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

(3) Collateral Received

a. Aggregate Amount Collateral Received

			Fair Value
1. Securities Lending			
(a)	Open	$	
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	Greater Than 90 Days		
(f)	Sub-Total	$	
(g)	Securities Received		
(h)	Total Collateral Received	$	
2. Dollar Repurchase Agreement			
(a)	Open	$	
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	Greater Than 90 Days		
(f)	Sub-Total	$	
(g)	Securities Received		
(h)	Total Collateral Received	$	

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged $

c. The reporting entity receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The reporting entity reinvests the cash collateral into higher-yielding securities and the securities which the reporting entity has lent to other entities under the arrangement.

Not for Distribution

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

(5) Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

		Amortized Cost	Fair Value
1.	Securities Lending		
(a)	Open	$	$
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	91 to 120 Days		
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	$	$
(l)	Securities Received		
(m)	Total Collateral Reinvested	$	$
2.	Dollar Repurchase Agreement		
(a)	Open	$	$
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	91 to 120 Days		
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	$	$
(l)	Securities Received		
(m)	Total Collateral Reinvested	$	$

b. The reporting entity's sources of cash that it uses to return the cash collateral is dependent upon the liquidity of the current market conditions. Under current conditions, the reporting entity has $1 billion of par value bonds (fair value of $920 million) that are currently tradable securities that could be sold and used to pay for the $850 million in collateral calls that could come due under a worst-case scenario.

Not for Distribution

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(7) Collateral for securities lending transactions that extend beyond one year from the reporting date

Description of Collateral	Amount
.....	$ .....
.....	.....
.....	.....
.....	.....
.....	.....
Total Collateral Extending beyond one year of the reporting date	$ .....

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

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.

REPURCHASE TRANSACTION ... CAPITAL – OVERVIEW OF SECURED BORROWING TRANSACTIONS

(2) Type of Repo Trades Used

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Bilateral (YES/NO)	.....	.....	.....	.....
b. Tri-Party (YES/NO)	.....	.....	.....	.....

(3) Original (Flow) & Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open – No Maturity	.....	.....	.....	.....
2. Overnight	.....	.....	.....	.....
3. 2 Days to 1 Week	.....	.....	.....	.....
4. > 1 Week to 1 Month	.....	.....	.....	.....
5. > 1 Month to 3 Months	.....	.....	.....	.....
6. > 3 Months to 1 Year	.....	.....	.....	.....
7. > 1 Year	.....	.....	.....	.....
b. Ending Balance				
1. Open – No Maturity	.....	.....	.....	.....
2. Overnight	.....	.....	.....	.....
3. 2 Days to 1 Week	.....	.....	.....	.....
4. > 1 Week to 1 Month	.....	.....	.....	.....
5. > 1 Month to 3 Months	.....	.....	.....	.....
6. > 3 Months to 1 Year	.....	.....	.....	.....
7. > 1 Year	.....	.....	.....	.....

Not for Distribution

(5) Securities "Sold" Under Repo – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	
3. Fair Value				
b. Ending Balance				
1. BACV	XXX	XXX	XXX	
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	
3. Fair Value				

(6) Securities Sold Under Repo – Secured Borrowing by NAIC Designation

ENDING BALANCE

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds – BACV				
b. Bonds – FV				
c. LB & SS – BACV				
d. LB & SS – FV				
e. Preferred Stock – BACV				
f. Preferred Stock – FV				
g. Common Stock				
h. Mortgage Loans – BACV				
i. Mortgage Loans – FV				
j. Real Estate – BACV				
k. Real Estate – FV				
l. Derivatives – BACV				
m. Derivatives – FV				
n. Other Invested Assets – BACV				
o. Other Invested Assets – FV				
p. Total Assets – BACV				
q. Total Assets – FV				

ENDING BALANCE

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NONADMITTED
a. Bonds – BACV				
b. Bonds – FV				
c. LB & SS – BACV				
d. LB & SS – FV				
e. Preferred Stock – BACV				
f. Preferred Stock – FV				
g. Common Stock				
h. Mortgage Loans – BACV				
i. Mortgage Loans – FV				
j. Real Estate – BACV				
k. Real Estate – FV				
l. Derivatives – BACV				
m. Derivatives – FV				
n. Other Invested Assets – BACV				
o. Other Invested Assets – FV				
p. Total Assets – BACV				
q. Total Assets – FV				

p=a|c|e|g|h|j|l|n q=b|d|f|g|i|k|m|o

Not for Distribution

(7) Collateral Received – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
b. Ending Balance				
1. Cash				
2. Securities (FV)				

(8) Cash & Non-Cash Collateral Received – Secured Borrowing by NAIC Designation

ENDING BALANCE

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Cash				
b. Bonds – FV				
c. LB & SS – FV				
d. Preferred Stock – FV				
e. Common Stock				
f. Mortgage Loans – FV				
g. Real Estate – FV				
h. Derivatives – FV				
i. Other Invested Assets – FV				
j. Total Collateral Assets – FV (Sum of a through i)				

ENDING BALANCE

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 DOES NOT QUALIFY AS ADMITTED
a. Cash				
b. Bonds – FV				
c. LB & SS – FV				
d. Preferred Stock – FV				
e. Common Stock				
f. Mortgage Loans – FV				
g. Real Estate – FV				
h. Derivatives – FV				
i. Other Invested Assets – FV				
j. Total Collateral Assets – FV (Sum of a through i)				

(9) Allocation of Aggregate Collateral by Remaining Contractual Maturity

	FAIR VALUE
a. Overnight and Continuous	
b. 30 Days or Less	
c. 31 to 90 Days	
d. > 90 Days	

Not for Distribution

(10) Allocation of Aggregate Collateral Reinvested by Remaining Contractual Maturity

	AMORTIZED COST	FAIR VALUE
a. 30 Days or Less		
b. 31 to 60 Days		
c. 61 to 90 Days		
d. 91 to 120 Days		
e. 121 to 180 Days		
f. 181 to 365 Days		
g. 1 to 2 Years		
h. 2 to 3 Years		
i. > 3 Years		

(11) Liability to Return Collateral – Secured Borrowing (Total)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash (Collateral – All)				
2. Securities Collateral (FV)				
b. Ending Balance				
1. Cash (Collateral – All)				
2. Securities Collateral (FV)				

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

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.

REPURCHASE TRANSACTION – CASH PROVIDER – OVERVIEW OF SECURED BORROWING TRANSACTIONS

(2) Type of Repo Trades Used

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) or Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				
b. Ending Balance				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				

Not for Distribution

(5) Fair Value of Securities Acquired Under Repo – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
b. Ending Balance				

(6) Securities Acquired Under Repo – Secured Borrowing by NAIC Designation

ENDING BALANCE

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds – FV				
b. LB & SS – FV				
c. Preferred Stock – FV				
d. Common Stock				
e. Mortgage Loans – FV				
f. Real Estate – FV				
g. Derivatives – FV				
h. Other Invested Assets – FV				
i. Total Assets – FV (Sum of a through h)				

ENDING BALANCE

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 DOES NOT QUALIFY AS ADMITTED
a. Bonds – FV				
b. LB & SS – FV				
c. Preferred Stock – FV				
d. Common Stock				
e. Mortgage Loans – FV				
f. Real Estate – FV				
g. Derivatives – FV				
h. Other Invested Assets – FV				
i. Total Assets – FV (Sum of a through h)				

(7) Collateral Provided – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
3. Securities (BACV)	XXX	XXX	XXX	XXX
4. Nonadmitted Subset (BACV)	XXX	XXX	XXX	XXX
b. Ending Balance				
1. Cash				
2. Securities (FV)				
3. Securities (BACV)				
4. Nonadmitted Subset (BACV)				

(8) Allocation of Aggregate Collateral Pledged by Remaining Contractual Maturity

	AMORTIZED COST	FAIR VALUE
a. Overnight and Continuous		
b. 30 Days or Less		
c. 31 to 90 Days		
d. > 90 Days		

Not for Distribution

(9) Recognized Receivable for Return of Collateral – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
b. Ending Balance				
1. Cash				
2. Securities (FV)				

(10) Recognized Liability to Return Collateral – Secured Borrowing (Total)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Repo Securities Sold/Acquired with Cash Collateral				
2. Repo Securities Sold/Acquired with Securities Collateral (FV)				
b. Ending Balance				
1. Repo Securities Sold/Acquired with Cash Collateral				
2. Repo Securities Sold/Acquired with Securities Collateral (FV)				

H. Repurchase Agreements Transactions Accounted for as a Sale

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REPURCHASE TRANSACTION – CASH TAKER – OVERVIEW OF SALE TRANSACTIONS

(2) Type of Repo Trades Used

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				
b. Ending Balance				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				

Not for Distribution

(5) Securities "Sold" Under Repo – Sale

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	
3. Fair Value				
b. Ending Balance				
1. BACV	XXX	XXX	XXX	
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	
3. Fair Value				

(6) Securities Sold Under Repo – Sale by NAIC Designation

ENDING BALANCE

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds – BACV				
b. Bonds – FV				
c. LB & SS – BACV				
d. LB & SS – FV				
e. Preferred Stock – BACV				
f. Preferred Stock – FV				
g. Common Stock				
h. Mortgage Loans – BACV				
i. Mortgage Loans – FV				
j. Real Estate – BACV				
k. Real Estate – FV				
l. Derivatives – BACV				
m. Derivatives – FV				
n. Other Invested Assets – BACV				
o. Other Invested Assets – FV				
p. Total Assets – BACV				
q. Total Assets – FV				

ENDING BALANCE

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NONADMITTED
a. Bonds – BACV				
b. Bonds – FV				
c. LB & SS – BACV				
d. LB & SS – FV				
e. Preferred Stock – BACV				
f. Preferred Stock – FV				
g. Common Stock				
h. Mortgage Loans – BACV				
i. Mortgage Loans – FV				
j. Real Estate – BACV				
k. Real Estate – FV				
l. Derivatives – BACV				
m. Derivatives – FV				
n. Other Invested Assets – BACV				
o. Other Invested Assets – FV				
p. Total Assets – BACV				
q. Total Assets – FV				

p=a+c+e+g+i+j+l+n q=b+d+f+g+i+k+m+o

Not for Distribution

(7) Proceeds Received – Sale

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
3. Nonadmitted				
b. Ending Balance				
1. Cash				
2. Securities (FV)				
3. Nonadmitted				

(8) Cash & Non-Cash Collateral Received – Sale by NAIC Designation

ENDING BALANCE

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds – FV				
b. LB & SS – FV				
c. Preferred Stock – FV				
d. Common Stock				
e. Mortgage Loans – FV				
f. Real Estate – FV				
g. Derivatives – FV				
h. Other Invested Assets – FV				
i. Total Assets – FV (Sum of a through h)				

ENDING BALANCE

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NONADMITTED
a. Bonds – FV				
b. LB & SS – FV				
c. Preferred Stock – FV				
d. Common Stock				
e. Mortgage Loans – FV				
f. Real Estate – FV				
g. Derivatives – FV				
h. Other Invested Assets – FV				
i. Total Assets – FV (Sum of a through h)				

(9) Recognized Forward Resale Commitment

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
b. Ending Balance				

Not for Distribution

1. Reverse Repurchase Agreements Transactions Accounted for as a Sale

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REPURCHASE TRANSACTION – CASH PROVIDER – OVERVIEW OF SALE TRANSACTIONS

(2) Type of Repo Trades Used

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Bilateral (YES/NO)				
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				
b. Ending Balance				
1. Open – No Maturity				
2. Overnight				
3. 2 Days to 1 Week				
4. > 1 Week to 1 Month				
5. > 1 Month to 3 Months				
6. > 3 Months to 1 Year				
7. > 1 Year				

(5) Securities Acquired Under Repo Sale

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	
3. Fair Value				
b. Ending Balance				
1. BACV	XXX	XXX	XXX	
2. Nonadmitted – Subset of BACV	XXX	XXX	XXX	
3. Fair Value				

Not for Distribution

(6) Securities Acquired Under Repo – Sale by NAIC Designation

ENDING BALANCE

	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds – BACV				
b. Bonds – FV				
c. LB & SS – BACV				
d. LB & SS – FV				
e. Preferred Stock – BACV				
f. Preferred Stock – FV				
g. Common Stock				
h. Mortgage Loans – BACV				
i. Mortgage Loans – FV				
j. Real Estate – BACV				
k. Real Estate – FV				
l. Derivatives – BACV				
m. Derivatives – FV				
n. Other Invested Assets – BACV				
o. Other Invested Assets – FV				
p. Total Assets – BACV				
q. Total Assets – FV				

ENDING BALANCE

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 NONADMITTED
a. Bonds – BACV				
b. Bonds – FV				
c. LB & SS – BACV				
d. LB & SS – FV				
e. Preferred Stock – BACV				
f. Preferred Stock – FV				
g. Common Stock				
h. Mortgage Loans – BACV				
i. Mortgage Loans – FV				
j. Real Estate – BACV				
k. Real Estate – FV				
l. Derivatives – BACV				
m. Derivatives – FV				
n. Other Invested Assets – BACV				
o. Other Invested Assets – FV				
p. Total Assets – BACV				
q. Total Assets – FV				

p=a+c+e+g+i+[illegible]+n b+d+f+g+i+k+m+o

(7) Proceeds Provided – Sale

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash				
2. Securities (FV)				
3. Securities (BACV)	XXX	XXX	XXX	XXX
4. Nonadmitted Subset (BACV)	XXX	XXX	XXX	XXX
b. Ending Balance				
1. Cash				
2. Securities (FV)				
3. Securities (BACV)				
4. Nonadmitted Subset (BACV)				

(8) Recognized Forward Resale Commitment

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
b. Ending Balance				

Not for Distribution

L. Restricted Assets

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR TABLES 5L(1) THROUGH 5L(4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	$	$	$	$	$	%	%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states							
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	$	$	$	$	$	%	%

(a) Column 1 divided by Asset Page, Column 1, Line 28
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Asset)	6 Admitted Restricted to Total Admitted Assets
	$	$	$	$	%	%
Total (c)	$	$	$	$	%	%

(c) Total Line for Columns 1 through 3 should equal 5L(1)n Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)n Column 5

Not for Distribution

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
.....	$	$	$	$	.....%	.....%
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
Total (a)	$	$	$	$	.....%	.....%

(a) Total Line for Columns 1 through 3 should equal 5L(1)in Columns 1 through 3 respectively and Total Line Column 4should equal 5L(1)in Column 5

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted) *	4 % of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments	$	$	..... %	.....%
b. Schedule D, Part 1	.....	.....	..... %	.....%
c. Schedule D, Part 2, Section 1	.....	.....	..... %	.....%
d. Schedule D, Part 2, Section 2	.....	.....	..... %	.....%
e. Schedule B	.....	.....	..... %	.....%
f. Schedule A	.....	.....	..... %	.....%
g. Schedule BA, Part 1	.....	.....	..... %	.....%
h. Schedule DL, Part 1	.....	.....	..... %	.....%
i. Other			%	%
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	$	$	%	%

* Column 1 divided by Asset Page, Line 26 (Column 1)
** Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	$	..... %

Column 1 divided by Liability Page, Line 23 (Column 1)

Not for Distribution

M. Working Capital Finance Investments

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

(1) Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC Designation:

	Gross Asset CY	Non-admitted Asset CY	Net Admitted Asset CY
a. WCFI Designation 1	$	$	$ .....
b. WCFI Designation 2	.....	.....	.....
c. WCFI Designation 3	.....	.....	.....
d. WCFI Designation 4	.....	.....	.....
e. WCFI Designation 5	.....	.....	.....
f. WCFI Designation 6	.....	.....	.....
g. Total	$	$	$ .....

