

## NAIC Policy Statement On Statutory Accounting Principles Maintenance Agenda Process

The purpose of the following Policy Statement is to document the Statutory Accounting Principles Working Group (SAPWG) maintenance agenda process.

As acknowledged in the *NAIC Policy Statement on Maintenance of Statutory Accounting Principles*, the promulgation of new SAP guidance by the NAIC ultimately requires action of the entire membership. Responsibility for proposing new SAP will be delegated through the NAIC committee structure to the Accounting Practices and Procedures Task Force (Task Force). The Task Force will employ two working groups with distinctly different functions to carry out the charge of maintaining SAP. The SAPWG shall have the exclusive responsibility of developing and proposing new Statements of Statutory Accounting Principles (SSAPs). The Emerging Accounting Issues Working Group will respond to questions of application, interpretation, and clarification that are generally much narrower in scope than development of a new SSAP.

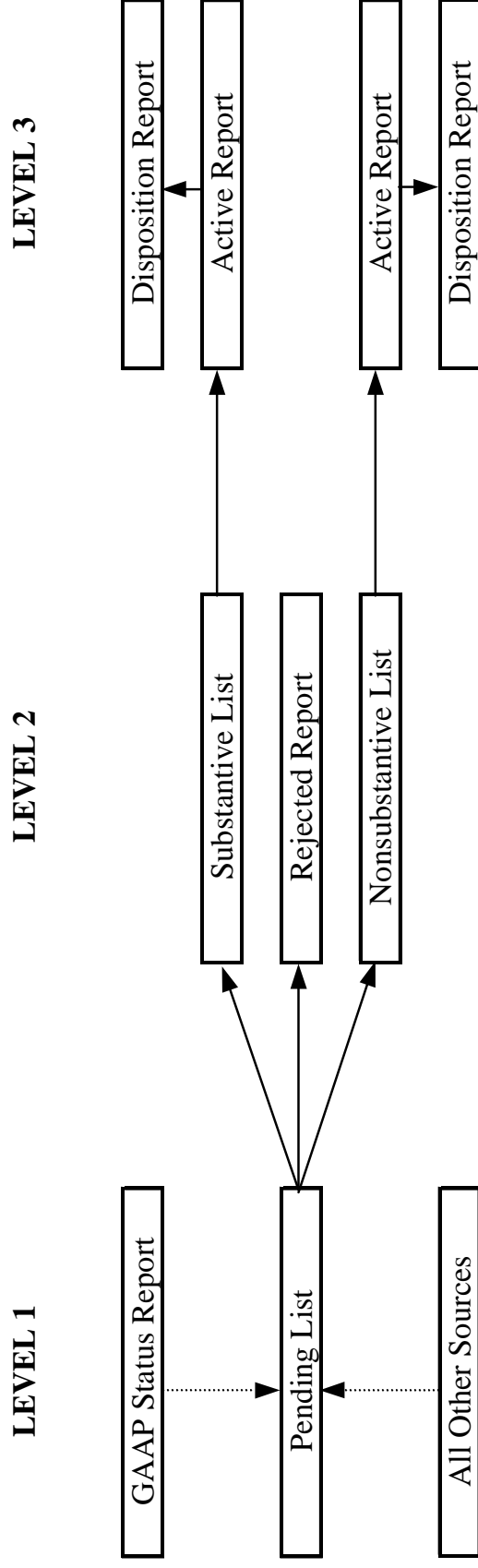
Information and issues can be presented to the SAPWG in a variety of ways. Issues can be recommended or forwarded from other NAIC working groups or task forces, or from interested parties. Also, if any guidance within the Generally Accepted Accounting Principles (GAAP) Hierarchy (see § IV of the Preamble to the *Accounting Practices and Procedures Manual*) is added or revised, those changes must be considered by the SAPWG. In order for an issue to be placed on the **Pending List**, the recommending party must complete a Statutory Accounting Principles Maintenance Agenda Submission Form (Form A) and submit it to the NAIC SAPWG support staff no later than 20 business days prior to the next scheduled SAPWG meeting. The NAIC staff will prepare a submission form for all GAAP pronouncements that have not been previously addressed by the SAPWG. NAIC staff will update the **Pending List** before each National Meeting and will notify the recommending party of such action. If the SAPWG does not wish to address the issue (e.g.; issue deemed not applicable to statutory accounting) or rejects the position presented, then the item is moved to the **Rejected Report**. Should the SAPWG choose to address an issue, it is moved to either the **Substantive** or **Nonsubstantive Listings**.

The **Substantive Listing** are items that require a new issue paper and SSAP to address the issue. Once items are placed on this listing, they are prioritized and the formal maintenance policy is followed (see *NAIC Policy Statement on Maintenance of Statutory Accounting Principles*). The SAPWG will utilize the NAIC website for exposure of substantive items. The **Nonsubstantive Listing** contains items that are considered editorial or technical in nature and therefore a new SSAP will not be developed. In other words, a revision to a SSAP for these items will not be deemed to modify its conclusion or original intent. The **Rejected Report** identifies all the items that were proposed to the SAP WG and rejected or deemed not applicable to statutory accounting. The **Active Report** identifies items that are in the process of completion. The **Active Report** is prioritized and shows the status of issue papers and SSAPs. The **Disposition Report** captures the conclusions of the SAPWG.

