)	X - (7.5)	1.5
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS		X - (60.0)	X - (75.0)	15.0
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

Note: Line 35 Unearned Premium amounts (for the purposes of this example) include Earned but unbilled premium debits.

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 1A – RECAPITULATION OF ALL PREMIUMS**

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience.

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1+2+3+4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice—occurrence					
11.2 Medical malpractice—claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	X		(60.0)		X – 60.0
17.1 Other liability—occurrence	X		(7.5)		X – 7.5
17.2 Other liability—claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability—occurrence					
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability	X		(7.5)		X – 7.5
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	X		(75.0)		X – 75.0
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					75.0
38. Balance (Sum of Line 34 through 36)					X
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Sum. of remaining write-ins for Line 34 from overline page					
39. Totals (Lines 3401 through 3403 plus 3498)					

- (a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so reported in this statement? Yes [] No []
- (b) State here basis of computation used in each case.....

Note: Line 35 amounts include Earned but unbilled premium debits (these totals tie to Underwriting and Investment Exhibit, Part 1). Line 38 Unearned Premium amount, which ties to the balance sheet, excludes Earned but unbilled premium debits.

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 – EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct				
1.2 Reinsurance assumed.....				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1+1.2-1.3).....				
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		2.25		
2.2 Reinsurance assumed, excluding contingent.....				
2.3 Reinsurance ceded, excluding contingent				
2.4 Contingent—direct				
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded.....				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)				
3. Allowances to manager and agents.....				
4. Advertising.....				
5. Boards, bureaus and associations.....				
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries.....				
8.2 Payroll taxes.....				
9. Employee relations and welfare.....				
10. Insurance				
11. Directors' fees.....				
12. Travel and travel items.....				
13. Rent and rent items				
14. Equipment				
15. Cost or depreciation of EDP equipment and software.....				
16. Printing and stationery				
17. Postage, telephone and telegraph, exchange and express.....				
18. Legal and auditing.....				
19. Totals (Lines 3 to 18).....				
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$3		
20.2 Insurance department licenses and fees.....				
20.3 Gross guaranty association assessments.....		.45		
20.4 All other (excluding federal and foreign income and real estate).....				
20.5 Total taxes, licenses and fees (20.1+20.2+20.3+20.4).....				
21. Real estate expenses.....				
22. Real estate taxes				
23. Reimbursements by uninsured accident and health plans.....				
24. Aggregate write-ins for miscellaneous expenses.....				
25. Total expenses incurred		3.0		(a)
26. Less unpaid expenses—current year.....				
27. Add unpaid expenses—prior year.....				
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year.....				
30. TOTAL EXPENSES PART 3 (Lines 20.1 + 26 + 27 + 28 + 29)				
DETAILS OF WRITE-INS				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)				

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.