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

(2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs:

		Book/Adjusted Carrying Value
a.	Up to 180 Days	
b.	181 Days to 365 Days	
c.	Total	$

N. Offsetting and Netting of Assets and Liabilities

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

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets			
.....	$	$	$ .....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
(2) Liabilities			
.....	$	$	$ .....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1.

Not for Distribution

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.

O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds – AC	.....	.....	$	$	$	$ .....
(2) Bonds – FV	.....	.....	.....	.....	.....	.....
(3) LB&SS – AC	.....	.....	.....	.....	.....	.....
(4) LB&SS – FV	.....	.....	.....	.....	.....	.....
(5) Preferred Stock – AC	.....	.....	.....	.....	.....	.....
(6) Preferred Stock – FV						
(7) Total (1+2+3+4+5+6)			$	$	$	$

AC – Amortized Cost FV – Fair Value

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

P. Short Sales

(1) Unsettled Short Sale Transactions (Outstanding as of Reporting Date)

	Proceeds Received	Current Fair Value of Securities Sold Short	Unrealized Gain or Loss	Expected Settlement (# of Days)	Fair Value of Short Sales Exceeding (or expected to exceed) 3 Settlement Days	Fair Value of Short Sales Expected to be Settled by Secured Borrowing
a. Bonds	$	.....	.....	.....	.....	.....
b. Preferred Stock	.....	.....	.....	.....	.....	.....
c. Common Stock						
d. Totals (a+b+c)	$	$	$	XXX	$	$

(2) Settled Short Sale Transactions

	Proceeds Received	Current Fair Value of Securities Sold Short	Realized Gain or Loss on Transaction	Fair Value of Short Sales that Exceeded 3 Settlement Days	Fair Value of Short Sales Settled by Secured Borrowing
a. Bonds	.....	$	$	$	$ .....
b. Preferred Stock	.....	.....	.....	.....	.....
c. Common Stock					
d. Totals (a+b+c)	$	$	$	$	$

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.

Q. Prepayment Penalty and Acceleration Fees

		General Account
(1)	Number of CUSIPs	_____
(2)	Aggregate Amount of Investment Income	_____

Not for Distribution

6. Joint Ventures, Partnerships and Limited Liability Companies

Instruction:

A. For Investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets of the reporting entity, disclose the following information:

- The name of each Joint Venture, Partnership and Limited Liability Company and percentage of ownership;
- The accounting policies of the reporting entity with respect to investments in these entities; and
- The difference, if any, between the amount at which the investment is carried and the amount of underlying equity in net assets, (i.e., nonadmitted goodwill, other nonadmitted assets) and the accounting treatment of the difference.
- For each Joint Venture, Partnership and Limited Liability Company for which a quoted market price is available, the aggregate value of each investment based on the quoted market price; and
- Summarized information as to assets, liabilities, and results of operations for Joint Ventures, Partnerships and Limited Liability Companies, either individually or in groups.

B. For investments in impaired Joint Ventures, Partnerships and Limited Liability Companies disclose in the year of an impairment write-down the following:

- A description of the impaired assets and the facts and circumstances leading to the impairment, and
- The amount of the impairment and how fair value was determined.

Illustration:

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

Instruction:

Disclose the following for investment income due and accrued in the financial statements:

A. The basis, by category of investment income, for excluding (nonadmitting) any investment income due and accrued,

B. The total amount excluded.

Illustration:

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount excluded was $_____.

Not for Distribution

8. Derivative Instruments

Instruction:

Disclose the following information by category of derivative financial instrument:

A. Derivatives under *SSAP No. 86—Derivatives*

Disclose the following information by category of derivative financial instrument:

(1) A discussion of the market risk, credit risk and cash requirements of the derivatives.

(2) A description of the reporting entity's objectives for using derivatives, i.e. hedging, income generation or replication, as well as a description of the context needed to understand those objectives and its strategies for achieving those objectives, including the identification of the category, e.g. fair value hedges, cash flow hedges, or foreign currency hedges, and for all objectives, the type of instrument(s) used.

(3) A description of the accounting policies for recognizing (or reasons for not recognizing) and measuring the derivatives used, and when recognized and where those instruments and related gains and losses are reported.

(4) Identification of whether the reporting entity has derivative contracts with financing premiums. (For purposes of this term, this includes scenarios in which the premium cost is paid at the end of the derivative contract or throughout the derivative contract.)

(5) The net gain or loss recognized in unrealized gains or losses during the reporting period representing the component of the derivative instruments' gain or loss, if any, excluded from the assessment of hedge effectiveness.

(6) The net gain or loss recognized in unrealized gains or losses during the reporting period resulting from derivatives that no longer qualify for hedge accounting.

(7) For derivatives accounted for as cash flow hedges of a forecasted transaction, disclose:

a. The maximum length of time over which the entity is hedging its exposure to the variability in future cash flows for forecasted transactions excluding those forecasted transactions related to the payment of variable interest on existing financial instruments; and

b. The amount of gains and losses classified in unrealized gains/losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transactions would occur by the end of the originally specified time period or within 2 months of that date.

(8) Disclose the aggregate, non-discounted total premium cost for these contracts and the premium cost due in each of the following four years, and thereafter. Include the aggregate fair value of derivative instruments with financing premiums excluding the impact of the deferred or financing premiums.

Not for Distribution

B. Derivatives under *SSAP No. 108—Derivative Hedging Variable Annuity Guarantees* (Life/Fraternal Only)

(1) Discussion of hedged item / hedging instruments and hedging strategy:

- Discussion of hedged item, including information on the guaruntees sensitive to interest rate risk, along with information on the designated hedging instruments being used to hedge the risk.

- Discussion of the hedging instruments shall identify whether a hedging instrument is a single instrument or portfolio, as well as information on the hedging strategy (including whether there have been changes in strategy from the prior reporting period, along with detailed information on the changes), and assessment of hedging effectiveness and compliance with the "Clearly Defined Hedging Strategy" of VM-21.

- Identification shall occur on whether the hedged item is intended to be fully hedged under the hedging strategy, or if the strategy is only focused on a portion of the liability characteristics or a portion of the interest rate sensitivity.

- Hedging strategies shall be identified as highly effective or not highly effective.

- If the strategy for a particular hedging relationship excludes a specific component of the gain or loss, or related cash flows, from the assessment of hedge effectiveness, details on the excluded components shall be disclosed.

Note: The narrative discussion for this disclosure shall incorporate a unique identifier for each hedging strategy referenced. Use the same identifier as used for Schedule DB, Part E.

(2) Recognition of gains/losses and deferred assets and liabilities

Provide the following:

Schedule showing the current period amortization, including any accelerated amortization elected by the reporting entity, and the future scheduled amortization of the deferred assets and deferred liabilities.

Information on derivative instruments that were originally captured in SSAP No. 108 and repurposed to be within scope of SSAP No. 86 (or vice versa). If the reporting entity has repurposed derivatives, information on the derivative to reconcile the fair value (balance unrealize gains or losses) is required. (These disclosures should only be included if open derivatives were reclassified between SSAP No. 86 and SSAP No. 108 – it is expected to be uncommon.)

The amortization of deferred assets and liabilities shall be completed on an annual basis only. Quarterly changes (resulting in new amortization projections) from the recognition of new deferred assets/liabilities shall be shown in the quarterly completion of Schedule DB, Part E.

Not for Distribution

(3) Hedging Strategies Identified as No Longer Highly Effective

Disclose for hedging strategies no longer identified as highly effective previously captured within scope of SSAP No. 108:

a. Information on the determination of ineffectiveness, including variations from prior assessments resulting in the change from classification as a highly effective hedge.

b. Identification of outstanding hedging instruments previously captured within scope of this standard and subsequently identified as no longer part of a highly effective hedging strategy. (Open derivative transactions no longer captured within the special accounting provision would be subject to the accounting and reporting guidance within SSAP No. 86.) This disclosure shall identify the date in which the domiciliary state was notified that the hedging strategy had been identified by the reporting entity as no longer highly effective.

c. Deferred assets and deferred liabilities previously recognized when the program was highly effective, with a schedule that shows the amortization that would have occurred if the program had remained highly effective, as well as a schedule that details the amortization that will occur as the program is no longer highly effective (maximum five-year timeframe).

d. Disclosure on whether the reporting entity is electing to accelerate amortization (in advance of the remaining scheduled amortization or the maximum five-year timeframe), along with amounts immediately recognized to unrealized gains/losses, and how the election impacts the scheduled amortization.

(4) Hedging Strategies Terminated

Disclose for situations in which the reporting entity has elected to terminate the hedging strategy and/or discontinue the special accounting provisions permitted within SSAP No. 108:

a. The key elements in the reporting entity's decision to terminate, identifying changes in the reporting entity's objectives or perspectives from initial application.

b. Identification of outstanding hedging instruments previously captured within scope of this standard and the accounting impact as a result of the termination/discontinuation. (Open derivative transactions no longer captured within the special accounting provision would be subject to the accounting and reporting guidance within SSAP No. 86.) This disclosure shall identify the date in which the domiciliary state was notified that the hedging strategy or the election to use the special accounting provision in this SSAP had been terminated.

c. Deferred assets and deferred liabilities previously recognized under the hedging strategy and/or program, with a schedule that shows the amortization that would have occurred if the strategy and/or program had remained highly effective, as well as a schedule that details the amortization that will occur with the termination of the strategy and/or program (maximum five-year timeframe).

d. Disclosure on whether the reporting entity is electing to accelerate amortization (in advance of the remaining scheduled amortization or the maximum five-year timeframe), along with amounts immediately recognized to unrealized gains/losses, and the resulting impact to the scheduled amortization.

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Illustration:

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

A. Derivatives under *SSAP No. 86—Derivatives*

(8)

a.

Fiscal Year	Derivative Premium Payments Due
1. 2020	$ .....
2. 2021	.....
3. 2022	.....
4. 2023	.....
5. Thereafter	.....
6. Total Future Settled Premiums	$ .....

b.

	Undiscounted Future Premium Commitments	Derivative Fair Value with Premium Commitments (Reported on DB)	Derivative Fair Value Excluding Impact of Future Settled Premiums
1. Prior Year	$	$	$ .....
2. Current Year	$	$	$ .....

B. Derivatives under *SSAP No. 108—Derivative Hedging Variable Annuity Guarantees*

(1) Discussion of hedged item / hedging instruments and hedging strategy:

CDHS #1 – Rider Claims Less Rider Fees in VA Contracts - 50% Rho - 10 Year SL Amortization:

The hedged obligation consists of guaranteed benefits on variable annuity contracts and resembles a long dated put option where claim payment is made whenever account value is less than a guaranteed amount, adjusted for applicable fees. Changes in interest rates impact the present value of future product cash flows (discount rate) as well as the value of investments comprising the account value to be assessed against the guarantee. Under this VM-21 compliant clearly defined hedging strategy (CDHS), interest rate risk may be hedged by a duration matched portfolio of interest sensitive derivatives such as treasury bond forwards, treasury futures, interest rate swaps, interest rate swaptions or treasury future options. The hedging strategy is unchanged from the prior reporting period, and the total return on the designated portfolio of derivatives has been highly effective in covering the established target of 50% of the interest rate risk (rho) of the hedged obligation. Hedge effectiveness is measured in accordance with the requirements outlined under SSAP No. 108 and entails assessment of the total return on the designated portfolio of derivatives against changes in the fair value of the hedged obligation due to interest rate movements on a cumulative basis.

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(2) Recognition of gains/losses and deferred assets and liabilities

a. Scheduled Amortization

Amortization Year	Deferred Assets	Deferred Liabilities
1. 2020	.....	.....
2. 2021	.....	.....
3. 2022	.....	.....
4. 2023	.....	.....
5. 2024	.....	.....
6. 2025	.....	.....
7. 2026	.....	.....
8. 2027	.....	.....
9. 2028	.....	.....
10. 2029		
11. Total		

b. Total Deferred Balance * .....

* Should agree to Column 18 of Schedule DB, Part

c. Reconciliation of Amortization:

1. Prior Year Total Deferred Balance S .....
2. Current Year Amortization .....
3. Current Year Deferred Recogni S .....
4. Ending Deferred Balance [(2+3)] S .....

d. Open Derivative Removed from SSAP No. 108 and Captured in Scope of SSAP No. 86

1. Total Derivative Fair Value Change S .....
2. Change in Fair Value Reflected as a Natural Offset to VM21 Liability under SSAP No. 108 S .....
3. Change in Fair Value Reflected as a Deferred Asset / Liability Under SSAP No. 108 S .....
4. Other Changes S .....
5. Unrealized Gain / Loss Recognized for Derivative Under SSAP No. 86 [1-(sum of 2 through 4)] S .....

e. Open Derivative Removed from SSAP No. 86 and Captured in Scope of SSAP No. 108

1. Total Derivative Fair Value Change S .....
2. Unrealized Gain / Loss Recognized Prior to the Reclassification to SSAP No. 108 S .....
3. Other Changes S .....
4. Fair Value Change Available for Application under SSAP No. 108 [1-(2+3)] S .....

