STRUCTURED SECURITIES (SSAP No. 43R) FLOW CHART

Does the security meet the definition of 43R?

Yes

Are these securities considered “Exempt Obligations” for purposes of determining AVR and RBC?

No

Is the security modeled?

Yes

Follow instructions for modeled securities

No

Go to B

Is this security an Equipment Trust Certificate, Credit Tenant Lease, IO or rated by the SVO?

No

Follow instructions for Modified FE

Yes

Does this security have a designation assigned by the SVO?

Yes

Use the SVO assigned designation

No

Is this security rated by an ARO?

Yes

Convert ARO rating into NAIC designation in accordance with Part Two, Section 4(d), (i) of the SVO P&P Manual

No

Is this security a new purchase? (120 day rule)

Yes

Use this designation with an FE suffix

No

Apply the 5*/6* Rule in accordance with Part Two, Section 5(f)-(g) of the SVO P&P Manual

Report NAIC 1 designation (no suffix) in accordance with Part Six, Section 2(e) of the SVO P&P Manual

Follow instructions for Modified FE

Go to A
SECURITIES SUBJECT TO MODIFIED FILING EXEMPT PROCESS

A

No

Is this security a new purchase? (120 day rule)

No

Apply the 5*/6* Rule in accordance with Part Two, Section 5(f)-(g) of the SVO P&P Manual

Yes

Use Insurance Company's internal rating with a Z Suffix

Yes

Convert ARO rating into NAIC designation in accordance with Part Two, Section 4(d), (i) of the SVO P&P Manual

No

Is the converted rating a 1 or a 6?

No

Using the converted ARO rating (2-5), apply amortized cost to the MFE pricing matrix to obtain the initial designation

Yes

Report the NAIC 1 using amortized cost as B./A.C.V. with FE suffix. Report the NAIC 6 using lower of amortized cost or fair value as B./A.C.V. with FE suffix

Yes

Do you maintain an AVR?

Yes

Is the initial designation a 1-5?

No

Is the initial designation a 1 or 2?

No

Determine lower of amortized cost or fair value. Is the amount amortized cost?

Yes

Report as Final designation using amortized cost as B./A.C.V. with AM Suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with AM suffix

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?
SECURITIES SUBJECT TO MODELING

B

Obtain modeled breakpoint values from vendors

Does the modeled result expect zero losses in all scenarios?

Yes

No

Apply amortized cost to the breakpoint values assigned to the six NAIC designations for each CUSIP to obtain the initial designation

No

Do you maintain an AVR?

Yes

Is the initial designation a 1 or 2?

No

Is the initial designation a 1-5?

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report the NAIC 1 using amortized cost as B./A.C.V. with FM suffix

Yes

Report as Final designation using amortized cost as B./A.C.V. with FM Suffix

No

Yes

Determine lower of amortized cost or fair value. Is the amount amortized cost?

No

Report as Final designation using amortized cost as B./A.C.V. with FM suffix

Yes

Apply fair value to the breakpoint values to determine Final NAIC Designation

Yes

No

Report final designation using fair value as B./A.C.V. with FM suffix

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