

Securities and Exchange Commission

§ 210.7-03

7. *Plan equity at end of period.*

[27 FR 7870, Aug. 9, 1962. Redesignated at 47 FR 56843, Dec. 21, 1982]

§ 210.6A-05 What schedules are to be filed.

(a) Schedule I, specified below, shall be filed as of the most recent audited statement of financial condition and any subsequent unaudited statement of financial condition being filed. Schedule II shall be filed as of the date of each statement of financial condition being filed. Schedule III shall be filed for each period for which a statement of income and changes in plan equity is filed. All schedules shall be audited if the related statements are audited.

Schedule I—Investments. A schedule substantially in form prescribed by §210.12-12 shall be filed in support of captions 1, 2 and 3 of each statement of financial condition unless substantially all of the information is given in the statement of financial condition by footnote or otherwise.

Schedule II—Allocation of plan assets and liabilities to investment program. If the plan provides for separate investment programs with separate funds, and if the allocation of assets and liabilities to the several funds is not shown in the statement of financial condition in columnar form or by the submission of separate statements for each fund, a schedule shall be submitted showing the allocation of each caption of each statement of financial condition filed to the applicable fund.

Schedule III—Allocation of plan income and changes in plan equity to investment programs. If the plan provides for separate investment programs with separate funds, and if the allocation of income and changes in plan equity to the several funds is not shown in the statement of income and changes in plan equity in columnar form or by the submission of separate statements for each fund, a schedule shall be submitted showing the allocation of each caption of each statement of income and changes in plan equity filed to the applicable fund.

(b) [Reserved]

[45 FR 63676, Sept. 25, 1980. Redesignated at 47 FR 56843, Dec. 21, 1982, and amended at 50 FR 25215, June 18, 1985]

INSURANCE COMPANIES

SOURCE: Sections 210.7-01 through 210.7-05 appears at 46 FR 54335, Nov. 2, 1981, unless otherwise noted.

§ 210.7-01 Application of §§ 210.7-01 to 210.7-05.

This article shall be applicable to financial statements filed for insurance companies.

§ 210.7-02 General requirement.

(a) The requirements of the general rules in §§210.1-01 to 210.4-10 (Articles 1, 2, 3, 3A and 4) shall be applicable except where they differ from requirements of §§210.7-01 to 210.7-05.

(b) Financial statements filed for mutual life insurance companies and wholly owned stock insurance company subsidiaries of mutual life insurance companies may be prepared in accordance with statutory accounting requirements. Financial statements prepared in accordance with statutory accounting requirements may be condensed as appropriate, but the amounts to be reported for net gain from operations (or net income or loss) and total capital and surplus (or surplus as regards policyholders) shall be the same as those reported on the corresponding Annual Statement.

§ 210.7-03 Balance sheets.

(a) The purpose of this rule is to indicate the various items which, if applicable, and except as otherwise permitted by the Commission, should appear on the face of the balance sheets and in the notes thereto filed for persons to whom this article pertains. (See §210.4-01(a).)

ASSETS

1. *Investments—other than investments in related parties.*

- (a) *Fixed maturities.*
- (b) *Equity securities.*
- (c) *Mortgage loans on real estate.*
- (d) *Investment real estate.*
- (e) *Policy loans.*
- (f) *Other long-term investments.*
- (g) *Short-term investments.*
- (h) *Total investments.*

NOTES: (1) State parenthetically or otherwise in the balance sheet (a) the basis of determining the amounts shown in the balance sheet and (b) as to fixed maturities and equity securities either aggregate cost or aggregate value at the balance sheet date, whichever is the alternate amount of the carrying value in the balance sheet. Consideration shall be given to the discussion of "Valuation of Securities" in §404.03 of the Codification of Financial Reporting Policies.

(2) Include under fixed maturities: bonds, notes, marketable certificates of deposit with maturities beyond one year, and redeemable preferred stocks. Include under equity securities: common stocks and non-redeemable preferred stocks.