Not for Distribution

(3) Hedging Strategies Identified as No Longer Highly Effective

b. Details of Hedging Strategies Identified as No Longer Highly Effective

Unique Identifier	Date Domiciliary State Notified	Amortization (# of years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Liabilities	Accelerated Amortization	Original Amortization
1. 2020				
2. 2021				
3. 2022				
4. 2023				
5. 2024				
6. Total Adjusted Amortization				

(4) Hedging Strategies Terminated

b. Details of Hedging Strategies Terminated

Unique Identifier	Date Domiciliary State Notified	Amortization (# of years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Liabilities	Accelerated Amortization	Original Amortization
1. 2020				
2. 2021				
3. 2022				
4. 2023				
5. 2024				
6. Total Adjusted Amortization				

Not for Distribution

9. Income Taxes

Instruction:

A. Disclose the components of the net deferred income tax asset (DTA) or deferred tax liability (DTL) recognized in the reporting entity's financial statements as follows:

(1) Disclose for the current year, the prior year and the change between years by tax character (ordinary and capital) the following:

a. The total of all gross deferred tax assets.

b. The total of all statutory valuation allowance adjustments.

c. The total of all adjusted gross deferred tax assets.

d. The total of all deferred tax assets nonadmitted as a result of the application of *SSAP No. 101—Income Taxes*.

e. The total of all net adjusted gross admitted deferred tax assets.

f. The total of all deferred tax liabilities.

g. The total of all net adjusted gross deferred tax assets (net deferred tax liabilities).

(2) Admission Calculation Components per *SSAP No. 101—Income Taxes*

For the current year, prior year and the change between years, disclose the amount of each result or component of the deferred tax asset admission calculation as provided in *SSAP No. 101—Income Taxes*.

a. The amount of federal income taxes paid in prior years that can be recovered through loss carrybacks, by tax character (ordinary and capital).

b. The amount of adjusted gross DTAs expected to be realized (excluding the amount of DTAs reported in 9A(2)a) after application of the threshold limitations, by tax character (ordinary and capital). (The amount determined in 9A(2)b1 limited by the amount determined in 9A(2)b2).

1. The amount of adjusted gross DTAs, expected to be realized within the applicable period following the balance sheet date, by tax character (ordinary and capital). Refer to the applicable Realization Threshold Limitation Table in *SSAP No. 101—Income Taxes* to determine the applicable period.

2. The amount of the applicable percentage of statutory capital and surplus as required to be shown on the statutory balance sheet of the reporting entity for the current reporting period's statement filed with the domiciliary state commissioner adjusted to exclude any net DTAs, EDP equipment and operating system software and any net positive goodwill. Refer to *SSAP No. 101—Income Taxes* to determine the applicable percentage to be applied.

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c. The amount of adjusted gross DTAs (excluding the amount of DTAs reported in 9A(2)a and 9A(2)b) that can be offset against existing gross DTLs, by tax character (ordinary and capital).

d. The amount of DTAs admitted as the result of the application of *SSAP No. 101—Income Taxes* by tax character (ordinary and capital). (The sum of 9A(2)a, 9A(2)b and 9A(2)c.)

(3) Disclose the ratio used to determine applicable period used in 9A(2)b1 for determining the amount of adjusted gross DTAs, expected to be realized and the amount of adjusted capital and surplus used to determine the percentage threshold limitation in 9A(2)b2.

(4) Disclose the impact of tax-planning strategies:

a. On the determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage of total. The disclosure should provide the following information for current year, prior year and change between years:

1. Adjusted gross DTAs by tax character Note 9A(1)c.

2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.

3. Net admitted adjusted gross DTAs by tax character Note 9A(1)e.

4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.

b. State whether the tax-planning strategies include the use of reinsurance related tax-planning strategies.

Refer to *SSAP No. 101—Income Taxes*, Exhibit A – Implementation Questions and Answers, Question No. 13, for guidance on tax-planning strategies.

B. To the extent that DTLs are not recognized for amounts described in paragraph 31 of FAS 109, disclose the following:

(1) A description of the types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable;

(2) The cumulative amount of each type of temporary difference;

(3) The amount of the unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration, if determination of that liability is practicable, or a statement that determination is not practicable; and

(4) The amount of the DTL for temporary differences other than those in item (3) above that is not recognized.

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C. Disclose the significant components of income taxes incurred (i.e., current income tax expenses) and the changes in DTAs and DTLs. These components would include, for example:

- Current tax expense or benefit;
- The change in DTAs and DTLs (exclusive of the effects of other components listed below);
- Investment tax credits;
- The benefits of operating loss carry forwards;
- Adjustments of a DTA or DTL for enacted changes in tax laws or rates or a change in the tax status of the reporting entity; and
- Adjustments to gross deferred tax assets because of a change in circumstances that causes a change in judgment about the realizability of the related deferred tax asset, and the reason for the adjustment and change in judgment.

NOTE: The illustration below for this disclosure reflects the setup for the data capture of the electronic notes. Reporting entities should disclose those items included as "Other" (Lines 2a13, 2e4, 3a5 and 3b3) as additional lines for those items greater than 5% in the printed/PDF filing document.

D. To the extent that the sum of a reporting entity's income tax incurred and the change in its DTAs and DTLs is different from the result obtained by applying the federal statutory rate to its pretax net income, a reporting entity should disclose the nature of the significant reconciling items.

E. A reporting entity should also disclose the following:

(1) The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes;

(2) The amount of federal income taxes incurred in the current year and each preceding year that are available for recoupment in the event of future net losses; and

(3) The aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. If the reporting entity's federal income tax return is consolidated with those of any other entity or entities, provide the following:

(1) A list of names of the entities with which the reporting entity's federal income tax return is consolidated for the current year, and

(2) The substance of the written agreement approved by the reporting entity's Board of Directors that sets forth the manner in which the total consolidated federal income tax for all entities is allocated to each entity that is a party to the consolidation. (If no written agreement has been executed, explain why such an agreement has not been executed.) Describe the method of allocation, setting forth the manner in which the entity has an enforceable right to recoup federal income taxes in the event of future net losses that it may incur or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

Not for Distribution

G. For any federal or foreign income tax loss contingencies as determined in accordance with *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets* with the modifications provided in *SSAP No. 101—Income Taxes* for which it is reasonably possible that the total liability will significantly increase within 12 months of the reporting date, the reporting entity shall disclose an estimate of the range of the reasonably possible increase or a statement that an estimate of the range cannot be made.

Refer to *SSAP No. 101—Income Taxes* for accounting guidance on disclosure requirements, and INT 06-12 for more detail on protective tax deposits.

H. Repatriation Transition Tax (RTT)

Reporting entities that are subject to the RTT shall include the following disclosure:

- RTT owed under the Tax Cuts and Jobs Act (TCJA)

- Schedule of payments made and expected future payments to satisfy the RTT liability. This disclosure shall explicitly identify whether the insurance entity has remitted full payment of the RTT, or whether the reporting entity is electing to pay the liability under the permitted installments. If the reporting entity fully remitted the RTT, disclosure of the RTT and the remitted payment is only required in the year-end 2018 financial statements. Reporting entities electing to make installment payments shall include the disclosure beginning in the year-end 2018 financial statements and continuing through the year-end statutory financial statements for the year in which the last installment payment was remitted.

I. Alternative Minimum Tax (AMT) Credit

Reporting entities with an AMT credit shall include the following disclosure:

Identification of whether the AMT credit was recognized as a current year recoverable or Deferred Tax Asset (DTA).

The balance of the AMT credit carryforward as of the beginning of the year; the amount of the AMT credit recovered during the year; other current year adjustments to the AMT credit carryforward; the balance of the AMT credit carryforward at the end of the year; the amount, if any, by which the ending balance has been reduced for sequestration; and the amount, if any, by which the reporting entity has elected to nonadmit. (This disclosure intends to capture any nonadmittance of the AMT Tax Credit by the reporting entity prior to application of the DTA admittance limitations reflected in SSAP No. 101.)

(These disclosures shall be made on an accrual basis beginning in the 2018 year-end statutory financial statements and continuing through the year-end statutory reporting period in which the AMT credit is fully utilized/received.)

Not for Distribution

Illustration:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLES (9A1, 9A2, 9A3 AND 9A4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

NOTE: DUE TO THE SIZE OF THIS TABLE, REPORTING ENTITIES MAY BE LIMITED IN THEIR ABILITY TO PRESENT THIS DISCLOSURE IN THE EXACT FORMAT SHOWN DUE TO FONT LIMITATIONS AND THE SIZE OF THE AMOUNTS BEING DISCLOSED. IT WILL BE CONSIDERED ACCEPTABLE AND IN COMPLIANCE WITH THE INSTRUCTIONS IF THIS TABLE IS SPLIT INTO THREE SEPARATE TABLES (CURRENT YEAR COLUMNS, PRIOR YEAR COLUMNS AND CHANGE COLUMNS).

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

		12/31/2019			12/31/2018			Change		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1–4) Ordinary	(8) (Col 2–5) Capital	(9) (Col 7+8) Total
(a)	Gross Deferred Tax Assets	$	$	$	$	$	$	$	$	$
(b)	Statutory Valuation Allowance Adjustments	$	$	$	$	$	$	$	$	$
(c)	Adjusted Gross Deferred Tax Assets (1a – 1b)	$	$	$	$	$	$	$	$	$
(d)	Deferred Tax Assets Nonadmitted									
(e)	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	$	$	$	$	$	$	$	$	$
(f)	Deferred Tax Liabilities	$	$	$	$	$	$	$	$	$
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	$	$	$	$	$	$	$	$	$

2.

		12/31/2019			12/31/2018			Change		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1–4) Ordinary	(8) (Col 2–5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101										
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks		$	$		$	$		$	$
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$	$	$	$	$	$	$	$	$
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$	$	$	$	$	$	$	$	$
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	$	XXX	XXX	$	XXX	XXX	$
(c)	Adjusted Gross Deferred Tax Assets Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	$	$	$	$	$	$	$	$	$
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total 2(a) + 2(b) + 2(c)	$	$	$	$	$	$	$	$	$

Not for Distribution

3.

		2019	2018
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount		
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	$	$

4.

	12/31/2019		12/31/2018		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col 2-4) Capital
Impact of Tax-Planning Strategies						
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage						
1. Adjusted Gross DTAs Amount From Note 9A1(e)						
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies						
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)						
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies						

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes No

Line 9A1g, Column 3

If greater than zero, it should equal the Asset Page, Line 18.2, Column 3 and the Liability Page, Line 8.2, Column 1 should equal zero.

If not greater than zero, it should equal the Liability Page Line 8.2, Column 1 and the Asset Page, Line 18.2, Column 3 should equal zero.

If equal to zero, the Liability Page, Line 8.2, Column 1 should equal zero and the Asset Page, Line 18.2, Column 3 should equal zero.

B. Regarding deferred tax liabilities that are not recognized:

See example in paragraph 10.27 of the *SSAP No. 101—Income Taxes* Q&A.

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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. Current income taxes incurred consist of the following major components:

		(1) 12/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
1.	Current Income Tax			
	(a) Federal	$	$	$
	(b) Foreign	$	$	$
	(c) Subtotal	$	$	$
	(d) Federal income tax on net capital gains	$	$	$
	(e) Utilization of capital loss carry-forwards	$	$	$
	(f) Other	$	$	$
	(g) Federal and foreign income taxes incurred	$	$	$
2.	Deferred Tax Assets:			
	(a) Ordinary			
	(1) Discounting of unpaid losses	$	$	$
	(2) Unearned premium reserve	$	$	$
	(3) Policyholder reserves	$	$	$
	(4) Investments	$	$	$
	(5) Deferred acquisition costs	$	$	$
	(6) Policyholder dividends accrual	$	$	$
	(7) Fixed assets	$	$	$
	(8) Compensation and benefits accrual	$	$	$
	(9) Pension accrual	$	$	$
	(10) Receivables – nonadmitted	$	$	$
	(11) Net operating loss carry-forward	$	$	$
	(12) Tax credit carry-forward	$	$	$
	(13) Other (including items <5% of total ordinary tax assets)	$	$	$
	(99) Subtotal	$	$	$
	(b) Statutory valuation allowance adjustment	$	$	$
	(c) Nonadmitted	$	$	$
	(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	$	$	$
	(e) Capital:			
	(1) Investments	$	$	$
	(2) Net capital loss carry-forward	$	$	$
	(3) Real estate	$	$	$
	(4) Other (including items <5% of total capital tax assets)	$	$	$
	(99) Subtotal	$	$	$
	(f) Statutory valuation allowance adjustment	$	$	$
	(g) Nonadmitted	$	$	$
	(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	$	$	$
	(i) Admitted deferred tax assets (2d + 2h)	$	$	$
3.	Deferred Tax Liabilities:	$	$	$
	(a) Ordinary			
	(1) Investments	$	$	$
	(2) Fixed assets	$	$	$
	(3) Deferred and uncollected premium	$	$	$
	(4) Policyholder reserves	$	$	$
	(5) Other (including items <5% of total ordinary tax liabilities)	$	$	$
	(99) Subtotal	$	$	$
	(b) Capital:			
	(1) Investments	$	$	$
	(2) Real estate	$	$	$
	(3) Other (including items <5% of total capital tax liabilities)	$	$	$
	(99) Subtotal	$	$	$
	(c) Deferred tax liabilities (3a99 + 3b99)			
4.	Net deferred tax assets/liabilities (2i – 3c)	$	$	$

D. Among the more significant book to tax adjustments were the following:

See illustration in paragraph 12.31 of the *SSAP No. 101—Income Taxes* Q&A.

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E. See example in paragraph 12.32 of the *SSAP No. 101—Income Taxes* Q&A.

(3) The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was SXX million as of December 31, 20XX.

F. See example in paragraph 12.34 of the *SSAP No. 101—Income Taxes* Q&A.

I. Alternative Minimum Tax Credit

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.

		Amount
(1)	Gross AMT Credit Recognized as:	
	a. Current year recoverable	$ .....
	b. Deferred tax asset (DTA)	$ .....
(2)	Beginning Balance of AMT Credit Carryforward	$ .....
(3)	Amounts Recovered	$ .....
(4)	Adjustments	$ .....
(5)	Ending Balance of AMT Credit Carryforward (5=2-3+4)	$ .....
(6)	Reduction for Sequestration	$ .....
(7)	Nonadmitted by Reporting Entity	$ .....
(8)	Reporting Entity Ending Balance (8=5-6-7)	$ .....

