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D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred					
(2) Medical loss ratio rebates paid					
(3) Medical loss ratio rebates unpaid					
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred					
(8) Medical loss ratio rebates paid					
(9) Medical loss ratio rebates unpaid					
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

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NOTE: Any reporting entity that reports accident and health insurance premium and losses on their statement that is subject to the federal Affordable Care Act risk-sharing provisions **MUST** complete the tables (24E(2) through 24E(5)) illustrated below, even if all amounts in the table are zero.

- (1) Does the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? _____
- The company had zero balances for the risk corridors program due a lack of sufficient data to estimate the recoverable amounts.

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	<u>AMOUNT</u>
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments)	\$ _____
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	_____
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk-pool premium)	\$ _____
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ _____
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ _____
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ _____
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ _____
3. Amounts receivable resulting from uninsured plans for contributions for ACA Reinsurance	\$ _____
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$ _____
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ _____
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ _____
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ _____
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ _____
9. ACA Reinsurance contributions – not reported as ceded premium	\$ _____
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ _____
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ _____
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ _____
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ _____

- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

Accrued During the Prior Year or Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year or Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unreconciled Balances as of the Reporting Date	
1	2	3	4	5	6	7	8	9	10
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	
				Prior Year Accrued Last Payments (Col 1 - 2)	Prior Year Accrued Last Payments (Col 2 - 4)			Cumulative Balance from Prior Years (Col 1 - 7)	Cumulative Balance from Prior Years (Col 2 - 4) (5)
a. Permanent ACA Risk Adjustment Program									
1. Premium adjustments receivable (including high risk pool payments)									
\$	\$	\$	\$	\$	\$	\$	\$	A	\$
2. Premium adjustments payable (including high risk pool premium)									
\$	\$	\$	\$	\$	\$	\$	\$	B	\$
3. Subsidized ACA Transitional Risk Adjustment Program									
\$	\$	\$	\$	\$	\$	\$	\$	C	\$
b. Transitional ACA Reinsurance Program									
1. Amounts receivable for claims paid									
\$	\$	\$	\$	\$	\$	\$	\$	D	\$
2. Amounts receivable for claims unpaid (contra liability)									
\$	\$	\$	\$	\$	\$	\$	\$	E	\$
3. Amounts receivable relating to assumed risks									
\$	\$	\$	\$	\$	\$	\$	\$	F	\$
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as total premium									
\$	\$	\$	\$	\$	\$	\$	\$	G	\$
5. Unpaid reinsurance premiums payable									
\$	\$	\$	\$	\$	\$	\$	\$	H	\$
6. Liability for amounts paid under assumed risks									
\$	\$	\$	\$	\$	\$	\$	\$	I	\$
7. Subsidized ACA Transitional Reinsurance Program									
\$	\$	\$	\$	\$	\$	\$	\$	J	\$
c. Temporary ACA Risk Corridors Program									
1. Accrued retroceded reinsurance									
\$	\$	\$	\$	\$	\$	\$	\$	K	\$
2. Reserve for retroceded reinsurance expense using reinsurance									
\$	\$	\$	\$	\$	\$	\$	\$	L	\$
3. Subsidized ACA Risk Corridors Program									
\$	\$	\$	\$	\$	\$	\$	\$	M	\$
d. Total for ACA Risk-Sharing Provisions									
\$	\$	\$	\$	\$	\$	\$	\$		\$

Explanations of Adjustments:

- A
- B
- C
- D
- E
- F
- G
- H
- I
- J

Not for Distribution

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridor Program Year	Accrued During the Prior Year or Balance Written Before Dec 31 of the Prior Year		Received or Paid in of the Current Year or Balance Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Loss Payments (Col 1 - 2)	Prior Year Accrued Loss Recoveries (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1-3-7)	Cumulative Balance from Prior Years (Col 2-4-6)
					5	6					7	8	9	10
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)

a. 2014											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
2. Reserve for rate credits or policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	B	\$	\$
b. 2015											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
2. Reserve for rate credits or policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	D	\$	\$
c. 2016											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	E	\$	\$
2. Reserve for rate credits or policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	F	\$	\$
d. Total for Risk Corridor	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$

Explanations of Adjustments

- A
- B
- C
- D
- E
- F

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridor Program Year	1 Estimated Amount to be Paid or Received from CMS	2 Net-Admitted Non-Admitted or Other Revenues	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net-Admitted Asset (4-5)
a. 2014	\$	\$	\$	\$	\$	\$
b. 2015	\$	\$	\$	\$	\$	\$
c. 2016	\$	\$	\$	\$	\$	\$
d. Total (a+b+c)	\$	\$	\$	\$	\$	\$

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

25. Change in Incurred Losses and Loss Adjustment Expenses

Instruction:

- A. Describe the reasons for changes in the provision for incurred loss and loss 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).
- B. Information about significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss 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

Disclose information relating to intercompany pooling arrangements. Refer to *SSAP* 6.2 *Underwriting Pools* for accounting guidance.

Instruction:

If the reporting entity is part of a group of affiliated entities that utilizes a pooling arrangement that affects the solvency and integrity of the reporting entity's reserves under which the pool participants cede substantially all of their direct and assumed business to the pool, describe the basic terms of such arrangement[s] and the related accounting. The disclosure should include:

- A. Identification of the lead entity and of all affiliated entities participating in the intercompany pool (include NAIC Company Codes) and indication of their respective percentage shares of the pooled business.
- B. Description of the lines and types of business subject to the pooling agreement.
- C. Description of cessions to non-affiliated reinsurers of business subject to the pooling agreement, and indication of whether such cessions were prior to or subsequent to the cession of pooled business from the affiliated pool members to the lead entity.
- D. Identification of all pool members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and that have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- E. Explanation of any discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the lead entity and corresponding entries on the assumed and ceded reinsurance schedules of other pool participants.
- F. Description of intercompany sharing, if other than in accordance with the pool participation percentage, and the write-off of uncollectible reinsurance.
- G. Amounts due to/from the lead entity and all affiliated entities participating in the intercompany pool as of the balance sheet date.

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:

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A.	<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>	
	\$ _____	\$ _____	
B.	<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u> Yes/No	<u>Statement Value (i.e., Present Value) of Annuities</u>
	_____	_____	\$ _____
	_____	_____	\$ _____
	_____	_____	\$ _____

28. Health Care Receivables

Instruction:

- A. In accordance with SSAP No. 84—*Health Care and Government Insured Plans Receivables*, the financial statement shall disclose the method used by the reporting entity to estimate pharmaceutical rebate receivables. For the most recent three years and for each quarter therein, the reporting entity shall disclose the following:
 - Estimated balance of pharmacy rebate receivable as reported on the financial statements;
 - Pharmacy rebates as billed or otherwise confirmed; and
 - Pharmacy rebates received.
- B. The financial statements shall disclose the method used by the reporting entity to estimate its risk sharing receivables. To the extent that receivable and payable with the same provider are netted, the reporting entity shall disclose the gross receivable and payable balances. For the most recent three years, the reporting entity shall disclose the following:
 - Estimated balance of risk sharing receivables as reported on the prior year financial statements for evaluation periods ending in the current year;
 - Estimated balance of risk sharing receivables as reported on the financial statements for evaluation periods ending in the current year and the following year;
 - Risk sharing receivables billed as determined after the annual evaluation period;
 - Risk sharing receivables not yet billed; and
 - Amounts received from providers as payments under risk sharing contracts.

Illustration:

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A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2019	\$ 150	\$ 147			
9/30/2019	130	133	\$ 62		
6/30/2019	142	143	70	\$ 55	
3/31/2019	157	152	65	42	\$ 20
12/31/2018	125	132	76	27	20
9/30/2018	123	129	62	31	14
6/30/2018	112	120	54	20	16
3/31/2018	110	118	57	39	20
12/31/2017	68	75	34	20	10
9/30/2017	60	60	27	17	10
6/30/2017	57	60	31	15	10
3/31/2017	45	50	25	18	7

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B. Risk-Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received All Other
2019	2019	\$ 245	\$ 237	\$ 155	\$ 77	\$ 0			
	2020	XXX	\$ 189	XXX	XXX	XXX	XXX		
2018	2018	\$ 223	\$ 225	\$ 232	\$ 0	\$ 0	\$ 140		
	2019	XXX	\$ 245	XXX	XXX	XXX	XXX	XXX	XXX
2017	2017	\$ 190	\$ 178	\$ 174	\$ 0	\$ 0	\$ 125	\$ 50	
	2018	XXX	\$ 223	XXX	XXX	XXX	XXX	XXX	XXX

29. Participating Policies

Instruction:

For all participating contracts other than property/casualty contracts, reporting entities shall disclose the following:

- The relative percentage of participating insurance;
- The method of accounting for policyholder dividends;
- The amount of dividends;
- The amount of any additional income allocated to participating policyholders.

Refer to *SSAP No. 51R—Life Contracts* and *SSAP No. 54R—Individual and Group Accident and Health Contracts* for accounting guidance.

Illustration:

For the reporting year ended 20____, premiums under individual and group accident and health participating policies were \$_____, or _____% of total individual group and accident and health premiums earned. The Company accounts for its policyholder dividends based upon _____. The Company paid dividends in the amount of \$_____ to policyholders and did not allocate any additional income to such policyholders.

30. Premium Deficiency Reserves

Instruction:

For all accident and health contracts and property/casualty contracts, the reporting entity shall disclose the amount of premium deficiency reserves, the date of evaluation for premium deficiency reserves, and whether anticipated investment income was utilized as a factor in the premium deficiency calculation.

Illustration:

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- | | |
|---|--|
| 1. Liability carried for premium deficiency reserves | \$ _____ |
| 2. Date of the most recent evaluation of this liability | _____ |
| 3. Was anticipated investment income utilized in the calculation? | Yes <input type="checkbox"/> No <input type="checkbox"/> |

31. Reserves for Life Contracts and Annuity Contracts

Instruction:

For life and annuity contracts' reserves, disclose the following:

- (1) A description of reserve practices including waiver of deduction of deferred fractional premiums upon death of insured, return of portion of final premium for periods beyond the date of death, and amount of any surrender value promised in excess of the reserve as legally computed.
- (2) The methods employed in the valuation of substandard policies.
- (3) The amount of insurance, if any, for which the gross premiums are less than the net premiums according to valuation standards.
- (4) The method used to determine tabular interest, tabular less actual reserves released, and tabular cost (by formula or from the basic data for such items).
- (5) The method of determination of tabular interest on funds not involving life contingencies.
- (6) The nature of other reserve changes.

Illustration:

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Extra premiums are charged for substandard lives for policies issued prior to July 1, 20__, plus the gross premium for a rated age.

Mean reserves are determined by computing the regular mean reserve for the plan at the rated age and holding, in addition, one-half (1/2) of the extra premium charge for the year. Policies issued after July 1, 20__, for substandard lives, are charged an extra premium plus the regular premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.

- (3) As of December 31, 20__, the Company had \$_____ of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of _____. Reserves to cover the above insurance totaled the gross amount of \$_____ at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The Tabular Interest has been determined by formula as described in the instructions.

The Tabular Less Actual Reserve Released has been determined by formula as described in the instructions.

The Tabular Cost has been determined by formula as described in the instructions.

- (5) For the determination of Tabular Interest on funds not involving life contingencies for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the sum of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.

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- (6) The details for other changes:

ITEM	Total	Industrial Life	ORDINARY			Credit Life Group and Individual	GROUP	
			Life Ins.	Individual Annuities	Supplementary Contracts		Life Ins.	Annuities
31/6999								
Total								

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics

Instruction:

Disclose the amount of annuity actuarial reserves and deposit-type contract funds and other liabilities without life or disability contingencies by withdrawal characteristics as follows:

For the disclosures below, disclose the general account and separate account with guarantees, separate account nonguaranteed amounts, as well as the total, a separate section for Individual Annuities, Group Annuities, and Deposit-Type Contracts (with no life contingencies). Supplementary contracts with life contingencies are reported in the appropriate Annuities section (Individual or Group).

- Subject to discretionary withdrawal:
 - ❖ With market value adjustment, where withdrawal of funds is payable at all times, or prior to specified maturity dates where such dates are more than one year after the statement date and:
 - In a lump sum with adjustments to reflect general changes in interest rates or asset values since receipt of funds by the reporting entity; or
 - In installments over five years or more, with or without a reduction in the interest rate during the installment period.
 - ❖ At book value less current surrender charge, where the withdrawal of funds is payable at all times, or at any time within one year from the statement date in a lump sum subject to a current fixed surrender charge of 5% or more and it does not contain a meaningful bail out rate as described in subparagraph A5 (d) below.
 - ❖ At fair value, where the withdrawal of funds is payable at current fair value of the assets supporting the liabilities, the assets are stated at current fair value and the liabilities are stated at the current fair value or per unit value of the assets supporting the liabilities. These liabilities are for contracts where the customer bears the entire investment risk.
 - ❖ Total with market value adjustment or at fair value.
 - ❖ At book value without adjustment (minimal or no charge or adjustment) where the withdrawal of funds is either payable at all times or at any time (including a withdrawal on a scheduled payment date) within one year from the statement date and:
 - In a lump sum without adjustment;
 - In installments over less than five years, with or without a reduction in interest rate during the installment period;
 - In a lump sum subject to a fixed surrender charge of less than 5%;
 - In a lump sum subject to surrender charge, but such charge is waived if the credited rate falls below a specified "bail out" rate and the "bail out" rate is more than the maximum statutory valuation rate for life insurance policies for more than 20 years for new issues;
 - All others.
- Not subject to discretionary withdrawal.
- Total (Gross: Direct + Assumed).
- Reinsurance ceded.
- Total (net) [Total (Gross: Direct + Assumed) minus Reinsurance ceded].
- Amount with current surrender charge of 5% or more included in A(1)b, B(1)b and C(1)b (from the tables illustrated below) in the current year that will have less than a 5% surrender charge (and thus be reported in A(1)e, B(1)e and C(1)e (from the tables illustrated below) in the year subsequent to the balance sheet year. (% column is not required)

- Reconcile total annuity reserves (all non-life reserves from Exhibit 5) and deposit-type contract fund liabilities (per Exhibit 7) amount disclosed to the appropriate sections of the Aggregate Reserves for Life Policies and Contracts Exhibit and the Deposit Funds and Other Liabilities without Life or Disability Contingencies Exhibit, of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement. The reconciliation is a single presentation including all amounts from the sections on Individual Annuities, Group Annuities, and Deposit-Type Contracts.

Illustration:

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit-Type Contract Funds and Other Liabilities Without Life or Disability Contingencies

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A. INDIVIDUAL ANNUITIES:

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ _____	\$ _____	\$ _____	\$ _____	_____ %
b. At book value less current surrender charge of 5% or more	_____	_____	_____	_____	_____
c. At fair value	_____	_____	_____	_____	_____
d. Total with market value adjustment or at fair value (total of a through c)	_____	_____	_____	_____	_____
e. At book value without adjustment (minimal or no charge or adjustment)	_____	_____	_____	_____	_____
(2) Not subject to discretionary withdrawal	_____	_____	_____	_____	_____
(3) Total (gross: direct + assumed)	_____	_____	_____	_____	100%
(4) Reinsurance ceded	_____	_____	_____	_____	_____
(5) Total (net) (3) – (4)	\$ _____	\$ _____	\$ _____	\$ _____	_____
(6) Amount included in A(1)e above that will move to A(1)e in the year after the statement date:	\$ _____	\$ _____	\$ _____	\$ _____	_____

B. GROUP ANNUITIES:

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ _____	\$ _____	\$ _____	\$ _____	_____ %
b. At book value less current surrender charge of 5% or more	_____	_____	_____	_____	_____
c. At fair value	_____	_____	_____	_____	_____
d. Total with market value adjustment or at fair value (total of a through c)	_____	_____	_____	_____	_____
e. At book value without adjustment (minimal or no charge or adjustment)	_____	_____	_____	_____	_____
(2) Not subject to discretionary withdrawal	_____	_____	_____	_____	_____
(3) Total (gross: direct + assumed)	_____	_____	_____	_____	100%
(4) Reinsurance ceded	_____	_____	_____	_____	_____
(5) Total (net) (3) – (4)	\$ _____	\$ _____	\$ _____	\$ _____	_____
(6) Amount included in B(1)e above that will move to B(1)e in the year after the statement date:	\$ _____	\$ _____	\$ _____	\$ _____	_____

C. DEPOSIT-TYPE CONTRACTS
(no life contingencies):

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ _____	\$ _____	\$ _____	\$ _____	_____ %
b. At book value less current surrender charge of 5% or more	_____	_____	_____	_____	_____
c. At fair value	_____	_____	_____	_____	_____
d. Total with market value adjustment or at fair value (total of a through c)	_____	_____	_____	_____	_____
e. At book value without adjustment (minimal or no charge or adjustment)	_____	_____	_____	_____	_____
(2) Not subject to discretionary withdrawal	_____	_____	_____	_____	_____
(3) Total (gross: direct + assumed)	_____	_____	_____	_____	100%
(4) Reinsurance ceded	_____	_____	_____	_____	_____
(5) Total (net) (3) - (4)	\$ _____	\$ _____	\$ _____	\$ _____	_____
(6) Amount included in C(1)b above that will move to C(1)e in the year after the statement date:	\$ _____	\$ _____	\$ _____	\$ _____	_____

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D.

	Amount
Life & Accident & Health Annual Statement:	
(1) Exhibit 5, Annuities Section, Total (net)	\$ _____
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	_____
(3) Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	_____
(4) Subtotal	_____
Separate Accounts Annual Statement:	
(5) Exhibit 3, Line 0299-09, Column 2	_____
(6) Exhibit 3, Line 07-0999, Column 2	_____
(7) Policyholder dividend and coupon accumulations	_____
(8) Policyholder premiums	_____
(9) Guaranteed interest contracts	_____
(10) Other contract deposit funds	_____
(11) Subtotal	_____
(12) Combined Total	\$ _____

33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics

Instruction:

Disclose the amounts of account value, cash value and reserve for the breakouts of life insurance by withdrawal characteristics, separately for General Account products, Separate Account with Guarantees products and Separate Account Nonguaranteed products, as follows:

Note: The difference between the account value and the cash value is the surrender charge, if any. After the surrender period is over, there is no difference. Some contract types have no account value such as traditional whole life, term, etc. So, if there is no account value, leave it blank. UL typically has an account value and a cash surrender value.

Just as account values are not reduced for policy loans taken and outstanding, the cash value amount reported in this note should not be reduced for policy loans taken and outstanding. This will ensure the difference between account value and cash value is the actual surrender charge.

- A. Subject to discretionary withdrawal, surrender values, or policy loans:
- (1) Term Policies with Cash Value
 - (2) Universal Life
 - (3) Universal Life with Secondary Guarantees
 - (4) Indexed Universal Life
 - (5) Indexed Universal Life with Secondary Guarantees
 - (6) Indexed Life
 - (7) Other Permanent Cash Value Life Insurance
 - (8) Variable Life
 - (9) Variable Universal Life
 - (10) Miscellaneous Reserves
- B. Not subject to discretionary withdrawal or no cash value.
- (1) Term Policies without Cash Value
 - (2) Accidental Death Benefits
 - (3) Disability - Active Lives
 - (4) Disability - Disabled Lives
 - (5) Miscellaneous Reserves
- C. Total (Gross: Discretionary + Assumed).
- D. Reinsurance ceded.
- E. Total (net) (C) - (D).
- F. Reconcilable total life insurance reserves amount disclosed to the appropriate sections of the Aggregate Reserves for Life Policies and Contracts Exhibit (Exhibit 5) of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement. The reconciliation is a single presentation including all amounts from the sections on Individual Life Insurance and Group Life Insurance.

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.

	General Account			Separate Account – Guaranteed and Nonguaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:						
(1) Term Policies with Cash Value	.....	.....	.....	.....	.....	.....
(2) Universal Life	.....	.....	.....	.....	.....	.....
(3) Universal Life with Secondary Guarantees	.....	.....	.....	.....	.....	.....
(4) Indexed Universal Life	.....	.....	.....	.....	.....	.....
(5) Indexed Universal Life with Secondary Guarantees	.....	.....	.....	.....	.....	.....
(6) Indexed Life	.....	.....	.....	.....	.....	.....
(7) Other Permanent Cash Value Life Insurance	.....	.....	.....	.....	.....	.....
(8) Variable Life	.....	.....	.....	.....	.....	.....
(9) Variable Universal Life	.....	.....	.....	.....	.....	.....
(10) Miscellaneous Reserves	.....	.....	.....	.....	.....	.....
B. Not subject to discretionary withdrawal or no cash values:						
(1) Term Policies without Cash Value	XXX	XXX	.....	XXX	XXX	.....
(2) Accidental Death Benefits	XXX	XXX	.....	XXX	XXX	.....
(3) Disability - Active Lives	XXX	XXX	.....	XXX	XXX	.....
(4) Disability - Disabled Lives	XXX	XXX	.....	XXX	XXX	.....
(5) Miscellaneous Reserves	XXX	XXX	.....	XXX	XXX	.....
C. Total (gross: direct + assumed)	.....	.....	.....	.....	.....	.....
D. Reinsurance Ceded	.....	.....	.....	.....	.....	.....
E. Total (net) (C) - (D)	.....	.....	.....	.....	.....	.....

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. Amounts reported in F to balance to the appropriate amounts from the Sections A and B reported above.

F. Amount		
Life & Accident & Health Annual Statement:		
(1) Exhibit 5, Life Insurance Section, Total (net)		\$ _____
(2) Exhibit 5, Accidental Death Benefits Section, Total (net)		_____
(3) Exhibit 5, Disability - Active Lives Section, Total (net)		_____
(4) Exhibit 5, Disability - Disabled Lives Section, Total (net)		_____
(5) Exhibit 5, Miscellaneous Reserves Section, Total (net)		_____
(6) Subtotal		=====
Separate Account Annual Statement:		
(7) Exhibit 3, Line 0199999, Column 2		_____
(8) Exhibit 3, Line 0499999, Column 2		_____
(9) Exhibit 3, Line 0599999, Column 2		_____
(10) Subtotal (Lines (7) through (9))		_____
(11) Combined Total ((6) and (10))		\$ _____

34. Premiums and Annuity Considerations Deferred and Uncollected

Instruction:

- A. If the reporting entity has reported on Page 2, life insurance premiums and annuity considerations deferred and uncollected on policies in force December 31 of current year, show separately the amounts and the loading excluded for each of the following lines of business: industrial business, ordinary new business, ordinary renewal, credit life, group life, and group annuity.

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.

- A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 20___, were as follows:

	Type	Gross	Net of Loading
(1)	Industrial	\$ _____	\$ _____
(2)	Ordinary new business	\$ _____	\$ _____
(3)	Ordinary renewal	\$ _____	\$ _____
(4)	Credit Life	\$ _____	\$ _____
(5)	Group Life	\$ _____	\$ _____
(6)	Group Annuity	\$ _____	\$ _____
(7)	Totals	\$ _____	\$ _____

35. Separate Accounts

Instruction:

- A. Separate Account Activity

The general account financial statement shall include detailed information on the reporting entity's separate account activity. These disclosures shall include:

- (1) A narrative of the general nature of the reporting entity's separate account business.
- (2) Identification of the separate account assets that are legally insulated from the general account claims.
- (3) Identification of the separate account products that have guarantees backed by the general account. This shall include:
 - Amount of risk charges paid by the separate account to the general account for the past five years as compensation for the risk taken by the general account; and
 - Amount paid by the general account due to separate account guarantees during the past five years.
- (4) Discussion of securities lending transactions within the separate account, separately including the amount of loaned securities within the separate account, and if policies and procedures for the separate account differ from the general account.

B. General Nature and Characteristics of Separate Accounts Business

Describe the general nature and characteristics of the various kinds of separate accounts business conducted by the reporting entity and included in the reporting entity's Separate Accounts Statement. For purposes of this note, separate accounts may be addressed in the following groupings that are the same as those used for risk-based capital:

- Separate Accounts with Guarantees

Indexed separate accounts that are invested to mirror an established index that is the basis of the guarantee.

Nonindexed separate accounts, with reserve interest rate at no greater than 4% and/or fund long-term interest guarantee in excess of a year that does not exceed 4%.

Nonindexed separate accounts, with reserve interest rate at greater than 4% and/or fund long-term interest guarantee in excess of a year that exceeds 4%.

- Nonguaranteed Separate Accounts

Variable separate accounts, where the benefit is determined by the performance and/or fair value of the investments held in the separate account. Include variable accounts with incidental risks, nominal expense, and minimum death benefit guarantees.

For each grouping, include the following:

- (1) Premiums, considerations or deposits received during the year. The total for all separate accounts should agree to the sum of Lines 1.1 and 1.2 on Page 4 of the Separate Accounts Annual Statement.
- (2) Reserves by the valuation basis of investments supporting the reserves at December 31. List reserves for separate accounts whose assets are carried at fair value separately from those whose assets are carried at amortized cost/book value. Total reserves for all separate accounts should agree to the sum of Lines 1 and 2 on Page 3 of the Separate Accounts Annual Statement.
- (3) Reserves by withdrawal characteristics for the separate account:
 - Subject to discretionary withdrawal, including the categories of:
 - ❖ Market value adjustment
 - ❖ Withdrawal at book value without market value adjustment and with or without surrender charge
 - ❖ At fair value
 - ❖ Withdrawal at book value without market value adjustment and with current surrender charge of 5% or less
 - Not subject to discretionary withdrawal
- (4) The withdrawal characteristic classification instructions of Note 32 shall apply with total reserves to agree with the preceding disclosure.

Disclose reserves for asset default risk in lieu of AVR.

C. Reconciliation of Net Transfers to or (From) Separate Accounts

Provide a reconciliation of the amounts reported as:

- Transfers to and from separate accounts in the Summary of Operations of the Separate Accounts statement (Page 4, Line 1.4 minus Line 10).
- The amount reported as "Net transfers to or (From) Separate Accounts" in Page 4, Line 24 of the Fraternal Annual Statement.

Illustration:

A. Separate Account Activity

- (1) XYZ Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For the current reporting year, XYZ reported assets and liabilities from the following product lines/transactions into a separate account:

- Variable Life Insurance Products
- Variable Annuities
- Modified Guaranteed Annuities
- Funding Agreements
- Employee Benefit Plans
- Etc.

In accordance with the domiciliary state procedures for approving items within the separate account, the separate account classification of the following items are supported by a specific state statute (cite reference):

- Product Identifier (Variable Life) – State Statute Reference

The following items are supported by direct approval by the commissioner:

- Product Identifier (Funding Agreements) – Commissioner Approval

The following items are not supported by state statute or direct approval, but are permitted for separate account reporting in accordance with the following guidance:

- Product Identifier (Employee Benefit Plans) – Cite Guidance

(Include additional information regarding the general nature of the entity's separate account business as necessary.)

- (2) In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. (The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.)

As of December 31, 20__ and 20__ the Company separate account statement included legally insulated assets of \$____ and \$____, respectively. The assets legally insulated from the general account as of December 31, 20__ are attributed to the following products/transactions:

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

<u>Product/Transaction</u>	<u>Legally Insulated Assets</u>	<u>Separate Account Assets (Not Legally Insulated)</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
<u>Total</u>	\$ _____	\$ _____

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 AND ENDING NARRATIVE.)

