COMMON DATA ELEMENTS (CDE) – 2019 REVISIONS

PAGE 193: NOTES TO FINANCIAL STATEMENT
Revision: Modify instruction for 17C
Reason: SAPWG memo dated 12/31/2019

EDITOR'S NOTE:

The above changes are highlighted within the attached instructions that follow this page.

Recent Blanks Working Group Agenda Items (Exposure Drafts) may be viewed in detail at the following web site:
C. Wash Sales

A reporting entity shall disclose the following information for wash sales, as defined in SSAP No. 103R—
*Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* involving transactions for
securities with an NAIC designation of 3 or below, or that do not have an NAIC designation, excluding all
cash equivalents, derivative instruments and short-term investments with credit assessments equivalent to
an NAIC 1 or 2 designation. This disclosure shall be included in the financial statements for when the
investment was initially sold. For example, if the investment was sold and is only applicable for sales and
purchases that cross quarter-end or year-end reporting periods on Dec. 20, 2019, and reacquired on Jan. 10,
2020, the transaction shall be captured in the wash sale disclosure included in the year-end 2019 financial
statements, while an investment sold on May 1, 2019 and reacquired on May 20, 2019 would not be
required to be disclosed. (The disclosures shall be made for the current quarter in the quarterly statement,
and for the year in the annual statement.)

(1) A description of the reporting entity’s objectives regarding these transactions; and

(2) An aggregation of transactions by NAIC Designation 3 or below, or unrated.

Include

- The number of transactions involved during the reporting period;
- The book value of securities sold;
- The cost of securities repurchased; and
- The realized gains/losses associated with the securities involved.

Illustration:

A. Transfers of Receivables Reported as Sales

(1) During 20__ the company sold $_______ of agent balances without recourse to the
ABC Company.

(2) The company realized a loss of $_______ as a result of the sale.

C. Wash Sales

(1) In the course of the company’s asset management, securities are sold and reacquired within 30
days of the sale date to enhance the company’s yield on its investment portfolio.

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 THIS ILLUSTRATION.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended
December 31, 20__ and reacquired within 30 days of the sale date are:

<table>
<thead>
<tr>
<th>Description</th>
<th>NAIC Designation</th>
<th>Number of Transactions</th>
<th>Book Value of Securities Sold</th>
<th>Cost of Securities Repurchased</th>
<th>Gain (Loss)</th>
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Note: Examples of values for the Description Column are Bonds, Preferred Stocks, Common Stocks, etc.

The NAIC Designation Column should indicate 3 through 6 for those transactions for securities that
would have been reported with an NAIC Designation if still owned at the end of the reporting period
(e.g., bonds and preferred stocks).

For those transactions for securities that would not have been reported with an NAIC Designation if still
owned at the end of the reporting period (e.g., real estate mortgage loans and common stocks), leave the
column blank.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Instruction:

Provide information with regard to the profitability to the reporting entity of uninsured accident and health plans and the uninsured portions of partially insured plans for which the reporting entity serves as an Administrative Services Only (ASO) or an Administrative Services Contract (ASC) plan administrator.

A. ASO Plans

For ASO plans, provide the following information with regard to the profitability to the reporting entity of all ASO plans and the uninsured portions of partially insured plans for which the reporting entity serves as an administrator.

For the total and each category separately provide:

- Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses
- Total net other income or expense (including interest paid to or received from plans)
- Total net gain or loss from operations
- The claim payment volume

B. ASC Plans

For ASC plans, provide information with regard to the profitability to the reporting entity of all ASC plans and the uninsured portions of partially insured plans for which the reporting entity serves as an ASC administrator.

For the total and each category separately provide:

- Gross reimbursement for medical cost incurred.
- Gross administrative fees accrued.
- Other income or expense (including interest paid to or received from plans).
- Gross expenses incurred (claims and administrative).
- Total net gain or loss from operations.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

For a Medicare or similarly structured cost based reimbursement contract plan, the reporting entity shall include information with regards to:

1. Major components of revenue by payor.
2. Receivables from payors with account balances the greater of 10% of amounts receivable relating to uninsured accident and health plans or $10,000.
3. Recorded allowances and reserves for adjustment of recorded revenues.
4. Adjustments to revenue resulting from audit of receivables related to revenues recorded in the prior period