

Subsidiary, Controlled and Affiliated Entities (SCA) Filing Procedures – Filing a Sub-1 Form

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Note to filer: Per the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual), Subsidiary, Controlled and Affiliated Entities (SCAs) are required to file a Sub-1 form within 90 days of the acquisition or formation of the investment. These filing instructions help navigate filings through VISION.

Also see “SCA Filing Procedures – Sub-2” for instructions on how to file a Sub-2 form and an appeal to a Sub-2 form.

For additional information, please contact the individuals below.

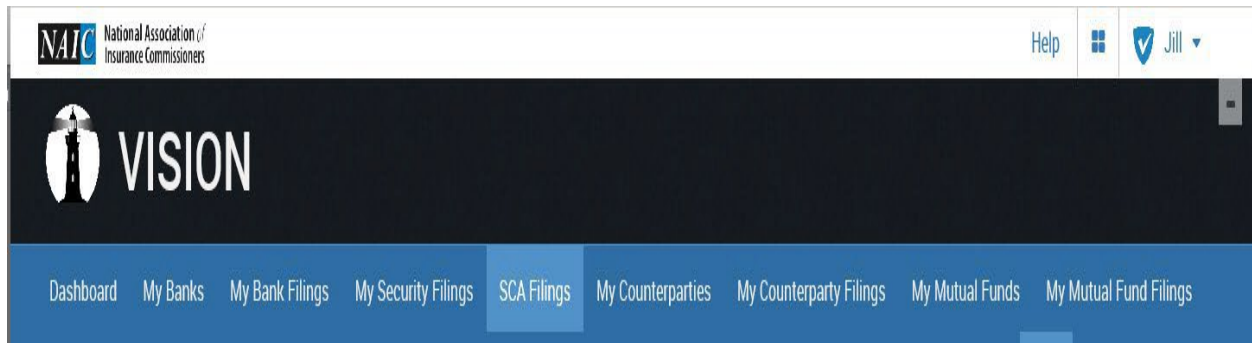
| | | |
|---|--|--------------|
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Note: Do NOT select “Cancel” at any time during the filing process; this will discard your filing and you will have to start over!

1. Accessing VISION to File an SCA

A. Log on to the filing website <https://vision.naic.org>.

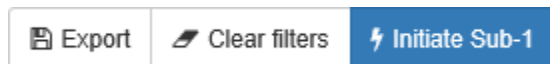
1. If you need a User ID and Password, contact the NAIC Help Desk at 816-783-8500 or via email at securitiessupport@naic.org. All first-time VISION users will need a User ID.
2. Click on the “SCA Filings” tab.



- a. The “SCA Filings” tab details all prior SCA filings and/or initiates a Sub-1 filing.

2. Filing a Sub-1 Form (Initial Filing)

A. From the “SCA Filings” screen, select “Initiate Sub-1.”



B. Follow the filing wizard:

1. **Filer and SCA Tab** – Select insurance reporting entity and identify which SCA you are filing.
 - a. **Select Filer** – If you file for multiple companies, choose the correct Insurance Reporting Entity.
 - b. **Find Issue** – Enter the SCA’s identifier and select “Find.”
 - i. If you do not have a valid identifier (e.g., CUSIP, PPN, ISIN) contact CUSIP Global Services at cusip.com. **This is a requirement to file an SCA.**

- c. **SCA Name** – Enter the legal name of the SCA.
- d. **Filing Year** – Enter the year of the most recent audited financials.
- e. **Was SCA Company Acquired or Formed?** – Select answer.
- f. When all the fields above have been filled in, select “Next.”

Q Sub-1

✕ Cancel

1. **Filer and SCA** 2. Valuation Method 3. SCA Acquisition Details 4. SCA Acquisition Overview 5. Review

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Select Filer

Filer ⇅

[Redacted]

Enter SCA CUSIP

Find Issue *

Enter a 9 character cusip

Q Find

SCA Name *

Filing Year *

2016

Was SCA Company Acquired or Formed? *

Select One

2. **Valuation Method Tab** – Identify which valuation method the SCA is using.

