

Substantive and Nonsubstantive Exposures				
Reference No.	Issue Paper / SSAP No. / Appendix	Title	Description	Additional Commentary
Exposures with Comment Deadline of October 11, 2019				
2017-28	SSAP No. 61R	Reinsurance Credit – Informal Life and Health Reinsurance Drafting Group Update and Recommendations	Exposed revisions to the SSAP No. 61R disclosure and Appendix A-791 to expand the question and answer section regarding the applicability of Appendix A-791, treatment of contracts subject to the medical loss ratio and an Appendix A-791 question and answer regarding the treatment of group term life yearly renewable term (YRT) reinsurance.	<p>Regulators raised "Concerns... that the reinsurance contracts [for short-duration contracts] were reported as meeting the "risk transfer" requirements under statutory accounting, but were not meeting "risk-transfer" requirements under U.S. GAAP. In addition, concerns were raised on whether similar reinsurance contracts that may meet risk transfer requirements for statutory accounting were taking a larger reinsurance accounting benefit than appropriate because the risk limiting features in the reinsurance contracts were limiting the actual amount of risks transferred."</p> <p>"This item addresses reinsurance risk transfer and accounting issues for clarification in statutory accounting primarily focused on reinsurance of short-duration products."</p> <p>At the August 3, 2019, NAIC Summer Meeting, the SAPWG exposed the following related to this exposure draft:</p> <p>(1) Disclosures, (previously exposed) and concurrent with the exposure, directed notification to the Financial Analysis (E) Working Group of the exposure as the disclosures were originally developed at their request.</p> <p>(2) The two A-791 QA items related to certain nonproportional reinsurance contracts" covered under the A-791 and medical loss ratios (previously exposed – the drafting group reviewed the comments).</p> <p>(3) Regulator proposed revisions to add A-791 QA under paragraph 2c regarding group term life YRT reinsurance contracts.</p>
2018-26	SSAP No. 5R SSAP No. 97	SCA Loss Tracking – Accounting Guidance	Exposed revisions require a financial commitment or guarantee for a subsidiary, controlled or affiliated (SCA) entity to be recognized as a noncontingent guarantee liability.	<p>The intent of this agenda item is to clarify the instances that require a negative SCA value and ensure the accounting guidance in SSAP No. 97—<i>Investments in Subsidiary, Controlled and Affiliated Entities</i> for these instances is clear.</p> <p>At the August 3, 2019, NAIC Summer Meeting, the SAPWG exposed revisions to SSAP No. 5R—<i>Liabilities, Contingencies and Impairments of Assets</i> and SSAP No. 97—<i>Investments in Subsidiary, Controlled and Affiliated Entities</i> to require a financial commitment or guarantee for a subsidiary, controlled, or affiliated entity to be recognized as a non-contingent guarantee liability. These proposed revisions differ from the prior exposure as they would capture the entire financial guaranty or commitment for an SCA within scope of SSAP No. 5R and report a zero value for SCAs with a negative equity value.</p>
2018-38	SSAP No. 55	Prepaid Providers	Exposed revisions emphasize existing guidance that loss and loss adjusting expense liabilities are established regardless of payments to third parties (except for capitated health claim payments). The liabilities are not recognized as paid until the losses are paid to claimants or claims are adjusted. Prepayments to third party administrators, which are not for claims or loss adjusting expense, are "miscellaneous underwriting expenses." The revisions also added a reference to SSAP No. 84 regarding prepayments to providers.	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft.
2019-04	SSAP No. 32 Issue Paper	Investment Classification Project – Preferred Stock	Exposed an Issue Paper to revise the definitions, measurement and impairment guidance for preferred stock pursuant to the investment classification project.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG exposed Issue Paper No. 1XX— <i>Preferred Stock</i> to revise the definitions, measurement guidance and impairment guidance for preferred stock pursuant to the investment classification project.
2019-08	SSAP No. 51R SSAP No. 52	Reporting Deposit-Type Contracts	Exposed agenda item with a request for comments, on the reporting of insurance contracts that do not have mortality or morbidity risk with questions and issues in response to information received from the prior exposure. Directed notification of the exposure with a request for comments to the Financial Stability (EX) Task Force and the Life Actuarial (A) Task Force.	As noted by the SAPWG, "This agenda item has been drafted in response to questions identified by the Financial Stability (EX) Task Force in developing liquidity disclosure changes to the 2019 life blank, and the noted inability to fully identify and assess deposit-type contracts - (particularly guaranteed investment contracts) - within the statutory financial statements."