Note: The disclosure for Nonadmitted by Reporting Entity (Line 7) intends to capture any nonadmittance of the AMT Tax Credit by the reporting entity prior to application of the DTA admittance limitations reflected in SSAP No. 101.

Reporting Entity Ending Balance (Line 8) reflects the amount of AMT Credit recognized by the reporting entity. This amount may be further reduced by DTA admittance limitations required by SSAP No. 101.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

Instruction:

The financial statements shall include disclosures of all material related party transactions. In some cases, aggregation of similar transactions may be appropriate. Sometimes, the effect of the relationship between the parties may be so pervasive that disclosure of the relationship alone will be sufficient. If necessary to the understanding of the relationship, disclose the name of the related party. Transactions shall not be purported to be arm's-length transactions unless there is demonstrable evidence to support such statement. Note 10 is primarily for SCA's under SSAP No. 97 but the disclosure for 10O should also be completed of SSAP No. 48 entities. The disclosures shall include:

A. The nature of the relationship involved.

B. A description of the transactions for each of the periods for which financial statements are presented, and such other information considered necessary to obtain an understanding of the effects of the transactions on the financial statements. Exclude reinsurance transactions, any non-insurance transactions that are less than ½ of 1% of the total admitted assets of the reporting entity, and cost allocation transactions. The following information shall be provided if applicable:

(1) Date of transaction;
(2) Explanation of transaction;
(3) Name of reporting entity;
(4) Name of affiliate;

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(5) Description of assets received by reporting entity;

(6) Statement value of assets received by reporting entity;

(7) Description of assets transferred by reporting entity; and

(8) Statement value of assets transferred by reporting entity.

C. The dollar amounts of transactions for each of the periods for which financial statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period.

D. Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

E. Any guarantees or undertakings, written or otherwise, shall be disclosed in Note 14, Liabilities, Contingencies and Assessments, in accordance with the requirements of *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets*. In addition, the nature of the relationship to the beneficiary of the guarantee or undertaking (affiliated or unaffiliated) shall also be disclosed.

F. A description of material management or service contracts and cost-sharing arrangements involving the reporting entity and any related party. This shall include, but is not limited to, sale lease-back arrangements, computer or fixed asset leasing arrangements, and agency contracts that remove assets that may otherwise be recorded (and potentially nonadmitted) on the reporting entity's financial statements.

G. The nature of the control relationship whereby the reporting entity and one or more other enterprises are under common ownership or control and the existence of that control could result in operating results or financial position of the reporting entity being significantly different from those that would have been obtained if the enterprises were autonomous. Disclose the relationship even though there are no transactions between the enterprises.

H. The amount deducted from the value of an investment in intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity, in accordance with the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*, "Procedures for Valuing Common Stocks and Stock Warrants."

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

I. For investment in an SCA entity that exceeds 10% of admitted assets of the reporting entity, disclose the following information:

(1) Disclose (i) the name of each SCA entity and percentage of ownership, (ii) the accounting policies of the reporting entity with respect to investments in these entities and (iii) the difference, if any, between the amount at which the investment is carried and the amount of underlying equity in net assets, (i.e., goodwill, other nonadmitted assets, fair value or discounted fair value adjustments, adjustments pursuant to SSAP No. 25 and the accounting treatment of the difference).

(2) Disclose for each SCA entity for which a quoted market price is available, the aggregate value of each investment based on the quoted market price and the difference, if any, between the amount at which the investment is carried and the quoted market price.

(3) Present summarized information as to assets, liabilities, and results of operations for SCA entities either individually or in groups.

(4) The material effects of possible conversions, exercises or contingent issuances.

(5) If elected, or required to change the valuation method as described in *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities*, a description of the reason for the change and the amount of adjustment recorded as unrealized gains or losses shall be disclosed. Also, disclose whether or not commissioner approval was obtained.

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J. For investments in impaired SCA entities disclose in the year of an impairment write-down the following:

(1) A description of the impaired assets and the facts and circumstances leading to the impairment.

(2) The amount of the impairment and how fair value was determined.

K. If the investment in a foreign insurance subsidiary is calculated by adjusting annuity GAAP account value reserves using CARVM and the related Actuarial Guidelines, the interest rates and mortality assumptions used in the calculation as prescribed by the insurance department of the foreign country shall be disclosed.

L. If a reporting entity holds an investment in a downstream noninsurance holding company, the reporting entity may look-through the downstream noninsurance holding company to the value of (i) SCA entities having audited financial statements and/or (ii) joint ventures, partnerships, and/or limited liability companies having audited financial statements in which the downstream noninsurance holding company has a minor ownership interest or otherwise lacks control, i.e., ownership interest is less than 10% in lieu of obtaining an audit of the financial statements of the downstream noninsurance holding company (provided the limited exception to the audited financial statements requirement contained in *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities* applies).

If a reporting entity utilizes the look-through approach for the valuation of the downstream noninsurance holding company instead of obtaining audited financial statements of the downstream noninsurance holding company, the financial statements of the reporting entity shall include the following disclosures:

(1) The name of the downstream noninsurance holding company.

(2) The carrying value of the investment in the downstream non insurance holding company.

(3) The fact that the financial statements of the downstream noninsurance company are not audited.

(4) The fact that the reporting entity has limited the value of its investment in the downstream noninsurance holding company to the value contained in the audited financial statements, including adjustments required by this statement, of SCA entities and/or non-SCA SSAP No. 48 entities owned by the downstream noninsurance holding company and valued in accordance with *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities*.

(5) The fact that all liabilities, commitments, contingencies, guarantees or obligations of the downstream noninsurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the reporting entity's determination of the carrying value of the investment in the downstream noninsurance holding company, if not already recorded in the financial statements of the downstream noninsurance holding company.

M. All SCA investments

Reporting Entities shall disclose for all SCA investments (except 8bi entities).

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (except 8bi entities)

Disclose the percentage of ownership and aggregate total of all SCA entities (except 8bi entities) with detail of the aggregate gross value under SSAP No. 97, with the admitted and nonadmitted amounts reflected on the balance sheet. See SSAP No. 97 for additional guidance.

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(2) NAIC Filing Response Information

Provide the following information regarding the NAIC response to the SCA filing (except 8bi entities).

- The type of NAIC filing
- The date of the NAIC filing
- The NAIC valuation for the SCA entity
- If a response was received from the NAIC
- If the NAIC disallowed the reporting entities valuation method
- If changes in the reported SCA amount were immaterial (I) or material (M)

N. Investment in Insurance SCAs

A reporting entity that reports an investment in an insurance SCA (per SSAP No. 97) for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures (e.g., permitted or prescribed practices) shall disclose the following:

(1) A description of the accounting practice, with a statement that the practice differs from the NAIC statutory accounting practices and procedures.

(2) The monetary effect on net income and surplus reported by the insurance SCA as a result of using an accounting practice that differed from NAIC statutory accounting practices and procedures.

The reported entity's investment in the insurance SCA per the audited statutory equity and the investment in the insurance SCA the reporting entity would have reported if the insurance SCA had completed statutory financial statements in accordance with the NAIC statutory accounting practices and procedures.

(3) Whether the RBC of the insurance SCA would have triggered a regulatory event had it not used a prescribed or permitted practice.

O. SCA and SSAP No. 48 Entity Loss Tracking

A reporting entity whose share of losses in an SCA or SSAP No. 48 entity exceeds its investment in the SCA or SSAP No. 48 entity shall disclose its share of losses. (This is required regardless of a guarantee or commitment of future financial support to the SCA or SSAP No. 48 entity.) The disclosure shall apply beginning in the period the SCA or SSAP No. 48 entity investment initially falls below zero and shall continue to be disclosed for as long as the SCA or SSAP No. 48 entity investment is in a deficit position. Tracking shall cease once the investment in an SCA or SSAP No. 48 entity has been in a surplus position for one annual reporting period.

This disclosure shall include:

- The name of the SCA or SSAP No. 48 entity
- The reporting entity's current period share of SCA or SSAP No. 48 entity net income (loss)
- The reporting entity's accumulated share of SCA or SSAP No. 48 entity losses not recognized during the period that the equity method was suspended
- The reporting entity's share of the SCA or SSAP No. 48 entity equity, including negative equity
- Whether a guaranteed obligation or commitment for financial support exists
- The SCA or SSAP No. 48 entity's reported value

Additionally, the reporting entity shall detail in a narrative disclosure whether losses in the SCA or SSAP No. 48 entity have impacted other investments as required by INT 00-24: *EITF 98-13: Accounting by an Equity Method Investor for Investee Losses When the Investor Has Loans to and Investments in Other Securities of the Investee* and *EITF 99-10: Percentage Used to Determine the Amount of Equity Method Losses*.

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Illustration:

A., B. & C. The Company paid common stock dividends to the Parent Company, The ABC Insurance Company, on July 15, 20____, totaling $_____.

D. At December 31, 20____, the Company reported $_____ as amounts due to the Parent Company, The ABC Insurance Company. The terms of the settlement require that these amounts be settled within 30 days.

E. The Company has given XYZ Inc., an affiliated company, a standing commitment until January 1, 20__, in the form of guarantees in the event of a default of XYZ on various of its debt issues as disclosed in Note 14.

F. The Company has agreed to provide the Parent Company, The ABC Insurance Company, certain actuarial investment services with respect to the administration of certain large group insurance contracts that are subject to group experience rating procedures.

The Parent Company has agreed to provide collection services for certain contracts for the Company.

G. All outstanding shares of The Company are owned by the Parent Company, The ABC Insurance Company, an insurance holding company domiciled in the State of _____.

H. The Company owns shares of the stock of its ultimate parent, The ABC Insurance Company. A wholly owned subsidiary of the Company, The XYZ Insurance Company, owns shares of The ABC Insurance Company. In accordance with NAIC Securities Valuation Office guidelines, the asset value of The ABC Insurance Company has been reduced by $_____, and the asset value of the XYZ Insurance Company has been reduced by $_____.

I. The Company owns a_____ % interest in ABC Non-Insurance Company, whose carrying value is equal to or exceeds 10% of the admitted assets of The Company. The Company carries ABC Non-Insurance Company at GAAP equity plus the remaining goodwill balance of $_____. Goodwill is amortized on a straight-line basis over a ten-year period.

At 12/31/20__, The Company's interest in ABC Non-Insurance Company per the New York Stock Exchange quoted price was valued at $ _____, that was $ _____ in excess of the carrying value.

Based on The Company's ownership percentage of ABC Non-Insurance Company, the statement value of ABC Non-Insurance Company assets and liabilities as of 12/31/20__ were $ _____ and $_____, respectively.

The Company's share of net income of ABC Non-Insurance Company was $ _____ for the year ended 12/31/20__.

The Company has a 25% limited partnership interest in YXC Real Estate Partners. The partnership investment in office properties in the NE United States has been adversely affected by corporate restructuring. This has affected the value of the properties that resulted in the write-down of the Company's investment in XYC Real Estate Partners of $ _____ for the year ended 12/31/20__. The amount of the impairment was determined using appraisals from third parties.

J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.

L. XYZ Company utilizes the look-through approach in valuing its investment in ABC Company at $_____. ABC Company's financial statements are not audited and XYZ Company has limited the value of its investment in ABC Company to the value contained in the audited financial statements, including adjustments required by SSAP No. 97, of SCA entities and/or non-SCA SSAP No. 48 entities owned by the ABC Company and valued in accordance with SSAP No. 97. All liabilities, commitments, contingencies, guarantees or obligations of the ABC Company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in XYZ Company's determination of the carrying value of the investment in ABC Company, if not already recorded in the financial statements of ABC Company.

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

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
		$	$	$
Total SSAP No. 97 8a Entities	XXX	$	$	$
b. SSAP No. 97 8b(i) Entities				
		$	$	$
Total SSAP No. 97 8b(i) Entities	XXX	$	$	$
c. SSAP No. 97 8b(ii) Entities				
		$		$
Total SSAP No. 97 8b(ii) Entities	XXX	$	$	$
d. SSAP No. 97 8b(iv) Entities				
		$	$	$
Total SSAP No. 97 8b(iv) Entities	XXX	$	$	$
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	$	$	$
f. Aggregate Total (a+e)	XXX	$	$	$

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in [illegible]ve.)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
			$			
Total SSAP No. 97 8a Entities	XXX	XXX	$	XXX	XXX	XXX
b. SSAP No. 97 8b(i) Entities						
			$			
Total SSAP No. 97 8b(i) Entities	XXX	XXX	$	XXX	XXX	XXX
c. SSAP No. 97 8b(ii) Entities						
			$			
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	$	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
			$			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	$	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	$	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

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THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLES (LINES 2) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THESE ILLUSTRATIONS.

N. Investment in Insurance SCAs

(2) The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC Statutory Accounting Practices and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the AP&P Manual.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements *
	$	$	$	$
	$	$	$	$
	$		$	$
	$	$	$	$
	$	$	$	$

* Per AP&P Manual (without permitted or prescribed practices)

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

O. SCA or SSAP 48 Entity Loss Tracking

1 Entity	2 Reporting Entity's Share of Net Income (Loss)	3 Accumulated Share of Net Income (Losses)	4 Reporting Entity's Share of Equity, Including Negative Equity	5 Guaranteed Obligation / Commitment for Financial Support (Yes / No)	6 Reported Value

NOTE: This disclosure is only required for SCA or SSAP No. 48 entities in which the reporting entity's share of losses exceeds the investment in an SCA or SSAP No. 48 entity. (The SCA or SSAP No. 48 entity investment is in a negative equity position). This disclosure shall apply beginning in the period the investment in the SCA or SSAP No. 48 entity equity initially falls below zero and shall continue to be disclosed as long as the SCA or SSAP No. 48 entity investment is in a negative equity position. The disclosure is required whenever an investment in an SCA or SSAP No. 48 entity is in a negative equity position and in the first year subsequent to the negative equity position in which a positive equity position has been attained.

