

**Statutory Accounting Principles (E) Working Group  
Maintenance Agenda Submission Form  
Form A**

**Issue: Dividend General Interrogatory Update**

**Check (applicable entity):**

	P/C	Life	Health
Modification of Existing SSAP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
New Issue or SSAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interpretation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Description of Issue:** NAIC staff received a question related to how to disclose a dividend that was made using non-related party corporate bonds. It was noted that such property dividends are allowed under *SSAP No. 72—Surplus and Quasi-Reorganizations*, paragraph 13.i., but that the disclosure in the Life/Fraternal Annual Statement Blank, General Interrogatories, Part 2, GI #14 only includes lines for cash and stock dividends. NAIC staff noted that this disclosure was not included in any other annual statement blanks and was not clearly included as a required disclosure in SSAP No. 72, so it is the recommendation from NAIC staff that this this general interrogatory be removed from the Life/Fraternal Annual Statement Blank. This agenda item will not result in a change to statutory accounting and will be exposed separately by the Blanks (E) Working Group.

**Existing Authoritative Literature:**

**SSAP No. 72—Surplus and Quasi-Reorganizations**

13.i. Dividends to Stockholders

Dividends declared are charged directly to unassigned funds (surplus) on the declaration date and are carried as a liability until paid. The amount of the dividend is the cash paid if it is a cash dividend, the fair value of the assets distributed if it is property dividend, or the par value of the company's stock if it is a stock dividend. A stock dividend is recorded as a transfer from unassigned funds (surplus) to capital stock. Stock dividends have no effect on total capital and surplus while other forms of dividends reduce surplus. Forgiveness by a reporting entity of any debt, surplus note or other obligation of its parent or other stockholders shall be accounted for as a dividend. Dividends paid to related parties are subject to the requirements of SSAP No. 25;

**Disclosures**

22. The financial statements shall disclose the following:

- a. The number of shares of each class of capital stock authorized, issued and outstanding as of the balance sheet date and the par value or stated value of each class;
- b. The dividend rate, liquidation value and redemption schedule (including prices and dates) of any preferred stock issues;
- c. Dividend restrictions, if any, and an indication if the dividends are cumulative;
- d. The dates and amounts of dividends, or distributions paid. Note for each payment whether the dividend or distribution was ordinary or extraordinary.

----- Drafting Note: The rest of the paragraph is omitted for brevity-----

**Activity to Date (issues previously addressed by the Working Group, Emerging Accounting Issues (E) Working Group, SEC, FASB, other State Departments of Insurance or other NAIC groups):** None

**Information or issues (included in *Description of Issue*) not previously contemplated by the Working Group:**  
None

**Convergence with International Financial Reporting Standards (IFRS):** None

**Staff Recommendation:**

NAIC staff recommend that the Working Group move this item to the active listing of the maintenance agenda categorized as a SAP clarification and expose the recommendation to update the Life/Fraternal General Interrogatories, Part 2, #14 to remove this disclosure as it is not consistently included across all annual statement blanks. This agenda item will not result in changes to the *Accounting Practices and Procedures Manual*.

**Staff Review Completed by:** Jake Stultz, NAIC Staff – February 2025

**Proposed revisions to Life/Fraternal General Interrogatories, Part 2:**

~~14. Total dividends paid stockholders since organization of the reporting entity:~~

<del>14.11 Cash</del>	<del>\$</del>	<del>_____</del>
<del>14.12 Stock</del>	<del>\$</del>	<del>_____</del>

**Status:**

On March 24, 2025, the Statutory Accounting Principles (E) Working Group exposed recommendation to update the Life/Fraternal General Interrogatories, Part 2, #14 to remove this disclosure as it is not consistently included across all annual statement blanks. This agenda item will not result in changes to the *Accounting Practices and Procedures Manual*.

On May 22, 2025, the Statutory Accounting Principles (E) Working Group adopted, as final, this agenda item which communicates support of the Blanks (E) Working Group proposal (2025-08BWG) to update the Life/Fraternal General Interrogatories, Part 2, #14 to remove the disclosure as it is not consistently included across all annual statement blanks. This agenda item does not result in changes to the *Accounting Practices and Procedures Manual*.

[https://naiconline.sharepoint.com/teams/FRSStatutoryAccounting/NationalMeetings/A. National Meeting Materials/2025/05-22-2025/Adoptions/25-07 - Dividend GI Update.docx](https://naiconline.sharepoint.com/teams/FRSStatutoryAccounting/NationalMeetings/A.NationalMeetingMaterials/2025/05-22-2025/Adoptions/25-07-DividendGIUpdate.docx)