Subsidiary, Controlled and Affiliated Entities (SCA) Filing Procedures – Filing a Sub-1 Form

Note to filer: Per the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual)*,* Subsidiary, Controlled and Affiliated Entities (SCAs) are required to file a Sub-1 form within 30 days of the acquisition or formation of the investment. These filing instructions help navigate filings through VISION.

Also see "SCA Filing Procedures – Sub-2" for instructions on how to file a Sub-2 form and an appeal to a Sub-2 form.

For additional information, please contact the individuals below.

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Note: Do <u>NOT</u> select "Cancel" at any time during the filing process; this will discard your filing and you will have to start over!

1. Accessing VISION to File an SCA

   A. Log on to the filing website https://vision.naic.org.

        1. If you need a User ID and Password, contact the NAIC Help Desk at 816-783-8500 or via email at securitiessupport@naic.org. All first-time VISION users will need a User ID.

        2. Click on the "SCA Filings" tab.
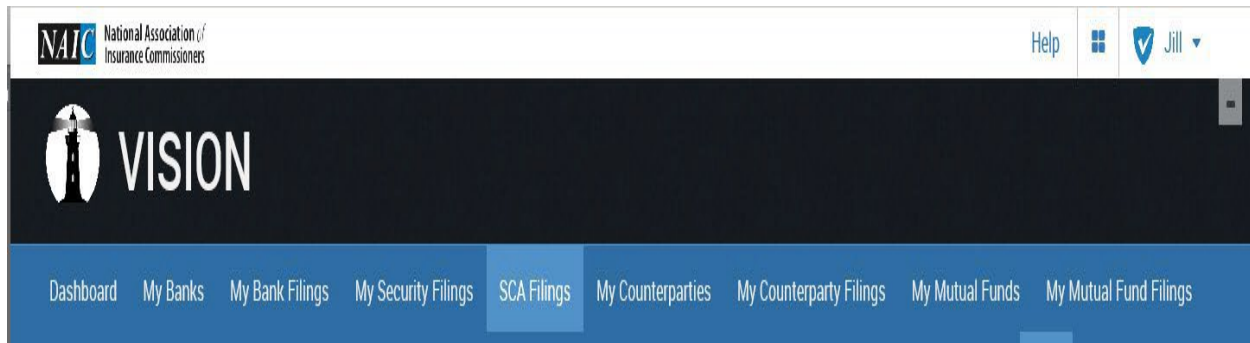
        a. The "SCA Filings" tab details all prior SCA filings and/or initiates a Sub-1 filing.

2. Filing a Sub-1 Form (Initial Filing)

    A. From the "SCA Filings" screen, select "Initiate Sub-1."
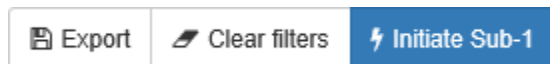
    B. Follow the filing wizard:

        1. **Filer and SCA Tab** – Select insurance reporting entity and identify which SCA you are filing.

            a. **Select Filer** – If you file for multiple companies, choose the correct Insurance Reporting Entity.

            b. **Find Issue** – Enter the SCA's CUSIP and select "Find."

                i. If you do not have a valid CUSIP or PPN, contact CUSIP Global Services at cusip.com. **This is a requirement to file an SCA.**

     c.   **SCA Name** – Enter the legal name of the SCA.

     d.   **Filing Year** – Enter the year of the audited financials. (Often prior year – 12/31/2024)

     e.   **Was SCA Company Acquired or Formed? –** Select answer.

     f.   When all the fields above have been filled in, select "Next."

Q Sub-1   **✖ Cancel**

1. Filer and SCA 2. Valuation Method 3. SCA Acquisition Details 4. SCA Acquisition Overview 5. Review

20.0%

← Back **→ Next** ←

▪ Select Filer

Filer ⇕

▮▮▮▮▮▮▮▮▮▮▮▮

▪ Enter SCA CUSIP

Find Issue *	SCA Name *	Filing Year *	Was SCA Company Acquired or Formed? *
Enter a 9 character cusip **Q Find**		2016 ⌄	Select One ⌄

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  2. **<u>Valuation Method Tab</u>** – Identify which valuation method the SCA is using.

     a.   **Select SCA Type** – Refer to *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* to ensure selection of the correct valuation method:

▪ Select Type of SCA

SCA Type *

Select One
8(a) - Market Value
8b(i) - US Insurance SCA Entities
8b(ii) - Non Insurance SCA Entities Statutory Basis
8b(iii) - Non Insurance SCA Entities GAAP Basis
8b(iv) - Foreign Insurance SCA Entities

b. Subsequent questions are tailored based on SCA Type:

  i. **8(a) – Market Value**

  (a) **Discount percentage**: Sliding scale discount based on ownership percentage (See Appendix C of SSAP No. 97)

  ii. **8b(i) – U.S. Insurance SCA Entities – (Must be licensed insurance entity)**

  (a) **Stock Type** – Common or preferred stock ownership.