- a. **Select SCA Type** – Refer to *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* to ensure selection of the correct valuation method:

Select Type of SCA

SCA Type *

Select One

- 8(a) - Market Value
- 8b(i) - US Insurance SCA Entities
- 8b(ii) - Non Insurance SCA Entities Statutory Basis
- 8b(iii) - Non Insurance SCA Entities GAAP Basis
- 8b(iv) - Foreign Insurance SCA Entities

- b. Subsequent questions are tailored based on SCA Type:
 - i. **8(a) – Market Value**
 - (a) **Discount percentage:** Sliding scale discount based on ownership percentage
(See Appendix C of SSAP No. 97)
 - ii. **8b(i) – U.S. Insurance SCA Entities – (Must be licensed insurance entity)**
 - (a) **Stock Type** – Common or preferred stock ownership
 - (b) **CoCode** – NAIC company code of the SCA insurance company
 - iii. **8b(ii) – Non-Insurance SCA Entities Statutory Basis**
 - (a) **Accounting Standard** – U.S. GAAP or Foreign basis as used in audit support
 - (b) **Stock Type** – Common or preferred stock ownership
 - iv. **8b(iii) – Non-Insurance SCA Entities GAAP Basis**
 - (a) **Accounting Standard** – U.S. GAAP or Foreign basis as used in audit support
 - (b) **Stock Type** – Common or preferred stock ownership
 - v. **8b(iv) – Foreign Insurance SCA Entities**
 - (a) **Stock Type** – Common or preferred stock ownership
 - c. When all the questions have been addressed, select “Next.”
3. **SCA Acquisition Details Tab** – Identify what type of business the SCA is, when it was acquired, and report goodwill (if applicable).
- a. **Principal Business** – Identify the principal business of the SCA company
 - b. **Date Shares Acquired** – Include month / date / year
 - c. **Is Seller a Related Entity as Defined under SSAP No. 25—*Affiliates and Other Related Parties?*** – Select Yes / No (*Depending on the answer, there may be a few more questions*)

d. **Goodwill** – Based on the acquisition of the SCA, select:

- No Goodwill
- Positive Goodwill
- Negative Goodwill

(If positive or negative goodwill, goodwill worksheet will be a required attachment. The goodwill worksheet is available on the NAIC Subsidiary Controlled Affiliation (SCA) website https://content.naic.org/sca_subsidiary_controlled_affiliated.htm)

Q Sub-1

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SCA Acquisition

Principal Business *

Date Shares Acquired *

Is Seller a Related Entity as defined under SSAP 25? *

Goodwill *

If selecting Positive or Negative Goodwill, a goodwill worksheet will be required.

4. **SCA Acquisition Overview Tab** – Report claimed value of SCA and include filing comments.

- Total Value Claimed** – Value of SCA (include goodwill)
- Shares Owned** – Number of shares insurance reporting entity owns
- Value Per Share** – Total value claimed divided by the number of shares owned
- Percent Outstanding Shares Owned** – Percentage of shares issued and outstanding that the insurance reporting entity owns
- Consideration Paid** – Amount paid for SCA
- Does the SCA directly or indirectly own shares of the insurance reporting entity?** Relates to reciprocal ownership. *SCA Elimination Worksheet will be required:* https://content.naic.org/sca_subsidiary_controlled_affiliated.htm
- Does the SCA directly or indirectly own shares of an upstream intermediate or ultimate parent?** Relates to reciprocal ownership. *SCA Elimination Worksheet will be required:* https://content.naic.org/sca_subsidiary_controlled_affiliated.htm
- Is the SCA consolidated with other subsidiaries?** The Stat. Adjustment Worksheet will be required: https://content.naic.org/sca_subsidiary_controlled_affiliated.htm

