



Proposed Accounting Standards Update

Issued: July 20, 2010

Comments Due: August 20, 2010

Contingencies (Topic 450)

Disclosure of Certain Loss Contingencies

This Exposure Draft of a proposed Accounting Standards Update of Topic 450 is issued by the Board for public comment. Written comments should be addressed to:

Technical Director

File Reference No. 1840-100

The *FASB Accounting Standards Codification™* is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. An Accounting Standards Update is not authoritative; rather, it is a document that communicates how the Accounting Standards Codification is being amended. It also provides other information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective.

Notice to Recipients of This Exposure Draft of a Proposed Accounting Standards Update

The Board invites individuals and organizations to send written comments on all matters in this Exposure Draft of a proposed Accounting Standards Update. Responses from those wishing to comment on the Exposure Draft must be received in writing by August 20, 2010. Interested parties should submit their comments by email to director@fasb.org, File Reference No. 1840-100. Those without email should send their comments to "Technical Director, File Reference No. 1840-100, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116." Do not send responses by fax.

All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to its website and by making them available in its public reference room in Norwalk, Connecticut.

An electronic copy of this Exposure Draft is available on the FASB's website until the FASB issues a final Accounting Standards Update.

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**Proposed Accounting Standards Update
Contingencies (Topic 450)
Disclosure of Certain Loss Contingencies**

July 20, 2010

Comment Deadline: August 20, 2010

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Summary and Questions for Respondents

Why Is the FASB Issuing This Proposed Accounting Standards Update (Update)?

Investors and other users of financial reporting have expressed concerns that disclosures about loss contingencies under the existing guidance on contingencies in Topic 450 do not provide adequate and timely information to assist them in assessing the likelihood, timing, and magnitude of future cash outflows associated with loss contingencies.

Who Would Be Affected by the Amendments in This Proposed Update?

The amendments in this proposed Update would apply to all entities, both public and nonpublic, except that nonpublic entities would not be required to provide a tabular reconciliation of accrued loss contingencies.

What Are the Main Provisions?

The amendments in this proposed Update would establish the following disclosure objective:

An entity shall disclose qualitative and quantitative information about loss contingencies to enable financial statement users to understand all of the following:

- a. The nature of the loss contingencies
- b. Their potential magnitude
- c. Their potential timing (if known).

To achieve the above objective, an entity would consider the following principles in determining disclosures that are appropriate for its individual facts and circumstances for loss contingencies that meet the disclosure threshold:

- a. During early stages of a loss contingency's life cycle, an entity would disclose information that is available to enable users to understand the loss contingency's nature, potential magnitude, and potential timing (if known). Available information may be limited and, therefore, disclosure may be less extensive in early stages of a loss contingency. In subsequent reporting periods, disclosure would be more extensive as

additional information about a potential unfavorable outcome becomes available.

- b. An entity may aggregate disclosures about similar contingencies (for example, by class or type) so that the disclosures are understandable and not too detailed. If an entity provides disclosures on an aggregated basis, it would disclose the basis for aggregation.

With respect to the disclosure threshold, the amendments in this proposed Update would require disclosure of certain remote loss contingencies. This proposed change in the disclosure threshold would expand the population of loss contingencies that are required to be disclosed to achieve more timely disclosure of remote loss contingencies with a potentially severe impact.

When assessing the materiality of loss contingencies to determine whether disclosure is required, an entity would not consider the possibility of recoveries from insurance or other indemnification arrangements.

The proposed amendments would retain the current qualitative disclosures and enhance them by requiring additional disclosures, for example, in the case of litigation contingencies, disclosure of the contentions of the parties and how users can obtain additional information about the litigation. Similarly, in addition to the quantitative disclosures required under current U.S. generally accepted accounting principles (GAAP), the amendments in this proposed Update would require disclosure of publicly available quantitative information (such as the claim amount for asserted litigation contingencies), other relevant nonprivileged information, and, in some cases, information about possible recoveries from insurance and other sources. Furthermore, a public entity would be required to provide tabular reconciliations, by class, of recognized (accrued) loss contingencies that present the activity in the account during the reporting period.

How Would the Main Provisions Differ from Current U.S. Generally Accepted Accounting Principles (GAAP) and Why Would They Be an Improvement?

The amendments in this proposed Update would retain the disclosures required under current U.S. GAAP and enhance them with additional information. The proposed disclosures are intended to enable users to understand the nature, potential magnitude, and potential timing (if known) of loss contingencies.

The FASB staff will continue to work with the Public Company Accounting Oversight Board, the American Institute for Certified Public Accountants, and the American Bar Association (ABA) to identify and address any potential implications of the proposed requirements for the U.S. auditing literature and the ABA's Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information.

When Would the Amendments Be Effective?

For public entities, the new guidance would be effective for fiscal years ending after December 15, 2010, and interim and annual periods in subsequent fiscal years. For nonpublic entities, the new guidance would be effective for the first annual period beginning after December 15, 2010, and for interim periods of fiscal years after the first annual period.

How Do the Proposed Provisions Compare with International Financial Reporting Standards (IFRS)?

The disclosures that would be required by the amendments in this proposed Update are similar, but not identical, to those required by IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The IASB currently is deliberating changes to IAS 37. The IASB's plan is to complete its project in 2010. The IASB's project, however, has a much broader scope that includes initial recognition, subsequent measurement, and disclosures. The scope of this proposed Update is limited to improving disclosures.

Questions for Respondents

The Board invites individuals and organizations to comment on all matters in this proposed Update, particularly on the issues and questions below. Comments are requested from those who agree with the proposed guidance as well as from those who do not agree. Comments are most helpful if they identify and clearly explain the issue or question to which they relate. Those who disagree with the proposed guidance are asked to describe their suggested alternatives, supported by specific reasoning.

Question 1: Are the proposed disclosures operational? If not, please explain why.

Question 2: Are the proposed disclosures auditable? If not, please explain why.

Question 3: The June 2008 FASB Exposure Draft, *Disclosure of Certain Loss Contingencies*, had proposed certain disclosures based on management's predictions about a contingency's resolution. The amendments in this proposed Update would eliminate those disclosure requirements such as estimating when a loss contingency would be resolved and the entity's maximum exposure to loss. Do you agree that an explicit exemption from disclosing information that is "prejudicial" to the reporting entity is not necessary because the amendments in this proposed Update would:

- a. Not require any new disclosures based on management's predictions about a contingency's resolution

- b. Generally focus on information that is publicly available
- c. Relate to amounts already accrued in the financial statements
- d. Permit information to be presented on an aggregated basis with other similar loss contingencies?

If not, please explain why.

Question 4: Is the proposed effective date operational? If not, please explain why.

Question 5: Do you believe that the proposed disclosures will enhance and improve the information provided to financial statement users about the nature, potential magnitude, and potential timing (if known) of loss contingencies?

Question 6: Do you agree that *nonpublic entities* should be exempt from the tabular reconciliation disclosures required in the amendments in this proposed Update? If not, please explain why. Are there any other aspects of the amendments that should be applied differently to nonpublic entities? If so, please identify and explain why.

Question 7: The amendments in this proposed Update would defer the effective date for nonpublic entities for one year. Do you agree with the proposed deferral? If not, please explain why.

Question 8: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission's requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

Amendments to the *FASB Accounting Standards Codification*[™]

Introduction

1. This proposed Update addresses the disclosure of certain loss contingencies within the scope of the amendments in this Update. The amendments would lower the current disclosure threshold and broaden the current disclosure requirements to provide adequate and timely information to assist users in assessing the likelihood, potential magnitude, and potential timing (if known) of future cash outflows associated with loss contingencies. The Subtopics listed below represent the primary changes to the Accounting Standards Codification as a result of the amendments in this proposed Update. The listed amendments will require changes to additional Subtopics that may be linked or related to the Subtopics noted below.

2. The following Subtopics would be amended:

Codification Subtopics	Action	Description of Changes
450-20 Contingencies— Loss Contingencies	Amended	<ul style="list-style-type: none">• The proposed amendments would amend the guidance on disclosure of certain loss contingencies.
210-20 Balance Sheet—Offsetting	Consequential Amendment	<ul style="list-style-type: none">• The substance of the guidance in this Subtopic would not be changed by the proposed amendments.• However, the proposed amendments would clarify that insurance or other recoveries related to loss contingencies should not be netted against the amounts accrued for loss contingencies.

Codification Subtopics	Action	Description of Changes
275-10 Risks and Uncertainties—Overall	Conforming Amendment	<ul style="list-style-type: none"> The substance of the guidance in this Subtopic would not be changed by the proposed amendments.
410-30 Asset Retirement and Environmental Obligations—Environmental Obligations	Conforming Amendment	<ul style="list-style-type: none"> Disclosure of loss contingencies as they arise from environmental obligations would be expanded to include the disclosures in the proposed amendments.
460-10 Guarantees—Overall	Conforming Amendment	<ul style="list-style-type: none"> Disclosure of loss contingencies related to guarantees, excluding product warranties, would be removed from Section 450-20-50. Section 450-20-50 would be clarified to apply to product warranties, including disclosures in the proposed amendments.
470-60 Debt—Troubled Debt Restructurings by Debtors	Conforming Amendment	<ul style="list-style-type: none"> The substance of the guidance in this Subtopic would not be changed by the proposed amendments.
715-80 Compensation—Retirement Benefits—Multiemployer Plans	Conforming Amendment	<ul style="list-style-type: none"> The disclosure threshold for withdrawals from a multiplayer plan would be expanded to include withdrawals that may give rise to certain remote contingencies that meet the threshold for the disclosures in the proposed amendments. Overall disclosures of loss

Codification Subtopics	Action	Description of Changes
		contingencies as they arise from withdrawals from multiemployer plans would be expanded to include the disclosures in the proposed amendments.
720-20 Other Expenses— Insurance Costs	Conforming Amendment	<ul style="list-style-type: none"> The substance of the guidance in this Subtopic would not be changed by the proposed amendments.
805-20 Business Combinations— Identifiable Assets and Liabilities, and Any Noncontrolling Interest	Conforming Amendment	<ul style="list-style-type: none"> Disclosures of loss contingencies as they arise from business combinations would be expanded to include the disclosures in the proposed amendments.

3. The Accounting Standards Codification is amended as described in paragraphs 4–34. In some cases, not only are the amended paragraphs shown but also the preceding and following paragraphs are shown to put the change in context. Terms from the Master Glossary are in **bold** type. Added text is underlined, and deleted text is ~~struck out~~.

