F. Multiemployer Plans

The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by ABC Union. In addition, the Company provides certain other postretirement benefits to retired employees through a plan sponsored by ABC Union. The Company's share of net expense for the qualified pension plan was $_____ million and $_____ million for 20___ and 20___, respectively and for other postretirement benefit plans was $_____ million and $_____ million for 20___ and 20___, respectively. Beginning January 1, 20___, the Company's other postretirement benefit plans were amended to restrict benefit eligibility to retirees and certain retiree-eligible employees. Previously covered employees could become eligible for postretirement benefits if they reached retirement age while working for the Company. The Company's contributions to the pension plan and postretirement benefit plans was less than 5 percent of each plan's assets. There are no funding improvement or rehabilitation plans implemented or pending for any of the pension and postretirement benefit plans the Company participates in. The Company did not pay any surcharges during the reporting period ended December 31, 20___. The Company is not responsible for the underfunded status of the plan because the plan operates in a jurisdiction that does not require withdrawing participants to pay a withdrawal liability or other penalty. The collective-bargaining agreement requires contributions on the basis of hours worked. The agreement also has a minimum contribution requirement of $1,000,000 each year.

G. Consolidated/Holding Company Plans

The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by XYZ Holding Company, an affiliate. In addition, the Company provides certain other postretirement benefits to retired employees through a plan sponsored by XYZ Holding Company. The Company has no legal obligation for benefits under these plans. XYZ Holding Company allocates amounts to the Company based on salary ratios. The Company's share of net expense for the qualified pension plan was $_____ million and $_____ million for 20___ and 20___, respectively and for other postretirement benefit plans was $_____ million and $_____ million for 20___ and 20___, respectively. Beginning January 1, 20___, the Company's other postretirement benefit plans were amended to restrict benefit eligibility to retirees and certain retiree-eligible employees. Previously, covered employees could become eligible for postretirement benefits if they reached retirement age while working for the Company.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

(1) Recognition of the existence of the Act

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was signed into law in December of 2003. The Act includes the following two new features to Medicare Part D that could affect the measurement of the accumulated postretirement benefit obligation (APBO) and net periodic postretirement cost for the Plan:

- A federal subsidy (based on 28% of an individual beneficiary's annual prescription drug costs between $250 and $5,000), which is not taxable, to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D; and

- The opportunity for a retiree to obtain a prescription drug benefit under Medicare.

The Company is unable to conclude whether the benefits provided by the Plan are actuarially equivalent to Medicare Part D under the Act. As a result, the effects of the Act on accumulated postretirement benefit obligation are not reflected in the financial statement or the accompanying notes.

(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was signed into law in December of 2003. The Act includes the following two new features to Medicare Part D that could affect the measurement of the accumulated postretirement benefit obligation (APBO) and net periodic postretirement cost for the Plan:

- A federal subsidy (based on 28% of an individual beneficiary's annual prescription drug costs between $250 and $5,000), which is not taxable, to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D; and

- The opportunity for a retiree to obtain a prescription drug benefit under Medicare.

The effect of the Act was a $______ reduction in the Company's net postretirement benefit cost for the subsidy related to benefits attributed to former employees. The Act also had the following effects on the net postretirement benefit cost; a $______ decrease as a result of an actuarial gain; a decrease to the current period service cost $______ due to the subsidy and $______ decrease to the interest cost.

(3) Disclosure of Gross Benefit Payments

The Company's gross benefit payments for 20__ were $______ including the prescription drug benefit and estimates future payments to be $______ annually. The Company's subsidy related to The Medicare Prescription Drug, Improvement and Modernization Act of 2003 was $______ for 20__ and estimates future subsidies to be $______ annually.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

<u>Instruction:</u>

Disclose the following information related to capital and surplus, dividend restrictions and quasi-reorganizations.

(1) The number of shares of each class of capital stock authorized, issued and outstanding as of the balance sheet date and the par value or stated value of each class.

(2) The dividend rate, liquidation value and redemption schedule (including prices and dates) of any preferred stock issues.

(3) Dividend restrictions, if any, and an indication if the dividends are cumulative.

(4) The dates and amounts of dividends paid. Note for each payment whether the dividend was ordinary or extraordinary.

(5) The portion of the reporting entity's profits that may be paid as ordinary dividends to stockholders.

(6) A description of any restrictions placed on the unassigned funds (surplus), including for whom the surplus is being held.

(7) For mutual reciprocals, and similarly organized entities, the total amount of advances to surplus not repaid, if any.

(8) The total amount of stock held by the reporting entity, including stock of affiliated entities, for special purposes such as:

a. Conversion of preferred stock

b. Employee stock options

c. Stock purchase warrants

(9) A description of the reasons for changes in the balances of any special surplus funds from the prior period.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses.

(11) Surplus Notes

For each surplus debenture or similar obligation, except those surplus notes required or those that are a prerequisite for purchasing an insurance policy and are held by the policyholder, furnish the following information:

a. Date issued

b. Description of the assets received

c. Holder of the note or, if public, the name of the underwriter and trustee

d. Par Value (Face Amount of Note)

e. Carrying value of note

f. The rate at which interest accrues

g. Maturity dates or repayment schedules, if stated

h. Unapproved interest and/or principal

i. Interest and/or principal paid in the current year

j. Total interest and/or principal paid on surplus notes

k. Subordination terms

l. Liquidation preference to the reporting entity's common and preferred shareholders

m. The repayment conditions and restrictions

n. In addition to the above, a reporting entity shall identify all affiliates that hold any portion of a surplus debenture or similar obligation (including an offering registered under the Securities Act of 1933 or distributed pursuant to Rule 144A under the Securities Act of 1933), and any holder of 10% or more of the outstanding amount of any surplus note registered under the Securities Act of 1933 or distributed pursuant to Rule 144A under the Securities Act of 1933.

(12) The impact of the restatement in a quasi-reorganization as long as financial statements for the period of the reorganization are presented.

(13) The effective date of a quasi-reorganization for a period of ten years following the reorganization.

Illustration:

(1) The Company has ________ shares authorized, ________ shares issued and ________ shares outstanding. All shares are Class A shares.

(2) The Company has no preferred stock outstanding.

(3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, _________, to $_________, an amount that is based on restrictions relating to statutory surplus.

(4) An ordinary dividend in the amount of $ _________ on _________ was paid by the Company.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) The total amount of advances to surplus not repaid is $_________.

(8) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes are:

a. For conversion of preferred stock: ________ shares
b. For employee stock options: _________ shares
c. For stock purchase warrants: _________ shares

(9) Changes in balances of special surplus funds from the prior year are due to: _________________

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is $ _______.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE ENDING NARRATIVE.)

(11) The Company issued the following surplus debentures or similar obligations:

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
1311999	Total		*				XXX

* Total should agree with Page 3, Line 28.

The surplus note in the amount of $_______, listed as item _______ in the above table, was issued to ___________________ (parent) in exchange for _________________________.

The surplus note, in the amount of $______, listed as item _______ in the above table, was issued pursuant to Rule 144A under the Securities Act of 1933, underwritten by __________________, and is administered by ________________________________ as trustee.

The surplus note has the following repayment conditions and restrictions: (e.g., Each payment of interest on and principal of the surplus notes may be made only with the prior approval of the Commissioner of Insurance of the State and only to the extent the company has sufficient surplus earnings to make such payment).

The surplus note has the following subordination terms: (e.g., The Notes will rank *pari passu* with any other future surplus notes of the Parent and with all other similarly subordinated claims).

The liquidation preference to the insurer's common and preferred shareholders are as follows: (e.g., In the event that the Parent is subject to such a proceeding, holders of indebtedness, Policy Claims and Prior Claims would be afforded a greater priority under the Liquidation Act and the terms of the Notes and, accordingly, would have the right to be paid in full before any payments of interest or principal are made to Note holders).

The surplus debenture in the amount of $______, listed as item _______ in above table, is held by ________________________________(an affiliate).

The surplus debenture in the amount of $____________, listed as item ________ in above table, was issued pursuant to Rule 144A under the Securities Act of 1933, and is held by _______________________ in the following ownership percentage ______________________ (10% or more).

The ____________ (an affiliate) holds $________ or _______% of the surplus debenture listed as item __________in the above table.

The Company has outstanding $__________ of __________% debentures due in 20___ issued on __/__/20__. The carrying amount of the debt is $_________ with an effective rate of _____%. The debentures are not redeemable prior to 20___. The Company is required to make annual sinking fund payments of $__________ that will provide sufficient funds for the retirement of debentures at maturity. Interest paid during 20__ was $______.

The Company has an outstanding liability for borrowed money in the amount of $________ due to ______________ on __/__/20__. The principal amount is due 20__. At the option of the Company, early repayment may be made. Interest at ___% is required to be paid annually. Interest paid during 20__ was $________. The Company is required to maintain a collateral security deposit with the lender. Assets in such security deposit are required to be maintained in a fair value amount at least equal to the outstanding principal. At December 31, 20__, assets having an admitted value of $__________ and a fair value of $_______ were on deposit with the lender.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(12) The impact of any restatement due to prior quasi-reorganizations is as follows:

	Change in Year Surplus	Change in Gross Paid-in and Contributed Surplus
2008	$ ________	$ ________
2007	$ ________	$ ________
2006	$ ________	$ ________
etc.		

(13) The effective date(s) of all quasi-reorganizations in the prior 10 years is/are ____________.

14. Liabilities, Contingencies and Assessments

Instruction:

For disclosures related to *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*, *SSAP No. 35R—Guaranty Fund and Other Assessments*, *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* and *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* describe the nature of any material contingencies in accordance with SSAP No. 5R and report total contingent liabilities.

A. Contingent Commitments

(1) Disclose any commitment or contingent commitment to an SCA entity, joint venture, partnership or limited liability company (e.g., guarantees or commitments to provide additional capital contributions).

Include any commitment or contingent commitment (e.g., guarantees or commitments to provide additional capital contributions) including the amount of equity contributions that are contingent commitments related to LIHTC properties investments and the year(s) that contingent commitments are expected to be paid. Refer to *SSAP No. 93—Low Income Housing Tax Credit Property Investments* for accounting guidance.

(2) A guarantor shall disclose the following information about each guarantee, or each group or similar guarantees (except product warranties), even if the likelihood of the guarantor's having to make any payments under the guarantee is remote. In addition, the nature of the relationship to the beneficiary of the guarantee or undertaking (affiliated or unaffiliated) shall also be disclosed:

a. The nature of the guarantee, including the approximate term of the guarantee, how the guarantee arose, and the events and circumstances that would require the guarantor to perform under the guarantee, the ultimate impact to the financial statements (specific financial statement line item) if action under the guarantee was required (e.g., increase to investment, dividends to stockholders, etc.) and the current status (that is, as of the date of the statement of financial position) of the payment/performance risk of the guarantee. For example, the current status of the payment/performance risk of a credit-risk-related guarantee could be based on either recently issued external credit ratings or current internal groupings used by the guarantor to manage its risk. An entity that uses internal groupings shall disclose how those groupings are determined and used for managing risk.

b. The potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. That maximum potential amount of future payments shall not be reduced by the effect of any amounts that may possibly be recovered under recourse or collateralization provisions in the guarantee (which are addressed under 2c below). If the terms of the guarantee provide for no limitation to the maximum potential future payments under the guarantee, that fact shall be disclosed. If the guarantor is unable to develop an estimate of the maximum potential amount of future payments under its guarantee, the guarantor shall disclose the reasons why it cannot estimate the maximum potential amount.

c. The nature of (1) any recourse provisions that would enable the guarantor to recover from third parties any of the amounts paid under the guarantee; and (2) any assets held either as collateral or by third parties that, upon the occurrence of any triggering event or condition under the guarantee, the guarantor can obtain and liquidate to recover all or a portion of the amounts paid under the guarantee. The guarantor shall indicate, if estimable, the approximate extent to which the proceeds from liquidation of those assets would be expected to cover the maximum potential amount of future payments under the guarantee

d. The current carrying amount of the liability, if any, for the guarantor's obligations under the guarantee (including the amount, if any, recognized under *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*), regardless of whether the guarantee is freestanding or embedded in another contract.

(3) An aggregate compilation of guarantee obligations shall include the maximum potential of future payments of all guarantees (undiscounted), the current liability (contingent and noncontingent) reported in the financial statements and the ultimate financial statement impact based on maximum potential payments (undiscounted) if performance under those guarantees had been triggered.

B. Assessments

Describe the nature of any assessments that could have a material financial effect, by type of assessment, and state the estimate of the liability, identifying whether the corresponding liability has been recognized under *SSAP No. 35R—Guaranty Fund and Other Assessments*, a liability has not been recognized as the obligating event has not yet occurred, or indicate that an estimate cannot be made.

For assessments with liabilities recognized under *SSAP No. 35R—Guaranty Fund and Other Assessments* disclose the amounts of the recognized liabilities, any related asset for premium tax credits or policy surcharges, the periods over which the assessments are expected to be paid, and the period over which the recorded premium tax offsets or policy surcharges are expected to be realized.

Disclose assets recognized from paid and accrued premium tax offsets and policy surcharges, and include a reconciliation of assets recognized within the previous year's annual statement to the assets recognized in the current year's annual statement. The reconciliation shall reflect, in aggregate, each component of the increase and decrease in paid and accrued premium tax offsets and policy surcharges, including the amount charged off.

Disclosures shall be made in accordance with *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets* when there is at least a reasonable possibility that the impairment of an asset from premium tax offsets or policy surcharges may have been incurred.

C. Gain Contingencies

Describe the nature of any gain contingencies. Gain contingencies are not recognized in a reporting entity's financial statements except as provided under *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*. If subsequent to the balance sheet date but prior to the issuance of financial statements, the gain is realized, disclose the nature of the gain contingency.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses requires that claims related extra contractual obligations losses and bad faith losses shall be included in losses. For claims related extra contractual obligations losses and bad faith losses stemming from lawsuits, disclose the dollar amount paid (for the extra contractual and bad faith portion of the total claim amount) in the current reporting period on a direct basis. Disclose the number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period as a range.

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period. Please check one of the following ranges of claims:

(a) 0-25 Claims	(c) 51-100 Claims	(e) More than 500 Claims
(b) 26-50 Claims	(d) 101-500 Claims	

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [ ]
(g) Per Claimant [ ]

E. Joint and Several Liabilities

Disclose the following information for each joint and several liability arrangements accounted for under *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*. If co-obligors are related parties, disclosure requirements in *SSAP No. 25—Affiliates and Other Related Parties* also apply.

- The nature of the arrangement, including:
  - ❖ How the liability arose.
  - ❖ The relationship with co-obligors.
  - ❖ The terms and conditions of the arrangements.
- The total outstanding amount under the arrangement, which shall not be reduced by the effect of any amounts that may be recoverable from other entities.
- The carrying amount, if any, of the entity's liability and the carrying amount of a receivable recognized, if any.
- The nature of any recourse provisions that would enable recovery from other entities of the amounts paid, including any limitations on the amounts that might be recovered.
- In the period the liability is initially recognized and measured or in a period the measurement changes significantly:
  - ❖ The corresponding entry.
  - ❖ Where the entry was recorded in the financial statements.

F. All Other Contingencies

Disclose the nature of any loss contingency or impairment of an asset, including an estimate of the possible loss, or range of loss, or state that such an estimate cannot be made. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible in accordance with *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*. This meets the requirements of the following SSAPs: *SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers; SSAP No. 21—Other Admitted Assets; SSAP No. 47—Uninsured Plans; SSAP No. 54R—Individual and Group Accident and Health Contracts; SSAP No. 56—Separate Accounts; SSAP No. 66—Retrospectively Rated Contracts; SSAP No. 86—Derivatives* and other SSAPs as required.

Illustration:

A. The Company has given XYZ Homes, Inc., a real estate development partnership, a standby commitment until January 1, 20__, in the form of capital notes on equity contributions not to exceed the aggregate $_________ in the event of a loan default by XYZ Homes, Inc., on various of its subordinated debt issues.

(1) Total *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities* and *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* contingent liabilities: $ ____________.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2)

1 Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	2 Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	3 Ultimate financial statement impact if action under the guarantee is required.	4 Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	5 Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Guarantee the indebtedness of subsidiary LJS for its debt on real estate	XX,XXX	Investments in SCA	XX,XXX (a)	LJS is current in all payments of principal and interest, as well as their external credit rating (AA), which has been consistent for the past five years.
....				....
....				....
....				....
Total				XXX

(a) Pursuant to the terms of this guarantee, the Company would be required to perform in the event of default by LJS, but would also be permitted to take control of the real estate.

Note: The illustration above shows just one example. The reporting entity may have others that would be reported, as well.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(3)

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	$	....
b. Current Liability Recognized in F/S:		
1. Noncontingent Liabilities	$	....
2. Contingent Liabilities	$	....
c. Ultimate Financial Statement Impact if action under the guarantee is required.		
1. Investments in SCA	$	....
2. Joint Venture	$	....
3. Dividends to Stockholders (capital contribution)	$	....
4. Expense	$	....
5. Other	$	....
6. Total (Should equal (3)a.)	$	....

B. Assessments

(1)

Where Amount is Unknown

The company has received notification of the insolvency of XYZ Insurance Company. It is expected that the insolvency will result in a guaranty fund assessment against the company at some future date. At this time, the company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the company is unable to determine the impact, if any, such assessments may have on the company's financial position or results of operations.

Where Amount is Known (Retrospective Example)

On ______, 20___ the company received notification of the insolvency of XYZ Insurance Company. It is expected that the insolvency will result in a retrospective premium-based guaranty fund assessment against the company of $______ that has been charged to operations in the current period and the liability recognized.

Where Amount is Known (Prospective Example)

On ______, 20___ the company received notification of the insolvency of XYZ Insurance Company. It is expected that the insolvency will result in a prospective-based guaranty fund assessment against the company. A liability for this guaranty fund assessment has yet to be recognized as the conditions in paragraph 4 have not been met. (Pursuant to paragraph 4.b. of *SSAP No. 35R—Guaranty Fund and Other Assessments*, the event obligating the entity has not yet occurred.) For premium-based assessments, the event that obligates the entity is writing the premiums, or being obligated to write or renew the premiums on which the assessments are expected to be based. There is no state law that requires the entity to remain liable for assessments, even though the insurance entity discontinues the writing of premiums. As such, a liability will be recognized once this condition has been met. As no liability has yet to be recognized for this notification of insolvency, no premium tax offsets or policy surcharges assets have been recognized for this notification. Pursuant to SSAP No. 35R, the accrual of prospective premium-based assessments is based on and limited in the same manner for which the liability is recognized.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2)

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end $ ....

b. Decreases current year:

Policy surcharges collected $ ....
Policy surcharges charged off $ ....
Premium tax offset applied $ ....
.... $ ....
.... $ ....
.... $ ....

c. Increases current year: $ ....

Policy surcharges collected $ ....
Policy surcharges charged off $ ....
Premium tax offset applied $ ....
.... $ ....
.... $ ....
.... $ ....

d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end $ ....

Note: Detail descriptions for the sub-lines of 2b and 2c are just examples of descriptions that could be used in those lines.

C. Gain Contingencies

On January 15, 20__, the company, as plaintiff, was successful in a suit it had previously filed for damages in a case involving misrepresentation. On February 10, 20__, the company received $_____ in damages as a result of this case. Accordingly, the company has recorded this amount in its first quarter, 20__, financial statements.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$ xxx,xxx

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
	X			

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [ ] (g) Per Claimant [ ]

F. All Other Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no assets that it considers to be impaired.

15. Leases

Instruction:

A. Disclose the following items related to lessee leasing arrangements (refer to *SSAP No. 22—Leases*):

(1) A general description of the lessee's leasing arrangements including, but not limited to, the following:

a. Rental expense for each period for which an income statement is presented, with separate amounts for minimum rentals, contingent rentals, and sublease rentals. Rental payments under leases with terms of a month or less that were not renewed need not be included.

b. The basis on which contingent rental payments are determined.

c. The existence and terms of renewal or purchase options and escalation clauses.

d. Restrictions imposed by lease agreements, such as those concerning dividends, additional debt, and further leasing.

e. Identification of lease agreements that have been terminated early or for which the lessee is no longer using the leased property's benefit, and the liability recognized in the financial statements under these agreements.

(2) For leases having initial or remaining noncancelable lease terms in excess of one year:

a. Future minimum rental payments required as of the date of the latest balance sheet presented, in the aggregate and for each of the five succeeding years; and

b. The total of minimum rentals to be received in the future under noncancelable subleases as of the date of the latest balance sheet presented.

(3) For sale-leaseback transactions:

a. A description of the terms of the sale-leaseback transaction, including future commitments, obligations, provisions, or circumstances that require or result in the seller-lessee's continuing involvement; and

b. For those accounted for as deposits, (a) the obligation for future minimum lease payments as of the date of the latest balance sheet presented in the aggregate and for each of the five succeeding years; and (b) the total of minimum sublease rentals, if any, to be received in the future under noncancelable subleases in the aggregate and for each of the five succeeding years.

B. When leasing is a significant part of the lessor's business activities in terms of revenue, net income or assets, disclose the following information with respect to leases:

(1) For operating leases:

a. A general description of the lessor's leasing arrangements;

b. The cost and carrying amount, if different, of property on lease or held for leasing by major classes of property according to nature or function, and the amount of accumulated depreciation in total as of the date of the latest balance sheet presented;

c. Minimum future rentals on noncancelable leases as of the date of the latest balance sheet presented, in the aggregate and for each of the five succeeding years; and

d. Total contingent rentals included in income for each period for which an income statement is presented.

(2) For leveraged leases:

a. A description of the terms including the pretax income from the leveraged leases. For purposes of presenting the investment in a leveraged lease in the lessor's balance sheet, the amount of related deferred taxes shall be presented separately (from the remainder of the net investment);

b. Separate presentation (from each other) shall be made of pretax income from the leveraged lease, the tax effect of pretax income, and the amount of investment tax credit recognized as income during the period; and

c. When leveraged leasing is a significant part of the lessor's business activities in terms of revenue, net income, or assets, the components of the net investment balance in leveraged leases shall be disclosed.

<u>Illustration:</u>

A. Lessee Operating Lease

(1)

a. The Company leases office equipment under various noncancelable operating lease agreements that expire through December 20___. Rental expense for 20___, and 20___ was approximately $_____, and $_____, respectively.

c. Certain rental commitments have renewal options extending through the year 20___. Some of these renewals are subject to adjustments in future periods.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2)

At December 31, 20___, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	20__	$ ___________
2.	20__	$ ___________
3.	20__	$ ___________
4.	20__	$ ___________
5.	20__	$ ___________
6.	Total	$ ___________

(3) The company is not involved in any material sales – leaseback transactions.

B. Lessor Leases

(1) Operating Leases

a. The company owns or leases numerous sites that are leased or subleased to franchisees. Buildings owned or leased that meet the criteria for operating leases are carried at the gross investment in the lease less unearned income. Unearned income is recognized in such a manner as to produce a constant periodic rate of return on the net investment. The typical lease period is 20 years and some leases contain renewal options. The franchisee is responsible for the payment of property taxes, insurance and maintenance costs related to the leased property.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

c. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 20___ are as follows:

	Year Ending December 31	Operating Leases
1.	20__	$ ________
2.	20__	$ ________
3.	20__	$ ________
4.	20__	$ ________
5.	20__	$ ________
6.	Total	$ ________

d. Contingent rentals included in income for the years ended December 31, 20__ and 20__ amounted to $__________ and $__________, respectively. The net investment is classified as real estate.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE BEGINNING NARRATIVE.)

(2) Leveraged Leases

a. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases at December 31, 20__ and December 31, 20__ were as shown below:

		20___	20___
1.	Income from leveraged leases before income tax including investment tax credit	$ ________	$ ________
2.	Less current income tax	$ ________	$ ________
3.	Net income from leveraged leases	$ ________	$ ________

c. The components of the investment in leveraged leases at December 31, 20__ and 20__ were as shown below:

		20___	20___
1.	Lease contracts receivable (net of principal and interest on non-recourse financing)	$ ________	$ ________
2.	Estimated residual value of leased assets	$ ________	$ ________
3.	Unearned and deferred income	$ ________	$ ________
4.	Investment in leveraged leases	$ ________	$ ________
5.	Deferred income taxes related to leveraged leases	$ ________	$ ________
6.	Net investment in leveraged leases	$ ________	$ ________

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Refer to *SSAP No. 27—Off-Balance-Sheet and Credit Risk Disclosures* for accounting guidance.

Instruction:

For financial instruments with off-balance-sheet risk, a reporting entity shall disclose in the financial statements the following information by class of financial instrument:

(1) The face or contract amount (or notional principal amount if there is no face or contract amount).

(2) The nature and terms, including, at a minimum, a discussion of (i) the credit and market risk of those instruments, (ii) the cash requirements of those instruments, and (iii) the related accounting policy pursuant to the requirements of APB Opinion No. 22, Disclosure of Accounting Policies.

(3) The amount of accounting loss the entity would incur if any party to the financial instrument failed completely to perform according to the terms of the contract and the collateral or other security, if any, for the amount due proved to be of no value to the entity.