(3) State separately in the balance sheet or in a note thereto the amount of accumulated depreciation and amortization deducted from investment real estate. Subcaption (d) shall not include real estate acquired in settling title claims, mortgage guaranty claims, and similar insurance claims. Real estate acquired in settling claims shall be included in caption 10, "Other Assets," or shown separately, if material.

(4) Include under subcaption (g) investments maturing within one year, such as commercial paper maturing within one year, marketable certificates of deposit maturing within one year, savings accounts, time deposits and other cash accounts and cash equivalents earning interest. State in a note any amounts subject to withdrawal or usage restrictions. (See §210.5-02.1.)

(5) State separately in a note the amount of any class of investments included in subcaption (f) if such amount exceeds ten percent of stockholders' equity.

(6) State in a note the name of any person in which the total amount invested in the person and its affiliates, included in the above subcaptions, exceeds ten percent of total stockholders' equity. For this disclosure, include in the amount invested in a person and its affiliates the aggregate of indebtedness and stocks issued by such person and its affiliates that is included in the several subcaptions above, and the amount of any real estate included in subcaption (d) that was purchased or acquired from such person and its affiliates. Indicate the amount included in each subcaption. An investment in bonds and notes of the United States Government or of a United States Government agency or authority which exceeds ten percent of total stockholders' equity need not be reported.

(7) State in a note the amount of investments included under each subcaption (a), (c), (d) and (f) which have been non-income producing for the twelve months preceding the balance sheet date.

2. *Cash.* Cash on hand or on deposit that is restricted as to withdrawal or usage shall be disclosed separately on the balance sheet. The provisions of any restrictions shall be described in a note to the financial statements. Restrictions may include legally restricted deposits held as compensating balances against short-term borrowing arrangements, contracts entered into with others, or company statements of intention with regard to particular deposits. In cases where compensating balance arrangements exist but are not agreements which legally restrict the use of cash amounts shown on the

balance sheet, describe in the notes to the financial statements these arrangements and the amount involved, if determinable, for the most recent audited balance sheet required. Compensating balances that are maintained under an agreement to assure future credit availability shall be disclosed in the notes to the financial statements along with the amount and terms of the agreement.

3. *Securities and indebtedness of related parties.* State separately (a) investments in related parties and (b) indebtedness from such related parties. (See §210.4-08(k).)

4. *Accrued investment income.*

5. *Accounts and notes receivable.* Include under this caption (a) amounts receivable from agents and insureds, (b) uncollected premiums and (c) other receivables. State separately in the balance sheet or in a note thereto any category of other receivable which is in excess of five percent of total assets. State separately in the balance sheet or in a note thereto the amount of allowance for doubtful accounts that was deducted.

6. *Reinsurance recoverable on paid losses.*

7. *Deferred policy acquisition costs.*

8. *Property and equipment.* (a) State the basis of determining the amounts.

(b) State separately in the balance sheet or in a note thereto the amount of accumulated depreciation and amortization of property and equipment.

9. *Title plant.*

10. *Other assets.* State separately in the balance sheet or in a note thereto any other asset the amount of which exceeds five percent of total assets.

11. *Assets held in separate accounts.* Include under this caption the aggregate amount of assets used to fund liabilities related to variable annuities, pension funds and similar activities. The aggregate liability shall be included under caption 18. Describe in a note to the financial statements the general nature of the activities being reported on in the separate accounts.

12. *Total assets.*

LIABILITIES AND STOCKHOLDERS' EQUITY

13. *Policy liabilities and accruals.* (a) State separately in the balance sheet the amounts of (1) future policy benefits and losses, claims and loss expenses, (2) unearned premiums and (3) other policy claims and benefits payable.

(b) State in a note to the financial statements the basis of assumptions (interest rates, mortality, withdrawals) for future policy benefits and claims and settlements which are stated at present value.

(c) Information shall be given in a note concerning the general nature of reinsurance transactions, including a description of the significant types of reinsurance agreements executed. The information provided shall include (1) the nature of the contingent liability in connection with insurance ceded and

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(2) the nature and effect of material non-recurring reinsurance transactions.