- i. **Analyst Name / Phone Number / Email** – Name and contact information of individual who prepared the filing in case SCA reviewer has questions
- j. **Comments** – Available for additional information for reviewing the SCA

1. Filer and SCA 2. Valuation Method 3. SCA Acquisition Details 4. **SCA Acquisition Overview** 5. Review

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■ SCA Acquisition Overview

| | | | |
|-------------------------|----------------------|-------------------------|------------------------------------|
| Total Value Claimed * | Shares Owned * | Value Per Share * | Percent Outstanding Shares Owned * |
| \$ <input type="text"/> | <input type="text"/> | \$ <input type="text"/> | % <input type="text"/> |

Consideration Paid *

\$

Enter 0 if not applicable.

Does the SCA directly or indirectly own shares of the insurance reporting entity? *

Select One ☐

If selecting Yes, an elimination worksheet will be required.

Does the SCA directly or indirectly own shares of an upstream intermediate or ultimate parent? *

Select One ☐

If selecting Yes, an elimination worksheet will be required.

Is the SCA consolidated with other subsidiaries? *

Select One ☐

If selecting Yes, a Stat. Adjustment Worksheet will be required.

| | | |
|----------------------|----------------------|----------------------|
| Analyst Name | Phone Number | Email |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Comments

5. **Review Tab**

- a. Review all fields of the SCA to ensure they are filed correctly.

IMPORTANT NOTES:

If something is not filled out correctly, select “Back” and update!

Once selecting “Prepare SCA Filing,” you WILL NOT be able to make any changes!

***DO NOT** select Cancel at any point during the filing process - This will discard your filing!*

- b. When finished reviewing, select “Prepare SCA Filing.”

📘 Ready for submission

Please review all information prior to submitting. Once submitted you will not be able to return to the SCA filing wizard.

✓ Prepare SCA Filing ←

6. **SCA Filing Detail Tab** – Shows all the filing detail and attach supporting documents.

a. To attach a document:

- Select “Edit” under Supporting Documents.
- Select “Attachments” to choose the file you want to add.
If you have a document to add that is not listed, select “+ Add.”
- Find your document and upload.
- When finished uploading documents, select “Save” under Supporting Documents.

The screenshot shows a web interface titled "Supporting Documents" with a "Cancel" and "Save" button in the top right. Below the title is a table with the following structure:

| Description | Status | Details | Options |
|--|------------------------|---------|-----------------|
| **SCA Goodwill Worksheet | Required as Applicable | | Attachments (0) |
| **SCA Elimination Worksheet | Required as Applicable | | Attachments (0) |
| **SCA Stat. Adjustment Worksheet | Required as Applicable | | Attachments (0) |
| * **SCA Sub-1 Acquisition Overview | Incomplete | | Attachments (0) |
| **SCA Permitted and Prescribed Practices | Required as Applicable | | Attachments (0) |

Below the table is a "+ Add" button.

b. Required Sub-1 Documents:

- SCA Sub-1 Acquisition Overview – **Always required for Sub-1** - “*”

c. Other Required Documents:

- Required depending on answers to questions:
 - (a) SCA Goodwill Worksheet – If positive or negative goodwill
 - (b) SCA Elimination Worksheet – If “Yes” to the Reciprocal Ownership
 - (c) SCA Stat. Adjustment Worksheet – If “Yes” to Consolidated

Note: If applicable, these are required, but there will not be a “”.*

d. Worksheets and other SCA documents available:

https://content.naic.org/sca_subsidiary_controlled_affiliated.htm

After attaching all required documents - Select “Submit” to finalize Sub-1 filing.

The screenshot shows three buttons in a row: "Cancel" with a close icon, "Submit" with a checkmark icon, and "Notes (0)" with a speech bubble icon.

After Submitting – You Have Completed the Sub-1 Filing!