It should be noted that this Policy Statement addresses the process and the flow of information. The timing is left to the discretion of the SAPWG. For instance, an item can move from the pending list to the substantive disposition report in one, two or three National Meetings.

The NAIC staff will maintain a current Maintenance Agenda on the NAIC website at [www.naic.org](http://www.naic.org). Attachment A to this Policy Statement includes a flowchart depicting the flow of information. Attachment B includes a blank Form A. Attachment C is an example the document that will be attached to all exposed documents and will serve as the notice of public hearing and request for written comments.

**Statutory Accounting Principles Maintenance Process  
Illustration of Flow of Information**



**Statutory Accounting Principles Working Group  
Maintenance Agenda Submission Form  
Form A**

Issue:

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Check (applicable entity):

	P/C	Life	Health
Correction of existing SSAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New Issue or SSAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*Description of Issue:

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\*Existing Authoritative Literature:

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\*Activity to Date (issues previously addressed by SAPWG, Emerging Accounting Issues WG, SEC, FASB, other State Departments of Insurance or other NAIC groups):

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\*Information or issues (included in *Description of Issue*) not previously contemplated by the SAPWG:

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Recommended Conclusion or Future Action on Issue:

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Recommending Party:

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(Organization)

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(Person Submitting, Title)

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(Address, City, State, ZIP)

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(Phone and E-mail Address)

\_\_\_\_\_  
(Date Submitted)

\* Indicates required information before NAIC staff will accept form as a final document.

## EXPOSURE DRAFT NUMBER - TITLE

### Notice of Public Hearing and Request for Written Comments

**Hearing Date:** \_\_\_\_\_

**Location:** \_\_\_\_\_

**Deadline for Written Notice of Intent to speak:**

**Deadline for Receipt of Written Comments:**

**Basis for hearings.** The Statutory Accounting Principles Working Group (SAPWG) will hold a public hearing to obtain information from and views of interested individuals and organizations about the standards proposed in this Exposure Draft. The SAPWG will conduct the hearing in accordance with the National Association of Insurance Commissioners (NAIC) policy statement on open meetings. An individual or organization desiring to speak must notify the NAIC in writing by . Speakers will be notified as to the date, location, and other details of the hearings.

**Oral presentation requirements.** The intended speaker must submit a position paper, a detailed outline of a proposed presentation or comment letter addressing the standards proposed in the Exposure Draft by \_\_\_\_\_. Individuals or organizations whose submission is not received by that date will only be granted permission to present at the discretion of the SAPWG chair. All submissions should be addressed to the NAIC staff at the address listed below. Comments can also be submitted by electronic mail to \_\_\_\_\_@naic.org.

**Format of the hearings.** Speakers will be allotted up to 10 minutes for their presentations to be followed by a period for answering questions from the SAPWG. Speakers should use their allotted time to provide information in addition to their already submitted written comments as those comments will have been read and analyzed by the SAPWG. Those submissions will be included in the public record and will be available at the hearings for inspection.

**Copies.** Exposure Drafts can be obtained on the Internet at the NAIC Home Page (<http://www.naic.org>). The documents can be downloaded using Microsoft Word or WordPerfect.

**Written comments.** Participation at a public hearing is not a prerequisite to submitting written comments on this Exposure Draft. Written comments are given the same consideration as public hearing testimony.

The Statutory Accounting Principles Statement of Concepts was adopted by the Accounting Practices & Procedures (EX4) Task Force on September 20, 1994, in order to provide a foundation for the evaluation of alternative accounting treatments. All issues considered by the SAPWG will be evaluated in conjunction with the objectives of statutory reporting and the concepts set forth in the Statutory Accounting Principles Statement of Concepts. Whenever possible, establish a relationship between your comments and the principles defining statutory accounting.

The exposure period is not meant to measure support for, or opposition to, a particular accounting treatment but rather to accumulate an analysis of the issues from other perspectives and persuasive comments supporting them. Therefore, form letters and objections without valid support for their conclusions are not helpful in the deliberations of the working group. Comments should not simply register your agreement or disagreement without a detailed explanation, a description of the impact of the proposed guidelines, or possible alternative recommendations for accomplishing the regulatory objective.

Any individual or organization may send written comments to \_\_\_\_\_ at the address listed below, no later than \_\_\_\_\_. Comments can also be submitted by electronic mail to \_\_\_\_\_@naic.org. Electronic submission followed by signed hardcopy is preferred. After they have been reviewed by the SAPWG, these letters will be available for public inspection and may be obtained by contacting the NAIC Insurance Products and Services Division (816) 783-8300.

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