14. *Other policyholders' funds.* (a) Include amounts of supplementary contracts without life contingencies, policyholders' dividend accumulations, undistributed earnings on participating business, dividends to policyholders and retrospective return premiums (not included elsewhere) and any similar items. State separately in the balance sheet or in a note thereto any item the amount of which is in excess of five percent of total liabilities.

(b) State in a note to the financial statements the relative significance of participating insurance expressed as percentages of (1) insurance in force and (2) premium income; and the method by which earnings and dividends allocable to such insurance is determined.

15. *Other liabilities.* (a) Include under this caption such items as accrued payrolls, accrued interest and taxes. State separately in the balance sheet or in a note thereto any item included in other liabilities the amount of which exceeds five percent of total liabilities.

(b) State separately in the balance sheet or in a note thereto the amount of (1) income taxes payable and (2) deferred income taxes. Disclose separately the amount of deferred income taxes applicable to unrealized appreciation of equity securities.

16. *Notes payable, bonds, mortgages and similar obligations, including capitalized leases.* (a) State separately in the balance sheet the amounts of (1) short-term debt and (2) long-term debt including capitalized leases.

(b) The disclosure required by § 210.5-02.19(b) shall be given if the aggregate of short-term borrowings from banks, factors and other financial institutions and commercial paper issued exceeds five percent of total liabilities.

(c) The disclosure requirements of § 210.5-02.22 shall be followed for long-term debt.

17. *Indebtedness to related parties.* (See § 210.4-0.8(k).)

18. *Liabilities related to separate accounts.* [See caption 11.]

19. *Commitments and contingent liabilities.*

REDEEMABLE PREFERRED STOCKS

20. *Preferred stocks subject to mandatory redemption requirements or whose redemption is outside the control of the issuer.* The classification and disclosure requirements of § 210.5-02.27 shall be followed.

NONREDEEMABLE PREFERRED STOCKS

21. *Preferred stocks which are not redeemable or are redeemable solely at the option of the issuer.* The classification and disclosure requirements of § 210.5-02.28 shall be followed.

COMMON STOCKS

22. *Common stocks.* The classification and disclosure requirements of § 210.5-02.29 shall be followed.

OTHER STOCKHOLDERS' EQUITY

23. *Other stockholders' equity.* (a) Separate captions shall be shown for (1) additional paid-in capital, (2) other additional capital, (3) unrealized appreciation or depreciation of equity securities less applicable deferred income taxes, (4) retained earnings (i) appropriated and (ii) unappropriated. (See § 210.4-08(e).) Additional paid-in capital and other additional capital may be combined with the stock caption to which they apply, if appropriate.

(b) The classification and disclosure requirements of § 210.5-02.30(b) shall be followed for dating and effect of a quasi-reorganization.

(c) State in a note the following information separately for (1) life insurance legal entities, and (2) property and liability insurance legal entities: the amount of statutory stockholders' equity as of the date of each balance sheet presented and the amount of statutory net income or loss for each period for which an income statement is presented.

NONCONTROLLING INTERESTS

24. *Noncontrolling interests in consolidated subsidiaries.* The disclosure requirements of § 210.5-02.31 shall be followed.

25. *Total liabilities and equity.*

[46 FR 54335, Nov. 2, 1981, as amended at 50 FR 25215, June 18, 1985; 74 FR 18615, Apr. 23, 2009]

§ 210.7-04 Income statements.

The purpose of this rule is to indicate the various items which, if applicable, should appear on the face of the income statements and in the notes thereto filed for persons to whom this article pertains. (See § 210.4-01(a).)

REVENUES

1. *Premiums.* Include premiums from reinsurance assumed and deduct premiums on reinsurance ceded. Where applicable, the amounts included in this caption should represent premiums earned.

2. *Net investment income.* State in a note to the financial statements, in tabular form, the amounts of (a) investment income from each category of investments listed in the subcaptions of § 210.7-03.1 that exceeds five percent of total investment income, (b) total investment income, (c) applicable expenses, and (d) net investment income.

3. *Realized investment gains and losses.* Disclose the following amounts: