

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION, BUREAU OF INSURANCE
SECTION 38.2-1446 REPORT**

ASSETS PLEDGED, HYPOTHECATED OR ENCUMBERED* NAIC Co. Code: _____

(All citations are to Chapter 14 of Title 38.2 of the Code of Virginia unless otherwise indicated.)

PART A: Filing Instructions

1. A Section 38.2-1446 Report (Report) shall accompany each annual statement of financial condition filed by any domestic insurer pursuant to § 38.2-1300 of the Code of Virginia. A Report shall also be filed by an insurer requesting approval for a §38.2-1446 transaction. Although domestic insurers must report all pledges to the Commission within ten days after the insurer pledges, hypothecates or otherwise encumbers any of its assets, this particular report form is not required unless specifically requested by the Commission. This report is being filed with (check one):

_____ an Annual Statement. _____ a Prior Approval Application. _____ a Ten Day Report. _____ Other filing.

2. If this Report is part of an annual or quarterly statement filing, all figures reported in Part B shall be as of the end of the most recent quarter and should agree with the information filed in the applicable quarterly or annual statement. If Admitted Assets, Reserve Liabilities, or Surplus to Policyholders are less than as reported in the insurer's most recently filed annual or quarterly statement, check here: _____ and attach a statement of explanation.

*Note: The terms "pledged," "hypothecated" and "encumbered" have different connotations but are used interchangeably in this report. "Pledged" assets include those given or held as security; "hypothecated" assets may be pledged without the transfer of title or possession; "encumbered" assets include those burdened by another's claim of title, interest or right. For purposes of this Report, such assets do not include, for assuming insurers, assets pledged, hypothecated or encumbered in conformity with the provisions of § 38.2-1447. Further questions concerning this Report may be addressed to the Financial Regulation Division of the SCC Bureau of Insurance.

PART B: Asset Tests

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|-----------|--|--------------------|----------|
| 1a. | Admitted Assets as of ____/____/____ | _____ | |
| 1b. | Hypothecated assets | _____ | |
| 1c. | Unencumbered Admitted Assets (line 1a - 1b) | _____ | \$ _____ |
| 2a. | Total Reserve Liabilities (See § 38.2-1401) | _____ | |
| 2b. | Insurer's Minimum Capital & Surplus (See § 38.2-1401) | _____ | |
| 2c. | Required Minimum Unencumbered Assets (line 2a + line 2b) | _____ | \$ _____ |
| 3. | Liability Test for Hypothecation (line 1c - line 2c) | _____ | \$ _____ |
| 4a. | Surplus to policyholders | _____ | |
| 4b. | Line 1b: Hypothecated Assets | _____ | |
| 4c. | Surplus Test for Hypothecation (line 4a - line 4b) | _____ | \$ _____ |
| 5a. | 5% of Admitted Assets (0.05 x line 1a) | _____ | |
| 5b. | Line 1b: Hypothecated Assets | _____ | |
| 5c. | Assets Test for Hypothecation (line 5a - line 5b) | _____ | \$ _____ |
| 6. | Is line 1b greater than -0-? | Yes _____ No _____ | |
| | If the answer is "Yes", complete the attached § 38.2-1446 Exhibit. | | |
| 7. | Is the amount at lines 3, 4c, or 5c less than -0-? | Yes _____ No _____ | |
| | If the answer is "Yes", attach a copy of the Commission's letter of recognition and approval authorizing encumbrance in excess of the limits set by § 38.2-1446. | | |

PART C: Affidavit

Dated and signed this _____ day of _____, 20____ at _____.

_____, being duly sworn according to law, deposes and says that the
(Name of Officer)

answers to the questions and the declarations contained in this report are true and correct and, further, as of the date of this filing,

(i) title to assets in an amount equal to the reserve liability and minimum capital and surplus of the insurer that are not pledged, hypothecated or otherwise encumbered is vested in the insurer,

(ii) the only assets of the insurer that are pledged, hypothecated or otherwise encumbered are as identified and reported in this report, and no other assets of the insurer are pledged, hypothecated or otherwise encumbered, and

(iii) the terms and limitations of any such transaction of pledge, hypothecation or encumbrance are as reported in the insurer's § 38.2-1446 Exhibits, Prior Approval Applications and Ten-Day Reports on file with the Commission, according to the best of his/her knowledge and belief.

(Signature of Officer)

(Title)