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For Column 6, as detailed in SSAP No. 97 and SSAP No. 48, once the reporting entity's share of losses equals or exceeds the investment in the SCA or SSAP No. 48 entity, the SCA or SSAP No. 48 entity shall be reported at zero, with discontinuation of the equity method, unless there is a guaranteed obligation or a commitment for future financial support. If there is a guaranteed obligation or a commitment for future financial support, the guarantee requirement shall be recognized pursuant to SSAP No. 5R, and the reporting entity shall report the investment in the SCA or SSAP No. 48 entity reflecting its share of losses as a contra-asset. ***(Disclosure of the guarantee or commitment would be captured in Note 14 and is not duplicated in this disclosure.)***

11. Debt

Instruction:

A. Disclose the following items related to debt, including capital notes. Refer to *SSAP No. 15—Debt and Holding Company Obligations* for accounting guidance:

(1) Date issued;

(2) Pertinent information concerning the kind of borrowing (e.g., debentures, commercial paper outstanding, bank loans, capital notes and lines of credit);

(3) Face amount of the debt;

(4) Carrying value of debt;

(5) The rate at which interest accrues;

(6) The effective interest rate;

(7) Collateral requirements;

(8) Interest paid in the current year;

(9) A summary of significant debt terms and covenants and any violations;

(10) The combined aggregate amount of maturities and sinking fund requirements for each of the five years following the latest balance sheet presented;

(11) If debt was considered to be extinguished by in-substance defeasance prior to the effective date of this statement and any of the debt remains outstanding, a general description of the transaction and the amount of debt that is considered extinguished at the end of the period.

(12) A description of the terms of reverse repurchase agreements whose amounts are included as part of debt.

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B. For FHLB (Federal Home Loan Bank) agreements, the following information shall be disclosed for the current year and prior year-end. (The information in the disclosures shall be presented gross even if a right to offset per *SSAP No. 64—Offsetting and Netting of Assets and Liabilities* exists.)

(1) General description with information on the nature of the agreement, type of borrowing (advances, lines of credit, borrowed money, etc.) and use of the funding.

(2) FHLB Capital Stock

a. Amount of FHLB capital stock held, in aggregate, and classified as follows:

- Membership stock (separated by Class A and Class B)
- Activity Stock
- Excess Stock
- Aggregate Total
- The actual or estimated maximum borrowing capacity as determined by the insurer

Also provide a description of how the borrowing capacity was determined.

b. For membership stock (Class A and Class B), report the amount of FHLB capital stock eligible and not eligible for redemption (for FHLB membership stock to be eligible for redemption, written notification must have been provided to the FHLB prior to the reporting date) and the anticipated time frame for redemption showing:

- Total Current Year
- Not Eligible for Redemption
- Less than 6 months
- 6 months to 1 year
- 1 year to 3 years
- 3 year to 5 years

(3) Collateral Pledged to FHLB

a. Amount (fair value and carrying value) of collateral pledged to the FHLB as of the reporting date and total aggregate borrowing.

b. Maximum amount of collateral (fair value and carrying amount) pledged to the FHLB at any time during the current reporting period and amount borrowed at time of maximum collateral. (Maximum shall be determined on the basis of carrying value, but with fair amount also reported.)

(4) Borrowing from FHLB

a. Aggregate amount of borrowings from the FHLB, reflecting compilation of all advances, loans, funding agreements, repurchase agreements, securities lending, etc., outstanding with the FHLB, and classify whether the borrowing is in substance:

- Debt (*SSAP No. 15—Debt and Holding Company Obligations*)
- A funding agreement (*SSAP No. 52—Deposit-Type Contracts*)
- Other
- Aggregate Total

For funding agreements, report the total reserves established.

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b. Report the maximum amount of aggregate borrowings from an FHLB at any time during the current reporting period for:

- Debt (*SSAP No. 15—Debt and Holding Company Obligations*)
- A funding agreement (*SSAP No. 52—Deposit-Type Contracts*)
- Other
- Aggregate Total

c. Disclose whether current borrowings are subject to prepayment penalties for:

- Debt (*SSAP No. 15—Debt and Holding Company Obligations*)
- A funding agreement (*SSAP No. 52—Deposit-Type Contracts*)
- Other

Illustration:

A. The Company has outstanding $_____ of _____% debentures due ___20__ issued on __/__/20__. The carrying amount of the debt is $_____ with an effective rate of ___%. The debentures are not redeemable prior to 20__. The Company is required to make annual sinking fund payments of $_____ that will provide sufficient funds for the retirement of debentures at maturity. Interest paid during 20__ was $_____.

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

The company does not have any reverse repurchase agreements.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE (LINES 2 THROUGH 4) BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of _____. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as_____. (For example backup liquidity, to increase profitability, as tactical funding and/or to improve spread lending liquidity.) The Company has determined the actual/estimated maximum borrowing capacity as $____, The Company calculated this amount in accordance with _____ (e.g., current FHLB capital stock, limitations in the FHLB capital plan, current and potential acquisitions of FHLB capital stock, etc.)

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(2) FHLB Capital Stock

a. Aggregate Totals

		Total
1.	Current Year	
	(a) Membership Stock – Class A	.....
	(b) Membership Stock – Class B	.....
	(c) Activity Stock	.....
	(d) Excess Stock	.....
	(e) Aggregate Total (a+b+c+d)	.....
	(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	.....
2.	Prior Year-end	
	(a) Membership Stock – Class A	.....
	(b) Membership Stock – Class B	.....
	(c) Activity Stock	.....
	(d) Excess Stock	.....
	(e) Aggregate Total (a+b+c+d)	.....
	(f) Actual orEstimated Borrowing Capacity as Determined by the Insurer	.....

11B(2)a1(f) should be equal to or greater than 11B(2)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(2)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption 3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	.....	.....	.....	.....	.....	.....
2. Class B	.....	.....	.....	.....	.....	.....

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

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(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total Collateral Pledged			
2. Prior Year-end Total Collateral Pledged			

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3, respectively)

11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3, respectively)

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged			
2. Prior Year-end Total Maximum Collateral Pledged			

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

	Total	Funding Agreements Reserves Established
1. Current Year		
(a) Debt		XXX
(b) Funding Agreements		
(c) Other		XXX
(d) Aggregate Total (a+b+c)		
2. Prior Year-end		
(a) Debt		XXX
(b) Funding Agreements		
(c) Other		XXX
(d) Aggregate Total (a+b+c)		

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b. Maximum Amount during Reporting Period (Current Year)

		Total
1.	Debt	
2.	Funding Agreements	
3.	Other	
4.	Aggregate Total (Lines 1+2+3)	

11B(4)b4 should be equal to or greater than 11B(4)a1(d)

c. FHLB – Prepayment Obligations

		Does the company have prepayment obligations under the following arrangements (YES/NO)?
1.	Debt	
2.	Funding Agreements	
3.	Other	

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The disclosures required for this Note shall be aggregated for all of a reporting entity's defined benefit pension plans and for all of a reporting entity's other defined benefit postretirement plans unless disaggregating in groups is considered to provide useful information or is otherwise required by *SSAP No. 92—Postretirement Benefits Other Than Pensions* or *SSAP No. 102—Pensions*. Disclosures shall be as of the date of each statement of financial position presented. Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, a reporting entity shall disclose:

- The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented.
- The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.

Refer to *SSAP No. 11—Postemployment Benefits and Compensated Absences, SSAP No. 92—Postretirement Benefits Other Than Pensions* and *SSAP No. 102—Pensions* for additional guidance.

Not for Distribution

Instruction:

A. Defined Benefit Plan

Disclose the following regarding a reporting entity sponsoring a Defined Benefit Plan for which the reporting entity is directly liable (i.e., the plan resides directly in the reporting entity):

(1) A reconciliation of beginning and ending balances of the benefit obligation for pension benefits, postretirement benefits, and special or contractual termination benefits showing separately, if applicable, the effects during the period attributable to each of the below. For special or contractual termination benefits see *SSAP No. 11—Postemployment Benefits and Compensated Absences* for additional information.

- Beginning balance
- Service cost
- Interest cost
- Contributions by plan participants
- Actuarial gains and losses
- Foreign currency exchange rate changes
- Benefits paid
- Plan amendments
- Business combinations, divestitures, curtailments, settlements, and special termination benefits
- Ending balance

(2) A reconciliation of beginning and ending balances of the fair value of plan assets for pension benefits, postretirement benefits, and special or contractual termination benefits showing separately, if applicable, the effects during the period attributable to each of the below. For special or contractual termination benefits see *SSAP No. 11—Postemployment Benefits and Compensated Absences* for additional information.

a. Fair value of plan assets at beginning of year
b. Actual return on plan assets
c. Foreign currency exchange rate changes
d. Contributions by the reporting entity
e. Contributions by plan participants
f. Benefits paid
g. Business combinations, divestitures, and settlements
h. Fair value of plan assets at end of year

(3) The funded status of the plans, the amounts recognized in the statement of financial position, showing separately the assets (nonadmitted) and liabilities recognized.

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(4) The amount of net periodic benefit cost recognized for pension benefits, postretirement benefits, and special or contractual termination benefits, showing separately each of the below. For special or contractual termination benefits, see *SSAP No. 11—Postemployment Benefits and Compensated Absences* for additional information.

a. Service cost
b. Interest cost
c. Expected return on plan assets for the period
d. Transition asset or obligation
e. Gains and losses
f. Prior service cost or credit
g. Gain or loss recognized due to a settlement or curtailment
h. Total net periodic benefit cost

(5) Separately the net gain or loss and net prior service cost or credit recognized in unassigned funds (surplus) for the period and reclassification adjustments of unassigned funds (surplus) for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

(6) The amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

(7) On a weighted-average basis, the following assumptions used in accounting for the plans:

- Discount rate
- Rate of compensation increase (for pay-related plans)
- Expected long-term rate of return on plan assets
- Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)

(8) The amount of the accumulated benefit obligation for defined benefit pension plans.

(9) For postretirement benefits other than pensions, the assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges) and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved

(10) The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits should be estimated based on the same assumptions used to measure the company's benefit obligation at the end of the year and should include benefits attributable to estimated future employee service.

(11) The reporting entity's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining (1) contributions required by funding regulations or laws, (2) discretionary contributions, and (3) noncash contributions.

(12) If applicable, the amounts and types of securities of the reporting entity and related parties included in plan assets.

(13) If applicable, any alternative method used to amortize prior service amounts or net gains and losses.

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(14) If applicable, any substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(15) If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.

(16) An explanation of the following information:

- The reasons for significant gains and losses related to changes in the defined benefit obligation for the period.
- Any other significant change in the benefit obligation or plan assets not otherwise apparent in the other required disclosures in this statement.

(17) Reporting entities are required to disclose the accumulated postretirement benefit obligation and the fair value of plan assets for defined postretirement benefit plans in the first reporting period after the effective date of this standard and in each subsequent reporting period. This disclosure shall specifically note the funded/underfunded status of the postretirement benefit plan. Reporting entities shall also specifically note the surplus impact necessary, at each reporting date, to reflect the full benefit obligation within the financial statements.

(18) Reporting entities electing to apply the transition guidance set forth in *SSAP No. 102—Pensions* and *SSAP No. 92—Postretirement Benefits Other Than Pensions* must disclose the full transition surplus impact calculated from applying guidance in the first quarter statutory financial statements after the transition date and each reporting period thereafter. This disclosure shall include the initial "transition liability" calculated under guidance and the annual amortization amount of the "unrecognized items" into net periodic benefit cost. This disclosure shall include a schedule of the entity's anticipated recognition of the remaining surplus impact over the transition period.

See *SSAP No. 102—Pensions* and *SSAP No. 92—Postretirement Benefits Other Than Pensions* for details of the transition guidance.

Information about plan assets:

The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

- How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies.
- The classes of plan assets.
- The inputs and valuation techniques used to measure the fair value of plan assets.
- The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period.
- Significant concentrations of risk within plan assets.

A reporting entity shall consider those overall objectives in providing the following information about plan assets:

B. A narrative description of investment policies and strategies, including target allocation percentages or ranges of percentages considering the classes of plan assets disclosed pursuant to "C" below, as of the latest statement of financial position presented (on a weighted-average basis for reporting entities with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in "C" below, a description of the significant investment strategies of those funds shall be provided.

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C. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. Asset classes shall be based on the nature and risks of assets in a reporting entity's plan(s).

Examples of classes of assets include, but are not limited to, the following:

- Cash and cash equivalents;
- Equity securities (segregated by industry type, company size, or investment objective);
- Debt securities, issued by national, state, and local governments;
- Corporate debt securities;
- Asset-backed securities;
- Structured debt;
- Derivatives on a gross basis (segregated by type of underlying risk in the contract, for example):
  - ❖ Interest rate contracts
  - ❖ Foreign exchange contracts
  - ❖ Equity contracts
  - ❖ Commodity contracts
  - ❖ Credit contracts
  - ❖ Other contracts
- Investment funds (segregated by type of fund);
- Real estate.

These examples are not meant to be all inclusive. A reporting entity should consider the overall objectives in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed.

The disclosure should include information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, a reporting entity shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the reporting entity shall disclose the following information for each class of plan assets disclosed above for each annual period:

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

NOTE: In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement falls in its entirety shall be determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

(2) Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

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D. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in "C" above, as appropriate.

E. Defined Contribution Plans

A reporting entity shall disclose the amount of cost recognized for defined contribution pension and other defined contribution postretirement benefit plans for all periods presented separately from the amount of cost recognized for defined benefit plans. The disclosures shall include a description of the nature and effect of any significant changes during the period affecting comparability, such as a change in the rate of reporting entity contributions, a business combination, or a divestiture.

F. Multiemployer Plans

Disclose the amount of reporting entity contributions to multiemployer plans for each annual period for which a statement of income is presented. A reporting entity may disclose total contributions to the multiemployer plan without desegregating the amounts attributable to pensions and other postretirement benefits. Disclose a description of the nature and effect of any changes affecting comparability, such as a change in the rate of reporting entity contributions, a business combination, or a divestiture. Disclose whether the contributions represent more than 5 percent of total contributions to the plan as indicated in the plan's most recently available annual report.

In addition to the requirements of paragraph above, the following information shall be disclosed:

- Whether a funding improvement plan or rehabilitation plan has been implemented or is pending.
- Whether the reporting entity paid a surcharge to the plan.
- A description of minimum contributions required for future periods, if applicable.
- A qualitative description of the extent to which the employer could be responsible for the obligations of the plan, including benefits earned by employees during employment with another employer.

G. Consolidated/Holding Company Plans

A reporting entity shall disclose that its employees participate in a plan sponsored by the parent company or holding company for which the reporting entity has no legal obligation for benefits under the plan. The amount of pension or postretirement other than pension, postemployment and compensated absence expense incurred and the allocation methodology utilized by the provider of such benefits shall also be disclosed.