Amendments to Master Glossary

4. Amend the following existing Master Glossary term and add it to Subtopic 450-20, with a link to transition paragraph 450-20-65-1, as follows:

Severe Impact

(Used in reference to current vulnerability due to certain concentrations, loss contingencies, or both.) A significant financially disruptive effect on the normal functioning of an entity. Severe impact is a higher threshold than material. Matters that are important enough to influence a user’s decisions are deemed to be material, yet they may not be so significant as to disrupt the normal functioning of the entity. Some events are material to an investor because they might affect the price of an entity’s capital stock or its debt securities, but they would not necessarily have a severe impact on (disrupt) the entity itself. The concept of severe impact, however, includes matters that are less than

catastrophic. Matters that are catastrophic include, for example, those that would result in bankruptcy.

Amendments to Subtopic 450-20

5. Amend paragraph 450-20-15-2, with a link to transition paragraph 450-20-65-1, as follows:

Contingencies—Loss Contingencies

Scope and Scope Exceptions

> Transactions

450-20-15-2 The following transactions are excluded from the scope of this Subtopic because they are addressed elsewhere in the Codification:

- a. Stock issued to employees, which is discussed in Topic 718.
- b. Employment-related costs, including deferred compensation contracts, which are discussed in Topics 710, 712, and 715. However, certain postemployment benefits are included in the scope of this Subtopic through application of paragraphs 712-10-25-4 through 25-5. Also, obligations that may result from withdrawal from a multiemployer plan are included in the scope of this Subtopic through application of paragraph 715-80-35-2 and paragraph 715-80-50-2.
- c. Uncertainty in income taxes, which is discussed in Section 740-10-25.
- d. Accounting and reporting by insurance entities, which is discussed in Topic 944.

6. Amend paragraph 450-20-25-2, with a link to transition paragraph 450-20-65-1, as follows:

Recognition

450-20-25-2 An estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met:

- a. Information available before the financial statements are issued or are available to be issued (as discussed in Section 855-10-25) indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. Date of the financial statements means the end of the most recent accounting period for which financial statements are being presented. It is implicit in this condition that it must be probable that one or more future events will occur confirming the fact of the loss.
- b. The amount of loss can be reasonably estimated.

The purpose of those conditions is to require accrual of losses when they are reasonably estimable and relate to the current or a prior period. Paragraphs 450-20-55-1 through 55-17 and Examples 1–2 (see paragraphs 450-20-55-18A450-20-55-18 through 55-35) illustrate the application of the conditions. As discussed in Section 450-20-50~~paragraph 450-20-50-5~~, disclosure is preferable to accrual when a reasonable estimate of loss cannot be made. Further, even losses that are reasonably estimable shall not be accrued if it is not probable that an asset has been impaired or a liability has been incurred at the date of an entity's financial statements because those losses relate to a future period rather than the current or a prior period. Attribution of a loss to events or activities of the current or prior periods is an element of asset impairment or liability incurrence.

7. Supersede paragraph 450-20-50-1 and its related heading, with a link to transition paragraph 450-20-65-1, as follows:

Disclosure

> Accruals for Loss Contingencies

~~450-20-50-1 Paragraph superseded by Accounting Standards Update 2010-XX. Disclosure of the nature of an accrual made pursuant to the provisions of paragraph 450-20-25-2, and in some circumstances, the amount accrued, may be necessary for the financial statements not to be misleading. Terminology used shall be descriptive of the nature of the accrual, such as estimated liability or liability of an estimated amount. The term reserve shall not be used for an accrual made pursuant to paragraph 450-20-25-2; that term is limited to an amount of unidentified or unsegregated assets held or retained for a specific purpose. Examples 1 (see paragraph 450-20-55-18) and 2, Cases A, B, and D (see paragraphs 450-20-55-23, 450-20-55-27, and 450-20-55-32) illustrate the application of these disclosure standards.~~

8. Add paragraphs 450-20-50-1A through 50-1F and their related headings, with a link to transition paragraph 450-20-65-1, as follows:

> Objective

450-20-50-1A An entity shall disclose qualitative and quantitative information about loss contingencies to enable financial statement users to understand all of the following:

- a. The nature of the loss contingencies
- b. Their potential magnitude
- c. Their potential timing (if known).

> Principles

450-20-50-1B To achieve the objective in the preceding paragraph, an entity shall consider the following principles in determining disclosures that are

appropriate for their individual facts and circumstances for loss contingencies that meet the disclosure threshold:

- a. During early stages of a loss contingency's life cycle, an entity shall disclose information that is available to enable users to understand the loss contingency's nature, potential magnitude, and potential timing (if known). Available information may be limited and, therefore, disclosure may be less extensive in early stages of a loss contingency. In subsequent reporting periods, disclosure shall be more extensive as additional information about a potential unfavorable outcome becomes available.
- b. An entity may aggregate disclosures about similar contingencies (for example, by class or type) so that disclosures are understandable and not too detailed. If an entity provides disclosures on an aggregated basis, it shall disclose the basis for aggregation. (See paragraphs 450-20-55-1A through 55-1D for additional guidance on implementing this aggregation principle.)

> Disclosure Threshold

450-20-50-1C An entity shall disclose information about a **contingency** if there is at least a reasonable possibility (that is, more than **remote** possibility) that a loss may have been incurred regardless of whether the entity has accrued for such a loss (or any portion of that loss). Disclosure is not required of a loss contingency involving an unasserted claim or assessment if there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless both of the following conditions are met:

- a. It is considered probable that a claim will be asserted.
- b. There is a reasonable possibility that the outcome will be unfavorable.

[Second sentence moved from paragraph 450-20-50-6]

450-20-50-1D Disclosure of asserted but remote loss contingencies may be necessary, due to their nature, potential magnitude, or potential timing (if known) to inform users about the entity's vulnerability to a potential **severe impact**. An entity will need to exercise judgment in assessing its specific facts and circumstances to determine whether disclosure about a remote contingency is necessary. Factors that an entity should consider in making this determination include any of the following:

- a. The potential impact on the entity's operations
- b. The cost to the entity for defending its contentions
- c. The amount of effort and resources management may have to devote to resolve the contingency.

A plaintiff's amount of damages claimed, by itself, does not necessarily determine whether disclosure about a remote contingency is necessary, although it could be one of the factors to be considered in this determination. Although

some of the guidance in this paragraph (to help an entity determine whether disclosure about an asserted remote contingency is necessary) is written in the context of a litigation contingency, the disclosure threshold applies to all contingencies required to be disclosed in accordance with Section 450-20-50.

450-20-50-1E When assessing the materiality of loss contingencies to determine whether disclosure is required, an entity shall not consider the possibility of recoveries from insurance or other indemnification arrangements.

> Disclosure Requirements

450-20-50-1F An entity shall disclose the following about a loss contingency or classes (types) of similar loss contingencies that meet the disclosure threshold described in paragraphs 450-20-50-1C through 50-1E:

- a. Qualitative information to enable users to understand the loss contingency's nature and risks. For accrued loss contingencies, the terminology used shall describe the nature of the accrual, such as estimated liability. The term *reserve* shall not be used for an accrual made in accordance with paragraph 450-20-25-2; that term is limited to an amount of unidentifiable or unsegregated assets held or retained for a specific purpose.
- b. During early stages of asserted litigation contingencies, at a minimum, the contentions of the parties (for example, the basis for the claim and the amount of damages claimed by the plaintiff and the basis for the entity's defense or a statement that the entity has not yet formulated its defense). In subsequent reporting periods, disclosure shall be more extensive as additional information about a potential unfavorable outcome becomes available, for example, as the litigation progresses toward resolution, if the likelihood or magnitude of loss increases, or both. Furthermore, if known, an entity shall disclose the anticipated timing of, or the next steps in, the resolution of individually material asserted litigation contingencies.
- c. For individually material contingencies, sufficiently detailed information to enable financial statement users to obtain additional information from publicly available sources such as court records. For example, for a litigation contingency, an entity shall disclose all of the following:
 1. The name of the court or agency in which the proceedings are pending
 2. The date instituted
 3. The principal parties to the proceedings
 4. A description of the factual basis alleged to underlie the proceedings
 5. The current status of the litigation contingency.
- d. When disclosure is provided on an aggregated basis, the basis for aggregation and information that would enable financial statement users

- to understand the nature, potential magnitude, and potential timing (if known) of loss.
- e. For all contingencies that are at least reasonably possible (that is, more than remote), the following quantitative information:
1. Publicly available quantitative information, for example, in the case of litigation contingencies, the amount claimed by the plaintiff or the amount of damages indicated by the testimony of expert witnesses
 2. If it can be estimated, the possible loss or range of loss and the amount accrued, if any
 3. If the possible loss or range of loss cannot be estimated, a statement that an estimate cannot be made and the reason(s) why
 4. Other nonprivileged information that would be relevant to financial statement users to enable them to understand, the potential magnitude of the possible loss
 5. Information about possible recoveries from insurance and other sources only if, and to the extent that it has been provided to the plaintiff(s) in a litigation contingency, it is discoverable by either the plaintiff or a regulatory agency, or it relates to a recognized receivable for such recoveries. If the insurance company has denied, contested, or reserved its rights related to the entity's claim for recovery, an entity shall disclose that fact. See guidance in paragraph 210-20-45-18 about offsetting (netting) of contingencies and insurance recoveries.
- f. For those remote contingencies that meet the disclosure threshold in paragraph 450-20-50-1D:
1. Publicly available quantitative information, for example, in the case of litigation contingencies, the amount claimed by the plaintiff or the amount of damages indicated by the testimony of expert witnesses
 2. Other nonprivileged information that would be relevant to financial statement users to enable them to understand the potential magnitude of the loss
 3. Information about possible recoveries from insurance and other sources only if, and to the extent that, it has been provided to the plaintiff(s) in a litigation contingency or it is discoverable by either the plaintiff or a regulatory agency. If the insurance company has denied, contested, or reserved its rights related to the entity's claim for recovery, the entity shall disclose that fact.
- g. For every annual and interim reporting period for which a statement of financial position and a statement of financial performance is presented by a **{link to second definition}public entity{link to second definition}**, reconciliations by class, in a tabular format, of recognized (accrued) loss contingencies to include all of the following:
1. Carrying amounts of the accruals at the beginning and end of the period
 2. Amount accrued during the period for new loss contingencies recognized

3. Increases for changes in estimates for loss contingencies recognized in prior periods
4. Decreases for changes in estimates for loss contingencies recognized in prior periods
5. Decreases for cash payments or other forms of settlements during the period.

