Lloyd's of London

The following procedure will apply as respects annual statement filings for 1995 and subsequent years:

> Cessions to Lloyd's under reinsurance agreements having an inception date on or before July 31, 1995, and which are not amended or renewed thereafter should continue to be reported using the collective Lloyd's number, AA-1122000, on an aggregated basis, under "Authorized – Other Non-U.S. Insurers." As respects continuous reinsurance agreements, the anniversary date shall be deemed to be the renewal date of the agreement. Any revision of terms and conditions shall be deemed to be an amendment of the reinsurance agreement.
>
> Cessions to Lloyd's under reinsurance agreements having an inception, amendment or renewal date on or after August 1, 1995, must be reported using the specific number of each subscribing syndicate as listed in the alien section of the NAIC *Listing of Companies*. Such syndicates should be listed individually, under "Authorized – Other Non-U.S. Insurers."
>
> Syndicates for which an identification number does not appear in the NAIC *Listing of Companies* must be treated as unauthorized as respects cessions under reinsurance agreements having an inception, amendment or renewal date on or after August 1, 1995, and should be reported, on an aggregated basis, under "Unauthorized – Other Non-U.S. Insurers," using a new collective number, AA-1123000.
>
> Reinsurance assumed from syndicates at Lloyd's should continue to be reported on Schedule F, Part 1 using the original collective Lloyd's number, AA-1122000.

Dates

All dates reported in Schedule F must be in the format MM/DD/YYYY. For example, the date December 31, 2011, should be reported as 12/31/2011.

Determination of Authorized Status

The determination of the authorized, unauthorized or certified status of an insurer or reinsurer listed in any part of Schedule F shall be based on the status of that insurer or reinsurer in the reporting entity's state of domicile.

U.S. Intercompany Pooling Arrangements

Participation in intercompany pooling arrangements, whereby direct and/or assumed business written by any company participating in the pool is ceded first to the lead company and then redistributed among pool members, shall be reflected under the appropriate categories in the appropriate Parts of Schedule F (e.g., cessions from participating affiliates to the lead company in Part 1 for that company and in the ceded schedules for the affiliates). Subsequent redistribution of the pooled business from the lead company to participating affiliates shall be reported in similar fashion (e.g., cessions to the affiliates in the ceded schedules for the lead company, and as an assumption from the lead company in Part 1 for each of the affiliates participating in the pool).

Cessions to unaffiliated reinsurers, whether prior to cession of the pooled business to the lead company or subsequent thereto, shall be reported in the usual manner in the ceded schedules for the company or companies effecting such cessions, or identified as parties to the reinsurance agreement under which such cessions are effected, as appropriate (e.g., both the initial cessions to the lead company and the subsequent cessions of pooled business from the lead company to the participating affiliates shall reflect any applicable cessions to unaffiliated reinsurers). Such cessions shall be reflected in the calculation of the "Provision of Reinsurance" (Part 3 of Schedule F) and described in the Notes to the Financial Statements regarding "Intercompany Pooling Arrangements" and "Uncollectible Reinsurance."

Alien Reinsurers Maintaining Multiple Beneficiary U.S. Trust Accounts

Certain alien reinsurers have established multiple beneficiary trust accounts for the purpose of collateralizing obligations arising in connection with reinsurance assumed from U.S. ceding entities and have been granted authorized reinsurer status in a number of states. Ceding entities domiciled in a state which has granted such status to an alien reinsurer should report cessions to such reinsurer, using the appropriate Alien Insurer Identification Number, under "Authorized – Other Non-U.S. Insurers" to the extent that obligations attributable to such cessions have been collateralized via the alien reinsurer's multiple beneficiary U.S. trust account.

Amounts recoverable from such alien reinsurers that have not been collateralized via a multiple beneficiary U.S. trust account should continue to be reported under "Unauthorized-Other Non – U.S. Insurers."

Captive Affiliate Line Category

For the purpose of reporting a reinsurer as captive affiliate on Schedule F, the captive affiliate line categories shall include affiliated non-traditional insurers/reinsurers.

Definition of Affiliated Non-Traditional Insurer/Reinsurer

This disclosure is intended to capture cessions to affiliated insurance/reinsurance entities that are subject to a financial solvency regulatory system separate from that generally applicable to traditional insurers and/or reinsurers in the ceding entity's domestic jurisdiction. The definition of "Affiliate" is established in the NAIC Model Holding Company Act. An affiliated non-traditional insurer/reinsurer is an insurance or reinsurance company that reinsures risks only from its parent or affiliates and is subject to a financial solvency regulatory system separate from that generally applicable to traditional insurers and/or reinsurers in the ceding entity's domestic jurisdiction. For the purpose of annual statement reporting, this definition shall be presumed to include the following, subject to the cedant's rebuttal to its domicile:

1. An affiliated insurance or reinsurance company licensed, authorized or otherwise granted the authority to operate in a single United States jurisdiction under any captive insurer law, special purpose insurer law, or other similar law separate from those applicable to traditional insurers and/or reinsurers.

2. An affiliated insurance or reinsurance company licensed, authorized or otherwise granted the authority to operate in any jurisdiction outside the United States under any captive insurer law, special purpose insurer law, or other similar law separate from those applicable to traditional insurers and/or reinsurers in that non-United States jurisdiction.

3. Any other affiliated insurance or reinsurance company that by law, regulation, or order, or contract is authorized to insure or reinsure only risks from its parent or affiliate.

SCHEDULE F – PART 1

ASSUMED REINSURANCE
AS OF DECEMBER 31, CURRENT YEAR

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

Group or Category	Line Number
Total Affiliates	
U.S. Intercompany Pooling	0199999
U.S. Non-Pool	
Captive	0299999
Other	0399999
Total	0499999
Other (Non-U.S.)	
Captive	0599999
Other	0699999
Total	0799999
Total Affiliates	0899999
Total Other U.S. Unaffiliated Insurers#	0999999
Pools and Associations	
Mandatory Pools, Associations or Other Similar Facilities	1099999
Voluntary Pools, Associations or Other Similar Facilities	1199999
Total Pools and Associations	1299999
Total Other Non-U.S. Insurers	1399999
Totals	9999999

\# Unaffiliated U.S. Branches of alien insurers should be included with "Total Other U.S. Unaffiliated Insurers."

Reinsurance assumed from pools or associations may be reported in the name of the pool or association instead of in the names of the insurers that ceded the reinsurance to the pool or association.

Column 1 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule F General Instructions for more information on these identification numbers.

Federal Employer Identification Number	(FEIN)
Alien Insurer Identification Number	(AIIN)
Certified Reinsurer Identification Number	(CRIN)
Pool/Association Identification Number	

Column 5 – Assumed Premium

Column 5 multiplied by 1000 should equal Underwriting and Investment Exhibit, Part 1B, Line 35, Column 2 plus Column 3.

Column 6 – Reinsurance on Paid Losses and Loss Adjustment Expenses

Report loss adjustment expenses due and payable to the reinsured. Total multiplied by 1000 should agree with Page 3, Line 2, Column 1.

Column 7 – Reinsurance on Known Case Losses and LAE

Known case reserves, obtained from Underwriting and Investment Exhibit – Part 2A, Line 35, Column 2, must be combined with assumed LAE. There is no direct tie-in to Underwriting and Investment Exhibit – Part 2A or Schedule P.

Column 8 – Totals of Columns 6 + 7 for each category.

Column 9 – Contingent Commissions Payable

Profit commissions generated from assumed reinsurance contracts due the reinsured and reflected as part of the liability on Page 3, Column 1, Line 4. Report commissions net of return profit commissions. Negative commissions are possible, (i.e., when a contingent commission is receivable.)

Total of Schedule F, Part 1, Column 9 should agree with assumed commission total reported in Note 23C of Notes to Financial Statements.

Column 10 – Assumed Premiums Receivable

Amounts reported should be net of commissions payable. This column reflects assumed reinsurance, premiums receivable less commissions payable included as part of agents' balances on Page 2.

Column 12 – Funds Held By or Deposited with Reinsured Companies

Column 12 multiplied by 1000 should agree with Page 2, Line 16.2, Column 3.

Column 15 – Amount of Assets Pledged or Collateral Held in Trust

This column reflects amounts that are not otherwise reflected in Column 12 of this schedule that are under the control of reinsurance companies.

SCHEDULE F – PART 2

PREMIUM PORTFOLIO REINSURANCE EFFECTED OR (CANCELED) DURING CURRENT YEAR

This schedule should list by portfolio any original premiums and reinsurance premiums for portfolio reinsurance transactions affected or canceled during the year. Portfolio reinsurance is the transfer of the entire liability of a reporting entity for in force policies as respects a described segment of the reporting entity's business.

Column 1 – ID Number

Enter one of the following as appropriate for the entity being reported on this schedule. See the Schedule F General Instructions for more information on these identification numbers.

Federal Employer Identification Number	(FEIN)
Alien Insurer Identification Number	(AIIN)
Certified Reinsurer Identification Number	(CRIN)
Pool/Association Identification Number	

SCHEDULE F – PART 3

CEDED REINSURANCE
AS OF DECEMBER 31, CURRENT YEAR

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

Certified Reinsurers

A reporting entity should refer to information published by its domestic state with respect to the rating and collateral requirements applicable to a certified reinsurer. Ratings may vary from state to state however, the rating assigned by the ceding insurer's domestic state is authoritative.

NOTE: Rating upgrades apply on a prospective basis only; i.e., the lower collateral level associated with the upgrade applies only to reinsurance contracts entered into or renewed on or after the date of the upgrade. Rating downgrades apply to all reinsurance contracts entered into or renewed under certified status. As such, it is possible that a reporting entity might have multiple contracts with a single certified reinsurer under different rating/collateral requirements and should report the amounts attributable to the contracts separately based on the rating/collateral requirements applicable to such balances.

NOTE: Section 8B(8)(d) of the *Credit for Reinsurance Model Regulation (#786)* allows a ceding insurer a three-month grace period for obtaining additional collateral, in the event that a certified reinsurer's rating is downgraded or its certification is revoked, before incurring a provision for reinsurance based on the additional collateral requirement. When the reporting date falls within such a three-month grace period, with respect to such certified reinsurer, the ceding insurer may report collateral required and calculate the provision for reinsurance applicable to collateral deficiency based on the certified reinsurer's rating prior to the downgrade or revocation, unless the reinsurance is found by the state of domicile commissioner to be at high risk of un-collectability.

Counterparty Reporting Exception for Asbestos and Pollution Contracts

Upon approval by the reporting entity's domestic state insurance department, aggregation of individual reinsurers may also be allowed pursuant to the Counterparty Reporting Exception for Asbestos and Pollution Contracts under *SSAP No. 62R—Property and Casualty Reinsurance*. Under this exception, a reporting entity may aggregate reinsurers into one line in Schedule F reflecting the retroactive counterparty under the retroactive agreement for the purposes of determining the Provision for Reinsurance regarding overdue amounts paid by the retroactive counterparty (both authorized and unauthorized). This exception would allow the Provision for Reinsurance to be reduced by reflecting that amounts have been recovered by the reporting entity under the duplicate coverage provided by the retroactive contract, and that inuring balances from the original contract(s) are payable to the retroactive counterparty. In addition, such approval would also permit the substitution of the retroactive counterparty for authorized original reinsurers without overdue balances for purposes of reporting on the primary section of the annual statement Schedule F. If a reporting entity is approved for this exception, pursuant to SSAP No. 62R, the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution Contracts must be completed in order to continue to detail the reporting of original reinsurers that are aggregated for one-line reporting. This reporting decreases the provision of reinsurance liability for overdue on paid amounts related to a qualifying asbestos and pollution reinsurance contract.

With the approval of the reporting entity's domestic state commissioner pursuant to the applicable state credit for reinsurance law regarding the use of other forms of collateral acceptable to the commissioner, the reporting entity shall present the amount of other approved security related to the retroactive reinsurance agreement as an "Other Allowed Offset Item" with respect to the uncollateralized amounts recoverable from unauthorized reinsurers for paid and unpaid losses and loss adjustment expenses under the original reinsurance contracts. Amounts approved as "Other Allowed Offset Items" shall be reflected as amounts recoverable from the retroactive counterparty and aggregated reporting described in SSAP No. 62R shall also be applied for unpaid losses and loss adjustment expenses under the original reinsurance contracts. The security applied as an "Other Allowed Offset Item" shall also be reflected in the designated sub-schedule. Such a prescribed or permitted variation from Appendix A-785 in the *Accounting Practices and Procedures Manual* would be disclosed in Annual Statement Note 1. In addition, Note 1 shall disclose as part of the total impact on the provision for reinsurance the impact on the overdue aspects of the calculation if the reporting entity also receives commissioner approval pursuant to SSAP No. 62R related to overdue paid amounts (both authorized and unauthorized).

Aging of Ceded Reinsurance

For purposes of completing Columns 37 through 41, a paid loss and paid loss adjustment expense recoverable is due pursuant to original contract terms (as the contract stood on the date of execution).

Where the reinsurance agreement specifies or provides for determination of a date at which claims are to be paid by the reinsurer, the aging period shall commence from that date.

Where the reinsurance agreement does not specify a date for payment by the reinsurer but does specify or provide for determination of a date at which claims are to be presented to the reinsurer for payment, the aging period shall commence from that date.

Where the reinsurance agreement does not specify or provide for the determination of either of such dates, the aging period shall commence on the date on which the ceding company enters in its accounts a paid loss recoverable which, with respect to the particular reinsurer, exceeds $50,000. If the amount is less than $50,000, it should be reported as currently due. Any such amounts so reported in a prior year's annual statement and still outstanding as of the date of this annual statement must be reported under Column 41 and included in Column 42.

In the event that reinsurance is placed through a broker or intermediary, notice to such broker or intermediary shall constitute notice to the reinsurer. Aging of overdue paid loss and paid loss adjustment expense recoverables begins the day after the due date.

All recoverables due from mandatory pools should be reported in Column 37 as being current.

Group or Category	Line Number
Total Authorized	
Affiliates	
U.S. Intercompany Pooling	0199999
U.S. Non-Pool	
Captive	0299999
Other	0399999
Total	0499999
Other (Non-U.S.)	
Captive	0599999
Other	0699999
Total	0799999
Total Authorized - Affiliates	0899999
Other U.S. Unaffiliated Insurers	0999999
Pools	
Mandatory Pools*@	1099999
Voluntary Pools*@	1199999
Other Non-U.S. Insurers#	1299999
Protected Cells	1399999
Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)	1499999

- Total Unauthorized
  - Affiliates
    - U.S. Intercompany Pooling 1599999
    - U.S. Non-Pool
      - Captive 1699999
      - Other 1799999
      - Total 1899999
    - Other (Non-U.S.)
      - Captive 1999999
      - Other 2099999
      - Total 2199999
    - Total Unauthorized – Affiliates 2299999
  - Other U.S. Unaffiliated Insurers 2399999
  - Pools
    - Mandatory Pools*@ 2499999
    - Voluntary Pools*% 2599999
  - Other Non-U.S. Insurers# 2699999
  - Protected Cells 2799999
  - Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999) 2899999
- Total Certified
  - Affiliates
    - U.S. Intercompany Pooling 2999999
    - U.S. Non-Pool
      - Captive 3099999
      - Other 3199999
      - Total 3299999
    - Other (Non-U.S.)
      - Captive 3399999
      - Other 3499999
      - Total 3599999
    - Total Certified – Affiliates 3699999
  - Other U.S. Unaffiliated Insurers 3799999
  - Pools
    - Mandatory Pools*@ 3899999
    - Voluntary Pools*% 3999999
  - Other Non-U.S. Insurers# 4099999
  - Protected Cells 4199999
  - Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999) 4299999
- Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) 4399999
- Total Protected Cells (Sum of 1399999, 2799999 and 4199999) 4499999
- Totals (Sum of 4399999 and 4499999) 9999999

* – Pools and Associations consisting of affiliated companies should be listed by individual company names.

@ – Include in Mandatory Pools all U.S. Government programs (e.g., National Flood Insurance, National Crop Insurance Corporation), all state residual market mechanisms, the Workers Compensation Reinsurance Pool, and the National Council on Compensation Insurance.

% – Include in Voluntary Pools all pool participation that is voluntary on the part of the reporting entity. Include participation in any state program for which participation is not mandatory.

\# – Alien Pools and Associations should be reported on Schedule F under the category "Other Non-U.S. Insurers."

Column 1 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule F General Instructions for more information on these identification numbers.

Federal Employer Identification Number	(FEIN)
Alien Insurer Identification Number	(AIIN)
Certified Reinsurer Identification Number	(CRIN)
Pool/Association Identification Number	

Column 2 – NAIC Company Code

If a reinsurer has merged with another entity, report the company code for the surviving entity.

Column 4 – Domiciliary Jurisdiction

Report the two-character U.S. postal code abbreviation for the domiciliary jurisdiction for U.S. states, territories and possessions. A comprehensive listing of three-character (ISO Alpha 3) abbreviations for foreign countries is available in the appendix of these instructions.

For pools and associations enter the state where the administrative office of such pool or association is located.

If a reinsurer has merged with another entity, report the domiciliary jurisdiction of the surviving entity.

Column 5 – Special Code

Special Code "2" – Reinsurance Contracts Ceding 75% or More Direct Premiums Written

Each individual contract, except those listed below, which provides for the cession of 75% or more of direct premiums written under such cession during the year, should be identified by inserting a 2 in this column. The reinsurance transactions so identified shall include both treaty and facultative cessions of direct business written by the company.

Exclude: Intercompany reinsurance transactions with affiliates.

Reinsurance transactions involving any group, association, pool, or organization of insurers that engage in joint underwriting activities and which are subject to examination by any state regulatory authority or which operate pursuant to any state or federal statutory or administrative authorization.

Any reinsurance transaction in which the annual gross premium ceded is less than 5% of policyholder surplus.

Reinsurance transactions involving captive insurance companies.

Special Code "3" – Counterparty Reporting Exception for Asbestos and Pollution Contracts Under *SSAP No. 62R—Property and Casualty Reinsurance.*

Each individual reinsurance contract meeting the counterparty reporting exception for asbestos and pollution contracts under SSAP No. 62R should be identified by inserting a 3 in this column. This code should be inserted on the line for which the counterparty under the qualifying retroactive contract is reported. See SSAP No. 62R for additional information and illustration.

Note **If a reporting entity is approved for this exception, pursuant to SSAP No. 62R, the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution Contracts must be completed in order to continue to detail the reporting of original reinsurers that are aggregated for one-line reporting.**

Special Code "4" – Incurred but not Reported Losses on Contracts in Force Prior to July 1, 1984, that are Exempt from the Statutory Provision for Unauthorized Reinsurance

Each individual contract that is exempt from the statutory provision for unauthorized reinsurance should be identified by inserting a 4 in this column.

Note If the reporting entity reports any reinsurers with a code of 4, the reporting entity should provide answers to Question 17 of the General Interrogatories Part 2.

Special Code 4 can only be used for transactions reported in the Unauthorized Category Line Numbers.

Special Code "2" could be used in combination with "3" and "4". When used in combination with "3"and 4", "2" should come first (i.e., "23" and "24").

Disclosure should be based on the aggregation of reinsurance by contract types for each reinsurer. Contracts not subject to special codes may be aggregated by category and by reinsurer and as provided in the instructions for parts 1 and 3. For example, all code 2 contracts should be listed separately but should be grouped together, etc. It is possible that a reinsurer may be listed more than once on a particular section of Schedule F.

Column 6 – Reinsurance Premiums Ceded

Total multiplied by 1000 should equal Underwriting and Investment Exhibit, Part 1B, Line 35, Column 4 plus Column 5.

Column 8 – Reinsurance Recoverable on Paid LAE

The total of (Columns 7 plus 8) multiplied by 1000 should be included on Page 2, Line 16.1, Column 3.

Column 9 – Known Case Loss Reserves

Total multiplied by 1000 should agree with Underwriting and Investment Exhibit, Part 2A, Line 35, Column 3.

Column 10 – Known Case LAE Reserves

Exclude: Adjusting & Other Expense Reserves.

Column 11 – IBNR Loss Reserves

Total multiplied by 1000 should agree with Underwriting and Investment Exhibit, Part 2A, Line 35, Column 7.

Column 13 – Unearned Premiums

Total multiplied by 1000 should equal Page 3, Line 9 parenthetical amount.

Column 14 – Contingent Commissions

Include: Contingent commissions receivable from a reinsurer. Regular commissions should be netted with ceded balances payable in Column 17.

Total of Schedule F, Part 3, Column 14 less negative contingent commissions reported in Schedule F, Part 3, Column 18, should agree with ceded commission total reported in Note 23 of the Notes to Financial Statements.

If Column 14 is less than zero, report the amount in Column 18.

Column 16 – Amounts in Dispute Included in Column 15

Report items in dispute by reason of notification, arbitration or litigation. "Notification" means a formal written communication from a reinsurer denying the validity of coverage. (For items in dispute with affiliates, see the NAIC *Accounting Practices and Procedures Manual*).

Column 17 – Ceded Balances Payable

Column 17 multiplied by 1000 should agree with Page 3, Line 12.

Column 18 – Other Amounts Due to Reinsurers

Both Column 17 and Column 18 are liabilities owed to the reinsurer.

Deduct: Reinsurance premiums paid by a ceding company prior to the effective date of the contract and reported as an Other Than Invested Asset. Refer to *SSAP No. 62R—Property and Casualty Reinsurance.*

Exclude: Funds held by company under reinsurance treaties, which are included in Column 20.

Items entered in Column 18 may represent miscellaneous balances owed by the reinsured to the reinsurer on ceded transactions.

Column 19 – Net Amount Recoverable from Reinsurers

Offsets should be netted to the extent allowable or appropriate.

Column 20 – Funds Held by Company Under Reinsurance Treaties

Final Total multiplied by 1000 should agree with Page 3, Line 13, Column 1.

Column 21 – Multiple Beneficiary Trust

If the reinsurer utilizes a multiple beneficiary trust account for the purposes of meeting its collateral requirements as a reinsurer to U.S. ceding insurers, report the amounts within such trust that are applicable to the reporting entity's reinsurance ceded to the reinsurer.

Column 22 – Letters of Credit

Report the dollar amount of letters of credit provided by the reinsurer and held by or on behalf of the reporting entity as security for the reinsurer's reinsurance obligations.

Column 23 – Issuing or Confirming Bank Name Reference Number

Enter a reference number in this column (e.g., 0001, 0002, etc.) for each reinsurer that provided a letter(s) of credit to the reporting entity. This reference number will be used in Schedule F, Part 4 to provide more detail of the letter(s) of credit provided by the reinsurer.

If no letter of credit has been provided, leave blank.

Column 24 – Single Beneficiary Trust Funds and Other Allowable Collateral

Report single beneficiary trust funds and other acceptable security.

NOTE: With respect to contracts meeting the requirements of SSAP No. 62R, if the reporting entity's domestic state insurance department also approves other acceptable forms of security under applicable provisions of the state's credit for reinsurance law, the state may also choose to permit the reporting entity to reflect other approved security provided by the retroactive reinsurance agreement as an "Other Allowed Offset Item." Whether these amounts are reflected within Schedule F, Part 3 in determining the Provision for Reinsurance with respect to the amounts recoverable for unpaid losses and loss adjustment expenses under the original reinsurance contracts will depend on the authorization status of the retroactive counterparty. **Such a prescribed or permitted variation from Appendix A-785 of the *Accounting Practices and Procedures Manual* would be disclosed in Annual Statement Note 1.**

Column 25 – Total Funds Held, Payables & Collateral

(Cols. 17 + 18 + 20 + 21 + 22 + 24; but not in excess of Col. 15), unless Col. 5 Special Code equals "4" then (Cols. 17 + 18 + 20 + 21 + 22 + 24; but not in excess of Col. 15- (Col. 11 +Col. 12)

Column 26 – Net Recoverables, Net of Funds Held & Collateral

(Col. 15 – 25) unless Col. 5 Special Code equals "4" then ((Col. 15 – (Col. 11 + Col. 12)) – Col. 25);

Ceded Reinsurance Credit Risk – Columns 28 through 36

Only complete columns 28 through 36 for the following required groups, categories or subcategories (Line Numbers); otherwise leave blank.

Group or Category	Line Number
Total Authorized	
Affiliates	
(Non-U.S.)	
Captive	0599999
Other	0699999
Total	0799999
Total Authorized – Affiliates	0899999
Other U.S. Unaffiliated Insurers	0999999
Pools	
Voluntary Pools*%	1199999
Other Non-U.S. Insurers#	1299999
Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)	1499999

Total Unauthorized

Other (Non-U.S.)

Captive 1999999

Other 2099999

Total 2199999

Total Unauthorized – Affiliates 2299999

Other U.S. Unaffiliated Insurers 2399999

Pools

Voluntary Pools*% 2599999

Other Non-U.S. Insurers# 2699999

Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999) 2899999

Total Certified

Affiliates

Other (Non-U.S.)

Captive 3399999

Other 3499999

Total 3599999

Total Certified – Affiliates 3699999

Other U.S. Unaffiliated Insurers 3799999

Pools

Voluntary Pools*% 3999999

Other Non-U.S. Insurers# 4099999

Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999) 4299999

Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) 4399999

Totals (Sum of 4399999 and 4499999) 9999999

Column 28 – Total Amount Recoverable From Reinsurers Less Penalty (Cols. 15 – 27)

Amounts reported in the detail lines cannot be less than 0. If the calculated amounts are less than 0, then enter 0.

Column 34 – Reinsurer Designation Equivalent

Following is a listing of the valid codes.

1	2	3	4	5	6	7

Utilize the table below and report a reinsurer designation equivalent code of 1 through 6 (where 6 represented vulnerable 6 or unrated) or 7 (for unrated authorized reinsurers). The equivalent designation category assigned will correspond to a current financial strength rating received from an approved rating agency as outlined in the table below. Ratings shall be based on interactive communication between the rating agency and the assuming insurer and shall not be based solely on publicly available information. If the reinsurer is unauthorized and does not have at least one financial strength rating, it should be assigned the "Vulnerable 6 or Unrated Unauthorized Reinsurers" equivalent rating. If the reinsurer is authorized and does not have at least one financial strength rating, it should be assigned the "Unrated Authorized Reinsurers" equivalent rating. Amounts recoverable from unrated voluntary pools should be assigned the "reinsurer equivalent code of 3." An authorized association including incorporated and individual unincorporated underwriters or a member thereof may utilize the lowest financial strength group rating received from an approved rating agency.

	Reinsurer Designation Equivalent Category						
Code	1	2	3	4	5	6	7
Description	Secure 1	Secure 2	Secure 3	Secure 4	Secure 5	Vulnerable 6 or Unrated Unauthorized Reinsurers	Unrated Authorized Reinsurers
Best	A++	A+	A	A-	B++, B+	B, B-, C++, C+, C, C-, D, E, F	....
S&P	AAA	AA+, AA, AA-	A+, A	A-	BBB+, BBB, BBB-	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	....
Moody's	Aaa	Aa1, Aa2, Aa3	A1, A2	A3	Baa1, Baa2, Baa3	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	....
Fitch	AAA	AA+, AA, AA-	A+, A	A-	BBB+, BBB, BBB-	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	....