- (3) In accordance with the products/transaction recorded within the separate account, some separate account liabilities are guaranteed by the general account. (In accordance with the guarantees provided, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account.)

To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five (5) years:

- a. 2019 \$ _____;
- b. 2018 \$ _____;
- c. 2017 \$ _____;
- d. 2016 \$ _____;
- e. 2015 \$ _____.

As of December 31, 20____, the general account of XYZ Company had paid \$ _____ toward separate account guarantees. The total separate account guarantees paid by the general account for the preceding four years ending December 31, 20____, 20____, 20____, and 20____ was \$ _____, \$ _____, \$ _____, and \$ _____, respectively.

- (4) XYZ Company engages in securities lending transactions within the separate account. In accordance with such transactions conducted from the separate account, XYZ Company follows the same policies and procedures from the general account, except as follows:

- Description of deviations from general account policies/procedures

For the year-ended December 31, 20____, XYZ Company loaned securities attributable to the following products/transactions in accordance with securities lending transactions:

- Variable Life Insurance Products (product identifier)
- Variable Annuities (product identifier)

Pursuant to the policies and procedures, XYZ Company is required to obtain approval and/or otherwise notify the contract holders that assets backing their investments may be loaned in securities lending transactions.

B. General Nature and Characteristics of Separate Accounts Business:

Most separate and variable accounts held by the company relate to individual variable annuities of a long-term guaranteed return nature. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of account value or premium paid. In 1996 the company began offering a policy with a minimum guaranteed death benefit that is adjusted every seven years to the current account value. The assets and liabilities of these accounts are carried at market. The minimum guaranteed death benefit reserve is held in Exhibit 5, Miscellaneous Reserves Section, of the company's general account annual statement. This business has been included in Column 4 of the table below.

Certain other separate accounts relate to experience-rated group annuity contracts that fund defined contribution pension plans. These contracts provide guaranteed interest returns for one-year only, where the guaranteed interest rate is re-established each year based on the investment experience of the separate account. In no event can the interest rate be less than zero. There are guarantees of principal and interest for purposes of plan participant transactions (e.g., participant-directed withdrawals and fund transfers done at book value). The assets and liabilities of these separate accounts are carried at book value. This business has been included in Column 2 of the table below.

(Include description of the nature and characteristics of other separate account business as appropriate, and location in table below.)

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.

	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Longguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year ended 12/31/___	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reserves at 12/31/___					
(2) For accounts with assets at:					
a. Fair value	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Amortized cost	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
c. Total Reserves*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal:					
1. With market value adjustment	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2. At book value without market value adjustment and with current surrender charge less than or more	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
3. At fair value	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
4. At book value without market value adjustment and with current surrender charge less than 5%	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Not subject to discretionary withdrawal	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
* Line 2(c) should equal Line 3(c).					
(4) Reserves for Asset Default Risk in Lieu of AVR	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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. Reconciliation of Net Transfers To or (From) Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:

a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ _____
b. Transfers from Separate Accounts (Page 4, Line 10)	\$ _____
c. Net transfers to or (From) Separate Accounts (a) – (b)	\$ _____

(2) Reconciling Adjustments:

a. _____	\$ _____
b. _____	\$ _____
c. _____	\$ _____

(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement

(1c) + (2) = (Page 4, Line 26) \$ _____

36. Loss/Claim Adjustment Expenses

Instruction:

The financial statement shall include the following disclosure for each year full financial statements are presented. Life and annuity contracts are not subject to this disclosure requirement:

- The balance in the liabilities for unpaid loss/claim adjustment expense reserves at the beginning and end of each year presented;
- Incurred loss/claim adjustment expenses with separate disclosures of the provision for insured or covered events of the current year and increases or decreases in the provision for insured or covered events of prior years;
- Payments of loss/claim adjustment expenses with separate disclosure of payment of loss/claim adjustment expenses attributable to insured or covered events of the current year and insured or covered events of prior years;
- Estimates of anticipated salvage and subrogation (including amounts recoverable from second injury funds, other governmental agencies, or quasi-governmental agencies, where applicable), deducted from the liability for unpaid claims/losses.

Illustration:

The balance in the liability for unpaid accident and health claim adjustment expenses as of _____ and _____ was \$ _____ and \$ _____, respectively.

The Company incurred \$ _____ and paid \$ _____ of claim adjustment expenses in the current year, of which \$ _____ of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$ _____.

Not for Distribution

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Not for Distribution

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., 10.2%, 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 name 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 the 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 of 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 1.2.1) (F), Outsourcing of Critical Functions, Custodial or Safekeeping Agreements), available at the NAIC website:

www.naic.org/documents/committees_e_examover_feltg_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 invested assets (Line 12 of the Asset page), 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 invested assets (Line 12 of the Asset page), 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.

Name of Firm or Individual:

Should be name of firm or individual provided for 28.05

Central Registration Depository Number

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.

Legal Entity Identifier (LEI)

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

Registered With:

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

Investment Management Agreement (IMA) Filed

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

36. 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.
37. 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. 36 and No. 38.
38. 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. 36 and No. 37.

PART 2 – LIFE ACCIDENT HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES INTERROGATORIES

Life and Accident Health Companies / Fraternal Benefit Societies:

1. Item 1.61 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 15, Line 0199999.

Item 1.62 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 16, Line 0199999.

Item 1.63 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 18, Line 0199999.

Item 1.64 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 11, Line 0199999.

Item 1.65 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 12, Line 0199999.

Item 1.66 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 14, Line 0199999.

Item 1.71 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 15, Line 0299999.

Item 1.72 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 16, Line 0299999.

Item 1.73 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 18, Line 0299999.

Item 1.74 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 11, Line 0299999.

Item 1.75 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 12, Line 0299999.

Item 1.76 is equal to the sum of all states reported on the Medicare Supplement Insurance Experience Exhibit, Column 14, Line 0299999.

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

All reporting entities should file the test.

Premium and reserve information is obtained from the annual statement sources referenced on the form or from the related risk based capital report for the corresponding premium descriptions relating to the current and prior reporting periods.

Item	Description	Reporting Year Annual Statement Data	Prior Year Annual Statement Data
2.1	Premium Numerator	<p>Health Premium values listed in the statement value column (Column 1) of the reporting year's Life RBC report:</p> <p><u>Individual Lines:</u> Usual and Customary Major Medical and Hospital Medicare Supplement Medicare Part D Dental and Vision</p> <p><u>Group Lines:</u> Usual and Customary Major Medical and Hospital Medicare Supplement Medicare Part D Stop Loss and Minimum Premium Dental and Vision Federal Employee Health and Benefit Plan</p>	<p>Health Premium values listed in the statement value column (Column 1) of the reporting year's Life RBC report:</p> <p><u>Individual Lines:</u> Usual and Customary Major Medical and Hospital Medicare Supplement Medicare Part D Dental and Vision</p> <p><u>Group Lines:</u> Usual and Customary Major Medical and Hospital Medicare Supplement Medicare Part D Stop Loss and Minimum Premium Dental and Vision Federal Employee Health and Benefit Plan</p>
2.2	Premium Denominator	Premium and Annuity Considerations (Page 4, Line 1) of the reporting year's annual statement	Premium and Annuity Considerations (Page 4, Line 1) of the prior year's annual statement
2.3	Premium Ratio	2.1/2.2	2.1/2.2
2.4(a)	Reserve Numerator	Net A&H Policy and Contract Claims without Credit Health (Exhibit 8, Part 1, Line 4.4, Columns 9 and 11) plus Aggregate Reserves for A&H Policies without Credit Health (Exhibit 6, Column 1 less Column 10) for Unearned Premiums (Line 1) and Future Contingent Benefits (Line 4)	Net A&H Policy and Contract Claims without Credit Health (Exhibit 8, Part 1, Line 4.4, Columns 9 and 11) plus Aggregate Reserves for A&H Policies without Credit Health (Exhibit 6, Column 1 less Column 3) for Unearned Premiums (Line 1) and Future Contingent Benefits (Line 4)
2.5	Reserve Denominator	Aggregate Reserve (Page 3, Column 1, Lines 1+2+4.1+4.2) minus additional actuarial reserves (Exhibit 6, Column 1, Lines 3+11 plus Exhibit 5, Misc. Reserves Section, Line 0799999)	Aggregate Reserve (Page 3, Column 1, Lines 1+2+4.1+4.2) minus additional actuarial reserves (Exhibit 6, Column 1, Lines 3+11 plus Exhibit 5, Misc. Reserves Section, Line 0799999)
2.6	Reserve Ratio	2.4/2.5	2.4/2.5

- (a) Alternative Reserve Numerator – Company records may be used to adjust the reserve numerator to provide consistency between the values reported in the reserve numerator (2.4) and the premium numerator (2.1).

- 3.3 The total amount of capital and surplus funds of the company, covered by assets in the company's Separate Accounts statement, is the sum of the amount accrued for expense allowances recognized in separate accounts reserves that is disclosed parenthetically as a negative amount in the caption for Page 3, Line 13 - Transfers to Separate Accounts due or accrued (net) (including \$ _____ accrued for expense allowances recognized in reserves, net of reinsured expense allowances) adjusted to exclude any reinsurance assumed expense allowances, plus the amount of surplus in the Separate Accounts statement that is disclosed parenthetically in the caption for Page 3, Line 37 - Surplus (including \$ _____ in Separate Accounts statement). Exclude any amounts accrued for expense allowances applicable to reinsurance assumed covered by assets in ceding companies' Separate Accounts statements. Such amounts are covered in Interrogatory 3.7.

In the response to this interrogatory, include only that portion of the above-described amount that the company is currently prohibited from distributing to the general account from the separate accounts. Include all surplus funds that the company is required by law, regulation or regulatory directive to maintain in its separate accounts.

Exclude all amounts that are currently distributable at the discretion of the company, including seed monies currently maintained in the Separate Accounts statement to support the development or growth of separate accounts business.

- 3.4 Cite applicable insurance statutes for the establishment of separate accounts.
- 3.7 Report the total amount accrued for reinsurance assumed expense allowances applicable to separate accounts' reserves held in ceding company Separate Accounts statements. Any such amount is included as a negative amount in both the total and parenthetical amounts reported for Page 3, Line 13, Transfers to Separate Accounts Due or Accrued (Net) (including \$ _____ accrued for expense allowances recognized in reserves, net of reinsured allowances).
- 4.1 Disclose the amount of reserves carried by the reporting entity because it has sold annuities with a claimant as payee and to the extent to which the reporting entity is liable for such amounts. Include only annuities for which the property and casualty insurer obtained a release of liability from the claimant as a result of the purchase of an annuity from the reporting entity.
- 4.2 Disclose the name and location of the insurance company (i.e., legal entity and not group) that purchased the annuities during the current year and the aggregate statement value of annuities purchased, to the extent that the aggregate value of those annuities equals or exceeds \$250,000. Include only annuities for which the property and casualty insurer obtained a release of liability from the claimant as a result of the purchase of an annuity from the reporting entity.
- 6.2 If the response to 6.1 is "Yes," provide for the captive affiliate the company name, NAIC company code, domiciliary jurisdiction, reserve credit amount and the amounts supporting the reserve credit (letters of credit, trust agreements and other).

Reserve Credit: Report the amount by which the aggregate reserve for life contracts (Exhibit 5), deposit-type contracts (Exhibit 7) and accident and health contracts (Exhibit 6) has been reduced on account of reinsurance with authorized companies. The amounts by company should be the same as those shown for life reinsurance ceded in Schedule S, Part 3, Section 1, Columns 9 and 14 and for accident and health reinsurance ceded in Schedule S, Part 3, Section 2, Columns 9, 10 and 13.

7. Ordinary Life Insurance (U.S. business only) for the current year for Lines 7.1, 7.2 and 7.3 (prior to reinsurance assumed or ceded)

U.S. business includes U.S. States, Territories and Possessions (composed of the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands). The method for determining which jurisdiction a contract or certificate is reported in should be the same method used for reporting on Schedule T.

Include:

Term (whether full underwriting, limited underwriting, jet issue, "short form app")

Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

Exclude:

Credit Life
Simplified Issue/Guaranteed Issue (if it can be separated)
Worksite
Individually Solicited Group Life
Direct Response
Final Expense
Pre-need
Home Service
COLI/BOLI/CHOLI

Refer to the *NAIC Valuation Manual* for additional guidance on what policies should be included.

8. A "YES" answer indicates the reporting entity is a multistate company based on the information reported in Schedule T – Exhibit of Premiums Written.

If the sum of codes L, R, E and Q provided in Column 1 of Schedule T is greater than 1, the answer to Question 8 should be "YES."

- 8.1 A "YES" answer indicates that while the reporting entity does not meet the criteria shown on Schedule T to be considered a multistate insurer, the reporting entity's assumption of business that covers risks in at least two states will qualify the entity as multistate.

Life Accident and Health Companies Only:

- 9.1 The response is "YES" if subsidiaries or affiliates use or provide personnel or facilities. Third party expenditures should be excluded.
- 9.2 Report the amount of expense paid this year by this company for services received in the paid line. Report the amount received by this company for services it provided in the received line.
- 13.1 Worker's compensation carve-out business is defined as reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employer's liability exposures, of business originally written as worker's compensation insurance.

Fraternal Benefit Societies Only:

- 31.2 N/A is an acceptable response only if Interrogatory 31.1 was answered NO.
- 32.2 N/A is an acceptable response only if Interrogatory 32.1 was answered NO.
- 35.2 If there are multiple liens, they should be listed individually.

Not for Distribution

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, reserves, 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).

Report all amounts of insurance in thousands of dollars.

The derivation of each line on Five-Year Historical Data is indicated in the annual statement blank except that Lines 48 and 49 should be based upon the book/adjusted carrying value of the asset, which is consistent with the other affiliated investments.

Items from prior years should be included only if they are available from prior years' statements.

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.

Life Insurance In Force (Exhibit of Life Insurance)

Line 1 – Ordinary – Whole Life and Endowment

Life and Accident and Health Companies Only

All years Exhibit of Life Insurance, Line 34, Column 4

Fraternal Benefit Societies Only

2019 Exhibit of Life Insurance, Line 34, Column 4

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 2 – Ordinary-Term

Life and Accident and Health Companies Only

All years Exhibit of Life Insurance, Line 21, Column 4 less Line 34, Column 4

Fraternal Benefit Societies Only

2019 Exhibit of Life Insurance, Line 21, Column 4 less Line 34, Column 4

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 3 – Credit Life

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 21, Column 6

This line is not applicable to Fraternal Benefit Societies

Line 4 – Group, Excluding FEGLI/SGLI

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 21, Column 9 less Lines 43 & 44, Column 4

This line is not applicable to Fraternal Benefit Societies

Line 5 – Industrial

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 21, Column 6

Fraternal Benefit Societies Only

2019..... Exhibit of Life Insurance, Line 21, Column 2

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 6 – FEGLI/SGLI

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Lines 43 & 44, Column 4

This line is not applicable to Fraternal Benefit Societies

New Business Issued
(Exhibit of Life Insurance)

Line 8 – Ordinary-Whole Life and Endowment

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 34, Column 2

Fraternal Benefit Societies Only

2019..... Exhibit of Life Insurance, Line 34, Column 2

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 9 – Ordinary-Term

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 2, Column 4 less Line 34, Column 2

Fraternal Benefit Societies Only

2019..... Exhibit of Life Insurance, Line 2, Column 4 less Line 34, Column 2

2018 through 2015..... This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 10 – Credit Life

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 2, Column 6

This line is not applicable to Fraternal Benefit Societies

Line 11 – Group

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 2, Column 9

This line is not applicable to Fraternal Benefit Societies

Line 12 – Industrial

Life and Accident and Health Companies Only

All years..... Exhibit of Life Insurance, Line 2, Column 2

Fraternal Benefit Societies Only

2019..... Exhibit of Life Insurance, Line 2, Column 2

2018 through 2015..... This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Not for Distribution

Premium Income - Lines of Business
(Exhibit 1 – Part 1)

Line 14 – Industrial Life

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 2

Fraternal Benefit Societies Only

2019 Exhibit 1, Part 1, Line 20.4, Column 2

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 15.1 – Ordinary Life Insurance

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 3

Fraternal Benefit Societies Only

2019 Exhibit 1, Part 1, Line 20.4, Column 3

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 15.2 – Ordinary Individual Annuities

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 4

Fraternal Benefit Societies Only

2019 Exhibit 1, Part 1, Line 20.4, Column 4

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 16 – Credit Life (group and individual)

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 5

This line is not applicable to Fraternal Benefit Societies

Line 17.1 – Group Life Insurance

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 6

This line is not applicable to Fraternal Benefit Societies

Line 17.2 – Group Annuities

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 7

This line is not applicable to Fraternal Benefit Societies

Line 18.1 – A&H – Group

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 8

This line is not applicable to Fraternal Benefit Societies

Line 18.2 – A&H – Credit

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 9

This line is not applicable to Fraternal Benefit Societies

Line 18.3 – A&H – Other

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 10

Fraternal Benefit Societies Only

2019 Exhibit 1, Part 1, Line 20.4, Column 10

2018 through 2015 Exhibit 1, Part 1, Line 20.4, Column 4

Line 19 – Aggregate of All Other Lines of Business

Life and Accident and Health Companies Only

All years Exhibit 1, Part 1, Line 20.4, Column 11

Fraternal Benefit Societies Only

2019 Exhibit 1, Part 1, Line 20.4, Column 11

2018 through 2015 Exhibit 1, Part 1, Line 20.4, Column 5

Balance Sheet
(Pages 2 and 3)

Line 21 – Total Admitted Assets Excluding Separate Accounts Business

All years Page 2, Line 26, Column 3

Line 22 – Total Liabilities Excluding Separate Accounts Business

Life and Accident and Health Companies Only

All years Page 3, Line 26

Fraternal Benefit Societies Only

2019 Page 3, Line 26

2018 through 2015 Page 3, Line 23

Line 23 – Aggregate Life Reserves

Life and Accident and Health Companies Only

All years Page 3, Line 1

Fraternal Benefit Societies Only

2019 Page 3, Line 1

2018 through 2015 Page 3, Line 1

Line 24 – Aggregate A & H Reserves

Life and Accident and Health Companies Only

All years Page 3, Line 2

Fraternal Benefit Societies Only

2019 Page 3, Line 2

2018 through 2015 Page 3, Line 2

Lines 25 – Deposit-type Contract Funds

Life and Accident and Health Companies Only

All years Page 3, Line 3

Fraternal Benefit Societies Only

2019 Page 3, Line 3

2018 through 2015 Page 3, Line 3

- Line 26 – Asset Valuation Reserve
- Life and Accident and Health Companies Only
- All years Page 3, Line 24.01
- Fraternal Benefit Societies Only
- 2019 Page 3, Line 24.01
- 2018 through 2015 Page 3, Line 21.1

- Line 27 – Capital
- Life and Accident and Health Companies Only
- All years Page 3, Lines 29 and 30
- This line is not applicable to Fraternal Benefit Societies**

- Line 28 – Surplus
- Life and Accident and Health Companies Only
- All years Page 3, Line 37
- Fraternal Benefit Societies Only
- 2019 Page 3, Line 37
- 2018 through 2015 Page 3, Line 37

Cash Flow (Page 5)

- Line 29 – Net cash from operations
- All years Line 11

Risk-Based Capital Analysis

- Line 30 – Total Adjusted Capital
- This amount must agree with the amount identified as the Total Adjusted Capital in the NAIC Risk-Based Capital Report.
- Line 31 – Authorized Control Level Risk-Based Capital
- This amount must agree with the amount identified as the Authorized Control Level Risk-Based Capital in the NAIC Risk-Based Capital Report.

Percentage Distribution of Cash, Cash Equivalents and Invested Assets

All years..... (Page 2, Column 3) (Line No./Page 2, Line 12, Column 3) x 100.00

Line 32 – Bonds
All years..... Page 2, Line 1

Line 33 – Stocks
All years..... Page 2, Line 2.1 and 2.2

Line 34 – Mortgage Loans on Real Estate
All years..... Page 2, Lines 3.1 and 3.2

Line 35 – Real Estate
All years..... Page 2, Lines 4.1, 4.2 and 4.3

Line 36 – Cash, Cash Equivalents and Short-term Investments
All years..... Page 2, Line 5

Line 37 – Contract Loans
All years..... Page 2, Line 6

Line 38 – Derivatives
All years..... Page 2, Line 7

Line 39 – Other Invested Assets
All years..... Page 2, Line 8

Line 40 – Receivables for Securities
All years..... Page 2, Line 9

Line 41 – Securities Lending Reinvested Collateral Assets
All years..... Page 2, Line 10

Line 42 – Aggregate Write-ups for Invested Assets
All years..... Page 2, Line 11

Line 43 – Cash, Cash Equivalents and Invested Assets
All years..... Page 2, Line 12

Investments in Parent, Subsidiaries and Affiliates

Line 44 – Affiliated Bonds

All years Schedule D Summary, Line 12, Column 1

Line 45 – Affiliated Preferred Stocks

All years Schedule D Summary, Line 18, Column 1

Line 46 – Affiliated Common Stocks

All years Schedule D Summary, Line 24, Column 1

Line 47 – Affiliated Short-term Investments

All years Subtotal included in Schedule DA, Verification of Net Investment Income, Column 5, Line 10

Line 51 – Total Investment in Parent

Report the amount of investments reported in Lines 44 to 49 above that are in an immediate or indirect parent.

Total Nonadmitted and Admitted Assets

Line 52 – Total Nonadmitted Assets

All years Page 2, Line 28, Column 3

Line 53 – Total Admitted Assets

All years Page 2, Line 33, Column 3

Investment Data

Line 54 – Net Investment Income

All years Exhibit of Net Investment Income, Line 17

Line 55 – Realized Capital Gains (Losses)

Life and Accident and Health Companies Only

All years Summary of Operations, Line 34, Column 1

Fraternal Benefit Societies Only

2019 Summary of Operations, Line 34, Column 1

2018 through 2015 Summary of Operations, Line 30, Column 1

Line 56 – Unrealized Capital Gains (Losses)

Life and Accident and Health Companies Only

All years..... Summary of Operations, Line 38, Column 1

Fraternal Benefit Societies Only

2019..... Summary of Operations, Line 38, Column 1

2018 through 2015 Summary of Operations, Line 34, Column 1

Benefits and Reserve Increase

(Page 6)

Line 58 – Total Contract/Certificate Benefits – Life

Life and Accident and Health Companies Only

2019..... Lines 10, 11, 12, 13, 14 and 15, Column 1 less Lines 10, 11, 12, 13, 14 and 15
Columns 6, 7 and 8

2018 through 2015 Lines 10, 11, 12, 13, 14 and 15, Column 1 less Lines 10, 11, 12, 13, 14 and 15
Columns 9, 10 and 11

Fraternal Benefit Societies Only

2019..... Lines 10, 11, 12, 13, 14 and 15, Column 1 less Lines 10, 11, 12, 13, 14 and 15
Columns 6, 7 and 8

2018 through 2015 Lines 10, 11, 12, 13 and 14, Column 7 less Line 13, Column 5

Line 59 – Total Contract/Certificate Benefits – A&H

Life and Accident and Health Companies Only

2019..... Lines 13 & 14, Column 6

2018 through 2015 Lines 13 & 14, Column 9, 10 & 11

Fraternal Benefit Societies Only

2019..... Lines 13 & 14, Column 6

2018 through 2015 Line 13, Column 5

Line 60 – Increase in Life Reserves – Other than Group and Annuities

Life and Accident and Health Companies Only

2019..... Line 19, Columns 2

2018 through 2015 Line 19, Columns 2 & 3

Fraternal Benefit Societies Only

2019..... Line 19, Columns 2

2018 through 2015 Line 17, Column 2

Line 61 – Increases in A&H Reserves

Life and Accident and Health Companies Only

2019..... Line 19, Columns 6

2018 through 2015 Line 19, Columns 9, 10 & 11

Fraternal Benefit Societies Only

2019..... Line 19, Columns 6

2018 through 2015 Line 17, Column 5

Line 62 – Dividends to Policyholders and Refunds to Members

Life and Accident and Health Companies Only

All years..... Line 29, Column 1

Fraternal Benefit Societies Only

2019..... Line 30, Column 1

2018 through 2015 Line 28, Column 1

Operating Percentages

Line 63 – Insurance Expense Percent

Life and Accident and Health Companies Only

All years..... (Page 6, Column 1, Lines 21, 22 & 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00

Fraternal Benefit Societies Only

2019..... (Page 6, Column 1, Lines 21, 22 & 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00

2018 through 2015 (Page 6, Column 1, Lines 19, 20 and 21 less Line 6, Column 1) / (Page 6, Column 1, Line 1) x 100.0

Line 64 – Lapse Percent (ordinary only)

Life and Accident and Health Companies Only

All years..... (Exhibit of Life Insurance, Column 4, Lines 14 & 15) / $\frac{1}{2}$ (Exhibit of Life Insurance, Column 4, Lines 1 & 21) x 100.00

Fraternal Benefit Societies Only

2019..... (Exhibit of Life Insurance, Column 4, Lines 14 & 15) / $\frac{1}{2}$ (Exhibit of Life Insurance, Column 4, Lines 1 & 21) x 100.00

2018 through 2015 (Exhibit of Life Insurance, Column 2, Lines 14 & 15) divided by $\frac{1}{2}$ (Exhibit of Life Insurance, Column 2, Lines 1 & 21) x 100.0

Line 65 – A&H Loss Percent

Life and Accident and Health Companies Only

All years..... Schedule H, Part 1, Lines 5 & 6, Column 2

Fraternal Benefit Societies Only

2019..... Schedule H, Part 1, Lines 5 & 6, Column 2

2018 through 2015 Schedule H, Part 1, Lines 5 and 6, Column 2

Line 66 – A&H Cost Containment

Life and Accident and Health Companies Only

All years..... Schedule H, Part 1, Line 4, Column 2

Fraternal Benefit Societies Only

2019..... Schedule H, Part 1, Line 4, Column 2

2018 through 2015 Schedule H, Part 1, Line 4, Column 2

Line 67 – A&H Expense Percent (Excluding Cost Containment Expenses)

Life and Accident and Health Companies Only

All years..... Schedule H, Part 1, Line 10, Column 2

Fraternal Benefit Societies Only

2019..... Schedule H, Part 1, Line 10, Column 2

2018 through 2015 Schedule H, Part 1, Line 10, Column 2

A & H Claim Reserve Adequacy

Line 68 – Incurred Losses on Prior Years' Claims – Group Health

Life and Accident and Health Companies Only

All years..... Schedule H, Part 3, Line 3.1, Column 2

This line is not applicable to Fraternal Benefit Societies

Line 69 – Prior Years' Claim Liability and Reserve – Group Health

Life and Accident and Health Companies Only

All years..... Schedule H, Part 3, Line 3.2, Column 2

This line is not applicable to Fraternal Benefit Societies

Line 70 – Incurred Losses on Prior Years' Claims – Health Other than Group

Life and Accident and Health Companies Only

All years..... Schedule H, Part 3, Line 3.1, Column 1 less Column 2

Fraternal Benefit Societies Only

2019..... Schedule H, Part 3, Line 3.1, Column 1 less Column 2

2018 through 2015..... Schedule H, Part 3, Line 3.1, Column 1

Line 71 – Prior Years' Claim Liability and Reserve – Health Other than Group

Life and Accident and Health Companies Only

All years..... Schedule H, Part 3, Line 3.2, Column 1 less Column 2

Fraternal Benefit Societies Only

2019..... Schedule H, Part 3, Line 3.2, Column 1 less Column 2

2018 through 2015..... Schedule H, Part 3, Line 3.2, Column 1

Not for Distribution

Net Gains From Operations After Dividends to Policyholders/Refunds to Members and Federal Income Taxes by Lines of Business

Line 72 – Industrial Life

Life and Accident and Health Companies Only

2019..... Page 6.1, Line 33, Column 2

2018 through 2015 Page 6, Line 33, Column 2

Fraternal Benefit Societies Only

2019..... Page 6.1, Line 33, Column 2

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 73 – Ordinary – Life

Life and Accident and Health Companies Only

2019..... Page 6.1, Line 33, Column 1 less Columns 2, 10 and 12

2018 through 2015 Page 6, Line 33, Column 3

Fraternal Benefit Societies Only

2019..... Page 6.1, Line 33, Column 1 less Columns 2 and 10

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 74 – Ordinary – Individual Annuities

Life and Accident and Health Companies Only

All years..... Page 6, Line 33, Column 4

Fraternal Benefit Societies Only

2019..... Page 6, Line 33, Column 4

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 75 – Ordinary – Supplementary Contracts

Life and Accident and Health Companies Only

2019..... No longer a separate column on the Analysis of Operations by Lines of Business pages. The amounts are included in the individual and group annuities amounts on Lines 74 and 78.

