

Greetings PortMan customers,

May these words find you healthy and well!

We're writing today to inform you that the NAIC mandated some significant changes that take effect at the end of the first quarter. The main changes to the requirements involve changing the Category Line numbers throughout Schedule D, DA and E part 2.

Here's what we'll need you to do: Completely process March using your current 2022.01.18 version of PortMan. Once you've finished processing March, update PortMan to the 2022.04.11 version. The new PortMan update will automatically reconfigure the lines numbers in the database when first started. At that point you can export to the Quarterly Statement software and run Quarterly reports.

The April update will be available early in the week of April 11. You will be notified that there is an update available when you start PortMan, but you are to choose **NO** to the Update question until you have processed all of your March transactions.

Again, process all of Quarter 1 with the 2022.01.18 version of PortMan, then update PortMan to version 2022.04.11 (or higher) and create your Quarterly export file and reports.

For your convenience we have included the release notes for 2022.04.11 below. Please read through the notes to familiarize yourself with the changes.

Thanks for working with us!

PORTMAN

Release Notes

Version 2022.4.11

Build Date: 4/8/2022

NAIC Regulatory Change [2020-35BWG MOD](#)

Expand the number of characters used from seven to ten in the investment line categories for Schedules D, DA, DL and E excluding Schedule D, Part 6 (Sections 1 and 2) and Schedule E (Part 1 and 3). Add line categories for Unaffiliated Certificates of Deposit and Exchange Traded Funds. Split the line categories for Mutual Funds, Investment Unit Trusts and Closed-End Funds into lines indicating if the fund has been assigned a designation by the SVO or not. Make changed to Summary Investment Schedule, Summary by Country and Schedule D, Part 1A (Sections 1 and 2) to reflect the additional line categories.

DATA ENTRY SCREEN MODIFICATION (Bonds, CMO, MBS, Stock, Short term, Cash Equivalent)

- The top section of each of the investment screens have been changed as shown below.

Cusip : 001055-AD-4 Lot: 2 ISIN: Category : BN Disposal State:
Name : AFLAC Inc 6.9% G/L Definition : 1 Bonds
* NAIC Category : 110 * NAIC Line : 101
Industrial and Miscellaneous (Unaffiliated) Issuer Obligations
* Issuer Sovereignty: US * Country Issued In: US * NAIC Foreign: * Currency:

More specifically in the prior version the user was to select an NAIC Type from a list of 739 choices. This list was long and confusing

Name : AFLAC Inc 6.45%
* Type : 3201999 US Ind & Misc Issuer Obligations
Currency Denomination:

- Under the new format users will
 - select a line category from a list of 11 choices.
 - Based on the category selection the user will select the naic line number from a list of 4-6 choices.
 - Further selection for State or Country may then be required
- NAIC Foreign** – this is a data element that in the past was calculated and there was no way for the user to input. A new field has been added to allow the user to see the foreign code. The software will choose the best selection based on Issuer Sovereignty, Country Issued In, and currency denomination. The user can assign a value regardless of what the software believes should be there.
- Issuer Sovereignty** and **Country Issued In** have been moved to page 1 (from Page 2)
- Descriptions* – Various code fields on the screens have descriptions following them. For instance, in the NEW screen clip above, under NAIC Category, you see “*Industrial and Miscellaneous (Unaffiliated) Issuer Obligation*”. These descriptions are now table driven and provided by a new library.

SYSTEM PREFERENCES

A system preference was added on the Report Settings tab to manage the format of the description displayed for the NAIC Category, NAIC Line Number, political sub or country name.

NAIC Detail Description Format
 Include Political Sub name
Include No Foreign/Canadian Country Name

QUARTERLY STATEMENT EXPORT

- Modified library to export changes to NAIC Line numbers.
- Export files sent for testing to various NAIC Annual Statement vendors, results were confirmed and approved

REPORT MODIFICATIONS

A significant number of changes were needed for reports under the new numbering system. The following reports have been modified

