

Statutory Issue Paper No. 24

Discontinued Operations and Extraordinary Items

STATUS

Finalized March 16, 1998

Original SSAP and Current Authoritative Guidance: SSAP No. 24

Type of Issue:

Common Area

SUMMARY OF ISSUE

1. Current statutory accounting guidance does not define nor does it address the accounting treatment for the disposal of a segment of a business or extraordinary items.
2. GAAP guidance contained in Accounting Principles Board Opinion No. 30, *Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, as amended* (APB 30) defines discontinued operations, requires accrual of losses associated with the disposal of a segment of a business and states that results of operations of discontinued operations should be disclosed as a separate line item in the balance sheet and in the income statement after income from the on-going operations of the reporting entity, net of applicable income taxes. It also contains guidance on the calculation of the gain or loss on the disposal of a segment of the business. Gains on the disposal of a segment of the business are not to be recorded until realized.
3. APB 30 also defines extraordinary items and requires extraordinary items to be disclosed as a separate line item in the income statement after income from the on-going operation of the reporting entity, net of applicable income taxes.
4. The purpose of this issue paper is to establish statutory accounting principles related to the accounting and reporting for the effects of the disposal of a segment of a business and extraordinary items that are consistent with the Statutory Accounting Principles Statement of Concepts and Statutory Hierarchy (Statement of Concepts).

SUMMARY CONCLUSION

Discontinued Operations

5. If a loss is expected from the proposed sale or abandonment of a segment of business, the estimated loss shall be accrued at the measurement date, as defined in paragraph 13 below, in accordance with *Issue Paper No. 5—Definition of Liabilities, Loss Contingencies and Impairments of Assets*. If a gain is expected, it shall be recognized when realized, in accordance with *Issue Paper No. 20—Gain Contingencies*, which ordinarily is the disposal date.
6. The determination of whether a gain or loss results from the disposal should be made at the measurement date based on estimates at that date of the net realizable value of the segment after giving consideration to any estimated costs and expenses directly associated with the disposal and, if a plan of disposal is to be carried out over a period of time and contemplates continuing operations during that period, to any estimated income or losses from operations. If it is expected that net losses from operations will be incurred between the measurement date and the expected disposal date, the computation of the gain or loss on disposal should also include an estimate of such amounts. If it is expected that net income will be generated from operations during that period the computation should include the estimated net

income, limited however to the amount of any loss otherwise recognizable for the disposal, with any remainder accounted for when realized. Any changes in the original estimate shall be accounted for in accordance with *Issue Paper No. 3—Accounting Changes*.

7. The results of a reporting entity's discontinued operations shall be reported consistently with the entity's reporting of continuing operations (i.e. no separate line item presentation in the balance sheet or statement of operations aggregating current and future losses from the measurement date).

8. Additionally, the notes to the financial statements for the period encompassing the measurement date and the year subsequent shall contain the following:

- a. The identity of the segment of business that has been or will be discontinued,
- b. The expected disposal date, if known (see definition in paragraph 13 below),
- c. The expected manner of disposal,
- d. A description of the remaining assets and liabilities of the segment at the balance sheet date and the estimated payout pattern,
- e. The amounts related to the discontinued operations and the effect on the statement of operations including the balance sheet and income statement line items which have been affected.

9. If material revisions are made to the estimates of the cost to dispose of a segment in years subsequent to the disclosure required in paragraph 8 above, the nature and the effect of the revisions to the estimates shall be disclosed for the period in which the revision was made including the effect on income or loss from operations and the effect on the carrying amount of the remaining assets and liabilities of the segment at the balance sheet date.

Extraordinary Items

10. Extraordinary items, as defined in paragraph 13 below, shall be reported consistently with the reporting entity's reporting of continuing operations (i.e. no separate line item presentation in the balance sheet or statement of operations). Such items shall not be charged directly to surplus unless specifically addressed elsewhere within the codification.

11. The nature of an extraordinary event or transaction and the principle items entering into the determination of an extraordinary gain or loss shall be disclosed in the notes to the financial statements. This disclosure shall include the line items which have been affected by the estimate of the extraordinary item.

12. Material events or transactions that are either unusual or occur infrequently, but not both, are not considered extraordinary items. However, such material events or transactions shall be disclosed in the notes to the financial statements.