2018 through 2015 Page 6, Line 33, Column 5

Line 76 – Credit Life

Life and Accident and Health Companies Only

2019..... Line 33, Page 6.1, Column 10 plus Page 6.2, Column 7

2018 through 2015 Page 6, Line 33, Column 10 plus Column 6

Fraternal Benefit Societies Only

2019..... Line 33, Page 6.1, Column 10 plus Page 6.2, Column 7

2018 through 2015 This level of product detail was not reported previously by Fraternal Benefit Societies on the Exhibit of Life Insurance. Fraternal reporting entities should still provide retrospectively.

Line 77 – Group Life

Life and Accident and Health Companies Only

2019..... Page 6.2, Line 33, Column 1 less Columns 2, 3, 4, 5, 6, 7, 8, 9

2018 through 2015 Page 6, Line 33, Column 7

This line is not applicable to Fraternal Benefit Societies

Line 78 – Group Annuities

Life and Accident and Health Companies Only

2019..... Page 6, Line 33, Column 5

2018 through 2015 Page 6, Line 33, Column 8

This line is not applicable to Fraternal Benefit Societies

Line 79 – A & H – Group

Life and Accident and Health Companies Only

2019..... Page 6.5, Line 33, Column 3

2018 through 2015 Page 6, Line 33, Column 9

This line is not applicable to Fraternal Benefit Societies

Line 80 – A&H – Credit

Life and Accident and Health Companies Only

2019..... Page 6.5, Line 33, Column 10

2018 through 2015 Page 6, Line 33, Column 10

This line is not applicable to Fraternal Benefit Societies

Line 81 – A&H – Other

Life and Accident and Health Companies Only

2019..... Page 6.5, Line 33, Column 1 less Columns 3 and 10

2018 through 2015 Page 6, Line 33, Column 11

Fraternal Benefit Societies Only

2019..... Page 6.5, Line 33, Column 1 less Columns 3 and 10

2018 through 2015 Page 6, Line 29, Column 5

Line 82 – Aggregate of All Other Lines of Business

Life and Accident and Health Companies Only

2019..... Page 6, Line 33, Column 8

2018 through 2015 Page 6, Line 33, Column 12

Fraternal Benefit Societies Only

2019..... Page 6, Line 33, Column 8

2018 through 2015 Page 6, Line 29, Column 5

Line 83 – Fraternal

This line is not applicable to Life and Accident and Health Companies

Fraternal Benefit Societies Only

2019..... Page 6, Line 33, Column 7

2018 through 2015 Page 6, Line 29, Column 8

Not for Distribution

Not for Distribution

STATE PAGE

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 or direct losses incurred. To other states in which the company is licensed it should submit only a schedule for that state.

Direct premiums by state may be estimated by formula on the basis of countrywide ratios for the respective lines of business except where adjustments are required to recognize special situations.

Company's participation in the FEGLI and SGLI policies is shown in this exhibit as direct business.

This exhibit should be shown excluding reinsurance assumed. Reinsurance ceded should not be deducted.

Column 2 – Credit Life (Group and Individual)

Include: Business not exceeding 120 months duration

This column is not applicable to Fraternal Benefit Societies.

Column 5 – Total

Line 1 – Direct Premiums for Life Contracts Excluding Reinsurance Assumed and Without Deduction of Reinsurance Ceded

Line 2 – Direct Annuity Considerations for Life Contracts Excluding Reinsurance Assumed and Without Deduction of Reinsurance Ceded

} and }

Should equal Schedule T, Columns 2 and 5, by State.

Line 3 – Deposit-type Contracts Funds

Report all deposits, and other amounts received for contracts without any mortality and morbidity risk and not reported on Line 1, Line 2 or Line 4. The amounts reported should be consistent with those reported on Schedule T, Column 7.

Line 2 – Annuity Considerations

Should equal Schedule T, Column 3 by State.

Line 3 – Deposit-type Contracts Funds

Report all deposits and other amounts received for contracts without any mortality and morbidity risk and not reported on Line 1, Line 2 or Line 4. The amounts reported should be consistent with those reported on Schedule T, Column 7.

Line 4 – Other Considerations

Include:

Unallocated annuity considerations and other unallocated deposits that incorporate any mortality or morbidity risk and are not reported on Line 1, Line 2 or Line 3. The amounts reported should be consistent with those reported on Schedule T, Column 5. See the instructions to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit and Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit for allocated and unallocated annuities. Report allocated annuities in Line 2.

- Line 6 – Life Insurance Direct Dividends to Policyholders/Refunds to Members Excluding Reinsurance Assumed and Without Deduction of Reinsurance Ceded
- Line 7 – Annuity Direct Dividends to Policyholders/Refunds to Members Excluding Reinsurance Assumed and Without Deduction of Reinsurance Ceded

and }

Report dividends to policyholders/refunds to members paid or left on deposit, dividends applied to policyholders/refunds to members to pay premiums or considerations, or applied to provide paid-up additions or annuities. Also report dividends to policyholders/refunds to members used to shorten the endowment or premium paying period.

- Line 13 – Aggregate Write-ins for Miscellaneous Direct Claims and Benefits Paid

Enter the total of the write-ins listed in schedule Detail of Write-ins Aggregated at Line 13 for Miscellaneous Direct Claims and Benefits Paid.

- Lines 24 to 26 – Accident and Health Insurance

Report health premiums collected during the year, excluding reinsurance accepted and without deduction of reinsurance ceded.

Report on Line 24.1 those premiums, dividends and fees allowable to the Federal Employees Health Benefits Program premiums that are exempted from state taxes or other fees by Section 8909(f)(1) of Title 5 of the United States Code.

For Line 24.2, include business not exceeding 20 months' duration.

For Line 25, the development of data into various health policy categories should be done by inventory of the policy records.

- Line 24.4 – Medicare Title XVIII Exemption from State Taxes or Fees

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

Details of Write-ins Aggregated on Line 13 for Miscellaneous Direct Claims and Benefits Paid

List separately each category of direct claims and benefits paid for which there is no pre-printed line on the state page.

For Health Business: Complete the information below the Accident and Health block regarding number of persons covered under PPO managed care products and number of persons covered under indemnity only products. Include in PPO business health insurance products that provide access to a higher level of benefits whenever participating provider networks are used.

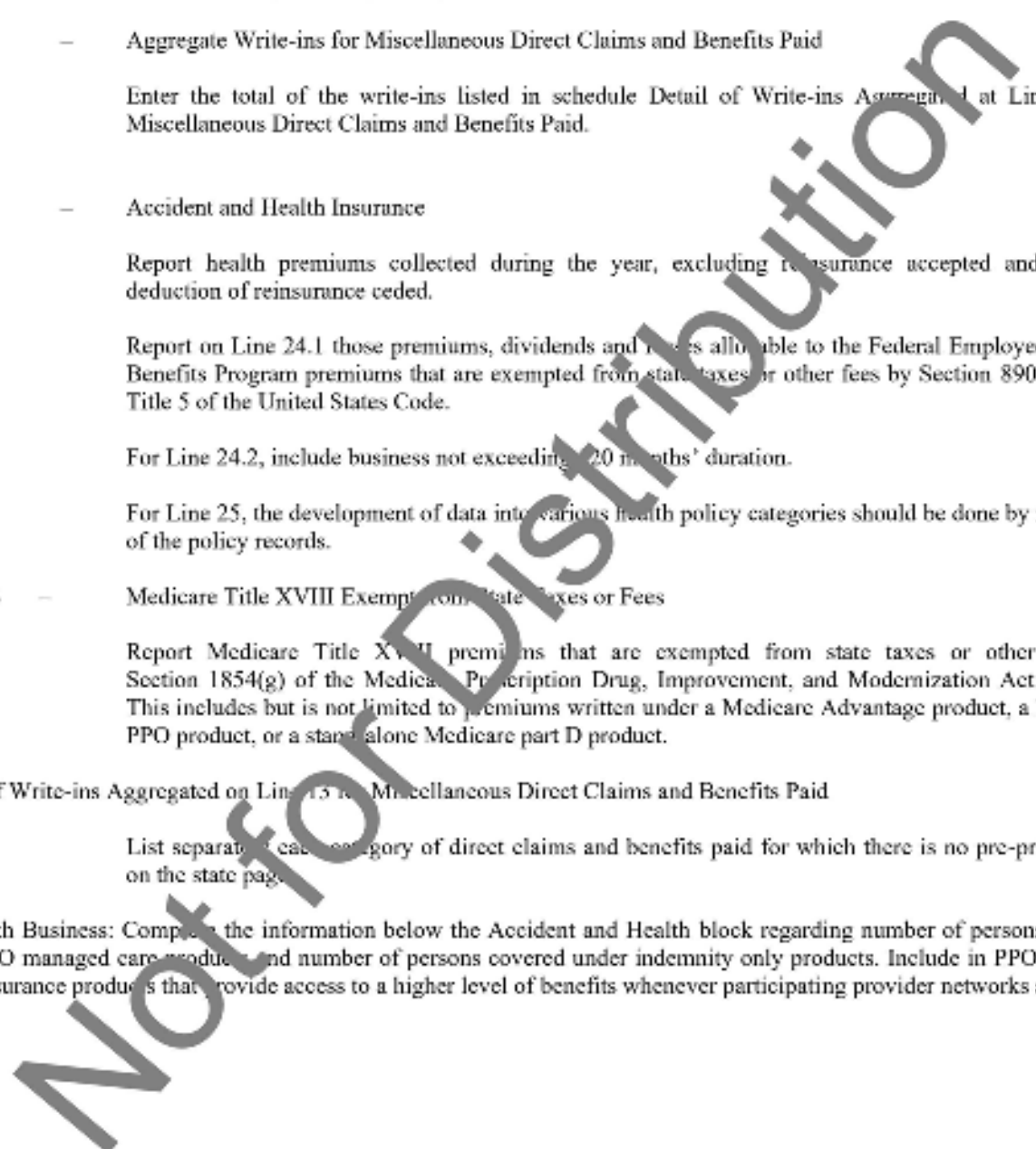


EXHIBIT OF LIFE INSURANCE

This exhibit displays current year information on increases and decreases to the life insurance in force at the beginning of the year. Data is reported on an incurred basis, that is, policies (or certificates) are considered issued when the first premium is paid and are considered terminated as closely as possible to the time when the event occurs rather than when actual cash payment is made.

For policies and riders that provide a level amount of insurance payable in installments in the event of death, the commuted value of the installments should be used as the amount of insurance. Include variable life insurance business.

Report all amounts of insurance in thousands of dollars (omit \$000).

Columns 5
and 6

– Credit Life (Group and Individual)

Include: Business not exceeding 120 months duration.

This column is not applicable to Fraternal Benefit Societies.

Line 1

– In Force End of Prior Year

This amount equals the amount reported on Line 21 in the prior year's annual statement.

Line 2

– Issued During Year

Include: Permanent insurance issued as conversions of individual or family term insurance or group insurance. For group insurance include original issues and additional new business consisting of extensions to new classes and upward revisions of group insurance.

Exclude: New dividend additions issued (reported on Line 7).

Line 3

– Reinsurance Assumed

Report all reinsurance assumed including modified coinsurance. If a block of business has been assumed during the year, a footnote should be added showing the figures for each column for each such transaction.

Fraternal Benefit Societies Only:

Include: Reinsurance of the entire business of a company, including modified coinsurance, or of its business in a state or section of the country but is not to include reinsurance of individual risks. In the case of a society which has accepted such reinsurance, include the business assumed in Line 3, and in the case of a society that has ceded its business, include the business so ceded in Line 22.

Line 4

– Received During Year

Report reinstatements of policies lapsed prior to the statement year.

Exclude: Reinstatement data for policies lapsed in the statement year (this information is part of net lapse data reported on Line 15).

- Line 5 – Increased During Year (Net) and }
 Line 17 – Decreased (Net) }

Enter as a positive figure in either Line 5 or Line 17, the net of increases and decreases for number of policies, number of certificates and amount of insurance. This data is treated independently and it is possible for one or more of these figures to increase while the others decrease. In determining the net for Group business, add new persons covered who are not included in Line 2 or Line 3, and deduct those withdrawing. The net figures for number of policies, for number of certificates, and for amount of insurance may not necessarily be on the same line.

- Line 7 – Additions by Dividends During Year

Report additions to life insurance in force as the result of application of dividends on participating policies to purchase paid-up additional insurance.

- Line 8 – Aggregate Write-ins for Increases

Enter the total of the write-ins listed in schedule "Details of Write-ins Aggregated at Line 8 for Increases."

- Line 10 – Death and }
 Line 11 – Maturity }

These lines are self-explanatory. Amounts reported must be those that had been previously reported as being in force.

- Line 12 – Disability

Report the full in force amounts as cancelled for those policies/certificates where approval and payment of disability benefits result in the automatic termination of the policy itself and any life insurance it was to provide.

Exclude: Disability benefits of any nature unless the policy provision stipulates a reduction of the face amount of insurance on account of disability.

- Line 13 – Expiry

Report those expirations from in force where coverage was provided by term insurance (term policies/certificates, extended insurance term riders) where the term has expired and the policy/certificate provided is of no further value.

- Line 14 – Surrender

Report the cancellation from in force of the face amounts (or adjusted amounts of insurance) for policies/certificates that were surrendered by the owners for their cash value, or where a policy/certificates loan indebtedness (loan principal plus accrued interest) reached or exceeded the reserve value causing termination of insurance coverage.

- Line 15 – Lapse

Report cancellation from in force of insurance without nonforfeiture provisions as the result of nonpayment of premiums prior to the normal expiration date of such insurance coverage.

- Line 16 – Conversion

Report only individual or family term insurance converted to permanent insurance.

- Line 18 – Reinsurance
- Report discontinuance of reinsurance assumed by transfer of risk to the original or other insurer. If one or more blocks of business have been ceded by reinsurance during the year, it should be reported in this line with a footnote showing the figures for each column for each such cession. Do not include reinsurance ceded on individual risks.
- Line 19 – Aggregate Write-ins for Decreases
- Enter the total of the write-ins listed in schedule “Details of Write-ins Aggregated on Line 19 for Decreases.”
- Line 22 – Reinsurance Ceded, End of Year
- Report all reinsurance ceded including modified coinsurance.
- Line 23 – Line 21 minus Line 22
- Report the in force at the end of the year less ceded.
- Line 24 – Additions by Dividends
- Report the total acquired by Line 7 transactions since inception in force at the end of the year.
- Line 25 – Other Paid-Up Insurance
- Report all non-premium-paying insurance (single premium, fully paid-up, reduced paid-up and extended term) except additions by dividends.
- Line 26 – Debit Ordinary Insurance
- Report that portion of ordinary in force that is maintained by a debit premium collection system.
- Lines 27 to 30 – Additional Information on Ordinary Insurance
- Amounts of term insurance on wives and children under family policies should be included in Lines 29 and 30 and excluded from Lines 27 and 28.
- Lines 36 to 40 – Classification of Amount of Insurance by Participating Status
- Totals should prove to Lines 2 and 21, Column 10.
- Line 38 – Credit Life (Group and Individual)
- Include: Business not exceeding 120 months duration.
- Lines 41 to 45 – Additional Information on Credit Life and Group Insurance
- Columns 1 and 2 should include business not exceeding 120 months duration.

Line 42 – Number In Force End of Year if the Number Under Shared Groups is Counted on a Pro-rata Basis

If part of the insurance on each life in a group is provided by policies of other insurance companies (except for the Federal Employees' Group Life Insurance Policy and the Servicemen's Group Life Insurance Policy), report in Line 42 the adjusted total number of group life certificates in force at end of year. The adjusted total should include for each such policy the number of certificates in force multiplied by the proportion of insurance provided by the company. If none of the group insurance in force at the end of the year is in a shared group, the figure in this line should be the same as that in Line 21, Column 8. Adjust credit life number in a similar manner.

Line 46 – Amount of Additional Accidental Death Benefits in Force End of Year Under Ordinary Policies

Exclude: Amounts payable only in event of death resulting from specific types of accidents, such as travel accidents.

Lines 48
to 52 – Policies with Disability Provisions

Report the face amounts of the insurance policies to which the disability provision apply.

Detail of Items Aggregated on Line 8 for Other Increases

List separately each increase for which there is no pre-printed line on this exhibit.

Detail of Items Aggregated on Line 19 for Other Decreases

List separately each decrease for which there is no pre-printed line on this exhibit.

Not for Distribution

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT AND HEALTH AND OTHER POLICIES

The purposes of these exhibits are:

1. To provide a control mechanism on in force for the reporting entity and the regulator when auditing in force and reserve liabilities.
2. To provide information on the activity, primarily sales or new cases on these various lines of business.
3. To provide information on how much business (number of cases) the reporting entity is administering.

Supplementary Contracts

- Line 3 – Reinsurance Assumed
Provide number of all cases involved whether reinsured on a case-by-case basis, assumption reinsurance assumed (100%) or a percent of a block is assumed.
- Line 7 – Reinsurance Ceded
Provide number of all cases under assumption reinsurance ceded (100%). No data is provided here where a portion of business is ceded case by case, or where a percent of a block is ceded.
- Line 10 – Amount on Deposit
Report amount on deposit on deposit-type contracts.
- Line 11 – Income Now Payable
Provide number of supplementary contracts with periodic payments.
- Line 12 – Amount of Income Payable
Report the annual amount payable on each contract.

Annuities

- Line 10 – Amount of Income Payable
Report annual income payable for annuities where payments are currently being paid. For contracts where the amounts paid may vary from year to year, include the amount to be paid in the following year.
- Line 11 – Deferred Fully Paid Account Balance and
Line 12 – Deferred Fully Not Paid Account Balance }
Report the amount held on account for each contract as of the end of the year.

Accident and Health Insurance

Columns 2, 4,
and 6 – Premiums in Force

Premiums in force are the premiums last collected on in force policies. For policies with premiums paid more often than annually, the last modal premium payable should be multiplied by the payment frequency. For Group policies with retrospective premium arrangements or retrospective rate credits, the premium in force is the premium excluding such adjustments.

Line 1 should be the same as reported on Line 10 for the prior year.

Line 3 should show policies or certificates and premiums in force for new reinsurance assumed only.

Deposit Funds and Dividend Accumulations

Line 10 – Amount of Account Balance

These amounts are the amounts held for policyholders at year-end.

Not for Distribution

Not for Distribution

INTEREST MAINTENANCE RESERVE

This exhibit is designed to capture the realized capital gains/(losses) that result from changes in the overall level of interest rates and amortize them into income over the approximate remaining life of the investment sold.

These instructions cover the Interest Maintenance Reserve (IMR) for both the General Account Statement and the Separate Accounts Statement. If an IMR is required for investments in the Separate Accounts Statement, it follows all rules applicable to the general account IMR and it is kept separate from the General Accounts IMR and accounted for in the Separate Accounts Statement. The criteria for determining when an IMR is required for separate accounts are described in the Separate Accounts IMR Worksheet Instructions.

Line 1 – Reserve as of December 31, Prior Year

Enter the amount from Line 6 of the prior year's schedule.

If the prior year's balance entered in Line 1 is negative, refer to the instructions for Line 6 to assure proper recording of the change in any nonadmitted or disallowed position.

Line 2 – Current Year's Realized Pre-tax Capital Gains/(Losses) of \$ _____ Transferred into the Reserve Net of Taxes of \$ _____

Include interest-rate-related realized capital gains/(losses), net of capital gains tax thereon. All realized capital gains/(losses) transferred to the IMR are net of capital gains taxes thereon. Exclude non-interest-related (default) realized capital gains and losses, realized capital gains/(losses) on equity investments, and unrealized capital gains/(losses).

All realized capital gains/(losses), due to interest rate changes on fixed income investments, net of related capital gains tax, should be captured in the IMR and amortized into income (Column 2, Lines 1 through 31) according to Table 4 for the premium method. Realized capital gains/(losses) must be classified as either interest (IMR) or non-interest (AVR) related, not a combination except as specified in *SSAP No. 43R—Loan-Backed and Structured Securities*. Purchase lots with the same CUSIP are treated as individual assets for IMR and Asset Valuation Reserve (AVR) purposes.

Exclude those capital gains and losses that, in accordance with contract terms have been used to directly increase or decrease contract benefit payments or reserves during the reporting period. The purpose of this exclusion is to avoid the duplicate utilization of such gains and losses.

Capital gains tax should be determined using the method developed by the company to allocate taxes used for statutory financial reporting purposes. By capturing the realized capital gains/(losses) net of tax, the capital gains tax associated with those capital gains/(losses) due to an interest rate change is charged or credited to the IMR and amortized in proportion to the before-tax amortization.

Include realized capital gains/(losses) on:

Debt securities (excluding loan-backed and structured securities) and preferred stocks whose National Association of Insurance Commissioners (NAIC)/Securities Valuation Office (SVO) designation at the end of the holding period is **NOT** different from its NAIC designation at the beginning of the holding period by more than one NAIC designation. Exclude any such gains/(losses) exempt from the IMR.

Bond Mutual Funds – as Identified by the SVO. Include any capital gains/(losses) realized by the Company, whether from sale of the Fund or capital gains distributions by the Fund. If, during the course of the year, the SVO removes the designation of "NAIC 1" from a Bond Mutual Fund – as identified by the SVO, the company shall not report capital gains/(losses) in this schedule. Any such removal of the "NAIC 1" designation will cause the Fund to be reported as common stock on the applicable schedules.

SVO Identified Funds designated for systematic value

Called bonds, tendered bonds, and sinking fund payments.

Mortgage loans where:

- Interest is **NOT** more than 90 days past due, or
- The loan is **NOT** in process of foreclosure, or
- The loan is **NOT** in course of voluntary conveyance, or
- The terms of the loan have **NOT** been restructured during the prior two years.

Additional Provisions for Including/Excluding Gains (Losses) from IMR:

Mortgage loan prepayment penalties are not included in IMR, but earn as regular investment income.

Interest-related gains/(losses) realized on directly held capital and surplus notes reported on Schedule BA should be transferred to the IMR in the same manner as similar gains and losses on fixed income assets held on Schedule D. A capital gain/(loss) on such a note is classified as an interest rate gain if the note is eligible for amortized-value accounting at both the time of acquisition and the time of disposition.

Determination of IMR gain/(loss) on multiple lots of the same securities should follow the underlying accounting treatment in determining the gain/(loss). Thus, the designation, on a purchase lot basis, should be compared to the designation at the end of the holding period to determine IMR or AVR gain/(loss).

Realized capital gains/(losses) on any debt security (excluding loan-backed and structured securities) that has had an NAIC/SVO designation of 6 at any time during the holding period should be excluded from the IMR and included as a non-interest-related gain/(loss) in the AVR.

Realized capital gains/(losses) on any preferred stock that had an NAIC/SVO designation of RP4, RP5 or RP6 or B4, P5 or P6 at any time during the holding period should be reported as non-interest-related gain/(losses) in the AVR.

The holding period for debt securities (excluding loan-backed and structured securities) and preferred stock is defined as the period from the date of purchase to the date of sale. For the end of period classification, the most recent available designation should be used. For bonds acquired before Jan. 1, 1991, the holding period is presumed to have begun on Dec. 31, 1990. For preferred stocks acquired before Jan. 1, 1993, the holding period is presumed to have begun on Dec. 31, 1992. For Bond Mutual Fund – as Identified by the SVO, the holding period is defined as one calendar year to expected maturity. For SVO Identified Funds designated for systematic value, the holding period is the weighted-average life of the underlying bonds.

In accordance with *SSAP No. 26R—Bonds*, securities with other-than-temporary impairment losses shall be recorded entirely to either AVR or IMR and not bifurcated between interest and non-interest components.

Where the gain on a convertible bond or preferred stock sold while “in the money” is included in the IMR; the expected maturity date is defined as the next conversion date. “In the money” is defined to mean that the number of shares available currently or at next conversion date, multiplied by their current market price, is greater than the book/adjusted carrying value of the convertible asset. However, for a convertible bond or convertible preferred stock purchased while its conversion value exceeds its par value, any gain or loss realized from its sale before conversion must be excluded from the IMR and included in the AVR. Conversion value is defined to mean the number of shares available currently or at next conversion date, multiplied by the stock’s current market price.

In accordance with *SSAP No. 43R—Loan-Backed and Structured Securities* for loan-backed and structured securities only:

- **Other-Than-Temporary Impairment – Non-interest-related other-than-temporary impairment losses** shall be recorded through the AVR. If the reporting entity writes the security down to fair value due to the intent to sell or does not have the intent and ability to realize the investment for a period of time sufficient to recover the amortized cost basis, the non-interest-related portion of the other-than-temporary impairment losses shall be recorded through the AVR; the interest-related other-than-temporary impairment losses shall be recorded through the IMR. The analysis for bifurcating impairment losses between AVR and IMR shall be completed as of the date when the other-than-temporary impairment is determined.
- **Security Sold at a Loss Without Prior OTTI** – An entity shall bifurcate the loss into AVR and IMR portions depending on interest- and non-interest-related declines in accordance with the analysis performed as of the date of sale. As such, an entity shall report the loss in separate AVR and IMR components as appropriate.
- **Security Sold at a Loss With Prior OTTI** – An entity shall bifurcate the current realized loss into AVR and IMR portions depending on interest- and non-interest-related declines in accordance with the analysis performed as of the date of sale. An entity shall not adjust previous allocations to AVR and IMR that resulted from previous recognition of other-than-temporary impairments.
- **Security Sold at a Gain With Prior OTTI** – An entity shall bifurcate the gain into AVR and IMR portions depending on interest and non-interest factors in accordance with the analysis performed as of the date of sale. The bifurcation between AVR and IMR that occurs as of the date of sale may be different from the AVR and IMR allocation that occurred at the time of previous other-than-temporary impairments. An entity shall not adjust previous allocations to AVR and IMR that resulted from previous recognition of other-than-temporary impairments.
- **Security Sold at a Gain Without Prior OTTI** – An entity shall bifurcate the gain into AVR and IMR portions depending on interest and non-interest factors in accordance with the analysis performed as of the date of sale.