(4) The entity's policy of requiring collateral or other security to support financial instruments subject to credit risk, information about the entity's access to that collateral or other security, and the nature and a brief description of the collateral or other security supporting those financial instruments.

Illustration:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE ENDING NARRATIVE.)

(1) The table below summarizes the face amount of the Company's financial instruments with off-balance-sheet risk.

		Assets		Liabilities	
		20___	20___	20___	20___
a.	Swaps	$ ________	$ ________	$ ________	$ ________
b.	Futures	$ ________	$ ________	$ ________	$ ________
c.	Options	$ ________	$ ________	$ ________	$ ________
d.	Total	$ ________	$ ________	$ ________	$ ________

See Schedule DB of the Company's annual statement for additional detail.

(2) The Company uses interest rate swaps to reduce market risks from changes in interest rates and to alter interest rate exposures arising from mismatches between assets and liabilities. Under interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount. Generally, no cash is exchanged at the outset of the contract and either party makes no principal payments. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made by one counterparty at each due date.

Under exchange-traded currency futures and options, the Company agrees to purchase a specified number of contracts with other parties and to post variation margin on a daily basis in an amount equal to the difference in the daily fair values of those contracts. The parties with whom the Company enters into exchange-traded futures and options are regulated futures commissions merchants who are members of a trading exchange.

(3) The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. The credit exposure of interest rate swaps and currency swaps is represented by the fair value (market value) of contracts with a positive fair value (market value) at the reporting date. Because exchange-traded futures and options are affected through a regulated exchange and positions are marked to market on a daily basis, the Company has little exposure to credit-related losses in the event of nonperformance by counterparties to such financial instruments

(4) The Company is required to put up collateral for any futures contracts that are entered. The amount of collateral that is required is determined by the exchange on which it is traded. The Company currently puts up cash and U.S. Treasury Bonds to satisfy this collateral requirement.

The current credit exposure of the Company's derivative contracts is limited to the fair value at the reporting date. Credit risk is managed by entering into transactions with creditworthy counterparties and obtaining collateral where appropriate and customary. The Company also attempts to minimize its exposure to credit risk through the use of various credit monitoring techniques. Approximately ___% of the net credit exposure for the Company from derivative contracts is with investment-grade counterparties.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Instruction:

A. Transfers of Receivables Reported as Sales

For transfers of receivables reported as sales in accordance with *SSAP No. 42—Sale of Premium Receivables*, the transferor's financial statements shall disclose:

(1) The proceeds to the transferor.

(2) The gain or loss recorded on the sale.

B. Transfer and Servicing of Financial Assets

For transactions reported in accordance with *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, a reporting entity shall disclose the following:

(1) Description of any loaned securities, including the fair value, a description of, and the policy for, requiring collateral, whether or not the collateral is restricted and the amount of collateral for transactions that extend beyond one year from the reporting date.

Include separately, the amount of any loaned securities within the separate account and if the policy and procedures for the separate account differ from the general account.

(2) For all servicing assets and servicing liabilities:

a. A description of the risks inherent in servicing assets and servicing liabilities and, if applicable, the instruments used to mitigate the income statement effect of changes in fair value to the servicing assets and servicing liabilities. (Disclosure of quantitative information about the instruments used to manage the risks inherent in servicing assets and servicing liabilities is encouraged but not required.)

b. The amount of **contractually specified servicing fees**, late fees and ancillary fees earned for each period for which results of operations are presented, including a description of where each amount is reported in the statement of income.

c. Quantitative and qualitative information about the assumptions used to estimate the fair value (for example, discount rates, anticipated credit losses, and prepayment speeds). An entity that provides quantitative information about the instruments used to manage the risks inherent in the servicing assets and servicing liabilities, as encouraged by *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* also is encouraged, but not required to disclose the quantitative and qualitative information about the assumptions used to estimate the fair value of those instruments.

(3) When servicing assets and servicing liabilities are subsequently measured at fair value:

For each class of servicing assets and servicing liabilities, the activity in the balance of servicing assets and the activity in the balance of servicing liabilities (including a description of where changes in fair value are reported in the statement of income for each period for which results of operations are presented), including, but not limited to, the following:

a. The beginning and ending balances.

b. Additions (through purchases of servicing assets, assumptions of servicing obligations, and recognition of servicing obligations that result from transfers of financial assets).

c. Disposals.

d. Changes in fair value during the period resulting from (i) changes in valuation inputs or assumptions used in the valuation model and (ii) other changes in fair value and a description of those changes.

e. Other changes that affect the balance and a description of those changes.

(4) For securitizations, asset-backed financing arrangements and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the *Accounting Practices and Procedures Manual*) with the transferred financial assets:

a. For each income statement presented:

1. The characteristics of the transfer including a description of the transferor's continuing involvement with the transferred financial assets, the nature and initial fair value of the assets obtained as proceeds and the liabilities incurred in the transfer, and the gain or loss from the sale of transferred financial assets. For initial fair value measurements of assets obtained and liabilities incurred in the transfer, the following information:

(a) The level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2) and significant unobservable inputs (Level 3).

(b) The key inputs and assumptions used in measuring the fair value of assets obtained and liabilities incurred as a result of the sale that relate to the transferor's continuing involvement (including, at a minimum, but not limited to, and if applicable, quantitative information about discount rates; expected prepayments, including the expected weighted-average life of prepayable financial assets; and anticipated credit losses, including expected static pool losses).

- If an entity has aggregated multiple transfers during a period, it may disclose the range of assumptions.

- The weighted-average life of prepayable assets in periods (for example, months or years) can be calculated by multiplying the principal collections expected in each future period by the number of periods until that future period, summing those products and dividing the sum by the initial principal balance.

- Expected static pool losses can be calculated by summing the actual and projected future credit losses and dividing the sum by the original balance of the pool of assets.

2. Cash flows between a transferor and transferee, including proceeds from new transfers, proceeds from collections reinvested in revolving-period transfers, purchases of previously transferred financial assets, servicing fees and cash flows received from a transferor's beneficial interests.

b. For each statement of financial position presented, regardless of when the transfer occurred:

1. Qualitative and quantitative information about the transferor's continuing involvement with transferred financial assets that provides financial statement users with sufficient information to assess the reasons for the continuing involvement and the risks related to the transferred financial assets to which the transferor continues to be exposed after the transfer and the extent that the transferor's risk profile has changed as a result of the transfer (including, but not limited to, credit risk, interest rate risk and other risks), including:

(a) The total principal amount outstanding, the amount that has been derecognized and the amount that continues to be recognized in the statement of financial position.

(b) The terms of any arrangements that could require the transferor to provide financial support (for example, liquidity arrangements and obligations to purchase assets) to the transferee or its beneficial interest holders, including a description of any events or circumstances that could expose the transferor to loss and the amount of the maximum exposure to loss.

(c) Whether the transferor has provided financial or other support during the periods presented that it was not previously contractually required to provide to the transferee or its beneficial interest holders, including when the transferor assisted the transferee or its beneficial interest holders in obtaining support, including:

- The type and amount of support.

- The primary reasons for providing the support.

(d) Information is encouraged about any liquidity arrangements, guarantees, and/or other commitments provided by third parties related to the transferred financial assets that may affect the transferor's exposure to loss or risk of the related transferor's interest.

2. The entity's accounting policies for subsequently measuring assets and liabilities that relate to the continuing involvement with the transferred financial assets.

3. The key inputs and assumptions used in measuring the fair value of assets or liabilities that relate to the transferor's continuing involvement (including, at a minimum, but not limited to, and if applicable, quantitative information about discount rates; expected prepayments, including the expected weighted-average life of prepayable financial assets; and anticipated credit losses, including expected static pool losses).

4. For the transferor's interests in the transferred financial assets, a sensitivity analysis or stress test showing the hypothetical effect on the fair value of those interests (including any servicing assets or servicing liabilities) of two or more unfavorable variations from the expected levels for each key assumption that is reported per *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* independently from any change in another key assumption, and a description of the objectives, methodology and limitations of the sensitivity analysis or stress test.

5. Information about the asset quality of transferred financial assets and any other assets that it manages together with them. This information shall be separated between assets that have been derecognized and assets that continue to be recognized in the statement of financial position. This information is intended to provide financial statement users with an understanding of the risks inherent in the transferred financial assets, as well as in other assets and liabilities that it manages together with transferred financial assets. For example, information for receivables shall include, but is not limited to:

- Delinquencies at the end of the period.

- Credit losses, net of recoveries, during the period.

(5) Disclosure requirements for transfers of financial assets accounted for as secured borrowing (excluding repurchase and reverse repurchase transactions disclosed under Notes 5F through 5I above):

The carrying amounts and classifications of both assets and associated liabilities recognized in the transferor's statement of financial position at the end of each period presented, including qualitative information about the relationship(s) between those assets and associated liabilities. For example, if assets are restricted solely to satisfy a specific obligation, the carrying amounts of those assets and associated liabilities, including a description of the nature of restrictions placed on the assets.

(6) Disclose any transfers of receivables with recourse.

(7) A description of the securities underlying dollar repurchase and dollar reverse repurchase agreements, including book values and fair values, and maturities for the following categories:

a. Securities subject to dollar repurchase agreements.

b. Securities subject to dollar reverse repurchase agreements.

C. Wash Sales

A reporting entity shall disclose the following information for wash sales, as defined in *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* involving transactions for securities with an NAIC designation of 3 or below, or that do not have an NAIC designation, excluding all cash equivalents, derivative instruments and short-term investments with credit assessments equivalent to an NAIC 1 or 2 designation. This disclosure shall be included in the financial statements for when the investment was initially sold. For example, if the investment was sold Dec. 20, 2017, and reacquired on Jan. 10, 2018, the transaction shall be captured in the wash sale disclosure included in the year-end 2017 financial statements. (The disclosures shall be made for the current quarter in the quarterly statement, and for the year in the annual statement)

(1) A description of the reporting entity's objectives regarding these transactions; and

(2) An aggregation of transactions by NAIC Designation 3 or below, or unrated.

Include

- The number of transactions involved during the reporting period;
- The book value of securities sold;
- The cost of securities repurchased; and
- The realized gains/losses associated with the securities involved.

<u>Illustration:</u>

A. Transfers of Receivables Reported as Sales

(1) During 20__ the company sold $______ of agent balances without recourse to the ABC Company.

(2) The company realized a loss of $______ as a result of the sale.

C. Wash Sales

(1) In the course of the company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the company's yield on its investment portfolio.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 20__ and reacquired within 30 days of the sale date are:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain (Loss)
			$	$	$
			$	$	$
			$	$	$
			$	$	$
			$	$	$
			$	$	$

Note: Examples of values for the Description Column are Bonds, Preferred Stocks, Common Stocks, etc.

The NAIC Designation Column should indicate 3 through 6 for those transactions for securities that would have been reported with an NAIC Designation if still owned at the end of the reporting period (e.g., bonds and preferred stocks).

For those transactions for securities that would not have been reported with an NAIC Designation if still owned at the end of the reporting period (e.g., real estate mortgage loans and common stocks), leave the column blank.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Title Companies should not complete this Note, not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Title Companies should not complete this Note, not applicable.

20. Fair Value Measurements

Instruction:

A. A reporting entity shall disclose information that helps users of the financial statements to assess both of the following:

For assets and liabilities that are measured and reported[1] at fair value or net asset value (NAV) in the statement of financial position after initial recognition, the valuation techniques and the inputs used to develop those measurements; and

For fair value measurements in the statement of financial position determined using significant unobservable inputs (Level 3), the effect of the measurements on earnings (or changes in net assets) for the period.

To meet these objectives, the reporting entity shall disclose the information in paragraphs (1) through (4) below for each class of assets and liabilities measured and reported[1] at fair value or NAV in the statement of financial position after initial recognition. The reporting entity shall determine appropriate classes of assets and liabilities in accordance with the annual statement instructions.

(1) The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2 or 3). (Investments reported at NAV shall not be captured within the fair value hierarchy, but shall be separately identified.)

For assets and liabilities held at the reporting date, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for the transfers, and the reporting entity's policy for determining when transfers between levels are recognized. Transfers into each level shall be disclosed and discussed separately from transfers out of each level.

(2) For fair value measurements categorized within Level 3 of the fair value hierarchy a reconciliation from the opening balances to the closing balances disclosing separately changes during the period attributable to the following:

a. Total gains or losses for the period recognized in income or surplus.

b. Purchases, sales, issues and settlements (each type disclosed separately).

c. The amounts of any transfers into or out of Level 3, the reasons for those transfers, and the reporting entity's policy for determining when transfers between levels are recognized. Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.

[1] The term "reported" is intended to reflect the measurement basis for which the asset or liability is classified within its underlying SSAP. For example, a bond with an NAIC designation of 2 is considered an amortized cost measurement and is not included within this disclosure even if the amortized cost and fair value measurement are the same. An example of when such a situation may occur includes a bond that is written down as other-than-temporarily impaired as of the date of financial position. The amortized cost of the bond after the recognition of the other-than-temporary impairment may agree to fair value, but under SSAP No. 26R this security is considered to still be reported at amortized cost.

(3) A reporting entity shall disclose and consistently follow its policy for determining when transfers between levels are recognized. The policy about the timing of recognizing transfers shall be the same for transfers into Level 3 as that for transfers out of Level 3. Examples of policies for when to recognize the transfers are as follows:

a. The actual date of the event or change in circumstances that caused the transfer.

b. The beginning of the reporting period.

c. The end of the reporting period.

(4) For fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in the valuation technique(s) (for example, changing from a market approach to an income approach or the use of an additional valuation technique), the reporting entity shall disclose that change and the reason for making it.

For fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy, *SSAP No. 100R—Fair Value* requires a reporting entity to disclose a description of the valuation technique(s) and the inputs used in the fair value measurement. A reporting entity might disclose the following:

a. Quantitative information about the input, for example, for certain debt securities or derivatives, information such as, but not limited to, prepayment rates, rates of estimated credit losses, interest rates (for example the LIBOR swap rate) or discount rates and volatilities.

b. The nature of the item being measured at fair value, including the characteristics of the item being measured that are considered in the determination of relevant inputs. For example, for residential mortgage-backed securities, a reporting entity might disclose the following:

- The types of underlying loans (for example, prime loans or subprime loans)
- Collateral
- Guarantees or other credit enhancements
- Seniority level of the tranches of securities
- The year of issue
- The weighted-average coupon rate of the underlying loans and the securities
- The weighted-average maturity of the underlying loans and the securities
- The geographical concentration of the underlying loans
- Information about the credit ratings of the securities

c. How third-party information such as broker quotes, pricing services, net asset values and relevant market data was considered in measuring fair value.

(5) For derivative assets and liabilities, the reporting entity shall present both of the following:

a. The disclosures required by paragraph (1) and (2) above on a gross basis.

b. The reconciliation disclosures required by paragraphs (2), (3) and (4) on either a gross or net basis.

The quantitative disclosures required by 20A above shall be presented using a tabular format. (See Illustrations.)

B. The reporting entity is encouraged, but not required, to combine the fair value information disclosed under *SSAP No. 100R—Fair Value* with the fair value information disclosed under other accounting pronouncements (for example, disclosures about fair value of financial instruments) in the periods in which those disclosures are required, if practicable. The reporting entity also is encouraged, but not required, to disclose information about other similar measurements, if practicable.

C. A reporting entity shall disclose in the notes to the financial statements, as of each date for which a statement of financial position is presented in the quarterly or annual financial statements, the aggregate fair value or NAV for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall. This disclosure shall be summarized by the type of financial instrument for which it is practicable to estimate fair value, except for certain financial instruments identified below.

The disclosures about fair value prescribed in the paragraph above are not required for the following: (Note: These exclusions are specific to Note 20C and do not impact the reporting of fair value that may be required in other SSAPs or statutory accounting schedules.)

- Employers' and plans' obligations for pension benefits, other postretirement benefits (see scope paragraph of *SSAP No. 92—Postretirement Benefits Other Than Pensions*), postemployment benefits, employee stock option and stock purchase plans, and other forms of deferred compensation arrangements, as defined in *SSAP No. 12—Employee Stock Ownership Plans*, *SSAP No. 104R—Share-Based Payments*, *SSAP No. 92—Postretirement Benefits Other Than Pensions* and *SSAP No. 102—Pensions*.
- Substantively extinguished debt subject to the disclosure requirements of *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.
- Insurance contracts, other than financial guarantees and deposit-type contracts
- Lease contracts as defined in *SSAP No. 22—Leases*.
- Warranty obligations and rights.
- Investments accounted for under the equity method.
- Equity instruments issued by the entity.

Fair value disclosed in the notes shall be presented together with the related admitted values in a form that makes it clear whether the fair values and admitted values represent assets or liabilities and to which line items in the Statement of Assets, Liabilities, Surplus and Other Funds they relate. Unless specified otherwise in another SSAP, the disclosures may be made net of encumbrances, if the asset or liability is so reported. A reporting entity shall also disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments.

If it is not practicable for a reporting entity to estimate the fair value of the financial instrument or a class of financial instruments and the investment does not qualify for the NAV practical expedient, the aggregate carrying amount for those items shall be reported in the "not practicable" column with additional disclosure as required in paragraph 20D below.

D. If it is not practicable for an entity to estimate the fair value of a financial instrument or a class of financial instruments, the following shall be disclosed:

(1) Information pertinent to estimating the fair value of that financial instrument or class of financial instruments and the investment does not qualify for the NAV practical expedient, such as the carrying amount, effective interest rate and maturity; and

(2) The reasons why it is not practicable to estimate fair value.

E. For investments measured using the NAV practical expedient pursuant to *SSAP No. 100R—Fair Value*, a reporting entity shall disclose information that helps users of its financial statements to understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV per share. To meet that objective, a reporting entity shall disclose, at a minimum, the following information for instances in which the investment may be sold below NAV, or if there are significant restrictions in the liquidation of an investment held at NAV:

- The NAV along with a description of the investment/investment strategy of the investee.

- If the investment that can never be redeemed with the investees, but the reporting entity receives distributions through the liquidation of the underlying assets of the investees, the reporting entity's estimate of the period of time over which the underlying assets are expected to be liquidated by the investees.

- The amount of the reporting entity's unfunded commitments related to investments in the class.

- A general description of the terms and conditions upon which the investor may redeem the investment.

- The circumstances in which an otherwise redeemable investment in the class (or a portion thereof) might not be redeemable (for example, investments subject to a lockup or gate). Also, for those otherwise redeemable investments that are restricted from redemption as of the reporting entity's measurement date, the reporting entity shall disclose its estimate of when the restriction from redemption might lapse. If an estimate cannot be made, the reporting entity shall disclose that fact and how long the restriction has been in effect.

- Any other significant restriction on the ability to sell investments in the class at the measurement date.

- If a group of investments would otherwise meet the criteria in *SSAP No. 100R—Fair Value* but the individual investments to be sold have not been identified (for example, if a reporting entity decides to sell 20% of its investments in private equity funds but the individual investments to be sold have not been identified), so the investments continue to qualify for the practical expedient in *SSAP No. 100R—Fair Value*, the reporting entity shall disclose its plans to sell and any remaining actions required to complete the sale(s).

Illustration:

A.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Perpetual Preferred stock					
Industrial and Misc	$ (a)	$	$	$	$
Parent, Subsidiaries and Affiliates					
Total Perpetual Preferred Stocks	$	$	$	$	$
Bonds					
U.S. Governments	$	$	$	$	$
Industrial and Misc					
Hybrid Securities					
Parent, Subsidiaries and Affiliates					
Total Bonds	$	$	$	$	$
Common Stock					
Industrial and Misc	$	$	$	$	$
Parent, Subsidiaries and Affiliates					
Total Common Stocks	$	$	$	$	$
Derivative assets					
Interest rate contracts	$	$	$	$	$
Foreign exchange contracts					
Credit contracts					
Commodity futures contracts					
Commodity forward contracts					
Total Derivatives	$	$	$	$	$

Separate account assets	$	$	$	$	$
Total assets at fair value/NAV	$	$	$	$	$
b. Liabilities at fair value					
Derivative liabilities	$	$	$	$	$

Total liabilities at fair value	$	$	$	$	$

Example Footnote:

(a) $X,XXX transferred from Level 1 to Level 2 as an alternative method was utilized to determine fair value as active market price was not readily accessible.

NOTE: Description column shows examples of assets and liabilities that can be disclosed. The subtotals shown in the illustration are for PDF/print reporting only. When completing the electronic notes, only the detail by class will be reported.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 01/01/20XX	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/20XX
a. Assets:										
Loan-Backed and Structured Securities (NAIC 3-6)										
Residential Mortgage-Backed Securities		(a)								
Commercial Mortgage-Backed Securities			(b)							
Derivative										
Credit Contracts										
Other Fund Investments										
Hedge Fund High-Yield Debt Securities										
Private Equity										
....										
....										
....										
Total Assets										
b. Liabilities										
....										
....										
....										
Total Liabilities										

Example Footnotes:

(a) Transferred from Level 2 to Level 3 because of a lack of observable market data due to decrease in market activity for these securities. The reporting entity's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that caused the transfer.

(b) Transferred from Level 3 to Level 2 because observable market data became available for these securities.

NOTE: Description column shows examples of assets and liabilities that can be disclosed. Increases to the beginning balance should be shown as positive amounts and decreases shown as negative amounts.

(4)

As of December 31, 20XX, the reported fair value of the reporting entity's investments in Level 3, NAIC designated 3, residential mortgage-backed securities was $X,XXX. These securities are senior tranches in a securitization trust and have a weighted-average coupon rate of XX percent and a weighted-average maturity of XX years. The underlying loans for these securities are residential subprime mortgages that originated in California in 2006. The underlying loans have a weighted-average coupon rate of XX percent and a weighted-average maturity of XX years. These securities are currently below investment grade. To measure their fair value, the reporting entity used an industry standard pricing model, which is uses an income approach. The significant inputs for the pricing model include the following weighted averages:

Yield: XX percent.

Probability of default: XX percent constant default rate.

Loss severity: XX percent.

Prepayment: XX percent constant prepayment rate.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$	$	$	$	$	$	$ ....
Common Stock	....	....	....	....	....	....	....
Perpetual Preferred Stock	....	....	....	....	....	....	....
Mortgage Loans	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....

NOTE: Type of Financial Instrument Column shows examples of types of financial instruments that can be disclosed.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

D. Not Practicable to Estimate Fair Value

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Bonds	$	....	....	....
Common Stock	....	....	....	....
Perpetual Preferred Stock	....	....	....	....
Mortgage Loans				
Description 1	....	....	....	....
Description 2	....	....	....	....
....	....	....	....	....
....	....	....	....	....
....	....	....	....	....

NOTE: Type or Class of Financial Instrument Column shows examples of types or classes of financial instruments that can be disclosed. Each individual security should be listed and not just an aggregate for the type or class of financial instrument.

21. Other Items

Instruction:

A. Unusual or Infrequent Items

Disclose the nature and financial effects of each unusual or infrequent event or transaction. Gains or losses of a similar nature that are not individually material shall be aggregated. This disclosure shall include the line items which have been affected by the event or transaction considered to be unusual and/or infrequent.

Refer to *SSAP No. 24—Discontinued Operations and Unusual or Infrequent Items* for accounting guidance.

B. Troubled Debt Restructuring: Debtors

Refer to *SSAP No. 36—Troubled Debt Restructuring* for accounting guidance.

State the following information about troubled restructurings that occurred during a period for which the financial statements are presented:

(1) For each restructuring (or separate restructuring within a fiscal period for the same category of payables) (e.g., accounts payable or subordinated debentures) a description of the principal changes in terms, major features of settlement, or both;

(2) Aggregate gain on restructuring of payables and the related income tax effect;

(3) Aggregate net gain or loss on transfers of assets recognized during the period; and

(4) For periods after a troubled debt restructuring, the extent to which amounts that are contingently payable are included in the carrying amount of restructured payables and the conditions under which those amounts would become payable or would be forgiven.

C. Other Disclosures

Refer to *SSAP No. 1—Accounting Policies, Risks & Uncertainties, and Other Disclosures.*

Disclose any other items, (e.g., amounts not recorded in the financial statements that represent segregated funds held for others).

D. Business Interruption Insurance Recoveries

Disclose the following information related to business interruption insurance recoveries received during a period for which the financial statement are presented:

- The nature of the event resulting in business interruption losses.
- The aggregate amount of business interruption recoveries recognized during the period and the line item(s) in the statement of operations in which those recoveries are classified (including amounts defined as an extraordinary item pursuant to *SSAP No. 24—Discontinued Operations and Unusual or Infrequent Items*).

E. State Transferable and Non-transferable Tax Credits

Disclose the following regarding state transferable and non-transferable tax credits. For purposes of this disclosure, total unused transferable and non-transferable state tax credits represent the entire transferable and non-transferable state tax credits available:

(1) Carrying value of transferable and non-transferable state tax credits gross of any related state tax liabilities and total unused transferable and non-transferable state tax credits by state and in total;

(2) Method of estimating utilization of remaining transferable and non-transferable state tax credits or other projected recovery of the current carrying value; and

(3) Impairment amount recognized by the reporting period, if any.