Definitions

13. For purposes of statutory accounting, the following definitions shall apply:

“Discontinued operations” shall be defined as the operations of a segment of a business that has been sold, abandoned, spun off, or otherwise disposed of or, although still operating, is the subject of a formal plan for disposal.

A “segment” of a business shall be defined as a component of an entity, likely in the form of a subsidiary, whose activities represent a separate major type of business or class of customer. The assets, results of operations, and activities of a segment must be clearly distinguished, physically and operationally and for financial reporting purposes, from the other assets, results of operations, and activities of the entity. The fact that the results of operations of the segment being sold or abandoned cannot be separately identified strongly suggests that the transaction should not be

classified as the disposal of a segment of the business. The disposal of a segment of a business should be distinguished from other disposals of assets incident to the evolution of the entity's business, such as the disposal of a line of business or the shifting of marketing activities from one location to another.

"Measurement date" shall be defined as the date on which management having authority to approve the action commits itself to a formal plan to dispose of a segment of the business, whether by sale or abandonment. The plan, at a minimum, should include identification of the major assets to be disposed of, the expected method of disposal, the period expected to be required for completion of the disposal, an active program to find a buyer if disposal is to be by sale, the estimated results of operations of the segment from the measurement date to the disposal date (defined below), and the estimated proceeds or salvage to be realized by disposal.

"Disposal date" shall be defined as the date of closing the sale if the disposal is by sale or the date that operations cease if the disposal is by abandonment.

"Extraordinary items" shall be defined as those events or transactions which meet both of the following criteria:

- (a) Unusual nature - the underlying event or transaction possesses a high degree of abnormality and is clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the reporting entity, taking into account the environment in which the reporting entity operates.
- (b) Infrequency of occurrence - the underlying event or transaction would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the reporting entity operates.

DISCUSSION

14. The conclusion above adopts the accounting principles relating to the accounting for the disposal of a segment of a business included in APB No. 30, paragraphs 13 through 18. These paragraphs define certain terminology relevant to the disposal of a segment and set forth criteria for recording a related loss. The conclusion above also adopts the definition of an extraordinary item included in paragraph 20 of APB 30. It rejects all other paragraphs relating to the accounting and reporting of discontinued operations, extraordinary items and unusual or infrequently occurring events and transactions. The conclusion above adopts the interpretations of APB 30 included in Accounting Interpretation of Accounting Principles Board Opinion 30, Reporting the Results of Operations (AIN-APB 30), relating to the definition of extraordinary items and terminology relevant to the disposal of a segment and the criteria for recording a related loss. It rejects all other interpretations of APB 30 relating to the accounting and reporting of discontinued operations, extraordinary items and unusual or infrequently occurring events and transactions. This statement also adopts *FASB Emerging Issues Task Force No. 85-36, Discontinued Operations with Expected Gain and Interim Operating Losses*.

15. This issue paper rejects *FASB Emerging Issues Task Force No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)*, and *FASB Emerging Issues Task Force No. 95-18, Accounting and Reporting for a Discontinued Business Segment When the Measurement Date Occurs after the Balance Sheet Date but before the Issuance of Financial Statements*.

16. As stated above, statutory accounting guidance does not address the accounting and reporting for discontinued operations and extraordinary items and industry practice is varied. Predominant practice has been to accrue losses resulting from discontinued operations, however, practice varies as to the

presentation of the loss. Some entities record extraordinary items as a charge directly to surplus; other entities do not separate extraordinary items from the results of continuing operations.

17. The conclusion above requires a loss associated with discontinued operations to be recorded at the measurement date. This is consistent with the conservatism concept in the Statement of Concepts. *Issue Paper No. 5—Definition of Liabilities, Loss Contingencies and Impairments of Assets* requires an estimated loss from a loss contingency to be recorded when (a) it is probable that a loss will be incurred and (b) the amount of the loss can be reasonably estimated.

Drafting Notes/Comments

None

RELEVANT STATUTORY ACCOUNTING AND GAAP GUIDANCE

Statutory Accounting

18. Statutory guidance does not address the accounting treatment for the disposal of a segment or extraordinary items.

Generally Accepted Accounting Principles

19. *Accounting Principles Board Opinion No. 30, Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions* (APB 30), discusses discontinued operations and extraordinary items in the following excerpts:

Income Statement Presentation and Disclosure

8. Discontinued Operations of a Segment of a Business. For purposes of this Opinion, the term discontinued operations refers to the operations of a segment of a business as defined in paragraph 13 that has been sold, abandoned, spun off, or otherwise disposed of or, although still operating, is the subject of a formal plan for disposal (see paragraph 14). The Board concludes that the results of continuing operations should be reported separately from discontinued operations and that any gain or loss from disposal of a segment of a business (determined in accordance with paragraphs 15 and 16) should be reported in conjunction with the related results of discontinued operations and not as an extraordinary item. Accordingly, operations of a segment that has been or will be discontinued should be reported separately as a component of income before extraordinary items and the cumulative effect of accounting changes (if applicable) in the following manner:

Income from continuing operations before income taxes ²	\$XXXX
Provision for income taxes	XXX
	<hr/>
Income from continuing operations ²	\$XXXX
Discontinued operations(Note _____):	
Income (loss) from operations of discontinued Division X (less applicable income taxes of \$ _____)	\$XXXX
Loss on disposal of Division X, including provision of \$ _____ for operating losses during phase-out period (less applicable income taxes of \$ _____)	XXXX
	<hr/>
Net Income	\$XXXX ====

Amounts of income taxes applicable to the results of discontinued operations and the gain or loss from disposal of the segment should be disclosed on the face of the income statement or in related notes. Revenues applicable to the discontinued operations should be separately disclosed in the related notes.

² These captions should be modified appropriately when an entity reports an extraordinary item and/or the cumulative effect of a change in accounting principle in accordance with APB Opinion No. 20, *Accounting Changes*. The presentation of per share data will need similar modification.

11. In the absence of discontinued operations and changes in accounting principles, the following main captions should appear in an income statement if extraordinary items are reported (paragraphs 17-19 of APB Opinion No. 9):

Income before extraordinary items ⁴	\$XXXX
Extraordinary items of less applicable income taxes of \$_____ (Note_____)	XXX
Net income	<hr/> \$XXXX ====

⁴ This caption should be modified appropriately when an entity reports the cumulative effect of an accounting change.

The caption extraordinary items should be used to identify separately the effects of events and transactions, other than the disposal of a segment of a business, that meet the criteria for classification as extraordinary as discussed in paragraphs 19-24. Descriptive captions and the amounts for individual extraordinary events or transactions should be presented, preferably on the face of the income statement, if practicable; otherwise disclosure in related notes is acceptable. The nature of an extraordinary event or transaction and the principal items entering into the determination of an extraordinary gain or loss should be described. The income taxes applicable to extraordinary items should be disclosed on the face of the income statement; alternatively disclosure in the related notes is acceptable. The caption net income should replace the three captions shown above if the income statement includes no extraordinary items.

Accounting for the Disposal of a Segment of a Business

13. For purposes of this Opinion, the term *segment of a business* refers to a component of an entity whose activities represent a separate major line of business or class of customer. A segment may be in the form of a subsidiary, a division, or a department, and in some cases a joint venture or other nonsubsidiary investee, provided that its assets, results of operations, and activities can be clearly distinguished, physically and operationally and for financial reporting purposes, from the other assets, results of operations, and activities of the entity. Financial statements of current and prior periods that include results of operations prior to the measurement date (as defined in paragraph 14) should disclose the results of operations of the disposed segment, less applicable income taxes, as a separate component of income before extraordinary items (see paragraph 8). The fact that the results of operations of the segment being sold or abandoned cannot be separately identified strongly suggests that the transaction should not be classified as the disposal of a segment of the business. The disposal of a segment of a business should be distinguished from other disposals of assets incident to the evolution of the entity's business, such as the disposal of part of a line of business, the shifting of production or marketing activities for a particular line of business from one location to another, the phasing out of a product line or class of service, and other changes occasioned by technological

improvements. The disposal of two or more unrelated assets that individually do not constitute a segment of a business should not be combined and accounted for as a disposal of a segment of business.

14. **Definition of Measurement and Disposal Dates.** For purposes of applying the provisions of this Opinion, the measurement date of a disposal is the date on which the management having authority to approve the action commits itself to a formal plan to dispose of a segment of the business, whether by sale or abandonment. The plan of disposal should include, as a minimum, identification of the major assets to be disposed of, the expected method of disposal, the period expected to be required for completion of the disposal, an active program to find a buyer if disposal is to be by sale, the estimated results of operations of the segment from the measurement date to the disposal date, and the estimated proceeds or salvage to be realized by disposal. For purposes of applying this Opinion, the disposal date is the date of closing the sale if the disposal is by sale or the date that operations cease if the disposal is by abandonment.

15. **Determination of Gain or Loss on Disposal of a Segment of a Business.** If a loss is expected from the proposed sale or abandonment of a segment, the estimated loss should be provided for at the measurement date.⁵ If a gain is expected, it should be recognized when realized, which ordinarily is the disposal date. The determination of whether a gain or a loss results from the disposal of a segment of a business should be made at the measurement date based on estimates at that date of the net realizable value of the segment after giving consideration to any estimated costs and expenses directly associated with the disposal and, if a plan of disposal is to be carried out over a period of time and contemplates continuing operations during that period, to any estimated income or losses from operations. If it is expected that net losses from operations will be incurred between the measurement date and the expected disposal date, the computation of the gain or loss on disposal should also include an estimate of such amounts. If it is expected that income will be generated from operations during that period the computation of the gain or loss should include the estimated income, limited however to the amount of any loss otherwise recognizable from the disposal; any remainder should be accounted for as income when realized. The Board believes that the estimated amounts of income or loss from operations of a segment between measurement date and disposal date included in the determination of loss on disposal should be limited to those amounts that can be projected with reasonable accuracy. In the usual circumstance, it would be expected that the plan of disposal would be carried out within a period of one year from the measurement date and that such projections of operating income or loss would not cover a period exceeding approximately one year.⁶

⁵ If financial statements for a date prior to the measurement date have not been issued, and the expected loss provides evidence of conditions that existed at the date of such statements and affects estimates inherent in the process of preparing them, the financial statements should be adjusted for any change in estimates resulting from the use of such evidence. (See Statement on Auditing Standards No. 1, Codification of Auditing Standards and Procedures, paragraph 560.03.)

⁶ When disposal is estimated to be completed within one year and subsequently is revised to a longer period of time, any revision of the net realizable value of the segment should be treated as a change in estimate (see paragraph 25).

16. Gain or loss from the disposal of a segment of a business should not include adjustments, costs, and expenses associated with normal business activities that should have been recognized on a going-concern basis up to the measurement date, such as adjustments of accruals on long-term contracts or write-down or write-off of receivables, inventories, property, plant, and equipment used in the business, equipment leased to others, deferred research and development costs, or other intangible assets. However, such adjustments, costs, and expenses which (a) are clearly a direct result of the decision to dispose of the segment and (b) are clearly not the adjustments of carrying amounts or costs, or expenses that should have been recognized on a going-concern basis prior to the measurement date should be included in determining the

gain or loss on disposal. Results of operations before the measurement date should not be included in the gain or loss on disposal.

17. Costs and expenses directly associated with the decision to dispose include items such as severance pay, additional pension costs, employee relocation expenses, and future rentals on long-term leases to the extent they are not offset by sub-lease rentals.

18. Disclosure. In addition to the amounts that should be disclosed in the financial statements (paragraph 8), the notes to financial statements for the period encompassing the measurement date should disclose:

- a. the identity of the segment of business that has been or will be discontinued,
- b. the expected disposal date, if known (see paragraph 14),
- c. the expected manner of disposal,
- d. a description of the remaining assets and liabilities of the segment at the balance sheet date,⁷ and
- e. the income or loss from operations and any proceeds from disposal of the segment during the period from the measurement date to the date of the balance sheet.

For periods subsequent to the measurement date and including the period of disposal, notes to the financial statements should disclose the information listed in (a), (b), (c), and (d) above and also the information listed in (e) above compared with the prior estimates.

⁷ Consideration should be given to disclosing this information by segregation in the balance sheet of the net assets and liabilities (current and noncurrent) of the discontinued segment. Only liabilities which will be assumed by others should be designated as liabilities of the discontinued segment. If the loss on disposal cannot be estimated within reasonable limits, this fact should be disclosed.

20. Extraordinary items are events and transactions that are distinguished by their unusual nature and by the infrequency of their occurrence. Thus, both of the following criteria should be met to classify an event or transaction as an extraordinary item:

- a. Unusual nature—the underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity, taking into account the environment in which the entity operates. (See discussion in paragraph 21.)
- b. Infrequency of occurrence—the underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the entity operates. (See discussion in paragraph 22.)

21. Unusual Nature. The specific characteristics of the entity, such as type and scope of operations, lines of business, and operating policies should be considered in determining ordinary and typical activities of an entity. The environment in which an entity operates is a primary consideration in determining whether an underlying event or transaction is abnormal and significantly different from the ordinary and typical activities of the entity. The environment of an entity includes such factors as the characteristics of the industry or industries in which it operates, the geographical location of its operations, and the nature and extent of governmental regulation. Thus, an event or transaction may be unusual in nature for one entity but not for another because of differences in their respective environments. Unusual nature is not established by the fact that an event or transaction is beyond the control of management.

22. Infrequency of Occurrence. For purposes of this Opinion, an event or transaction of a type not reasonably expected to recur in the foreseeable future is considered to occur

infrequently. Determining the probability of recurrence of a particular event or transaction in the foreseeable future should take into account the environment in which an entity operates. Accordingly, a specific transaction of one entity might meet that criterion and a similar transaction of another entity might not because of different probabilities of recurrence. The past occurrence of an event or transaction for a particular entity provides evidence to assess the probability of recurrence of that type of event or transaction in the foreseeable future. By definition, extraordinary items occur infrequently. However, mere infrequency of occurrence of a particular event or transaction does not alone imply that its effects should be classified as extraordinary. An event or transaction of a type that occurs frequently in the environment in which the entity operates cannot, by definition, be considered as extraordinary, regardless of its financial effect.

23. Certain gains and losses should not be reported as extraordinary items because they are usual in nature or may be expected to recur as a consequence of customary and continuing business activities. Examples include:

- a. Write down or write-off of receivables, inventories, equipment leased to others, deferred research and development costs, or other intangible assets.
- b. Gains or losses from exchange or translation of foreign currencies, including those relating to major devaluations and revaluations.
- c. Gains or losses on disposal of a segment of a business.
- d. Other gains or losses from sale or abandonment of property, plant, or equipment used in the business.
- e. Effects of a strike, including those against competitors and major suppliers.
- f. Adjustment of accruals on long-term contracts.

In rare situations, an event or transaction may occur that clearly meets both criteria specified in paragraph 20 of this Opinion and thus gives rise to an extraordinary gain or loss that includes one or more of the gains or losses enumerated above. In these circumstances, gains or losses such as (a) and (d) above should be included in the extraordinary item if they are a direct result of a major casualty (such as an earthquake), an expropriation, or a prohibition under a newly enacted law or regulation that clearly meets both criteria specified in paragraph 20. However, any portion of such losses which would have resulted from a valuation of assets on a going concern basis should not be included in the extraordinary items. Disposals of a segment of a business should be accounted for pursuant to paragraph 13 and presented in the income statement pursuant to paragraph 8 even though the circumstances of the disposal meet the criteria specified in paragraph 20.

Adjustment of Amounts Reported in Prior Periods

25. Circumstances attendant to disposals of a segment of a business and extraordinary items frequently require estimates, for example, of associated costs and occasionally of associated revenue, based on judgment and evaluation of the facts known at the time of first accounting for the event. Each adjustment in the current period of a loss on disposal of a business segment or of an element of an extraordinary item that was reported in a prior period [should not be reported as a prior period adjustment unless it meets the criteria for a prior period adjustment as defined in paragraph 23 of APB Opinion No. 9. An adjustment that does not meet such criteria] should be separately disclosed as to year of origin, nature, and amount and classified separately in the current period in the same manner as the original item. If the adjustment is the correction of an error, the provisions of *APB Opinion No. 20, Accounting Changes*, paragraphs 36 and 37 should be applied.

Disclosure of Unusual or Infrequently Occurring Items

26. A material event or transaction that is unusual in nature or occurs infrequently but not both, and therefore does not meet both criteria for classification as an extraordinary item, should be reported as a separate component of income from continuing operations. The nature and financial effects of each event or transaction should be disclosed on the face of the income statement or, alternatively, in notes to the financial statements. Gains or losses of a similar nature

that are not individually material should be aggregated. Such items should not be reported on the face of the income statement net of income taxes or in any manner inconsistent with the provisions of paragraphs 8 and 11 of this Opinion or in any other manner that may imply that they are extraordinary items. Similarly, the earnings per share effects of those items should not be disclosed on the face of the income statement.⁸

⁸ Exceptions to the final two sentences of this paragraph are specified in the following AICPA industry audit guides: Audits of Banks, p. 36; Audits of Fire and Casualty Insurance Company, p. 66; and Audits of Stock Life Insurance Companies, p. 89.

20. Note that the bracketed section of APB 30, paragraph 25 was amended by *FASB Statement No. 16, Prior Period Adjustments*.

OTHER SOURCES OF INFORMATION

21. The NAIC Technical Resource Group proposed draft life codification, Chapter 28, *Unassigned Surplus*, includes the following:

Extraordinary Items

Extraordinary items are events and transactions that are distinguished by their unusual nature and by the infrequency of their occurrence. Both of the following criteria should be met to classify an event or transaction as an extraordinary item:

- a. Unusual nature - the underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity, taking into consideration the environment in which the entity operates.
- b. Infrequency of occurrence - the underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

Unusual Nature. The specific characteristics of the entity, such as type and scope of operations, lines of business, and operating policies should be considered in determining ordinary and typical activities of an entity. The environment in which an entity operates is a primary consideration in determining whether an underlying event or transaction is abnormal and significantly different from the ordinary and typical activities of the entity. The environment of an entity includes such factors as the characteristics of its products and the geographic location of its operations. Thus, an event or transaction may be unusual in nature for one entity but not for another because of differences in their respective environments. Unusual nature is not established by the fact that an event or transaction is beyond the control of management.

Infrequency of Occurrence. An event or transaction of a type not reasonably expected to recur in the foreseeable future is considered to occur infrequently. Determining the probability of recurrence of a particular event or transaction in the foreseeable future should take into account the environment in which the entity operates. Accordingly, a specific transaction of one entity might meet that criterion and a similar transaction of another entity might not because of different probabilities of recurrence. The past occurrence of an event or transaction for a particular entity provides evidence to assess the probability of recurrence of that type of event or transaction in the foreseeable future. By definition, extraordinary items occur infrequently. However, mere infrequency of occurrence of a particular event or transaction does not alone imply that its effects should be classified as extraordinary. An event or transaction of a type that occurs frequently in the environment in which the entity operates cannot, by definition, be considered as extraordinary, regardless of the financial effect.

Materiality. An extraordinary event or transaction, if material, shall be classified separately in the Summary of Operations. Items shall be evaluated individually and not in the aggregate in determining whether an event or transaction is material.

Even though they do not meet the criteria for an extraordinary item, if material, gains and losses from extinguishment of debt, significant asset disposition after a pooling, discontinuation of accounting for the effects of certain types of regulation, shall be classified as an extraordinary item.

RELEVANT LITERATURE

Statutory Accounting

- Statutory Accounting Principles Statement of Concepts and Statutory Hierarchy
- *Issue Paper No. 3—Accounting Changes*
- *Issue Paper No. 5—Definition of Liabilities, Loss Contingencies and Impairments of Assets*
- *Issue Paper No. 20—Gain Contingencies*

Generally Accepted Accounting Principles

- *Accounting Principles Board Opinion No. 30, Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions*
- *Accounting Interpretation of Accounting Principles Board Opinion 30, Reporting the Results of Operations*
- *FASB Emerging Issues Task Force No. 85-36, Discontinued Operations with Expected Gain and Interim Operating Losses*
- *FASB Emerging Issues Task Force No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)*
- *FASB Emerging Issues Task Force No. 95-18, Accounting and Reporting for a Discontinued Business Segment When the Measurement Date Occurs after the Balance Sheet Date but before the Issuance of Financial Statements*

State Regulations

- No additional guidance obtained from state statutes or regulations.

Other Sources of Information

- NAIC Technical Resource Group proposed draft life codification, Chapter 28, *Unassigned Surplus*