Loss contingencies whose underlying cause and ultimate settlement occur in the same period should be excluded from the tabular reconciliation. A public entity shall describe the significant activity in the reconciliations described above and disclose the line items in the statement of financial position and the statement of financial performance in which recognized (accrued) loss contingencies are included. All loss contingencies recognized in a business combination in accordance with Topic 805 shall be included in the reconciliations but shown separately if they have a different measurement attribute, for example, fair value.

9. Amend paragraph 450-20-50-2, with a link to transition paragraph 450-20-65-1, as follows:

450-20-50-2 If the criteria in paragraph 275-10-50-8 are met, paragraph 275-10-50-9 requires disclosure of an indication that it is at least **reasonably possible** that a change in an entity's estimate of its **probable** liability could occur in the near term. ~~Example 3 (see paragraph 450-20-55-36) illustrates this disclosure for an entity involved in litigation.~~

10. Supersede paragraphs 450-20-50-3 through 50-6 and their related heading, with a link to transition paragraph 450-20-65-1, as follows:

> ~~Unrecognized Contingencies~~

450-20-50-3 Paragraph superseded by Accounting Standards Update 2010-XX. Disclosure of the ~~contingency~~ shall be made if there is at least a reasonable possibility that a loss or an additional loss may have been incurred and either of the following conditions exists:

- a. ~~An accrual is not made for a loss contingency because any of the conditions in paragraph 450-20-25-2 are not met.~~
- b. ~~An exposure to loss exists in excess of the amount accrued pursuant to the provisions of paragraph 450-20-30-1.~~

~~Examples 1-3 (see paragraphs 450-20-55-18 through 55-37) illustrate the application of these disclosure standards.~~

450-20-50-4 Paragraph superseded by Accounting Standards Update 2010-XX.
The disclosure in the preceding paragraph shall include both of the following:

- a. ~~The nature of the contingency~~
- b. ~~An estimate of the possible loss or range of loss or a statement that such an estimate cannot be made.~~

450-20-50-5 Paragraph superseded by Accounting Standards Update 2010-XX.
Disclosure is preferable to accrual when a reasonable estimate of loss cannot be made. For example, disclosure shall be made of any loss contingency that meets the condition in paragraph 450-20-25-2(a) but that is not accrued because the amount of loss cannot be reasonably estimated (the condition in paragraph 450-20-25-2(b)). Disclosure also shall be made of some loss contingencies that do not meet the condition in paragraph 450-20-25-2(a) namely, those contingencies for which there is a reasonable possibility that a loss may have been incurred even though information may not indicate that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements.

450-20-50-6 Paragraph superseded by Accounting Standards Update 2010-XX. Disclosure is not required of a loss contingency involving an unasserted claim or assessment if there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless both of the following conditions are met:

- a. It is considered probable that a claim will be asserted.
- b. There is a reasonable possibility that the outcome will be unfavorable.

[Content moved to paragraph 450-20-50-1C]

11. Amend paragraph 450-20-50-9 and its related heading, with a link to transition paragraph 450-20-65-1, as follows:

> Losses Arising ~~After~~after the Date of the Financial Statements

450-20-50-9 Disclosure of a loss, or a loss contingency, arising after the date of an entity's financial statements but before those financial statements are issued, as described in paragraphs 450-20-25-6 through 25-7, may be necessary to keep the financial statements from being misleading if an accrual is not required. If disclosure is deemed necessary, the financial statements shall include both of the following:

- a. The nature of the loss or loss contingency
- b. An estimate of the amount or range of loss or possible loss or a statement that such an estimate cannot be made and the reasons why the estimate cannot be made.

12. Amend paragraph 450-20-55-1, with a link to transition paragraph 450-20-65-1, as follows:

Implementation Guidance and Illustrations

> Implementation Guidance

450-20-55-1 This Section includes implementation guidance for the application of the conditions for accrual of **loss contingencies** and for the disclosure requirements of this Subtopic. This guidance does not address all possible applications of the requirements of this Subtopic. Furthermore, the examples illustrate some but not all of the disclosure requirements. Therefore, accrual and disclosure of loss contingencies should be based on an evaluation of the facts and circumstances in each particular situation.

13. Add paragraphs 450-20-55-1A through 55-1D and their related heading, with a link to transition paragraph 450-20-65-1, as follows:

> > Aggregation

450-20-55-1A In determining the appropriate classes or types of loss contingencies for disclosure purposes, an entity should evaluate whether contingencies are sufficiently similar to be included in one class primarily on the basis of their nature, terms, and characteristics. For example, it may not be appropriate to aggregate amounts related to product warranties issued in an entity's normal course of business with amounts related to warranties that are subject to litigation, or to aggregate contingencies related to environmental contingencies with product liabilities, warranties, or other loss contingencies that are dissimilar to environmental contingencies. Similarly, it may not be appropriate to aggregate amounts related to individual litigations with those related to class-action lawsuits or to aggregate litigations in jurisdictions that have different legal characteristics that could affect the potential timing or the potential magnitude of the loss. Furthermore, it may not be appropriate to group together in one class loss contingencies that have significantly different timings of expected future cash outflows (that is, near term versus longer term).

450-20-55-1B To determine the appropriate level of aggregation, an entity needs to exercise judgment and strike a balance between obscuring important information as a result of too much aggregation and overburdening financial statements users with excessive detail that may not assist them in understanding the nature, potential magnitude, and potential timing (if known) of the entity's loss contingencies.

450-20-55-1C Paragraph 450-20-50-1B(b) requires disclosure of the basis for aggregation if an entity provides disclosures on an aggregated basis. For example, an entity may have aggregated claims based on the following:

- a. Its different segments or product lines
- b. Because there are a large number of similar claims for a single product and the claim amounts are not material individually but are material on an aggregated basis.

450-20-55-1D Paragraph 450-20-50-1F(d) requires that if disclosures are provided on an aggregated basis, an entity should disclose information that would enable financial statement users to understand the nature, potential magnitude, and potential timing (if known) of loss contingencies. For example, if there are a large number of similar claims, an entity should consider disclosing the activity (for example, in a rollforward) in the following:

- a. The total number of claims outstanding
- b. The average amount claimed
- c. The average settlement amount.

14. Amend paragraphs 450-20-55-9 through 55-10, with a link to transition paragraph 450-20-65-1, as follows:

> > Threat of Expropriation

450-20-55-9 The threat of expropriation of assets is a contingency (as defined) because of the uncertainty about its outcome and effect. The condition in paragraph 450-20-25-2(a) is met if both of the following are true:

- a. Expropriation is imminent.
- b. Compensation will be less than the carrying amount of the assets.

Imminence may be indicated, for example, by public or private declarations of intent by a government to expropriate assets of the entity or actual expropriation of assets of other entities. The condition in paragraph 450-20-25-2(b) requires that accrual be made only if the amount of loss can be reasonably estimated. If the conditions for accrual are not met, the disclosures described in Section 450-20-50 paragraphs 450-20-50-3 through 50-8 would be made if there is at least a reasonable possibility that an asset has been impaired.

> > Litigation, Claims, and Assessments

450-20-55-10 The following factors should be considered in determining whether accrual and/or disclosure is required with respect to pending or threatened litigation and actual or possible claims and assessments:

- a. The period in which the underlying cause (that is, the cause for action) of the pending or threatened litigation or of the actual or possible claim or assessment occurred
- b. The degree of probability of an unfavorable outcome
- c. The ability to make a reasonable estimate of the amount of loss.

Examples 1 through 2 (see paragraphs ~~450-20-55-17B~~450-20-55-18 through 55-35) illustrate the consideration of these factors in determining whether to accrue or disclose litigation.

15. Amend paragraphs 450-20-55-14 through 55-16, with a link to transition paragraph 450-20-65-1, as follows:

450-20-55-14 With respect to unasserted claims and assessments, an entity must determine the degree of probability that a suit may be filed or a claim or assessment may be asserted and the possibility of an unfavorable outcome. An entity should consider all the information that it is aware of when determining the degree of probability that a claim will be asserted and an unfavorable outcome could occur. If an unfavorable outcome is probable and the amount of loss can be reasonably estimated, accrual of a loss is required by paragraph 450-20-25-2. For example:

- a. A catastrophe, accident, or other similar physical occurrence predictably engenders claims for redress, and in such circumstances their assertion may be probable.
- b. An investigation of an entity by a governmental agency, if enforcement proceedings have been or are likely to be instituted, is often followed by private claims for redress, and the probability of their assertion and the possibility of loss should be considered in each case.
- c. An entity may believe there is a possibility that it has infringed on another entity's patent rights, but the entity owning the patent rights has not indicated an intention to take any action and has not even indicated an awareness of the possible infringement. In that case, a judgmentan assessment must first be made as to whether the assertion of a claim is probable.
- d. An entity may be aware of the existence of studies in reputable scientific journals (or other credible sources that other entities in the same industry generally review) that indicate potential significant hazards related to the entity's products or operations. In such circumstances, an assessment must first be made as to whether the assertion of a claim is probable.

450-20-55-15 If the judgmentassessment is that assertion is not probable, no accrual or disclosure would be required. On the other hand, if the judgmentassessment is that assertion is probable, then a second judgmentassessment must be made as to the degree of probability of an

unfavorable outcome. The disclosures described in Section 450-20-50 paragraphs 450-20-50-3 through 50-8 would be required in either of the following circumstances:

- a. An unfavorable outcome is probable but the amount of loss cannot be reasonably estimated.
- b. An unfavorable outcome is reasonably possible but not probable.

> > > Assessing Whether a Loss Is Reasonably Estimable

450-20-55-16 As a condition for accrual of a loss contingency, the condition in paragraph 450-20-25-2(b) requires that the amount of loss can be reasonably estimated. In some cases, it may be determined that a loss was incurred because an unfavorable outcome of the litigation, claim, or assessment is probable (thus satisfying the condition in paragraph 450-20-25-2[a]), but the range of possible loss is wide. Examples 1 ~~through and 3~~ (see paragraphs ~~450-20-55-17B through 55-43450-20-55-18 and 450-20-55-36~~) illustrate the application of the standards in this Subtopic when the range of possible loss is wide.

16. Add paragraph 450-20-55-17B, with a link to transition paragraph 450-20-65-1, as follows:

> Illustrations

450-20-55-17B Examples 1 through 2 illustrate, in certain situations, the recognition and measurement requirements only (not disclosures), and Example 3 illustrates the progression of the disclosures about an example litigation contingency over its life cycle.