  (b) **CoCode** – NAIC company code of the SCA insurance company

  iii. **8b(ii) – Non-Insurance SCA Entities Statutory Basis**

  (a) **Accounting Standard** – U.S. GAAP or Foreign basis as used in audit support.

  (b) **Stock Type** – Common or preferred stock ownership.

  iv. **8b(iii) – Non-Insurance SCA Entities GAAP Basis**

  (a) **Accounting Standard** – U.S. GAAP or Foreign basis as used in audit support.

  (b) **Stock Type** – Common or preferred stock ownership.

  v. **8b(iv) – Foreign Insurance SCA Entities**

  (a) **Stock Type** – Common or preferred stock ownership.

c. When all the questions have been addressed, select "Next."

3. **SCA Acquisition Details Tab** – Identify what type of business the SCA is, when it was acquired, and report goodwill (if applicable).

a. **Principal Business** – Identify the principal business of the SCA company.

b. **Date Shares Acquired –** Include month / date / year.

c. **Is Seller a Related Entity as Defined under SSAP No. 25—*Affiliates and Other Related Parties*? –** Select Yes / No *(Depending on the answer, there may be a few more questions)*

d. **Goodwill** – Based on the acquisition of the SCA, select:

- No Goodwill

- Positive Goodwill

- Negative Goodwill

(If positive or negative goodwill, goodwill worksheet will be a required attachment. The goodwill worksheet is available on the NAIC Subsidiary Controlled Affiliation (SCA) website https://content.naic.org/sca_subsidiary_controlled_affiliated.htm)

4. **SCA Acquisition Overview Tab** – Report claimed value of SCA and include filing comments.

a. **Total Value Claimed** – Value of SCA (include goodwill)

b. **Shares Owned** – Number of shares insurance reporting entity owns.

c. **Value Per Share** – Total value claimed divided by the number of shares owned.

d. **Percent Outstanding Shares Owned** – Percentage of shares issued and outstanding that the insurance reporting entity owns.

e. **Consideration Paid** – Amount paid for SCA.

f. **Does the SCA directly or indirectly own shares of the insurance reporting entity?** Relates to reciprocal ownership. *SCA Elimination Worksheet will be required: https://content.naic.org/sca_subsidiary_controlled_affiliated.htm*

g. **Does the SCA directly or indirectly own shares of an upstream intermediate or ultimate parent?** Relates to reciprocal ownership. *SCA Elimination Worksheet will be required: https://content.naic.org/sca_subsidiary_controlled_affiliated.htm*

h. **Is the SCA consolidated with other subsidiaries?** The Stat. Adjustment Worksheet will be required: *https://content.naic.org/sca_subsidiary_controlled_affiliated.htm*

i. **Analyst Name / Phone Number / Email** – Name and contact information of individual who prepared the filing in case SCA reviewer has questions.

j. **Comments** – Available for additional information for reviewing the SCA.

5. <u>**Review Tab**</u>

a. Review all fields of the SCA to ensure they are filed correctly.

<u>**IMPORTANT NOTES:**</u>

If something is not filled out correctly, select "Back" and update!

Once selecting "Prepare SCA Filing," you <u>WILL NOT</u> be able to make any changes!

<u>DO NOT</u> select Cancel at any point during the filing process - This will discard your filing!

b. When finished reviewing, select "Prepare SCA Filing."

6. **SCA Filing Detail Tab – Shows all the filing detail and attach supporting documents.**

   a.   To attach a document:

   - Select "Edit" under Supporting Documents.

   - Select "Attachments" to choose the file you want to add.
     If you have a document to add that is not listed, select "+ Add."

   - Find your document and upload.

   - When finished uploading documents, select "Save" under Supporting Documents.

Supporting Documents				↶ Cancel 🖺 Save
External				
Description	**Status**	**Details**		**Options**
**SCA Goodwill Worksheet	Required as Applicable			🔗 Attachments (0) 💬
**SCA Elimination Worksheet	Required as Applicable			🔗 Attachments (0) 💬
**SCA Stat. Adjustment Worksheet	Required as Applicable			🔗 Attachments (0) 💬
✱ **SCA Sub-1 Acquisition Overview	Incomplete			🔗 Attachments (0) 💬
**SCA Permitted and Prescribed Practices	Required as Applicable			🔗 Attachments (0) 💬

+ Add

   b.   Required Sub-1 Documents:
   - SCA Sub-1 Acquisition Overview – **Always required for Sub-1** - "*****"

   c.   Other Required Documents:
   - Required depending on answers to questions:
     (a) SCA Goodwill Worksheet – If positive or negative goodwill
     (b) SCA Elimination Worksheet – If "Yes" to the Reciprocal Ownership
     (c) SCA Stat. Adjustment Worksheet – If "Yes" to Consolidated

   Note: If applicable, these are required, but there will not be a "*".

   d.   Worksheets and other SCA documents available:
   https://content.naic.org/sca_subsidiary_controlled_affiliated.htm

After attaching all required documents - Select "Submit" to finalize Sub-1 filing.

✖ Cancel   ✔ Submit   💬 Notes (0)

After Submitting – You Have Completed the Sub-1 Filing!