PAGE 217: Notes to Financial Statements
Revision: Update Note 20C
Reason: Update to make Note 20C consistent with SSAP No. 100R

EDITOR’S NOTE:

The above changes are highlighted on the revised pages that follow.

Recent Blanks (E) Working Group agenda items (exposure drafts) may be viewed in detail on the BWG web page at https://content.naic.org/cmte_e_app_blanks.htm.
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(5) For derivative assets and liabilities, the reporting entity shall present both of the following:

a. The disclosures required by paragraph (1) and (2) above on a gross basis.

b. The reconciliation disclosures required by paragraphs (2), (3) and (4) on either a gross or net basis.

The quantitative disclosures required by 20A above shall be presented using a tabular format. (See Illustrations.)

B. The reporting entity is encouraged, but not required, to combine the fair value information disclosed under SSAP No. 100R—Fair Value with the fair value information disclosed under other accounting pronouncements (for example, disclosures about fair value of financial instruments) in the periods in which those disclosures are required, if practicable. The reporting entity also is encouraged, but not required, to disclose information about other similar measurements, if practicable.

C. A reporting entity shall disclose in the notes to the financial statements, as of each date for which a statement of financial position is presented in the quarterly or annual financial statements, the aggregate fair value or NAV for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall. This disclosure shall be summarized by the type of financial instrument for which it is practicable to estimate fair value, except for certain financial instruments identified below.

The disclosures about fair value prescribed in the paragraph above are not required for the following:
(Note: These exclusions are specific to Note 20C and do not impact the reporting of fair value that may be required in other SSAPs or statutory accounting schedules.)

- Employers’ and plans’ obligations for pension benefits, other postretirement benefits (see scope paragraph of SSAP No. 92—Postretirement Benefits Other Than Pensions), postemployment benefits, employee stock option and stock purchase plans, and other forms of deferred compensation arrangements, as defined in SSAP No. 12—Employee Stock Ownership Plans, SSAP No. 104R—Share-Based Payments, SSAP No. 92—Postretirement Benefits Other Than Pensions and SSAP No. 102—Pensions.
- Substantively extinguished debt subject to the disclosure requirements of SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.
- Insurance contracts, other than financial guarantees and deposit-type contracts
- Lease contracts as defined in SSAP No. 22R—Leases.
- Warranty obligations and rights.
- Investments accounted for under the equity method.
- Equity instruments issued by the entity.
- Deposit liabilities with no defined or contractual maturities.

Fair value disclosed in the notes shall be presented together with the related admitted values in a form that makes it clear whether the fair values and admitted values represent assets or liabilities and to which line items in the Statement of Assets, Liabilities, Surplus and Other Funds they relate. Unless specified otherwise in another SSAP, the disclosures may be made net of encumbrances, if the asset or liability is so reported. A reporting entity shall also disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments.

If it is not practicable for a reporting entity to estimate the fair value of the financial instrument or a class of financial instruments and the investment does not qualify for the NAV practical expedient, the aggregate carrying amount for those items shall be reported in the “not practicable” column with additional disclosure as required in paragraph 20D below.