> > Example 1: Litigation Open to Considerable Interpretation

450-20-55-18 An entity may be litigating a dispute with another party. In preparation for the trial, it may determine that, based on recent developments involving one aspect of the litigation, it is probable that it will have to pay \$2 million to settle the litigation. Another aspect of the litigation may, however, be open to considerable interpretation, and depending on the interpretation by the court the entity may have to pay an additional \$8 million over and above the \$2 million.

450-20-55-19 In that case, paragraph 450-20-25-2 requires accrual of the \$2 million if that is considered a reasonable estimate of the loss.

17. Supersede paragraphs 450-20-55-20 through 55-21, with a link to transition paragraph 450-20-65-1, as follows:

~~**450-20-55-20** Paragraph superseded by Accounting Standards Update 2010-XX. Paragraphs 450-20-50-1 through 50-2 require disclosure of the nature of the accrual and depending on the circumstances, may require disclosure of the \$2 million that was accrued.~~

~~**450-20-55-21** Paragraph superseded by Accounting Standards Update 2010-XX. Paragraphs 450-20-50-3 through 50-8 require disclosure of the additional exposure to loss if there is a reasonable possibility that the additional amounts will be paid.~~

> > **Example 2: Multiple Case Litigation Example**

450-20-55-22 The following Cases illustrate application of the accrual and disclosure requirements in the following stages of litigation:

- a. The trial is complete but the damages are undetermined (Case A).
- b. The trial is incomplete but an unfavorable outcome is probable (Case B).
- c. The trial is incomplete and unfavorable outcome is reasonably possible (Case C).
- d. There is a range of loss and one amount is a better estimate than any other (Case D).

> > > **Case A: Trial Is Complete but Damages Are Undetermined**

450-20-55-23 An entity is involved in litigation at the close of its fiscal year and information available indicates that an unfavorable outcome is probable. Subsequently, after a trial on the issues, a verdict unfavorable to the entity is handed down, but the amount of damages remains unresolved at the time the financial statements are issued or are available to be issued (as discussed in Section 855-10-25). Although the entity is unable to estimate the exact amount of loss, its reasonable estimate at the time is that the judgment will be for not less than \$3 million or more than \$9 million. No amount in that range appears at the time to be a better estimate than any other amount.

450-20-55-24 In this Case, paragraph 450-20-30-1 requires accrual of the \$3 million (the minimum of the range) at the close of the fiscal year.

18. Supersede paragraphs 450-20-55-25 through 55-26, with a link to transition paragraph 450-20-65-1, as follows:

~~450-20-55-25 Paragraph superseded by Accounting Standards Update 2010-XX. Paragraphs 450-20-50-1 through 50-2 require disclosure of the nature of the contingency and, depending on the circumstances, may require disclosure of the amount of the accrual.~~

~~450-20-55-26 Paragraph superseded by Accounting Standards Update 2010-XX. Paragraphs 450-20-50-3 through 50-8 require disclosure of the exposure to an additional amount of loss of up to \$6 million.~~

> > > Case B: Trial Is Incomplete but Unfavorable Outcome Is Probable

450-20-55-27 Assume the same facts as in Case A, except it is probable that a verdict will be unfavorable and the trial has not been completed before the financial statements are issued or are available to be issued (as discussed in Section 855-10-25). In that situation, the condition in paragraph 450-20-25-2(a) would be met because information available to the entity indicates that an unfavorable verdict is probable. An assessment that the range of loss is between \$3 million and \$9 million would meet the condition in paragraph 450-20-25-2(b).

450-20-55-28 In this Case, if no single amount in that range is a better estimate than any other amount, paragraph 450-20-30-1 requires accrual of \$3 million (the minimum of the range) at the close of the fiscal year.

19. Supersede paragraphs 450-20-55-29 through 55-30, with a link to transition paragraph 450-20-65-1, as follows:

~~450-20-55-29 Paragraph superseded by Accounting Standards Update 2010-XX. Paragraphs 450-20-50-1 through 50-2 require disclosure of the nature of the contingency and, depending on the circumstances, may require disclosure of the amount of the accrual.~~

~~450-20-55-30 Paragraph superseded by Accounting Standards Update 2010-XX. Paragraphs 450-20-50-3 through 50-8 require disclosure of the exposure to an additional amount of loss of up to \$6 million.~~

20. Amend paragraph 450-20-55-31, with a link to transition paragraph 450-20-65-1, as follows:

> > > Case C: Trial Is Incomplete and Unfavorable Outcome Is Reasonably Possible

450-20-55-31 Assume the same facts as in Case B, except the entity had assessed the verdict differently (for example, that an unfavorable verdict was not probable but was only reasonably possible). The condition in paragraph 450-20-25-2(a) would not have been met and no amount of loss would be accrued. ~~Paragraphs 450-20-50-3 through 50-8 require disclosure of the nature of the contingency and any amount of loss that is reasonably possible.~~

> > > Case D: Range of Loss and One Amount Is a Better Estimate than Any Other

450-20-55-32 Assume that in Case A and Case B the condition in paragraph 450-20-25-2(a) has been met and a reasonable estimate of loss is a range between \$3 million and \$9 million but a loss of \$4 million is a better estimate than any other amount in that range.

450-20-55-33 In this Case, paragraph 450-20-30-1 requires accrual of \$4 million.

21. Supersede paragraphs 450-20-55-34 through 55-35, with a link to transition paragraph 450-20-65-1, as follows:

450-20-55-34 Paragraph superseded by Accounting Standards Update 2010-XX. ~~Paragraphs 450-20-50-1 through 50-2 require disclosure of the nature of the contingency and, depending on the circumstances, may require disclosure of the amount of the accrual.~~

450-20-55-35 Paragraph superseded by Accounting Standards Update 2010-XX. ~~Paragraphs 450-20-50-3 through 50-8 require disclosure of the exposure to an additional amount of loss of up to \$5 million.~~

22. Supersede paragraphs 450-20-55-36 through 55-37, with a link to transition paragraph 450-20-65-1, as follows:

> > Example 3: Illustrative Disclosure

~~450-20-55-36 Paragraph superseded by Accounting Standards Update 2010-XX. Entity A is the defendant in litigation involving a major competitor claiming patent infringement (Entity B). The suit claims damages of \$200 million. Discovery has been completed, and Entity A is engaged in settlement discussions with the plaintiff. Entity A has made an offer of \$5 million to settle the case, which offer was rejected by the plaintiff; the plaintiff has made an offer of \$35 million to settle the case, which offer was rejected by Entity A. Based on the expressed willingness of the plaintiff to settle the case along with information revealed during discovery and the likely cost and risk to both sides of litigating, Entity A believes that it is probable the case will not come to trial. Accordingly, Entity A has determined that it is probable that it has some liability. Entity A's reasonable estimate of this liability is a range between \$10 million and \$35 million, with no amount within that range a better estimate than any other amount; accordingly, \$10 million was accrued.~~

~~450-20-55-37 Paragraph superseded by Accounting Standards Update 2010-XX. Entity A provides the following disclosure in accordance with Section 450-20-50.~~

~~On March 15, 19X1, Entity B filed a suit against the company claiming patent infringement. While the company believes it has meritorious defenses against the suit, the ultimate resolution of the matter, which is expected to occur within one year, could result in a loss of up to \$25 million in excess of the amount accrued.~~

23. Add paragraphs 450-20-55-38 through 55-43, with a link to transition paragraph 450-20-65-1, as follows:

450-20-55-38 Entity A is the defendant in litigation involving a major customer (Entity B) claiming a breach of contract. The illustrative disclosures below describe the developments in each period.

>>> Period 1

450-20-55-39 Entity A provides the following disclosure in period 1, in accordance with Section 450-20-50.

December 31, 20X1

Entity A entered into a contract to provide 1,000 widgets for \$1 million to Entity B by December 15, 20X1. Lightning struck Entity A's manufacturing plant on November 30, 20X1, and Entity A did not deliver the widgets. Entity B has sued Entity A in the case of Entity B versus Entity A, which was filed in the First District Court of California on December 29, 20X1, on the basis of a contention that Entity A breached the contract. At the time of this report, Entity B has not specified an amount claimed for damages, and discovery has not yet begun. Entity A has not completed its analysis of the relevant laws about performance under a contract in these circumstances and has not formulated its defense. As a result, Entity A is unable to estimate a potential loss or range of loss, if any, at this time. Entity A anticipates that discovery will take place during the second and third quarters of 20X2. At this time, the court has not set a trial date.

Entity A's business interruption insurance carrier has agreed to defend Entity A with a reservation of rights. There is no deductible for defense funding; Entity A has a deductible of \$500,000 for actual damage claims, if any.

>>> Period 2

450-20-55-40 Entity A provides the same disclosures as those for the period ended December 31, 20X1, because there were no further developments during period 2 (March 31, 20X2), in accordance with Section 450-20-50.

>>> Period 3

450-20-55-41 Entity A provides the following disclosure in period 3, in accordance with Section 450-20-50.

June 30, 20X2

Entity A entered into a contract to provide 1,000 widgets for \$1 million to Entity B by December 15, 20X1. Lightning struck Entity A's manufacturing plant on November 30, 20X1, and Entity A did not deliver the widgets. Entity B sued Entity A in the case of Entity B versus Entity A, which was filed in the First District Court of California on December 29, 20X1, on the basis of a contention that Entity A breached the contract.

It is Entity A's contention that its performance was excused by an act of god. Entity A's contract with Entity B did not specifically have an Act of God clause excusing lack of performance. Entity A contends that the Rules of Commerce in California do not require an Act of God clause within the

contract to successfully use such a defense. Entity B contends that such a clause must be within the contract to use such a defense.

During discovery, Entity B has provided an analysis claiming damages of \$2 million for lost profits as well as penalties for late delivery to its customer under a contract, which required the use of Entity A's widgets. Entity A has not yet completed its analysis to counter this claim but believes that damages could have been mitigated by reasonable efforts by Entity B. As a result, Entity A is unable to estimate a potential loss or range of loss, if any, at this time.

Entity A's business interruption insurance carrier has agreed to defend Entity A with a reservation of rights. There is no deductible for defense funding; Entity A has a deductible of \$500,000 for actual damage claims, if any.

Entity A anticipates that discovery will continue during the third quarter of 20X2. Entity A has filed a motion to dismiss on the basis of the Act of God defense for which such a clause was not included in its contract. Entity A anticipates a ruling on that motion during the third quarter.

> > > Period 4

450-20-55-42 Entity A provides the following disclosure in period 4, in accordance with Section 450-20-50.