(4) Identify state tax credits by transferable and non-transferable classifications, and identify the admitted and nonadmitted portions of each classification.

F. Subprime-Mortgage-Related Risk Exposure

Reporting entities shall disclose information pertaining to subprime-mortgage-related risk exposure and related risk management practices, regardless of the materiality of the exposure, in the statutory financial statements. These disclosures are not required in the annual audited financial statements. Although definitions may differ among reporting entities, the following features are commonly recognized characteristics of subprime mortgage loans:

- An interest rate above prime to borrowers who do not qualify for prime rate loans;
- Borrowers with low credit ratings (FICO scores);
- Interest-only or negative amortizing loans;
- Unconventionally high initial loan-to-value ratios;
- Low initial payments based on a fixed introductory rate that expires after a short initial period, then adjusts to a variable index rate plus a margin for the remaining term of the loan;
- Borrowers with less than conventional documentation of their income and/or net assets;
- Very high or no limits on how much the payment amount or the interest rate may increase at reset periods, potentially causing a substantial increase in the monthly payment amount; and/or
- Include substantial prepayment penalties and/or prepayment penalties that extend beyond the initial interest rate adjustment period.

To the extent such information is available, reporting entities shall consider exposure to subprime mortgage related risk through the following sources:

- Direct investments in subprime mortgage loans;
- Direct investments in securities with underlying subprime exposure, such as residential mortgage-backed securities, commercial mortgage-backed securities, collateralized debt obligations, structured securities (including principal protected notes), hedge funds, credit default swaps, and special investment vehicles;
- Equity investments in subsidiary, controlled or affiliated entities with significant subprime related risk exposure;
- Underwriting risk on policies issued for Mortgage Guaranty or Financial Guaranty insurance coverage.

As it relates to the exposure described above, reporting entities shall provide the following information:

(1) Please provide a narrative description of the manner in which the reporting entity specifically defines its exposure to subprime mortgage related risk in practice. Please discuss the general categories of information considered in determining exposure to subprime mortgage related risk. Please differentiate between exposure to unrealized losses due to changes in asset values versus exposure to realized losses resulting from receiving less than anticipated cash flows or due to potential sale of assets to meet future cash flow requirements. Please discuss strategies used to manage or mitigate this risk exposure.

(2) Direct exposure through investments in subprime mortgage loans. Within the categories of Mortgages in the Process of Foreclosure, Mortgages in Good Standing, and Mortgages with Restructured Terms, please provide the following information for the aggregate amount of directly held subprime mortgage loans:

- Book/adjusted carrying value (excluding accrued interest);
- Fair value;
- Value of land and buildings;
- Any other-than-temporary impairment losses recognized to date;
- Default rate for the subprime portion of the loan portfolio.

(3) Direct exposure through other investments. Please provide the following information related to other investments with subprime exposure:

- Actual cost
- Book/adjusted carrying value
- Fair value
- Any other-than-temporary impairment losses recognized to date

Please aggregate the information above by the following types of investments:

- Residential mortgage-backed securities
- Commercial mortgage-backed securities
- Collateralized debt obligations
- Structured securities (including principal protected notes)
- Equity investments in subsidiary, controlled or affiliated entities with significant subprime mortgage related risk exposure (a general description of the nature and extent of the SCA's exposure should be included)
- Other assets (including but not limited to hedge funds, credit default swaps, special investment vehicles)

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage. Please provide the following information, by coverage type, related to underwriting exposure on policies issued for Mortgage Guaranty coverage or Financial Guaranty coverage and any other lines of insurance expected to be impacted:

- The aggregate amount of subprime related losses paid in the current year;
- The aggregate amount of subprime related losses incurred in the current year;
- The aggregate amount of subprime related case reserves at the end of the current reporting period;
- The aggregate amount of subprime related IBNR reserves at the end of the current reporting period.

G. Insurance-Linked Securities (ILS) Contracts

Reporting entities shall disclose information when they may receive possible proceeds as the issuer, ceding insurer, or counterparty of insurance-linked securities. Insurance-linked securities (ILS) are securities whose performance is linked to the possible occurrence of pre-specified events that relate to insurance risks. While catastrophe bonds (cat bonds) may be the most well-known type of ILS, there are other non-cat-bond ILS, including those based on mortality rates, longevity and medical-claim costs. ILS securities may be used by an insurer, or any other risk-bearing entity, in addition to (or as an alternative to) the purchase of insurance or reinsurance. This disclosure shall specifically identify the following:

- Whether the reporting entity may receive possible proceeds as the issuer, ceding insurer, or counterparty of insurance-linked securities as a way of managing risks related to directly-written insurance risks. This disclosure shall include the number of outstanding ILS contracts, and the aggregate maximum proceeds that could be received as of the reporting date under the terms of the ILS.
- Whether the reporting entity may receive possible proceeds as the issuer, ceding insurer, or counterparty of insurance-linked securities as a way of managing risk related to assumed insurance risks. This disclosure shall include the number of outstanding ILS contracts, and the aggregate maximum proceeds that could be received as of the reporting date under the terms of the ILS.

NOTE: In situations in which a reporting entity has ceded risk to a reinsurer, and the reinsurer has engaged in ILS (either directly or through a broker), the following should be used by the cedent reporting entity in completing the disclosure:

The ceding company shall complete the disclosure with information that they know regarding the reinsurance entities' involvement with ILS that would likely be used to satisfy their reinsurance arrangement. For this disclosure, information shall be provided that details the maximum possible ILS proceeds as a result of the reinsurer's ILS activity associated with the reinsurance arrangement(s) with the reporting entity. If information is known regarding the number of ILS contracts, that information shall also be included. If specific information is not known by the cedent on the number of ILS contracts associated with the reinsurance arrangement(s) with the reporting entity, the cedent shall report the information known (such as whether there is one ILS contract, or more than one ILS contract, or that the number of ILS contracts is not known). With the cedent entity reporting what is known (and what is not known), the regulator has needed information to further inquire with the ceding company.

Illustration:

A. Unusual or Infrequent Items

On November __, 20__, the Company prepaid the holders of its ___% senior notes. Accordingly, the Company recorded a loss of $ ________ related to the early retirement of debt. The loss comprised a $______ million prepayment penalty and a write off of premium associated with the debt. This loss is reflected in Line __ of the Income Statement.

B. Troubled Debt Restructuring

(1) The Company has one mortgage loan payable with restructured terms. The principal changes in terms include the modification of terms from __ years to __ years and an increase in the interest rate from ___% to ___%.

(2) The aggregate gain on restructuring the payable and the related income tax effect were $_______ and $_______, respectively.

(3) The aggregate gain on the transfer of assets during 20__ was $_____.

(4) As of December 31, 20__, the Company has $____ that is considered contingently payable on the restructured loan, of which $____ is included in the loan's carrying amount. The Company will be required to pay the contingent amount if its financial condition improves to the degree specified in the loan agreements.

C. Other Disclosures

The following amounts were not represented in the financial statements as of December 31, 20X1 as they represent segregated funds held for others:

Cash deposits of $______ were not reported in the financial statements as of December 31, 20X1, as these deposits represented funds held in an escrow account. This is an increase of $____ from the prior year December 31, 20X1 financial statements.

NOTE The above is just an example of disclosing one item. The reporting entity could have more than one item to disclose.

D. The company received $_____ and $_____ in 20___ and 20___, respectively, in business interruption insurance recoveries related to flooding that occurred at the company's main administrative office in August 20___. The recoveries were reported within the line item "xxx" on the Operations and Investment Exhibit.

E. State Transferable and Non-transferable Tax Credits

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total unused Transferable and Non-transferable State Tax Credits by State and in Total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Total			

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $______ related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable		
b. Non-transferable		

F. Subprime-Mortgage-Related Risk Exposure

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2) Direct exposure through investments in subprime mortgage loans.

	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other-Than-Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure					
b. Mortgages in good standing					
c. Mortgages with restructured terms					
d. Total					XXX

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(3) Direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities				
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs *				
f. Other assets				
g. Total				

* ABC Company's subsidiary XYZ Company has investments in subprime mortgages. These investments comprise _____% of the companies invested assets.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
a. Mortgage guaranty coverage				
b. Financial guaranty coverage				
c. Other lines (specify):				
....				
....				
....				
d. Total				

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

G. Insurance-Linked Securities (ILS) Contracts

	Number of Outstanding ILS Contacts	Aggregate Maximum Proceeds
Management of Risk Related To:		
(1) Directly Written Insurance Risks		
a. ILS Contracts as Issuer	....	$ ....
b. ILS Contracts as Ceding Insurer	....	$ ....
c. ILS Contracts as Counterparty	....	$ ....
(2) Assumed Insurance Risks	....	$ ....
a. ILS Contracts as Issuer	....	$ ....
b. ILS Contracts as Ceding Insurer	....	$ ....
c. ILS Contracts as Counterparty		

22. Events Subsequent

Refer to *SSAP No. 9—Subsequent Events* for accounting guidance.

Instructions:

Subsequent events shall be considered either:

Type I – Recognized Subsequent Events:

Events or transactions that provide additional evidence with respect to conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements.

Type II – Nonrecognized Subsequent Events:

> Events or transactions that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose after that date.

For material Type I subsequent events, the nature and the amount of the adjustment shall be disclosed only if necessary to keep the financial statements from being misleading.

Material Type II subsequent events shall not be recorded in the financial statements, but shall be disclosed in the notes to the financial statements. For such events, an entity shall disclose the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made.

An entity also shall consider supplementing the historical financial statements with pro forma financial data. Occasionally, a nonrecognized subsequent event may be so significant that disclosure can best be made by means of pro forma financial data. Such data shall give effect to the event as if it had occurred on the balance sheet date. In some situations, an entity also shall consider presenting pro forma statements. If the Type II subsequent event is of such a nature that pro forma disclosures are necessary to keep the financial statements from being misleading, disclose supplemental pro forma financial data including the impact on net income, surplus, total assets, and total liabilities giving effect to the event as if it occurred on the date of the balance sheet.

Reporting entities shall disclose the dates through which subsequent events have been evaluated along with the dates the statutory reporting statements were issued, or available to be issued.

Illustration:

Type I – Recognized Subsequent Events:

> Subsequent events have been considered through __/__/__ for the statutory statement issued on __/__/__.
>
> On February 1, 20___, a settlement was reached in a major lawsuit against the Company. In conjunction with the lawsuit, the Company estimated and recorded a liability of $_______ on Line ___ of the Liabilities, Surplus and Other Funds page. The actual settlement amount of $_______ was paid to the plaintiff on February 10. The change will be recorded in the First Quarter Statement on Line ___ of the Statement of Income.

Type II – Nonrecognized Subsequent Events:

> Subsequent events have been considered through __/__/__ for the statutory statement issued on __/__/__.
>
> The Company faces loss exposure from the January 15, 20___ earthquake in the State of __________. This exposure is primarily in the Company's property and casualty subsidiaries, but also includes potential losses on its real estate and mortgage loan portfolios. Based on a review of the range of expected loss, the Company does not believe this event will have a material impact on its financial condition.

23. Reinsurance

Instruction:

A. Unsecured Reinsurance Recoverables

If the reporting entity has with any individual reinsurers (authorized, unauthorized or certified), an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses, and unearned premium that exceeds 3% of the reporting entity's policyholder surplus, list each individual reinsurer and the unsecured aggregate recoverable pertaining to that reinsurer. If the individual reinsurer is part of a group, list the individual reinsurers, each of its related group members having reinsurance with the reporting entity, and the total unsecured aggregate recoverables for the entire group.

Include: The NAIC group code number, where appropriate, and the Federal Employer Identification Number for each individual entity.

B. Reinsurance Recoverable in Dispute

Reinsurance recoverable on paid and unpaid (including IBNR) losses in dispute by reason of notification, arbitration or litigation shall be identified in the schedule if the amounts in dispute from any entity (and/or affiliate) exceeds 5% of the ceding entity's surplus as regards policyholder or if the aggregate of all disputed items exceeds 10% of the ceding entity's policyholders surplus. "Notification" means a formal written communication from a reinsurer denying the validity of coverage. Funds held under reinsurance arrangements should not be used to reduce reinsurance recoverable in dispute.

C. Reinsurance Assumed and Ceded

(1) Report the maximum amount of return commission which would have been due reinsurers if they or you had canceled all of your company's reinsurance or if you or a receiver had canceled all of your company's insurance assumed as of the end of the period covered by this annual statement with the return of the unearned premium reserve. Equity amounts should be computed by applying the fixed or provisional commission rate for each contract to the unearned premium reserve.

(2) Report the additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements.

D. Uncollectible Reinsurance

(1) Describe uncollectible reinsurance written off during the year reported in the following annual statement classifications, including the name or names of the reinsurer(s):

a. Losses incurred
b. Loss adjustment expenses incurred
c. Premiums earned
d. Other

E. Commutation of Ceded Reinsurance

Describe commutation of ceded reinsurance during the year reported in the following annual statement classifications, including the name or names of the reinsurer(s):

(1) Losses incurred
(2) Loss adjustment expenses incurred
(3) Premiums earned
(4) Other

F. Retroactive Reinsurance

(1) Provide the following information for all retroactive reinsurance agreements that transfer liabilities for losses that have already occurred and that will generate special surplus transactions:

a. Reserves transferred.
   1. Initial Reserves
   2. Adjustments – Prior Year(s)
   3. Adjustments – Current Year
   4. Current Total
b. Consideration paid or received.
   1. Initial Consideration
   2. Adjustments – Prior Year(s)
   3. Adjustments – Current Year
   4. Current Total
c. Paid losses reimbursed or recovered.
   1. Prior Year(s)
   2. Current Year
   3. Current Total

d. Special surplus from retroactive reinsurance.
   1. Initial Surplus Gain or Loss
   2. Adjustments – Prior Year(s)
   3. Adjustments – Current Year
   4. Current Year Restricted Surplus
   5. Cumulative Total Transferred to Unassigned Funds
e. A list of all cedents and reinsurers included in items a through d showing the assumed and ceded amounts.
f. List the total Paid Loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, unauthorized and certified reinsurers) and for amounts recoverable the collateral held (for unauthorized and certified reinsurers).

The entity (assuming or ceding) shall assign a unique number to each retroactive reinsurance agreement and shall utilize this number for as long as the agreement exists. Do not report transactions utilizing deposit accounting in this note.

G. Reinsurance Accounted for as a Deposit

Describe all reinsurance agreements that have been accounted for as deposits, including the disclosure of any adjustment of the amounts initially recognized for expected recoveries. The individual components of the adjustment (e.g., interest accrual, change due to a change in estimated or actual cash flow) shall be disclosed separately.

II. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

Disclose the impact on any reporting period in which a certified reinsurer's rating has been downgraded or its certified reinsurer status is subject to revocation and additional collateral has not been received as of the filing.

a. Disclose the following information related to certified reinsurers downgraded or status subject to revocation.

- Name of certified reinsurer downgraded or subject to revocation of certified reinsurer status and relationship to the reporting entity;
- Date of downgrade or revocation and jurisdiction of action;
- Collateral percentage requirements pre and post downgrade or revocation;
- Net ceded recoverable subject to collateral; and
- Additional collateral required but not received as of the filing date.

b. Disclose impact to the reporting entity as a result of the assuming entity's downgrade or revocation of certified reinsurer status. This amount can be estimated if applicable for quarterly reporting but should be an actual amount for annual reporting. See *SSAP No. 62R—Property and Casualty Reinsurance* for additional guidance.

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

U.S. domiciled reinsurers are eligible for certified reinsurer status. If the reporting entity is a certified reinsurer, the financial statements shall disclose the impact on any reporting period in which its certified reinsurer rating is downgraded or status as a certified reinsurer is subject to revocation.

a. Disclose the following information when the reporting entity's certified reinsurer rating is downgraded or status subject to revocation.

- Date of downgrade or revocation and jurisdiction of action;
- Collateral percentage requirements pre and post downgrade or revocation;
- Net ceded recoverable subject to collateral; and
- Additional collateral required but not yet funded by the reporting entity as of the filing date.

b. The reporting entity shall disclose the impact on any reporting period in which its certified reinsurer rating is downgraded or status as a certified reinsurer is subject to revocation and the expectation of the reporting entity of its ability to meet the increased requirements.

Illustration:

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

B. Reinsurance Recoverable in Dispute

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Notification	Arbitration	Litigation
A–Reinsurer	$	$	$	$
B–Reinsurer	$	$	$	$
C–Reinsurer	$	$	$	$

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

C. Reinsurance Assumed and Ceded

(1)

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	$	$	$	$	$	$
b.	All Other						
c.	Total	$	$	$	$	$	$
d.	Direct Unearned Premium Reserve			$			

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(NOTE: THIS DOES NOT INCLUDE THE BEGINNING NARRATIVE.)

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

		Direct	Assumed	Ceded	Net
a.	Contingent Commission	$ _______	$ _______	$ _______	$ _______
b.	Sliding Scale Adjustments	$ _______	$ _______	$ _______	$ _______
c.	Other Profit Commission Arrangements	$ _______	$ _______	$ _______	$ _______
d.	Total	$ _______	$ _______	$ _______	$ _______

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

D. Uncollectible Reinsurance

(1) The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: $______ which is reflected as:

a.	Losses incurred	$ _______________
b.	Loss adjustment expenses incurred	$ _______________
c.	Premiums earned	$ _______________
d.	Other	$ _______________
e.	<u>Company</u>	<u>Amount</u>
	XYZ	$ _______________
	ZYX	$ _______________

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts which are reflected as:

(1)	Losses incurred	$ _______________
(2)	Loss adjustment expenses incurred	$ _______________
(3)	Premiums earned	$ _______________
(4)	Other	$ _______________
(5)	<u>Company</u>	<u>Amount</u>
	XYZ	$ _______________
	ZYX	$ _______________

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

F. Retroactive Reinsurance

(1)

	Reported Company As: Assumed	Reported Company As: Ceded
a. Reserves Transferred:		
1. Initial Reserves	$	$
2. Adjustments – Prior Year(s)		
3. Adjustments – Current Year		
4. Current Total	$	$
b. Consideration Paid or Received:		
1. Initial Consideration	$	$
2. Adjustments – Prior Year(s)		
3. Adjustments – Current Year		
4. Current Total	$	$
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	$	$
2. Current Year		
3. Current Total	$	$
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	$	$
2. Adjustments – Prior Year(s)		
3. Adjustments – Current Year		
4. Current Year Restricted Surplus		
5. Cumulative Total Transferred to Unassigned Funds	$	$

e. All cedents and reinsurers involved in all transactions included in summary totals above:

Assumed Company	Amount	Ceded Company	Amount
	$		$
Total	$ *		$ *

* Total amounts must agree with totals in a.4 above. Include the NAIC Company Code or Alien Insurer Identification Number for each insurer listed.

f. Total Paid Loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers):

1. Authorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue
	$	$
Total	$	$

2. Unauthorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
			$
Total	$	$	$

3. Certified Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
		$	$
Total	$	$	$

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

G. Reinsurance Accounted for as a Deposit

The company entered into a reinsurance agreement determined to be of a deposit type nature on November 1, 20___. Upon inception of the contract, the company recorded a deposit asset of $1,000 and the assuming company, a $1,000 deposit liability. At the reporting date, the company had a remaining deposit balance of $331, after taking into account interest income of $18 and cash recoveries of $175 realized in the year reported. The company reevaluated the effective yield of the deposit asset in 20___ and determined that effective yield was more appropriately stated at 3.63%.

Description	Interest Income	Cash Recoveries	Deposit Balance
Initial Payment			$ 1,000
Year 1 (4%)	$ 40		$ 1,040
End of Year 20___		$ (225)	$ 815
Year 2 (4%)	$ 33		$ 848
End of Year 20___		$ (200)	$ 648
Yield Adjustment	$ (8)		$ 640
Year 3 (3.63%)	$ 23		$ 663
End of Year 20___		$ (175)	$ 488
Year 4 (3.63%)	$ 18		$ 506
End of Year 20___		$ (175)	$ 331

H. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

a.

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not Received)
				Before	After		

b. Our domiciliary state downgraded reinsurers ABC and XYZ effective December 15, of the reporting period. As of the filing date, the additional collateral amount of $5 million has not been received. Reinsurers ABC and XYZ have indicated their intent to provide the collateral by the required date. This collateral deficiency is expected to have a minimal impact, as the reinsurers do not provide a significant amount of reinsurance coverage for the reporting entity.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

a.

Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not yet Funded)
		Before	After		
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....

b. We are required to submit additional Collateral of $30 million by March 1 and have sufficient liquid assets to meet this obligation.

24. Retrospectively Rated Contracts & Contract Subject to Redetermination

Title Companies should not complete this Note, not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Instruction:

A. Describe the reasons for changes in the provision for incurred claim and claim adjustment expenses attributable to insured events of prior years. The disclosure should indicate whether additional premiums or return premiums have been accrued as a result of the prior-year effects (if applicable).

For Title reporting entities, "provision" refers to the known claims reserve included in Line 1 of the Liabilities page and "prior years" refers to prior report years.

B. Information about significant changes in methodologies and assumptions used in calculating the liability for unpaid claims and claim adjustment expenses, including reasons for the change and the effects on the financial statements for the most recent reporting period presented.

Illustration:

A. Reserves as of December 31, 2___ were $_____ million. As of ___ __, 2___, $_____ million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $_____ million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on yyy and zzz lines of insurance. Therefore, there has been a $_____ million unfavorable (favorable) prior-year development since December 31, 2___ to ___ __, 2___. The increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this increase (decrease), the Company experienced $______ million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

26. Intercompany Pooling Arrangements

Title Companies should not complete this Note, not applicable.

27. Structured Settlements

Instruction:

A. Disclose the amount of reserves no longer carried by the reporting entity because it has purchased annuities with the claimant as payee and to the extent to which the reporting entity is contingently liable for such amounts should the issuers of the annuities fail to perform under the terms of the annuities.

B. Disclose the name and location of the insurance company and the aggregate statement value of annuities due from any life insurer to the extent that the aggregate value of those annuities equals or exceeds 1% of policyholders' surplus. Include only annuities for which the company has not obtained a release of liability from the claimant as a result of the purchase of an annuity. Also disclose whether the life insurers are licensed in the company's state of domicile.

Illustration:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLES (A & B) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

A.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
$	$

B.

Life Insurance Company and Location	Licensed in Company's State of Domicile Yes/No	Statement Value (i.e., Present Value) of Annuities
		$
		$
		$

28. Supplemental Reserve

Instruction:

With regard to the supplemental reserve, the reporting entity shall disclose the following:

A. Whether discounting was used in the calculation of the supplemental reserve;

B. The method and rate used to determine the discount;

C. The amount of such discount.

Illustration:

The company does not use discounting in the calculation of its supplemental reserve.

This page intentionally left blank.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.2 N/A is an acceptable response only if Interrogatory 1.1 was answered NO.

1.4 Answer "YES" if the reporting entity is publicly traded or part of a publicly traded group.

"Publicly traded company" is defined as a company whose securities are required to be registered under Section 12 and is subject to periodic reporting under Section 15(d) of the Securities Exchange Act of 1934.

1.5 Provide the Central Index Key (CIK) issued by the SEC to the publicly traded entity or group. Do not provide a CIK issued for a variable insurance product written by the entity.

3.1 The date of the financial examination that should be reported is for a financial examination conducted by a state regulatory authority. (It is not a CPA annual audit.) The financial examination is considered "being made" for a given calendar year as soon as a formal notice is received from the domiciliary state that it intends to conduct the examination.

4.2 A sales/service organization for purposes of this question is one that provides the company with a sales/distribution network and/or a customer relations/service capability that is independent of the company and its employees.

7.1 For purposes of this interrogatory, control is defined to include ownership as well as control via management or attorney-in-fact.

7.2 Report this amount as a percentage (e.g., 10.0%, not .10) of ownership.

8.4 Enter "YES" or "NO" in Columns 3 through 6.

10.5 Indicate whether the reporting entity has established an audit committee in compliance with the Annual Financial Reporting Model Regulation (formerly known as Model Audit Rule) or similar state statute adopted by the domiciliary state.

14. The response to this interrogatory applies to the reporting entity's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

14.31 Include the nature of any waiver, including any implicit waiver, from a provision of the code of ethics granted by the reporting entity, an affiliate that provides management services to the entity, or the entity's ultimate parent to one of these specified officers, the name of the person to whom the waiver was granted and the date of the waiver.

15.2 Provide the American Bankers Association (ABA) routing number and the name of the issuing or confirming bank for all letters of credit where the reporting entity is the beneficiary unrelated to reinsurance and the issuing or confirming bank is not on the SVO Bank List. Amounts reported may be aggregated by bank.

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, list 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, list each bank separately and not just the agent bank.

FINANCIAL

19. For purposes of this interrogatory, statutory accounting principles are considered those prescribed or permitted by the reporting entity's domiciliary state, but also include those principles as outlined in the *Accounting Practices & Procedures Manual*. If the majority of the accounting principles used are inconsistent with the NAIC's statement of statutory accounting principles, the reporting entity should respond "YES." The reporting entity should also respond "YES" if the majority of the accounting principles used to prepare the financial statement are those required or allowed under Generally Accepted Accounting Principles. Majority used in this instruction is meant to include either the number of principles or the magnitude of the principles (materiality).

22. Risk Description – The assessments used in this calculation are those assessments required to be paid by the reporting entity relative to health insurance only. Examples of the types of assessments to be reported: high risk pools, demographic pools, assessments for losses in other markets, risk adjustment, or assessments from health purchasing pools or alliances such as administrative expenses, risk adjustment, and losses other than assessments paid to medical providers. These arrangements can be state run or not. Assessments used in this calculation include reimbursements that the reporting entity is obligated to pay in order to maintain membership in the arrangement, or to continue to insure applicants through a pool or other arrangement. This calculation includes amounts as a negative assessment received by the reporting entity from such arrangements. Exclude assessments for Guaranty Funds or Guaranty Associations.

23.1 Answer "YES" if there is an amount reported on the admitted assets column for Line 23 of the Assets page.

23.2 Report that portion of the amount of admitted assets reported on Line 23 of the Assets page that is due from parent.

INVESTMENT

24. For the purposes of this interrogatory, "exclusive control" means that the company has the exclusive right to dispose of the investment at will, without the necessity of making a substitution thereof. For purposes of this interrogatory, securities in transit and awaiting collection, held by a custodian pursuant to a custody arrangement or securities issued subject to a book entry system are considered to be in actual possession of the company.

If bonds, stocks and other securities owned December 31 of the current year, over which the company has exclusive control are: (1) securities purchased for delayed settlement, or (2) loaned to others, the company should respond "NO" to 24.01 and "YES" to 25.1.

24.03 Describe the company's securities lending program, including value for collateral and amount of loaned securities, and whether the collateral is held on- or off-balance sheet. Note 17 of Notes to Financial Statement provides a full description of the program.

24.04 A company with a conforming securities lending program as defined in the risk-based capital instructions should respond "YES."

24.05 Report amount of collateral for conforming programs (24.04 answer is "YES").

24.06 Report amount of collateral for other programs (24.04 answer is "NO").

24.101 The fair value amount reported should equal the grand total of Schedule DL, Part 1, Column 5 plus Schedule DL, Part 2, Column 5.

The fair value amount reported amount should also equal the fair value amount reported in Note 5E(5)a1(m).

24.102 The book adjusted/carrying value amount reported should equal the grand total of Schedule DL, Part 1, Column 6 plus Schedule DL, Part 2, Column 6.

24.103 The payable for securities lending amount reported should equal current year column for payable for securities lending line on the liability page.

25. Disclose the statement value of investments that are not under the exclusive control of the reporting entity within the categories listed in 25.2.

27. The purpose for this General Interrogatory is to capture the statement value for securities reported in Schedule D, Part 1, Bonds or Schedule D, Part 2, Section 1, Preferred Stock that are mandatorily convertible into equity, or at the option of the issuer, are convertible into equity. This disclosure will facilitate the application of the equity factors to the statement value of such securities for purposes of RBC.

28. The question, regarding whether items are held in accordance with the *Financial Condition Examiners Handbook*, must be answered.

28.01 If the answer to 28 is "YES," then list all of the agreements in 28.01. If the answer is "NO," but one or more of the agreements do comply with the *Financial Condition Examiners Handbook*, then list the agreements that do comply in 28.01.

28.02 If the answer to 28 is "NO," then list all agreements that do not comply with the *Financial Condition Examiners Handbook*. Provide a complete explanation of why each custodial agreement does not include the characteristics outlined in the *Financial Condition Examiners Handbook* (Section 1, III) (F), Outsourcing of Critical Functions, Custodial or Safekeeping Agreements), available at the NAIC website:

www.naic.org/documents/committees_e_examover_fehtg_Custodial_or_Safekeeping_Agreements.doc

28.03 This question, regarding changes in custodian, must be answered.

28.04 If the answer to 28.03 is "YES," list the change(s).

28.05 Identify all investment advisors, investment managers and broker/dealers, including individuals who have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such.

Name of Firm or Individual:

Should be name of firm or individual that is party to the Investment Management Agreement

Affiliation:

Note if firm or individual is affiliated, unaffiliated or an employee by using the following codes:

A Investment management is handled by firms/individuals affiliated with the reporting entity.

U Investment management is handled by firms/individuals unaffiliated with the reporting entity.

I Investment management is handled internally by individuals that are employees of the reporting entity.

28.0597 If the total assets under management of any the firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05 are greater than 10% of the reporting entity's assets, answer "YES" to Question 28.0597.

28.0598 If the total assets under management of all the firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05 are greater than 50% of the reporting entity's assets, answer "YES" to Question 28.0598. When determining the aggregate total of assets under management, include all firms/individuals unaffiliated with the reporting entity not just those who manage more than 10% of the reporting entity's assets.

28.06 For assets managed by an affiliated or unaffiliated firm or individual, provide for each firm or individual the Central Registration Depository Number, Legal Entity Identifier (LEI), who they are registered with and if an Investment Management Agreement has been filed for each firm or individual.

<u>Name of Firm or Individual:</u>

Should be name of firm or individual provided for 28.05

<u>Central Registration Depository Number</u>

The Central Registration Depository (CRD) number is a number issued by the Financial Industry Regulatory Authority (FINRA) to brokers, dealers or individuals when licensed, and can be verified against their database *www.finra.org*. These brokers, dealers or individuals would be those contracted to manage some of the reporting entity's investments or funds and invest them for the reporting entity. The brokers, dealers or individuals can be affiliated or unaffiliated with the reporting entity. The reporting entity must list all brokers, dealers or individuals who have the authority to make investments on behalf of the reporting entity.

<u>Legal Entity Identifier (LEI)</u>

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.

<u>Registered With:</u>

If a Registered Investment Advisor, specify if registered with Securities Exchange Commission or state securities authority. Note if not a Registered Investment Advisor.

<u>Investment Management Agreement (IMA) Filed:</u>

Indicate if a current Investment Management Agreement (IMA) has been filed with the state of domicile or the insurance department in another state(s). Use one of the codes below to indicate if the IMA has been filed and with whom it was filed.

DS If the current IMA has been filed with the state of domicile regardless if it was also filed with another state.

OS If the current IMA has been filed with a state(s) other than the state of domicile but not the state of domicile.

NO If the current IMA has not been filed with any state

29. This interrogatory is applicable to Property/Casualty and Health entities only.

29.2 The diversified mutual funds (diversified according to the U.S. Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)]) that are excluded from the Asset Concentration Factor section of the risk-based capital filing are to be disclosed in this interrogatory.

29.3 "Significant Holding" means the top five largest holdings of the mutual fund. For each diversified mutual fund disclosed in Interrogatory 29.2, the top largest holdings of the mutual fund must be disclosed in this interrogatory.

The "Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding" should be based upon the fund's latest available valuation as of year-end (e.g., fiscal year-end or latest periodic valuation available prior to year-end).

The "Date of Valuation" should be the date of the valuation amount provided in the Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding column.

30. Include bonds reported as cash equivalents in Schedule E, Part 2.

32. This interrogatory applies to any investment required to be filed with the SVO (or that would have been required if not exempted in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*), whether in the general account or separate accounts.

The existence of Z securities does not mean that a reporting entity is not complying with the procedures. As long as the entity has filed its Z securities with the SVO within 120 days of purchase, compliance with the procedures has been met. If an entity wishes to provide the counts of Z securities, include those counts in the explanation lines. An explanation is only expected if the answer to the compliance question is NO.

OTHER

34. The purpose of this General Interrogatory is to capture information about payments to any trade association, service organization, and statistical or rating bureau. A "service organization" is defined as every person, partnership, association or corporation that formulates rules, establishes standards, or assists in the making of rates or standards for the information or benefit of insurers or rating organizations.

35. The purpose of this General Interrogatory is to capture information about legal expenses paid during the year. These expenses include all fees or retainers for legal services or expenses, including those in connection with matters before administrative or legislative bodies. It excludes salaries and expenses of company personnel, legal expenses in connection with investigation, litigation and settlement of policy claims, and legal fees associated with real estate transactions, including mortgage loans on real estate. Do not include amounts reported in General Interrogatories No. 3435 and No. 36.

36. The purpose of this General Interrogatory is to capture information about expenditures in connection with matters before legislative bodies, officers or departments of government paid during the year. These expenses are related to general legislative lobbying and direct lobbying of pending and proposed statutes or regulations before legislative bodies and/or officers or departments of government. Do not include amounts reported in General Interrogatories No. 34 and No. 35.

FIVE-YEAR HISTORICAL DATA

This exhibit is a display of key statistics extracted from the annual statements of the current year and each of the four preceding years. It displays recent trends in the movement of sales, in force, surplus, and other financial data. For the most part, each section of five-year historical data references data from a specific page in the annual statement, with certain "key" lines having been extracted from that page. Page and line references for the current year are shown on the Exhibit. If a page or line reference is different for a prior year or years, it is shown below. Percentages are shown to one decimal place (e.g., 17.6).

All figures taken from or developed from annual statements of corresponding years.

The derivation of each line on Five-Year Historical Data is indicated in the annual statement blank except that lines 42 and 43 should be based upon the book/adjusted carrying value of the asset, which is consistent with the other affiliated investments.

Reporting entities that were part of a merger should refer to *SSAP No. 3—Accounting Changes and Corrections of Errors* for guidance on restatement of prior-year numbers and footnote disclosure requirements for this exhibit. Complete the footnote only if reporting entity was a party to a merger in the current reporting period.

Source of Direct Title Premiums Written

All years .... Operations and Investment Exhibit, Part 1A

Line 1 – Direct Operations

All years .... Part 1A, Line 1, Column 1

Line 2 – Non Affiliated Agency Operations

All years .... Part 1A, Line 1, Column 2

Line 3 – Affiliated Agency Operations

All years .... Part 1A, Line 1, Column 3

Operating Income Summary

All years .... Page 4 and Operations and Investment Exhibit (Part 1A& 1B)

Line 5 – Premiums Earned

All years .... Part 1B, Line 3

Line 6 – Escrow and Settlement Service Charges

All years .... Part 1A, Line 2, Column 4

Line 7 – Title Examinations

All years .... Part 1A, Line 3, Column 4

Line 8 – Searches and Abstracts

All years .... Part 1A, Line 4, Column 4

Line 9 – Surveys

All years .... Part 1A, Line 5, Column 4

Line 10 – Aggregate Write-ins for Service Charges

All years .... Part 1A, Line 6, Column 4

Line 11 – Other Operating Income

All years .... Page 4, Line 2

Line 12 – Total Operating Income

All years .... Page 4, Line 3

Statement of Income

Line 13 – Net Operating Gain or (Loss)

All years .... Page 4, Line 8

Line 14 – Net Investment Gain or (Loss)

All years .... Page 4, Line 11

Line 15 – Total Other Income

All years .... Page 4, Line 12

Line 16 – Federal and Foreign Income Taxes Incurred

All years .... Page 4, Line 14

Line 17 – Net Income

All years .... Page 4, Line 15

Balance Sheet (Pages 2 and 3)

Line 18 – Title Insurance Premiums and Fees Receivable

All years .... Page 2, Line 15, Column 3

Line 19 – Total Admitted Assets excluding Segregated Accounts

All years .... Page 2, Line 26, Column 3

Line 20 – Known Claims Reserve

All years .... Page 3, Line 1

Line 21 – Statutory Premium Reserve

All years .... Page 3, Line 2

Line 22 – Total Liabilities

All years .... Page 3, Line 23

Line 23 – Capital Paid Up

All years .... Page 3, Lines 25 + 26

Line 24 – Surplus as Regards Policyholders

All years .... Page 3, Line 32

<u>Cash Flow (Page 5)</u>

Line 25 – Net cash from operations

All years .... Line 11

<u>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</u>

All years .... (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0

Line 26 – Bonds

All years .... Page 2, Line 1

Line 27 – Stocks

All years .... Page 2, Lines 2.1 and 2.2

Line 28 – Mortgage Loans on Real Estate

All years .... Page 2, Lines 3.1 and 3.2

Line 29 – Real Estate

All years .... Page 2, Lines 4.1, 4.2 and 4.3

Line 30 – Cash, Cash Equivalents and Short-term Investments

All years .... Page 2, Line 5

Line 31 – Contract Loans

All years .... Page 2, Line 6

Line 32 – Derivatives

All years .... Page 2, Line 7

Line 33 – Other Invested Assets

All years .... Page 2, Line 8

Line 34 – Receivable for Securities

All years .... Page 2, Line 9

Line 35 – Securities Lending Reinvested Collateral Assets

All years .... Page 2, Line 10

Line 36 – Aggregate Write-ins for Invested Assets

All years .... Page 2, Line 11

Line 37 – Subtotals Cash, Cash Equivalents & Invested Assets

All years .... Page 2, Line 12

Investment in Parent, Subsidiaries and Affiliates

Line 38 – Affiliated Bonds

All years .... Schedule D Summary, Line 12, Column 1

Line 39 – Affiliated Preferred Stock

All years .... Schedule D Summary, Line 18, Column 1

Line 40 – Affiliated Common Stock

All years .... Schedule D Summary, Line 24, Column 1

Line 41 – Affiliated Short-term Investments

All years .... Subtotal included in Schedule DA, Verification Between Years, Column 5, Line 10

Line 45 – Total Investment in Parent

Report the amount of investments reported in Lines 38 to 43 above that are in an immediate or indirect parent.

Line 46 – Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards to Policyholders

All years .... Line 44 divided by Page 3, Line 32, Column 1 x 100.0

Capital and Surplus Accounts

Line 47 – Net Unrealized Capital Gains (Losses)

All years .... Page 4, Line 18

Line 48 – Change in Nonadmitted Assets

All years .... Page 4, Line 21

Line 49 – Dividends to Stockholders

All years .... Page 4, Line 28

Line 50 – Change in Surplus as Regards Policyholders

All years .... Page 4, Line 31

Losses Paid and Incurred

All years .... Operations and Investment Exhibit, Part 2A

Line 51 – Net Payments

All years .... Part 2A, Line 5, Column 4

Line 52 – Losses and Allocated LAE Incurred

All years .... Part 2A Line 8, Column 4

Line 53 – Unallocated LAE Incurred

All years .... Part 2A, Line 9, Column 4

Line 54 – Losses and Loss Adjustment Expenses Incurred

All years .... Part 2A, Line 10, Column 4

Operating Expenses to Total Operating Income

All years .... (Operations and Investment Exhibit, Part 3) (%) (Line item divided by Page 4, Line 3 x 100.0)

Line 55 – Personnel Costs

All years .... Part 3, Line 1.5, Column 4

Line 56 – Amounts Paid To Or Retained By Title Agents

All years .... Part 3, Line 2, Column 4

Line 57 – All Other Operating Expenses

All years .... Part 3, Lines 24 minus 1.5 minus 2, Column 4

Operating Percentages

All years .... (Line item divided by Page 4, Line 3 x 100.0)

Line 59 – Losses & Loss Adjustment Expenses Incurred

All years .... Page 4, Line 4

Line 60 – Operating Expenses Incurred

All years .... Page 4, Line 5

Line 61 – Other Operating Expenses

All years .... Page 4, Line 6

Line 62 – Total Operating Deductions

All years .... Page 4, Line 7

Line 63 – Net Operating Gain or (Loss)

All years .... Page 4, Line 8

Other Percentages

All years .... (Line item divided by Part 1B, Line 1.4 x 100.0)

Line 64 – Losses and Loss Expenses Incurred to Net Premiums Written

All years .... Page 4, Line 4

Line 65 – Operating Expenses Incurred to Net Premiums Written

All years .... Page 4, Line 5

One-Year Schedule P, Part 2 Development (000 omitted)

Line 66 – Development in Estimated Losses and ALAE on Policies Effective Before Current Year

All years .... Schedule P, Part 2 Summary, Line 22, Column 11

Line 67 – Percent of Such Development to Policyholders' Surplus of Prior Year-End

All years .... Five-Year Historical, Line 66 divided by Page 4, Line 16, Column 1 x 100.0

One-Year Schedule P, Part 3 Development (000 omitted)

Line 68 – Development in Estimated Losses and ALAE for Claims Reported Before Current Year

All years .... Schedule P, Part 3 Summary, Line 12, Column 11

Line 69 – Percent of Such Development to Policyholders' Surplus of Prior Year-End

All years .... Five-Year Historical, Line 68 divided by Page 4, Line 16, Column 1 x 100.0

Two-Year Schedule P, Part 2 Development (000 omitted)

Line 70 – Development in Estimated Losses and ALAE on Policies Effective Before Prior Year-End

All years .... Schedule P, Part 2 Summary Line 22, Column 12

Line 71 – Percent of Such Development to Reported Policyholders' Surplus of Second Prior Year-End

All years .... Five-Year Historical, Line 70 divided by Page 4, Line 16, Column 2 x 100.0

Two-Year Schedule P, Part 3 Development (000 omitted)

Line 72 – Development in Estimated Losses and ALAE for Claims Reported Before Prior Year-End

All years .... Schedule P, Part 3 Summary, Line 12, Column 12

Line 73 – Percent of Such Development to Reported Policyholders' Surplus of Second Prior Year-End

All years .... Five-Year Historical, Line 72 divided by Page 4, Line 16, Column 2 x 100.0

This page intentionally left blank.

State Page

EXHIBIT OF PREMIUMS AND LOSSES

DIRECT BUSINESS IN THE STATE OF...

A schedule should be prepared and submitted to the state of domicile for each jurisdiction in which the company has written direct business, has direct losses paid, direct losses incurred or direct losses unpaid. To other states in which the company is licensed it should submit only a schedule for that state.

Column 1 – Number of Policies Issued During the Year

The number of policies issued means the number of original owner's policies and single issue loan policies issued but not simultaneous issue loan policies or closing protection letters.

Column 2 – Direct Amount of Insurance Written in Millions

The amount of liability to be reported is the policy face (direct or reinsurance) in those cases not involving a simultaneous issue of multiple policies. In determining the amount of liability to be reported in case of simultaneous issue of an owner's policy and a mortgage policy, include the higher liability policy only.

This amount is reported in millions of dollars **($000,000 omitted)**.

Column 3 – Direct Premiums Written

Total to agree with Schedule T, Columns 3, 4 and 5 for the appropriate state and segment.

Column 4 – Other Income on Policies Issued for the Type of Business

Total to agree with Schedule T, Column 6 for the appropriate state.

Include other income not from policies issued (including services provided to agents or attorneys for a fee) in Rows 1.10, 2.10, 3.10 and 4.10, "All Other."

Column 5 – Amounts Paid to or Retained by Title Agents

Total to agree with Operations and Investment Exhibit, Part 3, Column 4, Line 2.

Column 6 – Taxes, Licenses and Fees Incurred

Total to agree with Operations and Investment Exhibit, Part 3, Column 8, Line 20.5.

Column 7 – Direct Premiums Earned

Total to agree with Schedule T, Column 7, for the appropriate state.

Column 8 – Direct Losses Paid

The total of direct losses paid (Column 8) plus direct allocated loss adjustment expenses paid (Column 9) to agree with Schedule T, Column 8, for the appropriate state.

Column 9 – Direct Allocated Loss Adjustment Expenses Paid

See instructions for Column 8.

Column 10 – Direct Losses and Allocated Loss Adjustment Expenses Incurred

Total to agree with Schedule T, Column 9, for the appropriate state.

Column 11 – Direct Known Claim Reserve

Total to agree with Schedule T, Column 10, for the appropriate state.

Type of Rate Code

Specify the type of rate code in accordance with the reporting instructions for Schedule T. Show only those codes for the types of rates in use in the particular state. If more than one type of rate is used in a state, follow the example below.

Row 1 – Show the type of rate code with the largest direct written premium (example "RSXCE").

Row 2 – Show the second-largest direct written premium (example "RSXC").

Row 3 – If there are exactly three rate types within the state, show the smallest direct written premium. If there are more than three rate types, show all remaining rate types combined and identify the third-largest rate type (example "RSX").

Row 4 – Total of Rows 1 through 3.

For the individual state pages, determination of the type of rate code with the largest and second-largest direct written premium based on premium written in that state.

For the Grand Total page, determination of the type of rate code with the largest and second-largest direct written premium based premium written in all states combined.

Because the type of rate code shown for Rows 1 through 3 by state and on the Grand Total page may vary, the amounts for Rows 1 through 3 of the individual state pages may not sum to the amounts shown on the Grand Total page. The sum of the amounts reported by state for Row 4 should equal the amount reported for Row 4 on the Grand Total page.

Lines 1 to 4

Residential Policies and Non-Residential Policies

All policies insuring title to real property must be classified as either residential or non-residential (do not classify policies as "other"). Residential policies mean title insurance policies that insure the title to real property having a house, individual condominium unit, mobile home permanently affixed to real estate, or other dwelling unit intended principally for the occupancy of from one to four (1–4) families, but does not include multi-family structures intended for the use of 5+ families, undeveloped lots, or real estate intended principally for business, commercial, industrial, religious, educational or agricultural purposes, even if some portion of the real estate is used for residential purposes.

Report policies insuring title to personal property as a separate write-in in Line 0501.

Policies Issued Directly, Policies Issued by Non-Affiliated Agents and Policies Issued by Affiliated Agents

For definitions of type of issuing entity, see the instructions for Operations and Investment Exhibit, Part 1A.

Sub-lines

"X.10" – All Other

Show as a separate item other income not from policies issued (including services provided to agents or attorneys for a fee) in "All Other."

Line 5 – Aggregate Write-In for Line 5

Show business not applicable to Lines 1 to 4.

Details of Write-In at Line 5

List separately the types of business listed in Line 5, Write-In.

This page intentionally left blank.

SCHEDULE E – PART 1D

SUMMARY – SEGREGATED FUNDS HELD FOR OTHERS AND COMPANY FUNDS ON HAND AND ON DEPOSIT

Line 1 – Open Depositories

Column 1 should agree with Schedule E, Part 1A, Column 3, Line 0399999, Total Open Depositories.

Column 2 should agree with Schedule E, Part 1B, Column 5, Line 0399999, Total Open Depositories.

Line 2 – Suspended Depositories

Column 1 should agree with Schedule E, Part 1A, Column 3, Line 0499999 Total Suspended Depositories.

Column 2 should agree with Schedule E, Part 1B, Column 5, Line 0499999 Total Suspended Depositories.

NOTE Balances in Suspended Depositories should be included with the amount reported on the Exhibit of Nonadmitted Assets, Line 5.

Line 9 – Open Depositories, Reinsurance Reserve Funds

Should agree with Schedule E, Part 1C, Column 5 for open depositories.

Line 10 – Suspended Depositories, Reinsurance Reserve Funds

Should agree with Schedule E, Part 1C, Column 5, for suspended depositories.

Line 12 – Open Depositories, Total Company Funds

Should agree with the sum of Lines 1, 6 and 9.

Line 13 – Suspended Depositories, Total Company Funds

Should agree with the sum of Lines 2, 7 and 10.

Line 16 – Total Company Funds on Hand and on Deposit

Column 3 should agree with the first parenthetical (Cash, Schedule E, Part 1) amount reported on Line 5 of Page 2.

This page intentionally left blank.

Schedule F

SCHEDULE F – REINSURANCE

Index to Schedule F

Part 1 – Assumed Reinsurance

Part 2 – Ceded Reinsurance

Part 3 – Provision for Unauthorized Reinsurance

Part 4 – Provision for Reinsurance Ceded to Certified Reinsurers

NOTE: Certified reinsurer status applies on a prospective basis, and is determined by the state of domicile of the ceding insurer. As such, it is possible that a ceding insurer will report reinsurance balances applicable to a single assuming insurer under multiple classifications within Schedule F. For example, with respect to a certified reinsurer that was considered unauthorized prior to certification, balances attributable to contracts entered into prior to the assuming insurer's certification would be reported in the unauthorized classification, while balances attributable to contracts entered into or renewed on or after the assuming insurer's certification would be reported in the certified classification. Proper classification of such balances is essential to ensure accurate reporting of collateral requirements applicable to specific balances and the corresponding calculation of the liability for unauthorized and/or certified reinsurance.

Due Date

All parts of Schedule F are to be filed with the annual statement.

Please note that Parts 1, 2, 3 and 4 of this schedule are reported with thousands omitted.

ID Number

Schedule F require that the "ID Number" be reported for assuming or ceding entities.

Reinsurance intermediaries should not be listed, because Schedule F is intended to identify only risk-bearing entities.

Use of Federal Employer Identification Number

The Federal Employer Identification Number (FEIN) must be reported for each U.S.-domiciled insurer and U.S. branch of an alien insurer. The FEIN should not be reported as the "ID Number" for other alien insurers even if the federal government has issued such a number.