The following guidance pertains to instruments in Scope of *SSAP No. 86—Derivatives*:

- For derivative instruments used in hedging transactions, the determination of whether the capital gains/(losses) are allocable to the IMR or the AVR is based on how the underlying asset is treated. Realized gains/(losses) on portfolio or general hedging instruments should be included with the hedged asset. Gains/(losses) on hedges used, as specific hedges should be included only if the specific hedged asset is sold or disposed of.
- For income generation derivative transactions, the determination of whether the capital gains/(losses) are allocable to the IMR or the AVR is based on how the underlying interest (for a put) or covering asset (for a call, cap or floor) is treated. Realized gains/(losses) should be included in the same sub-component where the realized gains/(losses) of the underlying interest (for a put) or covering asset (for a call, cap or floor) is reported. For a more complete and detailed explanation, refer to *SSAP No. 86—Derivatives* for accounting guidance.

- Realized gains/(losses), on derivative transactions entered into solely for the purpose of altering the interest rate characteristics of the company's assets and/or liabilities (hedging transactions) should be allocated to the IMR and amortized over the life of the hedged assets. Realized gains/(losses), on income generation derivative transactions where the underlying interest (put) or covering asset (call, cap or floor) is subject to IMR, should be allocated to the IMR and amortized over the remaining life of the:
 - a. underlying interest for a put
 - b. covering asset for a call
 - c. derivative contract for a cap or floor
- Capital gains/(losses) associated with the cash components of a replication (synthetic asset) transaction should be categorized as interest-rate-related or non-interest-related and as to sub-component within the AVR as they would be in the absence of the replication (synthetic asset) transaction.
- Capital gains/(losses), other than those arising at the time of counterparty default, on the derivative component of a replication (synthetic asset) transaction that is not a swap of prospectively-determined interest rates should be categorized as interest-rate-related or non-interest-related and as to sub-component within the AVR as if they were gains and losses on the replicated (synthetic) asset(s).
- Capital gains/(losses) arising from counterparty default or the curing of a previous counterparty default should be separately identified and credited or charged to the bond and preferred stock component of the AVR.
- Interest-rate related gains/(losses) associated with the cash component of a replication (synthetic asset) transaction should be amortized in the same manner as they would be in the absence of the replication (synthetic asset) transaction.
- Interest-rate related gains/(losses) associated with the derivative component of a replication (synthetic asset) transaction that is not a swap of prospectively determined interest rates should be amortized as if they arose from the replicated asset.
- Realized capital gains/(losses) arising from a swap of prospectively-determined interest rates constituting a component of a replication (synthetic asset) transaction should be credited or charged to the Interest Maintenance Reserve using the maturity bucket corresponding to the side of the transaction with the longest interest rate guarantee period.
- Gains/(losses) on dollar repurchase agreements that are traded for the fee have no IMR (or AVR) impact because they are treated as financing.
- The total dollar value of these IMR realized capital gains and (losses), net of capital gains tax will be excluded from the realized gains/(losses) reported on Page 4, Line 34 in the general account.

In the Separate Accounts Statement, the total dollar value of these IMR realized capital gains/(losses), net of capital gains tax will be excluded from the realized gains/(losses) reported on Page 4, Line 3.

- By capturing the realized capital gains/(losses), net of tax, the capital gains tax associated with those capital gains/(losses) due to an interest rate change is charged or credited to the IMR and amortized in proportion to the before-tax amortization.

Reinsurance Ceded

Ceding Company means an insurer who has sold, transferred or reinsured a block of its in force liabilities under an agreement that qualifies for reinsurance accounting as described in *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance*.

The interest-related gain/(loss), net of taxes, associated with the sale, transfer or reinsurance of a block of liabilities must be credited or charged to the ceding company's IMR and then amortized into income provided:

1. The portion of the block reinsured represents more than 1% of the ceding company's General Account Liabilities, Page 3, Line 26;

and

2. The transaction was completed in the current year.

A company may elect to use a lower materiality threshold than the 1% specified in Item 1 above. Once a threshold is established, it can only be changed with the prior approval of the Insurance Department of the state of domicile.

The amount of the gain/(loss) that is interest-related and its IMR amortization should be determined using the following three step procedure for the portion of the block sold, transferred or reinsured.

1. Identify the IMR balance and future amortization arising from the past and present dispositions of the assets associated with the block of liabilities.
2. Identify the IMR balance and future amortization that would result if the remaining assets associated with the block of liabilities were to be sold.
3. Define the interest-related gain/(loss), net of taxes, to be the negative of the sum of the IMR balances determined in steps 1 and 2. The future amortization of the gain/(loss) is the negative of the sum of the amortization determined in steps 1 and 2.

The associated assets are the assets allocable to the reinsured block of business for the purposes of investment income allocation. If the ceding company has not been tracking the investment income of the block, it should retrospectively identify the assets using procedures consistent with its usual investment income allocation procedures. The associated assets are not necessarily the same as the assets transferred as part of the transaction.

In certain circumstances, (e.g., non-economic transactions between affiliated insurers) assets are required to be transferred at book rather than market. In this case, Step 1 above for past and present realized gains/(losses) applies, but Step 2 above for unrealized gains/(losses) is zero.

In certain circumstances, e.g., modified coinsurance and coinsurance with funds withheld, assets reside with the ceding company and the following requirements apply:

- a. At treaty inception – If at treaty inception the assets residing with the ceding company cover IMR for the business reinsured and the investment income passed through each accounting period to the reinsurer is net of amortization of this IMR, no IMR liability adjustment shall be made. Otherwise, an IMR liability adjustment must be made (subject to the ceding company's reinsurance materiality threshold). In this case, step 1 above for past and present realized gains/(losses) applies but step 2 above for unrealized gains/(losses) is zero.

- b. After inception, for treaties effective January 1, 1999 and later – If the ceding company passes through to the reinsurer the gains/(losses) each accounting period net of the change in IMR for these gains/(losses), no IMR liability adjustment shall be made. Otherwise (i.e. where the ceding company passes through to the reinsurer all gains/(losses) each accounting period without adjustment for IMR), an IMR liability adjustment must be made each accounting period, per step 3 above, for gains/(losses) realized in that accounting period. This is done regardless of the ceding company's reinsurance materiality threshold.
- c. After inception, for treaties effective prior to January 1, 1999 – The ceding company may elect to follow Item b above, however, if this election is made it must be consistently followed for that treaty at all future valuation dates.

The following is an illustration of the application of the rules governing the IMR treatment of reinsurance transactions for the ceding company.

We will make the following assumptions:

- A company has a block of business that it completely reinsures during 1993.
- The assets currently allocable to the block for investment income allocation purposes have a book/adjusted carrying value of \$100 million and a market value of \$110 million.
- Some of the assets backing the block were sold during 1992 generating an interest-rate related gain of \$2 million before taxes and \$1.32 million after capital gains taxes for which the IMR amortization is:

IMR Amortization of 1992 Capital Gains	
Year	Amortization (\$ millions)
1992	0.202
1993	0.383
1994	0.310
1995	0.231
1996	0.144
1997	0.050
TOTAL	1.320

A portion of the original gain, \$0.202 million, was amortized in 1992, leaving \$1.118 million to be amortized in 1993 and later.

- The company pays a consideration to the reinsurer of \$105 million.
- The company sells assets allocable to the block with a book/adjusted carrying value of \$80 million and a market value of \$89 million to partially fund the payment to the reinsurer. This sale generates a taxable gain of \$9 million resulting in the payment of \$3.06 million in capital gains taxes. The after-tax gain from these 1993 sales is amortized as follows:

IMR Amortization of 1993 Capital Gains	
Year	Amortization (\$ millions)
1993	0.261
1994	0.570
1995	0.618
1996	0.677
1997	0.743
1998	0.808
1999	0.873
2000	0.930
2001	0.465
2002	0.297
2003	0.161
TOTAL	\$ 9.40

- The remaining \$19.06 million paid to the reinsurer is borrowed from other lines of business.
- Assets with a book/adjusted carrying value of \$20 million and a market value of \$21 million from the original block of assets allocable to the line of business remain in the company's portfolio after the transaction is completed. If these assets were to be sold at the time of the reinsurance transaction, they would generate a before-tax capital gain of \$1 million and an after-tax capital gain of \$.66 million that would be amortized through the IMR as follows:

IMR Amortization of the Hypothetical Sale of the Remaining Assets Allocable to the Block	
Year	Amortization (\$ millions)
1993	0.101
1994	0.191
1995	0.155
1996	0.116
1997	0.072
1998	0.025
TOTAL	0.660

Note that if these assets are actually sold at some point subsequent to the reinsurance transaction, the sale price would be different from the hypothetical price to the extent that interest rates had changed subsequent to the reinsurance transaction.

- The block is big enough to exceed the materiality threshold.

In order to calculate the IMR amortization associated with the reinsurance of the liability, it is first necessary to determine the IMR amortization from past, present and hypothetical asset sales of assets allocable to the block of business.

Year	IMR Amortization				Liability (\$ million)
	Asset (\$ million)				
	Past (included in P28 C1)	Present (included in P28 C2)	Future	Total	
1993	.383	.261	.101	0.745	-0.745
1994	.310	.570	.191	1.071	-1.071
1995	.231	.618	.155	1.004	-1.004
1996	.144	.677	.116	0.937	-0.937
1997	.050	.743	.072	0.865	-0.865
1998		.808	.025	0.833	-0.833
1999		.772		0.772	-0.772
2000		.630		0.630	-0.630
2001		.469		0.469	-0.469
2002		.291		0.291	-0.291
2003		.101		0.101	-0.101
TOTAL	1.118	5.940	0.666	7.718	-7.718

The IMR amortization associated with the liability is displayed in the last column of the above table and it is simply the complement of the IMR amortization associated with the past, present and hypothetical future assets sales. The liability amortization should be entered in Column 3 of the IMR Amortization Worksheet of the Annual Statement of the ceding company. By definition the size of the interest-rate related gain is the total transferred to the IMR, -\$7.718 million, which should be included on Line 3 of the IMR worksheet of the ceding company as well as on the Aggregate Write-ins for Deductions on the Summary of Operations and Analysis of Operations by Lines of Business.

Reinsurance Assumed

"Assuming Company" means here the counterparty to the transactions described above for the ceding company.

The assuming company must set up an IMR liability adjustment of the same magnitude but complementary to the adjustment recorded by the ceding company, subject to the following requirements:

1. When the assuming company is required to set up a deferred profit liability or deferred loss asset and reflects zero gain/(loss) at treaty date, e.g., as for assumption reinsurance, the assuming company must not set up an IMR liability adjustment. Regardless, for non-economic transactions with an affiliate, the assuming company must set up the IMR liability adjustment.

The assuming company may offset a positive IMR adjustment, but not below zero, with any excess of policyholder reserves initially established by the assuming company over their re-computed values using maximum valuation interest rates based on the original issue dates of the reinsured policies.

3. The assuming company must increase a negative IMR adjustment, but not above zero, with any shortfall of policyholder reserves initially established by the assuming company over their re-computed values using maximum valuation interest rates based on the original issue dates of the reinsured policies.

To determine the offset of Item 2 or 3 above, the company would need to calculate policyholder reserves on both the reported and minimum bases as of each valuation date. In lieu of this, a reporting entity may determine the offset as of the treaty effective date, express this offset as a percentage of the IMR adjustment and then apply this same percentage reduction or increase to the IMR adjustment at all subsequent valuation dates. However, whichever method is used for the particular treaty must be consistently applied at all valuation dates.

In the case of subsequent reinsurance, the retroceding reporting entity has an IMR adjustment net of the offset of Item 2 or 3 above, whereas, the IMR transferred over is gross of this offset. The new reinsurer would determine its own adjustment following Item 2 or 3 above.

Upon recapture or commutation of a reinsurance arrangement where the effective date of the original arrangement was January 1, 1999 or later, the reinsurer must follow the IMR rules for reinsurance ceded and the original insurer (company recapturing the business) must follow the IMR rules for reinsurance assumed, as set forth above, for the portion of business recaptured. Otherwise, no IMR adjustment is made.

Upon reinsurance assumed, recaptured or commuted from an alien insurer (i.e. not subject to IMR), an IMR liability adjustment is required only where the assuming company, or any of its affiliates, ever held the business and subsequently reinsured the business effective January 1, 1999 or later, and currently holds an unamortized IMR liability adjustment for the business. In this case, the new IMR liability adjustment must be set equal to the complement of the unamortized IMR liability adjustment(s) currently held for the business by the assuming company or by its affiliates. An affiliate may choose to hold the complementary offsetting amount and hold the applicable unamortized IMR liability adjustment, otherwise, the complementary offsetting amount must be held by the assuming company.

Market Value Adjustments

Material gains or losses resulting from market value adjustments on policies and contracts backed by assets that are valued at book adjusted carrying value including the marginal tax impact, should be captured by the IMR and amortized in a manner consistent with the determination of the market value adjustment. A gain or loss is considered material if it is in excess of both 0.01% of liabilities and \$1,000,000. The amortization schedules should be determined in a manner consistent with the determination of associated market value adjustment.

The amount recorded on Line 3 on account of reinsurance or market value adjustments should be reported on the Summary of Operations and the Analysis of Operations by Lines of Business on the Aggregate Writings for Reductions line.

Line 5 – Current Year's Amortization Released to Summary of Operations

Report the amount from the Amortization Table, Line 1, Column 4. This amount should agree with Page 4 and 6 Line 4. This amount reflects only the current year amortization of current and prior year IMR gains and losses.

Line 6 – Reserves as of December 31, Current Year

Record any positive or allowable negative balance in the liability line captioned "Interest Maintenance Reserve" on Page 3, Line 9.4 of the General Account Statement and Line 3 of the Separate Accounts Statement. A negative IMR balance may be recorded as a negative liability in either the General Account or the Separate Accounts Statement of a company only to the extent that it is covered or offset by a positive IMR liability in the other statement.

If there is any disallowed negative IMR balance in the General Account Statement, include the change in the disallowed portion in Page 4, Line 41 so that the change will be appropriately charged or credited to the Capital and Surplus Account on Page 4. If there is any disallowed negative IMR balance in the Separate Accounts Statement, determine the change in the disallowed portion (prior year less current year disallowed portions), and make a direct charge or credit to the surplus account for the "Change in Disallowed Interest Maintenance Reserve" in the write-in line, in the Surplus Account on Page 4 of the Separate Accounts Statement.

The following information is presented to assist in determining the proper accounting:

General Account IMR Balance	Separate Account IMR Balance	Net IMR Balance
Positive	Positive	Positive (See rule a)
Negative	Negative	Negative (See rule b)
Positive	Negative	Positive (See rule c)
Positive	Negative	Negative (See rule d)
Negative	Positive	Positive (See rule e)
Negative	Positive	Negative (See rule f)

Rules:

- If both balances are positive, then report each as a liability in its respective statement.
- If both balances are negative, then no portion of the negative balances is allowable as a negative liability in either statement. Report a zero for the IMR liability in each statement and follow the above instructions for handling disallowed negative IMR balances in each statement.
- If the general account balance is positive, the separate accounts balance is negative and the combined net balance is positive, then all of the negative IMR balance is allowable as a negative liability in the Separate Accounts Statement.
- If the general account balance is positive, the separate account balance is negative, and the combined net balance is negative, then the negative amount not covered by the positive amount is not allowable. Report only the allowable portion as a negative liability in the Separate Accounts Statement, and follow the above instructions for handling the disallowed portion of negative IMR balances in the Separate Accounts Statement.
- If the general account balance is negative, the separate account balance is positive, and the combined net balance is positive, then all of the negative IMR balance is allowable as a negative liability in the General Account Statement.
- If the general account balance is negative, the separate account balance is positive, and the combined net balance is negative, then the negative amount not covered by the positive amount is not allowable. Report only the allowable portion as a negative liability in the General Account Statement, and follow the above instructions for handling the disallowed portion of negative IMR balances in the General Account Statement.

Items Exempt from IMR Treatment

All realized interest related gains/(losses) determined on an aggregate company basis which arise from the sale of investments required to provide cash flow to meet "excess withdrawal activity" as defined below will be excluded from the IMR and will be reflected in net income.

Withdrawable Reserves

Is the reserve or liability, net of any policy loans, associated with any policy or contract that might be subject to a withdrawal or surrender, without a market value adjustment at the discretion of either the contract holder or plan participant? Withdrawable reserves include the reserves associated with such things as:

- Ordinary and industrial life insurance,
- SPDAs and
- Benefit-sensitive GICs where the associated plan allows participant withdrawals or transfers.

Effective Withdrawals

Include withdrawals and surrenders that are unscheduled and calculated without market adjustment plus the net increase in policy loans. It also includes cash transfers to separate accounts other than transfers where premium, a deposit, or consideration is booked into the general account and immediately transferred into the separate account.

Withdrawable Reserves and Effective Withdrawals are both calculated net of reinsurance.

Withdrawal Rate

Is the ratio of the Effective Withdrawals for the calendar year to the Withdrawable Reserves at the beginning of the year?

Threshold Withdrawal Level

Is 150% of the product of the lower of the Withdrawal Rate in the preceding or in the next preceding calendar year times the Withdrawable Reserves at the beginning of the year.

Excess Withdrawal Activity

Is the amount by which Effective Withdrawals for the year exceeds the Threshold Withdrawal Level.

Only those investments required to provide cash flow to meet excess withdrawal conditions should be excluded from the IMR. It is conceivable that a company might be able to identify the specific sales that are associated with the excess withdrawal activity, in which case these sales would be excluded from the IMR. Alternatively, a pro rata portion of all sales during the year equal to the amount of excess withdrawal activity would be excluded from the IMR.

Example – Suppose a company has the following Withdrawable Reserves and Effective Withdrawals:

Year	Withdrawable Reserves Beginning of Year	Effective Withdrawals
t-2	1,000	100
t-1	1,200	108
t	1,300	195

The Withdrawal Rate is 10% for the year t-2 and 9% for year t-1. The Threshold Withdrawal Level of year t is 150% of 1,300 times 9% or 175.5, and the Excess Withdrawal Activity is 19.5. Thus, if the company had assets sales in excess of 19.5, that portion of the assets sales not in excess of 19.5 would be identified as Excessive Withdrawal Activity and the associated capital gains and (losses) should be excluded from the IMR. If the company had asset sales of less than 19.5, all of the associated gains or (losses) should be excluded.

AMORTIZATION

This supporting schedule calculates the amount of the Interest Maintenance Reserve to be amortized in each year.

Column 1 – Reserve as of December 31, Prior Year

Enter the amount from Column 4 of the prior year's schedule.

Column 2 – Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes

After a realized capital gain/(loss) has been identified as interest-related and an expected maturity date has been determined, the Table 1 amortization chart or seriatim method should be used.

There are two prescribed methods for calculating this amortization schedule. A company can select either the seriatim method or the grouped method for calculating IMB amortization. Although a company is not precluded from changing methods on a prospective basis, the overriding consideration is the reasonableness of the amortization. However, once a method is selected for a particular year's capital gains, the amortization is locked in and cannot be changed (at least not without the specific approval of the commissioner).

Seriatim Method

The amount of each capital gain/(loss), net of capital gains tax, amortized in a given year using the seriatim method is the excess of the amount of income which would have been reported in that year, had the asset not been disposed of, over the amount of income which would have been reported had the asset been repurchased at its sale price. The capital gains tax associated with each gain/(loss) should be amortized in proportion to the amortization of the gain/(loss).

For mortgage-backed/asset-backed securities, use an amortization schedule developed using the anticipated future cash flows of the security, and consistent with the prepayment assumptions that would have been used to value the security had the security been purchased at its sale price.

Grouped Method

The seriatim calculation (i.e., on an asset by asset basis) is the desired approach. However, the seriatim approach may impose an administrative burden on some companies, therefore, any company may use the method employed by that company to amortize interest-related capital gains/(losses) among lines of business and policyholders in accordance with the investment income allocation process as approved by the state insurance department. Alternatively, a company may use a standard "simplified" method by which the capital gains/(losses), net of capital gains tax, are grouped according to the number of calendar years to expected maturity. The groupings will be in bands of five (5) calendar years, except that investments with one (1) calendar year to expected maturity will be grouped separately from those with two (2) to five (5) calendar years to expected maturity.

Expected Maturity Date

The presence of sinking fund payments, amortization schedules, expected prepayments, and adjustable interest rates complicate the determination of the number of calendar years to expected maturity. The expected maturity date is:

- For fixed income instruments with fixed contractual repayment dates and amounts (including bonds, preferred stock, callable or convertible bonds and preferred(s)), the expected maturity is defined as the contractual retirement date which produces the lowest amortization value for annual statement purposes (lowest internal rate of return or "yield to worst"). Potential retirement dates include all possible call dates, and the contractual maturity date. However, when a convertible bond or convertible preferred stock is sold while its conversion value exceeds its book/adjusted carrying value and the gain is included in IMR, the expected maturity date is defined as the next conversion date. Conversion value is defined to mean the number of shares of common stock available currently or at next conversion date, multiplied by the stock's current market price. When the instrument's contractual terms include scheduled sinking fund payments of fixed amounts, an additional calculation of yield to average life should be included in the analysis where average life is defined as the date at which the instrument is 80% repaid. For puttable instruments, where the exercise option rests with the investor, expected maturity is the put or maturity date that produces the highest internal rate of return. For Bond Mutual Funds – as Identified by SVO, use one calendar year to expected maturity. For SVO Identified Funds designated for systematic value, the expected maturity is the weighted-average life of the underlying bonds. For perpetual instruments, the expected maturity is 30 years from the current date.

However, where a callable bond purchased at a premium is called or sold after the expected maturity date, there should be no amortization of the call premium or interest-related gain/(loss). Similarly there should be no amortization of any interest-related gain/(loss) arising if a convertible bond or preferred stock is disposed of after the expected maturity date.

Using the grouped method, capital gains/(losses) net of capital gains tax are tabulated according to the number of calendar years to expected maturity. The groupings are:

0	calendar years to expected maturity,
1	calendar year to expected maturity,
2 to 5	calendar years to expected maturity,
6 to 10	calendar years to expected maturity,
11 to 15	calendar years to expected maturity,
16 to 20	calendar years to expected maturity,
21 to 25	calendar years to expected maturity,
over 25	calendar years to expected maturity.

"Calendar years to expected maturity" means the calendar year of maturity minus the calendar year of sale (e.g., a bond sold in 2007 that would have matured in 2012 has five calendar years to expected maturity).

For purposes of the grouped method, the following additional assumptions are applicable:

- For fixed income investments, other than residential mortgages and residential mortgage pass-throughs, without a maturity date or sinking fund schedule, a maturity date 30 years from the current year should be used.
- For mortgage-backed/asset-backed securities, use the remaining weighted average life of principal and interest payments consistent with the prepayment assumptions that would have been used to value the security had the security been repurchased at its sale price.
- For Bond Mutual Funds – as Identified by the SVO, use one calendar year to expected maturity.

NOTE: Amortization of current year gains/(losses) should be based on prior year's amortization factors until the current year's table is published. Amortization of each year's gains/(losses) for future years must be based on the amortization table applicable to that year (i.e., 2006 gains/(losses) use the 2006 table, 2007 gains/(losses) use the 2007 table, etc.). Refer to Grouped Amortization Schedule included in this section.

Column 3 – Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve

Report the negative of realized capital gains/(losses) that have been identified as associated with the sale, transfer or reinsurance of a block of liabilities in accordance with the instructions for Line 3.

Not for Distribution

The current Grouped Amortization Schedule will be posted to the NAIC web site in July of each year.

TABLE 1

Grouped Amortization Schedules
for the Interest Maintenance Reserve
for 2018 Gains/(Losses)
Interest Rate = 4.00%

Calendar Years to Maturity
(Residential Mortgages)

Year-end	over 25	21-25	16-20	11-15 (21-30)	6-10 (11-20)	2-5 (3-10)	1 (1-2)	0 (0)
2019	1.0%	1.3%	1.9%	3.0%	5.4%	13.5%	47.5%	100.0%
2020	2.0%	2.8%	4.0%	6.1%	11.1%	23.0%	50.5%	
2021	2.1%	2.9%	4.1%	6.4%	11.6%	25.2%		
2022	2.2%	3.0%	4.3%	6.7%	12.0%	18.0%		
2023	2.3%	3.2%	4.5%	6.9%	12.5%	11.2%		
2024	2.4%	3.2%	4.7%	7.2%	13.1%	7.0%		
2025	2.5%	3.4%	4.8%	7.5%	12.8%	6.0%		
2026	2.6%	3.5%	5.1%	7.8%	9.6%	5.0%		
2027	2.7%	3.7%	5.2%	8.1%	7.0%	4.0%		
2028	2.7%	3.8%	5.5%	8.4%	4.3%	3.0%		
2029	2.9%	4.0%	5.6%	8.8%	4.0%	2.0%		
2030	3.1%	4.1%	6.0%	8.1%				
2031	3.1%	4.3%	6.1%	6.5%				
2032	3.3%	4.5%	6.4%	4.7%				
2033	3.4%	4.6%	6.6%	3.8%				
2034	3.5%	4.9%	7.0%	1.0%				
2035	3.7%	5.0%	6.4%					
2036	3.8%	5.2%	5.1%					
2037	4.0%	5.5%	3.7%					
2038	4.2%	5.7%	2.2%					
2039	4.3%	5.9%	1.8%					
2040	4.5%	5.4%						
2041	4.7%	4.4%						
2042	4.8%	3.1%						
2043	5.1%	1.5%						
2044	5.2%	0.7%						
2045	4.9%							
2046	3.9%							
2047	2.8%							
2048	1.7%							
2049	0.6%							
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NOTE 1: "Calendar Years to Expected Maturity" is defined in the preceding text. In the case of residential mortgages, where one-half the number of years to final maturity should be used, the parenthetical headings apply.

Not for Distribution

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Not for Distribution

ASSET VALUATION RESERVE

This exhibit and its supporting calculations are designed to address the non-interest-related (default) and equity risks of the company's assets by calculating a basic contribution, a reserve objective and a maximum reserve amount and controlling the flow of the reserve from/into surplus. These instructions cover the Asset Valuation Reserve (AVR) for both the General Account Statement and the Separate Account Statement. If an AVR is required for investments in the Separate Accounts Statement, it is combined with the General Account AVR and accounted for in the General Accounts statement. Worksheets supporting the separate accounts portion of the reserve are included with the Separate Accounts Statement. The criteria for determining when an AVR is required for separate accounts are described in the Separate Accounts AVR Worksheet instructions.

Line 1 – Reserve as of December 31, Prior Year

Enter amounts from Line 16 of the prior year's Reserve Calculation.

Line 2 – Realized Capital Gains/(Losses) Net of Taxes – General Account

Report all realized non-interest-related (default) and equity capital gains/(losses), net of capital gains tax, applicable to the assets in each component and sub-component. All realized capital gains/(losses) transferred to the AVR are net of capital gains taxes thereon. Exclude all interest rate-related capital gains/(losses) from the AVR.

Capital gains tax should be determined using the method developed by the company to allocate taxes used for statutory financial reporting purposes.