H. Postemployment Benefits and Compensated Absences

If an obligation for postemployment benefits or compensated absences is not accrued in accordance with *SSAP No. 11—Postemployment Benefits and Compensated Absences* because the amount cannot be reasonably estimated, that fact and the reasons thereof shall be disclosed.

The nature and effect of significant nonroutine events, such as amendments, combinations, divestures, curtailments and settlements.

Not for Distribution

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

(1) Until an employer is able to determine whether benefits provided by its plan are actuarially equivalent, it shall disclose the following in financial statements for interim or annual periods:

a. The existence of the Act.

b. The fact that measures of the APBO or net periodic postretirement benefit cost do not reflect any amount associated with the subsidy because the employer is unable to conclude whether the benefits provided by the plan are actuarially equivalent to Medicare Part D under the Act.

(2) In the interim and annual financial statements for the first period in which an employer includes the effects of the subsidy in measuring the net postretirement benefit cost, it shall disclose the following:

a. The reduction in the net postretirement benefit cost for the subsidy related to benefits attributed to former employees.

b. The effect of the subsidy on the measurement of net periodic postretirement benefit cost for the current period. That effect includes (1) any amortization of the actuarial experience gain in "a." above as a component of the net amortization called for by *SSAP No. 92—Postretirement Benefits Other Than Pensions*, (2) the reduction in current period service cost due to the subsidy, and (3) the resulting reduction in interest cost on the net postretirement benefit cost as a result of the subsidy.

c. Any other disclosures required by *SSAP No. 92—Postretirement Benefits Other Than Pensions* which requires disclosure of "An explanation of any significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by this statement."

(3) An employer shall disclose gross benefit payments (paid and expected, respectively), including prescription drug benefits, and separately the gross amount of the subsidy receipts (received and expected, respectively).

Illustration:

A. Defined Benefit Plan

The Company sponsors non-contributory defined benefit pension plans covering U.S. employees. As of December 31, 2___, the Company accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 20___ and 20___:

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

(1) Change in benefit obligation

a. Pension Benefits

	Overfunded		Underfunded	
	20__	20__	20__	20__
1. Benefit obligation at beginning of year	$	$	$	$
2. Service cost	$	$	$	$
3. Interest cost	$	$	$	$
4. Contribution by plan participants	$	$	$	$
5. Actuarial gain (loss)	$	$	$	$
6. Foreign currency exchange rate changes	$	$	$	$
7. Benefits paid	$	$	$	$
8. Plan amendments	$	$	$	$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	$	$	$	$
10. Benefit obligation at end of year	$	$	$	$

b. Postretirement Benefits

	Overfunded		Underfunded	
	20__	20__	20__	20__
1. Benefit obligation at beginning of year	$	$	$	$
2. Service cost	$	$	$	$
3. Interest cost	$	$	$	$
4. Contribution by plan participants	$	$	$	$
5. Actuarial gain (loss)	$	$	$	$
6. Foreign currency exchange rate changes	$	$	$	$
7. Benefits paid	$	$	$	$
8. Plan amendments	$	$	$	$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	$	$	$	$
10. Benefit obligation at end of year	$	$	$	$

c. Special Contractual Benefits Per SSAP No. 11

	Overfunded		Underfunded	
	20__	20__	20__	20__
1. Benefit obligation at beginning of year	$	$	$	$
2. Service cost	$	$	$	$
3. Interest cost	$	$	$	$
4. Contribution by plan participants	$	$	$	$
5. Actuarial gain (loss)	$	$	$	$
6. Foreign currency exchange rate changes	$	$	$	$
7. Benefits paid	$	$	$	$
8. Plan amendments	$	$	$	$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	$	$	$	$
10. Benefit obligation at end of year	$	$	$	$

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(2) Change in plan assets

		Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
		20__	20__	20__	20__	20__	20__
a.	Fair value of plan assets at beginning of year	$	$	$	$	$	$
b.	Actual return on plan assets	$	$	$	$	$	$
c.	Foreign currency exchange rate changes	$	$	$	$	$	$
d.	Reporting entity contribution	$	$	$	$	$	$
e.	Plan participants' contributions	$	$	$	$	$	$
f.	Benefits paid	$	$	$	$	$	$
g.	Business combinations, divestitures and settlements	$	$	$	$	$	$
h.	Fair value of plan assets at end of year	$	$	$	$	$	$

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(3) Funded status

		Pension Benefits		Postretirement Benefits	
		20__	20__	20__	20__
a.	Components:				
	1. Prepaid benefit costs	$	$	$	$
	2. Overfunded plan	$	$	$	$
	3. Accrued benefit costs	$	$	$	$
	4. Liability for pension benefits	$	$	$	$
b.	Assets and liabilities recognized				
	1. Assets (nonadmitted)	$	$	$	$
	2. Liabilities recognized	$	$	$	$
c.	Unrecognized liabilities	$	$	$	$

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(4) Components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
		20__	20__	20__	20__	20__	20__
a.	Service cost	$	$	$	$	$	$
b.	Interest cost	$	$	$	$	$	$
c.	Expected return on plan assets	$	$	$	$	$	$
d.	Transition asset or obligation	$	$	$	$	$	$
e.	Gains and losses	$	$	$	$	$	$
f.	Prior service cost or credit	$	$	$	$	$	$
g.	Gain or loss recognized due to a settlement or curtailment	$	$	$	$	$	$
h.	Total net periodic benefit cost	$	$	$	$	$	$

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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.

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	20__	20__	20__	20__
a. Items not yet recognized as a component of net periodic cost – prior year	$_____	$_____	$_____	$_____
b. Net transition asset or obligation recognized	$_____	$_____	$_____	$_____
c. Net prior service cost or credit arising during the period	$_____	$_____	$_____	$_____
d. Net prior service cost or credit recognized	$_____	$_____	$_____	$_____
e. Net gain and loss arising during the period	$_____	$_____	$_____	$_____
f. Net gain and loss recognized	$_____	$_____	$_____	$_____
g. Items not yet recognized as a component of net periodic cost – current year	$_____	$_____	$_____	$_____

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(6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	20__	20__	20__	20__
a. Net transition asset or obligation	$_____	$_____	$_____	$_____
b. Net prior service cost or credit	$_____	$_____	$_____	$_____
c. Net recognized gains and losses	$_____	$_____	$_____	$_____

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. FOR EXAMPLE, ADDITIONAL INFORMATION MAY BE NECESSARY FOR MULTIPLE PLANS AGGREGATED IN THE DISCLOSURE.

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

(7) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:

	20__	20__
a. Weighted-average discount rate	_____	_____
b. Expected long-term rate of return on plan assets	_____	_____
c. Rate of compensation increase	_____	_____
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	_____	_____

Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:

	20__	20__
e. Weighted-average discount rate	_____	_____
f. Rate of compensation increase	_____	_____
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	_____	_____

For measurement purposes, a ___ percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 20__. The rate was assumed to decrease gradually to ___ percent for 20__ and remain at that level thereafter.

(8) The amount of the accumulated benefit obligation for defined benefit pension plans was $ _____ for the current year and $ _____ for the prior year.

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(9) The company has multiple non-pension postretirement benefit plans. The health care plans are contributory, with participants' contributions adjusted annually; the life insurance plans are noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the company's expressed intent to increase retiree contributions each year by ___ percent of the excess of the expected general inflation rate over ___ percent. On December 31, 20__, the company amended its postretirement health care plans to provide long-term care coverage.

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.

(10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Year(s)	Amount
a.	20__	$ _____
b.	20__	$ _____
c.	20__	$ _____
d.	20__	$ _____
e.	20__	$ _____
f.	20__ through 20__	$ _____

(11) The Company does not have any regulatory contribution requirements for 20__, however, the Company currently intends to make voluntary contributions to the defined benefit pension plan of $245 million in 20____.

(17) See implementation guide for *SSAP No. 102—Pensions* for examples of disclosure.

(18) See implementation guide for *SSAP No. 102—Pensions* for examples of disclosure.

C.

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

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
.....	$	$	$	$ .....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
Total Plan Assets	$ _____	$ _____	$ _____	$ _____

NOTE: See the instructions for this illustration for examples of descriptions of plan assets.

E. Defined Contribution Plan

Insurance company employees are covered by a qualified defined contribution pension plan sponsored by the insurance company.

Contributions of ___ percent of each employee's compensation are made each year. The Company's contribution for the plan was $_____ million and $_____ million for 20___ and 20___, respectively. At December 31, 20___, the fair value of plan assets was $_____ million.

Not for Distribution

F. Multiemployer Plans

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

G. Consolidated/Holding Company Plans

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

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

(1) Recognition of the existence of the Act

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

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

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

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

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

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

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

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

(3) Disclosure of Gross Benefit Payments

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

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

Instruction:

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

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

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

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

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

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

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

Not for Distribution

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

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

a. Conversion of preferred stock

b. Employee stock options

c. Stock purchase warrants

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

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

(11) Surplus Notes

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

a. Date issued

b. Description of the assets received

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

d. Par Value (Face Amount of Note)

e. Carrying value of note

f. The rate at which interest accrues

g. Maturity dates or repayment schedules, if stated

h. Unapproved interest and/or principal

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

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

k. Subordination terms

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

m. The repayment conditions and restrictions

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

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

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

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Illustration:

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

(2) The Company has no preferred stock outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

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

* Total should agree with Page 3, Line 28.

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

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

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

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

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

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

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

The _____ (an affiliate) holds $_____ or _____% of the surplus debenture listed as item _____in the above table.

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

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

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

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

(13) The effective date(s) of all quasi-reorganizations in the prior 10 years were _____.

14. Liabilities, Contingencies and Assessments

Instruction:

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

A. Contingent Commitments

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

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

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

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

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

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

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

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

B. Assessments

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

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

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

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

C. Gain Contingencies

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

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

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

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

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

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

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

E. Joint and Several Liabilities

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

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

Not for Distribution

F. All Other Contingencies

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

Illustration:

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

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

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(2)

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

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

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

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(3)

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.) $ .....

b. Current Liability Recognized in F/S:

1. Noncontingent Liabilities $ .....
2. Contingent Liabilities $ .....

c. Ultimate Financial Statement Impact if action under the guarantee is required.

1. Investments in SCA $ .....
2. Joint Venture $ .....
3. Dividends to Stockholders (capital contribution) $ .....
4. Expense $ .....
5. Other $ .....
6. Total (Should equal (3)a.) $ .....

B. Assessments

(1)

Where Amount is Unknown

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

Where Amount is Known (Retrospective Example)

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

Where Amount is Known (Prospective Example)

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

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(2)

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

b. Decreases current year:

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

c. Increases current year: $ .....

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

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

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

C. Gain Contingencies

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

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

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

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

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

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

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

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

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

Not for Distribution

F. All Other Contingencies

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

15. Leases

Instruction:

A. Disclose the following items related to lessee leasing arrangements (refer to *SSAP No. [illegible]ases*):

(1) A general description of the lessee's leasing arrangements including, but [illegible] limited to, the following:

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

b. The basis on which contingent rental payments are det[illegible]rmined.

c. The existence and terms of renewal or purcha[illegible]option[illegible] and escalation clauses.

d. Restrictions imposed by lease agreement[illegible], such as those concerning dividends, additional debt, and further leasing.

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

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

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

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

(3) For sale-leaseback transactions:

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

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

Not for Distribution

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

(1) For operating leases:

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

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

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

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

(2) For leveraged leases:

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

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

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

Illustration:

A. Lessee Operating Lease

(1)

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

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

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

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

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

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B. Lessor Leases

(1) Operating Leases

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

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

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

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

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

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

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

(2) Leveraged Leases

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

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

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

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

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

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

Instruction:

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

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

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

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

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

Illustration:

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

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

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

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

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

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

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

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

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

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

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

Instruction:

A. Transfers of Receivables Reported as Sales

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

(1) The proceeds to the transferor.

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

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B. Transfer and Servicing of Financial Assets

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

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

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

(2) For all servicing assets and servicing liabilities:

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

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

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

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

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

a. The beginning and ending balances.

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

c. Disposals.

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

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

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

a. For each income statement presented:

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

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

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

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

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

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

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

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

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

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

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

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

- The type and amount of support.
- The primary reasons for providing the support.

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

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

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

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

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

- Past due ages at the end of the period.
- Credit losses, net of recoveries, during the period.

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

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

(6) Disclose any transfers of receivables with recourse.

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

a. Securities subject to dollar repurchase agreements.

b. Securities subject to dollar reverse repurchase agreements.

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C. Wash Sales

A reporting entity shall disclose the following information for wash sales, as defined in *SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* involving transactions for securities with an NAIC designation of 3 or below, or that do not have an NAIC designation, excluding all cash equivalents, derivative instruments and short-term investments with credit assessments equivalent to an NAIC 1 or 2 designation. This disclosure shall be included in the financial statements for when the investment was initially sold. For example, if the investment was sold on Dec. 20, 2018, and reacquired on Jan. 10, 2019, the transaction shall be captured in the wash sale disclosure included in the year-end 2018 financial statements. (The disclosures shall be made for the current quarter in the quarterly statement, and for the year in the annual statement.)

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

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

Include

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

Illustration:

A. Transfers of Receivables Reported as Sales

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

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

C. Wash Sales

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

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

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

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

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

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

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

Title Companies should not complete this Note, not applicable.

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

Title Companies should not complete this Note, not applicable.

20. Fair Value Measurements

Instruction:

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

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

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

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

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

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

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

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

c. The amounts of any transfers into or out of Level 3 and the reasons for those transfers. Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.