Alien Insurer Identification Number (AIIN)

In order to report transactions involving alien companies correctly, the appropriate Alien Insurer Identification Number (AIIN) must be included on Schedule F instead of the FEIN. The AIIN number is assigned by the NAIC and is listed in the NAIC *Listing of Companies*. If an alien company does not appear in that publication, contact the NAIC Financial Systems and Services Department, Company Demographics Analyst, at *FDRCCREQ@NAIC.ORG* for numbers assigned since the last publication or information for on having a number assigned.

Newly assigned numbers are incorporated in revised editions of the NAIC *Listing of Companies*, which are available semi-annually. The NAIC also provides this information to annual statement software vendors for incorporation into the software.

Pool and Association Numbers

In order to report transactions involving non-risk bearing pools or associations consisting of non-affiliated companies correctly, the company must include on Schedule F the appropriate Pool/Association Identification Number. These numbers are listed in the NAIC *Listing of Companies*. The Pool/Association Identification Number should be used instead of any FEIN that may have been assigned. If a pool or association does not appear in that publication, contact the NAIC Financial Systems and Services Department, Company Demographics Analyst at *FDRCCREQ@NAIC.ORG* for numbers assigned since the last publication or for information on having a number assigned.

Newly assigned numbers are incorporated in revised editions of the NAIC *Listing of Companies*, which are available semi-annually. The NAIC also provides this information to annual statement software vendors for incorporation into the software.

Alien pools and associations should be reported on Schedule F under the category "Other Non-U.S. Insurers" rather than under "Pools, Associations and Similar Facilities." Pools and associations consisting of affiliated companies should be listed by individual company names rather than by pool or association identification.

Certified Reinsurer Identification Number (CRIN)

In order to report transactions involving certified reinsurers correctly, the appropriate Certified Reinsurer Identification Number (CRIN) must be included on Schedule F instead of the FEIN or Alien Insurer Identification Number (AIIN). The CRIN is assigned by the NAIC and is listed in the NAIC *Listing of Companies*. If a certified reinsurer does not appear in that publication, contact the NAIC Financial Systems and Services Department, Company Demographics Analyst at *FDRCCREQ@NAIC.ORG* for numbers assigned since the last publication or for information on having a number assigned.

Newly assigned numbers are incorporated in revised editions of the NAIC *Listing of Companies*, which are available semi-annually. The NAIC also provides this information to annual statement software vendors for incorporation into the software.

NAIC Company Code

Company codes are assigned by the NAIC and are listed in the NAIC *Listing of Companies*. The NAIC does not assign a company code to insurers domiciled outside of the U.S. or to non-risk bearing pools or associations. The "NAIC Company Code" field should be zero-filled for those organizations. Non-risk bearing pools or associations are assigned a Pool/Association Identification Number. See the"Pool and Association Numbers" section above for details on assignment of Pool/Association Identification Numbers. Risk-bearing pools or associations are assigned a company code. If a reinsurer or reinsured has merged with another entity, report the company code of the surviving entity.

If a risk-bearing entity (e.g., risk-bearing pools or associations) does not appear in the NAIC *Listing of Companies*, contact the NAIC Financial Systems and Services Department, Company Demographics Analyst at *FDRCCREQ@NAIC.ORG* for numbers assigned since the last publication or for information on having a number assigned. Newly assigned company codes are incorporated in revised editions of the NAIC *Listing of Companies*, which are available semi-annually.The NAIC provides this information to annual statement software vendors for incorporation into the software.

Domiciliary Jurisdiction

In those parts of Schedule F requiring disclosure of the "Domiciliary Jurisdiction," for each domestic reinsurer or U.S. branch listed, the column should be completed with the state where the reinsurer maintains its statutory home office. For pools and associations, enter the state where the administrative office of such pool or association is located. For alien reinsurers, this column should be completed with the country where the alien is domiciled. Enter the two-character U.S. postal 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.

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.

Aggregation of Companies

The aggregation of certain companies is permitted only as provided in the instructions to Part 1. In all other Parts, all companies must be identified.

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.

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 this definition:

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
Other U.S. Unaffiliated Insurers – Reinsurance for which the total of Column 5 is less than $50,000	0999998
Total Other U.S. Unaffiliated Insurers*#	0999999
Pools and Associations	
Mandatory Pools	
Reinsurance for which the total of Column 5 is less than $50,000	1099998
Total Pools, Associations or Other Similar Facilities*	1099999
Voluntary Pools	
Reinsurance for which the total of Column 5 is less than $50,000	1199998
Total Pools, Associations or Other Similar Facilities*	1199999
Total Pools and Associations	1299999
Other Non-U.S. Insurers – Reinsurance for which the total of Column 5 is less than $50,000	1399998
Total Other Non-U.S. Insurers*	1399999
Grand Total	9999999

* Reinsured companies for which Column 5 is less than $50,000 may be aggregated and reported separately by category and reported only on Lines 0999998, 1099998, 1199998 and 1399998. The aggregation of certain companies is permitted only as provided in the instructions to Schedule F, Part 1. In all other Parts, all companies must be identified.

\# 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 companies 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 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 – Reinsurance Assumed Liability

Report the amount of liability assumed from ceding companies.

Column 6 – Assumed Premiums Received

This column should reconcile to the total shown in the Operations and Investment Exhibit, Part 1B, Line 1.2, Column 1.

Column 7 – Reinsurance Payable on Paid Losses and Loss Adjustment Expenses

Report loss adjustment expenses due and payable to the reinsurer.

Column 8 – Reinsurance Payable on Known Case Losses and LAE Reserves

The Total for Column 8 should agree to Operations and Investment Exhibit, Part 2B, Line 1.2, Column 4.

Column 9 – 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 or uncollected premium on Page 2.

Column 10 – Funds Held By or Deposited with Reinsured Companies

The total of Column 10 for 1000 should agree with Page 2, 16.2, Column 3.

Column 11 – Letters of Credit Posted

Report the amount related to Letters of Credit posted for related reinsurance assumed transactions.

Column 12 – Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit

Report the amount of assets pledged or compensating balances in order to secure Letters of Credit reported in Column 11.

Column 13 – 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

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:

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
Total Authorized	1399999
Total Unauthorized	
Affiliates	
U.S. Intercompany Pooling	1499999
U.S. Non-Pool	
Captive	1599999
Other	1699999
Total	1799999
Other (Non-U.S.)	
Captive	1899999
Other	1999999
Total	2099999
Total Unauthorized – Affiliates	2199999
Other U.S. Unaffiliated Insurers	2299999
Pools	
Mandatory Pools*	2399999
Voluntary Pools*	2499999
Total Unauthorized – Other Non-U.S. Insurers#	2599999
Total Unauthorized	2699999

Total Certified

Affiliates

U.S. Intercompany Pooling	2799999
U.S. Non-Pool	
Captive	2899999
Other	2999999
Total	3099999
Other (Non-U.S.)	
Captive	3199999
Other	3299999
Total	3399999
Total Certified – Affiliates	3499999
Other U.S. Unaffiliated Insurers	3599999
Pools	
Mandatory Pools*@	3699999
Voluntary Pools*%	3799999
Other Non-U.S. Insurers#	3899999
Total Certified	3999999
Totals	9999999

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

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

NOTE: Disclosure of the five largest provisional commission rates should exclude mandatory pools and joint underwriting associations.

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 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 – 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.

Column 6 – Reinsurance Ceded Liability

Report the amount of liability ceded to assuming companies.

Column 7 – Ceded Reinsurance Premiums Paid

The total of Column 7 x 1000 should equal Operations and Investment Exhibit, Part 1B, Line 1.3.

Column 8 – Reinsurance Recoverable on Paid Losses and Loss Adjustment Expenses

The total of Column 8 x 1000 should agree with the amount included on Page 2, Line 16.1, Column 3.

Column 9 – Reinsurance Recoverable on Known Case Losses and LAE Reserves

The total of Column 9 x 1000 should agree with Operations and Investment Exhibit, Part 2B, Line 2, Column 4.

Column 11 – Other Amounts Due to Reinsurers

Both Column 10 and Column 11 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 13.

Items entered in Column 11 may represent miscellaneous balances owed by the reinsured to the reinsurer on ceded transactions.

Column 12 – Net Amount Recoverable from Reinsurers

Should equal Columns 8+9-10-11.

Column 13 – Funds Held By Company Under Reinsurance Treaties

The final total of Column 13 x 1000 should agree with Page 3, Line 13, Column 1.

SCHEDULE F – PART 3

PROVISION FOR UNAUTHORIZED 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:

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
Total Pools and Associations	
Mandatory*	1099999
Voluntary*	1199999
Total Other Non-U.S. Insurers#	1299999
Totals	9999999

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

\# 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 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 6 – Funds Held by Company under Reinsurance Treaties

Should agree with unauthorized portion of Schedule F, Part 2, Column 13. The total of Column 6 x 1000 should agree with Page 3, Line 13, Column 1.

Column 8 – 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 the footnote table 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 9 – Ceded Balances Payable

From Schedule F, Part 2, Column 10.

Column 10 – Miscellaneous Balances Payable

From Schedule F, Part 2, Column 11.

Both Column 9 and Column 10 are liabilities owed to the reinsurer.

Deduct: Reinsurance premiums paid by the 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.*

Column 11 – Trust Funds and Other Allowed Offset Items

Report trust funds and other acceptable security.

Column 13 – Provision for Unauthorized Reinsurance

Amount recorded should not be less than zero.

Column 16 – 20% of Amount in Dispute Included in Column 5

This amount should never be less than zero.

Column 18 – Total Provision for Reinsurance Ceded to Unauthorized Reinsurers

If the company's experience indicates that a higher amount should be provided, such higher amount should be entered.

Should never be less than zero.

<u>Issuing or Confirming Bank Detail Table</u>

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.

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.

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

Provide for each issuing or confirming bank its nine-digit American Bankers Association (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.

Letter of Credit Issuing or Confirming Bank Name:

Provide the name of each issuing or confirming bank.

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.

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 7.

The total for this column should also equal the total of Schedule F, Part 3, Column 7.

SCHEDULE F – PART 4

PROVISION FOR REINSURANCE CEDED TO CERTIFIED REINSURERS AS OF DECEMBER 31, CURRENT YEAR

NOTE: This schedule is 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.

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 preprinted total or grand total line and number.

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 Model #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 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 otherwise instructed by the state of domicile.

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
Total Pools and Associations	
Mandatory*	1099999
Voluntary*	1199999
Total Other Non-U.S. Insurers#	1299999
Total Affiliates and Others	1399999
Totals	9999999

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

\# 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 5 – Certified Reinsurer Rating (1 through 6)

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

Column 6 – 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 7 – 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 8 – Net Amount Recoverable from Reinsurers

Net Amount Recoverable from Reinsurers Schedule F, Part 2, Column 12 by individual certified reinsurer. Note that this amount is the Total Amount Recoverable from Reinsurers minus Miscellaneous Balances payable to the reinsurer.

Column 9 – Dollar Amount of Collateral Required

Report the amount of collateral that is required in order for the reporting company to receive full financial statement credit for reinsurance (Column 8 times Column 7).

Column 10 – Multiple Beneficiary Trust

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

Column 11 – Funds Held by Company Under Reinsurance Treaties

Should agree with certified portion of Schedule F, Part 2, Column 13, Line 3999999.

Column 12 – Letters of Credit

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

Column 13 – 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 the footnote table 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 14 – Other Allowed Offset Items

Report trust funds, other than those held in a multiple beneficiary trust that are reported in Column 10, and other acceptable security.

Column 16 – Percent of Collateral Provided for Net Recoeverables Subject to Collateral Requirements

Report the percentage of collateral provided by the certified reinsurer for obligations subject to collateral requirements (Column 15 divided by Column 8).

Column 17 – Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements

Report the proportion of collateral provided by the certified reinsurer as compared to the amount of collateral that is required based on its assigned rating (Column 16 divided by Column 7).

Column 18 – Amount of Credit Allowed for Net Recoverables

Provision for reinsurance with certified reinsurers due to collateral deficiency (Column 8 times Column 17).

Issuing or Confirming Bank Detail Table

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.

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.

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

Provide for each issuing or confirming bank its nine-digit American Bankers Association (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.

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.

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 4, Column 12.

The total for this column should also equal the total of Schedule F, Part 4, Column 12.

SCHEDULE H – PART 1

TITLE PLANTS OWNED AT DECEMBER 31, CURRENT YEAR AND BASIS OF VALUATION

Title plants are the organized records of real estate transactions that provide the basis for title policies and other title products produced by the company. Title plants that are rented or leased (with no ownership interest on the part of the company) should not be capitalized or included in this schedule. These cost are expenses of the company for that time period. Costs of maintenance of an established title plant should not be treated as a capitalized expense, but should be treated as a an expense for that time period.

Report each title plant individually.

A description of the information required by the columnar headings is as follows:

Column 1 – Permanent Identification Number

This is a control number to be given by the company to uniquely identify individual title plants. This identifier number should not change from period to period. Title plants acquired should be given identifier numbers at the end of the identifier sequence. This should be the same number shown in Schedule H, Part 2, if the same title plant is included in both Parts.

A confidential crosscheck listing must be provided to the domiciliary regulator, and any other regulator upon request.

Column 2 – Form of Ownership

This column should indicate the form of ownership. For example, the title plant could be wholly owned by the company, partially owned by the company, or could be in the form of a capital lease. If the title plant is partially owned, please indicate ownership percentage by the company.

Columns 3 – Title Plant Covering Period – From and
Columns 4 – Title Plant Covering Period – To

This column should indicate the period covered by the title plant. If the title plant covers a period through the current period indicate "XXX to present." The purpose of this column is to distinguish older plants that may be subject to different valuation procedures from currently maintained title plants.

Column 5 – Date Acquired

This column should indicate the date that the plant was acquired. For title plants for which present ownership interest was acquired as a result of multiple transactions, indicate the date of the most recent transaction.

Column 6 – Actual Cost

This column should indicate the cost of the title plant that has been capitalized. In most instances, this may also be the same as the book value.

Column 7 – Book Value

This column should indicate the actual amount shown by the company on its general ledger.

This amount should agree with this column (previous year), plus Schedule H, Part 2, Column 9 Total minus Schedule H, Part 3, Column 11.

The total for this column should agree with Schedule H, Part 4, Column 1, Line 1.

Column 8 – Book Value Valuation Basis

This column should indicate the valuation basis for the amount shown in Column 7. If the amount shown on Page 2 is different than the amount shown in Column 7, this column should indicate the basis of the amount shown on Page 2. The most common designations for this column are cost, depreciated cost or market value.

Column 9 – Increase by Adjustment in Book Value

This column should indicate the amount by which book value (as designated in Column 7) was increased during the current year.

Column 10 – Decrease by Adjustment in Book Value

This column should indicate the amount by which book value (as designated in Column 7) was decreased during the current year.

SCHEDULE H – PART 2

TITLE PLANTS ACQUIRED DURING THE YEAR

Report individually each title plant acquired during the year.

Column 1 – Permanent Identification Number

This is a control number to be given by the company to uniquely identify individual title plants. This number should agree to the number shown in Column 1 of Schedule H, Part 1. This identifier number should not change from period to period. Title plants acquired should be given identifier numbers at the end of the identifier sequence.

Column 2 – Form of Ownership

This column should indicate the form of ownership. For example, the title plant could be wholly owned by the company, partially owned by the company, or could be in the form of a capital lease. If the title plant is partially owned, please indicate ownership percentage by the company. This information should match the information shown in Column 2 of Schedule H, Part 1.

Columns 3 – Title Plant Covering Period – From and
Columns 4 – Title Plant Covering Period – To

These columns should indicate the period covered by the title plant. If the title plant covers a period through the current period indicate "XXX to present." The purpose of this column is to indicate older plants that may be subject to different valuation procedures from currently maintained title plants. This information should match information shown in Columns 3 and 4 of Schedule H, Part 1.

Column 5 – Date Acquired

This column should indicate the date acquired. For title plants for which present ownership interest was acquired as a result of multiple transactions within the year, indicate the date of the most recent acquisition.

Column 6 – How Acquired

This column should indicate the manner in which the title plant was acquired. Examples of title plant acquisition methods include purchase, trade, construction and merger.

Column 7 – Name of Seller

This indicates the name of seller. If the seller is an affiliated entity (as defined by *SSAP No. 25—Affiliates and Other Related Parties*), please indicate by placing a "***" next to the name of the seller.

Column 8 – Acquisition / Construction Cost to Company During Year

This column should indicate the amount of acquisition or construction cost to company during the year. In the case of a title plant owned by the company at the end of a previous period, the amount shown in this column should agree to the amount included by the company in Column 9 of Schedule H, Part 1.

Column 9 – Book Value at December 31 of Current Year

This column should indicate the actual amount shown by the company on its general ledger. The amount shown on this column must agree to the amount shown by the company in Column 7 of Schedule II, Part 1.

Column 10 – Percentage Ownership as of December 31

This column should indicate the percentage ownership by the company as of December 31 of the current year.

Column 11 – Title Plant Maintenance Cost for Plants Not Owned 100 Percent

This column should be completed with "N/A" (Not Applicable) for title plants which were owned 100 percent from initial acquisition. For other title plants, please indicate whether the company participates in the cost of title plant maintenance. The value shown on this column should be Yes, No, or N/A (Not Applicable).

SCHEDULE H – PART 3

TITLE PLANTS SOLD OR OTHERWISE DISPOSED OF DURING THE YEAR

Report individually each title plant sold or disposed of during the year.

Column 1 – Permanent Identification Number

This is a control number to be given by the company to uniquely identify individual title plants. This identifier number should not change from period to period, and should match the number shown for each title plant in the prior year Schedule H, Part 1.

Column 2 – Form of Ownership

This column should indicate the form of ownership. For example, the title plant could be wholly owned by the company, partially owned by the company, or could be in the form of a capital lease. If the title plant is partially owned, please indicate ownership percentage by the company.

Columns 3 – Title Plant Covering Period – From and
Columns 4 – Title Plant Covering Period – To

These columns should indicate the period covered by the title plant. If the title plant covers a period through the current period, indicate "XXX to Present." The purpose of this column is to indicate older plants that may be subject to different valuation procedures from currently maintained title plants.

Column 5 – Date Sold

This column should indicate the date sold. For title plants for which previous ownership interest was sold as a result of multiple transactions within the year, indicate the date of the most recent sale

Column 6 – Name of Purchaser

Indicate the name of purchaser. If the purchaser is an affiliated entity (as defined by *SSAP No. 25—Affiliates and Other Related Parties*), please indicate by placing a "***" next to the name of the seller.

Column 7 – Cost to Company

This column should indicate the cost of the title plant that has been capitalized. In most instances, this may also be the same as the book value.

Column 8 – Prior Year Book Value

Should equal the amount reported in the prior year annual statement for each specific title plant.

Column 9 – Increase by Adjustment in Book Value During Year

This column should indicate the amount by which book value (as designated in Column 11) was increased during the current year.

Column 10 – Decrease by Adjustment in Book Value During Year

This column should indicate the amount by which book value (as designated in Column 11) was decreased during the current year.

Column 11 – Book Value at Date of Sale

This column should indicate the book value on the date of sale. This should be the capitalized cost (less applicable amortization if any) shown on the general ledger of the company at the date of sale.

This should agree with the sum of Column 8 plus Column 9 minus Column 10.

Column 12 – Consideration

This column should indicate the amount received by the company for disposition of this asset. If consideration received is anything other than cash, a footnote should describe this transaction including the basis for valuation of the consideration.

Column 13 – Profit and (Losses) on Sale

The amount shown in this column should be the difference between the amounts shown in Columns 11 and 12 of Part 3 of Schedule H. In addition, this amount should be included in Operations and Investments, Statement of Income, Line 12.

SCHEDULE H

VERIFICATION BETWEEN YEARS

Line 1 – Book Value, December 31, Prior Year

The amount shown on this line should be the amount shown on Line 8 of the prior year annual statement Schedule H, Verification Between Years.

Line 2 – Increase by Adjustment in Book Value

The amounts shown on this line should be the amounts reports in Schedule H, Part 1, Column 9 and Schedule H, Part 3, Column 9.

Line 3 – Cost of Acquisition

The amounts shown on this line should agree to the amounts reported on Schedule H, Part 2, Column 8.

Line 4 – Total

The amount reported on this line are the total of amounts reported on Lines 1, 2, and 3 described above.

Line 5 – Decrease by Adjustment in Book Value

The amount shown on this line should be the amounts reports in Schedule H, Part 1, Column 10 and Schedule H, Part 3, Column 10.

Line 6 – Consideration Received on Sales

The amount shown on this line should agree to the amount reported on Schedule H, Part 3, Column 12.

Line 7 – Net Profit (Loss) on Sales

The amount shown on this line should agree to the amount reported on Schedule H, Part 3, Column 13.

Line 8 – Book Value, December 31, Current Year

Should agree to the amount reported on Schedule H, Part 1, Column 7, Total and to the Asset page, Line 13, Column 1.

SCHEDULE H – PART 4

TOTAL TITLE ASSETS HELD DIRECTLY OR BY SUBSIDIARIES

Report the value of direct investment in title plant assets and the value of title plant assets held by subsidiaries (including lower tier controlled companies.)

Line 2 – Title Plant Assets Held By Subsidiaries

The aggregate total carrying value of title plant assets owned by direct and lower tier subsidiaries, after applying the corresponding proportionate ownership share to each individually. That is, for a subsidiary in which the reporting entity has a 60 percent ownership interest, 60 percent of that subsidiary's title plant asset carrying value would be included. For a 100 percent owned subsidiary, 100 percent of the title plant asset carrying value would be included.

SCHEDULE P

There are five 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 loss expenses on a policy year basis. Part 3 provides a history of incurred losses and loss expenses on a report year basis. Part 4 provides a history of claim counts on a policy year basis. Schedule P Interrogatories provides for additional calculation and explanation of various amounts. Part 5 provides a history of claim counts on a report year basis. If the company is unable to provide any part of the data required in Schedule P for years prior to 1994, the company must obtain a letter of waiver from its domiciliary commissioner. A copy of this letter must be included with the company's annual statement. Data for 1994 and subsequent should be provided in complete detail except for unallocated loss adjustment expenses (ULAE) that should be in complete detail for 1996 and subsequent.

Schedule P includes only the data for the insurer identified on the Jurat Page of the annual statement. Do not include consolidated data for affiliated companies. If the insurer participates in a pooling agreement, it should report only its share of the business, not the total of all participants.

In those instances where an insurer files an amended annual statement as a result of a restatement of prior year written premium, losses or loss adjustment expenses, Schedule P must be restated and included in the amended annual statement. In those instances where one title insurer is merged into another title insurer, Schedule P must be prepared so it includes the entire combined history of both companies.

Schedule P, Part 1 is organized so that written premiums and other income for a year are matched with corresponding losses and allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses for policies issued during that year. Experience is shown for direct business, reinsurance assumed, reinsurance ceded and net of reinsurance.

Written premium and other income is on a calendar year basis, and should reconcile with the totals on Schedule T.

Policy year loss and loss adjustment expense payments and reserves should be assigned to the year in which the policy was written under which coverage is triggered. Payments and reserves for escrow and defalcation loss and loss adjustment expenses should be assigned to the year of the associated title insurance order or, if the year is unknown, to the year the defalcation or escrow loss was first known by the company.

Part 2 displays 20-year loss development triangles on a policy year basis. Part 3 displays 10-year loss development triangle on a report year basis. In Parts 2 and 3, losses are combined with ALAE and are net of reinsurance. Loss and ALAE development is shown for total incurred, payments, case basis reserves, bulk reserves and incurred but not reported (IBNR) reserves (policy year basis only). Part 4 displays 20-year claim count development triangles on a policy year basis.

For report year development, group the claims by year in which the claim was first reported.

Title insurance losses should include all losses on any transaction for which a title insurance premium, rate or charge was made or contemplated. Escrow losses for which the company is contractually obligated should be included. Losses arising from defalcations for which the company is contractually obligated should be included.

Allocated loss adjustment expenses are those that can be related to specific claims and include fees, salaries, overhead and expenses of lawyers for legal services in defense, trial or appeal of suit, other legal services rendered in connection with title claims, and general court costs and fees together with appeal costs and expenses. Allocated loss adjustment expenses should include all costs associated with attorneys involved in litigation of specific claims whether such attorneys are engaged as outside counsel or salaried employees of a reporting entity. Allocated loss adjustment expenses also include any fee or expense, other than claim adjuster services, which is directly attributable to the defense of a particular claim.

Allocated loss adjustment expenses for reinsurance assumed and ceded should be reported in accordance with the terms of the applicable reinsurance contracts. In addition, an assuming reinsurer that incurs allocated loss adjustment expenses in its adjustment of reinsured losses should report ALAE in the manner described above for direct losses.

Unallocated loss adjustment expenses are those expenses, other than allocated loss adjustment expenses, that are assigned to the expense group "Loss Adjustment Expenses." As an example, the costs related to salaried employees of the insurer involved in the management of claims are included in this category.

Loss and loss adjustment expense reserves are to be presented on a non-discounted basis. The reserves reported are expected to represent the ultimate amounts to be paid, including anticipated inflation.

