

§ 210.7-04

(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.

25. *Total liabilities and stockholders' equity.*

[46 FR 54335, Nov. 2, 1981, as amended at 50 FR 25215, June 18, 1985]

§ 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:

(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 sepa-

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rately 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.*

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

10. *Minority interest in income of consolidated subsidiaries.*

11. *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).)

12. *Income or loss from continuing operations.*

13. *Discontinued operations.*

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

15. *Extraordinary items, less applicable tax.*

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

17. *Net income or loss.*

18. *Earnings per share data.*

[46 FR 54335, Nov. 2, 1981, as amended at 57 FR 45293, Oct. 1, 1992]