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

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

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

b. The beginning of the reporting period.

c. The end of the reporting period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The NAV along with a description of the investment/investment strategy of the investee.
- If the investment that can never be redeemed with the investees, but the reporting entity receives distributions through the liquidation of the underlying assets of the investee, the period of time over which the underlying assets are expected to be liquidated by the investees if the investee has communicated the timing to the reporting entity or announced the timing publicly. If the timing is unknown, the reporting entity shall disclose that fact.
- The amount of the reporting entity's unfunded commitments related to investments in the class.
- A general description of the terms and conditions upon which an investor may redeem the investment.
- The circumstances in which an otherwise redeemable investment in the class (or a portion thereof) might not be redeemable (e.g., investments subject to a lock-up or gate). Also, for those otherwise redeemable investments that are restricted from redemption as of the reporting entity's measurement date, the reporting entity shall disclose when the restriction from redemption might lapse if the investee has communicated that timing to the reporting entity or announced the timing publicly. If the timing is unknown, the reporting entity shall disclose that fact and how long the restriction has been in effect.
- Any other significant restriction on the ability to sell investments in the class at the measurement date.
- If a group of investments would otherwise meet the criteria in *SSAP No. 100R—Fair Value* but the individual investments to be sold have not been identified (e.g., if a reporting entity decides to sell 20% of its investments in private equity funds but the individual investments to be sold have not been identified), so the investments continue to qualify for the practical expedient in *SSAP No. 100R—Fair Value*, the reporting entity shall disclose its plans to sell and any remaining actions required to complete the sale(s).

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Illustration:

A.

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(1) Fair Value Measurements at Reporting Date

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

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

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

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

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

Example Footnotes:

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

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

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

(4)

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

Yield: XX percent.

Probability of default: XX percent constant default rate.

Loss severity: XX percent.

Prepayment: XX percent constant prepayment rate.

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

C.

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

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

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D. Not Practicable to Estimate Fair Value

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

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

21. Other Items

Instruction:

A. Unusual or Infrequent Items

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

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

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B. Troubled Debt Restructuring: Debtors

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

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

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

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

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

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

C. Other Disclosures

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

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

D. Business Interruption Insurance Recoveries

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

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

E. State Transferable and Non-transferable Tax Credits

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

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

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

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

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

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F. Subprime-Mortgage-Related Risk Exposure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G. Insurance-Linked Securities (ILS) Contracts

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

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

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

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

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

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Disclose the amount of the aggregate cash surrender value that is within investment vehicles and percentage by the following investment category:

- Bonds
- Stocks
- Mortgage Loans
- Real Estate
- Cash and Short-Term Investments
- Derivatives
- Other Invested Assets *

* Investments in private funds/hedge funds shall be reported as other invested assets

Illustration:

A. Unusual or Infrequent Items

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

B. Troubled Debt Restructuring

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

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

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

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

Not for Distribution

C. Other Disclosures

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

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

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

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

E. State Transferable and Non-transferable Tax Credits

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

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

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

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

(3) Impairment Loss

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

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(4) State Tax Credits Admitted and Nonadmitted

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

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F. Subprime-Mortgage-Related Risk Exposure

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

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

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(3) Direct exposure through other investments.

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

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

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

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

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

G. Insurance-Linked Securities (ILS) Contracts

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

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.

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

(1)	Amount of admitted balance that could be realized that could be realized from an investment vehicle	$ _____
(2)	Percentage Bonds	_____%
(3)	Percentage Stocks	_____%
(4)	Percentage Mortgage Loans	_____%
(5)	Percentage Real Estate	_____%
(6)	Percentage Cash and Short-Term Investments	_____%
(7)	Percentage Derivatives	_____%
(8)	Percentage Other Invested Assets	_____%

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22. Events Subsequent

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

Instruction:

Subsequent events shall be considered either:

Type I – Recognized Subsequent Events:

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

Type II – Nonrecognized Subsequent Events:

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

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

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

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

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

Illustration:

Type I – Recognized Subsequent Events:

Subsequent events have been considered through __/__/__ for the statutory statement issued on __/__/__.

On February 1, 20___, a settlement was reached in a major lawsuit against the Company. In conjunction with the lawsuit, the Company estimated and recorded a liability of $_____ on Line ___ of the Liabilities, Surplus and Other Funds page. The actual settlement amount of $_____ was paid to the plaintiff on February 10. The change will be recorded in the First Quarter Statement on Line ___ of the Statement of Income.

Type I – Nonrecognized Subsequent Events:

Subsequent events have been considered through __/__/__ for the statutory statement issued on __/__/__.

The Company faces loss exposure from the January 15, 20___ earthquake in the State of _____. This exposure is primarily in the Company's property and casualty subsidiaries, but also includes potential losses on its real estate and mortgage loan portfolios. Based on a review of the range of expected loss, the Company does not believe this event will have a material impact on its financial condition.

Not for Distribution

23. Reinsurance

Instruction:

A. Unsecured Reinsurance Recoverables

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

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

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed and Ceded

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

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

D. Uncollectible Reinsurance

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

a. Losses incurred

b. Loss adjustment expenses incurred

c. Premiums earned

d. Other

E. Commutation of Ceded Reinsurance

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

(1) Losses incurred

(2) Loss adjustment expenses incurred

(3) Premiums earned

(4) Other

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F. Retroactive Reinsurance

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

a. Reserves transferred.
   1. Initial Reserves
   2. Adjustments – Prior Year(s)
   3. Adjustments – Current Year
   4. Current Total

b. Consideration paid or received.
   1. Initial Consideration
   2. Adjustments – Prior Year(s)
   3. Adjustments – Current Year
   4. Current Total

c. Paid losses reimbursed or recovered.
   1. Prior Year(s)
   2. Current Year
   3. Current Total

d. Special surplus from retroactive reinsurance.
   1. Initial Surplus Gain or Loss
   2. Adjustments – Prior Year(s)
   3. Adjustments – Current Year
   4. Current Year Restricted Surplus
   5. Cumulative Total Transferred to Unassigned Funds

e. A list of all cedents and reinsurers included in items a through d showing the assumed and ceded amounts.

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

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

G. Reinsurance Accounted for as a Deposit

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

Not for Distribution

H. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

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

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

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

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

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

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

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

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

- Date of downgrade or revocation and jurisdiction of action;
- Collateral percentage requirements pre and post downgrade or revocation;

Net ceded recoverable subject to collateral; and

Additional collateral required but not yet funded by the reporting entity as of the filing date.

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

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Illustration:

A. Unsecured Reinsurance Recoverables

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

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B. Reinsurance Recoverable in Dispute

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

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C. Reinsurance Assumed and Ceded

(1)

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

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

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

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

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D. Uncollectible Reinsurance

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

a.	Losses incurred	$ _____
b.	Loss adjustment expenses incurred	$ _____
c.	Premiums earned	$ _____
d.	Other	$ _____
e.	Company	Amount
	XYZ	$ _____
	ZYX	$ _____

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E. Commutation of Ceded Reinsurance

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

(1)	Losses incurred	$ _____
(2)	Loss adjustment expenses incurred	$ _____
(3)	Premiums earned	$ _____
(4)	Other	$ _____
(5)	Company	Amount
	XYZ	$ _____
	ZYX	$ _____

Not for Distribution

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F. Retroactive Reinsurance

(1)

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

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

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

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

Not for Distribution

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

1. Authorized Reinsurers

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

2. Unauthorized Reinsurers

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

3. Certified Reinsurers

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

Not for Distribution

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

G. Reinsurance Accounted for as a Deposit

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

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

H. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

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

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

a.

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

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

Not for Distribution

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

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

a.

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

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

24. Retrospectively Rated Contracts & Contract Subject to Redetermination

Title Companies should not complete this Note, not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Instruction:

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

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

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

Illustration:

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

26. Intercompany Pooling Arrangements

Title Companies should not complete this Note, not applicable.

Not for Distribution

27. Structured Settlements

Instruction:

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

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

Illustration:

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

A.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
$	$

B.

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

28. Supplemental Reserve

Instruction:

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

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

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

C. The amount of such discount.

Illustration:

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

Not for Distribution

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 nature of any waiver, including any implicit waiver, from a provision of the code of ethics granted by the reporting entity, an affiliate that provides management services to the entity, or the entity's ultimate parent to one of 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.

Not for Distribution

FINANCIAL

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

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

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

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

INVESTMENT

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

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

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

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

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

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

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

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

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

Not for Distribution

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, Part 2, (F) (F), Outsourcing of Critical Functions, Custodial or Safekeeping Agreements), available at the NAIC website:

www.naic.org/documents/committees_e_examover_fehtg_Custodial_or_Safekeeping_Agreements.doc

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

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

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

Name of Firm or Individual:

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

Affiliation:

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

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

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

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

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

Not for Distribution

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 each 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.

Not for Distribution

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.

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

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

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

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

Source of Direct Title Premiums Written

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

Line 1 – Direct Operations

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

Line 2 – Non Affiliated Agency Operations

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

Line 3 – Affiliated Agency Operations

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

Operating Income Summary

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

Line 5 – Premiums Earned

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

Line 6 – Escrow and Settlement Service Charges

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

Line 7 – Title Examinations

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

Line 8 – Searches and Abstracts

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

Not for Distribution

Line 9 – Surveys

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

Line 10 – Aggregate Write-ins for Service Charges

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

Line 11 – Other Operating Income

All years ..... Page 4, Line 2

Line 12 – Total Operating Income

All years ..... Page 4, Line 3

Statement of Income

Line 13 – Net Operating Gain or (Loss)

All years ..... Page 4, Line 8

Line 14 – Net Investment Gain or (Loss)

All years ..... Page 4, Line 11

Line 15 – Total Other Income

All years ..... Page 4, Line 12

Line 16 – Federal and Foreign Income Taxes Incurred

All years ..... Page 4, Line 14

Line 17 – Net Income

All years ..... Page 4, Line 15

Balance Sheet (Pages 2 and 3)

Line 18 – Title Insurance Premiums and Fees Receivable

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

Line 19 – Total Admitted Assets excluding Segregated Accounts

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

Line 20 – Known Claims Reserve

All years ..... Page 3, Line 1

Line 21 – Statutory Premium Reserve

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

Not for Distribution

Line 22 – Total Liabilities

All years ..... Page 3, Line 23

Line 23 – Capital Paid Up

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

Line 24 – Surplus as Regards Policyholders

All years ..... Page 3, Line 32

Cash Flow (Page 5)

Line 25 – Net cash from operations

All years ..... Line 11

Percentage Distribution of Cash, Cash Equivalents and Invested Assets

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

Line 26 – Bonds

All years ..... Page 2, Line 1

Line 27 – Stocks

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

Line 28 – Mortgage Loans on Real Estate

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

Line 29 – Real Estate

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

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

All years ..... Page 2, Line 5

Line 31 – Contract Loans

All years ..... Page 2, Line 6

Line 32 – Derivatives

All years ..... Page 2, Line 7

Line 33 – Other Invested Assets

All years ..... Page 2, Line 8

Line 34 – Receivable for Securities

All years ..... Page 2, Line 9

Not for Distribution

Line 35 – Securities Lending Reinvested Collateral Assets

All years ..... Page 2, Line 10

Line 36 – Aggregate Write-ins for Invested Assets

All years ..... Page 2, Line 11

Line 37 – Subtotals Cash, Cash Equivalents & Invested Assets

All years ..... Page 2, Line 12

Investment in Parent, Subsidiaries and Affiliates

Line 38 – Affiliated Bonds

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

Line 39 – Affiliated Preferred Stock

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

Line 40 – Affiliated Common Stock

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

Line 41 – Affiliated Short-term Investments

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

Line 45 – Total Investment in Parent

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

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

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

Capital and Surplus Accounts

Line 47 – Net Unrealized Capital Gains (Losses)

All years ..... Page 4, Line 18

Line 48 – Change in Nonadmitted Assets

All years ..... Page 4, Line 21

Line 49 – Dividends to Stockholders

All years ..... Page 4, Line 28

Line 50 – Change in Surplus as Regards Policyholders

All years ..... Page 4, Line 31

Not for Distribution

Losses Paid and Incurred

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

Line 51 – Net Payments

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

Line 52 – Losses and Allocated LAE Incurred

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

Line 53 – Unallocated LAE Incurred

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

Line 54 – Losses and Loss Adjustment Expenses Incurred

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

Operating Expenses to Total Operating Income

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

Line 55 – Personnel Costs

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

Line 56 – Amounts Paid To Or Retained By Title Agents

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

Line 57 – All Other Operating Expenses

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

Operating Percentages

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

Line 59 – Losses & Loss Adjustment Expenses Incurred

All years ..... Page 4, Line 4

Line 60 – Operating Expenses Incurred

All years ..... Page 4, Line 5

Line 61 – Other Operating Expenses

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

Line 62 – Total Operating Deductions

All years ..... Page 4, Line 7

Not for Distribution

Line 63 – Net Operating Gain or (Loss)

All years ..... Page 4, Line 8

Other Percentages

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

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

All years ..... Page 4, Line 4

Line 65 – Operating Expenses Incurred to Net Premiums Written

All years ..... Page 4, Line 5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not for Distribution

This page intentionally left blank.

Not for Distribution

Not for Distribution

EXHIBIT OF PREMIUMS AND LOSSES

DIRECT BUSINESS IN THE STATE OF...

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

Column 1 – Number of Policies Issued During the Year

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

Column 2 – Direct Amount of Insurance Written in Millions

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

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

Column 3 – Direct Premiums Written

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

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

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

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

Column 5 – Amounts Paid to or Retained by Title Agents

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

Column 6 – Taxes, Licenses and Fees Incurred

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

Column 7 – Direct Premiums Earned

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

Column 8 – Direct Losses Paid

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

Not for Distribution

Column 9 – Direct Allocated Loss Adjustment Expenses Paid

See instructions for Column 8.

Column 10 – Direct Losses and Allocated Loss Adjustment Expenses Incurred

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

Column 11 – Direct Known Claim Reserve

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

Type of Rate Code

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

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

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

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

Row 4 – Total of Rows 1 through 3.

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

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

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

Lines 1 to 4

Residential Policies and Non-Residential Policies

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

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

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

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

Not for Distribution

Sub-lines

"X.10" – All Other

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

Line 5 – Aggregate Write-In for Line 5

Show business not applicable to Lines 1 to 4.

Details of Write-In at Line 5

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

Not for Distribution

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Not for Distribution

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SCHEDULE E – PART 1D

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

Line 1 – Open Depositories

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

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

Line 2 – Suspended Depositories

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

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

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

Line 9 – Open Depositories, Reinsurance Reserve Funds

Should agree with Schedule E, Part 1C, Column 4 for open depositories.

Line 10 – Suspended Depositories, Reinsurance Reserve Funds

Should agree with Schedule E, Part 1C, Column 4, for suspended depositories.

Line 12 – Open Depositories, Total Company Funds

Should agree with the sum of Lines 1, 4 and 9.