Report all realized capital gains/(losses), net of capital gains tax, on each debt security (excluding loan-backed and structured securities) whose NAIC/SVO designation at the end of the holding period is different from its NAIC/SVO designation at the beginning of the holding period by more than one NAIC/SVO designation. The holding period is defined as the period from the date of purchase to the date of sale. For end of period classification, the most recent available designation should be used. For bonds acquired before Jan. 1, 1991, the holding period is presumed to have begun on Dec. 31, 1990.

Determination of AVR gain/loss on multiple lots of the same fixed income securities should follow the underlying accounting treatment in determining gain/loss). Thus, the designation, on a purchase lot basis, should be compared to the designation at the end of the holding period to determine IMR or AVR gain or loss.

In accordance with SSAP No. 26R—*Bonds*, securities with other-than-temporary impairment losses shall be recorded entirely to either AVR or IMR and not bifurcated between interest and non-interest components.

In accordance with SSAP No. 43R—*Loan-Backed and Structured Securities*, for loan-backed and structured securities only:

- **Other-Than-Temporary Impairment – Non-interest-related other-than-temporary impairment losses** shall be recorded through the AVR. If the reporting entity wrote the security down to fair value due to the intent to sell or does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis, the non-interest-related portion of the other-than-temporary impairment losses shall be recorded through the AVR; the interest related other-than-temporary impairment losses shall be recorded through the IMR. The analysis for bifurcating impairment losses between AVR and IMR shall be completed as of the date when the other-than-temporary impairment is determined.

- Security Sold at a Loss Without Prior OTTI – An entity shall bifurcate the loss into AVR and IMR portions depending on interest- and non-interest-related declines in accordance with the analysis performed as of the date of sale. As such, an entity shall report the loss in separate AVR and IMR components as appropriate.
- Security Sold at a Loss With Prior OTTI – An entity shall bifurcate the current realized loss into AVR and IMR portions depending on interest- and non-interest-related declines in accordance with the analysis performed as of the date of sale. An entity shall not adjust previous allocations to AVR and IMR that resulted from previous recognition of other-than-temporary impairments.
- Security Sold at a Gain With Prior OTTI – An entity shall bifurcate the gain into AVR and IMR portions depending on interest and non-interest factors in accordance with the analysis performed as of the date of sale. The bifurcation between AVR and IMR that occurs as of the date of sale may be different from the AVR and IMR allocation that occurred at the time of previous other-than-temporary impairments. An entity shall not adjust previous allocations to AVR and IMR that resulted from previous recognition of other-than-temporary impairments.
- Security Sold at a Gain Without Prior OTTI – An entity shall bifurcate the gain into AVR and IMR portions depending on interest and non-interest factors in accordance with the analysis performed as of the date of sale.

In addition, all gains/(losses), net of capital gains tax, on mortgage loans where:

- Interest is more than 90 days past due, or
- The loan is in the process of foreclosure, or
- The loan is in course of voluntary conveyance, or
- The terms of the loan have been restructured during the prior two years

Would be classified as on-interest-related gains/(losses).

The gain/(loss), net of capital gains tax, on any debt security (excluding loan-backed and structured securities) that has had an NAIC/SVO designation of “6” at any time during the holding period should be reported as a credit related gain/(loss).

All capital gains/(losses), net of capital gains tax, from preferred stock that had an NAIC/SVO designation of RP4, RP5, or RP6 or P4, P5 or P6 at any time during the holding period should be reported as on-interest-related gains/(losses) in the AVR.

However, for a convertible bond or preferred stock purchased while its conversion value exceeds its par value, any gain/(loss) realized from its sale before conversion must be included in the Equity Component of the AVR. Conversion Value is defined to mean the number of shares available currently or at next conversion date multiplied by the stock's current market price.

Report all realized equity capital gains/(losses), net of capital gains tax, in the appropriate sub-components.

The following guidance pertains to instruments in Scope of *SSAP No. 86—Derivatives*:

- For derivative instruments used in hedging transactions, the determination of whether the capital gains/(losses) are allocable to the IMR or the AVR is based on how the underlying asset is treated. Realized gains/(losses), net of capital gains tax, on portfolio or general hedging instruments should be included with the hedged asset. Gains/(losses), net of capital gains tax, on hedges used, as specific hedges should be included only if the specific hedged asset is sold or disposed of.

- For income generation derivative transactions, the determination of whether the capital gains/(losses) are allocable to the IMR or the AVR is based on how the underlying interest (for a put) or covering asset (for a call, cap or floor) is treated. Realized gains/(losses), net of capital gains tax should be included in the same sub-component where the realized gains/(losses) of the underlying interest (for a put) or covering asset (for a call, cap or floor) is reported. Refer to *SSAP No. 86—Derivatives* for accounting guidance.

Realized gains/(losses), net of capital gains tax, resulting from the sale of U.S. government securities and the direct or guaranteed securities of agencies which are backed by the full faith and credit of the U.S. government are exempt from the AVR. This category is described in the Investment Schedules General Instructions.

Line 3 – Realized Capital Gains/(Losses) Net of Taxes – Separate Accounts

Report realized capital gains/(losses), net of tax that are incurred on separate accounts assets for which AVR treatment is required, on this line.

Capital gains tax should be determined using the method developed by the company to allocate taxes used for statutory financial reporting purposes.

Line 4 – Unrealized Capital Gains/(Losses) – Net of Deferred Taxes – General Account

Unrealized gains/(losses), net of deferred taxes thereon, should be summarized by sub-component asset type and included in the reserve computations. Unrealized gains/(losses) for affiliated life and fraternal insurance companies that are maintaining their own AVRs are excluded since the maximum reserve factor for such companies is 0%.

Deferred taxes on the unrealized capital gains/losses included in this line should be determined consistent with the provisions of *SSAP No. 101—Income Taxes*.

Unrealized gains/(losses) on hedging instruments should be included in the same sub-component as the hedged investment.

Unrealized gains/(losses) on income generation derivative transactions should be included in the same sub-component as the underlying interest (for a put) or covering asset (for a call, cap or floor). Report all unrealized capital gains/(losses) on assets covered by the AVR in the appropriate sub-components.

Line 5 – Unrealized Capital Gains/(Losses) – Net of Deferred Taxes – Separate Accounts

Report unrealized capital gains/(losses) that are incurred on separate accounts assets for which AVR treatment is required, net of deferred taxes thereon, on this line.

Deferred taxes on the unrealized capital gains/losses included in this line should be determined consistent with the provisions of *SSAP No. 101—Income Taxes*.

Line 6 – Capital Gains Credited/(Losses Charged) to Contract Benefits, Payments or Reserves

The purpose of this line is to avoid the duplicate utilization of capital gains and losses. Include only realized capital gains and losses, net of tax thereon that, in accordance with contract terms, have been used to directly increase or decrease contract benefit payments or reserves during the reporting period. Include only unrealized capital gains and losses that, in accordance with contract terms have been used to directly increase or decrease contract benefit payments or reserves during the reporting period. Where such capital gains and losses are not directly identifiable by component or sub-component of the AVR, allocate such capital gains and losses among the various components and sub-components of the AVR on a reasonable basis.

Line 7 – Basic Contribution (includes separate accounts assets, if applicable)

Report the basic contribution amount for each asset category as calculated on Pages 30 through 35 (General Account) and Pages 15 through 20 (Separate Accounts).

Column 1: Report the total bonds, preferred stock, short-term investments and derivative instruments from Page 30, Line 34, Column 6 (General Account) and Page 15, Line 34, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page 35, Line 0199999, Column 7 (General Account) and Page 20, Line 0199999, Column 7 (Separate Accounts).

Column 2: Report the total mortgage loans from Page 31, Line 60, Column 6 (General Account) and Page 16, Line 60, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page 35, Line 0299999, Column 7 (General Account) and Page 20, Line 0299999, Column 7 (Separate Accounts).

Column 4: Report the total common stock from Page 32, Line 17, Column 6 (General Account) and Page 17, Line 17, Col. 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page 35, Line 0399999, Column 7 (General Account) and Page 20, Line 0399999, Column 7 (Separate Accounts).

Column 5: Report the total real estate from Page 32, Line 21, Column 6 (General Account) and from Page 17, Line 21, Column 6 (Separate Accounts), if applicable, plus the total other invested assets from Page 34, Line 86, Column 6 (General Account) and from Page 19, Line 86, Column 6 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page 35, Line 0499999, Column 7 (General Account) and Page 20, Line 0499999, Column 7 (Separate Accounts).

Line 9 – Maximum Reserve (includes separate accounts assets, if applicable)

Report the maximum reserve for each asset category as calculated on Pages 30 through 35 (General Account) and Pages 15 through 20 (Separate Accounts).

Column 1: Report the total bonds, preferred stock, short-term investments and derivative instruments from Page 30, Line 34, Column 10 (General Account) and Page 15, Line 34, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0199999, Column 9 (General Account) and Page 20, Line 0199999, Column 9 (Separate Accounts).

Column 2: Report the total mortgage loans from Page 31, Line 60, Column 10 (General Account) and Page 16, Line 60, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0299999, Column 9 (General Account) and Page 20, Line 0299999, Column 9 (Separate Accounts).

Column 4: Report the total common stock from Page 32, Line 17, Column 10 (General Account) and Page 17, Line 17, Col. 10 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0399999, Column 9 (General Account) and Page 20, Line 0399999, Column 9 (Separate Accounts).

Column 5: Report the total real estate from Page 32, Line 21, Column 10 (General Account) and from Page 17, Line 21, Column 10 (Separate Accounts), if applicable, plus the total other invested assets from Page 34, Line 86, Column 10 (General Account) and from Page 19, Line 86, Column 10 (Separate Accounts), if applicable; and the total for replication (synthetic asset) transactions contained on Page 35, Line 0499999, Column 9 (General Account) and Page 20, Line 0499999, Column 9 (Separate Accounts).

Line 10 – Reserve Objective (includes separate accounts assets, if applicable)

Report the reserve objective amount for each asset category as calculated on Pages 30 through 35 (General Account) and Pages 15 through 20 (Separate Accounts).

Column 1: Report the total bonds, preferred stock, short-term investments and derivative instruments from Page 30, Line 34, Column 8 (General Account) and Page 15, Line 34, Column 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0199999, Column 8 (General Account) and Page 20, Line 0199999, Column 8 (Separate Accounts).

Column 2: Report the total mortgage loans from Page 31, Line 60, Column 8 (General Account) and Page 16, Line 60, Col. 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0299999, Column 8 (General Account) and Page 20, Line 0299999, Column 8 (Separate Accounts).

Column 4: Report the total common stock from Page 32, Line 17, Column 8 (General Account) and Page 17, Line 17, Col. 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0399999, Column 8 (General Account) and Page 20, Line 0399999, Column 8 (Separate Accounts).

Column 5: Report the total real estate from Page 32, Line 21, Column 8 (General Account) and from Page 17, Line 21, Column 8 (Separate Accounts), if applicable; plus the total other invested assets from Page 34, Line 86, Column 8 (General Account) and from Page 19, Line 86, Column 8 (Separate Accounts), if applicable and the total for replication (synthetic asset) transactions contained on Page 35, Line 0499999, Column 8 (General Account) and Page 20, Line 0499999, Column 8 (Separate Accounts).

Line 11 – 20% of (Line 10 – Line 8)

Report 20% of the difference between Line 10 and Line 8. This number will be positive when the reserve objective exceeds the accumulated balance and negative when the accumulated balance is in excess of the reserve objective.

Line 13 – Transfers

If the amount, as reported on Line 12, Balance Before Transfers, of any one of the four sub-components exceeds the maximum reserve amount for that sub-component, as reported on Line 9, Maximum Reserve, and the balance of its “sister” sub-component, as reported on Line 12, is below its maximum reserve, as reported on Line 9, the excess must be transferred to the “sister” sub-component on Line 13 (e.g., an excess on the bond sub-component must be transferred to the mortgage sub-component if the mortgage sub-component is below its maximum reserve and vice versa. An excess on the common stock sub-component must be transferred to the real estate sub-component if the real estate sub-component is below its maximum reserve and vice versa).

If the combined amount, as reported on Line 12, of the sub-components in either the Default Component or the Equity Component exceeds its respective combined maximum reserve, as reported on Line 9, the excess may be transferred between components or released to surplus on Line 15 (e.g., excess reserves in the bond sub-component that are not required to bring the mortgage sub-component to its maximum reserve, may be used to bring the common stock or real estate reserve sub-component to its maximum reserve and vice versa).

If the amount, as reported on Line 12, of any of the four sub-components is negative, and the amount, as reported on Line 12, of its "sister" sub-component within the same component is positive, the negative amount should be transferred to the "sister" sub-component to the extent that the transfer does not reduce the positive balance of the "sister" sub-component to less than 50% of its balance prior to the transfer.

No other transfers within the AVR may be made without Commissioner approval. No transfers between the AVR and IMR are allowed.

Column 7 should equal zero. The amounts in Columns 3 and 6 should offset each other for Line 13.

Line 14 – Voluntary Contribution

Report in the appropriate reserve class, any voluntary additions to the AVR for the current year. The voluntary contribution may not force any sub-component to exceed the maximum without commissioner approval.

Once reserves are allocated to an individual sub-component of the AVR, they will be considered a permanent part of the reserve.

A company may also hold mortgage and real estate reserves outside the AVR, but these reserves will not have any effect on the AVR requirements.

Line 15 – Adjustment Down to Maximum/Up to Zero

Individual sub-component reserves may not exceed the maximum reserve amount reported on Line 9. They also may not be less than zero. Adjust the current reserve down or up accordingly.

Line 16 – Reserve as of December 31, Current Year

The total amount in Column 7 should agree with Page 3, Line 24.01.

The minimum reserve allowed in each sub-component is zero.

Not for Distribution

DEFAULT COMPONENT –
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS

This supporting form is used to calculate the basic contribution, reserve objective and maximum reserve amount for the bond, preferred stock, derivative instruments and mortgage loan sub-components of the default component of the AVR. Instructions apply to the general account and the separate accounts, if applicable.

Column 5 – Basic Contribution Factor

These factors, on average, will provide an amount that approximates expected annual losses.

Include: The reserve factor calculated for mortgage loans.

Column 7 – Reserve Objective Factor

These factors are set to provide an accumulation level estimated to cover, in the aggregate, about 85% of the distribution of losses for each asset category.

Include: The reserve factor calculated for mortgage loans.

Column 9 – Maximum Reserve Factor

These factors define the largest amount that may be accumulated in the AVR. They operate to limit the level of AVR in periods of unusual capital gains or when voluntary reserves are added to the AVR.

Include: The reserve factor calculated for mortgage loans.

Lines 1 through 7 – Long-Term Bonds

Report the book/adjusted carrying value of all bonds and other fixed income instruments owned in Columns 1 and 4, "Book/Adjusted Carrying Value," when applied to Bond Mutual Funds – as Identified by the SVO, equals the "Fair Value" shown in Column 9 of Schedule D, Part 1. "Bond Mutual Fund – as Identified by the SVO" shall have the same meaning as set forth in the instructions to Schedule D, Part 1. Categorize the bonds and other fixed income instruments into NAIC designations 1 through 7 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*, except that exempt obligations should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Line 8 – Total Unrated Mortgage-Backed/Asset-Backed Securities Acquired by Conversion

"Unrated Mortgage-Backed/Asset-Backed Securities Acquired by Conversion" are securities acquired through the conversion of a portion of the company's assets, on or after January 1, 1993, into securities for which the company does not obtain a rating from an NAIC recognized rating agency and for which there is no recourse liability.

For instructions for completing this line, refer to "Basic Contribution, Reserve Objective and Maximum Reserve Calculation for Unrated Mortgage-Backed/Asset-Backed Securities Acquired by Conversion."

Line 9 – Total Long-Term Bonds

Column 1 should agree with Page 2, Line 1, Column 3 plus Schedule DL Part 1, Column 6, Line 7099999.

Lines 10
through 15

– Preferred Stocks

Report the book/adjusted carrying value of all preferred stocks owned in Columns 1 and 4. Categorize the preferred stocks into NAIC designations one through six as directed by the NAIC Securities Valuation Office instructions. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Line 16

– Affiliated Life Insurer with AVR

Report the book/adjusted carrying value of all preferred stocks owned in a controlled or affiliated company, or a subsidiary that is a life or fraternal insurance company that holds an AVR, in Columns 1 and 4. These companies are required to carry their own asset valuation reserve or an equivalent, and therefore the preferred stocks are not required to be included in the asset valuation reserve of an affiliated company.

Line 17

– Total Preferred Stocks

Column 1 should agree with Page 2, Line 2.1, Column 3, plus Schedule DL, Part 1, Column 6, Line 7399999.

Lines 18
through 24

– Short-Term Bonds

Report the book/adjusted carrying value of short-term bonds and other short-term fixed-income investments (Schedule DA, Part 1 (Lines 0599999, 1099999, 1799999, 2499999, 3199999, 3899999, 4899999, 5599999, 6099999 and 6599999)) and short-term bonds included on Schedule DL, Part 1, Line 8999999 owned in Columns 1 and 4. Categorize the short-term bonds and other fixed-income instruments listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* into NAIC designations 1 through 6 as directed by the Securities Valuation Office instructions, except that exempt obligations listed in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Lines 26
through 32

– Derivative Instruments

Report the book/adjusted carrying value exposure to counterparty credit risk associated with the use of derivative instruments, net of acceptable collateral, for all counterparties by each SVO designation, from Schedule DA, Part D, Section 1, Column 7. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Line 34

– Total

Column 6 must be reported on Page 29, Line 7, Column 1.

Column 8 must be reported on Page 29, Line 10, Column 1.

Column 10 must be reported on Page 29, Line 9, Column 1.

Lines 35 through 57 – Mortgage Loans

The classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Report the book/adjusted carrying value of all Schedule B and Schedule DL, Part 1 mortgage loans owned in Column 1. Any related party encumbrances should be deducted in Column 2. Categorize the mortgage loans as indicated on Lines 35 through 57. Report the difference of Column 1 less Column 2 in Column 4. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7 and 9, and report the products by category in Columns 6, 8 and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount deducted in Column 2 should be reflected in Column 2 in the corresponding section of the AVR worksheet. If the affiliated entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount deducted in Column 2 should be based on the reporting entity's ownership percentage.

Line 58 – Total Schedule B Mortgage Loans on Real Estate

Column 1 should agree with Page 2, Line 3.1 + 3.2, Column 6 plus Schedule DL, Part 1, Column 6, Line 8799999.

Line 59 – Total Schedule DA Mortgages

Report the book/adjusted carrying value of all Schedule DA mortgage loans (Lines 8499999 and 8799999) and any applicable investments from Schedule DL, Part 1, Line 8999999 owned in Column 1. Any related encumbrances should be deducted in Column 2. Multiply the amount in Column 4 by the reserve factors for the Schedule B mortgages and report the products in Columns 6, 8 and 10.

Line 60 – Total Mortgage Loans on Real Estate

Column 6 must be reported on the Asset Valuation Reserve Page, Line 7, Column 2.

Column 8 must be reported on the Asset Valuation Reserve Page, Line 10, Column 2.

Column 10 must be reported on the Asset Valuation Reserve Page, Line 9, Column 2.

**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
FOR UNRATED MULTI-CLASS SECURITIES ACQUIRED BY CONVERSION**

Assets may be converted into securities backed by the underlying assets. Rated bond classes of these multi-class mortgage-backed/asset-backed securities should be assigned Asset Valuation Reserve (AVR) factors consistent with comparably rated bonds.

A company may hold an "Unrated Multi-Class Security Acquired by Conversion" defined as a security acquired through the conversion of a portion of the company's assets, on or after January 1, 1993, into securities for which the company does not obtain a rating from an NAIC recognized rating agency and for which there is no recourse liability.

In such cases, the rating agency that rates a portion of the newly created security would establish the credit quality of the entire asset pool being securitized. The maximum reserve for the unrated security is the lesser of: (a) 100% of the maximum reserve for the entire pool associated with the unrated security as rated by an SVO approved rating agency, or (b) the book/adjusted carrying value of the unrated security. The reserve objective is equal to the maximum reserve. The basic contribution is equal to 33% of the maximum reserve.

This treatment does not occur when a reporting entity bears continuing actual or contingent liability arising from the securitization of any assets.

Any company which enters into such a transaction must prepare and include with its filed annual statement a schedule prepared in accordance with the following general guidelines to support the calculation of the reserve amounts to be reported on Page 29, Line 8.

Not for Distribution

**EQUITY AND OTHER INVESTED ASSET COMPONENT –
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**

This supporting form is used to calculate the basic contribution, reserve objective and maximum reserve targets for the common stock, real estate and other invested assets sub-components of the equity component of the AVR. Instructions apply to the general account and to the separate accounts, if applicable.

Column 5 – Basic Contribution Factor

These factors, on average, will provide an amount that approximates expected annual losses.

Include: The reserve factor calculated for mortgage loans.

Column 7 – Reserve Objective Factor

These factors are set to provide an accumulation level estimated to cover, in the aggregate, about 85% of the distribution of losses for each asset category.

Include: The reserve factor calculated for mortgage loans.

Column 9 – Maximum Reserve Factors

These factors define the largest amount that may be accumulated in the AVR. They operate to limit the level of AVR in periods of unusual capital gains or when voluntary reserves are added to the AVR.

Include: The reserve factor calculated for mortgage loans.

Line 1 – Unaffiliated Common Stocks – Public

Report the book/adjusted carrying value of all publicly issued common stock, including mutual funds (except money market mutual funds appropriately reported on Schedule E, Part 2) in unaffiliated companies in Columns 1 and 4. Multiply Column 4 by the reserve factor calculated for Columns 5, 7 and 9, and report the product in Columns 6, 8 and 10, respectively.

The Line 1, Column 7 and 9 reserve factors must be at least 10% but not more than 20%.

The reserve factor is equal to 13% times the company's weighted average portfolio beta. The weighted average portfolio beta is the market value weighted average of four (4) portfolio betas, one from the end of the prior year and the remaining from the first three (3) quarters of the current year. Calculation of this weighted average portfolio beta is illustrated in the following worksheet:

Calculation of Weighted Average Portfolio Beta

	Column 1 Market Value @ Quarter End	Column 2 Portfolio Beta*	Column 3 Col 1 x Col 2
Line 1 12/31/prior year	\$ _____		\$ _____
Line 2 03/31/current year	_____		_____
Line 3 06/30/current year	_____		_____
Line 4 09/30/current year	_____		_____
Line 5 Total	\$ _____		\$ _____
Line 6 Quarterly Portfolio Beta (Line 5, Column 3 above, divided by Line 5, Column 1 above)		X.XX	

* Indicate whether the Individual or Aggregate Method is used.

The portfolio beta can be calculated using two methods; the Individual Method or the Aggregate Method.

Individual Method

The portfolio beta at the end of a quarter is the market value weighted average of the betas as calculated against a broad average of the U.S. stock market (e.g., the Standard & Poor's 500 Stock Index) for each individual stock in the portfolio. The beta should be a simple linear regression using 5 years of monthly time-weighted rates of return. For stock with less than 5 years of pricing history, or where no beta is available, use a beta of 1.50 in determining the portfolio beta. A company shall use an appropriate foreign index. (TSE 300 index for Canadian stock portfolios, FT ALL-SHARES index for U.K. stock portfolios, and the TOPIX index for Japanese stock portfolios) to calculate beta if it has identified common stock investments that support liabilities, both of which are in the same foreign currency.

Aggregate Method

The portfolio beta at the end of a quarter is determined by a simple linear regression using 52 weeks of time-weighted rates of return for the entire unaffiliated common stock portfolio and for the Standard & Poor's 500 Stock Index. For non-U.S. stock portfolios, a company shall use an appropriate foreign index (TSE 300 index for Canadian stock portfolios, FT ALL-SHARES index for U.K. stock portfolios, and the TOPIX index for Japanese stock portfolios) to calculate beta if it has identified common stock investments that support liabilities, both of which are in the same foreign currency.

Companies that do not want the extra administrative complexity of calculating the beta factor may use the maximum AVR factor of 20%.

Line 2 – Unaffiliated Common Stocks – Private

Report the book/adjusted carrying value of all privately held common stocks owned in unaffiliated companies in Columns 1 and 4. Multiply Column 4 by the reserve factor provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 3 – Federal Home Loan Bank Common Stock

Report the book/adjusted carrying value of all Federal Home Loan Bank common stock owned in Columns 1 and 4. Multiply Column 4 by the reserve factor provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 4 – Subsidiary, Controlled or Affiliated Common Stocks – Life Insurer with an AVR

Report the book/adjusted carrying value of all common stocks owned in a controlled or affiliated company or a subsidiary that is a life or fraternal insurance company that holds an AVR, in Columns 1 and 4. These companies are required to carry their own asset valuation reserve or an equivalent, and therefore, the common stocks are not required to be included in the asset valuation reserve of an affiliated company.

Lines 5
through 14

– Subsidiary, Controlled or Affiliated Common Stock – Investment Subsidiaries

Report the book/adjusted carrying value of all common stocks owned in an investment subsidiary or that portion of the book/adjusted carrying value of holding company subsidiaries that represents investments in investment subsidiaries in Column 1, any related party encumbrances on these common stocks in Column 2, and any third party encumbrances on these common stocks in Column 3. If a portion of the book/adjusted carrying value of a holding company subsidiary is reflected in Column 1, the debt of that holding company subsidiary should be reflected in Columns 2 and 3. However, the total holding company debt to be reflected in Columns 2 and 3 should not exceed the aggregate book/adjusted carrying value of any investment subsidiaries on the holding company subsidiary books. (An investment subsidiary is any subsidiary, other than a holding company subsidiary, engaged or organized to engage primarily in the ownership and management of investments authorized as investments for the reporting entity. A broker-dealer or money manager firm that manages outside funds is not an investment subsidiary. This definition is intended to be identical to the investment subsidiary definition for Risk-Based Capital (RBC) purposes and will be amended if the RBC definition is changed.) Allocate the common stock value in Column 1 and the encumbrances in Columns 2 and 3 among Lines 5 through 14 based on the nature of the underlying investment held by the investment subsidiary. Follow the Securities Valuation Office guidelines and categorize these assets as if the SVO had assigned a NAIC designation of 1 through 6, R1 through P6, or RP1 through RP6. Report the sum of Columns 1, 2, and 3 in Column 4.

For Lines 5 through 11, multiply the amount in Column 4 by the appropriate bond, preferred stock, or other fixed income instrument (excluding mortgage loans) reserve factors (as listed in Columns 5, 7 and 9 of the various sections of the Equity Component schedule) and report the products in Columns 6, 8 and 10, respectively.

For Line 12, multiply the amount in Column 4 by the reserve factors calculated for Columns 5, 7 and 9 (see instructions for Line 1 of this schedule) and report the products in Columns 6, 8 and 10, respectively.

For Line 13, multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

For Line 14, multiply the amounts included in Column 4 by the reserve factors and breakdowns used for directly owned real estate and report the products in Columns 6, 8 and 10, respectively.

