



# MEMORANDUM

Date: February 2, 2016

To: Laura N. Cali  
TK Keen

From: Jeannette Holman

Subject: Adoption of 2015 Annual Statement Blanks and Instructions Established by the National Association of Insurance Commissioners (NAIC).

**Explanation:** The amendments to this rule adopt the blanks and instructions established by the NAIC for the annual statements and annual statement supplements for use for reporting year 2014. Under ORS 731.574, the director is required to consider and is authorized to prescribe the annual statement blanks or other form established by the NAIC, including NAIC instructions for completing the blanks. The rule currently reflects the adoption in 2015 of blanks and instructions for the 2014 reporting year and this reference must be changed to 2015. References to current blanks and instructions are necessary because the blanks and instructions change every year. A technical change to correct references to the Insurance Division is also included in the final rule.

The NAIC annual statement and supplement blanks are the standard financial reporting forms used by insurers throughout the United States. The rule needs to be amended annually to adopt and prescribe the appropriate annual statement and supplement blanks and applicable instructions most recently established by the NAIC. This amendment to the rule accomplishes this purpose for 2015. These rules simply remove the now obsolete reference to the 2014 reporting year and replace it with “2015” to signify the applicable instructions and blanks for reporting as of January 1, 2016.

The instructions impose various accounting and reporting requirements. Adoption of the blanks and instructions by reference will give their requirements the force of rule and will assure insurers that Oregon's reporting requirements are current and consistent with those of other states. Failure to prescribe the most current and applicable blanks and instructions will cause confusion among insurers because continued use of the prior year's forms and instructions would be inconsistent with requirements of other states and would be inappropriate because the references in the blanks and instructions will not refer to the year to be reported.

**Reaction Received:** We received no external comments on this rulemaking.

**Recommended action:** Adopt rule as proposed with changes related to the name of the Insurance Division.

**Fiscal impact:** The changes in the blanks and instructions are not expected by themselves to impose any significant costs on insurers. To the extent that insurers incur increased costs because of changes in the blanks and instructions adopted by reference in this rulemaking, the costs are not owing to this rulemaking alone. Rather, the costs reflect the costs of transacting insurance in the United States because the annual statements and related reporting standards are required in each state in which an insurer does business.