Discounting of loss and loss adjustment expense reserves is allowed only if expressly permitted by the state insurance department to which this annual statement is being filed. If discounting of loss and loss adjustment expense reserves is reflected on Page 3 of this annual statement, reconciliation is provided in Schedule P, Part 1. Work papers relating to any discount amounts must be available for examination upon request.

Salvage and subrogation should be determined in accordance with *SSAP No. 57—Title Insurance* using the following rules:

1. Paid losses must be reported net of realized, but not anticipated, salvage and subrogation. Case basis loss and loss adjustment expense reserves must not be reduced on account of anticipated salvage and subrogation.

2. Paid salvage and subrogation is not realized until a salvage asset or an actual payment pursuant to a subrogation right is in the direct control of the reporting entity and is admissible as an asset for statutory reporting purposes in its own right.

3. Salvage assets and payments pursuant to a subrogation right are to be booked at current market value. Current market value or real estate is to be established through an appraisal conducted by a qualified independent appraiser.

4. If a salvage asset is sold or revalued by the reporting entity within twelve months of realization for an amount less than the value at which it was originally placed on the books of the reporting entity, then the loss on disposition is to be treated as a decrease in paid salvage (same effect as an addition to the paid loss) on the corresponding claim. After twelve months, such salvage revaluation will be treated as a loss on disposition or change in value of an asset, and is not to be deducted from the salvage on the corresponding claim.

5. If a salvage asset is sold or revalued by the reporting entity within twelve months of realization for an amount greater than the value at which it was originally placed on the books of the reporting entity, then the gain on disposition is to be treated as an increase in paid salvage (same effect as a deduction to the paid loss) on the corresponding claim. After twelve months, such salvage revaluation will be treated as a gain on disposition or change in value of an asset, and is not to be added to the salvage on the corresponding claim.

6. IBNR reserves may make a provision for the expected value of future salvage and subrogation on open claims and IBNR claims. This provision must be actuarially determined and should not be based upon current case estimates.

Report all dollar amounts in Schedule P in thousands of dollars ($000 omitted), either by rounding or truncating. All claim counts are to be shown in whole numbers.

The number of claims reported is to be cumulative by policy year. The number of claims reported for each policy 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 the current and prior calendar years.

For reporting entities reporting on a pooling basis, the pooling percentage should be applied to claim count as well as dollar amounts.

If the company changes its method of counting claims, the new method should be disclosed in the Notes to Financial Statements.

SCHEDULE P – PART 1

Part 1 – Summary provides a 10-year summary of loss and ALAE experience for the company. Part 1 – Summary should be equal to the sum of Part 1A and Part 1B. Columnar headings provide instructions necessary for completion.

The "Prior Years" category can be completed using one of the following methods:

1. "Prior Years" consists of all policies issued by the company from inception of the company forward.

2. "Prior Years" consists of all policies issued by the company from 1970 forward.

3. The company can pick a year earlier than 1970 but later than the inception of the company.

Once a method is established, the company should not alter that method at a later date.

The amount of liability to be reported in Column 1 is the policy amount (net of reinsurance) in those cases not involving a simultaneous issue of multiple policies. In determining the amount of liability to be reported in case of simultaneous issue of an owners policy and a mortgage policy, include the higher liability policy only. This amount is reported in millions of dollars ($000,000 omitted).

The net reserve shown in Schedule P, Part 1, Line 12, Column 24 should make a sufficient provision for ultimate loss and LAE for all reported and unreported title insurance claims (including escrow and defalcation claims) for which the company is obligated net of reinsurance. The gross reserves shown in Schedule P, Part 1, Line 12, Column 24 plus Column 19 plus Column 22, should make a sufficient provision for ultimate loss and LAE for all reported and unreported title insurance claims (including escrow and defalcation claims) for which the company is obligated gross of reinsurance ceded.

The work papers showing a reconciliation explaining reinsurance, accounting and salvage and subrogation adjustments should be available for examination on request.

"Assumed" means reinsurance assumed, including from affiliated pooling agreements.

"Direct" means as directly written. Do not include coverages written as part of an affiliated pooling agreement.

"Ceded" means reinsurance ceded on business so reported as direct or assumed.

Direct, Assumed, and Ceded experience should be provided for Written Premium and Other Income, Loss Payments, Allocated LAE Payments, Known Claim Reserves and IBNR Reserves.

Loss and ALAE Payments should be reported net of realized salvage and subrogation. Salvage and Subrogation Received represents the cumulative salvage and subrogation realized, as defined in *SSAP No. 57—Title Insurance*. It is shown for reference only and should not be included in the Total Net Paid.

Inception to-date ULAE Payments by policy year should be provided with the allocation of payments to policy year described in the Schedule P Interrogatories.

The known claim reserve includes case basis reserves and "bulk" reserves. "Bulk" reserves are a provision for subsequent development on known claims.

IBNR reserves are a provision for unreported or unknown title insurance claims on all policies issued by the company as of the accounting date.

Unallocated loss expenses unpaid are a provision for ULAE yet to be paid related to claims that are either open or unreported as of the accounting date.

Losses and ALAE Incurred is the addition of the corresponding Direct, Assumed and Ceded columns for payments, Known Claim Reserves and IBNR Reserves.

Column 2 – Direct Written Premium

Line 11 should equal Schedule T, Line 59, Column 3 plus Column 4 plus Column 5.

Column 4 – Other Income

Line 11 should equal Schedule T, Line 59, Column 6.

Column 17 – Direct Known Claim Reserve

Line 12 should equal Schedule T, Line 59, Column 10.

Column 23 – Unallocated loss Adjustment Expense Unpaid

Line 12 should equal Operations and Investment Exhibit, Part 3, Line 25, Column [illegible]

Column 32 – Net Loss & LAE Per $1000 of Coverage

Amounts used in this calculation should be in whole dollars.

Line 12 – Total

Column 17 plus Column 18 minus Column 19 (net known claim reserve) should equal Line 1 of the Liabilities, Surplus and Other Funds page.

Columns 1 through 29 and Columns 33 and 34 should equal Part 1A plus Part 1B.

SCHEDULE P – PART 1A – POLICIES WRITTEN DIRECTLY

Part 1A provides a summary of loss and ALAE experience for policies written directly.

Policies written directly are those written by home office and owned and operated branch offices of the title insurer.

Refer to Part 1 – Summary for instructions to complete this part.

Column 2 – Direct Written Premium

Line 11 should equal Schedule T, Line 59, Column 3.

SCHEDULE P – PART 1B – POLICIES WRITTEN THROUGH AGENTS

Part 1B provides a summary of loss and ALAE experience for policies written through agents.

Policies written through agents are those written by both affiliated and non-affiliated agency operations.

Refer to Part 1 – Summary for instructions to complete this part.

Column 2 – Direct Written Premium

Line 11 should equal Schedule T, Line 59, Column 4 plus Column 5.

SCHEDULE P – PART 2

Part 2 provides a historical summary of loss and ALAE development by policy year on a net of reinsurance basis. Columnar headings provide instructions necessary for completion. Column 11 equals Column 10 minus Column 9 for common years (Rows 1 through 20). Column 12 equals Column 10 minus Column 8 for common years (Rows 1 through 19).

The definition of "prior years" should be the same as that used by the company in Part 1.

Columns 1 to 10 should equal the sum of Parts 2A, 2B, 2C and 2D.

SCHEDULE P – PART 2A

Part 2A shows cumulative net loss and ALAE payments by year the policy was written as of December 31 of each year shown in Columns 1 to 10. Payments should reflect subrogation, salvage and escrow and defalcation claims according to the rules contained in *SSAP No. 57—Title Insurance*.

Part 2A, Column 10, should equal Part 1, Column 15 minus Column 14.

SCHEDULE P – PART 2B

Part 2B shows case basis reserves by year the policy was written on claims that are open as of December 31 of each year shown in Columns 1 to 10.

Part 2B, Column 10 plus Part 2C, Column 10, should equal Part 1, Columns 17 plus Column 18 minus Column 19.

SCHEDULE P – PART 2C

Part 2C shows bulk reserves on known claims by year the policy was written for claims that are open as of December 31 of each year shown in Columns 1 to 10.

SCHEDULE P – PART 2D

Part 2D shows Incurred But Not Reported (IBNR) reserves as of December 31 of each year shown in Columns 1 to 10. IBNR reserves make a provision for claims not yet reported to the company but can also include other amounts needed to result in an adequate total reserve.

For years prior to 1994, some companies did not compute an IBNR reserve. In such cases, the company should display zero IBNR, and make an appropriate disclosure in the Notes to Financial Statements. Some companies compute IBNR in their GAAP annual statements. In such cases, the company should provide IBNR for policy years prior to 1994. The IBNR reserve should not be discounted for investment income.

Part 2D, Column 10 should equal Part 1, Column 20 plus Column 21 minus Column 22.

SCHEDULE P – PART 3

Part 3 provides a historical summary of loss and ALAE development by report year on a net of reinsurance basis. Columnar headings provide instructions necessary for completion. Column 11 equals Column 10 minus Column 9 for common years (Rows 1 through 10). Column 12 equals Column 10 minus Column 8 for common years (Rows 1 through 9).

The "Prior Years" category for report year need not be the same as for policy year. Several methods are acceptable, but once established, the company should not alter its method at a later time. The following methods are acceptable:

1. "Prior Years" consists of all claims reported by the company from inception of the company forward.

2. "Prior Years" consists of all claims reported by the company from 1980 forward.

3. The company can pick a year earlier than 1980, but later than the inception of the company.

The treatment of salvage and subrogation should be the same as Parts 1 and 2.

Part 3 may not reconcile with Part 1 - Summary due to differences in the meaning of "prior years."

Part 3, Columns 1 to 10 should equal the sum of Parts 3A, 3B and 3C.

SCHEDULE P – PART 3A

Part 3A shows cumulative net loss and ALAE payments by year the claim was reported as of December 31 of each year shown in Columns 1 to 10. Payments should reflect subrogation, salvage and escrow and defalcation claims according to the rules contained in *SSAP No. 57—Title Insurance*.

Part 3A total of Column 10, should equal Part 1, Line 12, Column 15 minus Column 14. However, Part 3A may not reconcile with Part 1 – Summary due to differences in the meaning of "prior years" resulting in a validation error and would be an acceptable explanation of the error for the Validation Error Explanation Text File submitted as part of the statement filing.

SCHEDULE P – PART 3B

Part 3B shows case basis reserves by year the claim was reported on claims that are open as of December 31 of each year shown in Columns 1 to 10.

Part 3B, total of Column 10 plus Part 3C, total of Column 10, should equal Part 1, Line 12, Columns 17 plus Column 18 minus Column 19.

SCHEDULE P – PART 3C

Part 3C shows bulk reserves on known claims by year the claim was reported for claims that are open as of December 31 of each year shown in Columns 1 to 10. Bulk reserves provide for subsequent development on known claims and do not make a provision for claims not yet reported to the company. A company is not required to carry bulk reserves.

SCHEDULE P – PART 4

Part 4 provides a historical summary of direct claim count development by policy year. Columnar headings provide instructions necessary for completion.

The definition of "prior years" should be the same as that used by the company in Part 1.

Part 4 is gross of reinsurance

SCHEDULE P – PART 4A

Part 4A shows cumulative reported claim counts on a direct basis by year the policy was written as of December 31 of each year shown in Columns 1 to 10.

Part 4A, Column 10 should equal Part 1, Column 16.

SCHEDULE P – PART 4B

Part 4B shows cumulative claims closed with loss payment on a direct basis by year the policy was written as of December 31 of each year shown in Columns 1 to 10.

Part 4B, Column 10 should equal Part 2A, Column 11.

SCHEDULE P – PART 4C

Part 4C shows cumulative claims closed without loss payment on a direct basis by year the policy was written as of December 31 of each year shown in Columns 1 to 10.

Part 4C, Column 10 should equal Part 2A, Column 12.

SCHEDULE P – PART 5

Part 5 provides a historical summary of direct claim count development by report year. Columnar headings provide instructions necessary for completion.

The definition of "prior years" should be the same as that used by the company in Part 3.

Part 5 is gross of reinsurance.

SCHEDULE P – PART 5A

Part 5A shows cumulative reported claim counts on a direct basis by year the claim was reported as of December 31 of each year shown in Columns 1 to 10.

SCHEDULE P – PART 5B

Part 5B shows cumulative claims closed with loss payment on a direct basis by year the claim was reported as of December 31 of each year shown in Columns 1 to 10.

Part 5B, Column 10, should equal Part 3A, Column 11.

SCHEDULE P – PART 5C

Part 5C shows cumulative claims closed without loss payment on a direct basis by year the claim was reported as of December 31 of each year shown in Columns 1 to 10.

Part 5C, Column 10, should equal Part 3A, Column 12.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

BY STATES AND TERRITORIES

In order to provide consistency in reporting financial data in the annual statement, all title insurers must strictly follow the guidelines stated in this instruction.

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

For purposes of reporting in Schedule T and other schedules or exhibits in the annual statement, the amount of title insurance premiums to be reported shall be guided by the following definitions of the methods of reporting "Direct Premiums Written":

Each type of rate used in a state must be coded with a combination of the five (5) Activity Codes listed below. Use the code combination corresponding to the state's statutory definition of title insurance premium. If more than one combination of activities is included in the statutory definition, all relevant combinations must be listed.

In some states, not every activity listed under each activity code is performed, either pursuant to an explicit statutory provision or pursuant to a court decision with respect to activities that constitute the unauthorized practice of law or by custom.

Activity Code R - Risk Rate, which includes one or more of the following activities:

1. Issuance of a policy
2. Defense of claims
3. Payment of losses

Activity Code S - Search, which includes one or more of the following activities:

1. Preparation or updating of an abstract of title
2. Searching the public record in a courthouse
3. Conducting a search using a title plant

Activity Code X - Examination, which includes one or more of the following activities:

1. Review of documents located during the search to determine the existence of title defects and/or potential title risks
2. Curative actions to remove title defects
3. Determining insurability of a title or lien interest

Activity Code C - Closing, which includes one or more of the following activities:

1. Preparation of closing documents
2. Obtaining signatures (escrow closing) or conducting a closing meeting (table closing)
3. Recording deeds, mortgages, and similar instruments with the county recorder

Activity Code E - Escrow, which includes:

1. Collection, safekeeping, and disbursement of funds

The table below lists appropriate coding for the most common rates, along with a list containing examples of areas in which they are used.

Activities	Example States or Localities as of 2008
R	CT, NC, MO, PA (Approved Attorney), SC
RSXCE	Northern CA, NY (Zone 2), PA
RXCE	NY (Zone 1)
RSX	NM
RX	FL
RSXC	Southern CA, TX

For premiums transacted through the company's agencies, the amount of title insurance premiums retained by the agents should be reported as part of the company's income as defined above and at the same time, the company should report this amount as part of the company's operating expense in the appropriate schedules.

The data reported in Schedule T of the annual statement is not intended to be used for the calculation of the amount of premium tax due. In the event the basis used for the calculation of premium tax differs from the basis required for reporting in the annual statement as defined in this instruction, the company should submit to the respective state insurance department or other premium tax collection agency a separate schedule to support its premium tax calculation.

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. In some states referred to as nonadmitted.)

Q – Qualified (Qualified or Accredited Reinsurer)

N – None of the above (Not allowed to write business in the state)

Column 3 – Direct Premiums Written - Direct Operations

Total to agree with the total of Line 1, Column 1, in Operations and Investment Exhibit, Part 1A.

Column 4 – Direct Premiums Written - Nonaffiliated Agency

An agency operation is affiliated if the agency is an affiliate as defined by *SSAP No. 25—Affiliates and Other Related Parties*. Total to agree with Line 1, Column 2, in Operations and Investment Exhibit, Part 1A.

Column 5 – Direct Premiums Written - Affiliated Agency

Total to agree with the total of Line 1, Column 3, in Operations and Investment Exhibit, Part 1A.

Column 6 – Other Income

Total to agree with the total of Lines 2 to 6, Column 4 in Operations and Investment Exhibit, Part 1A.

Column 7 – Net Premiums Earned

Total to agree with Line 3, Column 1 in Operations and Investment Exhibit, Part 1B

Column 8 – Direct Losses and Allocated Loss Adjustment Expenses Paid

For treatment of salvage, see instructions for Schedule P.

Total to agree with the total of Line 1, Column 4 in Operations and Investment Exhibit, Part 2A.

Column 9 – Direct Losses and Allocated Loss Adjustment Expenses Incurred

Total to agree with the total of Schedule T total Column 8 of the current year, plus Schedule T total Column 10 of the current year minus Schedule T total Column 10 of the prior year.

Exclude: Incurred unallocated loss adjustment expenses (ULAE).

Column 10 – Direct Known Claim Reserve

Total to agree with the total of Line 1.1, Column 4 in Operations and Investment Exhibit, Part 2B.

**** Column 11 will be electronic only ****

Column 11 – 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.

Line 58 – Aggregate Other Alien

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

All U.S. business must be reported by 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.

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 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, Health and Fraternal) 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, Health and Fraternal) 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 10–15 on the first line and detail about Company C's control in Columns 10–15 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 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*, and *Purposes and Procedures Manual of the NAIC Investment Analysis Office* ,Part Five, Section 2 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 that 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, Health and Fraternal) 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, Health and Fraternal) 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:

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

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).

Title – Schedule F, Parts 1 and 2, affiliated amounts only

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).

Life, Health and Fraternal – Schedule S, Part 1, Section 1; Part 1, Section 2; Part 2; Part 3, Section 1 and Part 3, Section 2; affiliated amounts only

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).

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.

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. 30—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. This definition does not include closed funds or hedge funds.

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 investment 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.

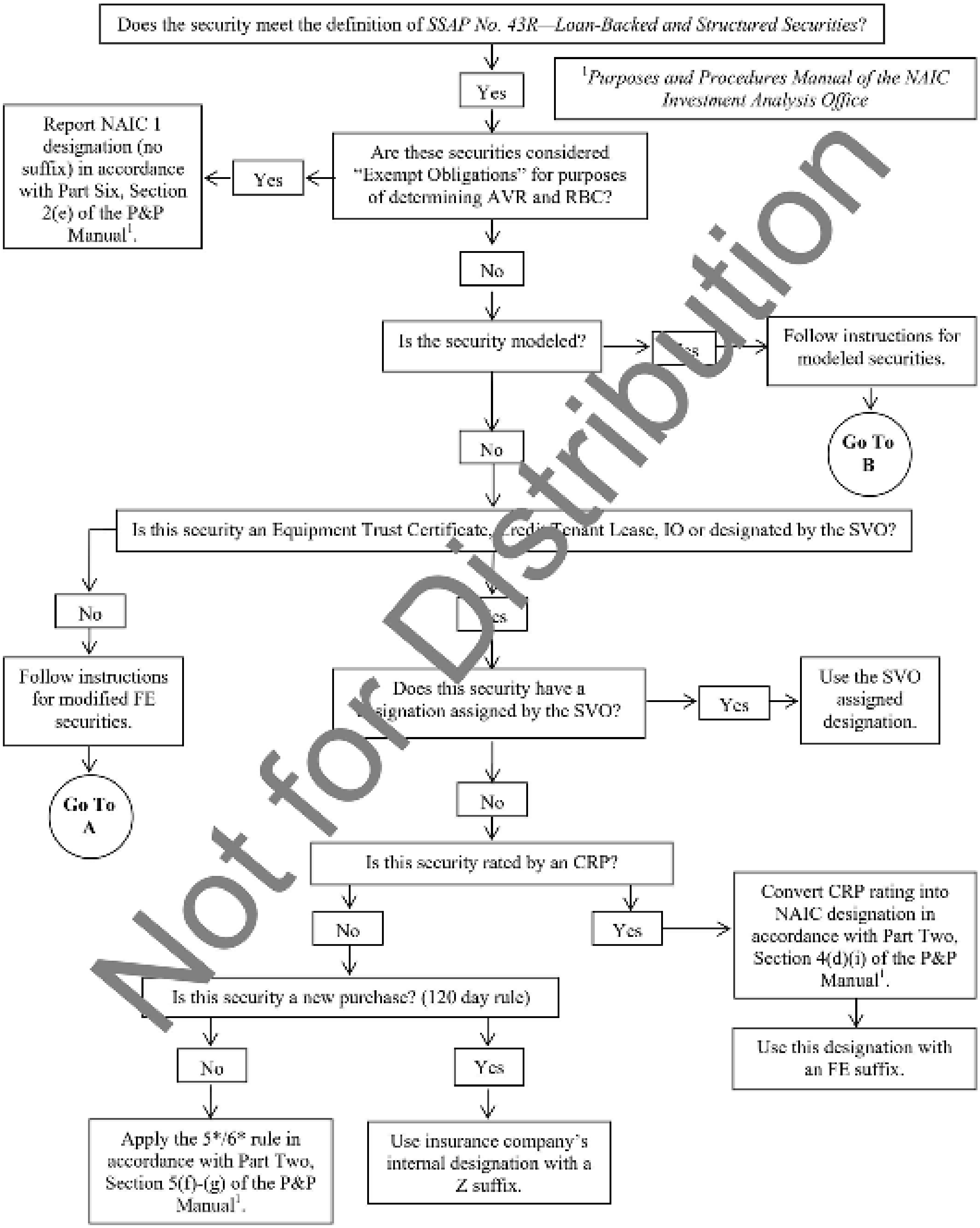
Commercial Mortgage-Backed Securities:

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.

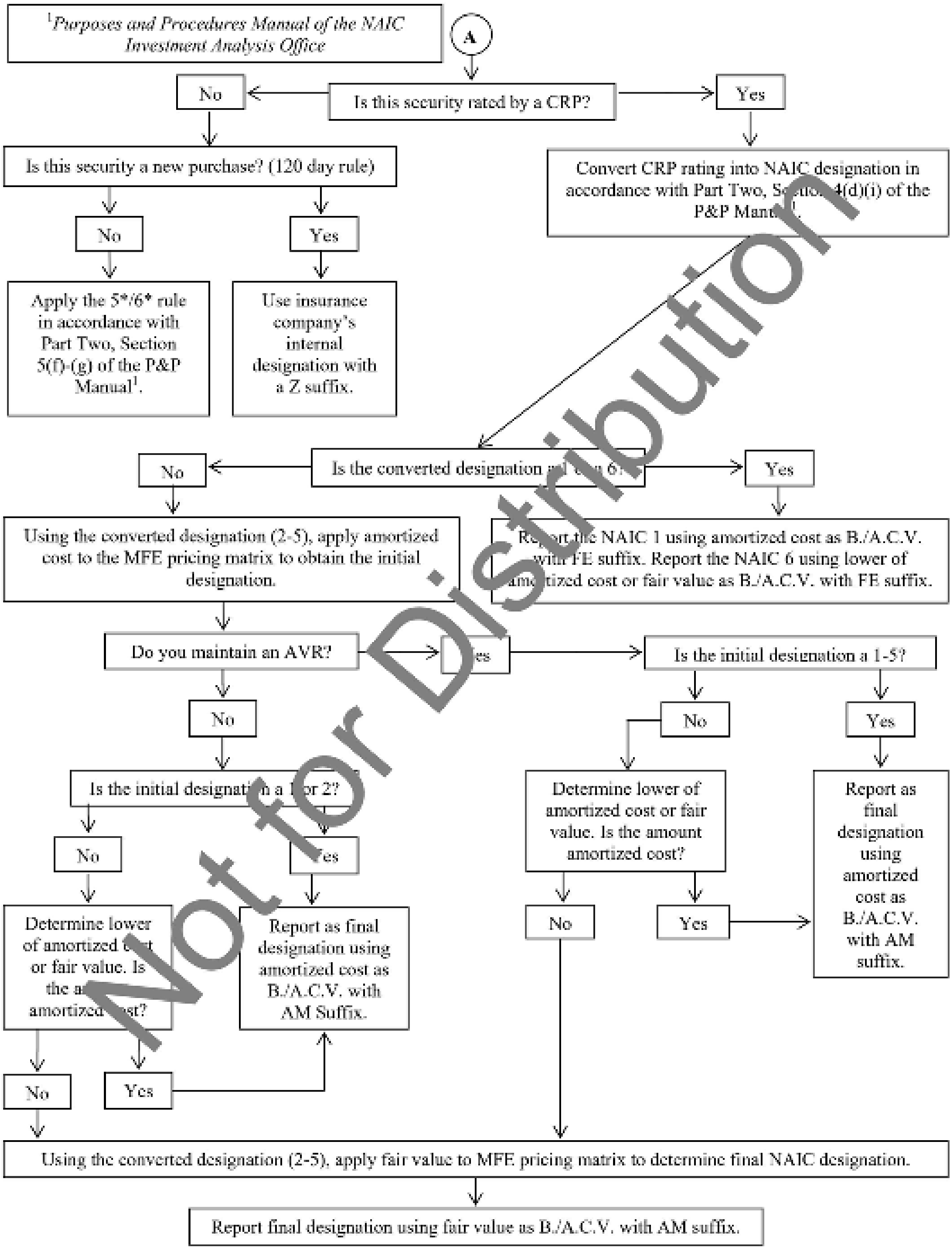
Other Loan-Backed and Structured Securities:

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.