Line 15

– Subsidiary, Controlled or Affiliated Common Stocks – Certain Other Subsidiaries

Report the book/adjusted carrying value of all subsidiary, controlled or affiliated company common stocks owned that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* in Columns 1 and 4. Multiply Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 16

– Subsidiary, Controlled or Affiliated Common Stocks – Other

Report that portion of the book/adjusted carrying value of all common stocks of all subsidiary, controlled or affiliated companies, that have not been included on Lines 4 through 15, in Columns 1 and 4. Multiply Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 17

– Total Common Stocks

Column 1 should agree with Page 2, Line 2.2, Column 3 plus Schedule DL, Part 1, Column 6, Line 7799999. The Columns 6, 8 and 10 amounts, respectively, must be reported on the Asset Valuation Reserve Page, Lines 7, 10 and 9, respectively, Column 4.

Lines 18
through 20 – Real Estate

Categorize the real estate as indicated on Lines 18 through 20. Real estate reported in Schedule DL, Part 1, Line 8699999 would also be included in this section. Report the sum of Columns 1, 2 and 3 in Column 4. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 6) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third party encumbrances with recourse which are included in Column 3.

Line 21 – Total Real Estate

The Columns 6, 8 and 10 amounts must be combined with Line 23 Columns 6, 8 and 10 amounts and reported on the Asset Valuation Reserve Page, Lines 11 and 12 Column 5.

Lines 22
through 28 – Other Invested Assets with Underlying Characteristics of Bonds

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to bonds (Lines 0799999 and 0899999 and the portion of Lines 1399999, 1499999, 1599999 and 1699999 that applies to fixed income instruments similar to bonds) that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* in Columns 1 and 4. Follow the SVO guidelines and categorize these assets into NAIC designations of 1 through 6 as directed by the NAIC Securities Valuation Office instructions, except those exempt obligations (as listed in the AVR instructions for Line 2) which should be reported separately. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9 and report the products by designation in Columns 6, 8 and 10, respectively.

Lines 30
through 35 – Other Invested Assets with Underlying Characteristics of Preferred Stocks

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to preferred stocks (the portion of Lines 1399999, 1499999, 1599999 and 1699999 that applies to fixed income instruments similar to preferred stocks) that have been valued according to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* and surplus debentures (included in Lines 2799999 and 2899999) and capital notes (included in Lines 3299999 and 3499999) in Columns 1 and 4. Follow the SVO guidelines and categorize these assets into classes P1 through P6 or RP1 through RP6 as directed by the NAIC Securities Valuation Office instructions. For surplus debentures and capital notes, use the Credit Rating Provider (CRP) rating to categorize these assets as if the SVO had assigned an NAIC designation of 1 through 6. ONLY those surplus debentures and capital notes with a CRP rating equivalent to an NAIC 1 or NAIC 2 designation may be included in this section (in Lines 30 and 31). Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Include: Surplus debentures and capital notes that possess a CRP rating equivalent to an NAIC 1 or NAIC 2 designation.

Exclude: All surplus debentures and capital notes that do NOT possess an CRP rating equivalent to an NAIC 1 or NAIC 2 designation. These surplus debentures are to be reported in Line 83 (Other Invested Assets – Schedule BA) of this schedule.

Lines 38
through 63

– Other Invested Assets with Underlying Characteristics of Mortgage Loans

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to mortgage loans (Lines 11999999, 12999999, 23999999 and 24999999), excluding any mortgage-backed/asset-backed securities included in Lines 22 through 28 above, in Columns 1 and 4. Categorize the mortgage loans as indicated in Lines 38 through 55.

For Lines 38 through 63, the classification methodology for mortgages is outlined in the Life Risk-Based Capital instructions. Multiply the amount in Column 4 for each category by the reserve factors in Columns 5, 7 and 9, Lines 38 through 63. Report the products by category in Columns 6, 8 and 10, respectively. For 2015 reporting, unaffiliated, overdue and in process of foreclosure mortgages that are insured or guaranteed should be included in Lines 47, 49, 52 or 54.

Lines 65
through 69

– Other Invested Assets with Underlying Characteristics of Common Stock

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investments are similar to common stock (Lines 19999999 and 20999999) in Columns 1 and 4. Line 68 should show all Schedule BA assets owned where the characteristics of the underlying investments are similar to subsidiary, controlled or affiliated company common stocks owned and these assets should be valued according to the *Practices and Procedures Manual of the NAIC Investment Analysis Office*. Categorize these assets consistent with the directions for Pages 32 and 33, Lines 1 through 4, 15 and 16. For Line 65, the reserve factor must be calculated on an individual company basis. It is equal to 13% times the beta factor as discussed in the Pages 32 and 33, Line 1 instructions, and must be at least 10% but not more than 20%. Multiply the amount in Column 4 by the calculated reserve factors in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively. For Lines 66 through 69, multiply the amounts in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 74

– Total Other Invested Assets with Underlying Characteristics of Real Estate

Report the book/adjusted carrying value of all Schedule BA assets owned where the characteristics of the underlying investment are similar to real estate (Lines 21999999 and 22999999 items that are not reported in AVR category of Other Invested Assets with Underlying Characteristics of Mortgage Loans) in Column 1, any related encumbrances on these assets in Column 2, and any third party encumbrances on these assets in Column 3. Report the sum of Columns 1, 2, and 3 in Column 4. Column 4 may not be less than zero. Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

NOTE: Related party encumbrances are loans from the reporting entity and the amount reflected in Column 2 should be deducted in Column 2 in the corresponding section of the AVR worksheet. If the real estate entity to which the loan was made is not wholly owned by the reporting entity, the related party encumbrance amount reflected in Column 2 should be based on the reporting entity's ownership percentage. The amount of the third party encumbrances without recourse to be reflected in Column 3 is limited to the extent that the maximum reserve (Column 10) should not exceed the sum of the book/adjusted carrying value (Column 1) plus related party encumbrances (Column 2) and third party encumbrances with recourse which are included in Column 3.

Lines 75 through 80 – Low-Income Housing Tax Credit Investments

Report Column 1 in accordance with SSAP No. 93—*Low-Income Housing Tax Credit Property Investments*.

For Line 75, report guaranteed low-income housing tax credit (LIHTC) investments. There must be an all-inclusive guarantee from a CRP-rated entity that guarantees the yield on the investment. Line 75 should equal Schedule BA, Part 1, Column 12, Line 3599999 + Line 3699999.

For Line 76, report non-guaranteed LIHTC investments with the following risk mitigation factors:

- I. A level of leverage below 50%. For 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 an LIHTC Fund, a Tax Credit Guarantee is required from the developers of the lower tier LIHTC properties to the upper tier partnership.
- 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.

Line 76 should equal Schedule BA, Part 1, Column 12, Line 3799999 + Line 3899999.

Only federal low-income housing tax credit investments can be reported on Lines 75 and 76. State low-income housing tax credit investments that meet the requirements of SSAP No. 93 and that, at a minimum, meet the requirements for federal guaranteed programs should be reported on Line 77. Line 77 should equal Schedule BA, Part 1, Column 12, Line 3999999 + Line 4099999.

State low-income housing tax credit investments that do not meet the requirements of SSAP No. 93 and that do not, at a minimum, meet the requirements for federal non-guaranteed programs should be reported on Line 78. Line 78 should equal Schedule BA, Part 1, Column 12, Line 4199999 + Line 4299999.

Any other low-income housing tax credit investments that meet the requirements of SSAP No. 93 and cannot be reported on Lines 75 through 78 should be reported on Line 79. Line 79 should equal Schedule BA, Part 1, Column 12, Line 4399999 + Line 4499999.

Multiply the amount in Column 4 for each category by the reserve factors for Page 34, Columns 5, 7 and 9. Lines 75 through 79. Report the products by category in Columns 6, 8 and 10, respectively.

Line 81 & 82 – Working Capital Finance Investments

Report the book/adjusted carrying value of all working capital finance investments owned (Schedule BA, Part 1, Line 4599999) in Columns 1 and 4. Categorize the working capital finance investments into NAIC designations 1 or 2 as directed by the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*. Multiply the amount in Column 4 for each designation by the reserve factors provided in Columns 5, 7 and 9, and report the products by designation in Columns 6, 8 and 10, respectively.

Line 83 – Other Invested Assets – Schedule BA

Report the book/adjusted carrying value of all other Schedule BA investments owned that cannot be classified into one of the above categories (Lines 0199999, 0299999, 0399999, 0499999, 0599999, 0699999, 0999999, 1099999, 1799999, 1899999, 2599999, 2699999, 2799999, 2899999, 3399999, 3499999, 4699999 and 4799999) in Column 1 and any encumbrances on these assets in Column 3. Schedule DL, Part 1 investments reported on Line 8899999 would be included in this total if not classified in one of the above categories. Collateral loans (Lines 2999999 and 3099999) have been intentionally excluded from this total. For surplus debentures and capital notes, the amount to report in Column 1 is to be calculated based upon the accounting prescribed in *SSAP No. 41—Surplus Notes*. Report the sum of Columns 1 and 3 in Column 4. Column 4 may not be less than zero. Note that ALL surplus debentures and capital notes should be included here in Line 83, EXCEPT those with a CRP rating equivalent to an NAIC 1 or NAIC 2 designation (which are reported in Lines 30 and 31 of this schedule). Multiply the amount in Column 4 by the reserve factors provided in Columns 5, 7 and 9, and report the products in Columns 6, 8 and 10, respectively.

Exclude: All surplus debentures and capital notes that possess a CRP rating equivalent to an NAIC 1 or NAIC 2 designation. These surplus debentures are to be reported in Line 30 and 31 (Other Invested Assets with Underlying Characteristics of Preferred Stocks) of this schedule.

Line 84 – Other Short-Term Invested Assets – Schedule DA

Report the book/adjusted carrying value of all other Schedule DA (Lines 8599999 and 9099999) and Schedule DL, Part 1 (Line 8999999) assets owned that cannot be classified into one of the above categories in Column 1 and any encumbrances on these assets in Column 3. Report the sum of Columns 1 and 3 in Column 4. Multiply the amount on Column 4 by the reserve factors provided in Columns 5, 7 and 9 and report the products in Columns 6, 8 and 10, respectively.

Line 86 – Total Other Invested Assets – Schedules BA & DA

The Columns 6, 8 and 10 amounts must be combined with Columns 6, 8 and 10, Line 21 amounts and reported on the Asset Valuation Reserve Page, Column 5, Lines 7, 10 and 9, respectively.

NOTE: Other invested asset reserves will be calculated based on the nature of the underlying investments related to the Schedule BA and Schedule DA assets. Assets should be categorized as if the company owned the underlying investment. For example:

- Mortgage participation certificates and similar holdings should be classified as fixed income assets.
- Gas and oil production and mineral rights have potential variability of return and should be categorized as equity investments.
- Partnership investments should be classified as fixed or equity investments or as equity real estate, depending on the purpose of the partnership. The maximum AVR factor would be that appropriate for the asset classification.
- A “look through” approach should be taken for any Schedule BA and Schedule DA assets not specifically listed, so as to reflect in the AVR calculation the essential nature of the investments.

**REPLICATION (SYNTHETIC) ASSETS –
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**

This worksheet should contain a line for each replicated (synthetic) asset and each cash instrument component of all replication (synthetic asset) transactions undertaken by the reporting entity. The assets should be sorted first by RSAT number, next by type (replicated assets first then cash instruments) and finally by CUSIP.

Column 1 – RSAT Number

The RSAT number for each transaction should be that used in Schedule DB, Part C, Section 1.

Column 2 – Type

Enter:

“R” For replicated asset, if the line describes one of the replicated (synthetic) assets,

“CW” For cash instrument with credit, if the line describes one of the cash instruments constituting the transaction and the transaction either:

(1) Is a swap of prospectively determined interest rates or

(2) Eliminates the asset risk associated with the cash instrument

“CN” For cash instrument with no credit, if the line describes one of the cash instruments constituting the transaction and the transaction does not eliminate the reporting entity’s exposure to the asset risk associated with the instrument.

Column 3 – CUSIP

Show the CUSIP for all cash instruments (not securities).

Column 4 – Description of Asset(s)

Give the description of the replicated (synthetic) asset(s) of cash instruments as found on Schedule DB, Part C, Section 1.

Column 5 – NAIC Designation or Other Description of Asset

Give the NAIC designation or other description that will best identify the Asset Valuation Reserve class of the asset as contained in Columns 3 or 14 of Schedule DB, Part C, Section 1.

Column 6 – Value of Asset

Give the book/adjusted carrying value of the asset as contained in Columns 5 or 15 of Schedule DB, Part C, Section 1.

Column 7 – AVR Basic Contribution

For replicated (synthetic) assets, multiply the Basic Contribution Factor appropriate to the asset class of the replicated (synthetic) asset times the book/adjusted carrying value contained in Column 6. For cash instrument components that qualify for a credit (see instructions for column 2), the amount contained in the column is the product of

- a. The Basic Contribution Factor appropriate to the asset class of the cash instrument, but not higher than the average Basic Contribution Factor for the replicated (synthetic) asset(s), times
- b. The book/adjusted carrying value contained in Column 6, times
- c. -1.

For other cash instrument components this column should contain 0.

Column 8 – AVR Reserve Objective

For replicated (synthetic) assets, multiply the Reserve Objective Factor appropriate to the asset class of the replicated (synthetic) asset times the book/adjusted carrying value contained in Column 6. For cash instrument components that qualify for a credit, the amount contained in this column is the product of

- a. The Reserve Objective Factor appropriate to the asset class of the cash instrument, but not higher than the average Reserve Objective Factor for the replicated (synthetic) asset(s), times,
- b. The book/adjusted carrying value contained in Column 6, times,
- c. -1.

For other cash instrument components this column should contain 0.

Column 9 – AVR Maximum Reserve

For replicated (synthetic) assets, multiply the Maximum Reserve Factor appropriate to the asset class of the replicated (synthetic) asset times the book/adjusted carrying value contained in Column 6. For cash instrument components that qualify for a credit, the amount in this column is the product of

- a. The Maximum Reserve Factor appropriate to the asset class of the cash instrument, but not higher than the average Maximum Reserve Factor for the replicated (synthetic) asset(s), times,
- b. The book/adjusted carrying value contained in Column 6, times,
- c. -1.

For other cash instrument components this column should contain 0.

Determine the appropriate asset valuation Reserve sub-component for each line based on the classification contained in Column 5 and show the subtotals for each sub-component on Lines 0199999, 0299999, 0399999, and 0499999.

AVR treatment for Separate Accounts

Whether or not an AVR is required for separate account assets depends primarily on whether the reporting entity or policyholder/contract holder suffers the loss in the event of asset default or market value loss. An important exception to this is when specific state regulation provides an alternative to the AVR. (See the chart on the last page of instructions for this schedule.)

An AVR is required for separate account investments unless:

1. The asset default or market value risk is essentially borne directly by the policyholders, or
2. The regulatory authority for such separate accounts already explicitly provides for establishment of a reserve for asset default risk where such reserves are essentially equivalent to the AVR.

For example, assets supporting traditional variable annuities and variable life insurance do not require AVR because the policyholders/contract holders bear the risk of change in the value of assets. However, an AVR is required for that portion representing the company's equity interest in the investments of such a separate account, (seed money interest, for example). Assets supporting typical modified guaranteed contracts or market value adjusted contracts do require AVR because the company is responsible for credit-related asset loss. Another category of contracts requiring AVR is contracts with book value guarantees similar to contracts generally found in the general account.

Examples of the exception referred to in (2) above are contracts with market value separate accounts funding guaranteed benefits where state regulation provides alternatives to the AVR.

An AVR supporting the separate accounts assets must be combined with the General Account AVR. Default and Equity Component worksheets have been added and must be included in the Separate Accounts Statement.

The AVR's contributions and maximum values are based on book/adjusted carrying values. After completion of the calculation for Separate Accounts Default and Equity Components, the basic contribution, reserve objective and maximum reserve amounts reported on Page 29, Lines 7, 10 and 9 should be the sum of the total calculated on Pages 30, 31, 32 and 35 (General Account) and Pages 15, 16, 17 and 20 (Separate Account) as follows:

Basic Contribution:

G/A Page 29, Line 7, Column 1 =	G/A	[P30, L34, C6]	+ G/A	[P35, L0199999, C7]
	+ S/A	[P15, L34, C6]	+ S/A	[P20, L0199999, C7]
G/A Page 29, Line 7, Column 2 =	G/A	[P31, L60, C6]	+ G/A	[P35, L0299999, C7]
	+ S/A	[P16, L60, C6]	+ S/A	[P20, L0299999, C7]
G/A Page 29, Line 7, Column 4 =	G/A	[P32, L17, C6]	+ G/A	[P35, L0399999, C7]
	+ S/A	[P17, L17, C6]	+ S/A	[P20, L0399999, C7]
G/A Page 29, Line 7, Column 5 =	G/A	[P32, L21, C6 + P34, L86, C6]	+ G/A	[P35, L0499999, C7]
	+ S/A	[P17, L21, C6 + P19, L86, C6]	+ S/A	[P20, L0499999, C7]

Reserve Objective:

G/A Page 29, Line 10, Column 1 =	G/A	[P30, L34, C8]	+ G/A	[P35, L0199999, C8]
	+ S/A	[P15, L34, C8]	+ S/A	[P20, L0199999, C8]
G/A Page 29, Line 10, Column 2 =	G/A	[P31, L60, C8]	+ G/A	[P35, L0299999, C8]
	+ S/A	[P16, L60, C8]	+ S/A	[P20, L0299999, C8]
G/A Page 29, Line 10, Column 4 =	G/A	[P32, L17, C8]	+ G/A	[P35, L0399999, C8]
	+ S/A	[P17, L17, C8]	+ S/A	[P20, L0399999, C8]
G/A Page 29, Line 10, Column 5 =	G/A	[P32, L21, C8 + P34, L86, C8]	+ G/A	[P35, L0499999, C8]
	+ S/A	[P17, L21, C8 + P19, L86, C8]	+ S/A	[P20, L0499999, C8]

Maximum Reserve:

G/A Page 29, Line 9, Column 1 =	G/A	[P30, L34, C10]	+ G/A	[P35, L0199999, C9]
	+ S/A	[P15, L34, C10]	+ S/A	[P20, L0199999, C9]
G/A Page 29, Line 9, Column 2 =	G/A	[P31, L60, C10]	+ G/A	[P35, L0299999, C9]
	+ S/A	[P16, L60, C10]	+ S/A	[P20, L0299999, C9]
G/A Page 29, Line 9, Column 4 =	G/A	[P32, L17, C10]	+ G/A	[P35, L0399999, C9]
	+ S/A	[P17, L17, C10]	+ S/A	[P20, L0399999, C9]
G/A Page 29, Line 9, Column 5 =	G/A	[P32, L21, C10 + P34, L86, C10]	+ G/A	[P35, L0499999, C9]
	+ S/A	[P17, L21, C10 + P19, L86, C10]	+ S/A	[P20, L0499999, C9]

Where the AVR Default Component supports assets valued at market, gains or (losses), net of capital gains tax, charges to the AVR are determined using one of the following two methods (applied consistently by separate account):

1. A gain/(loss) is recorded as for the general account rules, i.e., upon sale of an asset that has changed more than one designation category or upon asset default. Once an asset is in default, all subsequent market value changes are reflected in the AVR, or
2. A similar procedure to Method 1 above is followed but, additionally, a gain/(loss) is recorded whenever an asset held changes by more than one designation category. As there might be more than one such event for a particular asset, e.g., a two designation downgrade followed by subsequent sale of the asset, the amount charged the AVR is net of any prior amounts charged for that asset.

SEPARATE ACCOUNTS
AVR/IMR CRITERIA
Asset Loss

Assets	Liabilities	Does Co. Suffer Asset Loss?	If Yes, Any Other Provision?	AVR(1)	IMR	Example Product
Market	Market	No	---	No	No	Variable Annuity
Market	Market(2)	Yes	No	Yes	No	Modified Gtd. Annuity
Market	Market	Yes	Yes	No (3)	No	MV S/A Funding Gtd. Benefits
Book	Book	No	---	No	No	---
Book	Book	Yes	No	Yes	Yes	GIC in Sep. Account
Book	Book	Yes	Yes	No (3)	Yes	---

1. However, an AVR is required for that portion representing the company's equity interest in the investments of such a separate account, (seed money interest, for example).
2. But not less than adjusted cash surrender value.
3. An AVR reserve must be established unless there is a statutory requirement for the equivalent of an AVR reserve for this product.

Not for Distribution

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Not for Distribution

SCHEDULE F

DEATH CLAIMS RESISTED OR COMPROMISED

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:

<u>Group or Category</u>	<u>Line Number</u>
Claims Disposed of During Current Year:	
Death Claims:	
Ordinary	0199999
Credit.....	0299999
Group	0399999
Industrial	0499999
Subtotals – Disposed – Death Claims	0599999
Additional Accidental Death Benefit Claims:	
Ordinary	0699999
Credit.....	0799999
Group	0899999
Industrial	0999999
Subtotals – Disposed – Add'l Acc. Death Benefit	1099999
Disability Benefit Claims:	
Ordinary	1199999
Credit.....	1299999
Group	1399999
Industrial	1499999
Subtotals – Disposed – Disability Benefit Claims	1599999
Matured Endowment Claims:	
Ordinary	1699999
Credit.....	1799999
Group	1899999
Industrial	1999999
Subtotals – Disposed – Matured Endowment Claims	2099999
Annuities With Life Contingencies Claims:	
Ordinary	2199999
Credit.....	2299999
Group	2399999
Industrial	2499999
Subtotals – Disposed – Annuities with Life Contin.	2599999
Subtotals – Claims Disposed of During Current Year	2699999

Activity for resisted claims incurred on direct business should be classified in the following categories:

Claims Resisted During Current Year:	
Death Claims:	
Ordinary	2799999
Credit.....	2899999
Group	2999999
Industrial	3099999
Subtotals – Resisted – Death Claims	3199999
Additional Accidental Death Benefit Claims:	
Ordinary	3299999
Credit.....	3399999
Group	3499999
Industrial	3599999
Subtotals – Resisted – Add'l Acc. Death Benefit	3699999

Disability Benefit Claims:	
Ordinary	3799999
Credit.....	3899999
Group	3999999
Industrial	4099999
Subtotals – Resisted – Disability Benefit Claims.....	4199999
Matured Endowment Claims:	
Ordinary	4299999
Credit.....	4399999
Group	4499999
Industrial	4599999
Subtotals – Resisted – Matured Endowment Claims	4699999
Annuities With Life Contingencies Claims:	
Ordinary	4799999
Credit.....	4899999
Group	4999999
Industrial	5099999
Subtotals – Resisted – Annuities with Life Contin.....	5199999
Subtotals – Claims Resisted During Current Year.....	5299999
Totals	5399999

This exhibit provides a summary of resisted claims on life insurance policies. Claims under accident and health policies need not be reported in this schedule.

A claim is considered resisted when it is in dispute and not resolved on the statement date. Where the company is holding up payment for sufficient evidence or where a beneficiary has made a claim and then withdraws it, such items should be considered as in the course of settlement.

- Column 4 – Year of Claim for Death or Disability
 Claims resisted and not settled or dismissed by a competent court at the end of the statement year should be carried forward to the next year.
- Column 5 – Amount Claimed
 The amount claimed (not the amount paid) on resisted claims that have been settled during the current year.
- Column 7 – Amount Resisted December 31 of Current Year
 Statement year liability should agree with Exhibit 8, Part 1, Column 1, Line 2.11.

Not for Distribution

SCHEDULE H

ACCIDENT AND HEALTH EXHIBIT

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

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

Column 5 – Credit Accident and Health (Group and Individual)

Include: Business not exceeding 120 months duration.

This column is not applicable to Fraternal Benefit Societies.

Column 7 – Collectively Renewable

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

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

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

Column 9	–	Non-cancelable	
		Include:	Amounts pertaining to policies/certificates that are guaranteed renewable for life or to a specified age, such as 60 or 65, at guaranteed premium rates.
Column 11	–	Guaranteed Renewable	
		Include:	Amounts pertaining to policies/certificates which are guaranteed renewable for life or to a specified age, such as 60 or 65, but under which the reporting entity reserves the right to change the scale of premium rates.
Column 13	–	Non-renewable for Stated Reasons Only	
		Include:	Amounts pertaining to policies/certificates in which the reporting entity has reserved the right to cancel or refuse renewal for one or more stated reasons, but has agreed implicitly or explicitly that, prior to a specified time or age, it will not cancel or decline renewal solely because of deterioration of health after issue.
Column 17	–	All Other	
		Include:	Any other accident and health coverages not specifically required in other columns. All Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

PART 1 – ANALYSIS OF UNDERWRITING OPERATIONS

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

Line 1	–	Premiums Written	
			Should agree with “Total (All Business) minus Reinsurance Ceded” Line of Column 4, Schedule T, if prepared on a written basis.
Line 2	–	Premiums Earned	
			Refer to <i>NAIC Plan 50R—Individual and Group Accident and Health Contracts</i> for accounting guidance.
			Should agree with Line 1 plus the change in unearned premiums and reserve for rate credits included in Part 2, Section A.
Line 3	–	Incurred Claims	
			Report cash settlements during the year plus the change in claim liabilities, reserves and amounts recoverable from reinsurers.
			Should agree appropriately with both Exhibit 8, Part 2, Line 6.4 and also with Analysis of Operations by Lines of Business, Line 13, in each case adjusted for the change in Exhibit 6 of Aggregate Accident and Health Reserves, Line 16 reserves.
			Should agree with Part 2, Section C, Line 3; plus Part 3, Line 1.1; plus Part 3, Line 1.2.

- Line 4 – Cost Containment Expenses
- Report cost containment expenses in accordance with *SSAP No. 55—Unpaid Claims, Losses and Loss Adjustment Expenses*.
- Should agree with Exhibit 2, Column 2, Line 10.
- Line 5 – Incurred Claims and Cost Containment Expenses
- Should agree with the sum of Lines 3 and 4.
- Line 6 – Increase in Contract Reserves
- Should agree with Part 2, Section B, Line 5.
- Line 7 – Commissions
- Report incurred commissions and expense allowances on reinsurance.
- Should agree appropriately with the net of Exhibit 1, Part 2, Line 31 minus Line 26.3 and also with the net of Analysis of Operations by Lines of Business, Line 22 plus Line 22, minus Line 6, Accident and Health columns.
- Line 8 – Other General Insurance Expenses
- Report general insurance expenses incurred and provision for claim expenses incurred in connection with pending and incurred but unreported claims not included in Cost Containment Expenses on Line 4 above.
- Should agree appropriately with Exhibit 2, Column 3, Line 10.
- Line 9 – Taxes, Licenses and Fees
- Report total taxes (excluding federal income taxes) plus state insurance department licenses and fees.
- Should agree appropriately with Exhibit 3, Column 2, Line 7 and also with Analysis of Operations by Lines of Business, Line 24, Accident and Health columns.
- Line 10 – Total Other Expenses Incurred
- Sum of Lines 7, 8 and 9.
- Line 11 – Aggregate Write-ins for Deductions
- Enter the total of the write-ins listed in schedule "Details of Write-ins Aggregated at Line 11 for Deductions."
- Line 12 – Gain from Underwriting Before Dividends or Refunds
- Report premiums earned less incurred claims, less increase in policy reserves and less total expenses incurred. Line 2 less the sum of Lines 5, 6, 10 and 11.

- Line 13 – Dividends or Refunds
Should agree appropriately with Analysis of Operations by Lines of Business, Line 30, Accident and Health columns, and also with Exhibit 4, Dividends or Refunds, Column 2, Line 17.
- Line 14 – Gain From Underwriting After Dividends or Refunds
Line 12 minus Line 13.

