Interpretation of the Emerging Accounting Issues (E) Working Group

INT 08-08: Balance Sheet Presentation of Funding Agreements Issued to a Federal Home Loan Bank

ISSUE NULLIFIED BY SSAP NO. 15, SSAP NO. 50 AND SSAP NO. 52

INT 08-08 Dates Discussed

September 23, 2008; December 5, 2008; March 15, 2009

INT 08-08 References

SSAP No.15—Debt and Holding Company Obligations (SSAP No. 15)
SSAP No. 50—Classifications and Definitions of Insurance or Managed Care Contracts In Force (SSAP No. 50)
SSAP No. 52—Deposit-Type Contracts (SSAP No. 52)

INT 08-08 Issue

1. The Gramm-Leach Bliley Act of 1999, also known as the Financial Modernization Act (FMA) expanded insurance companies' ability to access and utilize funds available from Federal Home Loan Banks (FHLB). In recent years, insurance companies, primarily in the life insurance industry, have increased the utilization of this opportunity to obtain low cost funds through reserve funds are used in both financial leverage and operating rener tighter fighter fighter