Line 13 – Suspended Depositories, Total Company Funds

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

Line 16 – Total Company Funds on Hand and on Deposit

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

Not for Distribution

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Not for Distribution

Not for Distribution

SCHEDULE F – REINSURANCE

Index to Schedule F

Part 1 – Assumed Reinsurance

Part 2 – Ceded Reinsurance

Part 3 – Provision for Unauthorized Reinsurance

Part 4 – Provision for Reinsurance Ceded to Certified Reinsurers

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

Due Date

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

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

ID Number

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

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

Use of Federal Employer Identification Number

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

Alien Insurer Identification Number (AIIN)

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

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

Not for Distribution

Pool and Association Numbers

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

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

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

Certified Reinsurer Identification Number (CRIN)

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

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

NAIC Company Code

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

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

Domiciliary Jurisdiction

In those parts of Schedule F requiring disclosure of the "Domiciliary Jurisdiction," for each domestic reinsurer or U.S. branch listed, the column should be completed with the state where the reinsurer maintains its statutory home office. For pools and associations, enter the state where the administrative office of such pool or association is located. For alien reinsurers, this column should be completed with the country where the alien is domiciled. Enter the two-character U.S. postal abbreviation for the domiciliary jurisdiction for U.S. states, territories and possessions. A comprehensive listing of three-character (ISO Alpha 3) abbreviations for foreign countries is available in the appendix of these instructions.

Not for Distribution

Lloyd's of London

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

Cessions to Lloyd's under reinsurance agreements having an inception date on or before July 31, 1995, and which are not amended or renewed thereafter should continue to be reported using the collective Lloyd's number, AA-1122000, on an aggregated basis, under "Authorized – Other Non-U.S. Insurers." As respects continuous reinsurance agreements, the anniversary date shall be deemed to be the renewal date of the agreement. Any revision of terms and conditions shall be deemed to be an amendment of the reinsurance agreement.

Cessions to Lloyd's under reinsurance agreements having an inception, amendment or renewal date on or after August 1, 1995, must be reported using the specific number of each subscribing syndicate as listed in the alien section of the NAIC *Listing of Companies*. Such syndicates should be listed individually, under "Authorized – Other Non-U.S. Insurers."

Syndicates for which an identification number does not appear in the NAIC *Listing of Companies* must be treated as unauthorized as respects cessions under reinsurance agreements having an inception, amendment or renewal date on or after August 1, 1995, and should be reported, on an aggregated basis, under "Unauthorized – Other Non-U.S. Insurers," using a new collective number, AA-1123000.

Reinsurance assumed from syndicates at Lloyd's should continue to be reported on Schedule F, Part 1 using the original collective Lloyd's number, AA-1122000.

Dates

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

Aggregation of Companies

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

Determination of Authorized Status

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

Not for Distribution

Captive Affiliate Line Category

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

Definition of Affiliated Non-Traditional Insurer/Reinsurer

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

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.

Not for Distribution

SCHEDULE F – PART 1

ASSUMED REINSURANCE AS OF DECEMBER 31, CURRENT YEAR

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

Group or Category	Line Number
Total Affiliates	
U.S. Intercompany Pooling	0199999
U.S. Non-Pool	
Captive	0299999
Other	0399999
Total	0499999
Other (Non-U.S.)	
Captive	0599999
Other	0699999
Total	0799999
Total Affiliates	0899999
Other U.S. Unaffiliated Insurers – Reinsurance for which the total of Column 5 is less than $50,000	0999998
Total Other U.S. Unaffiliated Insurers*#	0999999
Pools and Associations	
Mandatory Pools	
Reinsurance for which the total of Column 5 is less than $50,000	1099998
Total Pools, Associations or Other Similar Facilities*	1099999
Voluntary Pools	
Reinsurance for which the total of Column 5 is less than $50,000	1199998
Total Pools, Associations or Other Similar Facilities*	1199999
Total Pools and Associations	1299999
Other Non-U.S. Insurers – Reinsurance for which the total of Column 5 is less than $50,000	1399998
Total Other Non-U.S. Insurers*	1399999
Grand Total	9999999

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

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

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

Column 1 – ID Number

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

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

Not for Distribution

Column 4 – Domiciliary Jurisdiction

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

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

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

Column 5 – Reinsurance Assumed Liability

Report the amount of liability assumed from ceding companies.

Column 6 – Assumed Premiums Received

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

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

Report loss adjustment expenses due and payable to the reinsurer.

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

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

Column 9 – Assumed Premiums Receivable

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

Column 10 – Funds Held By or Deposited with Reinsured Companies

The total of Column 10 for 16.0 should agree with Page 2, 16.2, Column 3.

Column 11 – Letters of Credit Posted

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

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

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

Column 13 – Amount of Assets Pledged or Collateral Held in Trust

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

Not for Distribution

SCHEDULE F – PART 2

CEDED REINSURANCE AS OF DECEMBER 31, CURRENT YEAR

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

Group or Category	Line Number
Total Authorized	
Affiliates	
U.S. Intercompany Pooling	0199999
U.S. Non-Pool	
Captive	0299999
Other	0399999
Total	0499999
Other (Non-U.S.)	
Captive	0599999
Other	0699999
Total	0799999
Total Authorized – Affiliates	0899999
Other U.S. Unaffiliated Insurers	0999999
Pools	
Mandatory Pools*	1099999
Voluntary Pools*	1199999
Other Non-U.S. Insurers#	1299999
Total Authorized	1399999
Total Unauthorized	
Affiliates	
U.S. Intercompany Pooling	1499999
U.S. Non-Pool	
Captive	1599999
Other	1699999
Total	1799999
Other (Non-U.S.)	
Captive	1899999
Other	1999999
Total	2099999
Total Unauthorized – Affiliates	2199999
Other U.S. Unaffiliated Insurers	2299999
Pools	
Mandatory Pools*	2399999
Voluntary Pools*	2499999
Total Unauthorized – Other Non-U.S. Insurers#	2599999
Total Unauthorized	2699999

Not for Distribution

Total Certified

Affiliates

U.S. Intercompany Pooling 2799999

U.S. Non-Pool

Captive 2899999
Other 2999999
Total 3099999

Other (Non-U.S.)

Captive 3199999
Other 3299999
Total 3399999

Total Certified – Affiliates 3499999

Other U.S. Unaffiliated Insurers 3599999

Pools

Mandatory Pools*@ 3699999
Voluntary Pools*% 3799999

Other Non-U.S. Insurers# 3899999

Total Certified 3999999

Totals 9999999

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

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

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

Column 1 – ID Number

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

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

Column 4 – Domiciliary Jurisdiction

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

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

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

Not for Distribution

Column 5 – Reinsurance Contracts Ceding 75% or More Direct Premiums Written

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

Exclude: Intercompany reinsurance transactions with affiliates.

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

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

Reinsurance transactions involving captive insurance companies.

Column 6 – Reinsurance Ceded Liability

Report the amount of liability ceded to assuming companies.

Column 7 – Ceded Reinsurance Premiums Paid

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

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

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

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

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

Column 11 – Other Amounts Due to Reinsurers

Both Column 10 and Column 11 are liabilities owed to the reinsurer.

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

Exclude: Funds held by company under reinsurance treaties which are included in Column 13.

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

Column 12 – Net Amount Recoverable from Reinsurers

Should equal Columns 8+9-10-11.

Column 13 – Funds Held By Company Under Reinsurance Treaties

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

Not for Distribution

SCHEDULE F – PART 3

PROVISION FOR UNAUTHORIZED REINSURANCE AS OF DECEMBER 31, CURRENT YEAR

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

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

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

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

Column 1 – ID Number

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

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

Column 4 – Domiciliary Jurisdiction

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

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

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

Not for Distribution

Column 6 – Funds Held by Company under Reinsurance Treaties

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

Column 8 – Issuing or Confirming Bank Name Reference Number

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

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

Column 9 – Ceded Balances Payable

From Schedule F, Part 2, Column 10.

Column 10 – Miscellaneous Balances Payable

From Schedule F, Part 2, Column 11.

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

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

Column 11 – Trust Funds and Other Allowed Offset Items

Report trust funds and other acceptable securities.

Column 13 – Provision for Unauthorized Reinsurance

Amount recorded should not be less than zero.

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

This amount should never be less than zero.

Column 18 – Total Provision for Reinsurance Ceded to Unauthorized Reinsurers

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

Should never be less than zero.

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.

Not for Distribution

Letter of Credit Code:

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

Enter "2" for syndicated letter of credit.

Enter "3" for multiple letters of credit.

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

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

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

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

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

Letter of Credit Issuing or Confirming Bank Name:

Provide the name of each issuing or confirming bank.

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

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

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

Letters of Credit Amount:

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

The sum of the amounts by reference number should equal the amount reported for that reference number in Schedule F, Part 3, Column 7.

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

Not for Distribution

SCHEDULE F – PART 4

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

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

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

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

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

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

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

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

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

Not for Distribution

Column 1 – ID Number

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

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

Column 5 – Certified Reinsurer Rating (1 through 6)

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

Column 6 – Effective Date of Certified Reinsurer Rating

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

Column 7 – Percent Collateral Required for Full Credit (0% – 100%)

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

Column 8 – Net Amount Recoverable from Reinsurers

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

Column 9 – Dollar Amount of Collateral Required

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

Column 10 – Multiple Beneficiary Trust

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

Column 11 – Funds Held by Company Under Reinsurance Treaties

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

Not for Distribution

Column 12 – Letters of Credit

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

Column 13 – Issuing or Confirming Bank Name Reference Number

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

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

Column 14 – Other Allowed Offset Items

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

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

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

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

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

Column 18 – Amount of Credit Allowed for Net Recoverables

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

Issuing or Confirming Bank Detail Table

Issuing or Confirming Bank Name Reference Number:

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

Letter of Credit Code

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

Enter "2" for syndicated letter of credit.

Enter "3" for multiple letters of credit.

Not for Distribution

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

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

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

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

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

Letter of Credit Issuing or Confirming Bank Name:

Provide the name of each issuing or confirming banks

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

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

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

Letters of Credit Amount:

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

The sum of the amounts by reference number should equal the amount reported for that reference number in Schedule F, Part 4, Column 12.

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

Not for Distribution

Not for Distribution

SCHEDULE H – PART 1

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

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

Report each title plant individually.

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

Column 1 – Permanent Identification Number

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

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

Column 2 – Form of Ownership

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

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

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

Column 5 – Date Acquired

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

Column 6 – Actual Cost

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

Not for Distribution

Column 7 – Book Value

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

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

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

Column 8 – Book Value Valuation Basis

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

Column 9 – Increase by Adjustment in Book Value

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

Column 10 – Decrease by Adjustment in Book Value

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

Not for Distribution

SCHEDULE H – PART 2

TITLE PLANTS ACQUIRED DURING THE YEAR

Report individually each title plant acquired during the year.

Column 1 – Permanent Identification Number

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

Column 2 – Form of Ownership

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

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

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

Column 5 – Date Acquired

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

Column 6 – How Acquired

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

Column 7 – Name of Seller

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

Column 8 – Acquisition / Construction Cost to Company During Year

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

Not for Distribution

Column 9 – Book Value at December 31 of Current Year

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

Column 10 – Percentage Ownership as of December 31

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

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

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

Not for Distribution

SCHEDULE H – PART 3

TITLE PLANTS SOLD OR OTHERWISE DISPOSED OF DURING THE YEAR

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

Column 1 – Permanent Identification Number

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

Column 2 – Form of Ownership

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

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

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

Column 5 – Date Sold

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

Column 6 – Name of Purchaser

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

Column 7 – Cost to Company

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

Column 8 – Prior Year Book Value

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

Column 9 – Increase by Adjustment in Book Value During Year

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

Column 10 – Decrease by Adjustment in Book Value During Year

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

Not for Distribution

Column 11 – Book Value at Date of Sale

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

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

Column 12 – Consideration

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

Column 13 – Profit and (Losses) on Sale

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

Not for Distribution

SCHEDULE H

VERIFICATION BETWEEN YEARS

Line 1 – Book Value, December 31, Prior Year

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

Line 2 – Increase by Adjustment in Book Value

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

Line 3 – Cost of Acquisition

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

Line 4 – Total

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

Line 5 – Decrease by Adjustment in Book Value

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

Line 6 – Consideration Received on Sales

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

Line 7 – Net Profit (Loss) on Sales

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

Line 8 – Book Value, December 31, Current Year

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

Not for Distribution

SCHEDULE H – PART 4

TOTAL TITLE ASSETS HELD DIRECTLY OR BY SUBSIDIARIES

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

Line 2 – Title Plant Assets Held By Subsidiaries

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

Not for Distribution

Not for Distribution

SCHEDULE P

There are five parts and the interrogatories within Schedule P. Part 1 provides detailed information on losses and loss expenses. Part 2 provides a history of incurred losses and loss expenses on a policy year basis. Part 3 provides a history of incurred losses and loss expenses on a report year basis. Part 4 provides a history of claim counts on a policy year basis. Schedule P Interrogatories provides for additional calculation and explanation of various amounts. Part 5 provides a history of claim counts on a report year basis. If the company is unable to provide any part of the data required in Schedule P for years prior to 1994, the company must obtain a letter of waiver from its domiciliary commissioner. A copy of this letter must be included with the company's annual statement. Data for 1994 and subsequent should be provided in complete detail except for unallocated loss adjustment expenses (ULAE) that should be in complete detail for 1996 and subsequent.

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

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

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

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

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

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

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

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

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

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

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

Not for Distribution

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

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

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

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

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

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

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

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

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

Report all dollar amounts in Schedule P in thousands of dollars (S000 omitted), either by rounding or truncating. All claim counts are to be shown in whole numbers.

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

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

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

Not for Distribution

SCHEDULE P – PART 1

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not for Distribution

Column 2 – Direct Written Premium

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

Column 4 – Other Income

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

Column 17 – Direct Known Claim Reserve

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

Column 23 – Unallocated loss Adjustment Expense Unpaid

Line 12 should equal Operations and Investment Exhibit, Part 3, Line 25, Column 1.

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

Amounts used in this calculation should be in whole dollars.

Line 12 – Total

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

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

Not for Distribution

SCHEDULE P – PART 1A – POLICIES WRITTEN DIRECTLY

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

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

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

Column 2 – Direct Written Premium

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

SCHEDULE P – PART 1B – POLICIES WRITTEN THROUGH AGENTS

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

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

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

Column 2 – Direct Written Premium

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

SCHEDULE P – PART 2

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

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

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

SCHEDULE P – PART 2A

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

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

Not for Distribution