Details of Write-ins Aggregated on Line 11 for Deductions

List separately all deductions for which there is no pre-printed line on Schedule E – Part 1.

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

PART 2 – RESERVES AND LIABILITIES

SECTION A – PREMIUM RESERVES

- Line 1 – Unearned Premiums
Should agree appropriately with Exhibit 6, Line 1, net of applicable reinsurance ceded.
- Line 2 – Advance Premiums
Should agree appropriately with the sum of Exhibit 1, Part 1, Lines 4 and 14.
- Line 3 – Reserve for Rate Credits
Should agree appropriately with the net of Exhibit 6, Line 5, net of applicable reinsurance ceded, plus Page 3, Line 9.2 parenthetical amount #1 minus Page 2, Line 15.3, Column 3, accident and health portion.
Not applicable to Fraternal Benefit Societies.
- Line 4 – Total Premium Reserves, Current Year
Sum of Lines 1, 2 and 3.
- Line 5 – Total Premium Reserves, Prior Year
Line 4 from prior year.
- Line 6 – Increase in Total Premium Reserves
Line 4 minus Line 5.

SECTION B – CONTRACT RESERVES

Line 1 – Additional Reserves

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

Include: Premium deficiency reserve.

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

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

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

Line 2 – Reserve for Future Contingent Benefits

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

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

Line 3 – Total Contract Reserve—Current Year

Sum of Lines 1 and 2.

Line 4 – Total Contract Reserve—Prior Year

Line 3 from prior year.

Line 5 – Increase in Contract Reserves

Line 3 minus Line 4.

SECTION C – CLAIM RESERVES AND LIABILITIES

- Line 1 – Total Current Year
Should agree appropriately with the sum of Exhibit 6, Line 16 and Exhibit 8, Part 1, Line 4.4.
Also should agree with Part 3, Line 2.1 plus Part 3, Line 2.2 below.
- Line 2 – Total Prior Year
Line 1 from prior year.
Should agree with Part 3, Line 3.2 below.
- Line 3 – Increase
Line 1 minus Line 2.

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

- Lines 1.1 and 1.2 – Claims Paid During the Year on Claims Incurred Prior to and During Current Year
Represents net payments made during the year less the change in amounts still recoverable from reinsurance.
The sum of Lines 1.1 and 1.2 should agree appropriately with Exhibit 8, Part 2, Lines 1.4 minus Line 3 plus Line 5.
- Lines 2.1, 2.2 and 3.2 – Claim Reserves and Liabilities December 31 on Claims Incurred Prior to and During Current Year.
The sum of Lines 2.1 and 2.2 should equal Line C1 of Part 2 of this schedule and Line 3.2 should equal Line C2 of Part 2 of this Schedule. Line 3.3 represents the result of the test for adequacy of claim provisions. A negative figure will normally indicate a favorable reserve development.

PART 4 – REINSURANCE

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

SECTION A – REINSURANCE ASSUMED

- Line 2 – Premiums Earned
Premiums earned are before adjustment for the increase in policy reserves that has been treated as a separate deduction.

SECTION B – REINSURANCE CEDED

Line 2 – Premiums Earned

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

PART 5 – HEALTH CLAIMS

Column 3 – Other

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

A. DIRECT

Line 1 – Incurred Claims

Should agree with Line 3 plus Line 4 minus Line 2.

Line 2 – Beginning Claim Reserves and Liabilities

Should agree with Exhibit 8, Part 2, Line 4.1, sum of Columns 9, 10 and 11, plus direct portion of Exhibit 6, Line 14, Column 1, Prior Year.

Line 3 – Ending Claim Reserves and Liabilities

Should agree with Exhibit 8, Part 2, Line 2.1, sum of Columns 9, 10 and 11, plus direct portion of Exhibit 6, Line 14, Column 1.

Line 4 – Claims Paid

Should agree with Exhibit 8, Part 2, Line 1.1, sum of Columns 9, 10 and 11.

B. ASSUMED REINSURANCE

Line 5 – Incurred Claims

Should agree with Schedule H, Part 4, Line A3, Column 1. Should also agree with Line 7 plus Line 8, minus Line 6.

Line 6 – Beginning Claim Reserves and Liabilities

Should agree with Exhibit 8, Part 2, Line 4.2, sum of Columns 9, 10 and 11 plus assumed portion of Exhibit 6, Line 14, Column 1, Prior Year.

Line 7 – Ending Claim Reserves and Liabilities

Should agree with Exhibit 8, Part 2, Line 2.2, sum of Columns 9, 10 and 11, plus assumed portion of Exhibit 6, Line 14, Column 1.

Line 8 – Claims Paid

Should agree with Exhibit 8, Part 2, Line 1.2, sum of Columns 9, 10 and 11.

C. CEDED REINSURANCE

Line 9 – Incurred Claims

Should agree with Schedule H, Part 4, Line B3, Column 1. Should also agree with Line 11, plus Line 12, minus Line 10.

Line 10 – Beginning Claim Reserves and Liabilities

Include: Amounts recoverable from reinsurers.

Should agree with Exhibit 8, Part 2, Line 4.3, plus Line 5, sum of Columns 9, 10 and 11, plus Exhibit 6, Line 15, Column 1, Prior Year.

Line 11 – Ending Claim Reserves and Liabilities

Include: Amounts recoverable from reinsurers.

Should agree with Exhibit 8, Part 2, Line 2.3, plus Line 3, sum of Columns 9, 10 and 11, plus Exhibit 6, Line 15, Column 1.

Line 12 – Claims Paid

Should agree with Exhibit 8, Part 2, Line 1.3, sum of Columns 9, 10 and 11.

D. NET

Line 13 – Incurred Claims

Should agree with Schedule H, Part 1, Line 3, Column 1. Should also agree with Line 15, plus Line 16, minus Line 14.

Line 14 – Beginning Claim Reserves and Liabilities

Should agree with Schedule H, Part 2, Line C2, Column 1, minus Exhibit 8, Part 2, Line 5, sum of Columns 9, 10 and 11.

Line 15 – Ending Claim Reserves and Liabilities

Exclude: Amounts recoverable from reinsurers.

Should agree with Schedule H, Part 2, Line C1, Column 1, minus Exhibit 8, Part 2, Line 3, sum of Columns 9, 10 and 11.

Line 16 – Claims Paid

Should agree with Exhibit 8, Part 2, Line 1.4, sum of Columns 9, 10 and 11.

E. NET INCURRED CLAIMS AND COST CONTAINMENT EXPENSES

Line 17 – Incurred Claims and Cost Containment Expenses

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

Line 18 – Beginning Reserves and Liabilities

Should agree with Exhibit 2, Column 2, Line 11 plus Line 14 above.

Line 19 – Ending Reserves and Liabilities

Should agree with Exhibit 2, Column 2, Line 12 plus Line 15 above.

Line 20 – Paid Claims and Cost Containment Expenses

Line 17 plus Line 18 minus Line 19.

Not for Distribution

Not for Distribution

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Not for Distribution

SCHEDULE S – REINSURANCE

These parts (except Part 1, which shows reinsurance assumed) provide an analysis by reinsurance carrier of reinsurance ceded data shown in total in various parts of the statement. Information is included on all reinsurance ceded to other entities authorized as well as unauthorized or certified in the state of domicile of the reporting entity. Additional data for unauthorized companies is displayed in Part 4; additional data for certified reinsurers is displayed in Part 5.

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 S. 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.

Effective date as used in this schedule is the date the contract originally went into effect.

Where name of company is specified, show the full corporate name of the company to which reinsurance is ceded.

The reinsurance type should be entered in all capital letters, and all reinsurance types must be followed by /G (for Group) or /I (for Individual).

Illustration for reporting MODCO activity

From time to time, an entity that assumes the risk on a block of business may cede that same block to another entity. This type of transaction is often called a "retrocession." The following example illustrates the reporting. Entity A enters into a modified coinsurance arrangement with Entity B for new individual life insurance policies. At year-end the "modco" reserves held by Entity A totaled \$1,000. Consistent with the agreement, Entity B enters into a similar arrangement with Entity C covering the same block of business. Entity A would list Entity B on Schedule S, Part 3 Section 1 with a type code of MCO/I and report \$1,000 in Column 14 along with the other relevant information. Entity B would list Entity A in Schedule S, Part 1, Section 1, with a type code of MCO/I and report \$1,000 in Column 8 and 11 along with the other relevant information. Entity B would also list Entity C in Schedule S, Part 3 Section 1, reporting \$1,000 in Column 14 along with the other relevant information. Entity C would list Entity B in Schedule S, Part 1, Section 1, reporting \$1,000 in Column 8 and 11 along with the other relevant information.

Index to Schedule S

Part 1, Section 1	–	Reinsurance Assumed Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits
Part 1, Section 2	–	Reinsurance Assumed Accident and Health Insurance
Part 2	–	Reinsurance Recoverable on Paid and Unpaid Losses
Part 3, Section 1	–	Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits
Part 3, Section 2	–	Reinsurance Ceded Accident and Health Insurance
Part 4	–	Reinsurance Ceded to Unauthorized Companies
Part 5	–	Reinsurance Ceded to Certified Reinsurers
Part 6	–	Five-Year Exhibit of Reinsurance Ceded Business
Part 7	–	Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

ID Number

Most parts of Schedule S require that the "ID Number" be reported for assuming or ceding entities.

Reinsurance intermediaries should not be listed, because Schedule S is intended to identify the 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 reinsurers 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 S 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 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.

Pool and Association Numbers

In order to report transactions involving non-risk bearing pools or associations consisting of nonaffiliated companies correctly, the company must include on Schedule S 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.

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 S 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 FDRCREQ@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 S 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 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.

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 hereafter 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 S, Part 1 using the original collective Lloyd's number, AA-1122000.

Dates

All dates reported in Schedule S must be in the format MM/DD/YYYY. For example, the date December 13, 2011 should be reported as 12/13/2011.

Determination of Authorized Status

The determination of the authorized, unauthorized or certified status of an insurer or reinsurer listed in any part of Schedule S 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 S, the captive affiliate line categories shall include affiliated non-traditional insurers/reinsurers.

Definition of Affiliated Non-Traditional Insurer/Reinsurer

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

1. An affiliated insurance or reinsurance company licensed, authorized or otherwise granted the authority to operate in a single United States jurisdiction under any captive insurer law, special purpose insurer law, or other similar law separate from those applicable to traditional insurers and/or reinsurers.
2. An affiliated insurance or reinsurance company licensed, authorized or otherwise granted the authority to operate in any jurisdiction outside the United States under any captive insurer law, special purpose insurer law, or other similar law separate from those applicable to traditional insurers and/or reinsurers in that non-United States jurisdiction.
3. Any other affiliated insurance or reinsurance company that by law, regulation, or order, or contract is authorized to insure or reinsure only risks from its parent or affiliate.

SCHEDULE S – PART 1 – SECTION 1

**REINSURANCE ASSUMED LIFE INSURANCE, ANNUITIES, DEPOSIT FUNDS AND OTHER LIABILITIES
WITHOUT LIFE OR DISABILITY CONTINGENCIES, AND RELATED BENEFITS LISTED BY REINSURED
COMPANY AS OF DECEMBER 31, CURRENT YEAR**

This section should include data on all reinsurance assumed for life insurance, annuities, deposit fund and other liabilities without life or disability contingencies, and related benefits by reinsured company 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 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 line and number:

<u>Group or Category</u>	<u>Line Number</u>
General Account	
Affiliates	
U.S.	
Captive	0199999
Other	0299999
Total	0399999
Non-U.S.	
Captive	0499999
Other	0599999
Total	0699999
Total Affiliates	0799999
Non-Affiliates	
U.S. Non-Affiliates	0899999
Non-U.S. Non-Affiliates	0999999
Total Non-Affiliates	1099999
Total General Account	1199999
Separate Accounts	
Affiliates	
U.S.	
Captive	1299999
Other	1399999
Total	1499999
Non-U.S.	
Captive	1599999
Other	1699999
Total	1799999
Total Affiliates	1899999
Non-Affiliates	
U.S. Non-Affiliates	1999999
Non-U.S. Non-Affiliates	2099999
Total Non-Affiliates	2199999
Total Separate Accounts	2299999
Total U.S. (Sum of 0399999, 0899999, 1499999 and 1999999)	2399999
Total Non-U.S. (Sum of 0699999, 0999999, 1799999 and 2099999)	2499999
Total (Sum of 1199999 and 2299999)	9999999

Column 2 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule S 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 – 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.

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

Column 6 – Type of Reinsurance Assumed

Use the following abbreviations to identify the plan and type of reinsurance. For example, group coinsurance with funds withheld should be identified as COFW/G. (If there is more than one type of reinsurance in the same reinsurance company, show each type on a separate line.) NOTE: The type should be entered in all capital letters, and ALL reinsurance types must be followed by /G (for Group) or /I (for Individual).

Abbreviations:

I	Individual	}	All Reinsurance Types should be followed by /I or /G.
G	Group		
REINSURANCE TYPES			
CO	Coinsurance	YRT	Yearly renewable term
COFW	Coinsurance with funds withheld	YRTFW	Yearly renewable term with funds withheld
MCO	Modified coinsurance	COMB	Combination coinsurance/modified coinsurance
MCOFW	Modified coinsurance with funds withheld	COMBW	Combination coinsurance/modified coinsurance with funds withheld
CAT	Catastrophe	OTH	Other reinsurance

NOTE: The insurance type should be entered in all capital letters.

Column 7 – Type of Business Assumed

Use only one of the following codes per line to identify the type of business assumed. If there is more than one type of business assumed from the same reinsurance company, show each type on a separate line.

Abbreviations:

IL	Industrial Life	FA	Fixed Annuities
XXXL	XXX Life	IA	Indexed Annuities
XXXLO	XXX Life Other	VA	Variable Annuities
AXXX	AXXX Life	OA	Other Annuities
CL	Credit Life	ADB	Accidental Death Benefits
SC	Supplementary Contracts	DIS	Disability Benefits
OL	Other Life		

NOTE: The Type of Business Assumed code should be entered in all capital letters.

All types of business shown above are as reported in the Analysis of Operations by Lines of Business and the Analysis of Annuity Operations by Lines of Business except as noted below:

XXX Life: Used to describe the actuarial reserves required to be held under Section 6 of the NAIC *Valuation of Life Insurance Policies Model Regulation* (#830) (other than risk assumed from a ceding insurer for policies eligible for exemption under Section 6F, Section 6G, Section 6H or to the portion of the reserve pursuant to YRT Reinsurance under Section 6E), which is commonly referred to as Regulation XXX (or, more simply, XXX).

XXX Life Other: Used to describe the actuarial reserves required to be held under Section 6 of the Model #830 for risk assumed from a ceding insurer for policies described under Section 6F, Section 6G, Section 6H or to the portion of the reserve pursuant to YRT Reinsurance under Section 6E, which is commonly referred to as Regulation XXX (or, more simply, XXX).

AXXX Life: Used to describe the actuarial reserves required to be held under Section 7 of Regulation XXX as further clarified by the NAIC *Actuarial Guideline XXXVIII—The Application of the Valuation of Life Insurance Policies Model Regulation* (AG 38), which is commonly referred to as AXXX.

OL Other Life Used for assumed life business not appropriately included in one of the other life categories in the table above.

- Column 8** – Amount in Force at End of Year
For catastrophe-reinsurance (CAT), disability benefits (DIS), accidental death benefit benefits (ADB) and annuity benefits), leave this column blank.
- Column 10** – Premiums
To agree with Exhibit 1, Page 1, Line 2.2, Columns 2 through 7.
For deposit funds and other liabilities without life or disability contingencies leave this column blank.
- Column 11** – Reinsurance Payable or Paid and Unpaid Losses
To agree with Exhibit 1, Page 1, Line 4.2, Columns 2 through 8. For deposit funds and other liabilities without life or disability contingencies, leave this column blank.
- Column 12** – Modified Coinsurance Reserve
Report the amount of reserves held by the ceding company under modified coinsurance contracts. Include separate accounts modified coinsurance reserves. See examples for MODCO transactions contained in the general instructions for Schedule S.
- Column 13** – Funds Withheld Under Coinsurance
Report the amount of funds withheld by the ceding company on coinsurance contracts.

SCHEDULE S – PART 1 – SECTION 2

**REINSURANCE ASSUMED ACCIDENT AND HEALTH INSURANCE LISTED BY REINSURED COMPANY
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 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 line and number:

<u>Group or Category</u>	<u>Line Number</u>
Affiliates	
U.S.	
Captive	0199999
Other	0299999
Total	0399999
Non-U.S.	
Captive	0499999
Other	0599999
Total	0699999
Total Affiliates	0799999
Non-Affiliates	
U.S. Non-Affiliates	0899999
Non-U.S. Non-Affiliates	0999999
Total Non-Affiliates	1099999
Total U.S. (Sum of 0399999 and 0899999)	1199999
Total Non-U.S. (Sum of 0699999 and 0999999)	1299999
Total (Sum of 0799999 and 1099999)	9999999

Column 2 – ID Number

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

- Federal Employer Identification Number (FEIN)
- Admitted Insurer Identification Number (AIIN)
- Certified Reinsurer Identification Number (CRIN)
- Group/Association Identification Number

Column 5 – 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.

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

Column 6 – Type of Reinsurance Assumed

Use the following abbreviations to identify the plan and type of reinsurance. For example, group specific stop loss should be identified as SSL/G. (If there is more than one type of reinsurance in the same reinsurance company, show each type on a separate line.) NOTE: The type should be entered in all capital letters, and ALL reinsurance types must be followed by /G (for Group) or /I (for Individual).

Abbreviations:

I	Individual	}	All Reinsurance Types should be followed by /I or /G.
G	Group		
<u>REINSURANCE TYPES</u>			
ASL	Aggregate Stop Loss	QA	Quota Share
SSL	Specific Stop Loss	SS	Surplus Share
LRSL	Loss Ratio Stop Loss	OTH	Other Reinsurance
CAT	Catastrophe		

NOTE: The insurance type should be entered in all capital letters.

Column 7 – Type of Business Assumed

Use the following codes to identify the type of business assumed. If there is more than one type of business assumed from the same reinsurance company, show each type on a separate line.

Abbreviations:

CMM	Comprehensive Major Medical	STM	Short-Term Medical
OM	Other Medical (Non-Comprehensive)	LB	Limited Benefit
SD	Specified/Named Disease	S	Student
A	Accident Only or AD&D	LTC	Long-Term Care
STDI	Disability Income – Short-Term	D	Dental
LTDI	Disability Income – Long-Term	MR	Medicare
MS	Medical Supplement (Medigap)	MC	Medicaid
MD	Medicare Part D – Stand-Alone	TRI	Tricare
FEHBP	Federal Employees Health Benefit Plan	CAH	Credit A&H
SCHIP	State Children’s Health Insurance Program	OH	Other Health
SSL	Stop Loss/Excess Loss		

NOTE: The Type of Business Assumed code should be entered in all capital letters.

The types of business shown above are as reported in the Accident and Health Policy Experience Exhibit.

- Column 8 – Premiums
To agree with Exhibit 1, Part 1, Line 20.2, Columns 8 through 10.
- Column 11 – Reinsurance Payable on Paid and Unpaid Losses
To agree with Exhibit 8, Part 1, Line 4.2, Columns 9 through 11.
- Column 12 – Modified Coinsurance Reserve
Report the amount of the reserves held by the ceding company under modified coinsurance contracts.
- Column 13 – Funds Withheld Under Coinsurance
Report the amount of funds withheld by the ceding company on coinsurance contracts.

Not for Distribution

SCHEDULE S – PART 2

**REINSURANCE RECOVERABLE ON PAID AND UNPAID LOSSES LISTED BY REINSURING COMPANY
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 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 line and number:

Group or Category	Line Number
Life and Annuity	
Affiliates	
U.S.	
Captive.....	0199999
Other.....	0299999
Total.....	0399999
Non-U.S.	
Captive.....	0499999
Other.....	0599999
Total.....	0699999
Total Affiliates.....	0799999
Non-Affiliates	
U.S. Non-Affiliates.....	0899999
Non-U.S. Non-Affiliates.....	0999999
Total Non-Affiliates.....	1099999
Total Life and Annuity.....	1199999
Accident and Health	
Affiliates	
U.S.	
Captive.....	1299999
Other.....	1399999
Total.....	1499999
Non-U.S.	
Captive.....	1599999
Other.....	1699999
Total.....	1799999
Total Affiliates.....	1899999
Non-Affiliates	
U.S. Non-Affiliates.....	1999999
Non-U.S. Non-Affiliates.....	2099999
Total Non-Affiliates.....	2199999
Total Accident and Health.....	2299999
Total U.S. (Sum of 0399999, 0899999, 1499999 and 1999999).....	2399999
Total Non-U.S. (Sum of 0699999, 0999999, 1799999 and 2099999).....	2499999
Total (Sum of 1199999 and 2299999).....	9999999

Column 2 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule S 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 – 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.

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

Column 6 – Paid Losses

Report reinsured claim amounts paid by the company but not yet reimbursed by the reinsurer. The Total of this column represents claim amounts recoverable from reinsurers included in Page 2, Line 16.1, Column 3. The amounts reported in Column 6 represent, by company, the amounts recoverable from reinsurers included in the development of Exhibit 8, Part 2.

Column 7 – Unpaid Losses

Include the reinsured amounts for claims that are in course of settlement and will become recoverable from reinsurers following payment. Such amounts are treated as reductions to the “in course of settlement” claim liabilities and are included in the development of Exhibit 8, Part 1.

Not for Distribution

SCHEDULE S – PART 3 – SECTION 1

**REINSURANCE CEDED LIFE INSURANCE, ANNUITIES, DEPOSIT FUNDS AND OTHER LIABILITIES
WITHOUT LIFE OR DISABILITY CONTINGENCIES, AND RELATED BENEFITS LISTED BY REINSURING
COMPANY AS OF DECEMBER 31, CURRENT YEAR**

NOTE: This schedule is to include Exhibit 7 cessions. Include actual reinsurance ceded on group cases but exclude jointly underwritten group contracts.

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 line and number:

	<u>Group or Category</u>	<u>Line Number</u>
General Account		
Authorized		
Affiliates		
U.S.		
Captive.....		0199999
Other		0299999
Total.....		0399999
Non-U.S.		
Captive.....		0499999
Other		0599999
Total.....		0699999
Total Authorized Affiliates		0799999
Non-Affiliates		
U.S. Non-Affiliates		0899999
Non-U.S. Non-Affiliates.....		0999999
Total Authorized Non-Affiliates.....		1099999
Total General Account Authorized		1199999
Unauthorized		
Affiliates		
U.S.		
Captive.....		1299999
Other		1399999
Total.....		1499999
Non-U.S.		
Captive.....		1599999
Other		1699999
Total.....		1799999
Total Unauthorized Affiliates		1899999
Non-Affiliates		
U.S. Non-Affiliates		1999999
Non-U.S. Non-Affiliates.....		2099999
Total Unauthorized Non-Affiliates		2199999
Total General Account Unauthorized.....		2299999

Certified			
	Affiliates		
	U.S.		
	Captive.....	2399999	
	Other	2499999	
	Total.....	2599999	
	Non-U.S.		
	Captive.....	2699999	
	Other	2799999	
	Total.....	2899999	
	Total Certified Affiliates.....	2999999	
	Non-Affiliates		
	U.S. Non-Affiliates	3099999	
	Non-U.S. Non-Affiliates.....	3199999	
	Total Certified Non-Affiliates.....	3299999	
	Total General Account Certified	3399999	
	Total General Account Authorized, Unauthorized and Certified.....	3499999	
Separate Accounts			
	Authorized		
	Affiliates		
	U.S.		
	Captive.....	3599999	
	Other	3699999	
	Total.....	3799999	
	Non-U.S.		
	Captive.....	3899999	
	Other	3999999	
	Total.....	4099999	
	Total Authorized Affiliates	4199999	
	Non-Affiliates		
	U.S. Non-Affiliate.....	4299999	
	Non-U.S. Non-Affiliates.....	4399999	
	Total Authorized Non-Affiliates.....	4499999	
	Total Separate Accounts Authorized.....	4599999	
	Unauthorized		
	Affiliate		
	U.S.		
	Captive.....	4699999	
	Other	4799999	
	Total.....	4899999	
	Non-U.S.		
	Captive.....	4999999	
	Other	5099999	
	Total.....	5199999	
	Total Unauthorized Affiliates	5299999	
	Non-Affiliates		
	U.S. Non-Affiliates	5399999	
	Non-U.S. Non-Affiliates.....	5499999	
	Total Unauthorized Non-Affiliates	5599999	
	Total Separate Accounts Unauthorized.....	5699999	

Certified

Affiliates

U.S.

Captive.....	5799999
Other	5899999
Total.....	5999999

Non-U.S.

Captive.....	6099999
Other	6199999
Total.....	6299999

Total Certified Affiliates.....6399999

Non-Affiliates

U.S. Non-Affiliates	6499999
Non-U.S. Non-Affiliates.....	6599999
Total Certified Non-Affiliates.....	6699999

Total Separate Accounts Certified.....6799999

Total Separate Accounts Authorized, Unauthorized and Certified.....6899999

Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2599999, 3099999, 3599999, 4099999, 4599999, 5099999, 5599999, 5999999 and 6499999)..... 6999999

Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2899999, 3199999, 3899999, 4099999, 4399999, 5199999, 5499999, 6299999 and 6599999)..... 7099999

Total (Sum of 3499999 and 6899999)..... 9999999

Column 2 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule S 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 – Domiciliary Jurisdiction

Report the two-character 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.

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

Column 6 – Type of Reinsurance Ceded

Use the following abbreviations to identify the plan and type of reinsurance. For example, group coinsurance with funds withheld should be identified as COFW/G. (If there is more than one type of reinsurance in the same reinsurance company, show each type on a separate line.) NOTE: The type should be entered in all capital letters, and ALL reinsurance types must be followed by /G (for Group) or /I (for Individual).

Abbreviations:

I	Individual	}	All Reinsurance Types should be followed by /I or /G.
G	Group		
<u>REINSURANCE TYPES</u>			
CO	Coinsurance	YRT	Yearly renewable term
COFW	Coinsurance with funds withheld	YRTFW	Yearly renewable term with funds withheld
MCO	Modified coinsurance	COMB	Combination coinsurance/modified coinsurance
MCOFW	Modified coinsurance with funds withheld	COMBW	Combination coinsurance/modified coinsurance with funds withheld
CAT	Catastrophe	OTH	Other reinsurance

NOTE: The insurance type should be entered in all capital letters.

Column 7 – Type of Business Ceded

Use only one of the following codes per line to identify the type of business ceded. If there is more than one type of business ceded to the same reinsurance company, show each type on a separate line.

Abbreviations:

IL	Industrial Life	FA	Fixed Annuities
XXXL	XXX Life	IA	Indexed Annuities
XXXLO	XXX Life Other	VA	Variable Annuities
AXXX	AXXX Life	OA	Other Annuities
CL	Credit Life	ADB	Accidental Death Benefits
SC	Supplementary Contracts	DIS	Disability Benefits
OL	Other Life		

NOTE: The Type of Business Ceded code should be entered in all capital letters.