2019-12	SSAP No. 68 SSAP No. 97	ASU 2014-17, Business Combinations - Pushdown Accounting	Exposed revisions assess ASU 2014-17, <i>Business Combinations – Pushdown Accounting</i> for statutory accounting with a request for comments on whether pushdown shall be rejected, permitted for noninsurance entities, or permitted only for U.S. Securities and Exchange Commission (SEC) registrants. The exposure also clarifies that goodwill resulting from an insurance reporting entity's acquisition of an SCA when pushdown is applied shall be captured in the goodwill admittance limitation.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG exposed this agenda item with a request for comments on the three options listed below. Additionally, to ensure that goodwill resulting from an insurance reporting entity's acquisition of an SCA when pushdown is applied is captured within the goodwill admittance limitation, the exposure includes limited revisions to reference this goodwill in SSAP No. 68— <i>Business Combinations and Goodwill</i> , paragraph 9. The options include: 1. Complete rejection of pushdown accounting. 2. Permission to use pushdown for all non-insurance entities. 3. Permit pushdown if elected by SEC Registrants, excluding non-insurance entities.
2019-14	SSAP No. 97	Allocation of Goodwill	Exposed revisions require assignment of purchase price and goodwill to entities within downstream holding companies with disclosure of the allocation of goodwill.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG exposed revisions to SSAP No. 97— <i>Investments in Subsidiary, Controlled and Affiliated Entities</i> , to clarify that the "assignment" of goodwill is a disclosure element, with revisions to the disclosure requirements for downstream holding companies. The revisions also reflect a change in terminology from "allocation" to "assignment."
2019-18	SAAP No. 86	"Other Derivatives"	Re-exposed revisions clarify that other derivatives not used in hedging, income generation or replication transactions shall be reported at fair value and do not qualify as admitted assets.	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft.
2019-19	None	SIRI – Equity Interests	Exposed revisions clarify what should be captured in SIRI Line 13: <i>10 Largest Equity Interests</i> with a proposal that a look-through should only occur for non-diversified funds. The revisions also exclude Securities Valuation Office (SVO)-Identified Bond Exchange-Traded Funds (ETFs) and SVO-Identified investments with underlying characteristics of fixed-income investments from this equity interrogatory.	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft. With exposure, a referral was directed to the Capital Adequacy (E) Task Force with a request for clarification on the impact, if any, these changes may have to risk-based capital.
2019-20	SSAP No. 2R SSAP No. 103R	Rolling Short-Term Investments	Exposed revisions incorporate additional principle concepts in classifying investments as cash equivalents or short-term investments.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to SSAP No. 2R— <i>Cash, Drafts and Short-term Investments</i> and SSAP No. 103R— <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i> , as illustrated [in the exposure draft], to incorporate additional principle concepts in classifying investments as cash equivalents or short-term investments.
2019-21	SSAP No. 43R	SSAP No. 43R – Equity Instruments	Exposed revisions exclude collateralized fund obligations, and similar structures that reflect underlying equity interests, from the scope of the statement. The revisions also prevent existing equity assets from being repackaged as securitizations and reported as long-term bonds.	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft.
2019-22	SSAP No. 103R	Wash Sale Disclosure	Revisions clarify what types of investment are subject to the wash sale disclosures, which investments were exempt, and respond to comments from interest parties.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to SSAP No. 103R— <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i> , as illustrated [exposure draft], to clarify that only investments that meet the definition of a wash sale in accordance with SSAP No. 103R that cross reporting period-end dates would be subject to the wash sale disclosure.
2019-23	SSAP No. 97	Going Concern	Exposed revisions clarify that if an unalleviated going concern is noted in the audited financial statements or audit opinion, the SCA investment shall be nonadmitted.	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft.
2019-24	SSAP No. 71	Commission	Exposed revisions clarify levelized commissions guidance and provide additional direction regarding commissions that are based on policy persistency. The revisions also clarify that recognition of commission expense is accrued based on experience to date.	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft.
2019-26	Appendix A-785	A-785 Updates for Covered Agreement	Exposed revisions incorporate changes related to the "Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance" (Covered Agreement) adopted to the Credit for Reinsurance Model Law (#785) and the Credit for Reinsurance Model Regulation (#786).	The "Description", to the right, provides the most up to date information from the August 3, 2019, NAIC Summer Meeting for this exposure draft.
2019-27EP	SSAP No. 62R SSAP No. 86 SSAP No. 97	AP&P Manual Editorial and Maintenance Update	Exposed editorial revisions to SSAP Nos. 62R, 86 and 97.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed editorial revisions to SSAP No. 62R— <i>Property and Casualty Reinsurance</i> , SSAP No. 86— <i>Derivatives</i> , and SSAP No. 97— <i>Investments in Subsidiary, Controlled and Affiliated Entities</i> , as illustrated [in the exposure draft].

2019-28	SSAP No. 100R	ASU 2019-05 Targeted Transition Relief	Exposed revisions reject ASU 2019-05, Targeted Transition Relief for statutory accounting.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to SSAP No. 100R— <i>Fair Value</i> , as illustrated [in the exposure draft], to reject ASU 2019-05, Targeted Transition Relief for statutory accounting.
2019-29	SSAP No. 68 SSAP No. 97	ASU 2019-06, <i>Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Asset for Not-for-Profit Entities</i> .	Exposed revisions reject ASU 2019-06, Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities for statutory accounting.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to SSAP No. 68—Business Combinations and Goodwill and SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities, as illustrated above, to reject ASU 2019-06, Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities for statutory accounting.
2019-30	Appendix D	ASU 2019-03, <i>Updating the Definition of Collections</i>	Exposed revisions reject ASU 2019-03, <i>Updating the Definition of Collections</i> as not applicable for statutory accounting.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to <i>Appendix D—Nonapplicable GAAP Pronouncements</i> to reject ASU 2019-03, <i>Updating the Definition of Collections</i> as not applicable to statutory accounting.
2019-31	Appendix D	ASU 2018-08, <i>Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</i>	Exposed revisions reject ASU 2019-31, <i>Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made</i> as not applicable for statutory accounting.	At the August 3, 2019, NAIC Summer Meeting, the SAPWG moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to <i>Appendix D—Nonapplicable GAAP Pronouncements</i> to reject ASU 2018-08, <i>Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</i> as not applicable to statutory accounting.