

XBRL Amendments Have Limited Impact on Insurance Products

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On June 28, the SEC amended existing requirements for public operating companies and mutual funds regarding the use of eXtensible Business Reporting Language (XBRL) for financial statement information and risk/return summaries.

These amendments will affect certain filings made by some insurance companies (or their affiliates) that (a) register securities on SEC Forms S-1 or S-3, or (b) are reporting companies under the Securities Exchange Act of 1934. They will also affect filings by insurance-dedicated mutual funds that register on SEC Form N-1A. However, the amendments will not affect insurance product registration statements on SEC Forms N-3, N-4, N-6, or S-6.

For affected filings, the amendments mandate the use of “Inline” XBRL format. The Inline format imbeds the XBRL data in the filing itself, departing from the currently prevalent practice of including XBRL data in a separate filed document. The amendments also eliminate a current requirement that XBRL data additionally be posted on public operating companies’ and mutual funds’ websites. However, the amendments generally do not modify substantive XBRL requirements, such as those regarding what entities must file, or the scope of the XBRL data.

Affected operating companies that are “large accelerated filers” must comply with the Inline XBRL amendments in filing required financial statement information for fiscal periods ending on or after June 15, 2019, with “accelerated filers” following suit for periods ending on or after June 15, 2020, and other filers for periods ending on or after June 15, 2021. Mutual fund groups with net assets over \$1 billion will need to comply with the Inline XBRL amendments as to risk/return summaries in filings that take effect on or after September 17, 2020, which compliance deadline is September 17, 2021 for all other mutual funds.

The SEC touts these changes as part of its “continued efforts to modernize reporting and to improve the accessibility and usefulness of disclosures to investors.” It argues that, over time, the amendments will lower compliance and filing costs.

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