

Subsidiary, Controlled and Affiliated Entities (SCA) Filing Procedures – Filing a Sub-2 Form or an Appeal to a Sub-2 Form

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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 be filed. A Sub-1 form is required to be filed within 30 days of the acquisition or formation of the investment. A Sub-2 form is required to be filed annually for any existing investment, by June 30th of the next calendar year. Prior to September 5, 2016, these filings were completed in ISIS. After September 5, 2016, they will be completed in VISION. These filing instructions help navigate filings through VISION. For additional information, please contact the individuals below.

Also see “SCA Filing Procedures – Sub-1” for instructions on how to file a Sub-1 form.

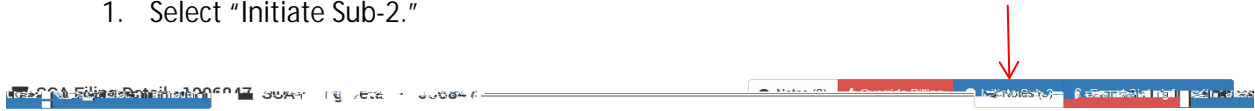
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Note: Do NOT select “Cancel” at any time during the filing process; this will discard your filing and you will have to start over!

B. Selecting the filing number will bring up SCA Filing Detail.

1. Select "Initiate Sub-2."



C. Follow the filing wizard – The filing wizard automatically populates what was previously approved by the SCA analyst.

1. **Filer and SCA Tab** – This tab is used to pick the insurance reporting entity and to identify what SCA you are filing.

- a. **Select Filer** – If you file for multiple companies, choose the correct Insurance Reporting Entity.
- b. **SCA Name** – Only change this if there was a name change for the SCA company.
- c. **Financial Statement Reporting Date** – Enter the date of the audited financials.
- d. When all of the fields above have been filled in, select "Next."

[Redacted]

[Redacted]

[Redacted]

2. **Valuation Method Tab** – This tab is used to identify what valuation method the SCA is using.
 - a. **Select SCA Type** – Refer to *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* to ensure you are selecting the correct valuation method. (*Depending on valuation method, other questions might be asked.*)

 - 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

V.

- h. **Analyst Name / Phone Number / Email** – Name and contact information of individual who prepared the filing in case SCA reviewer has questions
- i. **Comments** – Available for additional information for reviewing the SCA

4. **Review Tab**

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

IMPORTANT NOTES:

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

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

DONOT*select*

5. **SCA Filing Detail Tab** – This tab will show all the filing details and is where you will attach all supporting documents.

a. To attach a document:

1. Select “Edit” under Supporting Documents.

2. Select “Attachments” to choose the file you want to add.

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- C. When all of the fields above have been filled in, select "Next."
- D. Review the details and select "Prepare SCA Filing."
- E. On the "SCA Filing Detail" tab, include any supporting documents that accompany the appeal.
- F. Select "Submit" to finalize Sub-2 appeal filing.