September 30, 20X2

Entity A entered into a contract to provide 1,000 widgets for \$1 million to Entity B by December 15, 20X1. Lightning struck Entity A's manufacturing plant on November 30, 20X1, and Entity A did not deliver the widgets. Entity B has sued Entity A in the case of Entity B versus Entity A, which was filed in the First District Court of California on December 29, 20X1, on the basis of a contention that Entity A breached the contract.

Entity A filed a motion to dismiss, contending that its performance was excused by an act of god. Entity A's contract with Entity B did not specifically have an Act of God clause excusing lack of performance. Entity A contended that the Rules of Commerce in California do not require an Act of God clause within the contract to successfully use such a defense. Entity B responded that such a clause would be required to be within the contract. On September 15, 20X2, the court ruled in favor of Entity B and rejected Entity A's motion to dismiss. On the basis of this ruling, Entity A believes a loss related to this matter is probable.

During discovery, Entity B has provided an analysis claiming damages of \$2 million for lost profits as well as penalties for late delivery to its customer under a contract that required the use of Entity A's widgets. Entity A has produced an analysis indicating that replacement widgets were available to Entity B at comparable costs and had Entity B exercised due care to procure

replacement widgets, actual damages incurred by Entity B for lost profits and penalties for late delivery could have been limited to a range of \$50,000 to \$200,000. Because Entity A is unable to estimate a specific amount within this range as more likely than any other amount within this range of loss, Entity A has accrued the low end of the range, \$50,000, as of September 30, 20X2. This amount is included in the balance sheet caption *Litigation Accrual*, and the expense for the period is included in *Litigation Expense*.

Entity A's business interruption insurance carrier has agreed to defend Entity A with a reservation of rights. There is no deductible for defense funding; Entity A has a deductible of \$500,000 for actual damage claims, if any.

The court has set a trial date of January 15, 20X3.

Tabular reconciliation (assumes one class of contingency, but could be aggregated with other similar lawsuits):

Litigation

Accrual at June 30, 20X2	\$	-
New loss contingencies recognized in period		50,000
Accrual at September 30, 20X2	\$	<u>50,000</u>

>>> Period 5

450-20-55-43 Entity A provides the following disclosure in period 5, in accordance with Section 450-20-50.

December 31, 20X2

Entity A entered into a contract to provide 1,000 widgets for \$1 million to Entity B by December 15, 20X1. Lightning struck Entity A's manufacturing plant on November 30, 20X1, and Entity A did not deliver the widgets. Entity B has sued Entity A in the case of Entity B versus Entity A, which was filed in the First District Court of California on December 29, 20X1, on the basis of a contention that Entity A breached the contract.

During discovery, Entity B has provided an analysis claiming damages of \$2 million for lost profits as well as penalties for late delivery to its customer under a contract that required the use of Entity A's widgets. Entity A has produced an analysis indicating that replacement widgets were available to Entity B at comparable costs and had Entity B exercised due care to procure replacement widgets, actual damages incurred by Entity B for lost profits and penalties for late delivery could have been limited to a range of \$50,000 to

\$200,000. At the time, Entity A was unable to estimate a specific amount within this range as more likely than any other amount within this range and accrued the low end of the range, \$50,000, as of September 30, 20X2.

Entity A's business interruption insurance carrier has agreed to defend Entity A with a reservation of rights. There is no deductible for defense funding; Entity A has a deductible of \$500,000 for any actual damage claims.

The court set a trial date of January 15, 20X3. On December 30, 20X2, Entity A and Entity B entered into a settlement agreement under which Entity A agreed to pay Entity B \$125,000 to settle all claims. This amount is included in the balance sheet caption *Litigation Accrual*, and the expense for the period is included in *Litigation Expense*. Entity A's insurance carrier has agreed to apply the amount paid against the \$500,000 deductible.

Tabular reconciliation (assumes one class of contingency, but could be aggregated with other similar lawsuits):

Litigation

Accrual at September 30, 20X2	\$	50,000
New loss contingencies recognized in period		-
Increase for changes in estimates for loss contingencies recognized in prior periods		<u>75,000</u>
Accrual at December 31, 20X2	\$	<u><u>125,000</u></u>

24. Add paragraph 450-20-65-1 and its related heading as follows:

> Transition Related to Accounting Standards Update No. 2010-XX, Contingencies (Topic 450): Disclosure of Certain Loss Contingencies

450-20-65-1 The following represents the transition and effective date information related to Accounting Standards Update No. 2010-XX, *Contingencies (Topic 450): Disclosure of Certain Loss Contingencies*:

- a. The pending content that links to this paragraph shall be effective for fiscal years ending after December 15, 2010, and interim and annual periods in subsequent fiscal years except that for a {link to fifth definition}nonpublic entity,{link to fifth definition} it shall be effective for the first annual period beginning after December 15, 2010, and for interim periods of fiscal years after the first annual period.

- b. In the period of initial adoption, the reporting entity shall not be required to provide the disclosures otherwise required by the pending content that links to this paragraph for any previous periods presented for comparative purposes.
- c. In periods after initial adoption, comparative disclosures of the pending content that links to this paragraph shall be required only for periods ending after initial adoption.
- d. Early adoption of the pending content that links to this paragraph is permitted.

Amendments to Subtopic 210-20

25. Add paragraph 210-20-45-18 and its related heading, with no link to a transition paragraph, because it does not represent new guidance but instead clarify that an entity should already be complying with the offsetting guidance discussed below, as follows:

Balance Sheet—Offsetting

Other Presentation Matters

> Contingencies and Insurance Recoveries

210-20-45-18 If an entity has recognized insurance or other recoveries related to its loss contingencies, the potential recovery amounts shall not be netted (offset) against amounts accrued for loss contingencies.

Amendments to Subtopic 275-10

26. Amend paragraph 275-10-60-5, with a link to transition paragraph 450-20-65-1, as follows:

Risks and Uncertainties—Overall

> Contingencies

275-10-60-5 See Example 3 (paragraphs 450-20-55-38 through 55-43~~paragraphs 450-20-55-36~~) for an illustration of the kinds of disclosures required for risks and uncertainties related to loss contingencies.

Amendments to Subtopic 410-30

27. Amend paragraph 410-30-50-13, with a link to transition paragraph 450-20-65-1, as follows:

Asset Retirement and Environmental Obligations— Environmental Obligations

Disclosure

> Disclosure Related to Loss Contingencies

410-30-50-13 Whether notification by regulatory authorities in relation to particular environmental laws and regulations constitutes the assertion of a claim is a matter of legal determination. If an entity concludes that it has no current **legal obligation** to remediate a situation of probable or possible environmental impact, then in accordance with paragraph 450-20-50-6, no disclosure is required. However, if an entity is required by existing laws and regulations to report the **release** of hazardous substances and to begin a remediation study or if assertion of a claim is deemed probable, the matter would represent a loss contingency subject to the disclosure provisions of Section 450-20-50 paragraphs 450-20-50-3 through 50-4, regardless of a lack of involvement by a regulatory agency.

Amendments to Subtopic 460-10

28. Amend paragraph 460-10-50-5, with a link to transition paragraph 450-20-65-1, as follows:

Guarantees—Overall

Disclosure

> Effect of the Guarantee Disclosure Requirements on the Disclosure Requirements of Other Topics

460-10-50-5 The disclosures required by this Subsection do not eliminate or affect the following disclosure requirements:

- a. The requirements in the General Subsection of Section 825-10-50 that certain entities disclose the fair value of their financial guarantees issued
- b. The requirement requirements in paragraphs 450-20-50-3 through 50-4 that an entity disclose a contingent loss subject to the threshold guidance described in paragraphs 450-20-50-1C through 50-1E that has a reasonable possibility of occurring
- c. The requirements in the Disclosure Sections of Topic 815, which apply to guarantees that are accounted for as derivatives

- d. The requirements in Section 275-10-50 that an entity disclose information about risks and uncertainties that could significantly affect the amounts reported in the financial statements in the near term. See Example 1 (paragraph 460-10-55-25) for an illustration of the required disclosure.

29. Amend paragraph 460-10-50-7, with a link to transition paragraph 450-20-65-1, as follows:

Product Warranties

460-10-50-7 Paragraph 460-10-25-6 states that an inability to make a reasonable estimate of the amount of a **warranty** obligation at the time of sale because of significant uncertainty about possible claims precludes accrual. That paragraph also addresses related implications. ~~Paragraphs 450-20-50-3 through 50-6 provide disclosure guidance for circumstances in which no accrual is made for a **loss contingency**. In those circumstances, the disclosures required by that paragraph shall be made.~~ Section 450-20-50 provides disclosure guidance for **loss contingencies**.

Amendments to Subtopic 470-60

30. Amend paragraph 470-60-50-2, with a link to transition paragraph 450-20-65-1, as follows:

Debt—Troubled Debt Restructurings by Debtors

Disclosure

470-60-50-2 A debtor shall disclose in financial statements for periods after a troubled debt restructuring the extent to which amounts contingently payable are included in the **carrying amount** of restructured payables pursuant to the provisions of paragraph 470-60-35-7. If required by paragraphs 450-20-50-1C through 50-1E, ~~paragraphs 450-20-50-1 through 50-6 and 450-20-50-9 through 50-10~~, a debtor shall also disclose in those financial statements total amounts that are contingently payable on restructured payables and the conditions under which those amounts would become payable or would be forgiven.

Amendments to Subtopic 715-80

31. Amend paragraph 715-80-35-2, with a link to transition paragraph 450-20-65-1, as follows:

Compensation—Retirement Benefits—Multiemployer Plans

Subsequent Measurement

715-80-35-1 An employer participating in a **multiemployer plan** shall recognize as net pension cost or net periodic postretirement benefit cost the required contribution for the period, which shall include both cash and the fair market value of noncash contributions, and shall recognize as a liability any unpaid contributions required for the period.

715-80-35-2 In some situations, withdrawal from a multiemployer plan may result in an employer having an obligation to the plan for a portion of the unfunded benefit obligation of the pension or other postretirement benefit plans. ~~If withdrawal under circumstances that would give rise to an obligation is either probable or reasonably possible,~~In such cases, the provisions of Topic 450 shall apply.

32. Amend paragraph 715-80-50-2, with a link to transition paragraph 450-20-65-1, as follows:

Disclosure

715-80-50-1 An employer shall disclose the amount of contributions to **multiemployer plans** for each annual period for which a statement of income is presented. An employer may disclose total contributions to multiemployer plans without disaggregating the amounts attributable to pension plans and other postretirement benefit plans. The disclosures shall include a description of the nature and effect of any changes affecting comparability, such as a change in the rate of employer contributions, a business combination, or a divestiture.

