

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>02/28/2018</u>	FOR NAIC USE ONLY		
	Agenda Item # <u>2018-08BWG MOD</u> Year <u>2018</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [X] New Reporting Requirement <input type="checkbox"/> []			
	REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT			
	No Impact <input checked="" type="checkbox"/> [X] Modifies Required Disclosure <input type="checkbox"/> []			
	DISPOSITION			

BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT | <input type="checkbox"/> QUARTERLY STATEMENT | |
| <input checked="" type="checkbox"/> INSTRUCTIONS | <input type="checkbox"/> CROSSCHECKS | <input type="checkbox"/> BLANK |
| <input checked="" type="checkbox"/> Life and Accident & Health | <input checked="" type="checkbox"/> Property/Casualty | <input checked="" type="checkbox"/> Health |
| <input type="checkbox"/> Separate Accounts | <input checked="" type="checkbox"/> Fraternal | <input checked="" type="checkbox"/> Title |
| <input type="checkbox"/> Other Specify | | |

Anticipated Effective Date: Annual 2018

IDENTIFICATION OF ITEM(S) TO CHANGE

Modify the instructions and illustration for Note 3A to reflect disclosure changes being adopted by the Statutory Accounting Principles (E) Working Group. The new table for will be data captured

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

The purpose of this proposal is to modify Note 3, Business Combinations and Goodwill to reflect changes to *SSAP No. 68—Business Combinations* being adopted by the Statutory Accounting Principles (E) Working Group.

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

3. Business Combinations and Goodwill

Instruction:

A. Statutory Purchase Method

For business combinations accounted for under the statutory purchase method, disclose the following for as long as unamortized goodwill is reported as a component of the investment:

- ~~(1)~~—The name and brief description of the acquired entity;
- ~~(2)~~—Method of accounting, that is, the statutory purchase method;
- ~~(3)~~—Acquisition date, Cost—cost of the acquired entity and the original amount of admitted goodwill; and
- ~~(4)~~—The amount of amortization of goodwill recorded for the period; the admitted goodwill as of the reporting date, and admitted goodwill as a percentage of the SCA’s book adjusted carrying value (gross of admitted goodwill).



Detail Eliminated To Conserve Space

Illustration:

A. Statutory Purchase Method

~~(1)~~—The Company purchased 100% interest of XYZ Insurance Company on 6/30/__. XYZ Insurance Company is licensed in 49 states and sells workers’ compensation products exclusively.

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THESE ILLUSTRATIONS.

~~(2)~~—The transaction was accounted for as a statutory purchase, and reflects the following:-

1 Purchased entity	2 Acquisition date	3 Cost of acquired entity	4 Original amount of admitted goodwill	5 Admitted goodwill as of the reporting date	6 Amount of goodwill amortized during the reporting period	7 Admitted goodwill as a % of SCA BACV, gross of admitted goodwill
.....	\$	\$	\$	\$%
.....	\$	\$	\$	\$%
.....	\$	\$	\$	\$%
.....	\$	\$	\$	\$%
.....	\$	\$	\$	\$%

(3) The cost was \$ _____, resulting in goodwill in the amount of \$ _____.

(4) Goodwill amortization relating to the purchase of XYZ Insurance Company was \$ _____ for the year ended 12/31/____.

Detail Eliminated To Conserve Space

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