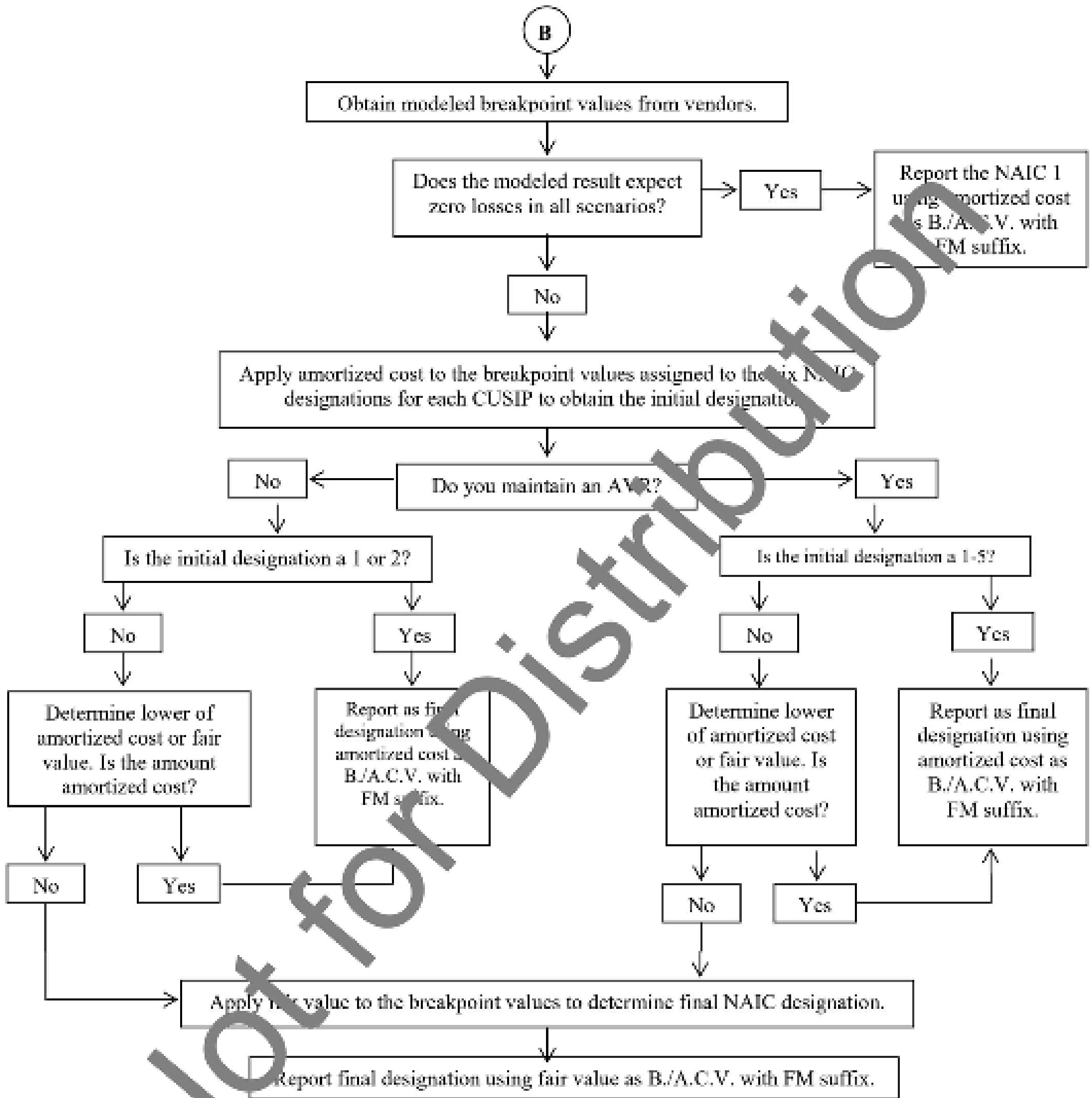
STRUCTURED SECURITIES (*SSAP No. 43R—LOAN-BACKED AND STRUCTURED SECURITIES*) FLOW CHART



SECURITIES SUBJECT TO MODIFIED FILING EXEMPT PROCESS



SECURITIES SUBJECT TO MODELING



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
Turquoise	TQ
Ukraine PFTS	PFT
Valencia Stock Exchange	VA
Vienna Stock Exchange	VI
Vilnius Stock Exchange	VL
virt-x	VX
Xetra	DE
Zagreb Stock Exchange	ZA
Zimbabwe Stock Exchange	ZI

Summary Investment Schedule and Verifications

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 admitted value of an asset determined by applying the valuation procedures and admission criteria of the NAIC *Accounting Practices and Procedures Manual*.

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 12.

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.

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 12, Total Invested Assets should equal Column 3, Line 9, Securities Lending.

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

For Lines 1 through 8, Line 10 and Line 11, Column 5 should equal Column 3 plus Column 4.

For Line 12, Column 5 should equal Column 3, Line 12 plus Column 4, Line 12 minus Column 3, Line 9.

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 12.

Line 1.1 – U.S. Treasury Securities

Include: The value of all U.S. Treasury securities.

All bills, certificates of indebtedness, notes, and bonds, including those issued under the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program and those that are "inflation-indexed."

Exclude: All obligations of U.S. Government agencies.

Detached Treasury security coupons and ex-coupon Treasury securities held as the result of either their purchase or stripping of such securities and variations of coupon stripping that have been marketed with names such as CATS (Certificates of Accrual on Treasury Securities), TIGR (Treasury Investment Growth Receipts), COUGAR (Certificates on Government Receipts), LION (Lehman Investment Opportunity Notes), and ETR (East Treasury Receipts).

Line 1.2 – U.S. Government Agency Obligations (Excluding Mortgage-Backed Securities)

Include: The value of all U.S. Government agency obligations (excluding mortgage-backed securities).

Exclude: All holdings of U.S. Government-issued or -guaranteed mortgage pass-through securities.

Collateralized mortgage obligations (CMOs), real estate mortgage investments conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments issued by U.S. Government agencies and corporations.

Participations in pools of Federal Housing Administration (FHA) Title I loans, which generally consist of junior lien home improvement loans.

Line 1.21 – Issued by U.S. Government Agencies

Include: The value of all obligations (excluding mortgage-backed securities) that have been issued by U.S. Government agencies. For purposes of this schedule, a U.S. Government agency is defined as an instrumentality of the U.S. Government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. Government. Include, among others, debt securities (but not mortgage-backed securities) of the following U.S. Government agencies:

Export-Import Bank (Ex-Im Bank)

Federal Housing Administration (FHA)

Government National Mortgage Association (GNMA)

Maritime Administration

Small Business Administration (SBA)

Small Business Administration (SBA) "Guaranteed Loan Pool Certificates," which represent an undivided interest in a pool of SBA-guaranteed portions of loans for which the SBA has further guaranteed the timely payment of scheduled principal and interest payments

Participation certificates issued by the Export-Import Bank and the General Services Administration

Line 1.22 – Issued by U.S. Government-sponsored Agencies

Include: The value of all obligations (excluding mortgage-backed securities) that have been issued by U.S. Government-sponsored agencies. For purposes of this schedule, U.S. Government-sponsored agencies are defined as agencies originally established or chartered by the U.S. Government to serve public purposes specified by the U.S. Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the U.S. Government. Include, among others, debt securities and mortgage-backed bonds (i.e., bonds that are collateralized by mortgages) of the following government-sponsored agencies:

Federal Agricultural Mortgage Corporation (Farmer Mac)

Federal Farm Credit Banks

Federal Home Loan Banks (FHLBs)

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)

Federal Land Banks (FLBs)

Federal National Mortgage Association (FNMA or Fannie Mae)

Financing Corporation (FICO)

Resolution Funding Corporation (REFCORP)

Tennessee Valley Authority (TVA)

U.S. Postal Service

Line 1.3 – Non-U.S. Government (Including Canada, Excluding Mortgage-Backed Securities)

Include: The value of all obligations (excluding mortgage-backed securities) that have been issued by Foreign Governments (including Canadian obligations). All included are debt securities issued by foreign governmental units and debt securities issued by international organizations such as the International Bank for Reconstruction and Development (World Bank), Inter-American Development Bank, and Asian Development Bank.

Line 1.4 – Securities Issued by States, Territories and Possessions and Political Subdivisions in the U.S

Include: The value of all securities issued by states and political subdivisions in the United States.

Exclude: All mortgage-backed securities issued by state and local housing authorities in the U.S. Collateralized mortgage obligations (CMOs), real estate mortgage investments conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments) issued by state and local housing authorities in the U.S.

Line 1.41 – States, Territories and Possessions General Obligations

Include: The value of all obligations (excluding mortgage-backed securities) that have been issued by U.S. States and Territories. U.S. States and Territories, for purposes of this schedule, include general obligations that are securities whose principal and interest will be paid from the general tax receipts of the NAIC members. NAIC members are composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Line 1.42 – Political Subdivisions of States, Territories and Possessions and Political Subdivisions General Obligations

Include: The value of all obligations (excluding mortgage-backed securities) that have been issued by Political Subdivisions of U.S. States, Territories and Political Subdivisions. Political Subdivisions of U.S. States, Territories and Possessions, for purposes of this schedule, include general obligations that are securities whose principal and interest will be paid from the general tax receipts of the Political Subdivision (the counties, municipalities, school districts, irrigation districts, and drainage and sewer districts) of the NAIC members. NAIC members are composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Line 1.43 – Revenue and Assessment Obligations

Include: The value of all revenue and assessment obligations that are securities whose debt service is paid solely from the revenues of the projects financed by the securities rather than from general tax funds.

Line 1.44 – Industrial Development and Similar Obligations

Include: The value of all industrial development bonds (IDB) and similar obligations. IDBs and similar obligations are issued under the auspices of states or political subdivisions for the benefit of a private party or enterprise where that party or enterprise, rather than the government entity, is obligated to pay the principal and interest on the obligation.

Line 1.5 – Mortgage-backed Securities (Includes Residential and Commercial MBS)

Include: The value of all residential and commercial mortgage-backed securities, including mortgage pass-through securities, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

Exclude: Securities backed by loans extended under home equity lines, (i.e., revolving open-end lines of credit secured by 1-4 family residential properties).

Bonds issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) that are collateralized by mortgages, (i.e., mortgage-backed bonds, and mortgage-backed bonds issued by non-U.S. Government issuers).

Participation certificates issued by the Export-Import Bank and the General Services Administration.

Participation certificates issued by a Federal Intermediate Credit Bank.

Line 1.51 – Pass-through Securities

Include: The value of all holdings of mortgage pass-through securities. In general, a mortgage pass-through security represents an undivided interest in a pool that provides the holder with a pro rata share of all principal and interest payments on the residential mortgages in the pool, and includes certificates of participation in pools of residential mortgages. U.S. Government-issued participation certificates (PCs) that represent a pro rata share of all principal and interest payments on a pool of resecuritized participation certificates that, in turn, are backed by residential mortgages, (e.g., FHLMC Giant PCs).

Exclude: All collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

Line 1.511 – Issued or Guaranteed by GNMA

Include: The value of all holdings of mortgage pass-through securities guaranteed by the Government National Mortgage Association (GNMA).

Exclude: Mortgage pass-through securities issued by FNMA and FHLMC.

Line 1.512 – Issued or Guaranteed by FNMA and FHLMC

Include: The value of all holdings of mortgage pass-through securities issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

Exclude: Mortgage pass-through securities that are guaranteed by the Government National Mortgage Association (GNMA).

Line 1.513 – All Other

Include: The value of all holdings of mortgage pass-through securities issued by others (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) that are not guaranteed by the U.S. Government.

Line 1.52 – CMOs and REMICs

Include: The value of all mortgage-backed securities other than pass-through securities. Other mortgage-backed securities include all classes of collateralized mortgage obligations (CMOs) and real estate mortgage investments conduits (REMICs), CMO and REMIC residuals and similar interests, stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

Line 1.521 – Issued or Guaranteed by GNMA, FNMA, FHLMC, or VA

Include: The value of all classes of CMOs and REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA). For purposes of this schedule, also include REMICs issued by the U.S. Department of Veterans Affairs (VA) in this item.

Line 1.522 – Issued by Non-U.S. Government Issuers and Collateralized by Mortgage Backed Securities Issued or Guaranteed by Agencies Shown in Line 1.521

Include: The value of all classes of CMOs, REMICs, CMO and REMIC residuals, and stripped mortgage backed securities issued by non-U.S. Government issuers (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) for which the collateral consists of GNMA (Ginnie Mae) pass-throughs, FNMA (Fannie Mae) pass-throughs, FHLMC (Freddie Mac) participation certificates, or other mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by FNMA, FHLMC, GNMA, or VA.

Line 1.523 – All Other

Include: The value of all CMOs, REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by non-U.S. Government issuers (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) for which the collateral does not consist of GNMA (Ginnie Mae) pass-throughs, FNMA (Fannie Mae) pass-throughs, FHLMC (Freddie Mac) participation certificates, or other mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by FNMA, FHLMC, GNMA, or VA.

Line 2 – Other Debt and Other Fixed Income Securities (Excluding Short-term)

Include: The value of all debt securities that cannot properly be reported within Line 1, above.

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

Line 2.1 – Unaffiliated Domestic Securities (Includes Credit Tenant Loans and Hybrid Securities)

Include: The value of all unaffiliated domestic debt securities. Unaffiliated domestic debt securities includes but is not limited to bonds, notes, debentures, equipment trust certificates, and commercial paper issued by unaffiliated U.S.-chartered corporations, detached U.S. Government security coupons and ex-coupon U.S. Government securities held as the result of either their purchase or the stripping of such securities, and treasury receipts such as CATS, TIGRs, COUGARs, LIONs, and ETRs.

Other U.S. issuers not reportable elsewhere within Line 1.

Line 2.2 – Unaffiliated Non-U.S. Securities (Including Canada)

Include: The value of all unaffiliated foreign debt securities. Unaffiliated foreign debt securities include bonds, notes, debentures, equipment trust certificates, and commercial paper issued by unaffiliated non-U.S.-chartered corporations.

Line 2.3 – Affiliated Securities

Include: The value of all affiliated debt securities. Affiliated debt securities include bonds, notes, debentures, equipment trust certificates, and commercial paper issued by affiliated non-U.S.-chartered corporations.

Line 3 – Equity Interests

Include: The value of all investments in mutual funds and other equity securities. Such securities include, but are not limited to, mutual funds that invest solely in U.S. Government securities, common stock of the Federal National Mortgage Association (Fannie Mae), preferred stock and unrestricted voting common stock of the Student Loan Marketing Association (Sallie Mae), and common stock of the Federal Home Loan Mortgage Corporation (Freddie Mac).

Line 3.1 – Investments in Mutual Funds

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

Line 3.2 – Preferred Stocks

Include: The value of all investments in the preferred stock of affiliated and unaffiliated entities. Preferred stock which may or may not be publicly traded and may include shares against which exchange traded call options are outstanding include redeemable preferred stock, mandatory sinking fund preferred stock, perpetual preferred stock, including nonredeemable preferred stock and preferred stock redeemable at the option of the issuer. Redeemable preferred stock is defined as preferred stock that must be redeemed by the issuing enterprise or is redeemable at the option of the reporting entity. It includes mandatory sinking fund preferred stock and payment-in-kind (PIK) preferred stock.

Exchange Traded Funds listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*, Part Six, Section 2.

Line 3.3 – Publicly Traded Equity Securities (Excluding Preferred Stocks)

Include: The value of all investments in the equity securities of affiliated and unaffiliated entities. Publicly traded equity securities 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.

Line 3.4 – Other Equity Securities

Include: The value of all equity securities of affiliated and unaffiliated entities not reported in Lines 3.1, 3.2, 3.3 and 3.5. Other equity securities 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.

Line 3.5 – Other Equity Interests Including Tangible Personal Property under Lease

Include: The value of all investments in tangible property under lease.

Line 4 – Mortgage Loans

Include: The value of all loans secured by real estate. This includes loans secured by residential properties that are guaranteed by the Farmers Home Administration (FmHA) and extended, collected, and serviced by a party other than the FmHA, loans secured by properties and guaranteed by governmental entities in foreign countries, participations in pools of Federal Housing Administration (FHA) Title I home improvement loans that are secured by liens (generally, junior liens) on residential properties, and mezzanine real estate loans (as defined in *SSAP No. 83—Mezzanine Real Estate Loans*).

Exclude: From loans secured by real estate:

> Obligations (other than securities and leases) of states and political subdivisions in the U.S. that are secured by real estate.
>
> All loans and sales contracts indirectly representing other real estate.
>
> Loans to real estate companies, real estate investment trusts, mortgage lenders, and foreign non-governmental entities that specialize in mortgage loan originations and that service mortgages for other lending institutions when the real estate mortgages or similar liens on real estate are not sold to the bank but are merely pledged as collateral.
>
> Bonds issued by the Federal National Mortgage Association or by the Federal Home Loan Mortgage Corporation that are collateralized by residential mortgages.
>
> Pooled residential mortgages for which participation certificates have been issued or guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation.

Line 4.1 – Construction and Land Development

Include: The value of loans secured by real estate made to finance land development (i.e., the process of improving land – laying sewers, water pipes, etc.) preparatory to erecting new structures or the on-site construction of industrial, commercial, residential, or farm buildings. For this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures.

Loans secured by vacant land, except land known to be used or usable for agricultural purposes, such as crop and livestock production.

Loans secured by real estate the proceeds of which are to be used to acquire and improve developed and undeveloped property.

Loans made under Title I or Title X of the National Housing Act that conform to the definition of construction stated above and that are secured by real estate.

Exclude: Loans to finance construction and land development that are not secured by real estate.

Line 4.2 – Agricultural

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.

Exclude: Loans for farm property construction and land development purposes.

Line 4.3 – Single Family Residential Properties

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.

Exclude: Loans for one to four family residential property construction and land development purposes. Also exclude loans secured by vacant lots in established single family residential sections or in areas set aside primarily for one to four family homes.

Line 4.4 – Multifamily Residential Properties

Include: The value of all other nonfarm residential loans secured by real estate as evidenced by mortgages (FHA and conventional) or other liens that are not reportable in Line 4.3.

Nonfarm properties with five or more dwelling units in structures (including apartment buildings and apartment hotels) used primarily to accommodate households on a more or less permanent basis.

Five or more unit housekeeping dwellings with commercial units combined where use is primarily residential.

Cooperative-type apartment buildings containing five or more dwelling units.

Exclude: Loans for multifamily residential property construction and land development purposes. Loans secured by nonfarm nonresidential properties.

Line 4.5 – Commercial Loans

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.

Exclude: Loans for nonfarm nonresidential property construction and land development.

Line 5 – Real Estate Investments

Include: Property occupied by the company. (Line 4.1, Column 3, Page 2, Assets)

Property held for the production of income. (Line 4.2, Column 3, Page 2, Assets)

Property held for sale. (Line 4.3 Column 3, Page 2, Assets)

Line 5.1, Column 3 should equal the amount reported in Line 4.1, Column 3, Page 2, Assets.

Line 5.2, Column 3 should equal the amount reported in Line 4.2, Column 3, Page 2, Assets.

Line 5.3, Column 3 should equal the amount reported in Line 4.3, Column 3, Page 2, Assets.

Line 6 – Contract Loans

Include: The value of all contract loans.

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

Line 7 – Derivatives

Include: The value of derivatives.

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

Line 8 – Receivable for Securities

Include: The value of receivable for securities.

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

Line 9 – Securities Lending (Reinvested Collateral Line 10, Asset Page)

Include: The value of securities lending.

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

Line 10 – Cash, Cash Equivalents and Short-term Investments

Include: The value of cash (Schedule E, Part 1), cash equivalents (Schedule E, Part 2 including money market mutual funds) and short-term investments (Schedule DA, Part 1).

Line 11 – Other Invested Assets

Include: The value of all other invested assets that have not been included in Lines 1 to 10 above.

Line 12 – Total Invested Assets

Sum of Lines 1 to 11. 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, 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.

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. 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 (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 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. 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 8:

- Issuer Obligations
- Residential Mortgage-Backed Securities
- Commercial Mortgage-Backed Securities
- Other Loan-Backed and Structured Securities

Section 9:

- Exchange Traded Funds – as Identified by the SVO
- Bond Mutual Funds – as Identified by the SVO

Section 10:

- Bank Loans – Issued
- 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
- 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 – Total Gain (Loss) on Termination Recognized, Section 2, Column 22

Line 5 – Considerations Received/(Paid) on Terminations, Section 2, Column 15

Line 6 – Amortization

- Line 6.1 – Section 1, Column 19
- Line 6.2 – Section 2, Column 21

Line 7 – Adjustment to Book/Adjusted Carrying Value of Hedged Item

- Line 7.1 – Section 1, Column 20
- Line 7.2 – Section 2, Column 23

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

- Line 8.1 – Section 1, Column 18
- Line 8.2 – Section 2, Column 20

Line 9 – Book/Adjusted Carrying Value at End of Current Period (1 + 2 + 3 + 4 – 5 + 6 + 7 + 8)

Line 10 – Deduct Nonadmitted Assets

Line 11 – Statement Value at End of Current Period (9 - 10)

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 6 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.

This page intentionally left blank.

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 and 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

SCHEDULE A – PART 3

REAL ESTATE DISPOSED DURING THE YEAR

This schedule should reflect not only disposals of an entire real estate investment, but should also include partial disposals and amounts received during the year on properties still held. Report individually each property disposed or transferred to another category (e.g., joint ventures, Schedule BA). Properties acquired and disposed 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.

Property disposed	0199999
Property transferred	0299999
Totals	0399999

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 – 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 – Disposal Date

For individual properties, state date property was sold using MM/DD/YYYY format. For properties transferred to another category, this column should not be completed.

Column 5 – Name of Purchaser

Provide the name of the entity to which the property was sold. For internal transfers, indicate "internal transfer" in lieu of purchaser name.

Column 6 – 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) which 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 effect of impairments on the presentation of cost.

Column 7 – Expended for Additions, Permanent Improvements and Changes in Encumbrances

Include: Only those amounts expended after acquiring title, including increases or reductions in encumbrances.

Column 8 – Book Adjusted Carrying Value Less Encumbrances Prior Year

This should equal the Book/Adjusted Carrying Value amount reported in the prior year annual statement for each specific security.

This amount, plus the Change in Book/Adjusted Carry Value columns should equal the Book/Adjusted Carrying Value at Disposal Date.

Column 9 – 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 10 – 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 11 – 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 13 – Total Foreign Exchange Change in Book/Adjusted Carrying Value

Enter the unrealized foreign exchange gain or loss for the year, including reversal of any unrealized foreign exchange gain or losses previously recorded.

Column 14 – Book/Adjusted Carrying Value Less Encumbrances on Disposal

Include: The actual cost plus capitalized improvements, less depreciation, less encumbrances, and net adjustments at the time of sale or transfer. 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 allowances.

Column 15 – Amounts Received During Year

Include: Amounts received on sale of rights and privileges, amounts from real estate sales including those amounts received in the year of disposal, and other cash receipts that reduced the book value.

Column 16 – Foreign Exchange Gain (Loss) on Disposal

Report the foreign currency exchange gain or loss from the disposal of the property.

Column 17 – Realized Gain (Loss) on Disposal ◆

Report the market gain or loss from the disposal of the property.

Exclude: Foreign currency gain (loss) reported in Column 16.

Column 18 – Total Gain (Loss) on Disposal

Enter the sum of Column 16, foreign exchange gain (loss), and Column 17, realized gain (loss).

Column 19 – Gross Income Earned Less Interest Incurred on Encumbrances

Include: Rental income on property occupied by the company.

Column 20 – Taxes, Repairs and Expenses Incurred

Include: Amounts paid or accrued for taxes, repairs and other related expenses.

Exclude: Interest incurred on encumbrances.

**** Columns 21 through 23 will be electronic only. ****

Column 21 – 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 22 – 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 (3[illegible]501,68104,E4 7SD).

Column 23 – 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 B – PARTS 1 AND 2

MORTGAGE LOANS OWNED AND ACQUIRED – GENERAL INSTRUCTIONS

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.

For accounting guidance related to foreign currency transactions and translations, refer to *SSAP No. 23—Foreign Currency Transactions and Translations*.

Life and Fraternal insurers should use the lines marked with an asterisk. Property, Health and Title insurers may choose to use the lines marked with an asterisk. If Property, Health and Title insurers do not use the lines marked with an asterisk, Lines 0799999, 1599999, 2399999 and 3199999 must be used. All subtotal lines (0899999, 1699999, 2499999, 3299999) and the grand total line 3399999 apply to all insurers.