All types of business shown above are as reported in the Analysis of Operations by Lines of Business and the Analysis of Annuity Operations by Lines of Business except as noted below:

XXX Life:	Used to describe the actuarial reserves required to be held under Section 6 of the NAIC <i>Valuation of Life Insurance Policies Model Regulation</i> (#830) (other than risk ceded to an assuming insurer for policies eligible for exemption under Section 6F, Section 6G, Section 6H or to the portion of the reserve pursuant to YRT Reinsurance under Section 6E), which is commonly referred to as Regulation XXX (or, more simply, XXX).
XXX Life Other:	Used to describe the actuarial reserves required to be held under Section 6 of the NAIC <i>Valuation of Life Insurance Policies Model Regulation</i> (#830) for risk ceded to an assuming insurer for policies described under Section 6F, Section 6G, Section 6H or to the portion of the reserve pursuant to YRT Reinsurance under Section 6E, which is commonly referred to as Regulation XXX (or, more simply, XXX).
AXXX Life:	Used to describe the actuarial reserves required to be held under Section 7 of Regulation XXX as further clarified by the NAIC <i>Actuarial Guideline XXXVIII—The Application of the Valuation of Life Insurance Policies Model Regulation</i> (AG 38), which is commonly referred to as AXXX.
OL Other Life	Used for ceded life business not appropriately included in one of the other life categories in the table above.

If the reporting entity uses the codes XXX (XXX Life) or AXXX (AXXX Life) as the type of business ceded for any reinsurer reported on this schedule, the Supplemental Term and Universal Life Insurance Reinsurance Exhibit must be completed.

Column 8	–	Amount in Force at End of Year
		Report the ceded amount of the basic life insurance policy only, to agree with Line 22 of the Exhibit of Life Insurance x 1000.
		For catastrophe-reinsurance (CAT), disability reinsurance (DIS), accidental death benefit reinsurance (ADB) and annuity reinsurance (ACO and AMCO), leave this column blank.
Column 9	–	Reserve Credit Taken Current Year
		To agree with appropriate lines in Exhibit 5 and Exhibit 7. See examples for modco transactions contained in the general instructions for Schedule S.
Column 11	–	Premiums
		Amount included in this column should represent reinsurance ceded premiums on an incurred basis, to agree with Line 20.3 of Exhibit 1, Part 1, Column 1 less Columns 8, 9 and 10.
		For deposit funds and other liabilities without life or disability contingencies, leave this column blank.

- Columns 12 – Outstanding Surplus Relief – Current Year and
 Columns 13 – Outstanding Surplus Relief – Prior Year }

Outstanding surplus relief means the amount of surplus not yet reported as income in Commissions and Expense Allowance on Reinsurance Ceded, in the Summary of Operations, attributable to reinsurance agreements described in *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance*.

Report the amount of initial commissions and expense allowance not yet recovered by the reinsurer for the following types of treaties (individual or group): CO, ACO, MCO, AMCO, COFW, ACOFW, MCOFW, AMCOFW, COMB, ACOMB, ACOMBW AND COMBW. This column does not apply to CAT, DIS, ADB, YRT or other non-proportional reinsurance treaties.

Include the outstanding surplus resulting from reinsurance of separate accounts business.

- Column 14 – Modified Coinsurance Reserve

Report the amount of reserves held under modified coinsurance contracts. Include separate accounts modified coinsurance reserves. The General Account total for Column 14 must agree with the sum of the parenthetical amounts on Page 3, Lines 1 and 3.

- Column 15 – Funds Withheld Under Coinsurance

Report the amount of funds withheld on coinsurance contracts.

Not for Distribution

SCHEDULE S – PART 3 – SECTION 2

**REINSURANCE CEDED ACCIDENT AND HEALTH INSURANCE LISTED BY REINSURING COMPANY
AS OF DECEMBER 31, CURRENT YEAR**

Include actual reinsurance ceded on group cases but exclude jointly underwritten group contracts.

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 line and number:

<u>Group or Category</u>	<u>Line Number</u>
General Account	
Authorized	
Affiliates	
U.S.	
Captive.....	0199999
Other	0299999
Total.....	0399999
Non-U.S.	
Captive.....	0499999
Other	0599999
Total.....	0699999
Total Authorized Affiliates	0799999
Non-Affiliates	
U.S. Non-Affiliates	0899999
Non-U.S. Non-Affiliates.....	0999999
Total Authorized Non-Affiliates.....	1099999
Total General Account Authorized.....	1199999
Unauthorized	
Affiliates	
U.S.	
Captive.....	1299999
Other	1399999
Total.....	1499999
Non-U.S.	
Captive.....	1599999
Other	1699999
Total.....	1799999
Total Unauthorized Affiliates	1899999
Non-Affiliates	
U.S. Non-Affiliates	1999999
Non-U.S. Non-Affiliates.....	2099999
Total Unauthorized Non-Affiliates	2199999
Total General Account Unauthorized.....	2299999

Certified			
	Affiliates		
	U.S.		
	Captive.....	2399999	
	Other	2499999	
	Total.....	2599999	
	Non-U.S.		
	Captive.....	2699999	
	Other	2799999	
	Total.....	2899999	
	Total Certified Affiliates.....	2999999	
	Non-Affiliates		
	U.S. Non-Affiliates	3099999	
	Non-U.S. Non-Affiliates.....	3199999	
	Total Certified Non-Affiliates.....	3299999	
	Total General Account Certified	3399999	
	Total General Account Authorized, Unauthorized and Certified.....	3499999	
Separate Accounts			
	Authorized		
	Affiliates		
	U.S.		
	Captive.....	3599999	
	Other	3699999	
	Total.....	3799999	
	Non-U.S.		
	Captive.....	3899999	
	Other	3999999	
	Total.....	4099999	
	Total Authorized Affiliates	4199999	
	Non-Affiliates		
	U.S. Non-Affiliate	4299999	
	Non-U.S. Non-Affiliates.....	4399999	
	Total Authorized Non-Affiliates.....	4499999	
	Total Separate Accounts Authorized.....	4599999	
	Unauthorized		
	Affiliate		
	U.S.		
	Captive.....	4699999	
	Other	4799999	
	Total.....	4899999	
	Non-U.S.		
	Captive.....	4999999	
	Other	5099999	
	Total.....	5199999	
	Total Unauthorized Affiliates	5299999	
	Non-Affiliates		
	U.S. Non-Affiliates	5399999	
	Non-U.S. Non-Affiliates.....	5499999	
	Total Unauthorized Non-Affiliates	5599999	
	Total Separate Accounts Unauthorized.....	5699999	

Certified

Affiliates

U.S.

Captive.....	5799999
Other	5899999
Total.....	5999999

Non-U.S.

Captive.....	6099999
Other	6199999
Total.....	6299999

Total Certified Affiliates.....6399999

Non-Affiliates

U.S. Non-Affiliates.....6499999

Non-U.S. Non-Affiliates.....6599999

Total Certified Non-Affiliates.....6699999

Total Separate Accounts Certified.....6799999

Total Separate Accounts Authorized, Unauthorized and Certified.....6899999

Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2599999, 3099999, 3599999, 4099999, 4299999, 48099999, 5399999, 5999999 and 6499999)..... 6999999

Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2899999, 3199999, 4099999, 4399999, 5199999, 5499999, 6299999 and 6599999)..... 7099999

Total (Sum of 3499999 and 6899999)..... 9999999

Column 2 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule S 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 – 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.

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

Column 6 – Type of Reinsurance Ceded

Use the following abbreviations to identify the plan and type of reinsurance. For example, group specific stop loss should be identified as SSL/G. (If there is more than one type of reinsurance in the same reinsurance company, show each type on a separate line.) NOTE: The type should be entered in all capital letters, and ALL reinsurance types must be followed by /G (for Group) or /I (for Individual).

Abbreviations:

I	Individual	}	All Reinsurance Types should be followed by /I or /G.
G	Group		
<u>REINSURANCE TYPES</u>			
ASL	Aggregate Stop Loss	QA	Quota Share
SSL	Specific Stop Loss	SS	Surplus Share
LRSL	Loss Ratio Stop Loss	OTH	Other Reinsurance
CAT	Catastrophe		

NOTE: The insurance type should be entered in all capital letters.

Column 7 – Type of Business Ceded

Use the following codes to identify the type of business ceded. If there is more than one type of business ceded to the same reinsurance company, show each type on a separate line.

Abbreviations:

CMM	Comprehensive Major Medical	STM	Short-Term Medical
OM	Other Medical (Non-Comprehensive)	LB	Limited Benefit
SD	Specified/Named Disease	S	Student
A	Accident Only or AD&D	LTC	Long-Term Care
STDI	Disability Income – Short-Term	D	Dental
LTDI	Disability Income – Long-Term	MR	Medicare
MS	Medical Supplement (Medigap)	MC	Medicaid
MD	Medicare Part D – Stand-Alone	TRI	Tricare
FEHBP	Federal Employees Health Benefit Plan	CAH	Credit A&H
SCCHIP	State Children's Health Insurance Program	OH	Other Health
SSL	Stop Loss/Excess Loss		

NOTE: The Type of Business Ceded code should be entered in all capital letters.

The types of business shown above are as reported in the Accident and Health Policy Experience Exhibit.

Column 8 – Premiums

Amounts included in this column should represent reinsurance ceded premiums on an incurred basis and agree with Exhibit 1, Part 1, Line 20.3, Columns 8, 9 and 10.

- Column 9 – Unearned Premiums (Estimated)
- Amounts represent, by company, the ceded part of the unearned premium reserve included in the Active Life Reserve in Exhibit 6, Line 8.
- Column 10 – Reserve Credit Taken Other Than For Unearned Premiums
- This column represents the reinsurance ceded portion of the remaining Active Life Reserve (excluding unearned premiums) and the Claim Reserve reported in Exhibit 6. The sum of the totals for Columns 9 and 10 must agree with the sum of the appropriate Lines in Exhibit 6, (Line 8, Column 1 and Line 15, Column 1).
- Columns 11 – Outstanding Surplus Relief – Current Year and
 Columns 12 – Outstanding Surplus Relief – Prior Year }
- Outstanding surplus relief means the amount of surplus not yet reported as income in Line 6, commissions and expense allowance on reinsurance ceded, of the Summary of Operations, attributable to reinsurance agreements described in *SSAP No. 61R—Life, Deposit, Fire and Accident and Health Reinsurance*.
- Report the amount of initial commissions and expense allowance not yet recovered by the reinsurer for the following types of treaties (individual or group): CO, MCO, COFW, MCOFW, COMB or COMBW. This column does not apply to YRT or other nonproportional reinsurance treaties.
- Column 13 – Modified Coinsurance Reserve
- Report the amount of reserves held under modified coinsurance contracts. The sum of the total for Column 13 must agree with the parenthetical amount on Page 3, Line 2.
- Column 14 – Funds Withheld Under Coinsurance
- Report the amount of funds withheld on coinsurance contracts.

Not for Distribution

SCHEDULE S – PART 4

REINSURANCE CEDED TO UNAUTHORIZED COMPANIES

Contains data on life and accident and health insurance in force that is reinsured with companies not authorized in the state of domicile of the reporting insurance company. The purpose of this schedule is to display reinsurance ceded data used in the development of the liability for reinsurance in unauthorized companies. This liability serves to offset those assets and liability reductions that reflect the result of reinsurance ceded with unauthorized companies.

NOTE: This schedule includes Exhibit 7 cessions.

Securities held on deposit or held in a trust account should be valued at their fair market value. NAIC published market values must be used when available.

Letters of credit and trust agreements are not to be included in assets or liabilities on Pages 2 or 3 or supporting pages and exhibits.

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 line and number:

<u>Group or Category</u>	<u>Line Number</u>
General Account	
Life and Annuity	
Affiliates	
U.S.	
Captive.....	0199999
Other	0299999
Total.....	0399999
Non-U.S.	
Captive.....	0499999
Other	0599999
Total.....	0699999
Total Affiliates.....	0799999
Non-Affiliates	
U.S. Non-Affiliates.....	0899999
Non-U.S. Non-Affiliates.....	0999999
Total Non-Affiliates.....	1099999
Total Life and Annuity.....	1199999
Accident and Health	
Affiliates	
U.S.	
Captive.....	1299999
Other	1399999
Total.....	1499999
Non-U.S.	
Captive.....	1599999
Other	1699999
Total.....	1799999
Total Affiliates.....	1899999

Non-Affiliates		
U.S. Non-Affiliates	.....	1999999
Non-U.S. Non-Affiliates	.....	2099999
Total Non-Affiliates	.....	2199999
Total Accident and Health	.....	2299999
Total General Account	.....	2399999
Separate Accounts		
Affiliates		
U.S.		
Captive	.....	2499999
Other	.....	2599999
Total	.....	2699999
Non-U.S.		
Captive	.....	2799999
Other	.....	2899999
Total	.....	2999999
Total Separate Accounts Affiliates	.....	3099999
Non-Affiliates		
U.S. Non-Affiliates	.....	3199999
Non-U.S. Non-Affiliates	.....	3299999
Total Separate Accounts Non-Affiliates	.....	3399999
Total Separate Accounts	.....	3499999
Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2699999 and 3199999)	.....	3599999
Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2999999 and 3299999)	.....	3699999
Total (Sum of 2399999 and 3499999)	.....	9999999

Column 2 – ID Number

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

- Federal Employer Identification Number (FEIN)
- Alien Employer Identification Number (AEN)
- Certificate of Insurance Identification Number (CRIN)
- Pool/Association Identification Number

Column 5 – Reserve Credit Taken

Report the amount by which the aggregate reserve for life contracts (Exhibit 5), deposit-type contracts (Exhibit 7), and accident and health contracts (Exhibit 6) has been reduced on account of reinsurance with unauthorized companies. The amounts by company should be the same as those shown for life reinsurance ceded in Schedule S, Part 3, Section 1, Column 9 and for accident and health reinsurance ceded in Schedule S, Part 3, Section 2, Columns 9 and 10.

Column 6	–	Paid and Unpaid Losses Recoverable (Debit)
		Report all paid and unpaid losses recoverable, including IBNR.
		Include: Reduction in claim liability on account of reinsurance on incurred but not reported claims (estimated).
Column 7	–	Other Debits
		Report all asset and liability reductions resulting from reinsurance ceded to unauthorized reinsurers not included in Columns 5 and 6. Examples of items included in this column are:
		<ul style="list-style-type: none"> • Unamortized Interest Maintenance Reserve (IMR) liability adjustment if any, of the ceding company. • Commissions and expense allowances due the ceding company. • Modified coinsurance reserve adjustments due. • Experience rating refunds due.
Column 10	–	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 12	–	Funds Deposited By and Withheld From Reinsurers
		Include: Where permissible to be taken as credit against the loss and reserve liabilities in Column 8, amounts deposited by the reinsurer with or for the reporting insurance company, letters of credit, and trust agreements. Securities held on deposit or held in a trust fund should be valued at fair market value.
		NAIC-published market values must be used when available. Letters of credit and trust agreements are not to be included in assets or liabilities on Pages 2 or 3 or supporting pages and exhibits.
Column 14	–	Miscellaneous Balances (Credit)
		Report amounts due the reinsurer, as a result of day-to-day transaction activity, held by the reporting insurance company.
		Include: Paid premiums due reinsurers, deferred premiums and any similar amounts that would be credited as returnable to the reinsurer should the contract terminate as of the statement date.

Column 15 – Sum of Column 9 + Column 11 + Column 12 + Column 13 + Column 14 but not in excess of Column 8

Amounts are calculated individually by company and represent the maximum allowable credit that may be taken for each.

The Total of Column 15 subtracted from the Total of Column 8 equals the liability for reinsurance in unauthorized companies included on Page 3, Line 24.02.

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 S, Part 4, Column 9.

The total for this column should also equal the total of Schedule S, Part 4, Column 9.

Not for Distribution

SCHEDULE S – PART 5

REINSURANCE CEDED TO CERTIFIED REINSURERS

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.

Contains data on life and accident and health insurance in force that is reinsured with companies that have been certified in the state of domicile of the reporting insurance company. The purpose of this schedule is to display reinsurance ceded data used in the development of the liability for reinsurance with certified reinsurers. This liability serves to offset those assets and liability reductions that reflect the result of reinsurance ceded with certified reinsurers that is not properly collateralized in accordance with the rating assigned to the certified reinsurer by the commissioner of the reporting company's state of domicile.

A reporting entity should refer to information published by its domestic state with respect to 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 each 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.

NOTE: This schedule includes Exhibit 7 cessions.

Securities held on deposit or held in a trust account should be valued at their fair market value. NAIC-published market values must be used when available.

Letters of credit and trust agreements are not to be included in assets or liabilities on Pages 2 or 3 or supporting pages and exhibits.

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 line and number.

Group or Category Line Number

General Account

Life and Annuity

Affiliates

U.S.

Captive..... 0199999
Other 0299999
Total..... 0399999

Non-U.S.		
Captive.....		0499999
Other		0599999
Total.....		0699999
Total Affiliates.....		0799999
Non-Affiliates		
U.S. Non-Affiliates		0899999
Non-U.S. Non-Affiliates.....		0999999
Total Non-Affiliates.....		1099999
Total Life and Annuity.....		1199999
Accident and Health		
Affiliates		
U.S.		
Captive.....		1299999
Other		1399999
Total.....		1499999
Non-U.S.		
Captive.....		1599999
Other		1699999
Total.....		1799999
Total Affiliates.....		1899999
Non-Affiliates		
U.S. Non-Affiliates		1999999
Non-U.S. Non-Affiliates.....		2099999
Total Non-Affiliates.....		2199999
Total Accident and Health.....		2299999
Total General Account		2399999
Separate Accounts		
Affiliates		
U.S.		
Captive.....		2499999
Other		2599999
Total.....		2699999
Non-U.S.		
Captive.....		2799999
Other		2899999
Total.....		2999999
Total Separate Accounts Affiliates		3099999
Non-Affiliates		
U.S. Non-Affiliates		3199999
Non-U.S. Non-Affiliates.....		3299999
Total Separate Accounts Non-Affiliates.....		3399999
Total Separate Accounts.....		3499999
Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2699999 and 3199999)		3599999
Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2999999 and 3299999)		3699999
Total (Sum of 2399999 and 3499999).....		9999999

Column 2 – ID Number

Enter one of the following as appropriate for the entity being reported on the schedule. See the Schedule S 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 6 Certified Reinsurer Rating (1 through 6)

Report the certified reinsurer's rating as assigned by the reporting company's domiciliary state.

Column 7 Effective Date of Certified Reinsurer Rating

Report the effective date of the certified reinsurer's rating that is applicable to the reinsurance recoverable and/or reserve credit taken reported on the individual line.

Column 8 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 net obligation subject to collateral reported on the individual line.

Column 9 – Reserve Credit Taken

Report the amount by which the aggregate reserve for life contracts (Exhibit 5), deposit-type contracts (Exhibit 7) and accident and health contracts (Exhibit 6) has been reduced on account of reinsurance with certified reinsurers. The amounts for a company should be the same as those shown for life reinsurance ceded in Schedule S, Part 3, Section 1, Column 9 and for accident and health reinsurance ceded in Schedule S, Part 3, Section 2, Columns 9 and 10.

Column 10 – Paid and Unpaid Losses Recoverable (Debit)

Report all paid and unpaid losses recoverable, including IBNR.

Include: Reduction in claim liability on account of reinsurance on incurred but not reported claims (estimated).

Column 11 – Other Debits

Report all asset and liability reductions resulting from reinsurance ceded to certified reinsurers not included in Columns 9 and 10. Examples of items included in this column are:

- Amortized Interest Maintenance Reserve (IMR) liability adjustment, if any, of the ceding company.
- Commissions and expense allowances due the ceding company.
- Modified coinsurance reserve adjustments due.
- Experience rating refunds due.

Column 13	–	Miscellaneous Balances (Credit)
		Report amounts due the reinsurer, as a result of day-to-day transaction activity, held by the reporting insurance company.
		Include: Paid premiums due reinsurers, deferred premiums and any similar amounts that would be credited as returnable to the reinsurer should the contract terminate as of the statement date.
Column 14	–	Net Obligation Subject to Collateral
		Column 12 minus Column 13
Column 15	–	Dollar Amount of Collateral Required for Full Credit
		Report the amount of collateral that is required in order for the reporting company to receive full financial statement credit for reinsurance (Column 14 times Column 13).
Column 16	–	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. issuing insurers, report the amounts within such trust that are applicable to the reporting entity's reinsurance ceded to the certified reinsurer.
Column 17	–	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 18	–	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 19	–	Trust Agreements
		Report trust funds, other than those held in a multiple beneficiary trust that are reported in Column 16,
Column 20	–	Funds Deposited by and Withheld from Reinsurers
		Include: Where permissible to be taken as credit against the loss and reserve liabilities in Column 14, amounts deposited by the reinsurer with or for the reporting insurance company, letters of credit and trust agreements. Securities held on deposit or held in a trust fund should be valued at fair market value.
		NAIC-published market values must be used when available. Letters of credit and trust agreements are not to be included in assets or liabilities on Pages 2 or 3 or supporting pages and exhibits.

Column 21	– Other	Report other acceptable security held by or on behalf of the reporting company.
Column 23	Percent of Collateral Provided for Net Obligation Subject to Collateral	Report the percentage of collateral provided by the certified reinsurer for obligations subject to collateral requirements (Column 22 divided by Column 14).
Column 24	Percent Credit Allowed on Net Obligation Subject to Collateral	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 23 divided by Column 8, not to exceed 100%).
Column 25	Amount of Credit Allowed for Net Obligation Subject to Collateral	(Column 14 times Column 24).

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 S, Part 5, Column 17.

The total for this column should also equal the total of Schedule S, Part 5, Column 17.

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SCHEDULE S – PART 6

FIVE-YEAR EXHIBIT OF REINSURANCE CEDED BUSINESS

A. Operations Items:

- Line 1 – Premiums and Annuity Considerations for Life and Accident and Health Contracts
Exhibit 1, Part 1, Line 20.3.
- Line 2 – Commissions and Reinsurance Expense Allowances
Page 4, Line 6.
- Line 3 – Contract Claims
Exhibit 8, Part 2, Line 6.3.
- Line 4 – Surrender Benefits and Withdrawals for Life Contracts
Reinsurance ceded portion of Page 4, Line 15.
- Line 5 – Dividends to Policyholders and Refunds to Members
Reinsurance ceded portion of Page 4, Line 30.
- Line 6 – Reserve Adjustments on Reinsurance Ceded
Page 4, Line 7.
- Line 7 – Increase in Aggregate Reserve for Life and Accident and Health Contracts
Schedule S, Part 3, Section 2, Column 9, Current Year,
(+) Schedule S, Part 3, Section 2, Column 10, Current Year,
(-) Schedule S, Part 3, Section 2, Column 9, Prior Year,
(-) Schedule S, Part 3, Section 2, Column 10, Prior Year,
(+) Schedule S, Part 3, Section 1, Column 9,
(-) Schedule S, Part 3, Section 1, Column 10,
(-) Reinsurance ceded portion of Exhibit 5A, Lines 0199999 and 0299999, Column 4.

B. Balance Sheet Items:

Line 8 – Premiums and Annuity Considerations for Life and Accident and Health Contracts Deferred and Uncollected

Exhibit 1, Part 1, Lines 3.3 plus 13.3.

Line 9 – Aggregate Reserves for Life and Accident and Health Contracts

Exhibit 5, Life Insurance and Annuities, Lines 0199998 and 02999998, Column 2,

(+) Exhibit 5, Lines, 0399998, 0499998, 0599998, 0699998 and 0799998, Column 2,

(+) Exhibit 6, Line 8, Column 1,

(+) Exhibit 6, Line 15, Column 1.

OR

Schedule S, Part 3 Section 2, Column 9,

(+) Schedule S, Part 3 Section 2, Column 10,

(+) Schedule S, Part 3 Section 1, Column 9.

Line 11 – Contract Claims Unpaid

Exhibit 8, Part 1, Line 4.3.

Line 12 – Amounts Recoverable on Reinsurance

Page 2, Line 16.1, Column 3.

Line 13 – Experience Rating Refunds Due on Reinsurance

Amount included on Page 2, Line 16.3, Column 3.

Line 14 – Policyholders' Dividends and Refunds to Members

Reinsurance ceded portion of Page 3, Lines 5, 6 and 7.

Line 15 – Commissions and Reinsurance Expense Allowances Due

Amount included on Page 2, Line 16.3, Column 3.

Line 16 – Unallocated Reinsurance Offset

Page 3, Line 24.02 less inset amount.

Line 17 – Offset for Reinsurance with Certified Reinsurers

Page 3, Line 24.02 inset amount.

C. Unauthorized Reinsurance (Deposits by and Funds Withheld from):

Line 18 – Funds Deposited by and Withheld from (F)

Schedule S, Part 4, Column 12.

Line 19 – Letters of Credit (L)

Schedule S, Part 4, Column 9.

Line 20 – Trust Agreements (T)

Schedule S, Part 4, Column 11.

Line 21 – Other (O)

Schedule S, Part 4, Column 13.

D. Reinsurance with Certified Reinsurers (Deposits by and Funds Withheld from):

Line 22 – Multiple Beneficiary Trusts (M)

Schedule S, Part 5, Column 16.

Line 23 – Funds Deposited by and Withheld from (F)

Schedule S, Part 5, Column 20.

Line 24 – Letters of Credit (L)

Schedule S, Part 5, Column 17.

Line 25 – Trust Agreements (T)

Schedule S, Part 5, Column 19.

Line 26 – Other (O)

Schedule S, Part 5, Column 21.

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SCHEDULE S – PART 7

**RESTATEMENT OF BALANCE SHEET
TO IDENTIFY NET CREDIT FOR CEDED REINSURANCE**

- Column 1 – As Reported (Net of Ceded)
- Complete data consistent with the data reported for the current year on Page 2, Column 3 and Page 3 of the annual statement.
- Column 2 – Restatement Adjustments
- Enter adjustments to remove the financial statement impact of the ceded reinsurance amounts from those assets and liabilities in which they are incorporated and to place all of the net balance sheet impact in a single “Net Credit for Ceded Reinsurance” asset. In most instances, the adjustment will increase the asset or liability item for the amount of ceded reinsurance that has been deducted from that item. Two notable exceptions are the reinsurance ceded asset(s), (Page 2, Lines 16.1 through 16.3, Column 3) and the Liability for Reinsurance in Unauthorized Companies (Page 3, Line 24.02) where the adjustment moves the item to the (Net Credit for Ceded Reinsurance) asset and zeros out the original item. Total Capital and Surplus of the company should remain unchanged by the restatement adjustments.
- Column 3 – Restated (Gross of Ceded)
- Sum of Column 1 plus Column 2. Balance sheet restated to show gross assets and liabilities before netting of ceded reinsurance and total “Net Credit for Ceded Reinsurance.”
- Liabilities (Page 3)
- Line 16 – Funds held under reinsurance treaties with unauthorized reinsurers
- These amounts should be applied in Column 2 as an offset to the credit taken for ceded reinsurance recoverable.
- Line 18 – Funds held under reinsurance treaties with certified reinsurers
- These amounts should be applied in Column 2 as an offset to the credit taken for ceded reinsurance recoverable.
- Net Credit for Ceded Reinsurance
- Column 1 – As Reported (Net of Ceded)
- Analysis of credit for ceded reinsurance, total net (Line 41) to agree with restated asset, Line 4, Column 3, of this schedule.

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