

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

CONTACT PERSON: _____ TELEPHONE: _____ EMAIL ADDRESS: _____ ON BEHALF OF: _____ NAME: <u>Dale Bruggeman</u> TITLE: <u>Chair SAPWG</u> AFFILIATION: <u>Ohio Department of Insurance</u> ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u>	DATE: <u>10/15/2018</u>	FOR NAIC USE ONLY
	Agenda Item # <u>2018-30BWG MOD</u> Year <u>2019</u> Changes to Existing Reporting [X] New Reporting Requirement []	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT
	No Impact [X] Modifies Required Disclosure []	DISPOSITION
	[] Rejected For Public Comment [] Referred To Another NAIC Group [] Received For Public Comment [X] Adopted Date <u>04/06/2019</u> [] Rejected Date _____ [] Deferred Date _____ [] Other (Specify) _____	

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input checked="" type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS |
| <input type="checkbox"/> QUARTERLY STATEMENT | <input type="checkbox"/> BLANK | |
| <input checked="" type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Title |
| <input checked="" type="checkbox"/> Property/Casualty | <input type="checkbox"/> Protected Cell | <input type="checkbox"/> Other _____ |
| <input checked="" type="checkbox"/> Health | <input type="checkbox"/> Health (Life Supplement) | |

Anticipated Effective Date: Annual 2019

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify instructions and illustration Note 100 (SCA Loss Tracking) to include references to *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* and SSAP No. 48 entities.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of this proposal include loss tracking disclosures from *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* adopted by the Statutory Accounting Principles (E) Working Group in Note 100 (SCA Loss Tracking).

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

NOTES TO FINANCIAL STATEMENTS

Detail Eliminated To Conserve Space

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 100 should also be completed of SSAP No. 48 entities. The disclosures shall include:

- A. The nature of the relationship involved.

Detail Eliminated To Conserve Space

O. SCA and SSAP 48 Entity Loss Tracking

A reporting entity whose share of losses in an SCA or SSAP 48 entity exceeds its investment in the SCA or SSAP 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 48 entity.) The disclosure shall apply beginning in the period the SCA or SSAP 48 entity investment initially falls below zero and shall continue to be disclosed as long as the SCA or SSAP 48 entity investment is in a deficit position. Tracking shall cease once the investment in an SCA or SSAP 48 entity has been in a surplus position for one annual reporting period.

This disclosure shall include:

- The name of the SCA or SSAP 48 entity
- The reporting entity's current period share of SCA or SSAP 48 entity net income (loss)
- The reporting entity's accumulated share of SCA or SSAP 48 entity losses not recognized during the period that the equity method was suspended
- The reporting entity's share of the SCA or SSAP 48 entity equity, including negative equity
- Whether a guaranteed obligation or commitment for financial support exists
- The SCA or SSAP 48 entity's reported value

Additionally, the reporting entity shall detail in a narrative disclosure whether losses in the SCA or SSAP 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*.

This page intentionally left blank.