715-80-50-2 An employer shall apply the provisions of Topic 450 ~~if it is either probable or reasonably possible that~~ either of the following would occur:

- a. An employer would withdraw from the plan under circumstances that would give rise to an ~~obligation~~obligation.
- b. An employer's contribution to the fund would be increased during the remainder of the contract period to make up a shortfall in the funds necessary to maintain the negotiated level of benefit coverage (a maintenance of benefits clause).

Amendments to Subtopic 720-20

33. Amend paragraph 720-20-50-1, with a link to transition paragraph 450-20-65-1, as follows:

Other Expenses—Insurance Costs

Disclosure

Claims-Made Contracts

720-20-50-1 When an entity changes from occurrence-based insurance to claims-made insurance or elects to significantly reduce or eliminate its insurance coverage, Section 450-20-50 requires disclosure subject to the threshold guidance as described in paragraphs 450-20-50-1C through 50-1E. ~~paragraphs 450-20-50-3 through 50-6 require disclosure if it is at least reasonably possible that a loss has been incurred.~~ That ~~paragraph~~Section also discusses disclosure with respect to unasserted claims.

Amendments to Subtopic 805-20

34. Amend paragraph 805-20-50-1, with a link to transition paragraph 450-20-65-1, as follows:

Business Combinations—Identifiable Assets and Liabilities, and Any Noncontrolling Interest

Disclosure

> Business Combinations Occurring During a Current Reporting Period or After the Reporting Date but Before the Financial Statements Are Issued

805-20-50-1 Paragraph 805-10-50-1 identifies one of the objectives of disclosures about a **business combination**. To meet that objective, the **acquirer** shall disclose all of the following information for each business combination that occurs during the reporting period:

- a. For indemnification assets, all of the following:
 1. The amount recognized as of the **acquisition date**
 2. A description of the arrangement and the basis for determining the amount of the payment
 3. An estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot

be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.

- b. For acquired receivables not subject to the requirements of Subtopic 310-30, all of the following:
 - 1. The **fair value** of the receivables
 - 2. The gross contractual amounts receivable
 - 3. The best estimate at the acquisition date of the contractual cash flows not expected to be collected.

The disclosures shall be provided by major class of receivable, such as loans, direct financing leases in accordance with Subtopic 840-30, and any other class of receivables.

- c. The amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed (see Example 5 [paragraph 805-10-55-37]).
- d. For contingencies, the following disclosures shall be included in the footnote that describes the business combination:
 - 1. For assets ~~and liabilities~~ arising from gain contingencies recognized at the acquisition date:
 - i. The amounts recognized at the acquisition date and the measurement basis applied (that is, at fair value or at an amount recognized in accordance with Topic 450 ~~and Section 450-20-25~~)
 - ii. The nature of the contingencies.

1A. For liabilities arising from loss contingencies recognized at the acquisition date:

- i. The amounts recognized at the acquisition date and the measurement basis applied (that is, at fair value or at an amount recognized in accordance with Topic 450 and Section 450-20-25).
- ii. The disclosures required by Section 450-20-50.

An acquirer may aggregate disclosures for assets or liabilities arising from contingencies that are similar in nature.

- 2. For contingencies that are not recognized at the acquisition date, the disclosures required by Topic 450 if the criteria for disclosures in that Topic are met.

An acquirer may aggregate disclosures for assets and liabilities arising from contingencies that are similar in nature.

- e. For each business combination in which the acquirer holds less than 100 percent of the equity interests in the **acquiree** at the acquisition date, both of the following:
 - 1. The fair value of the noncontrolling interest in the acquiree at the acquisition date
 - 2. The valuation technique(s) and significant inputs used to measure the fair value of the noncontrolling interest.

The amendments in this proposed Update were approved for publication by the unanimous vote of the five members of the Financial Accounting Standards Board:

Robert H. Herz, *Chairman*
Thomas J. Linsmeier
Leslie F. Seidman
Marc A. Siegel
Lawrence W. Smith

Background Information and Basis for Conclusions

Introduction

BC1. The following summarizes the Board's considerations in reaching the conclusions in this proposed Update. It includes reasons for accepting certain approaches and rejecting others. Individual Board members gave greater weight to some factors than to others.

Background Information

BC2. In September 2007, the Board added a project to its agenda on the accounting for certain nonfinancial liabilities and contingencies, including contingencies under Topic 450. The Board decided to conduct this project in two phases: a short-term phase to amend and enhance the disclosure requirements for loss contingencies and a long-term phase to comprehensively reconsider the recognition and measurement guidance for certain nonfinancial liabilities.

BC3. The short-term phase of the project was undertaken to address constituents' concerns that the disclosures about certain loss contingencies under existing guidance do not provide sufficient and timely information to assist users in assessing the potential likelihood, timing, and magnitude of cash outflows related to loss contingencies. The loss contingencies affected are those that are (or would be, if the criteria in paragraph 450-20-25-2 were met) recognized as liabilities in a statement of financial position that do not have other applicable disclosure guidance, such as liabilities arising from litigation. The following are the primary criticisms of disclosures about such loss contingencies that are addressed in this project:

- a. The initial disclosure of specific information about a loss contingency often does not occur until a material accrual is recognized for that loss contingency, sometimes taking investors by surprise.
- b. The *at least reasonably possible* threshold for disclosing loss contingencies has not resulted in the disclosure of the full population of an entity's existing loss contingencies that would be of interest to financial statement users.
- c. The amounts recognized in the financial statements related to loss contingencies are not transparent to users.

BC4. To address these concerns, in June 2008, the Board issued an Exposure Draft to improve disclosures about certain loss contingencies. The

Board received 241 comment letters. In March 2009, the Board held two roundtable discussions to obtain additional input from users, preparers, auditors, and attorneys. The Board redeliberated the issues raised and suggestions made in the comment letters and at the roundtable discussions. The proposed amendments represent the Board's revised proposal in response to the input received on the Exposure Draft. The Board decided to reexpose the proposal to obtain additional input on whether it meets the needs of financial statement users and whether it is operational and auditable.

Disclosure Objective

BC5. Paragraph 4 of the Exposure Draft states:

An entity shall provide disclosures to assist users of financial statements in assessing the likelihood, timing, and amount of future cash flows associated with loss contingencies that are (or would be) recognized as liabilities in a statement of financial position. Those disclosures shall include information about the risks those loss contingencies pose to the entity and their potential and actual effects on the entity's financial position, cash flows, and results of operations.

BC6. Some respondents to the Exposure Draft (comment letter respondents) and some participants in the March 2009 roundtable meetings noted that it would be difficult, if not impossible, to meet the above-described disclosure objective because it would require information that is predictive in nature and does not adequately take into account the inherent uncertain nature of loss contingencies, especially those related to ongoing litigation.

BC7. In response to those concerns, the Board decided to revise the disclosure objective as follows:

An entity shall disclose qualitative and quantitative information about loss contingencies to enable financial statement users to understand all of the following:

- a. The nature of the loss contingencies
- b. Their potential magnitude
- c. Their potential timing (if known).

BC8. The revised disclosure objective recognizes the uncertainty inherent in predicting the amount of future cash flows by referring to both qualitative and quantitative information. Therefore, an entity would include more robust qualitative disclosures in situations in which quantitative disclosures are limited because of, for example, the inherent uncertainties about the final resolution of litigation contingencies.

Disclosure Principles

BC9. At the March 2009 roundtables, there was a broad consensus on certain key principles about loss contingency disclosures. On the basis of that input and further deliberations by the staff and the Board, the proposed amendments include the following principles that an entity would consider when determining disclosures that are appropriate for its individual facts and circumstances so as to achieve the disclosure objective:

- a. During early stages of a contingency's life cycle, an entity would disclose information that is available to enable users to understand the loss contingency's nature, potential magnitude, and potential timing (if known). Available information may be limited and, therefore, disclosure may be less extensive in early stages of a loss contingency. In subsequent reporting periods, disclosure would be more extensive as additional information about a potential unfavorable outcome becomes available.
- b. An entity may aggregate disclosures about similar contingencies (for example, by class or type) so that disclosures are understandable and not too detailed. If an entity provides disclosures on an aggregated basis, it would disclose the basis for aggregation.

BC10. With respect to the above aggregation principle, additional implementation guidance is included in the proposed amendments. An entity will need to exercise judgment in determining the appropriate level of aggregation and the appropriate classes of similar contingencies. The terms *class* and *type* are used in the proposed amendments interchangeably and an entity would determine them on the basis of the nature of contingencies and the facts and circumstances specific to the entity. The Board added the aggregation principle to avoid overwhelming users with too much information and also to mitigate concerns regarding disclosure of individual contingencies that may be prejudicial to the reporting entity. The issue of providing a specific exemption from disclosing prejudicial information is discussed in BC32–BC36.

Disclosure Threshold

BC11. Financial statement users have stated that, on balance, the *at least reasonably possible* threshold in paragraph 450-20-50-1 (originally issued as paragraph 3 of FASB Statement No. 5, *Accounting for Contingencies*) results in delayed disclosure of relevant information about loss contingencies. Therefore, in the Exposure Draft, the Board proposed a change in the disclosure threshold to expand the population of loss contingencies that are required to be disclosed, to achieve a more timely disclosure.

BC12. While users generally supported the proposed disclosure threshold, several other comment letter respondents opposed it. Respondents who disagreed raised questions and made assertions, including the following:

- a. The disclosure of certain remote loss contingencies will effectively “bury” financial statement users in unnecessary disclosures and obscure otherwise meaningful information about loss contingencies.
- b. It is not clear whether changing the disclosure threshold from *at least a reasonable possibility* to *more than remote* would have a significant effect on the population of loss contingencies disclosed. Constituents appear to have different views about whether these two phrases mean the same thing.
- c. Disclosing information about remote loss contingencies could confuse and potentially mislead users because the underlying facts and circumstances may be unclear even to the reporting entity itself. As a result, the reporting entity’s assessment about whether the remote loss contingency would be resolved in the near term and whether it would have a *severe impact* on the entity will be little more than a guess. Some respondents noted that less sophisticated users would misjudge the accuracy of these assessments and give them undue credence when making investment-related decisions.

BC13. On the basis of the above input, the Board decided not to introduce the new phrase *more than remote* to describe the disclosure threshold because the Board agrees that this new phrase has the same meaning as the phrase *at least reasonably possible*. The Board decided to maintain the existing requirement to disclose asserted claims and assessments whose likelihood of loss is at least reasonably possible. The Board also decided to maintain the existing threshold for unasserted claims and assessments and agreed to enhance the existing interpretive guidance about the threshold (see paragraph 450-20-55-14 in the proposed amendments).

