NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

		FOR NAIC USE ONLY			
	DATE: 01/14/2020	Agenda Item # <u>2020-08BWG</u>			
CONTACT PERSON:		Year 2020			
TELEPHONE:		Changes to Existing Reporting [X] New Reporting Requirement []			
EMAIL ADDRESS:		REVIEWED FOR ACCOUNTING			
EWAIL ADDRESS.		PRACTICES AND PROCEDURES IMPACT			
ON BEHALF OF:		No Impact [X] Modifies Required Disclosure []			
NAME:	Dale Bruggeman	DISPOSITION			
TITLE:	Chair SAPWG	[] Rejected For Public Comment			
AFFILIATION:	Ohio Department of Insurance	[] Referred To Another NAIC Group [X] Received For Public Comment			
ADDRESS:	50W. Town St., 3 rd Fl., Ste. 300	[] Adopted Date [] Rejected Date			
	Columbus, OH 43215	Deferred Date Other (Specify)			
	Columbus, Off 45215	[] Other (speerly)			
	BLANK(S) TO WHICH PROPOSAL	APPLIES			
[X] ANNUAL STA [] QUARTERLY		[] CROSSCHECKS			
[X] Life, Accident & Health/Fraternal [] Separate Accounts [X] Title [X] Property/Casualty [] Protected Cell [] Other					
. ,		,			
Anticipated Effective Dat	e: Annual 2020				
	IDENTIFICATION OF ITEM(S) TO	CHANCE			
	. ,				
	tion for 10C to the Notes to Financial Statement sting 10C into 1B instructions and illustration narra				
R	REASON, JUSTIFICATION FOR AND/OR BEN	EFIT OF CHANGE**			
The numera of this prepa	egal is to reflect the displaying addition for SSAD No.	25 Affiliates and Other Polated Parties being			
	osal is to reflect the disclosure addition for SSAP Not Accounting Principles (E) Working Group.	. 23—Ayıttates and Other Related Parties being			
-					
	NAIC STAFF COMMENTS	5			
Comment on Effective Re	eporting Date:				
	France Succession				
Other Comments:					
Proposal is being expose Working Group	ed concurrently with the changes being considered	ed by the Statutory Accounting Principles (E)			
** This section must be	e completed on all forms.	Revised 7/18/2018			

2020-08BWG.doc

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL, HEALTH, PROPERTY AND TITLE

NOTES TO FINANCIAL STATEMENTS



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 SCAs under SSAP No. 97, but the disclosure for 10O should also be completed of SSAP No. 48 entities. The disclosures shall include:

- A. The nature of the relationship involved.
- B. A description of the transactions for each of the periods for which financial statements are presented, and such other information considered necessary to obtain an understanding of the effects of the transactions on the financial statements. Exclude reinsurance transactions, any non-insurance transactions that are less than ½ of 1% of the total admitted assets of the reporting entity, and cost allocation transactions. The following information shall be provided if applicable:
 - (1) Date of transaction;
 - (2) Explanation of transaction;
 - (3)—Name of reporting entity;
 - (4)—Name of affiliate;
 - (5)—Description of assets received by reporting entity;
 - (6)—Statement value of assets received by reporting entity;
 - (7)—Description of assets transferred by reporting entity; and
 - (8)—Statement value of assets transferred by reporting entity.
- C. The dollar amounts of transactions for each of the periods for which financial statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period.
- C. Transactions with related party who are not reported on Schedule Y

A reference number should be provided each transaction with the related party to be used in the tables for the disclosures below. In each disclosure the transaction for each related party should be reported together and not separated by other transactions with other related parties.

Example: Company A has three separate transaction with Related Party B. All of transactions with Related Party B would be reported together on three consecutive rows of the disclosure table before reporting transaction with the next related party.)

(1) Detail of material related party transactions

- Date of transaction
- Name of related party
- Nature of relationship

Options for type of transaction:

- Loan
- Exchange of assets or liabilities (e.g., buys, sells and secured borrowing transactions)
- Management services
- Cost-sharing agreement
- Other transactions involving services
- ◆ Guarantee (e.g., guarantees to related parties, on behalf of, and when beneficiary is related party)
- Other
- Type of transaction
- Written agreement (Yes/No)
- Due date
- Reporting period date amount due from (to)

(2) Detail of material related party transactions involving services

- Name of related party
- Overview description
- Amount charged
- Amount based on allocation of costs or market rates
- Amount charged modified or waived (Yes/No)

(3) Detail of material related party transactions involving exchange of assets and liabilities