- Acquired Bond Summary
- Acquired Cash Equivalent
- Acquired Short Term
- Acquired Stock Summary
- Active Bond Summary
- Active CMO / MBS Summary
- Active Spreadsheet
- Active Stock Summary
- Amortization by Month
- Amortization by Year
- AVR Report
- Book Value Reconciliation
- Detail report(Investment)
- Disposed Bond Summary
- Disposed Cash Equivalent
- Disposed Short Term
- Disposed Stock Summary
- Due and Accrued report
- Earned Spreadsheet
- Exhibit of Capital Gains
- Exhibit of Net Investment Income
- IMR Report
- Interest Earned
- Investment Income
- Market Value Report
- Period Comparison
- Quarterly Acquired
- Quarterly Disposed
- Quarterly Schedule D Part 1B
- Schedule D Part 1 (working)
- Schedule D Part 1 By GL
- Schedule D Part 1A Section 1
Quality and Maturity distribution
- Schedule D Part 1A Section 2
Maturity distribution
- Schedule D Part 2 Sec 1 (working)
- Schedule D Part 2 Sec 1 By GL
- Schedule D Part 2 Sec 3 (working)
- Schedule D Part 2 Sec 3 By GL
- Schedule D Part 3 (working)
- Schedule D Part 3 By GL
- Schedule D Part 4 (working)
- Schedule D Part 4 By GL
- Schedule D Part 5 (working)
- Schedule D Part 5 By GL
- Schedule DA Part 1 (Active Short
Term)
- Schedule E Part 2 (Active Cash
Equivalent)
- Securities by Sovereign rating
- Structured Securities held per NAIC
list
- Structured Securities held per NAIC
Type
- Summary By Country
- Unrealized Gain & Loss

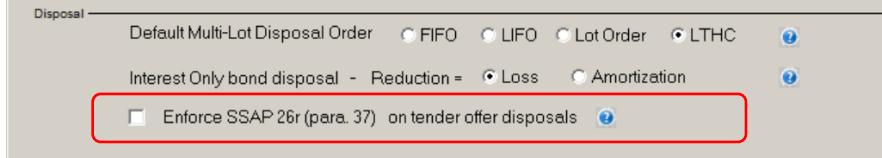
NAIC REGULATORY CHANGE

- The NAIC has published an updated list of valid NAIC designations for 2022 Quarterly reporting. The link to the NAIC page follows: [VALID DESIGNATION CHANGE](#)

Additional Changes

SYSTEM PREFERENCES

- A system preference was added on the Income/Disposal tab for Tender offer disposals. This will allow the user to elect to follow the July 30, 2020 non-substantive revisions of SSAP 26R, Para 37. Click the help icon on the field or read SSAP 26r in the NAIC Accounting Practices and Procedures manual



IMR

- IMR Yield calculation modified to reassess yield when Pre-Payment acceleration fee need to be factored into IMR the equation.

AVR

- Modified the report to assign Common Stock, which are SVO approved for Part 1, to the bond section, based on the assigned designation.

SSAP 43R Designations

- Modified the available choices to allow the admin symbol to remain un-Assigned. This was done to comply with the [NAIC Purposes and Procedures memorandum](#)

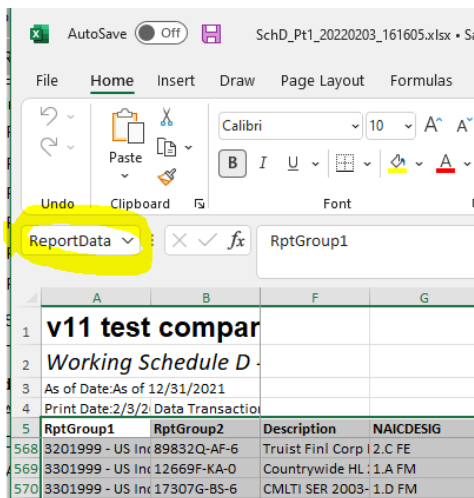
QUARTERLY STATEMENT EXPORT

- Modified library to allow the export based on the annual statement changes to NAIC Line numbers. This mod was added to allow users to run the Quarterly export during Q4 of 2021. Future versions will be modified further to address Quarterly reporting for 2022.

REPORTS

General

- When reports are exported to excel, they will now contain a Named Range called "ReportData". You can use this named range to quickly select all of the data from the report while excluding the first 4 header records.



- Corrected a bug which prevented Excel from opening. This issue occurred when a date is passed to excel that only has two digits in the year. The result is/was a trade date or 3//15/18 would be passed as 03/15/0018 (rather than 2018). Excel won't allow that year and therefore dies on the attempt to open the report. Now the date will be manually adjusted and exported with the century elements.

Exhibit of Net Invested Income

- Corrected an issue which prevented PPAF Income from being counted toward the report values.