2014 NAIC QUARTERLY STATEMENT INSTRUCTIONS – PROPERTY

JUL 2014 REVISIONS

PAGE 60.1: NOTES TO FINANCIAL STATEMENT
Revision: Add clarifying instruction for when disclosure for 21I is completed
Reason: Clarify when to report zero balances

EDITOR'S NOTE:

The above changes are highlighted within the attached instructions that follow this page.

Recent Blanks Working Group Agenda Items (Exposure Drafts) may be viewed in detail at the following web site: http://www.naic.org-committees_e_app_blanks.htm.
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I. Risk Sharing Provisions of the Affordable Care Act

Reporting entities shall also indicate if they wrote any accident and health insurance premium, which is subject to the Affordable Care Act risk sharing provisions. In the event that the balances are zero the reporting entity should provide context to explain the reasons for the zero balances, including insufficient data to make an estimate, no balances or premium was excluded from the program etc.

NOTE: Any reporting entity that reports accident and health insurance premium and losses on their statement, which is subject to the Affordable Care Act risk sharing provisions, MUST complete the disclosures even if all amounts are zero.

The financial statements shall disclose the admitted assets, liabilities and revenue elements by program regarding the risk sharing provisions of the Affordable Care Act for the reporting periods, which are impacted by programs. The disclosure should include the following:

- Permanent ACA Risk Adjustment Program
  - Premium adjustments receivable due to ACA Risk Adjustment
  - Risk adjustment user fees payable for ACA Risk Adjustment
  - Premium adjustments payable due to ACA Risk Adjustment
  - Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment
  - Reported in expenses as ACA risk adjustment user fees (incurred/paid)

- Transitional ACA Reinsurance Program
  - Amounts recoverable for claims paid due to ACA Reinsurance
  - Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)
  - Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance
  - Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium
  - Ceded reinsurance premiums payable due to ACA Reinsurance
  - Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance
  - Ceded reinsurance premiums due to ACA Reinsurance
  - Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments
  - ACA Reinsurance contributions – not reported as ceded premium

- Temporary ACA Risk Corridors Program
  - Accrued retrospective premium due to ACA Risk Corridors
  - Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors
  - Effect of ACA Risk Corridors on net premium income (paid/received)
  - Effect of ACA Risk Corridors on change in reserves for rate credits
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