Mortgages in Good Standing:

Farm Mortgages*	0199999
Residential Mortgages — Insured or Guaranteed*	0299999
Residential Mortgages — All Other*	0399999
Commercial Mortgages — Insured or Guaranteed*	0499999
Commercial Mortgages — All Other*	0599999
Mezzanine Loans*	0699999
Mortgages in Good Standing Not Shown on Lines 0199999 through 0699999	0799999
Total Mortgages in Good Standing (sum of 0199999 through 0799999)	0899999

Restructured Mortgages:

Farm Mortgages*	0999999
Residential Mortgages — Insured or Guaranteed*	1099999
Residential Mortgages — All Other*	1199999
Commercial Mortgages — Insured or Guaranteed*	1299999
Commercial Mortgages — All Other*	1399999
Mezzanine Loans*	1499999
Restructured Mortgages Not Shown on Lines 0999999 through 1499999	1599999
Total Restructured Mortgages (sum of 0999999 through 1599999)	1699999

Mortgages with Overdue Interest Over 90 Days, Not in the Process of Foreclosure:

Farm Mortgages*	1799999
Residential Mortgages — Insured or Guaranteed*	1899999
Residential Mortgages — All Other*	1999999
Commercial Mortgages — Insured or Guaranteed*	2099999
Commercial Mortgages — All Other*	2199999
Mezzanine Loans*	2299999
Mortgages with Overdue Interest Over 90 Days, Not in the Process of Foreclosure Not Shown on Lines 1799999 through 2299999	2399999
Total Mortgages with Overdue Interest Over 90 Days, Not in the Process of Foreclosure (sum of 1799999 through 2399999)	2499999

Mortgages in the Process of Foreclosure:

Farm Mortgages* 2599999
Residential Mortgages — Insured or Guaranteed*...2699999
Residential Mortgages — All Other* 2799999
Commercial Mortgages — Insured or Guaranteed* 2899999
Commercial Mortgages — All Other* 2999999
Mezzanine Loans*..3099999
Mortgages in the Process of Foreclosure Not Shown on Lines 2599999 through 3099999...........3199999
Total Mortgages in the Process of Foreclosure (sum of 2599999 through 3199999)......................3299999

Total Mortgages
(sum of 0899999, 1699999, 2499999 and 3299999).. 3399999

Mortgages in good standing:

This section applies to loans on which all the original basic terms of the loan are being met by the borrowers. It also includes loans on which all the basic terms of refinancing agreements at current market terms are being met by the borrowers. Insured or guaranteed loans are considered to be only those loans insured or guaranteed by the Federal Housing Administration, the National Housing Act of Canada or by the Veterans Administration. For loans subject to a participation agreement, include only the reporting entity's share of book value/recorded investment excluding accrued interest.

Mortgages with restructured terms:

Restructured loans include commercial mortgage loans on which the basic terms such as interest rate, maturity date, collateral or guaranty have been restructured in 1986 or later as a result of actual or anticipated delinquency. Include those loans whose basic terms are being met in accordance with the restructuring agreement. A maturing balloon mortgage that has been refinanced or extended at below current market terms should be classified as a restructured loan. (A maturing balloon mortgage that has been refinanced or extended at current market terms should be considered a performing loan.) Current market terms are loan terms where the borrower pays a current market interest rate consistent with the collateral, maturity date, and other terms of the mortgage.

A mortgage loan will no longer be considered in this category when one or more of the following events occur:

The loan is paid in full or otherwise retired.

The loan becomes delinquent under the terms of the restructure agreement.

The loan is in the process of foreclosure.

The borrower has resumed the original contractual terms on the current loan balance including payments, interest rate and loan duration. The borrower must have also made cash payments of any interest or principal foregone during the restructure.

If none of the above are met, a loan will no longer be considered as restructured when all of the following conditions exist:

The loan-to-value ratio based upon the current appraisal cannot be greater than 80%. Additionally, the loan-to-value ratio cannot be greater than the state of domicile's limits for first mortgages. An independent appraiser must perform the current appraisal. The appraisal requirement does not apply to individual loans the lesser of $1 million or 5% of capital and surplus. The aggregate of such exempted loans must not exceed 15% of total long-term mortgage holdings.

AND

The coupon rate after restructuring is a current market rate. Such coupon rates should be consistent with the coupon rate on new commercial mortgages of comparable terms made by the reporting entity in the quarter in which the restructure date occurred, or:

> On the restructure date, not be less than the quarterly average of new commercial mortgage loan rates of loans of comparable terms from the Survey of Mortgage Commitments of Commercial Properties by the American Council of Life Insurers (ACLI), by more than ½ of a percentage point difference.

AND

The restructured mortgage loan performs according to the new terms for at least two years.

<u>Mortgages with overdue interest over 90 days not in the process of foreclosure:</u>

Show individually mortgages upon which interest is overdue more than 90 days or upon which taxes or other liens are delinquent more than one year.

<u>Mortgages in process of foreclosure:</u>

This section applies to loans in the process of being foreclosed or voluntarily conveyed by the borrower to the lender. It also includes loans in which transfer of title is awaiting expiration of redemption or moratorium period.

SCHEDULE B – PART 1

MORTGAGE LOANS OWNED DECEMBER 31 OF CURRENT YEAR

Report separately all mortgage loans owned and backed by real estate. Include non-conventional mortgage loans (e.g., loans that can be increased to their maximum loan value without incurring the cost of writing a new mortgage). Also include mezzanine real estate loans. For accounting and admission guidance related to mezzanine real estate loans, refer to *SSAP No. 83—Mezzanine Real Estate Loans*. Collateralized Mortgage Obligations, (residential mortgage-backed securities), should be included in Schedule D.

A description of the information required by the columnar headings is as follows:

Column 1 – Loan Number

Report the mortgage loan number assigned by the reporting entity. For foreign denominated mortgages, indicate the principal indebtedness amount in its local currency.

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.

If mortgage loans are 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.

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 mortgages in the U.S., list city. If the city is unknown, indicate the county. If the mortgage is outside the U.S., indicate the city or province.

Column 4 – State

For mortgages in U.S. states, territories and possessions, report the two-character U.S. postal abbreviation for U.S. states, territories and possessions. If the mortgage 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 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter "E". If the loan was made directly to a subsidiary or affiliate enter "S". Otherwise, leave the column blank.

Column 6 – Date Acquired

State date mortgage was acquired.

Column 7 – Rate of Interest

Report the effective annual interest rate of the mortgage.

Column 8 – Book Value/Recorded Investment Excluding Accrued Interest

Report the statutory book value/recorded investment excluding accrued interest of each loan.

Deduct: Direct write-down (charge-off) if the loss is other-than-temporary. Report as a realized loss.

Exclude: Valuation allowance.

Column 9 – Unrealized Valuation Increase (Decrease)

The difference between the Book Value/Recorded Investment at the previous year-end and the Book Value/Recorded Investment at the current year-end not related to the receipt of loan principal payments, other-than-temporary impairments and amortization.

These amounts are to be reported as unrealized capital gains (losses) in the Exhibit of Capital Gains (Losses) and in the Capital and Surplus Account (Page 4).

Column 10 – Current Year's (Amortization)/Accretion

This amount should equal the net of the reporting year's amortization of premium or accrual of discount. The accrual of discount amounts in this column are to be reported as increases to investment income in the Exhibit of Net Investment Income, while the amortization of premium amounts are to be reported as decreases to investment income.

Column 11 – Current Year's Other-Than-Temporary Impairment Recognized

If the mortgage loan 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.

Column 12 – Capitalized Deferred Interest And Other

Include interest and other items that can be capitalized in accordance with *SSAP No. 37—Mortgage Loans*.

Column 13 – Total Foreign Exchange Change In Book Value

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

Column 14 – Value of Land and Buildings

Report the appraisal value of the property (for land and buildings). For loans subject to a participation agreement, include only the reporting entity's pro rata share of the appraised value as it relates to the reporting entity's interest in the mortgage loan.

Column 15 – Date of Last Appraisal or Valuation

State date of last appraisal or valuation of the collateral.

**** Columns 16 through 19 will be electronic only. ****

Column 16 – Legal Entity Identifier (LEI)

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

Column 17 – Postal Code

The postal code(s) reported in this column should reflect the location of the underlying property. For mortgages in U.S. states, territories and possessions, use the five-digit ZIP code and not the ZIP+4 code. If the mortgage 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 18 – 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

Column 19 – Maturity Date

State the date the mortgage loan matures.

SCHEDULE B – PART 2

MORTGAGE LOANS ACQUIRED AND ADDITIONS MADE DURING YEAR

Report individually all mortgage loans acquired or transferred from another category (e.g., joint ventures, Schedule BA) but also any increases or additions to mortgage loans acquired or transferred in the current and prior periods. Mortgages acquired and disposed during the same year should be reported in both Part 2 and Part 3. Include non-conventional mortgage loans (e.g., loans that can be increased to their maximum loan value without incurring the cost of writing a new mortgage). Also include mezzanine real estate loans. For accounting and admission guidance related to mezzanine real estate loans, refer to *SSAP No. 83—Mezzanine Real Estate Loans*. Collateralized Mortgage Obligations (residential mortgage-backed securities) should be included in Schedule D.

A description of the information required by the columnar headings is as follows:

Column 1 – Loan Number

Report the mortgage loan number assigned by the reporting entity. For foreign denominated mortgages, indicate the principal indebtedness amount in its local currency.

Column 2 – City

For mortgages in the U.S., list city. If the city is unknown, indicate the county. If the mortgage is outside the U.S., indicate the city or province.

Column 3 – State

For mortgages in U.S. states, territories and possessions, report the two-character U.S. postal abbreviation for U.S. states, territories and possessions. If the mortgage 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 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter "E". If the loan was made directly to a subsidiary or affiliate, enter "S." Otherwise, leave the column blank.

Column 5 – Date Acquired

State date mortgage was acquired.

Column 6 – Rate of Interest

Report the effective annual interest rate of the mortgage.

Column 7 – Actual Cost at Time of Acquisition

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 in Column 8.

Column 8 – Additional Investment Made after Acquisition

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.

Column 9 – Value of Land and Buildings

Report the appraisal value of the property (for land and buildings). For loans subject to a participation agreement, include only the reporting entity's pro rata share of the appraised value as it relates to the reporting entity's interest in the mortgage loan.

**** Columns 10 through 13 will be electronic only. ****

Column 10 – Legal Entity Identifier (LEI)

Provide the 20-character Legal Entity Identifier (LEI) for any mortgagor 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 mortgages in U.S. states, territories and possessions, use the five-digit ZIP code and not the ZIP+4 code. If the mortgage 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 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

Column 13 – Maturity Date

State the date the mortgage loan matures.

SCHEDULE B – PART 3

MORTGAGE LOANS DISPOSED, TRANSFERRED OR REPAID DURING THE YEAR

Report individually each mortgage that has had decreases in the balance as a result of being closed by repayment, partial repayment, disposed or transferred to another category (e.g., real estate, Schedule A). Do not report individual partial repayments, but aggregate all partial repayments by mortgage loan.

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.

Mortgages closed by repayment 0199999
Mortgages with partial repayments 0299999
Mortgages disposed 0399999
Mortgages transferred 0499999
Total 0599999

A description of the information required by the columnar headings is as follows:

Column 1 – Loan Number

Report the mortgage number assigned by the reporting entity.

Column 2 – City

For mortgages in the U.S., list city. If the city is unknown, indicate the county. If the mortgage is outside the U.S., indicate the city or province.

Column 3 – State

For mortgages in U.S. states, territories and possessions, report the two-character U.S. postal abbreviation for U.S. states, territories and possessions. If the mortgage 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 – Loan Type

If the loan was made to an officer or director of the reporting entity/subsidiary/affiliate, enter "E." If the loan was made directly to a subsidiary or affiliate enter "S." Otherwise, leave the column blank.

Column 5 – Date Acquired

State date mortgage was acquired.

Column 6 – Disposal Date

For individual properties, state date mortgage was disposed using MM/DD/YYYY format. For mortgages transferred to another category and mortgages with partial payments, this column should not be completed.

Column 7 – Book Value/Recorded Investment Excluding Accrued Interest Prior Year

Report the statutory book value/recorded investment excluding accrued interest at December 31 of the prior year.

Deduct: The amount of any write-downs. Report as a realized loss.

Exclude: Valuation allowance.

Column 8 – Unrealized Valuation Increase (Decrease)

The difference between the Book Value/Recorded Investment at the previous year-end and the Book Value/Recorded Investment at the current year-end not related to the receipt of loan principal payments, other-than-temporary impairments and amortization.

These amounts are to be reported as unrealized capital gains (losses) in the Exhibit of Capital Gains (Losses) and in the Capital and Surplus Account (Page 4).

Column 9 – Current Year's (Amortization)/Accretion

This amount should equal the net of the reporting year's amortization of premium or accrual of discount. The accrual of discount amounts in this column are to be reported as increases to investment income in the Exhibit of Net Investment Income, while the amortization of premium amounts are to be reported as decreases to investment income.

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

If the mortgage loan 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.

Column 11 – Capitalized Deferred Interest and Other

Include interest and other items that can be capitalized in accordance with *SSAP No. 37—Mortgage Loans*.

Column 13 – Total Foreign Exchange Change in Book Value

Enter the unrealized foreign exchange gain or loss for the year, including reversal of foreign exchange gains or losses previously recorded.

Column 14 – Book Value/Recorded Investment Excluding Accrued Interest on Disposal

Report the statutory Book Value/Recorded Investment excluding accrued interest (including any capitalized amounts) at the time the loan was sold or transferred to another category, (e.g., real estate).

Deduct: The amount of any write-downs. Report as a realized loss.

Exclude: Valuation allowance.

Column 15 – Consideration

Report the amount received during the year on mortgages disposed, including partial pay-downs of mortgages, sale of the mortgage or through transfer to another category (e.g., Schedule A). For those mortgages transferred to another category, only report the amount received for the period up to the time the loan was transferred.

Column 16 – Foreign Exchange Gain (Loss) on Disposal

Enter the foreign currency exchange gain or loss.

Column 17 – Realized Gain (Loss) on Disposal

Report the amount of any market gain or loss realized from the transfer, sale or maturity.

Exclude: Foreign currency gain (loss) reported in Column 16.

Column 18 – Total Gain (Loss) on Disposal

Enter the sum of Column 16 foreign exchange gain or loss, and Column 17 realized gain or loss.

**** Columns 19 through 22 will be electronic only. ****

Column 19 – Legal Entity Identifier (LEI)

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

Column 20 – Postal Code

The postal code(s) reported in this column should reflect the location of the underlying property. For mortgages in U.S. states, territories and possessions, use the five-digit ZIP code and not the ZIP+4 code. If the mortgage 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 21 – 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

Column 22 – Maturity Date

State the date the mortgage loan matures.

This page intentionally left blank.

SCHEDULE BA – PARTS 1, 2 AND 3

OTHER LONG-TERM INVESTED ASSETS – GENERAL INSTRUCTIONS

Include only those classes of invested assets not clearly or normally includable in any other invested asset schedule. Such assets should include any assets previously written off for book purposes, but which still have a market or investment value. Give a detailed description of each investment and the underlying security. If an asset is to be recorded in Schedule BA that is normally reported in one of the other invested asset schedules, make full disclosure in the Name or Description column of the reason for recording such an asset in Schedule BA.

For accounting guidance related to foreign currency transactions and translations, refer to *SSAP No. 23—Foreign Currency Transactions and Translations*.

If a reporting entity has any detail lines 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.

Group or Category	Line Number
Oil and Gas Production	
Unaffiliated	0199999
Affiliated	0299999
Transportation Equipment	
Unaffiliated	0399999
Affiliated	0499999
Mineral Rights	
Unaffiliated	0599999
Affiliated	0699999
Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of:	
Bonds	
Unaffiliated	0799999
Affiliated	0899999
Mortgage Loans	
Unaffiliated	0999999
Affiliated	1099999
Other Fixed Income Instruments	
Unaffiliated	1199999
Affiliated	1299999
Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics of:	
Fixed Income Instruments	
Unaffiliated	1399999
Affiliated	1499999
Common Stocks	
Unaffiliated	1599999
Affiliated	1699999
Real Estate	
Unaffiliated	1799999
Affiliated	1899999
Mortgage Loans	
Unaffiliated	1999999
Affiliated	2099999
Other	
Unaffiliated	2199999
Affiliated	2299999

Surplus Debentures, etc.

Unaffiliated.......... 2399999
Affiliated 2499999

Collateral Loans

Unaffiliated.......... 2599999
Affiliated 2699999

Non-collateral Loans

Unaffiliated.......... 2799999
Affiliated 2899999

Capital Notes

Unaffiliated.......... 2999999
Affiliated 3099999

Guaranteed Federal Low Income Housing Tax Credit

Unaffiliated.......... 3199999
Affiliated 3299999

Non-Guaranteed Federal Low Income Housing Tax Credit

Unaffiliated.......... 3399999
Affiliated 3499999

Guaranteed State Low Income Housing Tax Credit

Unaffiliated.......... 3599999
Affiliated 3699999

Non-Guaranteed State Low Income Housing Tax Credit

Unaffiliated.......... 3799999
Affiliated 3899999

All Other Low Income Housing Tax Credit

Unaffiliated.......... 3999999
Affiliated 4099999

Working Capital Finance Investment

Unaffiliated.......... 4199999

Any Other Class of Assets

Unaffiliated.......... 4299999
Affiliated 4399999

Subtotals

Unaffiliated.......... 4499999
Affiliated 4599999

TOTALS.......... 4699999

The following listing is intended to give examples of investments to be included in each category; however the list should not be considered all inclusive, and it should not be implied that any invested asset currently being reported in Schedules A, B or D is to be reclassified to Schedule BA:

<u>Oil and Gas Production</u>

Include: Offshore oil and gas leases.

<u>Transportation Equipment</u>

Include: Aircraft owned under leveraged lease agreements.
Motor Vehicle Trust Certificates.

<u>Mineral Rights</u>

Include: Investments in extractive materials.

Timber Deeds.

<u>Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument</u>

Investments that fit into one of the other categories should be reported in those categories and not as fixed or variable interest rate investments that have the underlying characteristics of a bond, mortgage loan or other fixed income instrument. As examples (non-inclusive), collateral loans shall be reported in the designated collateral loan reporting lines (259999 or 269999) and surplus notes shall be reported in the designated capital notes reporting lines (299999 or 309999), although these items could be perceived to have underlying characteristics of bonds or other fixed income instruments.

Include: Fixed income instruments that are not corporate or governmental unit obligations (Schedule D) or secured by real property (Schedule B).

For Life and Fraternal Insurers:

Any investments deemed by the reporting entity to possess the underlying characteristics of a bond or other fixed income instrument which qualify for Filing Exemption or that have been reviewed and approved by the Securities Valuation Office (SVO) within this category.

Exclude: **For Life and Fraternal Insurers:**

Any investments deemed by the reporting entity to possess the underlying characteristics of a bond or other fixed income investment, but for which the Securities Valuation Office (SVO) has not yet affirmed that the specific BA investment (identified by CUSIP) fits in this category (as identified in the NAIC *Valuation of Securities*). Until affirmed by the SVO, report these BA investments in the category for "Any Other Class of Assets."

Joint Ventures or Partnership Interests for Which the Primary Underlying Investments are Considered to Be:

Fixed Income Instruments

Investments that fit into one of the other categories should be reported in those categories and not as joint ventures or partnership interests for which the primary underlying investments are considered to be fixed income instruments. As examples (non-inclusive), collateral loans shall be reported in the designated collateral loan reporting lines (259999 or 269999) and surplus notes shall be reported in the designated capital notes reporting lines (299999 or 309999), although these items could be perceived to have underlying characteristics of bonds or other fixed income instruments.

Include: Leveraged Buy-out Fund.

A fund investing in the "Z" strip of Collateralized Mortgage Obligations.

For Life and Fraternal Insurers:

Any investments deemed by the reporting entity to possess the underlying characteristics of fixed income instruments which qualify for Filing Exemption or that have been reviewed and approved by the Securities Valuation Office (SVO) within this category.

Exclude: **For Life and Fraternal Insurers:**

Any investments deemed by the reporting entity to possess the underlying characteristics of fixed income instruments, but for which the Securities Valuation Office (SVO) has not affirmed that the specific BA investment (identified by CUSIP) fits in this subcategory. Until affirmed by the SVO, report these BA investments in the "Other" subcategory of this category.

Common Stocks

Include: Venture Capital Funds.

Real Estate

Include: Real estate development interest. Reporting should be consistent with the detailed property analysis appropriate for the corresponding risk-based capital factor for this investment category. If the requisite details are not available for reporting, report under "Other" subcategory.

Mortgage Loans

Include: Mortgage obligations. Reporting should be consistent with the detailed property analysis appropriate for the corresponding risk-based capital factor for this investment category. If the requisite details are not available for reporting, report under "Other" subcategory.

Other

Include: Limited partnership interests in oil and gas production.

Forest product partnerships.

Investments within the Joint Venture and Partnership Interests category that do not qualify for inclusion in the "Fixed Income Instruments," "Common Stocks," "Real Estate" or "Mortgage Loans" subcategories.

Reporting should be consistent with the corresponding risk-based capital factor for this investment category (i.e., Other Long-Term Assets).

For Life and Fraternal Insurers:

> This includes investments believed by the reporting entity to have the underlying characteristics of "Fixed Income Instruments" but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to have the underlying characteristics of "Other" instruments.

Surplus Debentures, etc.

Include: That portion of any subordinated indebtedness, surplus debenture, surplus note, debenture note, premium income note, bond, or other contingent evidence of indebtedness that is reported in the surplus of the issuer.

Collateral Loans

Include: Refer to *SSAP No. 21—Other Admitted Assets* for a definition of collateral loans. In the description column, the name of the actual borrower and state if the borrower is a parent, subsidiary, affiliate, officer or director. Also include the type of collateral held.

Non-collateral Loans

Include: For purposes of this section, non-collateral loans are considered the unpaid portion of loans previously made to another organization or individual in which the reporting entity has a right to receive money for the loan, but for which the reporting entity has not obtained collateral to secure the loan. Non-collateral loans shall not include those instruments that meet the definition of a bond, per *SSAP No. 26R—Bonds*, a mortgage loan per *SSAP No. 37—Mortgage Loans*, loan-backed or structured securities per *SSAP No. 43R—Loan-Backed and Structured Securities*, or a policy or contract loan per *SSAP No. 49—Policy Loans*.

In the description column, provide the name of the actual borrower. For affiliated entities, state if the borrower is a parent, subsidiary, affiliate, officer or director. Refer to *SSAP No. 20—Nonadmitted Assets* and *SSAP No. 25—Affiliates and Other Related Parties* for accounting guidance.

Capital Notes

Include: The portion of any capital note that is reported on the line for capital notes of the issuing insurance reporting entity.

Low Income Housing Tax Credit

Include: All Low Income Housing Tax Credit Investments (LIHTC or affordable housing) that are in the form of a Limited Partnership or a Limited Liability Company including those investments that have the following risk mitigation factors:

A. Guaranteed Low Income Housing Tax Credit Investments. There must be an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment.

B. Non-guaranteed Low Income Housing Tax Credit Investments:

I. A level of leverage below 50%. For a LIHTC Fund, the level of leverage is measured at the fund level.

II. There is a Tax Credit Guarantee Agreement from General Partner or managing member. This agreement requires the General Partner or managing member to reimburse investors for any shortfalls in tax credits due to errors of compliance, for the life of the partnership. For a LIHTC Fund, a Tax Credit Guarantee is required from the developers of the lower tier LIHTC properties to the upper tier partnership and all other LIHTC investments.

III. There are sufficient operating reserves, capital replacement reserves and/or operating deficit guarantees present to mitigate foreseeable foreclosure risk at the time of the investment.

Non-qualifying LIHTCs should be reported in the all other category

Working Capital Finance Investment

Include: Investments in an interest in a Confirmed Supplier Receivables (CSR) under a Working Capital Finance Program (WCFP) that is designated by the SVO as meeting the criteria specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* for an NAIC "1" or "2."

Working Capital Finance Program (WCFP)

Open account program under which an Investor may purchase interests, or evidence thereof, in commercial non-insurance receivables. A WFCP is created for the benefit of a commercial investment grade obligor and its suppliers of goods or services, and facilitated by a financial intermediary.

Confirmed Supplier Receivables (CSR)

A first priority perfected security interest claim or right to payment of a monetary obligation from the Obligor arising from the sale of goods or services from the Supplier to the Obligor the payment of which the Obligor has confirmed by representing and warranting that it will not protest, delay, or deny, nor offer nor assert any defenses against, payment to the supplier or any party taking claim or right to payment from the supplier.

See *SSAP No. 105—Working Capital Finance Investments* for accounting guidance.

__Any Other Class of Assets__

Include: Investments that do not fit into one of the other categories. An example of items that may be included are reverse mortgages.

For Life and Fraternal Insurers:

This includes investments believed by the reporting entity to fit the category of "Fixed or Variable Interest Rate Investments that Have the Underlying Characteristics of a Bond, Mortgage Loan or Other Fixed Income Instrument," but which do not qualify for Filing Exemption and have not been reviewed by the SVO, as well as those that have been reviewed by the SVO and were determined to be "Any Other Class of Assets."