BC14. The Board, however, continues to believe that to improve the timeliness of disclosures about loss contingencies, disclosure of certain asserted remote loss contingencies is necessary to inform users about the entity’s vulnerability to a potential severe impact. Therefore, the proposed amendments would expand the population of loss contingencies that are required to be disclosed. Assessment of a loss contingency as remote does not necessarily mean that no disclosure would be made until the loss contingency is assessed to be reasonably possible (that is, more than remote). An entity will need to exercise judgment in assessing its specific facts and circumstances to determine whether disclosure about an asserted remote contingency is necessary. The proposed guidance includes examples of factors that an entity would consider in making this determination. A plaintiff’s amount of damages claimed, by itself, does not necessarily determine whether disclosure is necessary because, in some cases, the claim may be frivolous with an artificially inflated amount.

Insurance Recoveries

BC15. The Exposure Draft did not specifically address whether an entity would consider the possibility of insurance recoveries when assessing whether a loss

contingency would be disclosed. Several roundtable participants and comment letter respondents observed that insurance coverage often is uncertain and may be subject to litigation with the insurer. Therefore, an entity may be exposed to loss even when it believes that the loss contingency is fully covered by insurance. The Board agrees with these views and, therefore, decided that the proposed amendments would include the following guidance under disclosure threshold:

When assessing the materiality of loss contingencies to determine whether disclosure is required, the entity shall not consider the possibility of recoveries from insurance or other indemnification arrangements.

Qualitative Disclosures

BC16. The Exposure Draft proposed that an entity disclose a description of the contingency, including how it arose, its legal or contractual basis, its current status, and the anticipated timing of its resolution. Many entities already may be providing some of the proposed disclosures when describing the nature of the contingency as currently required by Subtopic 450-20 on loss contingencies.

BC17. The Exposure Draft also proposed disclosure of the factors that are likely to affect the ultimate outcome of the contingency along with their potential effect on the outcome, a qualitative assessment of the most likely outcome of the contingency, and any assumptions made in estimating the amounts in the quantitative disclosures and in assessing the most likely outcome. This information was intended to enable users to perform their own analyses and better understand the entity's potential future cash outflows.

BC18. Many comment letter respondents opposed the proposed qualitative disclosures mainly because compiling the required information would be difficult and costly, particularly with respect to ongoing litigation contingencies. Specifically, respondents stated that legal cases can go on for many years, which makes it difficult to estimate the timing of their resolution. Any assessment of the case prepared by the entity would be highly subjective and could easily change depending on the location of the trial, the jury, evidentiary rulings, and other procedural matters. Those respondents questioned the benefit of such information to users.

BC19. Some comment letter respondents stated that the proposed disclosures would require judgments that are more predictive or speculative in nature rather than factual. For example, the Exposure Draft proposed that the disclosures include a description of the factors that are likely to affect the ultimate outcome of the contingency along with their potential effect on the outcome and the entity's qualitative assessment of the most likely outcome of the contingency. The Board acknowledges these operational concerns and, therefore, decided not to require disclosure of any new information that is based on management's prediction

about a contingency's resolution beyond what is already required under current U.S. GAAP as described in Topic 450.

BC20. On the basis of the input received on the Exposure Draft, the disclosure objective, and the broad disclosure principles, the Board decided that the proposed amendments would require certain qualitative disclosures about a loss contingency or classes (groups) of similar loss contingencies, such as:

- a. Information to enable users to understand their nature and risks
- b. Certain minimum disclosures during early stages of asserted litigation contingencies while requiring more robust disclosures in subsequent reporting periods
- c. For individually material contingencies, sufficiently detailed disclosure to enable financial statement users to obtain additional information from publicly available sources such as court records
- d. When disclosure is provided on an aggregated basis, disclosure of the basis for aggregation and information that would enable financial statement users to understand the nature, potential magnitude, and potential timing (if known) of loss.

BC21. The Board believes that the disclosure in item (a) above is consistent with the overall disclosure objective. The disclosures in items (b) and (c) above incorporate suggestions made at the March 2009 roundtable discussions and by some Board members during redeliberations. Consistent with the aggregation principle, an entity can aggregate disclosures by classes of similar contingencies to avoid voluminous data for contingencies that may not be material individually but may be material in the aggregate. Item (d) above, therefore, would require additional qualitative disclosure when information is presented on an aggregated basis. Furthermore, disclosure about the potential timing of a loss contingency (for example, the next steps in its resolution) is limited to the extent it is known to the entity.

Quantitative Disclosures

BC22. In the Exposure Draft, the Board noted that one of financial statement users' most significant concerns about disclosures under current U.S. GAAP is that they rarely include quantitative information. Rather, an entity often states that the possible loss cannot be estimated. To address this issue, paragraph 7 of the Exposure Draft proposed the following requirements for disclosure of quantitative information:

An entity shall disclose the following information about loss contingencies required to be disclosed under paragraph 5 or 6:

- a. Quantitative information about the entity's exposure to loss from the contingency (including any amounts already recognized in the financial statements but excluding potential recoveries disclosed under paragraph 7(c)), as follows:

- (1) The amount of the claim or assessment against the entity (including damages, such as treble or punitive damages), if applicable
- (2) If there is no claim or assessment amount, the entity's best estimate of the maximum exposure to loss.

An entity also may disclose its best estimate of the possible loss or range of loss if it believes that the amount of the claim or assessment or the maximum exposure to loss is not representative of the entity's actual exposure.

BC23. Financial statement users generally supported the proposed disclosure requirements. However, financial statement preparers and attorneys generally opposed them for the following reasons:

- a. It would be too difficult and costly to estimate the maximum exposure to loss.
- b. It would be prejudicial to disclose such a number, because it would inherently involve counsel's opinion about the case, which would jeopardize attorney-client privilege. Disclosing the number would put defendants at a disadvantage in settlement negotiations.
- c. If an entity decided not to disclose its best estimate of the possible loss or range of loss, users might inappropriately conclude that the disclosed maximum exposure to loss represents a reasonable estimate of the possible loss.

BC24. The Board notes that the initial recognition criteria in Subtopic 450-20 already require entities to assess, on the basis of the available information, whether it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and whether the amount of loss can be reasonably estimated. However, the Board agrees with the concerns expressed about disclosing the entity's estimate of its maximum exposure to loss and, therefore, decided to eliminate that requirement in the proposed amendments. Furthermore, on the basis of the input received in the comment letters and the March 2009 roundtable discussions, the Board decided to focus the quantitative disclosures on nonprivileged information and not to add any new quantitative disclosures that are based on management's predictions about a contingency's resolution. Accordingly, the proposed amendments generally are consistent with many of the disclosures that are required under current U.S. GAAP (such as the amount accrued, if any, and an estimate of the possible loss or range of loss) but they also enhance the currently required disclosures with additional information such as:

- a. Publicly available quantitative information, for example, in case of litigation contingencies, the amount claimed by the plaintiff or the amount of damages indicated by the testimony of expert witnesses

- b. Other nonprivileged information that would be relevant to financial statement users to enable them to understand the potential magnitude of the possible loss
- c. In some cases, information about possible recoveries from insurance and other sources.

BC25. The Board believes that the disclosure in item (a) above is limited to publicly available information, and, therefore, the disclosure of the claim amount would not be prejudicial to the reporting entity. Information in item (b) above does not prescribe any specific disclosure but would require the entity to exercise judgment to determine which nonprivileged information would be relevant to financial statement users' understanding of the potential magnitude of the possible loss. Lastly, information in item (c) above is consistent with the input received at the March 2009 roundtable discussions and important in assessing the potential magnitude of loss contingencies.

Tabular Reconciliation

BC26. To provide more transparency about the effects of loss contingencies on the financial statements, the Board decided to include in the Exposure Draft a requirement for a tabular reconciliation for recognized loss contingencies. The Board believes that a tabular reconciliation will provide users with valuable information about significant estimates and changes in those estimates that are subject to significant measurement judgment.

BC27. The tabular reconciliation disclosure proposed in the Exposure Draft would require an entity to reconcile the total amount recognized in the aggregate for loss contingencies in its statement of financial position at the beginning and the end of the period. The reconciliation would include at a minimum:

- a. Increases for loss contingencies recognized during the period
- b. Increases resulting from changes in estimates of the amounts of loss contingencies previously recognized
- c. Decreases resulting from changes in estimates or derecognition of loss contingencies previously recognized
- e. Decreases resulting from cash payments (or other forms of settlement) for loss contingencies.

BC28. The Exposure Draft also proposed that an entity provide a qualitative description of the significant activity in the reconciliation and disclose the line items in the statement of financial position in which recognized loss contingencies are included.

BC29. During its deliberations before the issuance of the Exposure Draft, the Board considered whether the tabular reconciliation would be required for annual periods only or for both interim and annual periods. Some Board members expressed concerns about the amount of effort required for preparers to collect and auditors to review this information in the short time available for performing

these activities between the end of an interim period and the quarterly filing deadline for SEC registrants. However, a majority of Board members supported requiring the tabular reconciliation in both interim and annual financial statements because financial statement users generally consider interim information to be as important as annual information.

BC30. The Board decided that loss contingencies whose underlying cause and ultimate settlement occur in the same period would be excluded from the tabular reconciliation. The Board reasoned that the short period of time involved in those circumstances raises questions about whether the items meet the definition of a *contingency*. Additionally, the Board noted that for those items, the loss is recognized in the same period as cash is paid or other assets transferred. Therefore, there is no effect on the financial statements across reporting periods, and including those items would not fulfill the purpose of the tabular reconciliation. The Board noted that, in contrast, loss contingencies initially recognized in a business combination are not recognized in earnings. The Board concluded that it was important to include those loss contingencies in the tabular reconciliation because they will result in payments of cash, transfers of assets, or recognition of income for which no corresponding loss was recognized at the time of initial recognition. However, if loss contingencies recognized in a business combination have a different measurement attribute (for example, fair value) than other loss contingencies, they would be presented separately in the tabular reconciliation.

BC31. Many comment letter respondents who are users expressed support for the tabular reconciliation disclosure; however, some preparers and attorneys argued that a detailed quantitative disclosure may be prejudicial to the reporting entity. On balance, the Board decided to retain the tabular reconciliation disclosure requirement with a clarification that it would be presented separately for each class of contingencies so that dissimilar contingencies are not aggregated. The Board decided to permit aggregation by class of contingencies to address concerns about prejudicial disclosure of individual contingencies. The Board noted, however, that users of financial statements of nonpublic entities have access to information that is not available generally to users of financial statements of public entities and that the benefits of a tabular reconciliation may not justify the costs. Therefore, the Board decided not to require nonpublic entities to disclose a tabular reconciliation.