- Name of related party
- Overview description
- Description of assets received
- Description of assets transferred
- Statement value of assets received
- Statement value of assets transferred
- Have terms changed from preceding period? (Yes/No)

- (4) Detail of amounts owed to/from a related party
 - Name of related party
 - Aggregate reporting period amount due from
 - Aggregate reporting period amount due to
 - Amount offset in financial statement (if qualifying)
 - Net amount recoverable/(payable) by related party
 - Admitted recoverable
- D. Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.
- E. Any guarantees or undertakings, written or otherwise, shall be disclosed in Note 14, Liabilities, Contingencies and Assessments, in accordance with the requirements of SSAP No. 5R Liabilities, Contingencies and Impairments of Assets. In addition, the nature of the relationship to the beneficiary of the guarantee or undertaking (affiliated or unaffiliated) shall also be disclosed.
- FE. A description of material management or service contracts and cost-sharing arrangements involving the reporting entity and any related party. This shall include, but is not limited to, sale lease-back arrangements, computer or fixed asset leasing arrangements, and agency contracts that remove assets that may otherwise be recorded (and potentially nonadmitted) on the reporting entity's financial statements.
- F. Any guarantees or undertakings, written or otherwise, shall be disclosed in Note 14, Liabilities, Contingencies and Assessments, in accordance with the requirements of SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets. In addition, the nature of the relationship to the beneficiary of the guarantee or undertaking (affiliated or unaffiliated) shall also be disclosed.
- G. The nature of the control relationship whereby the reporting entity and one or more other enterprises are under common ownership or control and the existence of that control could result in operating results or financial position of the reporting entity being significantly different from those that would have been obtained if the enterprises were autonomous. Disclose the relationship even though there are no transactions between the enterprises.

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<u>Illustrat</u>	ion:										
A., B. B.& C.			paid comi _, totaling	mon stock dividen \$	ds to the Pare	nt Compan	ıy, The AF	BC Insur	ance C	omp	any, or
<u>C</u>	Transacti	Transactions with related party who are not reported on Schedule Y									
	(1) Detail of Material Related Party Transactions										
		Ref#	Date of Transaction	Name of Related Party	Nature of Relation	nship Type	e of Transaction	Written Agreement (Yes/No)	<u>D</u> ue Da	1	Reporting Period Date Amount Due From (To)
		•	Managemen Cost-Sharing Other Transa Guarantee (e Other	Assets or Liabilities (e.g., buy	s, on behalf of, and when	n beneficiary is rel	lated party)				
		Ref#	<u>N</u> ar	ne of Related Party	Overview Description		Amo	Amount Ba Allocatio Costs or M Rates		on of Iarket	Amount Charged Modified or Waived (Yes/No)
										1	
	(3)	Detail a.		al Related Party Tr		olving Excl	hange of A	ssets and	l Liabi	<u>ities</u>	
			<u>Ref#</u>	Name of Relate	ed Party		Overview Description				ave Terms anged from Preceding Period? Yes/No)
		<u>b.</u>	Assets]	Received							
			<u>Ref#</u>	Name of Related	l Party	Description of Assets Received			Statement Value of Assets Received		
		<u>c.</u>	Assets	<u> Fransferred</u>	l				I		
			Ref#	Name of Related	l Party	<u>Descri</u>	iption of Assets Ti	ransferred		of A	ent Value Assets sferred

Ref#	Name of Related Party	Aggregate Reporting Period Amount Due From	Aggregate Reporting Period (Amount Due To)	Amount Offset in Financial Statement (if qualifying)	Net Amount Recoverable / (Payable) by Related Party	Admitted Recoverable
					•	
Total	XXX					

- D. At December 31, 20____, the Company reported \$____ as amounts due to the Parent Company, The ABC Insurance Company. The terms of the settlement require that these amounts be settled within 30 days.
- E. The Company has given XYZ Inc., an affiliated company, a standing commitment until January 1, 20_____, in the form of guarantees in the event of a default of XYZ on various of its debt issues as disclosed in Note 14.
- FE. The Company has agreed to provide the Parent Company, The ABC Insurance Company, certain actuarial investment services with respect to the administration of certain large group insurance contracts that are subject to group experience rating procedures.
- F. The Company has given XYZ Inc., an affiliated company, a standing commitment until January 1, 20 in the form of guarantees in the event of a default of XYZ on various of its debt issues as disclosed in Note 14.

The Parent Company has agreed to provide collection services for certain contracts for the Company.

G. All outstanding shares of The Company are owned by the Parent Company, The ABC Insurance Company, an insurance holding company domiciled in the State of



Detail Eliminated to Conserve Space



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