

Securities and Exchange Commission

§ 210.7-04

(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:

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(a) Net realized investment gains and losses, which shall be shown separately regardless of size.

(b) Indicate in a footnote the registrant's policy with respect to whether investment income and realized gains and losses allocable to policyholders and separate accounts are included in the investment income and realized gain and loss amounts reported in the income statement. If the income statement includes investment income and realized gains and losses allocable to policyholders and separate accounts, indicate the amounts of such allocable investment income and realized gains and losses and the manner in which the insurance enterprise's obligation with respect to allocation of such investment income and realized gains and losses is otherwise accounted for in the financial statements.

(c) The method followed in determining the cost of investments sold (e.g., "average cost," "first-in, first-out," or "identified certificate") shall be disclosed.

(d) For each period for which an income statement is filed, include in a note an analysis of realized and unrealized investment gains and losses on fixed maturities and equity securities. For each period, state separately for fixed maturities [see §210.7-03.1(a)] and for equity securities [see §210.7-03.1(b)] the following amounts:

- (1) Realized investment gains and losses, and
- (2) The change during the period in the difference between value and cost.

The change in the difference between value and cost shall be given for both categories of investments even though they may be shown on the related balance sheet on a basis other than value.

4. *Other income.* Include all revenues not included in captions 1 and 2 above. State separately in the statement any amounts in excess of five percent of total revenue, and disclose the nature of the transactions from which the items arose.

BENEFITS, LOSSES AND EXPENSES

5. *Benefits, claims, losses and settlement expenses.*

6. *Policyholders' share of earnings on participating policies, dividends and similar items.* (See §210.7-03.14(b).)

7. *Underwriting, acquisition and insurance expenses.* State separately in the income statement or in a note thereto (a) the amount included in this caption representing deferred policy acquisition costs amortized to income during the period, and (b) the amount of other operating expenses. State separately in the income statement any material amount included in all other operating expenses.

8. *Income or loss before income tax expense and appropriate items below.*

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9. *Income tax expense.* Include under this caption only taxes based on income. (See §210.4-08(g).)

10. *Equity in earnings of unconsolidated subsidiaries and 50% or less owned persons.* State, parenthetically or in a note, the amount of dividends received from such persons. If justified by the circumstances, this item may be presented in a different position and a different manner. (See §210.4-01(a).)

11. *Income or loss from continuing operations.*

12. *Discontinued operations.*

13. *Income or loss before extraordinary items and cumulative effects of changes in accounting principles.*

14. *Extraordinary items, less applicable tax.*

15. *Cumulative effects of changes in accounting principles.*

16. *Net income or loss.*

17. *Net income attributable to the noncontrolling interest.*

18. *Net income attributable to the controlling interest.*

19. *Earnings per share data.*

[46 FR 54335, Nov. 2, 1981, as amended at 57 FR 45293, Oct. 1, 1992; 74 FR 18615, Apr. 23, 2009]

§210.7-05 What schedules are to be filed.

(a) Except as expressly provided otherwise in the applicable form:

(1) The schedule specified below in this section as Schedules I shall be as of the date of the most recent audited balance sheet for each person or group.

(2) The schedules specified below in this section as Schedule IV and V shall be filed for each period for which an audited income statement is required to be filed for each person or group.

(3) Schedules II, III and V shall be filed as of the date and for periods specified in the schedule.

(b) When information is required in schedules for both the registrant and the registrant and its subsidiaries consolidated it may be presented in the form of a single schedule: *Provided*, That items pertaining to the registrant are shown separately and that such single schedule affords a properly summarized presentation of the facts. If the information required by any schedule (including the notes thereto) may be shown in the related financial statement or in a note thereto without making such statement unclear or confusing, that procedure may be followed and the schedule omitted.

(c) The schedules shall be examined by the independent accountant.