Column 35 – Credit Risk on Collateralized Recoverables

Following is a table of factors applicable to the respective reinsurer designation equivalent categories in Column 34

Code	1	2	3	4	5	6	7
Factor	3.6%	4.1%	[illegible]	5.0%	5.0%	5.0%	5.0%

Column 36 – Credit Risk on Uncollateralized Recoverables

Following is a table of factors applicable to the respective reinsurer designation equivalent categories in Column 34

Code	1	2	3	4	5	6	7
Factor	[illegible]	4.1%	4.8%	5.3%	7.1%	14.0%	10.0%

Column 43 – Total Due

Total multiplied by 1000 should agree in part with Page 2, Line 16.1, Column 3.

Total should also agree with Schedule F, Part 3, Columns 7 plus 8.

Column 45 – Recoverable Paid Losses and LAE Over 90 Days Past Due in Dispute

Items in dispute by reason of notification, arbitration or litigation Columns 40 plus 41. "Notification" means a formal written communication from a reinsurer denying the validity of coverage. (For items in dispute with affiliates, see the NAIC *Accounting Practices and Procedures Manual*).

Column 49 – Percentage Overdue and
Column 51 – Percentage More Than 120 Days Overdue

Percentages in the subtotal and total lines should be derived from subtotal and total data.

Provision for Certified Reinsurance – Columns 54 Through 69

NOTE: Columns 54 through 69 are to be completed by those reporting entities whose domiciliary state has enacted the *Credit for Reinsurance Model Law* (#785) and/or *Credit for Reinsurance Model Regulation* (#786) with the defined certified reinsurer provisions.

Only complete columns 54 through 69 for the following required groups, categories, or subcategories (Line Numbers); otherwise leave blank.

Group or Category	Line Number
Total Certified	
Affiliates	
U.S. Intercompany Pooling	2999999
U.S. Non-Pool	
Captive	3099999
Other	3199999
Total	3299999
Other (Non-U.S.)	
Captive	3399999
Other	3499999
Total	3599999
Total Certified – Affiliates	3699999
Other U.S. Unaffiliated Insurers	3799999
Pools	
Mandatory Pools*@	3899999
Voluntary Pools*%	3999999
Other Non-U.S. Insurers#	4099999
Protected Cells	4199999
Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999)	4299999
Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999)	4399999
Total Protected Cells (Sum of 1399999, 2799999 and 4199999)	4499999
Totals (Sum of 4399999 and 4499999)	9999999

Column 54 – Certified Reinsurer Rating (1 through 6)

Report the certified reinsurer's rating as assigned by the ceding insurer's domiciliary state.

Column 55 – Effective Date of Certified Reinsurer Rating

Report the effective date of the certified reinsurer's rating that is applicable to the reinsurance recoverable reported on the individual line.

Column 56 – Percent Collateral Required for Full Credit (0% – 100%)

Report the percentage of collateral that is required to be provided by the certified reinsurer, in accordance with the rating assigned by the ceding insurer's domiciliary state in order for a domestic ceding insurer to receive full financial statement credit for the reinsurance ceded to the certified reinsurer, that is applicable to the reinsurance recoverable reported on the individual line.

Column 57 – Catastrophe Recoverables Qualifying for Collateral Deferral

Report the amount of reinsurance recoverable from the certified reinsurer with respect to catastrophe losses that are subject to any collateral deferral period allowed under the state's credit for reinsurance law and/or regulation.

Column 64 – Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 19 – Col. 63)

Amounts reported in the detail lines cannot be less than 0. If the calculated amounts are less than 0, then enter 0.

Provision for Unauthorized Reinsurance – Columns 71 and 72

Only complete columns 71 and 72 for the following required groups, categories or subcategories (Line Numbers); otherwise enter zero.

Group or Category	Line Number
Total Unauthorized	
Affiliates	
U.S. Intercompany Pooling	1599999
U.S. Non-Pool	
Captive	1699999
Other	1799999
Total	1899999
Other (Non-U.S.)	
Captive	1999999
Other	2099999
Total	2199999
Total Unauthorized – Affiliates	2299999
Other U.S. Unaffiliated Insurers	2399999
Pools	
Mandatory Pools*@	2499999
Voluntary Pools*%	2599999
Other Non-U.S. Insurers	2699999
Protected Cells	2799999
Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999)	2899999
Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999)	4399999
Total Protected Cells (Sum of 1399999, 2799999 and 4199999)	4499999
Totals (Sum of 4399999 and 4499999)	9999999

Provision for Overdue Authorized Reinsurance – Columns 73 and 74

Only complete columns 73 and 74 for the following required groups, categories or subcategories (Line Numbers); otherwise enter zero.

Group or Category	Line Number
Total Authorized	
Affiliates	
U.S. Intercompany Pooling	0199999
U.S. Non-Pool	
Captive	0299999
Other	0399999
Total	0499999
Other (Non-U.S.)	
Captive	0599999
Other	0699999
Total	0799999
Total Authorized – Affiliates	0899999
Other U.S. Unaffiliated Insurers	0999999
Pools	
Mandatory Pools*@	1099999
Voluntary Pools*%	1199999
Other Non-U.S. Insurers#	1299999
Protected Cells	1399999
Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)	1499999
Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999)	4399999
Total Protected Cells (Sum of 1399999, 2799999 and 4199999)	4499999
Totals (Sum of 4399999 and 4499999)	9999999

Columns 73 & 74 – Provisions for Overdue Authorized Reinsurance

Amounts reported in the detail lines cannot be less than 0. If the calculated amounts are less than 0, then enter 0.

Columns 75 through 78 – Total Provisions for Reinsurance

Amounts reported in the detail lines cannot be less than 0. If the calculated amounts are less than 0, then enter 0.

SCHEDULE F – PART 4

ISSUING OR CONFIRMING BANKS FOR LETTERS OF CREDIT FROM SCHEDULE F, PART 3

Column 1 – Issuing or Confirming Bank Name Reference Number:

Enter a reference number in this column (e.g., 0001, 0002, etc.) that corresponds to the reinsurer providing the letter(s) of credit from the issuing or confirming bank. The reference number may be used multiple times if the letter(s) of credit provided by the reinsurer are from more than one bank or as part of a Syndicated Letter of Credit. This should be the same reference number used for Schedule F, Part 3, Column 23

Column 2 – Letter of Credit Code:

Enter "1" for single letter of credit that is not a syndicated letter of credit.

Enter "2" for syndicated letter of credit.

Enter "3" for multiple letters of credit.

Column 3 – Letter of Credit Issuing or Confirming Bank's American Bankers Association (ABA) Routing Number:

Provide for each issuing or confirming bank its nine-digit (ABA) routing number.

For **Fronted Letters of Credit**, where a single bank issues a letter of credit as the fronting bank and sells to other banks' undivided interests in its obligations under the credit, provide the ABA routing number for the fronting bank but not the other banks participating.

For **Syndicated Letters of Credit**, where one bank acts as agent for a group of banks issuing the letter of credit but each participating bank is severally, not jointly, liable, provide the ABA routing number for all banks in the syndicate.

For reinsurers providing letters of credit from multiple banks that are not part of a syndicated letter of credit, provide the ABA routing number for all of the banks.

Column 4 – Letter of Credit Issuing or Confirming Bank Name:

Provide the name of each issuing or confirming banks.

For **Fronted Letters of Credit**, where a single bank issues a letter of credit as the fronting bank and sells to other banks' undivided interests in its obligations under the credit, provide the name of the fronting bank but not the other banks participating.

For **Syndicated Letters of Credit**, where one bank acts as agent for a group of banks issuing the letter of credit but each participating bank is severally, not jointly, liable, provide the name of each bank in the syndicate.

For reinsurers providing letters of credit from multiple banks that are not part of a syndicated letter of credit, provide the name of each bank.

Column 5 – Letters of Credit Amount:

Enter the amount for the letter of credit issued or confirmed by the bank.

The sum of the amounts by reference number should equal the amount reported for that reference number in Schedule F, Part 3, Column 22.

The total for this column should also equal the total of Schedule F, Part 3, Column 22.

SCHEDULE F – PART 6

RESTATEMENT OF BALANCE SHEET TO IDENTIFY NET CREDIT FOR REINSURANCE

This schedule need not be completed if the company has no ceded reinsurance in Schedule F, Part 3.

Column 1 – As Reported (Net of Ceded)

Complete the form so that it is consistent with the information reported for the current year on Pages 2 and 3 of the annual statement.

Column 2 – Restatement Adjustments

Enter adjustments to eliminate the effect of ceded reinsurance on balance sheet assets and liabilities except reinsurance ceded to statutorily mandated pools, associations and similar underwriting facilities. The result will be to report the net balance sheet impact of reinsurance in a single asset, "net amount recoverable from reinsurers."

Assets (Page 2)

Line 3 – Reinsurance Recoverable on Loss and Loss Adjustment Expense Payments

This item (Page 2, Line 16.1, Column 3) would become part of the asset, Net Amount Recoverable from Reinsurers.

Line 5 – Other Assets

This item should be adjusted for any balances created from ceded reinsurance that are included in the subject lines. (The sum of Lines 14, 16.3 plus 17 through 25.)

Line 6 – Net Amount Recoverable from Reinsurers

This is the aggregate balance of all reinsurance adjustments to the balance sheet.

Line 7 – Protected Cell Assets

Column 1 should equal Line 27 of the Assets page.

Liabilities (Page 3)

Line 9 – Losses and Loss Adjustment Expenses

Column 1 should be the sum of Page 3, Lines 1, 2 and 3.

This item should be adjusted by the amount recoverable from assuming reinsurers, both on reported and IBNR losses (Schedule F, Part 3, Columns 9 through 12 multiplied by 1000).

Line 10 – Taxes, Expenses and Other Obligations

This item should be adjusted for any balances in those lines arising from ceded reinsurance.

Line 11 – Unearned Premiums

This liability should be adjusted by the unearned premium on reinsurance ceded (Schedule F, Part 3, Column 13 multiplied by 1000).

Line 15 – Funds Held by Company Under Reinsurance Treaties

This item (Page 3, Line 13) becomes an offset to net amount recoverable from reinsurers.

Line 16 – Amounts Withheld or Retained by Company for Account of Others

This item should be adjusted for any balances created by ceded reinsurance arrangements.

Line 17 – Provision for Reinsurance

This liability (Page 3, Line 16) becomes an offset to the overall asset "net amount recoverable from reinsurers."

Line 18 – Other Liabilities

This item should be adjusted for any balances from ceded reinsurance, which may be included in the designated lines. (The sum of Lines 15 plus 17 through 25.)

Line 20 – Protected Cell Liabilities

Column 1 should equal line 27 of the Liabilities page.

Schedule H

SCHEDULE H

ACCIDENT AND HEALTH EXHIBIT

"Appropriately" where used in the instructions for Schedule H means the appropriate accident and health portions of reference data. Reconciliation with figures drawn from other parts of the statement may only be possible with respect to Group Accident and Health (Column 3), Credit (Group and Individual) Accident and Health (Column 5) and Other Accident and Health (the combination of Columns 7 through 17) and in some cases may only be possible with respect to Total Accident and Health (Column 1) of Schedule H.

All amounts reportable in Parts 1 through 3 are net of reinsurance; (i.e., reinsurance assumed should be included, reinsurance ceded should be deducted, and net figures entered in the statement.) Part 4, Reinsurance displays the reinsurance assumed and ceded components.

Column 5 – Credit A & H (Group and Individual)

Include: Business not exceeding 120 months duration.

Column 7 – Collectively Renewable

Include: Amounts pertaining to policies which 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 a 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.

Column 9 – Non-Cancelable

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.

Column 11 – Guaranteed Renewable

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.

Column 13 – 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.

Column 17 – All Other

Include: Any other accident and health coverages not specifically required in other columns. 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.

PART 1 – ANALYSIS OF UNDERWRITING OPERATIONS

In each "%" column of Part 1, show the percentages of Line 2 for Lines 3 through 14 inclusive.

Line 1 – Premiums Written

Should agree appropriately with those shown in the Underwriting and Investment Exhibit, Part 1B.

Line 2 – Premiums Earned

Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Should agree with Line 1 plus the change in unearned premiums and reserve for rate credits included in Part 2, Section A.

Should agree appropriately with those shown in the Underwriting and Investment Exhibit, Part 1.

Line 3 – Incurred Claims

Should agree appropriately with losses incurred as shown in the Underwriting and Investment Exhibit, Part 2.

Should agree with Schedule H, Part 2, Section C, Line 3; plus Schedule H, Part 3, Line 1.1; plus Schedule H, Part 3, Line 1.2.

Line 4 – Cost Containment Expenses

Report cost containment expenses in accordance with *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.

Line 4 plus Line 8 should agree appropriately with the sum of Columns 9, 11, 27 and 29 of the Insurance Expense Exhibit, Part II.

Line 5 – Incurred Claims and Cost Containment Expenses

Sum of Lines 3 and 4.

Line 6 – Increase in Contract Reserves

Should agree with Schedule H, Part 2, Section B, Line 5.

Line 7 – Commissions

Report incurred commissions and expense allowances on reinsurance.

Should agree appropriately with Column 23 of Insurance Expense Exhibit, Part II.

Line 8 – Other General Insurance Expenses

Report general insurance expenses incurred and provision for claim expenses incurred in connection with pending and incurred but unreported claims.

Line 4 plus Line 8 should agree appropriately with the sum of Columns [illegible]1, 27 and 29 of the Insurance Expense Exhibit, Part II.

Line 9 – Taxes, Licenses and Fees

Report total taxes (excluding federal income taxes) plus state insurance department licenses and fees.

Should agree appropriately with Column 25 of the Insurance Expense Exhibit, Part II.

Line 10 – Total Other Expenses Incurred

Sum of Lines 7, 8 and 9.

Line 11 – Aggregate Write-ins for Deductions

Enter the total of the write-ins listed in Schedule Detail of Write-ins Aggregated at Line 11 for Deductions.

Line 12 – Gain From Underwriting Before Dividends or Refunds

Report premiums earned less incurred claims, less increase in policy reserves and less total expenses incurred. Line 2 minus the sum of Lines 5, 6, 10 and 11.

Line 13 – Dividends or Refunds

Should agree appropriately with Column 5 of the Insurance Expense Exhibit, Part II.

Line 14 – Gain From Underwriting After Dividends or Refunds

Line 12 minus Line 13.

Details of Write-ins Aggregated at Line 11 for Deductions

List separately each category of deductions for which there is no pre-printed line on Schedule H, Part 1.

Include: Group conversions, transfers on account of group package policies and contracts, etc.

PART 2 – RESERVES AND LIABILITIES

SECTION A – PREMIUM RESERVES

Should agree appropriately with those in the Underwriting and Investment Exhibit, Part 1A minus amounts reported as contract reserves in Schedule H, Part 2, Section B, below.

Line 4 – Total Premium Reserves, Current Year

Sum of Lines 1, 2 and 3.

Line 5 – Total Premium Reserves, Prior Year

Line 4 from prior year.

Line 6 – Increase in Total Premium Reserves

Line 4 minus Line 5.

SECTION B – CONTRACT RESERVES

Line 1 – Additional Reserves

Refer to *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Include: Premium deficiency reserve.

Companies must carry a reserve in this line for any policy or block of policies:

(i) With which level premiums are used, or

(ii) With respect to which, due to the gross premium structure at issue, the value of future benefits exceeds the value of appropriate future valuation net premiums.

Companies must carry a reserve for any block of contracts for which future gross premiums when reduced by expenses for administration, commissions, and taxes will be insufficient to cover future claims or services.

Line 2 – Reserve for Future Contingent Benefits

Companies must carry a reserve on this line that provides for the extension of benefits after termination of the policy or of any insurance thereunder. Such benefits, that actually accrue and are payable at some future date, are predicated on a condition or actual disability that exists at the termination of the insurance and that is usually not known to the insurance company. These benefits are normally provided by contract provision but may be payable because of court decisions or of departmental rulings.

An example of the type of benefit for which a reserve must be carried is the coverage for hospital confinement after the termination of an employee's certificate but prior to the expiration of a stated period. This example is illustrative only and is not intended to limit the reserve to the benefits described. Some individual Accident and Health policies may also provide benefits similar to those under the "Extension of Benefits" section of a group policy.

Line 3 – Total Contract Reserves, Current Year

Sum of Lines 1 and 2.

Line 4 – Total Contract Reserves, Prior Year

Line 3 from prior year.

Line 5 – Increase in Contract Reserves

Line 3 minus Line 4.

SECTION C – CLAIM RESERVES AND LIABILITIES

Line 1 – Total Current Year

Should agree appropriately with Net Losses Unpaid shown in the Underwriting and Investment Exhibit, Part 2, Column 5.

Also should agree with Schedule H, Part 3, Line 2.1 plus Schedule H, Part 3, Line 2.2 below.

Line 2 – Total Prior Year

Line 1 from prior year.

Should agree with Schedule H, Part 3, Line 3.2 below.

Line 3 – Increase

Line 1 minus Line 2.

PART 3 – TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES

Lines 1.1 and 1.2 – Claims Paid During the Year on Claims Incurred Prior to and During Current Year

Represents net payments made during the year less the change in amounts still recoverable from reinsurance.

Lines 2.1, 2.2 and 3.2 – Claim Reserves and Liabilities, December 31 on Claims Incurred Prior to and During Current Year

The sum of lines 2.1 and 2.2 should equal Line C1 of Part 2 of this schedule and Line 3.2 should equal Line C2 of Part 2 of this schedule. Line 3.3 represents the result of the test for adequacy of claim provisions. A negative figure will normally indicate a favorable reserve development.

PART 4 – REINSURANCE

Represents the reinsurance assumed and ceded components of Part 1, Lines 1, 2, 3 and 7 of this schedule.

SECTIONS A AND B

Line 2 – Premiums Earned

Premiums earned are before adjustment for the increase in policy reserves that has been treated as a separate deduction.

PART 5 – HEALTH CLAIMS

Companies with less than 5% of premiums in Accident and Health business should not complete this schedule.

Column 3 – Other

Include: All Medicare Part D Prescription Drug coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

A. DIRECT

Line 4 – Claims Paid

Should agree with Underwriting and Investment Exhibit, Part 2, Column 1, sum of Lines 13, 14 and 15.

B. ASSUMED REINSURANCE

Line 5 – Incurred Claims

Should agree with Schedule H, Part 4, Line A3, Column 1.

Line 8 – Claims Paid

Should agree with Underwriting and Investment Exhibit, Part 2, Column 2, sum of Lines 13, 14 and 15.

C. CEDED REINSURANCE

Line 9 – Incurred Claims

Should agree with Schedule H, Part 4, Line B3, Column 1.

Line 12 – Claims Paid

Should agree with Underwriting and Investment Exhibit, Part 2, Column 3, sum of Lines 13, 14 and 15.

D. NET

Line 13 – Incurred Claims

Should agree with Underwriting and Investment Exhibit, Part 2, Column 7, sum of Lines 13, 14 and 15 and Schedule H, Part 1, Line 3, Column 1.

Line 14 – Beginning Claim Reserves and Liabilities

Should agree with Underwriting and Investment Exhibit, Part 2, Column 6, sum of Lines 13, 14 and 15 and Schedule H, Part 2, Line C2, Column 1.

Line 15 – Ending Claim Reserves and Liabilities

Should agree with Underwriting and Investment Exhibit, Part 2, Column 5, sum of Lines 13, 14 and 15 and Schedule H, Part 2, Line C1, Column 1.

Line 16 – Claims Paid

Should agree with Underwriting and Investment Exhibit, Part 2, Column 4, sum of Lines 13, 14 and 15.

E. NET INCURRED CLAIMS AND COST CONTAINMENT EXPENSES

Line 17 – Incurred Claims and Cost Containment Expenses

Should agree with Schedule H, Part 1, Line 5, Column 1.

Line 18 – Beginning Reserves and Liabilities

Should agree with Underwriting and Investment Exhibit, Part 3, Column 1 (in part), plus Line 14 above.

Line 19 – Ending Reserves and Liabilities

Should agree with Underwriting and Investment Exhibit, Part 3, Column 1 (in part), plus Line 15 above.

Line 20 – Paid Claims and Cost Containment Expenses

Line 17 plus Line 18 minus Line 19.

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SCHEDULE P

There are seven parts and the interrogatories within Schedule P. Part 1 provides detailed information on losses and loss expenses. Part 2 provides a history of incurred losses and defense & cost containment expenses. Part 3 provides a history of loss and defense & cost containment payments. Part 4 provides a history of bulk and incurred but not reported (IBNR) reserves. Part 5 provides a history of claims. Part 6 provides a history of premiums earned. Part 7 provides a history of loss sensitive contracts. Schedule P Interrogatories provides for additional calculation and explanation of various amounts.

Schedule P is intended to display a summary containing ten years of historical data for all lines of business. The casualty lines of business will display ten years of historical data in their respective sections of Schedule P. Within each part, the property lines of business, and financial guaranty/mortgage guaranty business, will display two-year development (Sections I through L, S and T). Since the Summary of each part contains ten years of historical data, the information from the "Prior" line in the Property Lines, Sections I through L, S and T, must be supplemented for the eight accident years preceding the two most recent years.

Data for Annual Statement Line 30 – Warranty should be reported prospectively (i.e., prior-year amounts need not be restated) starting with the 2008 reporting year.

Data for Annual Statement Line 17.3 – Excess Workers' Compensation should be reported as Other Liability – Occurrence as appropriate for the contractual terms of the policy.

In those instances where a reporting entity files an amended annual statement as a result of a restatement of prior year earned premium, losses or loss adjustment expenses, Schedule P must be restated and included in the amended annual statement.

Schedule P includes only the data for the reporting entity identified on the Jurat page of the Annual Statement. Do not include consolidated data for affiliated companies except in a Combined Annual Statement. If the reporting entity participates in a pooling agreement, show only its share of the business, not the total for all participants.

When changes to pooling agreements impact prior accident years, historical data values in Schedule P Parts, 1 through 6 should be restated based on the new pooling percentage. This should be done to present meaningful development patterns in Schedule P. When pooling changes only impact future accident years, no restatement of historical values should be made.

Earned premium is on a calendar-year basis. Losses incurred should be assigned to the year in which the event occurred that triggered coverage under the contract. This may be a date of accident (occurrence policies), a date of report (claims-made policies), a policy issue date (tail policies), or a date of discovery (fidelity and surety).

Retroactive reinsurance should not be reflected in Schedule P. The transferor in such an agreement must record, without recognition of the retroactive reinsurance, its loss and loss adjustment expense reserves on a gross basis on its balance sheet and in all schedules and exhibits. The transferee in such an agreement must exclude the retroactive reinsurance from its loss and loss expense reserves and from its schedules and exhibits.

A discount implicit in tabular reserves may be included in Schedule P, Part 1. Schedule P, Part 2 is to be reported gross of ALL discounts. Otherwise, Schedule P is to be presented on a non-discounted basis. Information in Schedule P is to be reported on an undiscounted basis in order to make effective use of the triangles in Parts 2, 3 and 4. The reserves reported are expected to represent the ultimate amounts to be paid, including anticipated inflation. If discounting of loss or loss expense reserves is reflected on any line of Page 3 of this Annual Statement, reconciliation is provided in Schedule P, Part 1. Also, workpapers supporting any discount amounts must be available for examination upon request. The tabular reserve discount does not need to be shown separately. Discounting is governed by *SSAP No. 65—Property and Casualty Contracts*.

The reserves for unpaid losses and loss adjustment expenses should take into account the explicit or implicit impacts of the various factors affecting claim frequency or ultimate claim cost.

For guidelines on completing Schedule P, see Exhibit B immediately following the instructions for Schedule P, Part 7.

NOTE: Report all dollar amounts in Schedule P in thousands of dollars ($000 omitted), by either rounding or truncating.

Preparation Tips for Schedule P – Parts 1 and 2

In order to ensure the proper alignment of Schedule P data for all parts, the following simple concepts should be helpful.

- The data for each Summary are gathered uniquely, like any other part of Schedule P. The crosschecks should be referenced and all errors corrected or properly explained prior to submission to the NAIC or state regulators.

- The required data for all lines are calculated in the same manner. In gathering the data, there should be no procedural difference between the long-tailed and short-tailed lines. The vendor software financial reporting package used by the Company will configure the Schedule P data identically for all lines and line groupings.

- In creating the data for Schedule P, Part 1, all lines and data elements should be considered to be long-tailed. Under this methodology, the sum of all lines will equal the Summary. After converting the data to the published format, the short-tailed lines have a unique data configuration required to populate the "Prior" Accident Year. This configuration of "Prior" reflects the current year activity for the eight oldest years. Each company's software vendor provides for this "Prior" data configuration on the individual page specifications. It is important to remember that in the background of all this data, that all lines and years are treated as long-tailed and feed into the Summary.

- In calculating the One-Year and Two-Year developments (columns 11 and 12) for Schedule P, Part 2, the same theory holds true. All lines must be treated as long-tailed and the Summary is just another line. If this is done properly, the individual parts will add to the Summary as intended. From this point, either the short-tailed One-Year and Two Year "Prior" data can be calculated, or the software vendor package will automatically calculate the data.

  While in theory this approach sounds like more work as you are treating all lines as long-tailed and the Summary as a unique and completely separate part; in reality, it provides two benefits:

  Ensures the integrity of the published data, and
  Saves time in the data verification and crosscheck reconciliation process.

The accompanying exhibit displays proper completion of the One-Year and Two-Year developments for Schedule P, Part 2 for a fictitious company. All software vendors provide the user with the capability to populate all lines of business as long-tailed lines, including the short-tailed "Prior" data set. If these fields are correctly populated for each accident year, the dilemma of the parts "adding through" is eliminated.

ABC Insurance Company

Schedule P – Part 2

One Year development treating all lines as long-tailed

Part	2A	2B	2C	2D	2E	2F	2G	2H1	2H2	2I
PRIOR	4,237	75,079	320	10,044	6,139	(9,459)	419	9,475		4,012
2010	(770)	2,465	(304)	(2,210)	260		28	(1,585)		(14,266)
2011	(1,018)	(11,985)	(591)	(816)	(1,586)		99	(433)		525
2012	7,432	(39,345)	(906)	(4,303)	576		719	(2,366)		45
2013	1,691	(65,543)	(534)	(97)	(7)		667	[illegible]		22,247
2014	(1,728)	(98,433)	(995)	(715)	(499)		1,064	[illegible]		(485)
2015	(6,570)	(64,722)	(4,382)	(789)	(10,180)		104	783		(498)
2016	(26,472)	(37,855)	(1,335)	(3,555)	(1,136)		(10)	[illegible]	4	20
2017	(6,835)	(36,610)	5,440	(6,432)	(1,381)		[illegible]	[illegible]		226
Short Tailed Lines "Prior" to 2017										*11,826
2018	(57,706)	97,108	8,941	(11,336)	(9,928)		(291)	(4,773)	56	*(5,402)
2019										*
	(87,739)	(179,841)	5,654	(20,209)	(17,742)	[illegible]	[illegible]	(14,058)	60	6,424

Part	2J	2K	2L	2N	[illegible]	2P	2R	2S	Calculated	Published On Summary
PRIOR	(879)	951	(4)	[illegible]	[illegible]	(188)	(1,357)	550	99,241	99,241
2010	(37)	(24)	-	(21)	[illegible]	(46)	3		(15,866)	(15,866)
2011	482	106	-	(3)	19	(792)	(219)		(16,212)	(16,212)
2012	3,933	155	-	(40)	2,061	2,694	(289)		(29,634)	(29,634)
2013	81	134	[illegible]	[illegible]	740	1,195	304		(43,193)	(43,193)
2014	(483)	475	[illegible]	(198)	1,257	(102)	53		(104,613)	(104,613)
2015	(3,825)	1,990	-	(184)	2,880	(1,506)	(210)		(87,109)	(87,109)
2016	(10,397)	[illegible]	[illegible]		(3,270)	75	(734)		(85,789)	(85,789)
2017	(11,850)	[illegible]	-		(89)		459	0	(63,416)	(63,416)
	*(22,975)	[illegible]	*(4)					*550	(6,819)	
	*(47,592)	[illegible]	*(1,410)	(133)			267	*	(32,500)	(32,500)
2018	*	[illegible]	*					*		
2019	(70,567)	3,483	(1,414)	(1,265)	4,649	1,330	(1,723)	550	(379,091)	(379,091)

*"Short Tailed" Lines data as published in the Annual Statement

Two year development treating all lines as long-tailed										
PART	**2A**	**2B**	**2C**	**2D**	**2E**	**2F**	**2G**	**2H 1**	**2H 2**	**2I**
PRIOR	(2,741)	55,142	246	(336)	3,451	(10,477)	(2,014)	(51,123)		3,605
2010	(4,255)	(11,532)	(1,719)	(3,278)	(1,046)		(977)	(705)		38
2011	(605)	(15,319)	(2,030)	(618)	(3,040)		(1,078)	2,361		62
2012	245	(55,250)	(5,311)	(2,325)	1,038		(1,967)	(1,467)		1,213
2013	(10,508)	(131,635)	(4,864)	(400)	(4,017)		(5,532)	(1,702)		22,090
2014	(10,642)	(220,598)	(7,900)	(27)	(2,645)		(2,432)	(3,937)		(1,557)
2015	(22,885)	(187,676)	(2,481)	(861)	(50,205)		(277)	16,911	[illegible]	(5,193)
2016	(79,471)	(113,694)	3,918	(3,745)	(978)		(106)	[illegible]		517
2017	(5,901)	(9,675)	4,163	(6,737)	3,452		(130)	[illegible]		4,965
Two Year Short Tailed Lines "Prior" to 2018										25,740
2018										
2019										
	(136,763)	(690,237)	(15,978)	(18,327)	(53,990)	(10,477)	[illegible]	(45,020)	22	25,740

PART	**2J**	**2K**	**2L**	**2N**	**2O**	**2P**	**2R**	**2S**	**CALC'D**	**Published On Summary**
PRIOR	(2,484)	(1,177)	29						(897)	(897)
2010	63	(35)	(2)	[illegible]	[illegible]	(40)	281,605	603	251,087	251,087
2011	358	280		[illegible]	[illegible]	(107)	(336)		(20,587)	(20,587)
2012	3,707	645		270	[illegible]	(2,405)	1		(61,928)	(61,928)
2013	(702)	684		(14)	426	4,554	(151)		(128,367)	(128,367)
2014	(1,345)	2,900		38	(514)	1,476	531		(246,652)	(246,652)
2015	(7,127)	5,214		[illegible]	(785)	72	372		(254,930)	(254,930)
2016	(47,435)			28	1,682	(2,204)	83		(240,621)	(240,621)
2017	(181,609)	8,307	[illegible]	(1)	(3,552)	175	754		(145,884)	(145,884)
Two Year Short Tailed Lines "Prior" to [illegible]								603	(149,339)	
2018										
2019									-	
	(181,609)	[illegible]	(2,380)	2,045	(12,968)	1,521	282,859	603	(848,761)	(848,761)

2019 TWO YEAR DEVELOPMENT FOR SHORT TAILED LINES

PART I

	CALENDAR YEAR 2019						CALENDAR YEAR 2017				CAL YR 2019 2 YEAR DEVELOPMENT
	Col 28	Col 21 & 22	Col 8 & 9	Net Inc			Col 28	Col 21 & 22	Col 8 & 9	Net Inc	
PRIOR				3,605	*	PRIOR					3,605
2010	262,784	3	16,571	246,210		2010	262,722	34	16,516	246,172	38
2011	424,677	24	18,417	406,236		2011	424,607	49	18,384	406,174	62
2012	267,960	1	20,508	247,451		2012	266,767	69	20,460	246,238	1,213
2013	2,087,411	11,084	155,378	1,920,949		2013	2,021,162	11,255	111,048	1,898,859	22,090
2014	303,062	41	25,257	277,764		2014	304,811	308	25,182	[illegible]	(1,557)
2015	258,586	39	26,577	231,970		2015	263,995	572	26,260	[illegible]	(5,193)
2016	170,688	87	25,161	145,440		2016	170,401	675	24,803	[illegible]	517
2017	175,590	117	25,243	150,230		2017	170,077	2,483	[illegible]	[illegible]	4,965
2018	187,953	357	22,460	165,136		2018					
2019	192,529	2,530	23,229	166,770		2019				-	
	4,331,240	14,283	358,801	3,961,761			3,884,542	15,445	[illegible]	3,604,115	25,740

PART J

	CALENDAR YEAR 2019						CALENDAR YEAR 2017				CAL YR 2019 2 YEAR DEVELOPMENT
	Col 28	Col 21 & 22	Col 8 & 9	Net Inc			Col 28	Col 21 & 22	Col 8 & 9	Net Inc	
PRIOR				(2,484)	*	PRIOR					(2,484)
2010	2,560,120	15	226,625	2,333,480		2010	[illegible]	45	226,520	2,333,410	70
2011	2,778,945	30	263,524	2,515,391		2011	[illegible]	[illegible]	263,492	2,515,031	360
2012	2,750,99	163	262,104	2,488,732		2012	[illegible]	276	261,811	2,485,021	3,711
2013	2,942,931	22	296,979	2,645,930		2013	[illegible]	263	296,745	2,646,631	(701)
2014	3,348,506	13	321,499	3,026,994		2014	[illegible]	683	321,256	3,028,345	(1,351)
2015	3,717,939	140	386,290	3,331,509		2015	[illegible]	1,944	385,071	3,338,622	(7,113)
2016	3,664,910	352	452,529	3,212,029		2016	[illegible]	7,567	450,842	3,259,484	(47,455)
2017	3,775,988	1,122	486,502	3,288,364		2017	[illegible]	50,000	449,536	3,415,010	(126,646)
2018	3,950,875	3,020	442,878	[illegible]		2018				-	
2019	4,551,594	42,756	411,617	[illegible]		2019				-	
	34,042,807	47,633	3,550,547	[illegible]			25,737,698	60,871	2,655,273	23,021,554	(181,609)

PART K

	CALENDAR YEAR 2019						CALENDAR YEAR 2017				CAL YR 2019 2 YEAR DEVELOPMENT
	Col 28	Col 21 & 22	Col 8 & 9	Net Inc			Col 28	Col 21 & 22	Col 8 & 9	Net Inc	
PRIOR				(1,177)	*	PRIOR					(1,177)
2010	11,493		[illegible]	11,359		2010	11,528		134	11,394	(35)
2011	11,393		210	11,183		2011	11,113		210	10,903	280
2012	10,416		204	10,212		2012	9,771		204	9,567	645
2013	16,357		221	16,136		2013	15,673		221	15,452	684
2014	[illegible]		317	20,701		2014	18,119	1	317	17,801	2,900
2015	[illegible]		294	8,977		2015	4,057		294	3,763	5,214
2016	145		118	27		2016	145		118	27	
2017	587		460	127		2017	798	7	460	331	(204)
2018	54		17	37		2018				-	
2019	378	8	7	363		2019				-	
	81,112	8	1,982	77,945			71,204	8	1,958	69,238	8,307

	PART L					PART L				2019 2 YEAR DEVELOPMENT
	Col 28	Col 21 & 22	Col 8 & 9	Net Inc		Col 28	Col 21 & 22	Col 8 & 9	Net Inc	
PRIOR				9 *	PRIOR					29
2010	3,038		981	2,057	2010	3,040		981	2,059	(2)
2011	5,769		1,046	4,723	2011	5,769		1,046	4,723	-
2012	9,844		962	8,882	2012	9,844		962	8,882	-
2013	5,334		63	5,271	2013	5,334		63	5,271	-
2014	6,221		91	6,130	2014	6,221		91	6,130	-
2015	6,989		37	6,952	2015	6,989		37	[illegible]	-
2016	6,014		2	6,012	2016	6,014		[illegible]	[illegible]	-
2017	5,390			5,390	2017	7,837	40		[illegible]	(2,407)
2018	3,925		5	3,930	2018					
2019	4,316	40		4,276	2019				-	
	56,840	40	3,187	53,613		51,048	40	3,182	47,826	(2,380)

	PART S					PART [illegible]				
	Col 28	Col 21 & 22	Col 8 & 9	Net Inc		Col 28	Col 21 & 22	Col 8 & 9	Net Inc	
PRIOR				603 *	PRIOR					603
2010	1			1	2010	1			1	-
2011	122		4	118	2011	122	4		118	-
2012	(17)		1	(18)	2012	[illegible]	1		(18)	-
2013				-	2013				-	-
2014				-	2014				-	-
2015				-	2015				-	-
2016				-	2016				-	-
2017				-	2017				-	-
2018	4		4	-	2018				-	-
2019	8		8		2019				-	
	118	-	[illegible]	704		106	5		101	603

* The Current year "Prior" Incurred is the sum of the Current Year "Prior" Paid and the Current Year "Prior" Change in Reserves

SCHEDULE P – PART 1

Part 1 – Summary is the total of the Schedule P lines. For the property lines, it is necessary to supplement the data in the individual sections of Schedule P in order to complete the Part 1 – Summary for all lines for all years. Non-proportional assumed reinsurance – Property, Liability and Financial Lines can be summed together as reported.

The columnar headings provide instructions necessary for completion.

Except for medical professional liability, other liability and products liability which separately display data for occurrence and claims-made coverages and the reinsurance lines, the lines of business are groupings of the lines of business used on the state page. In some cases, the heading of the line of business has been expanded for clarity. Business reported on the Aggregate write-ins for other lines of business line of the Statement of Income and the State Page should be included in the Other Liability sections of Schedule P.

Number of Claims Reported, Column 12, applies to Auto Liability (commercial and private passenger), Workers' Compensation, Medical Professional Liability, Homeowners/Farmowners Multiple Peril, Commercial Multiple Peril, Other Liability, Products Liability Auto Physical Damage and Warranty only. This column may be left blank in all other lines, including the Summary. For each year, this Column should include the cumulative number of claims reported through the annual statement date for pooled and non-pooled business. Number of Claims Outstanding, Column 25, must be reported for all lines, except Non-proportional assumed reinsurance – Property, Liability and Financial Lines. For reporting entities reporting on a pooling basis, the pooling percentage should be applied to claim count as well as dollar amounts. Indicate in the Interrogatories whether per claim or per claimant.

Cumulative salvage and subrogation received and losses and expenses paid should be reported for each specific year. For "prior," report only salvage and subrogation received and losses and expenses paid in current year.

In Schedule P, Part 1, salvage and subrogation received should be reported net of reinsurance, if any. Loss payments are to be reported net of salvage and subrogation received in Schedule P.

Adjusting & Other Payments, Column 9, should only reflect ceded recoveries made in 1997 and subsequent. Adjusting & Other Payments, Column 8, should reflect net payments for 1996 and prior and direct and assumed payments for 1997 and subsequent.

Premiums earned and losses paid, unpaid, and incurred should reconcile with the Statement of Income page. The workpapers that show a reconciliation explaining reinsurance, discounting, and salvage and subrogation adjustments should be available for examination on request.

> "Assumed" means reinsurance assumed, including from affiliated pooling agreements, but excluding any non-proportional reinsurance assumed reported as a separate line and reported accordingly.
>
> "Direct" means as directly written, but not if part of an affiliated pooling agreement.
>
> "Ceded" means reinsurance ceded on business so reported as direct or assumed.

Line 1, "Prior," Columns 4 through 11, (summary and appropriate parts), should only reflect amounts paid or received in the current calendar year.

Report cumulative amounts paid or received for specific years.

The loss adjustment expenses used to be divided in Schedule P into "allocated" and "unallocated," which were terms that were never clearly defined. Effective January 1, 1998, a detailed definition of these expenses was adopted. The distinction is now between "Defense & Cost Containment" and "Adjusting & Other." The loss adjustment expenses are separated with the intent of identifying the "Defense & Cost Containment" expenses as those that are correlated with the loss amounts, and the "Adjusting & Other" as those expenses that are correlated with claim counts or are general loss adjusting expenses. In projecting the necessary reserves for these expenses, actuaries use a different approach for each of the two types of expenses. It is the character of the expenses that is most important, not whether the expenses were internal or external to the reporting entity.

"Defense & Cost Containment" expenses include defense, litigation and cost containment expenses, whether internal or external. "Defense" means defense by the reporting entity in a contentious situation, whether a first party or a third party claim. The fees charged for reporting entity employees should include overhead, just as an outside firm's charges would include. The expenses exclude expenses incurred in the determination of coverage. These expenses include the following items:

1. Surveillance expenses;
2. Fixed amounts for cost containment expenses;
3. Litigation management expenses;
4. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by accident year;
5. Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors and fraud investigators, if working in defense of a claim, and fees or salaries for rehabilitation nurses, if such cost is not included in losses;
6. Attorney fees incurred owing to a duty to defend, even when other coverage does not exist; and
7. The cost of engaging experts.

"Adjusting & Other" expenses are those expenses other than those above and which have been assigned to the "Loss Adjustment Expense" group in the Underwriting and Investment Exhibit, Part 3, Expenses. These expenses include the following items:

1. Fees of adjusters and settling agents (but not if engaged in a contentious defense);
2. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by calendar year;
3. Attorney fees incurred in the determination of coverage, including litigation between the reporting entity and the policyholder; and
4. Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors and fraud investigators, if working in the capacity of an adjuster.

The foregoing list is not intended to be all-inclusive. We are relying on the reporting entities to use reasonable judgment in particular situations.

Reporting entities should assign the "Defense & Cost Containment" expenses to the accident year in which the associated losses were assigned. Reporting entities may assign the "Adjusting & Other" expenses in any justifiable way among the accident years. The preferred way is to apportion these expenses in proportion to the number of claims reported, closed, or outstanding each year.

Please Note: This instruction is intended solely to give guidance on reporting loss adjustment expenses in Schedule P in the annual statement. It is not intended to provide guidance on the types of expenses to include in loss adjustment expenses. These definitions of Defense & Cost Containment expense and Adjusting & Other expenses are not intended to affect insurance or reinsurance agreements or other contractual agreements.

Column 24 is equal to Column 13 – Column 14 + Column 15 – Column 16 + Column 17 – Column 18 + Column 19 – Column 20 + Column 21 – Column 22.

Column 28, "Net," equals Column 26 – Column 27, which equals Column 11 + Column 24.

Columns 32 and 33 require reporting of the discount, if any, as included on any line in Page 3 on liabilities for unpaid losses and expenses, in regard to non-tabular losses and expenses. (See definition of tabular reserves under Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses in the instructions for the Notes to the Financial Statements.) Columns 35 and 36 are the Column 24 unpaid losses and expenses net of the discount in Columns 32 and 33. Columns 35 and 36 must be completed and should agree with net balance sheet reserves after discount. If the reporting entity reports on a pooling basis, then the percentage of that pool reported herein should be entered in Column 34. If some of the business is pooled and some is not, leave Column 34 blank and explain in Interrogatory 7.2 of the Schedule P Interrogatories.

Report in Column 23 the estimated amount of anticipated salvage and subrogation that has been taken as credit (netted) in the reserves for unpaid losses and loss adjustment expenses reported in Column 24. (Note: Column 23 is a memo column only as the amounts contained therein have already been taken into consideration in Columns 13 through 20.)

The definitions of the named lines are the same as used in the Statement of Income page or on the State Page, except that the reinsurance lines are defined:

Non-proportional assumed reinsurance –Property Reinsurance

Includes all the following lines: Fire, Allied Lines, Ocean Marine, Inland Marine, Earthquake, Group Accident and Health, Credit Accident and Health, Other Accident and Health, Auto Physical Damage, Boiler and Machinery, Burglary and Theft and International (of the foregoing).

Non-proportional assumed reinsurance – Liability

Includes all the following lines: Farmowners Multiperil, Homeowners Multiperil, Commercial Multiperil, Medical Professional Liability, Workers' Compensation, Other Liability, Products Liability, Auto Liability, Aircraft (all peril) and International (of the foregoing).

Non-proportional assumed reinsurance – Financial

Includes all the following lines: Financial Guaranty, Fidelity, Surety, Credit, and International (of the foregoing).

All proportional reinsurance must be allocated to appropriate lines.

As used in this instruction "non-proportional reinsurance" means reinsurance in excess of retention by the ceding company, and "proportional reinsurance" means fixed percentage of all losses.

For contracts that afford both proportional and non-proportional reinsurance, allocate premiums and losses to their component parts.

Pooling

Many insurers have a pooling arrangement with affiliated companies, approved by the domiciliary commissioner, in which the business written is reallocated among the affiliated companies according to a specified percentage. Some affiliated companies may be part of the pool and some may not, and some lines may be included and some may not. The premiums and losses are to be reported in Schedule P after such pooling arrangements, not before.

Pooled business ceded is that which, if retained instead of ceded, would be pooled among the affiliated companies who are party to the pooling agreement. Any such business that is ceded by the pool participants to non-pooled companies prior to the pooling distribution among the participating companies is considered pooled business ceded. Non-pooled business includes all direct, assumed, and ceded business not subject to pooling, as well as any pooled business that is ceded after the pooling distribution has been made.

Direct and Assumed columns include the participation in any pool. In addition, all direct business not pooled plus assumed business from other than the pool is to be included. Ceded columns include the company's participation in the pool such as any ceding by the company to companies independent of the pool.

Claim counts should be reported in accordance with the pooling arrangement and should reflect the company's proportionate share of the total number of claims. If the company's losses are 40% of the pool, then 40% of the claim count should be reported.

The pooling percentage is to reflect the company's participation in the pool as of year-end. When changes to pooling agreements impact prior accident years, historical data values in Schedule P Parts, 1 through 6 should be restated based on the new pooling percentage. This should be done to present meaningful development patterns in Schedule P. When pooling changes only impact future accident years, no restatement of historical values should be made. Any significant changes in the pooling arrangements should be reported in the Schedule P Interrogatories. An illustration for reporting pooled business, Exhibit A, follows.

EXHIBIT A

POOLED BUSINESS – SCHEDULE P REPORTING EXAMPLE

This example has been prepared as a clarification of the NAIC *Annual Statement Instructions* to demonstrate how business subject to pooling among affiliated companies should be incorporated in the "Direct + Assumed" and the "Ceded" columns of Schedule P for each affiliated company.

Company A	–	The Flagship company, does the pooling and cedes some business before pooling.
Company B	–	Cedes some pool business before ceding to Company A for pooling.
Company C	–	Cedes business after pooling.
Company D	–	Cedes nothing except to the pool.

Sample Situation

	Company A	Company B	Company C	Company D	Total
Pool Business:					
1. Direct & Assumed (a)	90,000	15,000	10,000	5,000	120,000
2. Pool Assembly Assumed (Ceded)	25,000	(10,000)	(10,000)	(5,000)	-
3. (Ceded) Before Pooling Dist. (a)	(15,000)(c)	(5,000)(b)	-	-	(20,000)
4. Net Before Pooling Dist.	100,000	-		-	100,000
5. Pooling Dist. Assumed (Ceded)	(25,000)	15,000	7,000	3,000	-
6. Net Retained – Amount	75,000	15,000	7,000	3,000	100,000
– Percent Specified	75%	15%	7%	3%	100%
Non-Pool Business:					
7. Direct & Assumed (e)	5,000	4,000	-	-	9,000
8. (Ceded)	(2,000)(e)	(1,000)(e)	(5,000)(d)	-	(8,000)
9. Net	3,000	3,000	(5,000)	-	1,000
Total Business:					
10. Direct & Assumed Before Pooling	95,000	19,000	10,000	5,000	129,000
11. Pool Assembly Assumed (Ceded)	25,000	(10,000)	(10,000)	(5,000)	-
12. (Ceded) Other Than Pooling	(17,000)	(4,000)	(5,000)	-	(28,000)
13. Pooling Dist. Assumed (Ceded)	(25,000)	15,000	7,000	3,000	-
14. Net	78,000	18,000	2,000	3,000	101,000

(a)	-	Business which, if retained, would be pooled
(b)	-	Ceded before pool assembly (Line 2)
(c)	-	Ceded before pooling distribution (Line 5), before and/or after pool assembly (Line 2)
(d)	-	Ceded after pooling distribution (Line 5)
(e)	-	Business which, if retained, would not be pooled

Schedule P Reporting

Reporting Principle for Pool Business – Each company reports its share/percent of the total pooled "Direct + Assumed" and the total pooled "Ceded" business respectively.

Direct + Assumed						
15.	Pool % of Line 1, Total Col.	90,000	18,000	8,400	3,600	120,000
16.	Non-Pooled (Line 7)	5,000	4,000	-	-	9,000
17.	Total	95,000	22,000	8,400	3,600	129,000
(Ceded)						
18.	Pool % of Line 3, Total Col.	(15,000)	(3,000)	(1,400)	(600)	(20,000)
19.	Non-Pooled (Line 8)	(2,000)	(1,000)	(5,000)	-	(8,000)
20.	Total	(17,000)	(4,000)	(6,400)	(600)	(28,000)
21.	Total Net	78,000	18,000	2,000	3,000	101,000

SCHEDULE P – PARTS 1A THROUGH 1T

Reporting entities should complete Schedule P in thousands only but must report all claim counts in whole numbers.

NOTE: For "prior," report amounts paid or received in current year only. Report cumulative amounts paid or received for specific years. Report loss payments net of salvage and subrogation received.

The number of claims reported is to be cumulative by accident year. The number of claims reported in each accident year is equal to the number of open claims at the end of the current year plus cumulative claims closed with or without payment for current and prior calendar years.

If the Company changes its method of counting claims, the new method should be disclosed in Schedule P Interrogatories, Interrogatory 6.

Products Liability must be reported separately from Other Liability throughout the statement. This requires that companies separate and restate amounts previously reported as "Other Liability" into the appropriate parts of Schedule P and fully disclose amounts pertaining to "Products Liability." For a definition of what is to be included in each of these lines, refer to the Appendix of these instructions.

For Medical Professional Liability, Other Liability and Products Liability lines, data for occurrence coverages must be reported separately from data for claims-made coverages for accident years 1987 and subsequent. If available, data for occurrence coverages should also be reported separately from data for claims-made coverages for accident years 1986 and prior. If the separate data is not available for accident years 1986 and prior, combined data must be reported in the occurrence parts of Schedule P for those accident years only.

"Claims-made Earned Premiums" shall include earned premiums arising from any policy where the predominant exposure is claims-made, but "Claims-made Earned Premiums" shall not include "Tail Earned Premiums."

"Occurrence Earned Premiums" are all premiums, which are not claims made.

"Tail Earned Premiums" applicable to a claims-made insurance program are to be included in the occurrence Part for the respective line.

The following rules apply to accounting for claims-made losses:

a. The "incurred" date shall be the report date for losses attributable to claims-made (but not "tail" forms).

b. Losses shall be booked to the report year that is consistent with the report year definition contained in the policy.

The rule for accounting for losses incurred on tail policies is that such losses must be assigned to the year in which the policy was issued and are to be included in the Occurrence Part for the respective line.

Report in Column 23 the estimated amount of anticipated salvage and subrogation that has been taken as credit (netted) in the reserves for unpaid losses and loss adjustment expenses reported in Column 24. (Note: Column 23 is a memo column only as the amounts contained therein have already been taken into consideration in Columns 13 through 20.)

In Column 28, "Net," the amount should equal Column 26 – Column 27, which equals Column 11 + Column 24.

SCHEDULE P – PARTS 2, 3, AND 4

All amounts in Schedule P, Parts 2, 3, and 4 are reported net of reinsurance.

Schedule P, Part 2 provides a loss and expense development overview to test the adequacy of the reporting entity's reserves. Schedule P, Part 3 shows the payment patterns for cash flow projections, discounting calculations, and actuarial projections. Schedule P, Part 4 is an exhibit showing the historical bulk and IBNR reserves as reported. Part 4 does not show a development of these reserves, and it will not, by itself, provide a test of the adequacy of these reserves.

Schedule P, Parts 2, 3 and 4 have parallel formats and are the basic exhibits for actuarial and financial analyses. The same Line Titles that applied to Schedule P, Part 1 also apply to Parts 2, 3 and 4.

All amounts are to be reported net of salvage and subrogation paid and anticipated.

All amounts in Parts 2 and 4 must be reported gross of both tabular and non-tabular discounting.

In part 2, the "Development" in Column 11 and 12 should be the current year less the first or second prior year, showing the (redundant) or adverse development.

Report all amounts in thousands of dollars ($000 omitted), by either rounding or truncating.

Loss Adjustment Expenses:

The triangles include only the "Defense & Cost Containment" loss adjustment expenses. The old Schedule P, Parts 2, 3 and 4 contained only the previously termed "allocated" loss adjustment expenses. Now the term "Defense & Cost Containment" is used. As before, the reason for this is that "Defense & Cost Containment" adjustment expenses correlate with loss amounts, but the "Adjusting & Other" adjusting expenses do not.

Bulk and IBNR Reserves:

The Bulk and IBNR reserves for losses and expenses are intended to include reserves for incurred but not reported claims, for reopened claims, for development on case reserves of reported claims, and for aggregate reserves on newly reported claims without specific case reserves. The Bulk and IBNR reserves are the actuarially determined reserves and are included in the losses unpaid and loss expenses unpaid reported in Schedule P, Parts 1 and 2.

These reserves include provision for "defense and cost containment" expenses, unlike the reserves reported in the Underwriting and Investment Exhibit, Part 2A.

The Prior Line:

In Part 2, Line 1, Column 1, include the loss and expense reserves (case + bulk + IBNR) previously reported at year-end of the last year for all accident years prior to the last year. The subsequent development each year across Line 1 will relate to these reserves and will show the subsequent payments and outstanding reserves.

In Part 3, Line 1, Column 1, the amount entered should always be "zero." In Line 1, Column 2, the amount should be the loss and expense payments made in that year on the reserves reported in Part 2, Line 1, Column 1. (These payments should also have been included in Part 2, Line 1, Column 2.) In Line 1, Column 3, the amount should be the loss and expense payments made in that year and the preceding year on the reserves reported in Part 2, Line 1, Column 2. (These payments should also have been included in Part 2, Line 1, Column 3.) Columns 4 through 10 should continue to cumulate the payments in the same way and tie into the Part 2 "prior" line.

In Part 4, Line 1, Column 1, the amount entered should be the bulk and IBNR that was included in Part 2, Line 1, Column 1, (which should equal the case reserves plus the bulk and IBNR). In fact, the entire Line 1 should be the bulk and IBNR included in Part 2, Line 1.

The "prior" line can be reconciled with the immediately preceding year's Annual Statement by breaking down the accident years in the preceding Annual Statement and properly summing the parts.

SCHEDULE P – PART 5

Part 5 is a reporting of claim count information in one location, all of which should have been reported in the current or prior Annual Statements. Section 1 shows the number of claims closed with loss payment, as previously reported in Part 3, Column 11. Section 2 shows the number of claims outstanding, as previously reported in Part 1, Column 25, for all years, since this information has always been required in Schedule P. Section 3 shows the number of claims reported, as previously reported in Part 1, Column 12.

In Section 1, the Prior Line should show the number of claims closed with loss payment in each respective year for prior years.

In Section 2, the Prior Line should show the number of claims outstanding in each respective year for prior years.

In Section 3, the Prior Line should show the number of claims reported in each respective year for prior years. Even though Schedule P, Part 1, Column 12, does not require prior information, reporting entities should have this information available. If not, reasonable estimates should be made.

All claim count information reported in Schedule P should be on a "direct and assumed" basis and should reconcile. "Direct and assumed" means direct plus the proportion of a pool plus proportional reinsurance assumed. The same percentage used for dollar amounts should also be used for the claim counts.

SCHEDULE P – PART 6

For Schedule P, Part 6, the premiums to be reported are exposure or coverage year earned premiums, recalculated each subsequent year to reflect audits, retrospective adjustments based on loss experience, accounting lags, etc. Mechanically, the written premium file would be restated and the earned premium calculation repeated each year. Premium adjustments for policy periods that cover more than one calendar year should be proportionately distributed between the calendar years covered by the policy period. The objective is to develop earned premiums by calendar year of coverage consistent with the loss and Defense & Cost Containment expense by accident year. Only accident years 1993 and subsequent must be reported. The difference between Sections 1 and 2 should equal the proper net earned premiums.

A further objective is to determine a more accurate loss and Defense & Cost Containment expense ratio and to be able to project the earned but unbilled premiums, which may be an asset or liability. The reporting entity may use any method to recalculate the premiums, which will achieve this objective.

The example in Exhibit B demonstrates how the sections should look if all years are retroactively determined and reported. Column 11 is for informational purposes and shows the distribution of premiums earned during the current year for the prior years. Premiums as reported in Schedule P, Part 1, Columns 1 or 2, are also shown at the bottom of the exhibit to demonstrate the relationship and to show how Part 6 reconciles with Part 1.

The Prior Line should show the earned premium adjustment in each respective year for prior years. For prior experience years (columns), Line 1 for a particular year of experience (x) can be determined from the prior year's Schedule P, Part 6, as the sum of Lines 1 plus 2 for experience year (x) (column) minus Line 2 for the preceding year (x-1).

The same features are applicable for Section 2 on ceded business.

NOTE: Purchased tail coverage policies are issued in the year that the coverage is effective. Free extended tail coverage is issued in the year the coverage is triggered.

SCHEDULE P – PART 7

1. Only the experience on contracts that meet the following definition should be included in Schedule P, Part 7.

   Loss sensitive contracts shall meet the following criteria:

   > Contracts where an increase in losses on a policy can cause an increase in net payment (by the insured) for that policy.
   >
   > The amount of additional payment (by the insured) must be at least 75% (50% for reinsurance contracts) of the additional losses, before application of aggregate and per accident/claimant limits or caps.
   >
   > The net amount paid (by the insured) must also be able to differ by at least 20% (10% for reinsurance contracts), from highest to lowest possible charge in reaction to the loss experience.
   >
   > The maximum possible payment by the insured should also be at least 15% (7.5% for reinsurance contracts) above what the insured would pay based on expected loss experience. In other words, the maximum charge should not approximate the expected charge.
   >
   > The additional payment shall be in the form of additional premiums or additional commissions.
   >
   > The additional losses and corresponding payments must flow through the income and balance sheets and cannot be "off-balance sheet." For example, a deductible feature does not make a contract "loss sensitive" under this definition, as neither the losses under the deductible nor the reimbursements for these losses flow through the income statement.

2. Schedule P, Part 7 is only required of reporting entities who claim a reduction in their Risk-Based Capital for Loss Sensitive Contracts. Such reporting entities must complete the entire schedule in each year that they claim such credit.

3. Schedule P, Part 7A provides experience on primary contracts. Schedule P, Part 7B provides experience on reinsurance contracts.

<u>Current Year Loss and LAE Reserves and Net Written Premium</u>

4. Column (1) of Section 1, Parts 7A and 7B of Schedule P should agree with the net loss and loss adjustment expense reserves (undiscounted) reported in the corresponding Part 1 of Schedule P.

5. Column (2) of Section 1, Parts 7A and 7B of Schedule P should reflect the corresponding values for Loss Sensitive Contracts only. Primary Loss Sensitive should include direct losses and expenses unpaid less reinsurance on those direct losses and expenses. Reinsurance Loss Sensitive should include unpaid assumed losses and expenses less any retrocessions on those losses and expenses.

6. Column (4) x 1000 of Section 1 Parts 7A and 7B of Schedule P should agree with the net written premiums reported in the Statement of Income page.

7. Column (5) of Section 1, Parts 7A and 7B of Schedule P should reflect the corresponding premium for Loss Sensitive Contracts only. Primary Loss Sensitive should include direct premiums written on loss sensitive contracts less reinsurance on those direct premiums. Reinsurance Loss Sensitive should include assumed loss sensitive premiums less any retroceded premiums.

8. Columns (3) and (6) of Section 1, Parts 7A and 7B of Schedule P are ratios of (2) to (1) and (5) to (4), respectively. Express as percentages showing one decimal place (e.g., 24.2%).

Loss Development

9. In each row of Section 2, Parts 7A and 7B of Schedule P, display the reported estimate of ultimate losses and Defense & Cost Containment expense on all Loss Sensitive Contracts issued (i.e., with inception dates) in that year. Each reported estimate should be the estimate of ultimate loss and Defense and Cost Containment Expense as of each year-end, not the incremental amounts incurred during each calendar year. The resulting data should display the reported estimate of ultimate losses and Defense and Cost Containment Expense on a Policy Year basis. The "Prior" row should display the reported estimate of ultimate losses and Defense and Cost Containment Expense on a Policy Year basis for all policy years ten or more years older than the current policy year.

   One reasonability benchmark that can be used to verify that the data is presented on a Policy Year basis is to compare the magnitude of an issue year's ultimate loss and Defense and Cost Containment Expense estimates as of twelve months and as of twenty-four months. The valuation as of twenty-four months should be approximately twice as great as the valuation as of twelve months. (For example Issue year 2004 estimate of ultimate losses and Defense and Cost Containment Expense at year-end 2005 should be approximately twice as great as the estimate of Issue Year 2004 ultimate losses and Defense and Cost Containment Expense at year-end 2004.) This reasonability benchmark assumes roughly even policy writings throughout the year. If a company's writings are proportionately greater in the first half of the year than the second half of the year, the valuation as of twelve months can reasonably be expected to be greater than 50% of the twenty-four month valuation.

10. In each row of Section 3, Parts 7A and 7B of Schedule P, show similarly the bulk and IBNR reserves included in the estimate of ultimate loss and Defense and Cost Containment Expense in Section 2 Defense & Cost Containment Expense.

Premium Development

11. Loss Sensitive Reinsurance Contracts must be segmented between those on which premium is the adjustable element, and those on which commissions paid to the cedant are adjustable with losses. The premium development schedule (Sections 4 and 5, Part 7B of Schedule P) should only include the experience of contracts with a variable premium.

12. In Section 4, Parts 7A and 7B of Schedule P for each year of issue, display the net earned premiums reported at the end of each calendar year. Each reported estimate should be the estimate of net earned premium as of each year-end, not the incremental amounts earned during each calendar year. The resulting data should display the reported estimate of net earned premium on a Policy Year basis. The "Prior" row should display the reported estimate of net earned premium on a Policy Year basis for all policy years ten or more years older than the current policy year.

   One reasonability benchmark that can be used to verify that the data is presented on a Policy Year basis is to compare the magnitude of an issue year's net earned premium as of twelve months and as of twenty-four months. The valuation as of twenty-four months should be approximately twice as great as the valuation as of twelve months. This reasonability benchmark assumes roughly even policy writings throughout the year. If a company's writings are proportionately greater in the first half of the year than the second half of the year, the valuation as of twelve months can reasonably be expected to be greater than 50% of the twenty-four month valuation.

   A second reasonability benchmark that can be used to verify the data presentation is to examine the ratio of Section 2 incurred loss and allocated expenses to Section 4 net earned premiums. The ratio of incurred losses to net earned premiums should all be similar at each valuation date. If Section 2 data is not on a policy year basis, but Section 4 is, or vice-versa, the ratios as of twelve months will look very different than the ratios as of twenty-four months.

13. In Section 5, Parts 7A and 7B of Schedule P, show separately any bulk assets or liabilities for future additional premiums or return of premiums included in the earned premium in Section 4. An entry denoting the expectation of future additional premiums should be displayed as a positive value. An entry denoting the expectation of future return premiums should be displayed as a negative value.

Commission Development

14. In Part 7B of Schedule P, for all reinsurance contracts where the commission paid to the cedant varies with losses, display the development of that commission in Section 6 and display any assets or liabilities accrued in respect of the commission in Section 7. An entry denoting the expectation of future additional commissions to be paid should be displayed as a negative value. An entry denoting the expectation of future return commissions should be displayed as a positive value.

EXHIBIT B

Spread of Two Year Lines (I, J, K, L,S, T)

Paid Loss History - Part 1J Auto Physical Damage and Part 1 Summary

	Paid thru 2018		Paid in 2019		Paid thru 2019 Included in Part 1 Summary		
	Direct + Assumed	Ceded	Direct + Assumed	Ceded	Direct + Assumed	Ceded	
Prior to 2010	0	0	300	30	300	30	Prior includes payments made in 2019 only
2010	1,000	100	150	15	1,150	115	
2011	950	95	143	14	1,093	109	
2012	900	90	135	14	1,035	104	
2013	850	85	128	[illegible]	978	98	
2014	800	80	120	12	920	92	
2015	750	75	113	11	863	86	
2016	700	70	[illegible]	11	805	81	
2017	650	65	98	[illegible]	748	75	
2018	600	60	90	9	690	69	
2019	0	0	[illegible]	8	83	8	
Total	7,200	720	1,463	146	8,663	866	
Prior to 2018	6,600	660	1,290	129			

Paid thru 2019 Included in Part 1J (Auto Physical Damage)

	Direct + Assumed	Ceded
Prior to 2018 paid in	1,290	129
2018	690	69
2019	83	8
Total	2,063	206
Diff– History	6,600	660

Schedule P – Part 2 – Incurred Net Losses and Defense and Cost Containment Reported at Year-End

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prior	Case + Bulk + IBNR rsvs on <2010 @ Ye 2010	paid in 2011 rsvs on < 2010 @ ye 2011	paid 2011 thru 2012 + rsvs on < 2010@ ye 2012	paid 2011 thru 2013 + rsvs on < 2010 @ ye 2013	paid 2011 thru 2014 + rsvs on < 2010 @ ye 2014	paid 2011 thru 2015 + rsvs on < 2010 @ ye 2015	paid 2011 thru 2016 + rsvs on < 2010 @ ye 2016	paid 2011 thru 2017 + rsvs on < 2010 @ ye 2017	paid 2011 thru 2018 + rsvs on < 2010 @ ye 2018	paid 2011 thru 2019 + rsvs on < 2010 @ ye 2019
2010	paid in 2010 + rsvs on 2010 @ ye 2010	paid thru 2011 + rsvs on 2010 @ ye 2011	paid thru 2012 + rsvs on 2010 @ ye 2012	paid thru 2013 + rsvs on 2010 @ ye 2013	paid thru 2014 + rsvs on 2010 @ ye 2014	paid thru 2015 + rsvs on 2010 @ ye 2015	paid thru 2016 + rsvs on 2010 @ ye 2016	paid thru 2017 + rsvs on 2010 @ ye 2017	paid thru 2018 + rsvs on 2010 @ ye 2018	paid thru 2019 + rsvs on 2010 @ ye 2019
2011		paid in 2011 + rsvs on 2011 @ ye 2011	paid thru 2012 + rsvs on 2011 @ ye 2012	paid thru 2013 + rsvs on 2011@ ye 2013	paid thru 2014 + rsvs on 2011 @ ye 2014	paid thru 2015 + rsvs on 2011 @ ye 2015	paid thru 2016 + rsvs on 2011 @ ye 2016	paid thru 2017 + rsvs on 2011 @ ye 2017	paid thru 2018 + rsvs on 2011 @ ye 2018	paid thru 2019 + rsvs on 2011 @ ye 2019
2012			paid in 2012 + rsvs on 2012 @ ye 2012	paid thru 2013 + rsvs on 2012 @ ye 2013	paid thru 2014 + rsvs on 2012 @ ye 2014	paid thru 2015 + rsvs on 2012 @ ye 2015	paid thru 2016 + rsvs on 2012 @ ye 2016	paid thru 2017 + rsvs on 2012 @ ye 2017	paid thru 2018 + rsvs on 2012 @ ye 2018	paid thru 2019 + rsvs on 2012 @ ye 2019
2013				paid in 2013 + rsvs on 2013 @ ye 2013	paid thru 2014 + rsvs on 2013 @ ye 2014	paid thru 2015 + rsvs on 2013 @ ye 2015	paid thru 2016 + rsvs on 2013 @ ye 2016	paid thru 2017 + rsvs on 2013 @ ye 2017	paid thru 2018 + rsvs on 2013 @ ye 2018	paid thru 2019 + rsvs on 2013 @ ye 2019
2014					paid in 2014 + rsvs on 2014 @ ye 2014	paid thru 2015 + rsvs on 2014 @ ye 2015	paid thru 2016 + rsvs on 2014 @ ye 2016	paid thru 2017 + rsvs on 2014 @ ye 2017	paid thru 2018 + rsvs on 2014 @ ye 2018	paid thru 2019 + rsvs on 2014 @ ye 2019
2015						paid in 2015 + rsvs on 2015 @ ye 2015	paid thru 2016 + rsvs on 2015 @ ye 2016	paid thru 2017 + rsvs on 2015 @ ye 2017	paid thru 2018 + rsvs on 2015 @ ye 2018	paid thru 2019 + rsvs on 2015 @ ye 2019
2016							paid in 2016 + rsvs on 2016 @ ye 2016	paid thru 2017 + rsvs on 2016 @ ye 2017	paid thru 2018 + rsvs on 2016 @ ye 2018	paid thru 2019 + rsvs on 2016 @ ye 2019
2017								paid in 2017 + rsvs on 2017 @ ye 2017	paid thru 2018 + rsvs on 2017 @ ye 2018	paid thru 2019 + rsvs on 2017 @ ye 2019
2018									paid in 2018 + rsvs on 2018 @ ye 2018	paid thru 2019 + rsvs on 2018 @ ye 2019
2019										paid in 2019 + rsvs on 2019 @ ye 2019

Notes Figures are net of reinsurance, subrogation, and salvage.

Reserves Only. Subsequent development relates only to subsequent payments and reserves.

From Part 1: Column 11 - (Column 8 - Column 9) + Column 24 - (Column 21 - Column 22)

Schedule P-- Part 3 – Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
Prior	000	paid in 2011 on < 2010	paid 2011 thru 2012 on < 2010	paid 2011 thru 2013 on < 2010	paid 2011 thru 2014 on < 2010	paid 2011 thru 2015 on < 2010	paid 2011 thru 2016 on < 2010	paid 2011 thru 2017 on < 2010	paid 2011 thru 2018 on < 2010	paid 2011 thru 2019 on < 2010		
2010	paid in 2010 on 2010	paid thru 2011 on 2010	paid thru 2012 on 2010	paid thru 2013 on 2010	paid thru 2014 on 2010	paid thru 2015 on 2010	paid thru 2016 on 2010	paid thru 2017 on 2010	paid thru 2018 on 2010	paid thru 2019 on 2010		
2011		paid in 2011 on 2011	paid thru 2012 on 2011	paid thru 2013 on 2011	paid thru 2014 on 2011	paid thru 2015 on 2011	paid thru 2016 on 2011	paid thru 2017 on 2011	paid thru 2018 on 2011	paid thru 2019 on 2011		
2012			paid in 2012 on 2012	paid thru 2013 on 2012	paid thru 2014 on 2012	paid thru 2015 on 2012	paid thru 2016 on 2012	paid thru 2017 on 2012	paid thru 2018 on 2012	paid thru 2019 on 2012		
2013				paid in 2013 on 2013	paid thru 2014 on 2013	paid thru 2015 on 2013	paid thru 2016 on 2013	paid thru 2017 on 2013	paid thru 2018 on 2013	paid thru 2019 on 2013		
2014					paid in 2014 on 2014	paid thru 2015 on 2014	paid thru 2016 on 2014	paid thru 2017 on 2014	paid thru 2018 on 2014	paid thru 2019 on 2014		
2015						paid in 2015 on 2015	paid thru 2016 on 2015	paid thru 2017 on 2015	paid thru 2018 on 2015	paid thru 2019 on 2015		
2016							paid in 2016 on 2016	paid thru 2017 on 2016	paid thru 2018 on 2016	paid thru 2019 on 2016		
2017								paid in 2017 on 2017	paid thru 2018 on 2017	paid thru 2019 on 2017		
2018									paid in 2018 on 2018	paid thru 2019 on 2018		
2019										paid in 2019 on 2019		

Notes: Figures are net of reinsurance.
Figures are net of salvage and subrogation received.

From Part 1: Column 4 - Column 5 + Column 6 - Column 7 (or Column 11 - (Column 8 - Column 9)

Contents of "SUMMARY" includes breakout of prior from two year lines I, J, K, L S &T

Summary		10 Year Lines *		"Spread" Two Year Lines	2 Year Lines		Reinsurance A, B, C
Prior		Prior		Prior			Prior
2010		2010		2010			2010
2011		2011		2011			2011
2012		2012		2012			2012
2013		2013		2013			2013
2014	Equals	2014	Plus	2014		Plus	2014
2015		2015		2015	Prior to 2018		2015
2016		2016		2016			2016
2017		2017		2017			2017
2018		2018		2018	2018		2018
2019		2019		2019	2019		2019
		A HO/FO		I SPEC. PROP.			N Reins A
		B PRIV. AUTO		J AUTO PHYS. DAM.			O Reins B
		C COMM. AUTO		K FID./SURETY			P Reins C
		D W. COMP		L CREDIT, A&H			
		E CMP					
		F MED MALP		S FIN./MORT GUAR			
		G SPEC. LIAB.		T WARRANTY			
		H OTHER LIAB.					
		M INTL					
		R PROD. LIAB					

"Prior to 2018" figures do not include cumulative data for Individual accident years 2017 and before. This info will be captured and maintained elsewhere.

Spread of Two Year Lines (I, J, K, L, S, T)

Paid Loss History - Part 3J Auto Physical Damage and Part 3 Summary

	Paid thru 2018		Paid in 2019		Paid thru 2019 Included in Part 3 Summary		
	Direct + Assumed	Ceded	Direct + Assumed	Ceded	Direct + Assumed	Ceded	Cumulative Prior to 2010 needed for Parts 2 and 3
Prior to 2010*	4,000	400	300	30	4,300	430	
2010	1,000	100	150	15	1,150	115	
2011	950	95	143	14	[illegible]	[illegible]	
2012	900	90	135	14	[illegible]	[illegible]	
2013	850	85	128	13	[illegible]	98	
2014	800	80	120	12	920	92	
2015	750	75	113	11	[illegible]	86	
2016	700	70	105	11	805	81	
2017	650	65	98	10	[illegible]	75	
2018	600	60	90	9	690	69	
2019	0	0	83	8	83	8	
Total	11,200	1,120	1,463	146	12,663	1,266	

	Direct + Assumed	Ceded	Direct + Assumed	Ceded
Prior to 2018 Paid thru 2018	10,600	1,060	1,290	[illegible]
Less				
Prior to 2018 paid in 2018	1,500	150		
Equals				
Prior to 2018 paid thru 2017	9,100	[illegible]		

Paid thru 2019 Included in Part 3J (Auto Physical Damage)

	Direct + Assumed	Ceded
Prior to 2018 paid thru 2019	2,790	279
2018	690	69
2019	83	8
Total	3,563	356

Diff=2017 & prior history	9,100	910

*** Prior to 2004 Paid since 1/1/2010**

Schedule P - Part 4 - Bulk and INBR Reserves on Net Losses and Defense & Cost Containment Expenses Reported at Year End

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prior	rsvs ye 2010 on < 2010	rsvs ye 2011 on < 2010	rsvs ye 2012 on < 2010	rsvs ye 2013 on < 2010	rsvs ye 2014 on < 2010	rsvs ye 2015 on < 2010	rsvs ye 2016 on < 2010	rsvs ye 2017 on < 2010	rsvs ye 2018 on < 2010	rsvs ye 2019 on < 2010
2010	rsvs ye 2010 on 2010 ay	rsvs ye 2011 on 2010 ay	rsvs ye 2012 on 2010 ay	rsvs ye 2013 on 2010 ay	rsvs ye 2014 on 2010 ay	rsvs ye 2015 on 2010 ay	rsvs ye 2016 on 2010 ay	rsvs ye 2017 on 2010 ay	rsvs ye 2018 on 2010 ay	rsvs ye 2019 on 2010 ay
2011		rsvs ye 2011 on 2011 ay	rsvs ye 2012 on 2011 ay	rsvs ye 2013 on 2011 ay	rsvs ye 2014 on 2011 ay	rsvs ye 2015 on 2011 ay	rsvs ye 2016 on 2011 ay	rsvs ye 2017 on 2011 ay	rsvs ye 2018 on 2011 ay	rsvs ye 2019 on 2011 ay
2012			rsvs ye 2012 on 2012 ay	rsvs ye 2013 on 2012 ay	rsvs ye 2014 on 2012 ay	rsvs ye 2015 on 2012 ay	rsvs ye 2016 on 2012 ay	rsvs ye 2017 on 2012 ay	rsvs ye 2018 on 2012 ay	rsvs ye 2019 on 2012 ay
2013				rsvs ye 2013 on 2013 ay	rsvs ye 2014 on 2013 ay	rsvs ye 2015 on 2013 ay	rsvs ye 2016 on 2013 ay	rsvs ye 2017 on 2013 ay	rsvs ye 2018 on 2013 ay	rsvs ye 2019 on 2013 ay
2014					rsvs ye 2014 on 2014 ay	rsvs ye 2015 on 2014 ay	rsvs ye 2016 on 2014 ay	rsvs ye 2017 on 2014 ay	rsvs ye 2018 on 2014 ay	rsvs ye 2019 on 2014 ay
2015						rsvs ye 2015 on 2015 ay	rsvs ye 2016 on 2015 ay	rsvs ye 2017 on 2015 ay	rsvs ye 2018 on 2015 ay	rsvs ye 2019 on 2015 ay
2016							rsvs ye 2016 on 2016 ay	rsvs ye 2017 on 2016 ay	rsvs ye 2018 on 2016 ay	rsvs ye 2019 on 2016 ay
2017								rsvs ye 2017 on 2017 ay	rsvs ye 2018 on 2017 ay	rsvs ye 2019 on 2017 ay
2018									rsvs ye 2018 on 2018 ay	rsvs ye 2019 on 2018 ay
2019										rsvs ye 2019 on 2019 ay

Notes: Figures are net of reinsurance.

(shaded) From Part 1: Column 15 - Column 16 + Column 19 - Column 20

Schedule P – Part 6 – Earned Premium Development

Example

Year in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END ($000 OMITTED)										
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019	11 Current Year Premiums Earned
1. Prior	10,000	6,000	4,000	3,000	2,200	1,500	1,000	600	300	100	100
2. 2010	350,000	354,000	356,000	357,000	357,800	358,500	359,000	[illegible]	[illegible]	[illegible]	200
3. 2011	XXXX	355,000	359,000	361,000	362,000	362,800	363,500	[illegible]	[illegible]	364,700	300
4. 2012		XXXX	360,000	364,000	366,000	367,000	367,800	[illegible]	[illegible]	369,400	400
5. 2013			XXXX	365,000	369,000	371,000	372,000	[illegible]	373,500	374,000	500
6. 2014				XXXX	370,000	374,000	[illegible]	[illegible]	377,800	378,500	600
7. 2015					XXXX	375,000	[illegible]	381,000	382,000	382,800	700
8. 2016						XXXX	380,000	384,000	386,000	387,000	1,000
9. 2017							XXXX	385,000	389,000	391,000	2,000
10. 2018								XXXX	390,000	394,000	4,000
11. 2019									XXXX	395,000	395,000
12. Total										XXXX	405,000

Schedule P Part 1 EP	360,000	365,000	370,000	[illegible]	380,000	385,000	390,000	395,000	400,000	405,000	XXXX

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

ALLOCATED BY STATES AND TERRITORIES

This schedule is intended to report premiums, losses and other items allocated to each state or territory during the current reporting period, regardless of the reporting entity's license status in that state or territory. Allocation of premiums and the other items reported on this schedule should be based on the physical location of the insured risk (except individual and group health insurance). Amounts reported as losses should be assigned to the state in which the associated premium has been allocated.

All U.S. business must be allocated by state regardless of license status.

Column 1 – Active Status

Use the following codes to identify the reporting entity's status for each state or territory reported in the schedule as of the end of the reporting period. Enter the code that applies to the reporting entity's status in the state or territory. Each line must have an entry in order to subtotal Footnote (a).

L –	Licensed or Chartered	(Licensed Insurance Carrier and Domiciled Risk Retention Groups referred to in some states as admitted.)
R –	Registered	(Non-domiciled Risk Retention Groups)
E –	Eligible	(Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile – see DSLI). In some states referred to as nonadmitted.)
Q –	Qualified	(Qualified or Accredited Reinsurer)
D –	DSLI	(Domestic Surplus Lines Insurer (DSLI) – Reporting Entities authorized to write Surplus Lines in the state of domicile)
N –	None of the above	(Not allowed to write business in the state or none of the above codes apply)

Column 2 – Direct Premiums Written

Total to agree with the total of Column 1 in Underwriting and Investment Exhibit, Part 1B.

Column 5 – Direct Losses Paid (Deducting Salvage)

Total to agree with the total of Column 1 in Underwriting and Investment Exhibit, Part 2.

Column 6 – Direct Losses Incurred

Total to agree with the sum of totals for Columns 5 and 7 less the total for Column 7 in the prior annual statement.

Column 7 – Direct Losses Unpaid

Total to equal Underwriting and Investment Exhibit, Part 2A, totals for Columns 1 and 5.

Column 8 – Finance and Service Charges Not Included in Premiums

Report finance and service charges on direct business pursuant to the recognition guidance in *SSAP No. 53—Property Casualty Contracts-Premiums*. If a company cedes 100% of its business to an affiliate or utilizes an intercompany pooling arrangement and pools such charges, exclude the intercompany assumed and ceded amount incorporated in Page 4, Line 13.

**** Column 10 will be electronic only ****

Column 10 – Branch Operations Indicator

Include the indicator "B" if any direct premium or losses in the alien jurisdiction are the result of branch operations. If the premium in the jurisdiction represents both branch operations and other direct business (e.g., the policyholder or group member residence changed to that jurisdiction), then indicate "B." If there are no branch operations in the jurisdiction, then leave blank. The definition of "branch operations" is the definition used by the reporting entity's state of domicile.

The following is provided to illustrate appropriate allocation bases for specific lines of business:

- For property coverages such as fire, homeowners, earthquake, boiler and machinery, and burglary and theft, allocation to a specific state based on the state where each covered property is principally physically located.
- If the property is (or potentially is) in transit, such as for marine coverages, allocate to the beginning state location.
- For automobile coverage (property and liability, commercial and personal) premium associated with each vehicle based on the location of the principal garage for each such insured vehicle.
- For workers' compensation premiums, allocate to each state based on each employee's main work place.
- For liability coverage where a separate premium charge is determined for each physical location that may generate liability claims, allocate to the state consistent with the premium determination by physical location.
- For liability coverage where a single premium amount is determined for multiple locations, allocate to the state of the principal office.
- For premiums written for Federal Purchasing Groups, allocate to each state in which members of the group are located.
- For credit insurance premium, allocate to the residence of the person who ultimately pays the premium. For credit insurance purchased by a borrower specific to a particular loan, allocate to the residence of the borrower or the location of the lender.
- Accident and health premiums should be allocated as required in the health annual statement as shown below.

Definitions

Resident

A member who occupies a dwelling within a state with indications that the state is their primary domicile by payment of taxes, voting registration, and other indicators.

Residence

The domicile location of a member as shown by his or her determination as a resident. In the context of Schedule T, the residence of the policyowner or group member would equate to the location that the member uses for official documents; information maintained by an employer as the home address of the employee would be accepted as a member's residence for allocation purposes.

Situs of the Contract

The jurisdiction in which the contract is issued or delivered as stated in the contract.

Rule of 500

For individual and group health insurance shall be defined as a premium allocation method for group policies that 1) permits a reporting entity to allocate premiums and other considerations from a non-employer group policy covering fewer than 500 members to the jurisdiction in which the majority of covered members reside or to the situs of the contract; 2) permits a reporting entity to allocate premiums and other considerations from an employer group policy covering fewer than 500 members to the jurisdiction in which the majority of covered members reside or are employed or to the situs of the contract; 3) requires a reporting entity to allocate premiums and other considerations from a non-employer group policy covering 500 or more members to the jurisdiction where each member resides; and 4) requires a reporting entity to allocate premiums and other considerations from an employer group policy covering 500 or more members to the jurisdiction where each member resides or is employed.

Members

A person, employee, retiree, etc., that qualifies for and is covered under a group insurance policy. No consideration should be given to a member's dependents for counting the number of members in a group or in allocating premium and other considerations to the various states and territories.

Allocation by jurisdictions **for individual and group health insurance**

The instructions are minimum allocation standards. More detailed methods of allocation are acceptable, as long as they still encompass the minimum allocation instructions. Methods of allocation that better reflect the actual risk location by jurisdiction are encouraged. The method should be established by company policy and must be consistently applied to all policies within each type and for all reporting periods.

For individual policies, allocate and report premium and other considerations to the jurisdiction based on the residence of the policyowner, insured or payer or on the situs of the contract.

For group policies not provided by an employer, allocate and report premiums and other considerations to the jurisdiction based on the Rule of 500, or on the situs of the contract.

For group policies provided by an employer, allocate and report premiums and other considerations to the jurisdiction based on the Rule of 500, location of employer or on the situs of the contract.

If using the Rule of 500 for group insurance sold through an association or trust, the following instructions apply:

Apply the Rule of 500 to the association or trust policy first. If the association or trust policy has more than 500 covered members, apply the Rule of 500 at the level of each group or employer in determining the allocation of the premium. The determination of jurisdiction allocation by group or employer should be added to the determination of jurisdiction allocation of each group or employer under the association or trust policy to come up with the total allocation of premium. Do not report all association or trust business in one state unless all covered members of the association or trust reside in one state, in fact or by operation of the Rule of 500. If the group is a collection of employers, do not report all premiums in one jurisdiction unless all of the covered employees reside or work in one state, in fact or by operation of the Rule of 500.

Example of an association policy that covers a group of employers: If the association policy covers more than 500 members, each employer would be reviewed to determine if coverage is provided through the association policy for more than 500 members. If an employer has less than 500 covered members, the premium for that employer may be reported in one state based on the Rule of 500. If an employer covers more than 500 members through the association policy, the premiums would be reported based on the residence or employment location of each member. The determination for each employer would be added to the determinations for all the other employers that provide coverage to employees through the association policy.

Where applicable, reporting entities must have procedures to capture and maintain changes in allocation when notified through renewals or other procedures and must use the changes to adjust the allocation of premiums and other considerations in subsequent financial statements. It is not necessary to anticipate unreported changes in allocation at any specific reporting date.

If allocating premiums to multiple jurisdictions under group policies, the premiums and other considerations associated with a member should be the basis of determining the amount of premium to report in a jurisdiction. If information is not available to associate a specific premium to each member, an allocation can be made based on the number of covered persons in a jurisdiction compared to the total number of the group's covered members and apply that ratio to the total group premiums and other considerations.

The allocation instructions are minimum allocation standards. More detailed methods of allocation are acceptable as long as they still encompass the minimum allocation instructions. Methods of allocation that better reflect the actual risk location by state are encouraged.

The allocation method established by the reporting entity in compliance with these instructions and the instructions of the domiciliary state should be consistently applied to all policies and reporting periods.

The data reported in Schedule T of the annual statement may or may not be used for the calculation of the amount of premium tax due to a state/jurisdiction. Individual states/jurisdictions may require a separate schedule to support premium tax calculations.

NOTE: Existing state laws and regulations need to be considered when applying these instructions.

Line 58 – Aggregate Other Alien

Enter the total of the write-ins listed in Schedule Details of Write-ins Aggregated at Line 58 for Other Alien.

All U.S. business must be allocated to a state regardless of license status.

Details of Write-ins Aggregated at Line 58 for Other Alien

List separately each alien jurisdiction for which there is no pre-printed line on Schedule T.

If the premium from an alien jurisdiction is due to relocation of current policyholders, the amount may be aggregated and reported as "Other Alien." Premiums from jurisdictions in which there is active writing must be reported by jurisdiction and include premium from relocated policyholders residing in the respective jurisdiction.

Identify each alien jurisdiction by using a **three-character (ISO Alpha 3) country code followed by the name of the country (e.g., DEU Germany)**. For premium that can be aggregated and reported as "Other Alien" as stated in the previous paragraph, use "ZZZ" for the country code and "Other Alien" for the country name. A comprehensive listing of country codes is available in the appendix of these instructions.

Include summary of remaining write-ins for Line 58 from the Overflow page on the separate line indicated.

Explanation of basis of allocation of premiums by states, etc

Provide a detailed explanation of the by-state and territory allocation of premium and other considerations used by the reporting entity. The explanation should be detailed enough to determine compliance with state laws and regulations.

Footnote (a):

Provide the total of each active status code in Column 1. The sum of all the counts of all active status codes should equal 57.

SCHEDULE T – PART 2

INTERSTATE COMPACT –EXHIBIT OF PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

This exhibit is to be completed by all reporting entities. The purpose of the Interstate Compact is to promote and protect the interest of consumers of individual and group annuity, life insurance, disability income and long-term care insurance products through establishing a central clearinghouse to receive and provide prompt review of insurance products covered under the Compact pursuant to adopted uniform product standards. The Interstate Compact uses premium volume information statutorily reported to the NAIC for several purposes including the composition of the Compact Commission Management Committee. Data to be reported on this schedule should include all premiums for that line of business, not just for those policies that apply to the Compact.

Report direct business only.

Report premiums based on the instructions for allocating premiums between lines of business and jurisdictions for Schedule T.

Column 1 – Life Insurance

Life insurance is insurance primarily for the purpose of coverage on human lives, including incidental benefits. The primary purpose of life insurance is to provide financial assistance to a beneficiary at the insured's death.

Column 2 – Annuities

An annuity is a contract the primary purpose of which is to obligate a reporting entity to make periodic payments, including incidental benefits. An annuity contract is an arrangement whereby an annuitant is guaranteed to receive a series of stipulated amounts commencing either immediately or at some future date.

Report only annuities with mortality and/or morbidity risk.

Column 3 – Disability Income

Disability income insurance is insurance primarily for the purpose of coverage that provides payments when an insured is disabled or unable to work because of illness, disease or injury, including incidental benefits. Policies may provide monthly benefits for loss of income from disability, either on a short-term or a long-term basis.

Column 4 – Long-Term Care

Long-term care insurance is insurance primarily for the purpose of providing coverage when the insured is unable to perform specified activities of daily living or related functions, or have a cognitive impairment, including incidental benefits. Long-term care contracts represent any contract or policy rider providing coverage for not less than 12 consecutive months for each covered person for one or more necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance or personal care services, provided in a setting other than an acute care unit of a hospital. Under long-term care contracts, the insured event is generally the inability of the contract holder to perform certain activities of daily living.

Column 5 – Deposit-Type Contracts

A deposit-type contract is one that does not subject the reporting entity to any risks arising from policyholder mortality or morbidity. A mortality or morbidity risk is present if, under the terms of the contract, the reporting entity is required to make payments or forego required premiums contingent upon the death or disability (in the case of life and disability insurance contracts) or the continued survival (in the case of annuity contracts) of a specific individual or group of individuals. As such, deposit-type contracts are more comparable to financial or investment instruments, rather than insurance contracts.

Refer to *SSAP No. 50—Classifications of Insurance or Managed Care Contracts* and *SSAP No. 52—Deposit-Type Contracts* for accounting guidance.

Line 58 – Aggregate Other Alien

Enter the total of all alien business in the appropriate columns. Details by countries are not required.

Life and Fraternal

Line 59 – Totals

Column 1 amount should equal Schedule T, Line 59, Column 2.

Column 2 amount should equal Schedule T, Line 59, Column 3.

Column 5 amount should equal Schedule T, Line 59, Column 7.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

The term "holding company group" includes members of a holding company system and controlled groups.

All insurer and reporting entity members of a holding company group shall prepare a common schedule for inclusion in each of the individual annual statements. If the company is required to file a registration statement under the provisions of the domiciliary state's Insurance Holding Company System Regulatory Act, then Schedule Y, Part 1, Organizational Chart must be included in the annual statement. See *SSAP No. 25—Affiliates and Other Related Parties* for further information.

NOTE: If the reporting entity completes this schedule, it should have answered "YES" to General Interrogatories, Part 1, Question 1.1.

Attach a chart or listing presenting the identities of and interrelationships between the parent, all affiliated insurers and reporting entities; and other affiliates, identifying all insurers and reporting entities as such and listing the Federal Employer's Identification Number for each. The NAIC company code and two-character state abbreviation of the state of domicile should be included for all domestic insurers. The relationships of the holding company group to the ultimate controlling person (if such person is outside the reported holding company) should be shown. Only those companies that were a member of a holding company group at the end of the reporting period should be shown on Schedule Y, Part 1, Organizational Chart.

Where interrelationships are a 50%/50% ownership, footnote any voting rights preferences that one of the entities may have.

However, any person(s) (that includes natural person) deemed to be an ultimate controlling person, must be included in the organizational chart. The Social Security number for individual persons should not be included on this schedule.

SCHEDULE Y

PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

All insurer and reporting entity members of the holding company system shall prepare a schedule for inclusion in each of the individual annual statements that is common for the group with the exception of Column 10, Relationship to Reporting Entity.

NOTE: If the reporting entity completes this schedule, it should have answered "YES" to General Interrogatories, Part 1, Question 1.1.

Column 1 – Group Code

If not applicable for the entity in Column 8, leave blank.

Column 2 – Group Name

If not applicable for the entity in Column 8, leave blank.

Column 3 – NAIC Company Code

If not applicable, the NAIC Company Code field should be zero filled.

Column 4 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule F (Property and Title) or Schedule S (Life\Fraternal and Health) General Instructions for more information on these identification numbers.

Federal Employer Identification Number	(FEIN)	
Alien Insurer Identification Number	(AIIN)	*
Certified Reinsurer Identification Number	(CRIN)	*

* AIINs or CRINs are only reported if the entity in Column 8 is a reinsurer that has had an AIIN or CRIN number assigned or should have one assigned due to transactions being reported on Schedule F (Property and Title) or Schedule S (Life\Fraternal and Health) of another entity regardless of whether the entity in Column 8 is part of reporting entity's group.

If not applicable for the entity in Column 8, leave blank.

Column 5 – Federal RSSD

RSSD is the primary identifier for the Federal Reserve's National Information Center (NIC) of the entity in Column 8, if applicable.

Column 6 – CIK

Central Index Key (CIK) (for example the U. S. Securities and Exchange Commission (SEC) or any other exchange) of the entity in Column 8, if applicable.

Only provide the CIK issued for a publicly traded entity in Column 8. Do not provide a CIK issued for a variable insurance product written by the entity in Column 8.

If the name of a securities exchange is provided for Column 7, then a CIK should be provided for Column 6.

Column 7 – Name of Securities Exchange if Publicly Traded (U.S. or International)

If the entity in Column 8 is publicly traded either in the U.S. or internationally, list the name of the securities exchange (e.g., New York Stock Exchange).

For companies traded on more than one exchange, show the U.S. exchange if traded both in the U.S. and internationally; otherwise show the primary exchange.

The listing of most stock exchanges can be found in the Investment Schedules General Instructions or at the following Web address:

www.fixprotocol.org/specifications/exchanges.shtml

If a CIK is provided for Column 6, then the name of a securities exchange should be provided for Column 7.

Column 8 – Name of Parent, Subsidiaries or Affiliates

Names of all insurers and parent, subsidiaries or affiliates, insurance and non-insurance, in the insurance holding company system.

Each company within the group may be listed more than once if control is not 100%.

For example, if Company A is 50% controlled by Company B and 50% controlled by Company C, Company A would be listed twice with detail about Company B's control in Columns 10 through 14 and 16 on the first line and detail about Company C's control in Columns 10 through 14 and 16 on the second line.

Column 9 – Domiciliary Location

Report the two-character U.S. postal code abbreviation for the domiciliary jurisdiction for U.S. states, territories and possessions. A comprehensive listing of three-character (ISO Alpha 3) abbreviations for foreign countries is available in the appendix of these instructions.

Column 10 – Relationship to Reporting Entity

Use the most applicable of the following codes to describe the relationship of the entity in Column 8 to the reporting entity for which the filing is made.

Relationship Codes:

UDP	=	Upstream Direct Parent
UIP	=	Upstream Indirect Parent
DS	=	Downstream Subsidiary
IA	=	Insurance Affiliate
NIA	=	Non-Insurance Affiliate
OTH	=	Other (explain relationship in the footnote line)
RE	=	Reporting Entity

Column 11 – Directly Controlled by (Name of Entity/Person)

Name of the person/entity that directly controls the entity listed in Column 8.

As defined in the *Insurance Holding Company System Regulatory Act* (#440), the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by Section 4K that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support the determination that control exists in fact, notwithstanding the absence of a presumption to that effect.

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

Column 12 – Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence)

Type of control the entity in Column 11 has over the entity in Column 8.

- Ownership
- Board of Directors
- Management
- Attorney In-Fact
- Influence
- Other

Column 13 – If Control is Ownership, Provide Percentage

If the control the entity in Column 11 has over the entity in Column 8 is ownership, then provide the percentage of ownership. If control is not ownership, report zero. (Format such that 100.0% is shown as 100.0.)

Column 14 – Ultimate Controlling Entity(ies)/Person(s)

Name of the Ultimate Controlling Entity(ies)/Person(s).

As defined in the *Insurance Holding Company System Model Regulation* (#450), the "ultimate controlling person" is defined as that person which is not controlled by any other person.

Column 15 – Is an SCA Filing Required? (Y/N)

Answer yes (Y) or no (N) if a SCA (Subsidiary, Controlled and Affiliated) SUB 1 (initial) or SUB 2 (annual) filing with the NAIC is required per *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* for the entity in Column 8

Column 16 – *

Using the footnote lines at the bottom of the schedule, provide any footnotes or explanations of intercompany relationships. Insert the footnote line number in Column 16.

Where interrelationships are a 50%/50% ownership, footnote any voting rights preferences that one of the entities may have.

**** Column 17 will be electronic only. ****

Column 17 – Legal Entity Identifier (LEI)

Provide the 20-character Legal Entity Identifier (LEI) for any issuer as assigned by a designated Local Operating Unit. If no LEI number has been assigned, leave blank.

SCHEDULE Y

PART 2 – SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

This schedule was designed to provide an overview of transactions among insurance holding company system members. It is intended to demonstrate the scope and direction of major fund and/or surplus flows throughout the system. This schedule should be prepared on an accrual basis.

All insurer and reporting entity members of the holding company system shall prepare a common schedule for inclusion in each of the individual annual statements.

NOTE: If the reporting entity completes this schedule, it should have answered "YES" to General Interrogatories, Part 1, Question 1.1.

Include transactions between insurers; and between insurers and non-insurers within the holding company system. Exclude transactions between non-insurers that do not involve an affiliated insurer. Include all shareholder dividends, capital contributions and reinsurance recoverable (payable), Columns 4, 5 and 13, respectively, and transactions involving one-half of one percent or more of the largest insurer's admitted assets as of December 31. Exclude transactions of a non-insurer with an affiliated insurance company that are of a routine nature (e.g., the purchase of insurance coverage).

Transactions among holding company system members should only be reported for the portion of the year in which each company to the transaction was a member of the holding company system. For example, if a member of a holding company system is sold to a party who is not a member of the system on June 30, transactions that occur prior to June 30 between that company and members of the holding company system should be included on Schedule Y, Part 2, Summary of Insurer's Transactions With Any Affiliates. Those transactions that occur on or after June 30 should be reported on Schedule Y, Part 2 of the holding company system that acquired the insurer.

Report the aggregate amount of transactions for the reporting period within each category for both the payor and recipient of each transaction. If the insurer is both a payor and a recipient of amounts in any category, the net of these amounts should be reported on one line. Amounts of transactions that result in an increase in surplus should be shown as positive figures; and, transactions that result in a decrease in surplus should be reported enclosed in parentheses as negative figures. The total of each column is expected to be zero.

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

If the nature of the transactions reported in Schedule Y, Part 2 requires explanation, report such in an explanatory note immediately following Schedule Y, Part 2.

Column 2 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule F (Property and Title) or Schedule S (Life\Fraternal and Health) General Instructions for more information on these identification numbers.

Federal Employer Identification Number	(FEIN)	
Alien Insurer Identification Number	(AIIN)	*
Certified Reinsurer Identification Number	(CRIN)	*

* AIIN or CRIN numbers are only reported if the entity in Column 3 is a reinsurer that has had an AIIN or CRIN number assigned or should have one assigned due to transactions being reported on Schedule F (Property and Title) or Schedule S (Life\Fraternal and Health) of another entity regardless of whether the entity in Column 3 is part of reporting entity's group or not.

If not applicable for the entity in Column 3, leave blank.

Column 3 – Names of Insurers and Parent, Subsidiaries or Affiliates

Each company will be represented by a single line containing the net amount of all transactions.

Column 5 – Capital Contributions

Include: Surplus notes.

Column 7 – Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)

Exclude: Contingent liabilities. Contingent liabilities should be disclosed in the Notes to the Financial Statements.

Column 8 – Management Agreements and Service Contracts

Include: All revenues/expenditures under management agreements, service contracts, etc.

Contracts for services provided by the insurer or purchased by the insurer from other affiliates.

All income tax amounts resulting from intercompany tax-sharing arrangements.

All compensation under agreements with affiliated brokers and reinsurance intermediaries.

Exclude: Any amounts reportable under Column 9.

Column 9 – Income/(Disbursements) Incurred Under Reinsurance Agreements

Include: Experience rating refunds.

Exclude: Pooling agreement amounts.

List the pooling percentage and the name of each insurer in each pool in an explanatory note in the space following Schedule Y, Part 2.

Column 10 – * Column

Place an "*" in this column to indicate insurers that participate in a pooling agreement with affiliated insurers.

Column 11 – Any Other Material Activity not in the Ordinary Course of the Insurer's Business

Include: Intercompany loans, to the extent that these loans are not repaid at year-end.

Exclude: Those transactions that are of a routine nature (e.g., the purchase of insurance coverage and cost allocation transactions that are based upon Generally Accepted Accounting Principles).

Column 13 – Reinsurance Recoverable/(Payable) on Losses and/or Reserve Credit Taken/(Liability)

The purpose of this column is to show the net effect on surplus of reinsurance transactions with affiliates, and should represent the net (ceded less assumed) of the following amounts from Schedule F (P&C, Title) or Schedule S (Life, Health and other reporting entity), as appropriate:

<u>Property/Casualty – Schedule F, Parts 1 and 3, affiliated amounts only</u>

Reinsurance Recoverable (Payable) on Paid Losses –

Should agree with net of Schedule F, Part 3, Column 43 and Schedule F, Part 1, Column 6 multiplied by 1000 (Affiliates Only).

Reinsurance Recoverable (Payable) on Unpaid Losses –

Should agree with net of Schedule F, Part 3, Columns 9 through 12 and Schedule F, Part 1, Column 7 multiplied by 1000 (Affiliates Only).

Unearned Premiums –

Should agree with net of Schedule F, Part 3, Column 13 multiplied by 1000 plus Schedule F, Part 1, Column 11 multiplied by 1000 (Affiliates Only).

<u>Title – Schedule F, Parts 1 and 2, affiliated amounts only</u>

Reinsurance Recoverable (Payable) on Paid Losses –

Should agree with net of Schedule F, Part 1, Column 7 and Schedule F, Part 2, Column 8 (Affiliates only).

Reinsurance Recoverable (Payable) on Unpaid Losses –

Should agree with net of Schedule F, Part 1, Column 8 and Schedule F, Part 2, Column 9 (Affiliates only).

<u>Life\Fraternal and Health – Schedule S, Part 1, Section 1; Part 1, Section 2; Part 2; Part 3, Section 1 and Part 3, Section 2; affiliated amounts only</u>

Reinsurance Recoverable (Payable) on Paid and Unpaid Losses –

Should agree with Schedule S, Part 2, Columns 6 and 7 minus the sum of Schedule S, Part 1, Section 1, Column 11 and Schedule S, Part 1, Section 2, Column 11 (Affiliates only).

Reserve Credit Taken (Liability) –

Should agree with Schedule S, Part 3, Section 1, Column 9 minus Schedule S, Part 1, Section 1, Column 9 (Affiliates only).

Unearned Premiums –

Should agree with Schedule S, Part 3, Section 2, Column 9 minus Schedule S, Part 1, Section 2, Column 9 (Affiliates only).

Reserve Credit Taken (Liability) Other Than for Unearned Premiums –

Should agree with Schedule S, Part 3, Section 2, Column 10 minus Schedule S, Part 1, Section 2, Column 10 (Affiliates only).

MODIFICATIONS FOR CAPTIVE RISK RETENTION GROUPS UTILIZING GAAP

Many captive risk retention groups (RRGs) utilize generally accepted accounting principles (GAAP) and complete their statutory financial reports using the NAIC's property/casualty financial annual statement blank (P/C Blank). The P/C Blank was designed specifically for insurance entities reporting their financial condition and results of operations utilizing statutory accounting principles (SAP). As a result, there are certain GAAP-related assets and liabilities that might be inconsistent with, or specifically not provided for, with the statutory accounting principles used in the P/C Blank. As a result, the reporting practices of captive RRGs using GAAP might require modifications from the presentation otherwise required by GAAP. These reporting instructions are not intended to be a complete analysis of the differences between GAAP and SAP accounting with respect to valuation of specific assets and liabilities. These reporting instructions are only intended to develop uniform reporting practices by captive RRGs utilizing GAAP in the P/C Blank with respect to the specific assets and liabilities noted. The following instructions are required to be utilized by RRGs reporting in the P/C Blank.

ASSETS

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

Include: Deferred acquisition costs.

Prepaid expenses.

Letters of credit provided for capitalization and held by the commissioner.

LIABILITIES, SURPLUS AND OTHER FUNDS

The following are modifications to GAAP be consistent with the P/C Blank and facilitate more meaningful analysis of ratios.

Line 1 – Losses

Include: Reinsurance recoverable on unpaid losses as deductions from losses instead of classified as an asset as required with GAAP.

Line 3 – Loss Adjustment Expenses

Include: Reinsurance recoverable on loss adjustment expenses as deductions from loss adjustment expenses instead of classified as an asset as required with GAAP.

Line 9 – Unearned Premiums

Include: Ceded unearned premiums as deductions from unearned premiums instead of classified as an asset as required with GAAP.

Line 33 – Surplus Notes

Include: Surplus or capital notes that have been issued by a captive RRG that contain restrictions on their repayment of principal and interest without the commissioner's approval.

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INVESTMENT SCHEDULES GENERAL INSTRUCTIONS
(Applies to all investment schedules)

The following definitions apply to the investment schedules.

SAP Book Value (Defined in Glossary of *Accounting Practices and Procedures Manual*):

> Original Cost, including capitalized acquisition costs and accumulated depreciation, unamortized premium and discount, deferred origination and commitment fees, direct write-downs, and increase/decrease by adjustment.

SAP Carrying Value (Defined in Glossary of *Accounting Practices and Procedures Manual*):

> The SAP Book Value plus accrued interest and reduced by any valuation allowance (IF APPLICABLE) and any nonadmitted adjustment applied to the individual investment. Carrying Value is used in the determination of impairment.

Adjusted Carrying Value:

> Carrying Value amount adjusted to remove any accrued interest and to add back any of the following amounts: individual nonadmitted amounts, individual valuation allowances (IF APPLICABLE), and aggregate valuation allowance (IF APPLICABLE). In effect, this is equivalent to the definition of SAP Book Value (not to be confused with the old "Book Value" reported in the annual statement blanks for data years 2000 and prior).

Recorded Investment:

> The SAP Book Value (Adjusted Carrying Value) plus accrued interest.

The information included in the investment schedules shall be broken down to the level of detail as required when all columns and rows are considered together unless otherwise addressed in specific instructions. For example, on Schedule D Part 4, a reporting entity is required to list the CUSIP book adjusted carrying value, among other things. The reporting entity would only be required to break this information down to a lower level of detail if the information was inaccurate if reported in the aggregate. Thus, the reporting entity would not be required to break the information down by lot (information for each individual purchase) and could utilize the information for book/adjusted carrying value using an average cost basis, or some other method, provided the underlying data reported in that cell was calculated in accordance with the *Accounting Practices and Procedures Manual*. However, reporting entities are not precluded from reporting the information at a more detailed level (by lot) if not opposed by their domiciliary commissioner.

"To Be Announced" securities (commonly referred to as TBAs) are to be reported in Schedule D unless the structure of the security more closely resembles a derivative, as defined within *SSAP No. 86—Derivatives*, in which case the security should be reported on Schedule DB. The exact placement of TBAs in the investment schedules depends upon how a company uses TBA.

For Rabbi Trusts, refer to *SSAP No. 104R—Share-Based Payments* for accounting guidance.

For the Foreign Code columns in Schedules D and DA, the following codes should be used:

- "A" For Canadian securities issued in Canada and denominated in U.S. dollars.
- "B" For those securities that meet the definition of foreign provided in the Supplement Investment Risk Interrogatories and pay in a currency OTHER THAN U.S. dollars.
- "C" For foreign securities issued in the U.S. and denominated in U.S. dollars.
- "D" For those securities that meet the definition of a foreign as provided in the Supplement Investment Risk Interrogatories and denominated in U.S. dollars (e.g., Yankee Bonds or Eurodollar bonds).

Leave blank for those securities that do not meet the criteria for the use of "A", "B", "C" or "D".

Derivatives (Schedule DB); repurchase and reverse repurchase agreements (Schedule DA); and securities borrowing and securities lending transactions (Schedule DL) shall be shown gross when reported in the investment schedules. If these transactions are permitted to be reported net in accordance with *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*, the investment schedule shall continue to provide detail of all transactions (gross), with the net amount from the valid right to offset reflected in the financial statements (pages 2 and 3 of the statutory financial statements). Disclosures for items reported net when a valid right to offset exists including the gross amount, the amount offset and the net amount reported in the financial statements are required per *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*.

For the columns that disclose information regarding investments that are not under the exclusive control of the reporting entity, and also including assets loaned to others, the following codes should be used:

- LS – Loaned or leased to others
- RA – Subject to repurchase agreement
- RR – Subject to reverse repurchase agreement
- DR – Subject to dollar repurchase agreement
- DRR – Subject to dollar reverse repurchase agreement
- C – Pledged as collateral – excluding collateral pledged to FHLB
- CF – Pledged as collateral to FHLB (including assets backing funding agreements)
- DB – Pledged under an option agreement
- DBP – Pledged under an option agreement involving "asset transfers with put options"
- R – Letter stock or otherwise restricted as to sale – excluding FHLB capital stock

  (Note: Private placements are not to be included unless specific restrictions as to sale are included as part of the security agreement.)
- RF – FHLB capital stock
- SD – Pledged on deposit with state or other regulatory body
- M – Not under the exclusive control of the reporting entity for multiple reasons
- SS – Short sale of a security
- O – Other

The following is the description of the General and Specific Classifications used for reporting the detail lines for bonds and stocks.

General Classifications Bonds Only:

Refer to *SSAP No. 26R—Bonds, SSAP No. 43R—Loan-Backed and Structured Securities* and *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* for additional guidance.

U.S. Government:

U.S. Government shall be defined as U.S. Government Obligations as defined per the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* Part Two, Section 4:

(i) Filing Exemption for Direct Claims on, or Backed Full Faith and Credit of the United States

"U.S. Government Obligations" means all direct claims (including securities, loans, and leases) on, and the portions of claims that are directly and unconditionally guaranteed by the United States Government or its agencies.

"U.S. Government agency" means an instrumentality of the U.S. Government the debt obligations of which are fully guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. Government. This category includes in addition to direct claims on, and the portions of claims that are directly and unconditionally guaranteed by, the United States Government agencies listed below, claims collateralized by securities issued or guaranteed by the U.S. government agencies listed below for which a positive margin of collateral is maintained on a daily basis, fully taking into account any change in the insurance company's exposure to the obligor or counterparty under a claim in relation to the market value of the collateral held in support of that claim.

All Other Governments:

This includes bond investments issued by non-U.S. governments, including bonds of political subdivisions and special revenue. This includes bonds issued by utilities owned by non-U.S. governments and bonds fully guaranteed by non-U.S. governments.

U.S. States, Territories and Possessions (Direct and Guaranteed):

General obligations of these entities (NAIC members), as well as bonds issued by utility companies owned by these entities. NAIC membership is composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed):

General obligations of cities, counties, townships, etc., as well as bonds issued by utility companies owned by these entities.

U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions:

Those U.S. government issues not listed in Part Six, Section 2(e) of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*, yet included in Part Two, Section 4(c)(ii). This category also includes bonds that are issued by states, territories, possessions and other political subdivisions that are issued for a specific financing project rather than as general obligation bonds. Also include mortgage reference securities that are within the scope of *SSAP No. 43R—Loan-Backed and Structured Securities*.

Industrial and Miscellaneous (Unaffiliated):

This category includes all non-governmental issues that do not qualify for some other category in Schedule D, Part 1, including privatized (non-government ownership) utility companies. Include Public Utilities.

SVO Identified Funds:

This category includes all Bond Mutual Funds as listed in Part Six, Section 2(h) of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* and Exchange Traded Funds listed in Part Six, Section 2(i) of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office.*

Bank Loans

See *SSAP No. 26R—Bonds* for guidance.

Hybrid Securities:

Securities whose proceeds are accorded some degree of equity treatment by one or more of the nationally recognized statistical rating organizations and/or which are recognized as regulatory capital by the issuer's primary regulatory authority. Hybrid securities are designed with characteristics of debt and of equity and are intended to provide protection to the issuer's senior note holders. Hybrid securities products are sometimes referred to as capital securities. Examples of hybrid securities include Trust Preferreds, Yankee Tier 1s (with and without coupon step-ups) and debt-equity hybrids (with and without mandatory triggers).

This specifically excludes surplus notes, which are reported in Schedule BA; subordinated debt issues, which have no coupon deferral features; and "Traditional" preferred stocks, which are reported in Schedule D, Part 2, Section 1. With respect to preferred stock, traditional preferred stocks include, but are not limited to a) U.S. issuers that do not allow tax deductibility for dividends; and b) those issued as preferred stock of the entity or an operating subsidiary, not through a trust or a special purpose vehicle.

Parent, Subsidiaries and Affiliates:

Defined by *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities.*

General Classifications Preferred Stock Only:

Refer to *SSAP No. 32—Preferred Stock* and *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities.*

Industrial and Miscellaneous (Unaffiliated):

All unaffiliated preferred stocks. Include Public Utilities, Banks, Trusts and Insurance Companies. This category includes Exchange Traded Funds listed in Part Six, Section 2 of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office.*

Parent, Subsidiaries and Affiliates:

Defined by *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities.*

General Classifications Common Stock Only:

Refer to *SSAP No. 30R—Unaffiliated Common Stock* and *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities*.

Industrial and Miscellaneous (Unaffiliated):

All unaffiliated common stocks that are not mutual funds or money market mutual funds. Include Public Utilities, Banks, Trusts and Insurance Companies.

Mutual Funds:

All investments in shares of funds regulated as mutual funds by the U.S. Securities and Exchange Commission under the Investment Company Act of 1940. This definition does not include unit investments trusts, closed-end funds or hedge funds.

Foreign (non-SEC registered) open-end investment funds governed and authorized in accordance with regulations established by the applicable foreign jurisdiction. Other foreign funds are excluded.

Unit Investment Trusts:

All investments in shares of funds regulated as unit investment trusts by the U.S. Securities and Exchange Commission under the Investment Company Act of 1940.

Closed-End Funds:

All investments in shares of funds regulated as closed-end funds by the U.S. Securities and Exchange Commission under the Investment Company Act of 1940.

Parent, Subsidiaries and Affiliates:

Defined by *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities*.

General Classifications Cash Equivalents Only:

Refer to *SSAP No. 2R— Cash, Cash Equivalents, Drafts and Short-Term Investments*.

Money Market Mutual Funds:

All investments in shares of funds regulated as money market mutual funds by the U.S. Securities and Exchange Commission.

Specific Classifications:

Issuer Obligations:

All bonds not backed by other loans and other assets. Those securities subject to the guidance in *SSAP No. 26R—Bonds*.

Residential Mortgage-Backed Securities:

Those securities directly or indirectly secured by liens on one- to four-family residential properties and subject to the guidance in *SSAP No. 43R—Loan-Backed and Structured Securities*. Includes prime, subprime, Alt-A mortgages, as well as home equity loans and home equity lines of credit.

Commercial Mortgage-Backed Securities:

Those securities directly or indirectly secured by a lien on one or more parcels of commercial real estate with one or more structures located on the real estate and subject to the guidance in *SSAP No. 43R—Loan-Backed and Structured Securities*. Does not include those securities secured by liens on one- to four-family residential properties.

Other Loan-Backed and Structured Securities:

Those securities subject to the guidance in *SSAP No. 43R—Loan-Backed and Structured Securities* not included in the definition of Residential Mortgage-Backed Securities or Commercial Mortgage-Backed Securities.

STOCK EXCHANGE LIST

This is not a comprehensive list of stock exchanges. If a stock exchange is not listed, refer to *www.fixprotocol.org/specifications/exchanges.shtml*. If a stock exchange is not found in one of the sources above, use a description or abbreviation that accurately identifies the exchange.

Abidjan Stock Exchange	CI
AEX Options and Futures Exchange	E
AEX Stock Exchange	AS
Alpha Trading Sytems	AL
American Stock Exchange	A
Amman Stock Exchange	AM
Australian Stock Exchange	AX
Bahrain Stock Exchange	BH
Barcelona Stock Exchange - CATS Feed	MC
Barcelona Stock Exchange - Floor Trading	BC
Beirut Stock Exchange	BY
Belfox	b
Berlin Stock Exchange	BE
Berne Stock Exchange	BN
Bilbao Stock Exchange	BI
BlockBook ATS	BBK
Bombay Stock Exchange	BO
Boston Stock Exchange	B
Botswana Share Market	BT
Bremen Stock Exchange	BM
Brussels Stock Exchange	BR
Cairo and Alexandria Stock Exchange	CA
Calcutta Stock Exchange	CL
Canadian Ventures Exchange	V
Channel Islands	CH
Chicago Board Options Exchange	W
Chicago Stock Exchange	MW
Chile Electronic Exchange	CE
CHI-X Exchange	INS
Cincinnati Stock Exchange	C
Colombo Stock Exchange	CM
Copenhagen Stock Exchange	CO
Dehli Stock Exchange	DL
Doha Securities Market	QA
Dubai Financial Market	DU
Dubai International Financial Exchange	DI
Dusseldorf Stock Exchange	D
Electronic Stock Exchange of Venezuela	EB
Frankfurt Stock Exchange	F
Fukuoka Stock Exchange	FU
Ghana Stock Exchange	GH
Hamburg Stock Exchange	H
Hanover Stock Exchange	HA
Helsinki Stock Exchange	HE
Hong Kong Stock Exchange	HK
Iceland Stock Exchange	IC
Interbolsa (Portugal)	IN
International Securities Exchange (ISE)	Y
Irish Stock Exchange	I
Istanbul Stock Exchange	IS
Jakarta Stock Exchange	JK
Japanese Securities Dealers Association (JASDAQ)	Q
Johannesburg Stock Exchange	J
Kabu.com PTS	KAB
Karachi Stock Exchange	KA
Kazakhstan Stock Exchange	KZ
Korea Stock Exchange	KS
Korean Futures Exchange	KFE
KOSDAQ (Korea)	KQ
Kuala Lumpur Stock Exchange	KL
Kuwait Stock Exchange	KW
Kyoto Stock Exchange	KY
Lagos Stock Exchange	LG
Latin American Market in Spain (LATIBEX)	LA
Le Nouveau Marche	LN
Lima Stock Exchange	LM
Lisbon Stock Exchange (Portugal)	LS
London Stock Exchange	L
Lusaka Stock Exchange	LZ
Luxembourg Stock Exchange	LU
Madras Stock Exchange	MD
Madrid Stock Exchange - Floor Trading	MA
Malta Stock Exchange	MT
Mauritius Stock Exchange	MZ
Medellin Stock Excahnge	ML
Mexican Stock Exchange	MX
Milan Stock Exchange	MI
MONEP Paris Stock Options	p
Montreal Exchange	M
Moscow Inter Bank Currency Exchange	MM
Moscow Stock Exchange	MO
Munich Stock Exchange	MU
Muscat Stock Exchange	OM
Nagoya Stock Exchange	NG
Nairobi Stock Exchange	NR
Namibia Stock Exchange	NM
NASDAQ	OQ
NASDAQ Dealers - Bulletin Board	OB
NASDAQ Japan	OJ
National Stock Exchange of India	NS
NewEx (Austria)	NW
New York Stock Exchange	N
New Zealand Stock Exchange	NZ
NYSE Match Point	MP
Occidente Stock Exchange	OD
Osaka Stock Exchange	OS
Oslo Stock Exchange	OL
Pacific Stock Exchange	P
Paris Stock Exchange	PA
Philadelphia Stock Exchange	PH
Philadelphia Stock Exchange Options	X
Phillipine Stock Exchange	PS

Pink Sheets (National Quotation Bureau)	PNK
Prague Stock Exchange	PR
Pure Trading	PT
RASDAQ (Romania)	RQ
Riga Stock Exchange	RI
Rio de Janeiro OTC Stock Exchange (SOMA)	SO
Russian Trading System	RTS
Santiago Stock Exchange	SN
Sao Paulo Stock Exchange	SA
Sapporo Stock Exchange	SP
Saudi Stock Exchange	SE
SBI Japannext	JNX
SBI Stock Exchange (Sweden)	SBI
Shanghai Stock Exchange	SS
Shenzhen Stock Exchange	SZ
Singapore Exchange - Derivatives	SIM
Singapore Stock Exchange	SI
St. Petersburg Stock Exchange	PE
Stockholm Stock Exchange	ST
Stuttgart Stock Exchange	SG
Surabaya Stock Exchange	SU
SWX Quotematch AG	QMH
SWX Swiss Exchange	S

Sydney Futures Exchange	SFE
Taiwan OTC Securities Exchange	TWO
Taiwan Stock Exchange	TW
Tallinn Stock Exchange	TL
Tel Aviv Stock Exchange	TA
Thailand Stock Exchange	BK
Third Market	TH
Tokyo Commodity Exchange	TCE
Tokyo Financial Futures Exchange	TFF
Tokyo Stock Exchange	T
Toronto Options Exchange	K
Toronto Stock Exchange	TO
Tradepoint Stock Exchange	TP
Tunis Stock Exchange	TN
Turqoise	TQ
Ukraine PFTS	PFT
Valencia Stock Exchange	VA
Vienna Stock Exchange	VI
Vilnus Stock Exchange	VL
virt-x	VX
Xetra	DE
Zagreb Stock Exchange	ZA
Zimbabwe Stock Exchange	ZI

SUMMARY INVESTMENT SCHEDULE

This schedule was developed to assist regulators in identifying and analyzing the risks inherent in a portfolio of securities as well as identifying the differences in valuation and admission between those practices prescribed or permitted by the state of domicile and those set forth in the NAIC *Accounting Practices and Procedures Manual*. This schedule includes only those assets from the general account. The line captions were developed with the intention of grouping securities with common risk characteristics together. These groupings were determined based upon a review of schedules within the NAIC Annual Statement and the Federal Financial Institutions Examination Council Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices (FFIEC 031, also known as the "Call Report").

Column 1 – Gross Investment Holdings – Amount

This column represents the value reported on the Investment Schedules. The amounts reported in this column should tie to Column 1 of the Asset Page.

Column 2 – Gross Investment Holdings – Percentage

Amount represents the percentage of the individual Column 1 line item to the Total Invested Assets amount presented in Column 1, Line 13.

Column 3 – Admitted Assets as Reported in the Annual Statement – Amount

This column represents the admitted value of an asset determined by applying the valuation procedures and admission criteria prescribed or permitted by the state of domicile (i.e., the basis of admitted assets reported in the Annual Statement). A variation between the amounts in Column 1 and Column 3 would indicate that a reporting entity valued or admitted an asset differently under its state law than it would have under the NAIC *Accounting Practices and Procedures Manual*. An example includes a case where an entity was required to nonadmit an asset under its state investment law but was not required to nonadmit under the NAIC *Accounting Practices and Procedures Manual* because there are no investment limits within the Manual. Another example includes a case where an entity was not able to admit an asset under the NAIC *Accounting Practices and Procedures Manual* (i.e., it did not meet the requirements of *SSAP No. 4—Assets and Nonadmitted Assets*) but was able to admit the asset under the basket clause within the state investment law. This Column should tie to Column 3 of the Asset page.

Column 4 – Admitted Assets as Reported in the Annual Statement – Securities Lending Reinvested Collateral Amount

This column represents Schedule DL, Part 1 (Page 2, Line 10) reflected in their respective investment categories.

Line 13, Total Invested Assets should equal Column 3, Line 11, Securities Lending.

Column 5 – Admitted Assets as Reported in the Annual Statement – Total Amount

For Lines 1 through 10, Column 5 should equal Column 3 plus Column 4.

For Line 13, Column 5 should equal Column 3, Line 13 plus Column 4, Line 13 minus Column 3, Line 11.

Column 6 – Admitted Assets as Reported in the Annual Statement – Percentage

Amount represents the percentage of the individual Column 5 line item to the Total Invested Assets amount presented in Column 5, Line 13.

Line 1.01 – U.S. Governments

Include: The value of all U.S Government securities as defined per the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* Part Two, Section 4.

Column 1 should equal the Schedule D, Part 1, Line 0599999.

Line 1.02 – All other Governments

Include: The value of all investments issued by non-U.S. governments, including bonds of political subdivisions and special revenue. This includes bonds issued by utilities owned by non-U.S. governments and bonds fully guaranteed by non-U.S. governments

Column 1 should equal the Schedule D, Part 1, Line 1099999.

Line 1.03 – U.S. States, Territories and Possessions, etc. Guaranteed

Include: The value of general obligations of these entities (NAIC members), as well as bonds issued by utility companies owned by these entities.

Column 1 should equal the Schedule D, Part 1, Line 1[illegible]99999.

Line 1.04 – U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed

Include: The value of general obligations of cities, counties, townships, etc., as well as bonds issued by utility companies owned by these entities

Column 1 should equal the Schedule D, Part 1, Line 2499999.

Line 1.05 – U.S. Special Revenue & Special Assessment Obligations, etc. Non-Guaranteed

Include: The value of those U.S. government issues not listed in Part Six, Section 2(e) of the *Purposes and Procedures manual of the NAIC Investment Analysis Office*, yet included in Part Two, Section 4(e)(ii). This category also includes bonds that are issued by states, territories, possessions and other political subdivisions that are issued for a specific financing project rather than as general obligation bonds.

Column 1 should equal the Schedule D, Part 1, Line 3199999.

Line 1.06 — Industrial and Miscellaneous

Include: The value of all non-governmental issues that do not qualify for some other bond category, including privatized (non-government ownership) utility companies. Include Public Utilities.

Column 1 should equal the Schedule D, Part 1, Line 3899999.

Line 1.07 – Hybrid Securities

Include: The value of securities whose proceeds are accorded some degree of equity treatment by one or more of the nationally recognized statistical rating organizations and/or which are recognized as regulatory capital by the issuer's primary regulatory authority.

Column 1 should equal the Schedule D, Part 1, Line 4899999.

Line 1.08 – Parent, Subsidiaries and Affiliates

Include The value of all affiliated debt securities as defined under *SSAP No. 97 – Investments in Subsidiary, Controlled and Affiliated Entities*

Column 1 should equal the Schedule D, Part 1, Line 5599999.

Line 1.09 – SVO Identified Funds

Include The value of all Bond Mutual Funds as listed in Part Six, Section 2(h) of the *Purposes and Procedures manual of the NAIC Investment Analysis Office* and Exchange Traded Funds listed in Part Six, Section 2(i) of the *Purposes and Procedures manual of the NAIC Investment Analysis Office*.

Column 1 should equal the Schedule D, Part 1, Line 6099999.

Line 1.10 – Unaffiliated Bank Loans

Include The value of all Unaffiliated Bank Loans that are within the scope of *SSAP No. 26R—Bonds*.

Column 1 should equal the Schedule D, Part 1, Line 6599999.

Line 1.11 – Total Long-Term Bonds

Sum of Lines 1.1 to 1.10.

The amount reported in Column 1 should equal the amount reported in Line 1, Column 1, Page 2, Assets.

The amount reported in Column 3 should equal the amount reported in Line 1, Column 3, Page 2, Assets.

Line 2.01 – Preferred Stocks – Industrial and Miscellaneous (Unaffiliated)

Include: The value of all unaffiliated preferred stocks.

Column 1 should equal the Schedule D, Part 2, Section 1, Lines 8499999 plus 8599999.

Line 2.02 – Preferred Stocks – Parent, Subsidiaries and Affiliates

Include: The value of all preferred stock securities as defined under *SSAP No. 97 – Investments in Subsidiary, Controlled and Affiliated Entities*

Column 1 should equal the Schedule D, Part 2, Section 1, Lines 8699999 plus 8799999.

Line 2.03 – Total Preferred Stocks

Sum of Lines 2.01 to 2.02

The amount reported in Column 1 should equal the amount reported in Line 2.1, Column 1, Page 2, Assets.

The amount reported in Column 3 should equal the amount reported in Line 2.1, Column 3, Page 2, Assets.

Line 3.01 – Common Stocks – Industrial and Miscellaneous (Unaffiliated) Publicly Traded

Include: The value of all investments in the common stock of unaffiliated entities. Publicly traded common stock includes but is not limited to equity securities traded on a public exchange, master limited partnerships trading as common stock and American deposit receipts only if the security is traded on the New York, American, or NASDAQ exchanges, and publicly traded common stock warrants.

Exclude Mutual funds that should be reported on Line 3.05.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9099999.

Line 3.02 – Common Stocks – Industrial and Miscellaneous (Unaffiliated) Other

Include: The value of all industrial and miscellaneous common stock of unaffiliated entities not reported in Line 3.1. Includes but is not limited to:

(1) Equity securities not traded on a public exchange (e.g., private equities).

(2) Master limited partnership common stock not traded on the New York, American, or NASDAQ exchanges.

Exclude Mutual funds that should be reported on Line 3.05.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9199999.

Line 3.03 – Common Stocks – Parent, Subsidiary and Affiliates Publicly Traded

Include: The value of all investments in the common stock of affiliated entities. Publicly traded common stock includes but is not limited to equity securities traded on a public exchange, master limited partnerships trading as common stock and American deposit receipts only if the security is traded on the New York, American, or NASDAQ exchanges, and publicly traded common stock warrants.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9299999.

Line 3.04 – Common Stocks – Parent, Subsidiary and Affiliates Other

Include: The value of all unaffiliated entities not reported in Line 3.03.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9399999.

Line 3.05 – Common Stocks – Mutual Funds

Include: The value of all investments in shares of funds regulated as mutual funds by the Securities and Exchange Commission reported on Schedule D, Part 2, Section 2.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9499999.

Line 3.06 – Common Stocks – Unit Investment Trusts

Include: The value of all investments in shares of funds regulated as unit investment trusts by the Securities and Exchange Commission reported on Schedule D, Part 2, Section 2.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9599999.

Line 3.07 – Common Stocks – Closed-End Funds

Include: The value of all investments in shares of funds regulated as closed-end funds by the Securities and Exchange Commission reported on Schedule D, Part 2, Section 2.

Column 1 should equal the Schedule D, Part 2, Section 2, Line 9699999.

Line 3.08 – Total Common Stocks

Sum of Lines 3.01 to 3.07

The amount reported in Column 1 should equal the amount reported in Line 2.2, Column 1, Page 2, Assets.

The amount reported in Column 3 should equal the amount reported in Line 2.2, Column 3, Page 2, Assets.

Line 4.01 – Mortgage Loans – Farm Mortgages

Include: The value of loans secured by farmland and improvements thereon, as evidenced by mortgages or other liens. Farmland includes all land known to be used or usable for agricultural purposes, such as crop and livestock production. Farmland includes grazing or pastureland, whether tillable or not and whether wooded or not. Include loans secured by farmland that are guaranteed by the Farmers Home Administration (FmHA) or by the Small Business Administration (SBA) and that are extended, serviced, and collected by any party other than FmHA or SBA.

Column 1 should equal to the sum of Lines 0199999, 0999999, 1799999, and 2599999 on Schedule B, Part 1.

Line 4.02 – Mortgage Loans – Residential Mortgages

Include: The value of loans secured by real estate as evidenced by mortgages (FHA, FmHA, VA, or conventional) or other liens on nonfarm property containing one to four dwelling units (including vacation homes) or more than four dwelling units if each is separated from other units by dividing walls that extend from ground to roof (e.g., row houses, townhouses, or the like), mobile homes where (a) state laws define the purchase or holding of a mobile home as the purchase or holding of real property and where (b) the loan to purchase the mobile home is secured by that mobile home as evidenced by a mortgage or other instrument on real property, individual condominium dwelling units and loans secured by an interest in individual cooperative housing units, even if in a building with five or more dwelling units, and housekeeping dwellings with commercial units combined where use is primarily residential and where only one to four family dwelling units are involved.

Column 1 should equal to the sum of Lines 0299999, 0399999, 1099999, 1199999, 1899999, 1999999, 2699999, And 2799999 on Schedule B, Part 1.

Line 4.03 – Mortgage Loans – Commercial Mortgages

Include: The value of loans secured by real estate as evidenced by mortgages or other liens on business and industrial properties, hotels, motels, churches, hospitals, educational and charitable institutions, dormitories, clubs, lodges, association buildings, "homes" for aged persons and orphans, golf courses, recreational facilities, and similar properties.

Column 1 should equal to the sum of Lines 0499999, 0599999, 1299999, 1399999, 2099999, 2199999, 2899999, and 2999999 on Schedule B, Part 1.

Line 4.04 – Mortgage Loans – Mezzanine Real Estate Loans

Include Mezzanine real estate loans as defined in *SSAP No. 83—Mezzanine Real Estate Loans*).

Column 1 should equal to the sum of Lines 0699999, 1499999, 2299999, and 3099999 on Schedule B, Part 1.

Line 4.05 – Total Mortgage Loans

Sum of Lines 4.01 to 4.04

The amount reported in Column 1 should equal the amount reported in Line 3.1 plus Line 3.2, Column 1, Page 2, Assets.

The amount reported in Column 3 should equal the amount reported in Line 3.1 plus Line 3.2, Column 3, Page 2, Assets.

Line 5 – Real Estate

Include: Properties occupied by the company. (Line 5.01)

Properties held for the production of income. (Line 5.02)

Properties held for sale. (Line 5.03)

Line 5.01, Column 1 should equal the amount reported in Line 4.1, Column 1, Page 2, Assets.

Line 5.01, Column 3 should equal the amount reported in Line 4.1, Column 3, Page 2, Assets.

Line 5.02, Column 1 should equal the amount reported in Line 4.2, Column 1, Page 2, Assets.

Line 5.02, Column 3 should equal the amount reported in Line 4.2, Column 3, Page 2, Assets.

Line 5.03, Column 1 should equal the amount reported in Line 4.3, Column 1, Page 2, Assets.

Line 5.03, Column 3 should equal the amount reported in Line 4.3, Column 3, Page 2, Assets.

Line 6.01 – Cash

Include: The value of cash (Schedule E, Part 1)

Line 6.02 – Cash Equivalents

Include: The value of cash equivalents (Schedule E, Part 2 including money market mutual funds)

Line 6.03 – Short Term Investments

Include: The value of short-term investments (Schedule DA, Part 1)

Line 6.04 – Cash, Cash Equivalents, and short-term investments

Sum of Lines 6.01 to 6.03

Column 1 should equal the amount reported in Line 5, Column 1, Page 2, Assets

Column 3 should equal the amount reported in Line 5, Column 3, Page 2, Assets

Line 7 – Contract Loans

Include: The value of all contract loans.

Column 1 should equal the amount reported in Line 6, Column 1, Page 2, Assets.

Column 3 should equal the amount reported in Line 6, Column 3, Page 2, Assets.

Line 8 – Derivatives

Include: The value of derivatives.

Column 1 should equal the amount reported in Line 7, Column 1, Page 2, Assets.

Column 3 should equal the amount reported in Line 7, Column 3, Page 2, Assets.

Line 9 – Other Invested Assets

Include: The value of securities listed on the Schedule BA

Column 1 should equal the amount reported in Line 8, Column 1, Page 2, Assets

Column 3 should equal the amount reported in Line 8, Column 3, Page 2, Assets

Line 10 – Receivables for Securities

Include: The value of receivable for securities.

Column 1 should equal the amount reported in Line 9, Column 1, Page 2, Assets.

Column 3 should equal the amount reported in Line 9, Column 3, Page 2, Assets.

Line 11 – Securities Lending (Reinvested Collateral Line 10, Asset Page)

Include: The value of securities lending.

Column 1 should equal the amount reported in Line 10, Column 1, Page 2, Assets.

Column 3 should equal the amount reported in Line 10, Column 3, Page 2, Assets.

Line 12 – Other Invested Assets (Paage 2, Line 11)

Include: The value of all other invested assets that have not been included in Lines 1 through 11 above.

Column 1 should equal the amount reported in Line 11, Column 1, Page 2, Assets.

Column 3 should equal the amount reported in Line 11, Column 3, Page 2, Assets.

Line 13 – Total Invested Assets

Sum of Lines 1 to 12. The amount reported in Column 1 should equal the amount of total invested assets reported in Line 12 Column 1, Page 2, Assets.

Sum of Lines 1 to 12. The amount reported in Column 3 should equal the amount of total invested assets reported in Line 12 Column 3, Page 2, Assets.

SCHEDULE A – VERIFICATION BETWEEN YEARS

REAL ESTATE

Line 1 – Book/Adjusted Carrying Value, December 31 of Prior Year

Report the book/adjusted carrying value excluding accrued interest of real estate owned as of December 31, of the prior year's statement.

Line 2.1 – Actual Cost at Time of Acquisitions

Report the actual cost at the time the asset was originally acquired. Do not include additional expenditures after the time of initial acquisition. These amounts are reported on Line 2.2.

Line 2.2 – Additional Investment Made After Acquisition

On a year-to-date basis, report additions and improvements that increased the investment subsequent to the time the asset was originally acquired.

Line 3 – Current Year Change in Encumbrances

Report as a positive number any decreases in encumbrances reported on real estate for the year.
Report as a negative number any increases in encumbrances reported on real estate for the year.

Line 4 – Total Gain (Loss) on Disposals

Report the total gain (loss) on disposal of real estate for the year.

Line 5 – Deduct Amounts Received on Disposals

This is the consideration received on the disposal and should include not only real estate fully disposed but also real estate partially disposed.

Line 6 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

Report the unrealized foreign exchange gain or loss for the year.

Line 7 – Deduct Current Year's Other-Than-Temporary Impairment Recognized

Report the other-than-temporary impairments for the year.

Line 8 – Deduct Current Year's Depreciation

Report the total depreciation for the entire year.

Include: Depreciation that was recorded on property during the current year that was later classified as property held for sale.

Include the unrealized valuation gain/loss for separate account only

Line 9 – Book/Adjusted Carrying Value at End of Current Period

The amount in Line 9 should tie to the Assets Page, Column 1, the sum of all types of real estate included in Lines 4.1, 4.2 and 4.3.

Line 10 – Deduct Total Nonadmitted Amounts

Report the adjustment for nonadmitted amounts related to real estate loans.

Include: The amount of the portfolio that is in excess of any investment limitation.

Line 11 – Statement Value at End of Current Period

Report the statement value of real estate owned as of December 31, current year. This should agree with Page 2, Column 3, of the current year's statement.

SCHEDULE B – VERIFICATION BETWEEN YEARS

MORTGAGE LOANS

Line 1 – Book Value/Recorded Investment excluding Accrued Interest on December 31 of Prior Year

Report the book value/recorded investment (excluding accrued interest) of mortgages owned as of December 31 of the prior year's statement.

Line 2.1 – Actual Cost at Time of Acquisitions

Report the actual amount loaned for the mortgages at the time the asset was originally acquired. The cost of acquiring the assets includes any additional amounts that are to be capitalized. Accordingly, there may be a premium or discount on such loans resulting from a difference between the amount paid and the principal amount. Do not include additional expenditures after the time of initial acquisition. These amounts are reported on Line 2.2.

Line 2.2 – Additional Investments Made After Acquisitions

Report additional amounts that increased the mortgage during the year subsequent to the time the asset was originally acquired, e.g., increases in the loan. Include additional loans on mortgages that were subsequently disposed during the year.

Line 3 – Capitalized Deferred Interest and Other

Report the other capitalized past due interest and other items for the year.

Line 4 – Accrual of Discount

Report the total amount of discount accrued for the year as included in Schedule B, Part 1, Column 10 and Schedule B, Part 3, Column 9. Refer to *SSAP No. 37—Mortgage Loans* for accounting guidance.

Line 5 – Unrealized Valuation Increase (Decrease)

Report the total amount of noncash increases and decreases in the book value/recorded investment (excluding accrued interest) for the year.

Include: The amount on mortgage loans still owned as of the reporting date and the amount on mortgage loans disposed and reported on Schedule B, Part 3, Column 8.

Line 6 – Total Gain (Loss) on Disposal

Report the gain (loss) on disposal of mortgages for the year.

Line 7 – Deduct Amounts Received On Disposals

Considerations received on mortgages disposed during the year.

Line 8 – Deduct Amortization of Premium and Mortgage Interest Points and Commitment Fees

Report the total amount of premium, mortgage interest points, and commitment fees amortized for the year as included in Schedule B, Part 1, Column 10 and Schedule B, Part 3, Column 9. Refer to *SSAP No. 37—Mortgage Loans* for accounting guidance.

Line 9 – Total Foreign Exchange Change In Book Value/Recorded Investment Excluding Accrued Interest

Report the unrealized foreign exchange gain or loss for the year.

Line 10 – Deduct current Year's Other-Than-Temporary Impairment Recognized

Report the other-than-temporary impairments for the year.

Line 11 – Book Value/Recorded Investment Excluding Accrued Interest at End of Current Period

Report the book value/recorded investment (excluding accrued interest) of mortgages owned as of the end of the year.

Line 12 – Total Valuation Allowance

Report as a negative number the aggregate outstanding valuation allowance related to impaired loans as set forth in *SSAP No. 37—Mortgage Loans*.

Line 14 – Deduct Total Nonadmitted Amounts

Report the adjustment for nonadmitted amounts related to mortgage loans.

Include: The amount of the portfolio that is in excess of any investment limitation.

Line 15 – Statement Value at End of Current Period

Report the statement value of mortgages owned as of December 31, current year. This should agree with Page 2, Column 3, of the current year's statement.

SCHEDULE BA – VERIFICATION BETWEEN YEARS

LONG-TERM INVESTED ASSETS

Line 1 – Book/Adjusted Carrying Value of Long-Term Invested Assets Owned, December 31 of Prior Year

Report the book/adjusted carrying value of other long-term invested assets and collateral loans owned as of December 31 prior year shown on Page 2, Column 1 of the prior year's statement.

Line 2.1 – Actual Cost at Time of Acquisition

Include: The actual cost at the time the asset was originally acquired.

The cost of acquiring the assets including broker's commission and incidental expenses of effecting delivery.

Exclude: Additional expenditures after the time of the initial acquisition or encumbrances or impairments.

Line 2.2 – Additional Investment Made After Acquisition

Include: The actual cost (including Broker's commissions and incidental expenses of affecting delivery) to increase investments in the original assets.

Improvements to the assets subsequent to acquisition.

Activity on investments sold during the year.

Line 3 – Capitalized Deferred Interest and Other

Report the other capitalized past due interest and other items for the year.

Line 4 – Accrual of Discount

Report the total amount of discount accrued for the year as included in Schedule BA, Part 1, Column 14 and Schedule BA, Part 3, Column 10.

Line 5 – Unrealized Valuation Increase (Decrease)

Report the total amount of noncash increases and decreases to the book/adjusted carrying value, except for amounts reported on Lines 4, 8 and 9. This includes a valuation allowance as allowed under *SSAP No. 37—Mortgage Loans*.

Line 6 – Total Gain (Loss) on Disposal

Report the gain (loss) on disposal of other long-term invested assets for the year.

Line 7 – Deduct Amounts Received on Disposal

Include: Portions of investments repaid during the year.

Considerations received on investments disposed during the year are to be included.

Line 8 – Deduct Amortization of Premium and Depreciation

Report the total amount of premium amortized during the year and amount of depreciation on any assets that are considered real estate on a look-through basis, as included in Schedule BA, Part 1, Column 14 and Schedule BA, Part 3, Column 10.

Report the amount of depreciation on any assets that are considered real estate on a look-through basis.

Line 9 – Total Foreign Exchange Change in Book Value/Adjusted Carrying Value

Report the unrealized foreign exchange gain or loss for the year.

Line 10 – Deduct Current Year's Other-Than-Temporary Impairment Recognized

Report the other-than-temporary impairments for the year.

Line 11 – Book/Adjusted Carrying Value at End of Current Period

Report the book/adjusted carrying value of other long-term invested assets owned as of the end of the year.

Line 12 – Deduct Total Nonadmitted Amounts

Report the adjustment for nonadmitted amounts related to long-term invested assets.

Include: The amount of the portfolio that is in excess of any investment limitation.

The amount of any goodwill that exceeds the surplus limitation as described in *SSAP No. 68—Business Combinations and Goodwill.*

Line 13 – Statement Value at End of Current Period

Report the statement value of other long-term invested assets owned as of December 31, current year, shown on Page 2, Column 3 of the current year's statement.

SCHEDULE D – VERIFICATION BETWEEN YEARS

BONDS AND STOCKS

Line 1 – Book/Adjusted Carrying Value of Bonds and Stocks, December 31 of Prior Year

Report the book/adjusted carrying value of Bonds and Stocks owned as of December 31 on Schedule D, Verification Between Years, of the prior year's annual statement.

Line 2 – Cost of Bonds and Stocks Acquired

Report the actual cost to acquire bonds and stocks for the year. The cost of acquiring the investment should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.

Line 3 – Accrual of Discount

Report the total amount of discount accrued for the year, including the amount on bonds and stocks still owned as of the reporting date and reported on Schedule D, Part 1, Column 13 and Schedule D, Part 2, Section 1, Column 16, and the amount on bonds and stocks disposed in the current year and reported on Schedule D, Part 4, Column 12.

Line 4 – Unrealized Valuation Increase (Decrease)

Report the total unrealized valuation increase (decrease) for the year.

Line 5 – Total Gain (Loss) on Disposals

Report the profit (loss) on sales of bonds and stocks for the year.

Line 6 – Deduct Consideration for Bonds and Stocks Disposed of During the Year

Report the total consideration received on bonds and stocks for the year.

Line 7 – Deduct Amortization of Premium

Report the total amount of premium amortized for the year, including the amount on bonds and stocks still owned as of the reporting date and reported on Schedule D, Part 1, Column 13 and Schedule D, Part 2, Section 1, Column 16, and the amount on bonds and stocks disposed in the current year and reported on Schedule D, Part 4, Column 12.

Line 8 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

Report the unrealized foreign exchange gain or loss for the year.

Line 9 – Deduct Current Year's Other-Than-Temporary Impairment Recognized

Report the other-than-temporary impairments for the year.

Line 10 – Total Investment Income Recognized as a Result of Prepayment Penalties and/or Acceleration Fees

Report only the total investment income recognized, using the information recorded in Schedule D, Part 4, Column 20, for bonds and stocks that were sold, disposed or otherwise redeemed during the year, as a result of a prepayment penalty and/or acceleration fee. Line 10 should equal Note 5, Line 5R(2).

Line 11 – Book/Adjusted Carrying Value at End of Current Period

The amount in Line 11 should tie to the Assets Page, Column 1, the sum of the lines for Bonds, Line 1, Preferred Stocks, Line 2.1 and Common Stocks, Line 2.2.

Line 12 – Deduct Total Nonadmitted Amounts

Include: The amount of the portfolio that is in excess of any investment limitation.

The amount of any goodwill that exceeds the surplus limitations as described in *SSAP No. 68—Business Combinations and Goodwill.*

The amount to be reported here should tie to the Assets Page, Column 2, the sum of the lines for Bonds, Line 1, Preferred Stocks, Line 2.1, and Common Stocks, Line 2.2.

Line 13 – Statement Value of Bonds and Stocks, Current Period

This amount should tie to the Assets Page, Column 3, the sum of the lines for Bonds, Line 1, Preferred Stocks, Line 2.1, and Common Stocks, Line 2.2.

SCHEDULE D – SUMMARY BY COUNTRY

LONG-TERM BONDS AND STOCKS OWNED DECEMBER 31 OF CURRENT YEAR

Enter summarized amounts in the appropriate columns by the specified major classifications, subdividing into United States, Canada, and Other Countries where applicable. For purposes of this schedule, investments in Other Countries are considered Foreign Investments. For the definition of Foreign Investment, and Domestic Investment, see instructions to the Supplemental Investment Risk Interrogatories.

Column 2 – Fair Value

For certain bonds, values other than actual market may appear in this column. (See Schedule D, Part 1 instructions for details.)

Exclude: Accrued interest.

Column 3 – Actual Cost

Include: Brokerage and other related fees, to the extent they do not exceed the fair market value at the date of acquisition.

Exclude: Accrued interest.

Lines 8 through 11 – Bonds – Industrial and Miscellaneous, SVO Identified Funds, Unaffiliated Bank Loans and Hybrid Securities (Unaffiliated)

Include: Bond Mutual Funds – as Identified by the SVO and Exchange Traded Funds – as Identified by the SVO reported in Schedule D, Part 1.

Unaffiliated Bank Loans.

Line 13 – Total Bonds

Columns 1, 2, 3, and 4, should agree with Columns 11, 9, 7 and 10, respectively, in Schedule D, Part 1.

Column 1 should equal Column 1, Line 1 of the Assets page.

Lines 14 through 17 – Preferred Stocks – Industrial and Miscellaneous (Unaffiliated)

Include: Exchange Traded Funds (ETFs) reported in Schedule D, Part 2, Section 1.

Line 19 – Total Preferred Stocks

Columns 1, 2 and 3 should agree with Columns 8, 10 and 11, respectively, in Schedule D, Part 2, Section 1.

Column 1 should equal Column 1, Line 2.1 of the Assets page.

Lines 20 through 23 – Common Stocks – Industrial and Miscellaneous (Unaffiliated)

Include: Mutual funds reported in Schedule D, Part 2, Section 2.

Line 25 – Total Common Stocks

Columns 1, 2 and 3 should agree with Columns 6, 8 and 9, respectively, in Schedule D, Part 2, Section 2.

Column 1 should equal Column 1, Line 2.2 of the Assets page.

SCHEDULE D – PART 1A – SECTION 1

QUALITY AND MATURITY DISTRIBUTION OF ALL BONDS OWNED DECEMBER 31 BY MAJOR TYPE AND NAIC DESIGNATION

The schedule summarizes the aggregate book/adjusted carrying value of all bond holdings, including those in Schedule DA and Schedule E, Part 2 by quality, designation, maturity and bond categories. Include short-term and cash equivalent bonds in the category that most closely resembles their credit risk.

The maturity category for a particular holding is determined by the following criteria:

a. Serial issues and mandatory fixed prepayment obligations valued on an amortizable basis may be distributed based on the par value of each scheduled repayment date and the final installment and adjusted for any discount or premium. Such holdings reported at market may be distributed based on market value by applying market rate to each scheduled repayment.

b. (i) Mortgage-backed/loan-backed and structured securities (these securities are considered loan-backed securities and subject to the guidance in *SSAP No. 43R—Loan-Backed and Structured Securities*) should be distributed based on the anticipated future prepayment cash flows used to value the security.

(ii) Other bonds with optional prepayment provisions should be distributed based on the expected future prepayments used to value the security.

(iii) Bond Mutual Funds – as Identified by the SVO and Exchange Traded Funds – as Identified by the SVO (as described in the Investment Schedules General Instructions) should be reported in Column 6, "No Maturity Date" in Section 9 "SVO Identified Funds." Only funds reported in Section 9 would be reported in Column 6.

c. Place all holdings in default as to principal or interest in the "Over 20 years" category in the absence of definitive information as to final settlement. Perpetual bonds should also be included in this category.

d. Consider obligations without maturity date and payable on demand to be due within one year if in good standing. Otherwise, include in the "Over 20 years" category, or earlier if justifiable.

There are 14 sections to this schedule: Sections 1 through 10 for each of the 10 bond categories, Section 11 for total bonds current year, Section 12 for total bonds prior year, Section 13 for total bonds publicly traded and Section 14 for total bonds privately placed. The 10 bond categories combine corresponding subtotals from Schedule D, Part 1; Schedule DA, Part 1; and Schedule E, Part 2 as follows, and for each of those 10 bond categories, the total line for Column 7 of each section should equal the sum of the subtotal lines shown below:

Section 1. U.S. Governments

Line 0599999 from Schedule D, Part 1, Column 11; Line 0599999 from Schedule DA, Part 1, Column 7; and Line 0599999 from Schedule E, Part 2, Column 7.

Section 2. All Other Governments

Lines 1099999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 3. U.S. States, Territories and Possessions, Guaranteed

Lines 1799999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed

Lines 2499999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed

Lines 3199999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and in Schedule E, Part 2, Column 7.

Section 6. Industrial & Miscellaneous (Unaffiliated)

Line 3899999 from Schedule D, Part 1, Column 11; Line 3899999 from Schedule DA, Part 1, Column 7; and Line 3899999 from Schedule E, Part 2, Column 7.

Section 7. Hybrid Securities

Lines 4899999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 8. Parent, Subsidiaries and Affiliates

Lines 5599999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 9. SVO Identified Funds

Lines 6099999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 10. Unaffiliated Bank Loans

Lines 6599999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

The quality designation used is the "NAIC Designation" that appears with each bond as listed in the *Valuations of Securities*. Include short-term and cash equivalent bonds in the category that most closely resembles their credit risk. For each Section 1 through 14, seven lines of information are shown, which are numbered in a format "X.Y" where the number "X" is the number of the section and the number "Y" is the order of the line within the section. The lines within each section are categorized as follows for Section "X".

X.1	Highest Quality	(NAIC 1)
X.2	High Quality	(NAIC 2)
X.3	Medium Quality	(NAIC 3)
X.4	Low Quality	(NAIC 4)
X.5	Lower Quality	(NAIC 5)
X.6	In or near default	(NAIC 6)
X.7	Total for section	

Column 11 is to contain publicly traded securities; i.e., those securities that have been assigned a CUSIP/CINS number in the *Valuations of Securities*. Any securities outside the CUSIP/PPN/CINS coding system will be considered to be publicly traded for Annual Statement purposes (e.g., short-term investments). Exclude bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144.

Column 12 is to contain privately placed securities as identified with Private Placement Numbers (PPN) in the *Valuations of Securities*. A PPN can be differentiated by the presence of a *, #, or @ sign appearing in either the sixth, seventh or eighth digit of the nine-digit CUSIP-like number. Include bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144 that have been assigned a CUSIP/CINS number in the *Valuations of Securities*.

Column 12 Footnote

Include bonds that are qualified for resale under SEC Rule 144A.

Include bonds that are freely tradable under SEC Rule 144 (e.g., that are presently held by, and for the immediately preceding three year period have been held by, persons unrelated to the issuer); however, there shall be excluded any such security containing a contractual restriction against resale (a "right of first refusal" provision is not considered a restriction against resale).

Footnote (d)

Provide the total book/adjusted carrying value amount reported in Section 11, Column 1 by NAIC designation that represents the amount of securities reported in Schedule DA and Schedule E, Part 2.

The sum of the amounts by NAIC designation (NAIC 1, NAIC 2, NAIC 3, NAIC 4, NAIC 5 and NAIC 6) reported in the footnote should equal the sum of Schedule DA, Part 1, Column 7, Lines 8399999 plus Schedule E, Part 2, Column 7, Line 8399999.

SCHEDULE D – PART 1A – SECTION 2

MATURITY DISTRIBUTION OF ALL BONDS OWNED DECEMBER 31 BY MAJOR TYPE AND SUBTYPE

The schedule summarizes the aggregate book/adjusted carrying value of all bond holdings, including those in Schedule DA and Schedule E, Part 2 by maturity, major bond categories and the subcategories of issuer obligations, and mortgage-backed/loan-backed and structured securities.

The maturity category for a particular holding is determined by the following criteria:

a. Serial issues and mandatory fixed prepayment obligations valued on an amortizable basis may be distributed based on the par value of each scheduled repayment date and the final installment and adjusted for any discount or premium. Such holdings reported at market may be distributed based on market value by applying market rate to each scheduled repayment.

b. (i) Mortgage-backed/loan-backed and structured securities (those securities are considered loan-backed securities and subject to the guidance in *SSAP No. 43R—Loan-Backed and Structured Securities*) should be distributed based on the anticipated future prepayment cash flows used to value the security.

   (ii) Other bonds with optional prepayment provisions should be distributed based on the expected future prepayments used to value the security.

   (iii) Bond Mutual Funds – as Identified by the SVO and Exchange Traded Funds – as Identified by the SVO (as described in the Investment Schedules General Instructions) should be reported in Column 6, "No Maturity Date" in Section 9 "SVO Identified Funds." Only funds reported in Section 9 would be reported in Column 6.

c. Place all holdings in default as to principal or interest in the "Over 20 years" category in the absence of definitive information as to final settlement. Perpetual bonds should also be included in this category.

d. Consider obligations without maturity date and payable on demand to be due within one year if in good standing. Otherwise, include in the "Over 20 years" category, or earlier if justifiable.

There are 14 sections to this schedule: Sections 1 through 10 for each of the 10 bond categories, Section 11 for total bonds current year, Section 12 for total bonds prior year, Section 13 for total bonds publicly traded and Section 14 for total bonds privately placed. The 10 bond categories combine corresponding subtotals from Schedule D, Part 1; Schedule DA, Part 1; and Schedule E, Part 2 as follows, and for each of those 10 bond categories, the total line for Column 7 of each section should equal the sum of the subtotal lines shown below:

Section 1. U.S. Governments

Line 0599999 from Schedule D, Part 1, Column 11; Line 0599999 from Schedule DA, Part 1, Column 7; and Line 0599999 from Schedule E, Part 2, Column 7.

Section 2. All Other Governments

Lines 1099999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 3. U.S. States, Territories and Possessions, Guaranteed

Lines 1799999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed

Lines 2499999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 5. U.S. Special Revenue & Special Assessment Obligations, etc. Non-guaranteed

Lines 3199999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 6. Industrial & Miscellaneous (Unaffiliated)

Line 3899999 from Schedule D, Part 1, Column 11; Line 3899999 from Schedule DA, Part 1, Column 7; and Line 3899999 from Schedule E, Part 2, Column 7.

Section 7. Hybrid Securities

Lines 4899999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 8. Parent, Subsidiaries and Affiliates

Lines 5599999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 9. SVO Identified Funds

Lines 6099999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

Section 10. Unaffiliated Bank Loans

Lines 6599999 from Schedule D, Part 1, Column 11; Schedule DA, Part 1, Column 7; and Schedule E, Part 2, Column 7.

For each major section the following subgroups, which are described in the Investment Schedules General Instructions, shall be presented by maturity category:

Sections 1 through 7:

- Issuer Obligations
- Residential Mortgage-Backed Securities
- Commercial Mortgage-Backed Securities
- Other Loan-Backed and Structured Securities

Sections 8:

- Issuer Obligations
- Residential Mortgage-Backed Securities
- Commercial Mortgage-Backed Securities
- Other Loan-Backed and Structured Securities
- Affiliated Bank Loans – Issued
- Affiliated Bank Loans – Acquired

Section 9:

- Exchange Traded Funds – as Identified by the SVO
- Bond Mutual Funds – as Identified by the SVO

Section 10:

- Unaffiliated Bank Loans – Issued
- Unaffiliated Bank Loans – Acquired

Sections 11 through 14:

- Issuer Obligations
- Residential Mortgage-Backed Securities
- Commercial Mortgage-Backed Securities
- Other Loan-Backed and Structured Securities
- SVO Identified Funds
- Affiliated Bank Loans
- Unaffiliated Bank Loans

Column 11 is to contain publicly traded securities; i.e., those securities that have been assigned a CUSIP/CINS number in the *Valuations of Securities*. Any securities outside the CUSIP/PPN/CINS coding system will be considered to be publicly traded for annual statement purposes (e.g., short-term investments). Exclude bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144.

Column 12 is to contain privately placed securities as identified with Private Placement Numbers (PPN) in the *Valuations of Securities*. A PPN can be differentiated by the presence of a "*" or (#) sign appearing in either the sixth, seventh or eighth digit of the nine-digit CUSIP-like number. Include bonds that are qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144 that have been assigned a CUSIP/CINS number in the *Valuations of Securities*.

SCHEDULE DA – VERIFICATION BETWEEN YEARS

SHORT-TERM INVESTMENTS

Report the aggregate amounts required by type of short-term investment asset. The categories of assets to be reported are: bonds; mortgage loans; other short-term investment assets; and investments in parent, subsidiaries and affiliates. A grand total of all activity is also required.

Column 1 – Total

Equals the sum of Columns 2 through 5.

Line 1 – Book/Adjusted Carrying Value, December 31 of Prior Year

In Column 1, report the book/adjusted carrying value per Schedule DA, Part 1, Column 7 of the prior year's annual statement.

Line 2 – Cost of Short-Term Investments Acquired

Report the aggregate cost of short-term investments acquired during the year. A reporting entity may summarize all "overnight" transactions and report the net amount as an increase in short-term investments on this line; all other transactions shall be recorded gross.

Line 3 – Accrual of Discount

In Column 1, report the total amount of accrual of discount during the year. The accrual of discount should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.

Line 4 – Unrealized Valuation Increase (Decrease)

Report the total unrealized valuation increase (decrease) for the year.

Line 5 – Total Gain (Loss) on Disposals

In Column 1, report the profit (loss) on disposal of short-term investments.

Line 6 – Deduct Consideration Received on Disposals of Short-Term Investments

Report the proceeds received on disposal of short-term investments. A reporting entity may summarize all "overnight" transactions and report the net amount as a decrease in short-term investments on this line; all other transactions shall be recorded gross.

Line 7 – Deduct Amortization of Premium

In Column 1, report the total amount of amortization of premium during the year. The amortization of premium should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.

Line 8 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

In Column 1, report the unrealized foreign exchange gain or loss for the year.

Line 9 – Deduct Current Year's Other-Than-Temporary Impairment Recognized

Report the other-than-temporary impairments for the year.

Line 10 – Book/Adjusted Carrying Value, Current Year

Column 1 equals Schedule DA, Part 1, Column 7, Total.

Line 11 – Deduct Total Nonadmitted Amounts

In Column 1, report the adjustment for nonadmitted amounts as of the end of the current period.

Include: The amount of the portfolio that is in excess of any investment limitation.

Line 12 – Statement Value at End of Current Period

In Column 1, report the statement value of as of the end of the current period. This amount should tie to the Assets Page, Line 5, inset for short-term investments.

SCHEDULE DB – PART A VERIFICATION BETWEEN YEARS

OPTIONS, CAPS, FLOORS, COLLARS, SWAPS and FORWARDS

The purpose of this schedule is to roll the information reported on Schedule DB, Part A, Sections 1 and 2 from the prior year to the end of the current reporting year.

Line 1 – Book/Adjusted Carrying Value, December 31 of Prior Year

Line 2 – Cost Paid/(Consideration Received) on Additions

- Line 2.1 – Current Year Paid/(Consideration Received) at Time of Acquisition, Still Open, Section 1 Column 12
- Line 2.2 – Current Year Paid/(Consideration Received) at Time of Acquisition, Terminated, Section 2 Column 14

Line 3 – Unrealized Valuation Increase/(Decrease)

- Line 3.1 – Section 1, Column 17
- Line 3.2 – Section 2, Column 19

Line 4 – SSAP No. 108 Adjustments

Line 5 – Total Gain (Loss) on Termination Recognized, Section 2, Column 22

Line 6 – Considerations Received/(Paid) on Terminations, Section 2, Column 15

Line 7 – Amortization

- Line 6.1 – Section 1, Column 19
- Line 6.2 – Section 2, Column [illegible]

Line 8 – Adjustment to Book/Adjusted Carrying Value of Hedged Item

- Line 7.1 – Section 1, Column 20
- Line 7.2 – Section 2, Column 23

Line 9 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

- Line 8.1 – Section 1, Column 18
- Line 8.2 – Section 2, Column 20

Line 10 – Book/Adjusted Carrying Value at End of Current Period (1 + 2 + 3 + 4 + 5 - 6 + 7 + 8 +9)

Line 11 – Deduct Nonadmitted Assets

Line 12 – Statement Value at End of Current Period (10 - 11)

SCHEDULE DB – PART B – VERIFICATION BETWEEN YEARS

FUTURES CONTRACTS

Line 1 – Book/Adjusted Carrying Value, December 31 of Prior Year

Show the total from the prior year. For purposes of this schedule, positive amounts should be reported for assets, and negative amounts should be reported for liabilities.

Line 2 – Cumulative Cash Change

Show the cash that the company received (paid) as initial margin for entering the futures contracts (Section 1, Broker Name/Net Cash Deposits Footnote – Cumulative Cash Change Column).

Line 3.11 & 3.12 – Change in the Variation Margin on Open Contracts – Highly Effective Hedges

Report the change in the variation margin on open contracts between years. Report separately the change in variation margin on futures contracts open in the prior year from futures contracts open in the current year.

Line 3.13 & 3.14 – Change in the Variation Margin on Open Contracts – All Other

Report the change in the variation margin on open contracts between years. Report separately the change in variation margin on futures contracts open in the prior year from futures contracts open in the current year.

Line 3.21 & 3.22 – Change in adjustment to basis of hedged item

Report the change in variation margin on open contracts between years that were adjusted into the hedged item(s). Report separately the change in variation margin on futures contracts open in the prior year from futures contracts open in the current year.

Line 3.23 & 3.24 – Change in amount recognized

Report the change in variation margin on open contracts between years that were recognized. Report separately the change in variation margin on futures contracts open in the prior year from futures contracts open in the current year.

Line 3.3 – Subtotal the change in variation margin on open contracts used to adjust hedged item(s) and recognized less the total change in variation margin on open contracts.

Line 4.1 – Report the cumulative variation margin on contracts terminated during the year.

Line 4.21 – Report the amount of gain (loss) adjusted into the hedged item(s) from terminated contracts during the year.

Line 4.22 – Report the amount of gain (loss) recognized from terminated contracts during the year.

Line 4.3 – Subtotal the total gain (loss) on terminated contracts during the year less the total gain (loss) on contracts terminated during the year that were recognized or basis adjusted into the hedged item(s).

Line 5 – Dispositions of gains (losses) on contracts terminations in the prior years

Line 5.1 – Total gain (loss) recognized in current year for terminations in the prior year

Line 5.2 – Total gain (loss) adjusted into the hedged item(s) current year for terminations in the prior year.

Report the gain (loss) on disposal of the specified derivatives for the current year.

Line 6 – Book/Adjusted Carrying Value at End of Current Period

Report the book/adjusted carrying value as of the end of the current period reflecting other-than-temporary impairments, if any.

Line 7 – Deduct Total Nonadmitted Amounts

Report the adjustment for nonadmitted amounts related to the specified derivatives as of the end of the current period.

Include: The amount of the portfolio that is in excess of any investment limitation.

Line 8 – Statement Value at End of Current Period (Line 6 minus Line 7)

Report the statement value of the specified derivatives as of the end of the current period.

SCHEDULE DB – PART C – SECTION 1

REPLICATION (SYNTHETIC ASSET) TRANSACTIONS (RSATs) OPEN ON DECEMBER 31 OF CURRENT YEAR

Include all RSATs owned December 31 of current year, including those open on December 31 of the previous year, and those acquired during the current year.

Column 1 – RSAT Number

Enter the RSAT Number as administered by the CUSIP Division of Standard & Poor's.

Column 2 – Description of the RSAT

Enter a complete and accurate description of the RSAT, including a description of the relationship of the Cash Instrument(s) and the Derivative(s) used to produce the replication.

Column 3 – NAIC Designation or Other Description of the RSAT

Enter the NAIC Designation or, when the NAIC Designation is not applicable, other description that will best identify the Risk-Based Capital and Asset Valuation Reserve (if applicable) class of the RSAT, as if the RSAT was recorded on the appropriate investment schedule.

Column 4 – Notional Amount of the RSAT

Enter the Notional Amount of the RSAT; e.g., the amount on which the interest/coupon accrues.

Column 5 – Book/Adjusted Carrying Value of the RSAT

Enter the Book/Adjusted Carrying Value of the RSAT as if the reporting entity had purchased and accounted for the specified asset. Reporting entities should document the determination of this value. For each individual RSAT indicated in Column 1, report a total of all Book/Adjusted Carrying Value of Derivative Instrument plus a total of all Book /Adjusted Carrying Value of the Cash Investment(s). Use formula below for reference:

Column 10 + Column 15

Column 6 – Fair Value of the RSAT

Enter the fair value of the RSAT. Amortized or the Book/Adjusted Carrying values should not be substituted for fair value. For each individual RSAT indicated in Column 1, report a total of all Fair Value of Derivative Instruments Open plus a total of all Fair Value of the Cash Investment(s) Held. Use the formula below for reference:

Column 11 + Column 16

Column 7 – Effective Date of the RSAT

Show the start date of the RSAT.

Column 8 – Maturity Date of the RSAT

Show the maturity date of the RSAT.

Column 9 – Description of Derivative Instruments Open

Identify the derivative(s) used in the RSAT (e.g., swap, call option, etc.)

Column 10 – Book/Adjusted Carrying Value of Derivative Instrument Open

Represents the statement value, with any nonadmitted assets added back. Refer to *SSAP No. 86—Derivatives* for further discussion.

Column 11 – Fair Value of Derivative Instrument(s) Open

Enter the fair value of derivative instrument(s) open at the end of the period.

Column 12 – CUSIP of Cash Instrument(s) Held

Enter the CUSIP or Investment Number of the Cash Instrument(s) used in the RSAT as the instrument appears on the appropriate investment schedule.

(a) CUSIP digits 1-6: Issuer number
(b) CUSIP digits 7-8: Exact issue sequence
(c) CUSIP digit 9: check digit

Column 13 – Description of Cash Instrument(s) Held

Enter description of the cash instruments used in the RSAT. This description is for reference purposes only, and is not intended to replace the appropriate reporting on other investment schedules. List each cash instrument separately (i.e., do not aggregate cash instruments having the same NAIC Designation).

Column 14 – NAIC Designation or Other Description of Cash Instrument(s) Held

Enter the NAIC Designation or, when the NAIC Designation is not applicable, other description that will best identify the Risk-Based Capital and Asset Valuation Reserve (if applicable) class of the cash instrument(s) used in the RSAT.

Column 15 – Book/Adjusted Carrying Value of Cash Investment(s) Held

Represents the statement value, with any nonadmitted assets added back. Refer to *SSAP No. 86—Derivatives* for further discussion.

Column 16 – Fair Value of Cash Instrument(s) Held

Enter the fair value of cash instrument(s) used in the RSAT.

SCHEDULE DB – PART C – SECTION 2

RECONCILIATION OF REPLICATION (SYNTHETIC ASSET) TRANSACTIONS OPEN

Use this schedule in both the quarterly and annual statements. Companies that are not required to file quarterly statement should leave those columns blank.

Number of Positions

Enter the number of transactions that have unique RSAT numbers.

Replication (Synthetic Asset) Transactions Statement Values

Enter "Statement Value" of the RSAT, as if the reporting entity had purchased and accounted for the specific asset. Companies should document the determination of this value. The values indicated should be the aggregate of the values for all open replication (synthetic asset) transactions.

Line 1 – Beginning Inventory

The number of positions and total replication (synthetic asset) transactions statement value should agree with the previous period's (quarterly or annual) ending inventory, Schedule DB, Part C, Section 2. Line 1 of each quarter should be the same as Line 7 of the previous quarter.

Line 2 – Opened or Acquired Transactions

Provide the number of positions opened or acquired and the aggregated replication (synthetic asset) transactions statement values as of the acquisition dates.

Line 3 – Increases in Replication (Synthetic Asset) Transaction Statement Value

Enter the aggregate increases in the statement value of replication (synthetic asset) transactions held at any time during the period.

Line 4 – Closed or Disposed of Transactions

Enter the number of positions that were disposed of during the period, with the aggregated replication (synthetic asset) transactions statement values as of the disposition dates.

Line 5 – Positions Disposed of for Failing Effectiveness Criteria

Enter the number of positions that were disposed of during the period because the position was no longer effective. Aggregate the replication (synthetic asset) transactions statement values as of the disposition dates.

Line 6 – Decreases in Replication (Synthetic Asset) Transaction Statement Value

Aggregated decreases in the statement value of the replication (synthetic asset) transactions held at any time during the period.

Line 7 – Ending Inventory

Show the net of Line 1 + Line 2 + Line 3 – Line 4 – Line 5 – Line 6.

Year to Date Columns

Line 1 should be the same as the first quarter Line 1. Lines 2 through 6 should be the sum of the quarters, through the end of the quarter being reported. Line 7 – Ending Inventory should be the same as Line 7 of the most recently completed quarter. Number of Positions and Total Replication (Synthetic Asset) Transaction Statement Value should agree with the current period's (quarterly or annual) Schedule DB, Part C, Section 2 totals.

SCHEDULE DB – VERIFICATION

BOOK/ADJUSTED CARRYING VALUE, FAIR VALUE AND POTENTIAL EXPOSURE OF DERIVATIVES

The purpose of this schedule is to verify the amounts reported in each individual derivative schedule (Schedule DB, Part A, Section 1 and Schedule DB, Part B, Section 1) against those reported in the Counterparty Exposure schedule (Schedule DB, Part D).

BOOK/ADJUSTED CARRYING VALUE CHECK

Line 1 – Total Book/Adjusted Carrying Value of all derivatives found on Schedule DB, Part A, Section 1, Column 14.

Line 2 – Cumulative Variation Margin of highly effective derivatives found on Schedule DB, Part B, Section 1, Column 15 plus Total Ending Cash Balance found on Schedule DB, Part B, Section 1, Broker Name/Net Cash Deposits Footnote.

Line 3 – Grand Total of Book/Adjusted Carrying Value from individual schedules (Lines 1 + 2).

Line 4 – Total of all positive Book/Adjusted Carrying Value found on Schedule DB, Part D, Section 1, Column 5.

Line 5 – Total of all negative Book/Adjusted Carrying Value found on Schedule DB, Part D, Section 1, Column 6.

Line 6 – Grand Total Check for Book/Adjusted Carrying Value (Lines 3 – 4 – 5).

FAIR VALUE CHECK

Line 7 – Total Fair Value of all derivatives found on Schedule DB, Part A, Section 1, Column 16.

Line 8 – Total Fair Value of futures contracts found on Schedule DB, Part B, Section 1 Column 13.

Line 9 – Grand Total of Fair Value from individual schedules (Lines 7 + 8).

Line 10 – Total of all positive Fair Value found on Schedule DB, Part D, Section 1, Column 8.

Line 11 – Total of all negative Fair Value found on Schedule DB, Part D, Section 1, Column 9.

Line 12 – Grand Total Check for Fair Value (Lines 9 – 10 – 11).

POTENTIAL EXPOSURE CHECK

Line 13 – Total Potential Exposure of all derivatives found on Schedule DB, Part A, Section 1, Column 21.

Line 14 – Total Potential Exposure of all futures found on Schedule DB, Part B, Section 1, Column 20.

Line 15 – Total Potential Exposure of all derivatives found on Schedule DB, Part D, Section 1, Column 11.

Line 16 – Grand Total Check for Potential Exposure (Lines 13 + 14 – 15).

SCHEDULE E – PART 2 – VERIFICATION BETWEEN YEARS

CASH EQUIVALENTS

Column 1 – Total

Equals the sum of Columns 2, 3 and 4.

Line 1 – Book/Adjusted Carrying Value, December 31 of Prior Year

In Column 1, report the book/adjusted carrying value per Schedule E, Part 2, Column 7 of the prior year's annual statement.

Line 2 – Cost of Cash Equivalents Acquired

Report the aggregate cost of cash equivalents acquired during the year.

Line 3 – Accrual of Discount

In Column 1, report the total amount of accrual of discount during the year. The accrual of discount should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.

Line 4 – Unrealized Valuation Increase (Decrease)

Report the total unrealized valuation increase (decrease) for the year.

Line 5 – Total Gain (Loss) on Disposals

In Column 1, report the gain (loss) on disposal of cash equivalents.

Line 6 – Deduct Consideration Received on Disposals

Report the proceeds received on disposal of cash equivalents.

Line 7 – Deduct Amortization of Premium

In Column 1, report the total amount of amortization of premium during the year. The amortization of premium should be consistent with the accounting guidance contained in the *Accounting Practices and Procedures Manual*.

Line 8 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

In Column 1, report the unrealized foreign exchange gain or loss for the year.

Line 9 – Deduct Current Year's Other-Than-Temporary Impairment Recognized

Report the other-than-temporary impairments for the year.

Line 10 – Book/Adjusted Carrying Value at end of Current Period

Column 1 equals Schedule E, Part 2, Column 7, Total.

Line 11 – Deduct Total Nonadmitted Amounts

In Column 1, report the adjustment for nonadmitted amounts as of the end of the current period.

Include: The amount of the portfolio that is in excess of any investment limitation.

Line 12 – Statement Value at End of Current Period

In Column 1, report the statement value of as of the end of the current period. This amount should tie to the Assets Page, Line 5, inset for cash equivalents.

Schedule A

SCHEDULE A – PART 1

REAL ESTATE OWNED DECEMBER 31 OF CURRENT YEAR

Real estate includes land, buildings and permanent improvements (includes real estate owned under contract of sale). Also include single real estate property wholly owned by an LLC that meets the criteria set forth in *SSAP No. 40R—Real Estate Investments*. All other real estate owned indirectly (such as through joint ventures) should be included in Schedule BA. The purpose for this schedule is to report individually each property owned, classified into categories that separately identify properties occupied by the reporting entity, properties held for the production of income, and properties held for sale. Report each Real Estate project under development in the category where it will ultimately reside, (e.g., a project under development that will be owned for the production of income should be reported in properties held for the production of income category). Refer to *SSAP No. 40R—Real Estate Investments* and *SSAP No. 90—Impairment or Disposal of Real Estate Investments* for accounting guidance.

If the reporting entity has any detail lines reported for any of the following required groups, it must report the subtotal amount of the corresponding group with the specified subtotal line number appearing in the same manner and location as the pre-printed total.

Properties Occupied by the Reporting Entity – Health Care Delivery	0199999
Properties Occupied by the Reporting Entity – Administrative*	0299999
Total Properties Occupied by the Reporting Entity	0399999
Properties Held for the Production of Income	0499999
Properties Held for Sale	0599999
Totals	0699999

* Companies not holding health care delivery assets should enter the total for property occupied by the reporting entity on Line 0299999. Exclude all leasehold improvements paid by the reporting entity from Schedule A, including Health Care leasehold improvements.

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

A description of the information required by the columnar headings is as follows:

Column 1 – Description of Property

Show description of property, (e.g., apartment complex, land, shopping center, warehouse, etc).

Column 2 – Code

Enter "$" in this column for all assets that are bifurcated between the insulated separate account filing and the non-insulated separate account filing.

Enter "!" in this column for all single real estate property wholly owned by an LLC that meets the criteria set forth in *SSAP No. 40R—Real Estate Investments*. For LLCs that do not meet criteria set forth in *SSAP No. 40R—Real Estate Investments*, report on Schedule BA.

If real estate is not under the exclusive control of the company as shown in the General Interrogatories, it is to be identified by placing one of the **symbols identified in the Investment Schedules General Instructions** in this column.

If the real estate is a single real estate property wholly-owned by an LLC that meets the criteria set forth in *SSAP No. 40R—Real Estate Investments* and is not under the exclusive control of the company, the "!" should appear first, immediately followed by the appropriate code (identified in the Investment Schedules General Instructions).

Separate Account Filing Only:

If the asset is a bifurcated asset between the insulated separate account filing and the non-insulated separate account filing, the "^" should appear first, immediately followed by the appropriate code **(identified in the Investment Schedules General Instructions)**.

Column 3 – City

For properties located in the U.S., list the city. If the city is unknown, indicate the county. If the property is located outside the U.S., indicate city or province.

Column 4 – State

For properties located in U.S. states, territories and possessions, report the two-character U.S. postal abbreviation for U.S. states, territories and possessions. If the property is located outside the U.S. states, territories and possessions, report the three-character (ISO Alpha 3) country abbreviations available in the listing in the appendix of these instructions.

Column 5 – Date Acquired

For individual properties, state date property was acquired.

Column 6 – Date of Last Appraisal

State date of last appraisal.

Column 7 – Actual Cost

Include: The amount expended to purchase the property along with the costs associated with acquiring title and other amounts such as additions and improvements (at the time of purchase or subsequent) that have been capitalized, less all amounts received for sales of rights or privileges in connection with the property or by any cash recoveries received after acquiring title to the property.

For foreclosed properties or voluntary conveyances, include amounts transferred from the Mortgage Loan Account along with other costs that have been capitalized (at the time of purchase or subsequent). Include all amounts expended for taxes, repairs and improvements in excess of the income of the property other than interest, prior to the date of acquiring title.

The Actual Cost recorded in this column shall ALWAYS be adjusted for other-than-temporary impairment. Refer to *SSAP No. 90—Impairment or Disposal of Real Estate Investments*, for the effects of impairments on the presentation of cost.

Column 8 – Amount of Encumbrances

Properties may be mortgaged and the outstanding principal balance, excluding accrued interest, of all liens at December 31 of the current year should be reported in this column.

Column 9 – Book/Adjusted Carrying Value Less Encumbrances

Include: The actual cost plus capitalized improvements, less depreciation, less encumbrances and net adjustments. For properties held for sale, the net adjustment to book value shall include the estimated costs to sell the property, in accordance with *SSAP No. 90—Impairment or Disposal of Real Estate Investments*.

Deduct: The amount of other-than-temporary impairment write-downs required under *SSAP No. 90—Impairment or Disposal of Real Estate Investments*.

Exclude: Valuation allowance.

Column 10 – Fair Value Less Encumbrances

Report the fair value of the property less encumbrances. Discuss in Notes to Financial Statements, Summary of Significant Accounting Policies, the basis on which fair value was determined.

Column 11 – Current Year's Depreciation

This amount should represent the depreciation expense for the period and shall include any depreciation recorded on a property held for sale.

Include: Depreciation that was recorded on property during the current year that was later classified as property held for sale.

The unrealized valuation gain/loss for separate account only.

Column 12 – Current Year's Other-Than-Temporary Impairment Recognized

If the real estate has suffered an "other-than-temporary impairment," this column should contain the amount of the direct write-down recognized. The amounts in this column are to be reported as realized capital losses in the Exhibit of Capital Gains (Losses) and in the calculation of Net Income.

Include: Reductions to fair value on property newly classified as held for sale, in accordance with *SSAP No. 90—Impairment or Disposal of Real Estate Investments*.

Column 13 – Current Year's Change in Encumbrances

Report as a positive number any decreases in encumbrances reported on real estate for the year.
Report as a negative number any increases in encumbrances reported on real estate for the year.

Column 15 – Total Foreign Exchange Change in Book Adjusted Carrying Value

Enter the unrealized foreign exchange gain or loss for the year.

Column 16 – Gross Income Earned Less Interest Incurred on Encumbrances

Include: Rental income on Home Office property.

Column 17 – Taxes, Repairs and Expenses Incurred

Include: Amounts paid or accrued for taxes, repairs and other related expenses.

Exclude: Interest incurred on encumbrances.

**** Columns 18 through 22 will be electronic only. ****

Column 18 – Fair Value Hierarchy Level and Method Used to Obtain Fair Value Code

Whenever possible, fair value should represent the price, at which the real estate could be sold, based on market information. Fair value should only be determined analytically when the market-based value cannot be obtained.

The following is a listing of valid fair value level indicators to show the fair value hierarchy level.

"1" for Level 1

"2" for Level 2

"3" for Level 3

The following is a listing of the valid method indicators for real estate to show the method used by the reporting entity to determine the Rate Used to Obtain Fair Value.

"a" for securities where the rate is determined by a pricing service.

"b" for securities where the rate is determined by a stock exchange.

"c" for securities where the rate is determined by a broker or custodian. The reporting entity should obtain and maintain the pricing policy for any broker or custodian used as a pricing source. In addition, the broker must either be approved by the reporting entity as a counterparty for buying and selling securities or be an underwriter of the security being valued. (Reporting entities shall utilize source "c" to capture any other method used by the reporting entity to obtain observable inputs resulting in a hierarchy Level 1 or Level 2. Documentation of this source shall then be included in Column 19.)

"d" for securities where the rate is determined by the reporting entity. The reporting entity is required to maintain a record of the pricing methodology used.

"e" for securities where the rate is determined by the unit price provided in the NAIC *Valuation of Securities*.

Enter a combination of hierarchy and method indicator. The fair value hierarchy level indicator would be listed first and the method used to determine fair value indicator would be listed next. For example, use "1b" to report Level 1 for the fair value hierarchy level and stock exchange for the method used to determine fair value.

Column 19 – Source Used to Obtain Fair Value

For Method Code "a," identify the specific pricing service used.

For Method Code "b," identify the specific stock exchange used.

The listing of most **stock exchange codes can be found in the Investment Schedules General Instructions or the following Web address**:

www.fixprotocol.org/specifications/exchanges.shtml

For Method Code "c," identify the specific broker or custodian used.

For Method Code "d," leave blank.

For Method Code "e," leave blank.

Column 20 – Legal Entity Identifier (LEI)

Provide the 20-character Legal Entity Identifier (LEI) for issuer as assigned by a designated Local Operating Unit. If no LEI number has been assigned, leave blank.

Column 21 – Postal Code

The postal code(s) reported in this column should reflect the location of the underlying property. For properties located in U.S. states, territories and possessions, use the five-digit ZIP code and not the ZIP+4 code. If the property is located outside the U.S. states, territories and possessions, use that country's equivalent to the ZIP code. Multiple postal codes should be entered if the underlying properties are located in more than one postal code and listed from highest to lowest value associated with the underlying properties separated by commas.

Example two U.S. postal codes and one United Kingdom postal code (51501,68104,E4 7SD).

Column 22 – Property Type

For property type, use one of the following codes to indicate the primary use of the property:

OF Office

RT Retail

MU Apartment/Multifamily

IN Industrial

HC Medical/Health Care

MX Mixed Use

LO Lodging

OT Other

SCHEDULE A – PART 2

REAL ESTATE ACQUIRED AND ADDITIONS MADE DURING THE YEAR

This schedule should reflect not only those new real estate investments and their encumbrances, but also any additions and permanent improvements to existing properties acquired in the current and prior periods and their encumbrances. Report individually each property acquired or transferred from another category (e.g., joint ventures, Schedule BA). Property acquired and sold during the same year should be reported in both Part 2 and Part 3.

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

Acquired by purchase 0199999
Acquired by internal transfer 0299999
Totals 0399999

Column 1 – Description of Property

Show description of property (e.g., apartment complex, land, shopping center, warehouse, etc).

Column 2 – City

For properties located in the U.S., list the city. If the city is unknown, indicate the county. If the property is located outside the U.S., indicate city or province.

Column 3 – State

For properties located in U.S. states, territories and possessions, report the two-character U.S. postal abbreviation for U.S. states, territories and possessions. If the property is located outside the U.S. states, territories and possessions, report the three-character (ISO Alpha 3) country abbreviations available in the listing in the appendix of these instructions.

Column 4 – Date Acquired

For individual properties, state date property was acquired.

Column 5 – Name of Vendor

Provide the name of the entity from which the property was acquired. For internal transfers, indicate "internal transfer" in lieu of a vendor name.

Column 6 – Actual Cost at Time of Acquisition

Include: This column should be utilized to report the cost of original purchases. The amount expended to purchase the property along with the costs associated with acquiring title.

For foreclosed properties or voluntary conveyances, include amounts transferred from the Mortgage Loan Account along with other costs that have been capitalized (at the time of purchase).

Exclude: Amounts expended for additions and permanent improvements that are reported in column 9.

The amount reported in the Actual Cost column included in Schedule A, Part 2 will never differ from the actual consideration paid to purchase the investment. Any appropriate adjustments to the Actual Cost will be made in Schedule A, Part 1 or in Schedule A, Part 3. Refer to *SSAP No. 90—Impairment or Disposal of Real Estate Investments*, for the effects of impairment on the presentation of cost.

Column 7 – Amount of Encumbrances

Properties may be mortgaged and the outstanding principal balance, excluding accrued interest, of all liens at December 31 of the current year should be reported in this column.

Column 8 – Book/Adjusted Carrying Value Less Encumbrances

Include: The actual cost plus capitalized improvements, less depreciation, less encumbrances and net adjustments.

Deduct: The amount of other-than-temporary impairment write-downs required under *SSAP No. 90—Impairment or Disposal of Real Estate Investments*.

Exclude: Valuation allowances.

Column 9 – Additional Investment Made After Acquisition

This column should be utilized to report the amount expended for additions and permanent improvement.

Exclude: Amounts expended for original acquisitions that are reported in column 6.

**** Columns 10 through 12 will be electronic only. ****

Column 10 – Legal Entity Identifier (LEI)

Provide the 20-character Legal Entity Identifier (LEI) for issuer as assigned by a designated Local Operating Unit. If no LEI number has been assigned, leave blank.

Column 11 – Postal Code

The postal code(s) reported in this column should reflect the location of the underlying property. For properties located in U.S. states, territories and possessions, use the five-digit ZIP code and not the ZIP+4 code. If the property is located outside the U.S. states, territories and possessions, use that country's equivalent to the ZIP code. Multiple postal codes should be entered if the underlying properties are located in more than one postal code and listed from highest to lowest value associated with the underlying properties separated by commas.

Example of two U.S. postal codes and one United Kingdom postal code (51501,68104,E4 7SD).

Column 12 – Property Type

For property type, use one of the following codes to indicate the primary use of the property:

OF	Office
RT	Retail
MU	Apartment/Multifamily
IN	Industrial
HC	Medical/Health Care
MX	Mixed Use
LO	Lodging
OT	Other