Exemption from Disclosing Prejudicial Information

BC32. Paragraph 11 of the Exposure Draft provided an exemption from disclosing prejudicial information as follows:

For certain contingencies, such as pending or threatened litigation, disclosure of certain information about the contingency may be prejudicial to an entity's position (that is, disclosure of the information could affect, to the entity's detriment, the outcome of the contingency

itself). In those circumstances, an entity may aggregate the disclosures required by paragraph 7 at a level higher than by the nature of the contingency such that disclosure of the information is not prejudicial. In those rare instances in which the disclosure of the information required by paragraph 7, when aggregated at a level higher than by the nature of the contingency, or of the tabular reconciliation would be prejudicial (for example, if an entity is involved in only one legal dispute), the entity may forgo disclosing only the information that would be prejudicial to the entity's position. In those circumstances, an entity shall disclose the fact that, and the reason why, the information has not been disclosed. In no circumstance may an entity forgo disclosing the amount of the claim or assessment against the entity (or, if there is no claim amount, an estimate of the entity's maximum exposure to loss); providing a description of the loss contingency, including how it arose, its legal or contractual basis, its current status, and the anticipated timing of its resolution; and providing a description of the factors that are likely to affect the ultimate outcome of the contingency along with the potential impact on the outcome. [Footnote reference omitted.]

BC33. Several comment letter respondents and roundtable participants expressed concerns about the proposed exemption. For example, some respondents commented that despite the permitted aggregation at a level higher than by the nature of the contingency for the tabular reconciliation disclosure, an entity may not be able to avoid disclosure of prejudicial information.

BC34. At the March 2009 roundtable meeting, one auditor expressed concern that it would be difficult to audit an assertion that disclosing certain information would be prejudicial because the auditor does not have the necessary legal expertise to determine which disclosure would be prejudicial to the reporting entity. Some attorneys also expressed concern that the attorney-client privilege would be breached if an auditor tried to determine whether certain disclosure would be prejudicial to the reporting entity. Other constituents stated that if the requirement was for factual disclosure instead of speculative or predictive disclosure, then there would be no need for a prejudicial exemption. The Board notes that the proposed amendments would eliminate many of the Exposure Draft's proposed disclosures that are less factual and more speculative or predictive in nature, for example, the entity's best estimate of the maximum exposure to loss and the anticipated timing of a loss contingency's resolution. The proposed amendments would require disclosures about the potential timing of a loss contingency (for example, the next steps in its resolution) only if it is known to the entity.

BC35. The Board disagrees with some comment letter respondents' assertions that the proposed tabular disclosures of contingencies would be prejudicial to the reporting entity. The Board notes that if the specified criteria are met, current U.S. GAAP requires disclosure of the accrual of loss contingencies. Specifically, paragraph 450-20-50-1 states that, in some circumstances, disclosure of the

amount accrued may be necessary for the financial statements not to be misleading. As would be permitted by the aggregation principle in the proposed amendments, tabular disclosure by class of contingencies rather than by individual contingency would address many of the concerns about having to make prejudicial disclosures.

BC36. The Board decided to not provide a prejudicial exemption because the proposed amendments would eliminate many of the speculative or predictive disclosures that were proposed in the Exposure Draft and because of some comment letter respondents' concern that the proposed exemption would be difficult to interpret and apply.

Disclosure of Possible Recoveries from Insurance or Indemnification Arrangements

BC37. The Exposure Draft contained a proposed requirement to disclose:

A qualitative and quantitative description of the terms of relevant insurance or indemnification arrangements that could lead to a recovery of some or all of the possible loss, including any caps, limitations, or deductibles that could affect the amount of recovery. [paragraph 7(c)]

BC38. Financial statement users generally supported the proposed requirements about possible recoveries. Some financial statement preparers and attorneys objected to the proposed requirements because the disclosure could be prejudicial. In particular, they argued that if the plaintiff learned that the loss is covered by insurance, it might be encouraged to seek more money.

BC39. Some opponents of this proposed requirement also argued that the insurance coverage may be subject to dispute and, therefore, disclosing the insurance information might mislead users into believing that the reporting entity will be able to recover more of the loss than it ultimately does. Some opponents also argued that making disclosures about the coverage might also be prejudicial in a dispute with the insurance carrier. Insurance entities argued that such disclosures may compromise their ability to defend their policyholders if they are required to do so under the policy.

BC40. On the basis of the above input and the discussions at the March 2009 roundtables, the Board decided to include the following disclosure requirement in the proposed amendments:

Information about possible recoveries from insurance and other sources only if, and to the extent that it has been provided to the plaintiff(s) in a litigation contingency, it is discoverable by either the plaintiff or a regulatory agency, or it relates to a recognized receivable for such recoveries. If the insurance company has denied, contested, or reserved its rights related to the entity's claim for recovery, the entity shall disclose that fact.

BC41. The Board decided that the disclosure about possible insurance recoveries would be made if it is discoverable, even if information has not yet been provided to the plaintiff in discovery so that the disclosure is timely. Furthermore, the Board decided to expand the scope of the requirement to include regulatory agencies because all loss contingencies are not necessarily subject to litigation. In other words, there may not be a plaintiff and discovery in the case of some loss contingencies. For example, some environmental contingencies may relate to actions by a governmental regulatory agency. The Board also believes that if an entity has recognized a receivable for insurance recoveries, a disclosure of that fact would be helpful to users.

BC42. As to the presentation of potential insurance recoveries, Subtopic 210-20 specifies the criteria that must be met to offset an asset and a liability in a statement of financial position. The Board believes that it would be unusual for those criteria to be met in the case of a possible recovery from an insurance, indemnification, or other similar arrangement related to a loss contingency primarily because there usually are more than two counterparties involved. Accordingly, loss contingencies and their related recoveries usually must be presented separately in a statement of financial position at their gross amounts. Paragraph 210-20-45-18 includes that clarification.

Settlement Offers

BC43. The Exposure Draft would not have required that settlement offers made between counterparties in a dispute be disclosed. The Board notes that settlement offers may represent negotiation tactics and may be withdrawn or changed quickly. Therefore, a settlement offer that is outstanding and included in the disclosures may not represent a realistic resolution of a loss contingency. However, at the request of one Board member, a question had been included in the notice for recipients of the Exposure Draft about settlement offers.

BC44. A few user comment letter respondents supported requiring disclosure of settlement offers. Those respondents stated that if settlement offers were disclosed, then it would be an indicator of potential lower and upper boundaries of the possible outcomes. However, the majority of respondents agreed with the Board's decision not to require disclosure of settlement offers. Those who supported the Board's decision stated that disclosing settlement offers could be misleading because they are often used as a negotiating tool and may significantly differ from the entity's ultimate exposure. A few respondents noted that disclosing such offers is prejudicial, as evidenced by the fact that information about such offers is inadmissible in court under the Federal Rule of Evidence and state law.

BC45. For the above-described reasons, the Board decided to not require disclosure of settlement offers in the proposed amendments.

Effective Date and Transition

BC46. The proposed disclosure requirements would be effective for annual financial statements issued for fiscal years ending after December 15, 2010, and for interim and annual financial statements thereafter except that for nonpublic entities the disclosures would be effective for the first annual period beginning after December 15, 2010, and for interim periods of fiscal years after the first annual period. The Board believes that it is important that enhanced disclosures be available to financial statement users as soon as practicable. The Board also believes that most of the information required by the proposed amendments already is available and that collecting that data from various locations in year-end reporting packages would be feasible for public entities whose fiscal years end after December 15, 2010. The Board also decided that the tabular reconciliation would not be required for earlier periods that are presented for comparative purposes, because of concerns that it may be impracticable for entities to gather the necessary information.

Similarities and Differences with International Accounting Standards

BC47. The disclosures that would be required by the proposed amendments are similar, but not identical, to those required by IAS 37. IAS 37 requires disclosure of the carrying amount of provisions at the beginning and end of the period as well as changes during the period. This requirement is largely consistent with the tabular reconciliation of recognized loss contingencies in the proposed amendments.

BC48. The IASB currently is deliberating changes to IAS 37. The IASB's project, however, has a much broader scope that includes initial recognition, subsequent measurement, and disclosures. In June 2005, the IASB published an Exposure Draft of the proposed amendments. Since then the IASB has been reviewing the proposals in light of comments received. It has tentatively decided to change some of the proposals in the Exposure Draft. In particular, the IASB has decided to provide more guidance on applying the proposed measurement requirements. In January 2010, it published for public comment an Exposure Draft of the proposed new guidance on measurement. Comments were due by May 19, 2010. To enable interested parties to see the revised measurement guidance in the context of the proposed new IFRS as a whole, the IASB has prepared a working draft of the IFRS, which is available on its website. The working draft is based on the 2005 Exposure Draft, as amended, to take into account the decisions the IASB has made since then. The IASB's plan is to complete its project in 2010.

Benefits and Costs

BC49. The objective of financial reporting is to provide information that is useful to present and potential investors, creditors, donors, and other capital market participants in making rational investment, credit, and similar resource allocation decisions. However, the benefits of providing information for that purpose should justify the related costs. Current and potential investors, creditors, donors, and other users of financial information benefit from the improvements in financial reporting, while the costs to implement new guidance are borne primarily by current investors. The Board's assessment of the costs and benefits of issuing accounting guidance is unavoidably more qualitative than quantitative because there is no method to objectively measure the costs to implement accounting guidance or to quantify the value of improved information in financial statements.

BC50. The Board's assessment of the proposed amendments' benefits and costs is based on discussions with preparers, auditors, regulators, and users of financial statements. The Board considered the incremental costs of providing the additional disclosure requirements, particularly the tabular reconciliation of recognized loss contingencies, and concluded that those costs do not outweigh the benefits of improved information about loss contingencies.

BC51. The Board recognizes that the effort for gathering the necessary data to provide the disclosures that would be required by the proposed amendments may be significant for some entities and that the review and audit procedures of such disclosures may require additional effort. Notwithstanding the above additional costs, these disclosures were developed with the goal of providing users of financial statements with pertinent information about potential cash flow requirements of an entity. Furthermore, the Board believes that many entities already have the information necessary to fulfill those disclosure requirements and that including the information would not require substantial additional cost or effort.

BC52. The Board believes that the proposed amendments would require disclosures that provide relevant qualitative and quantitative information about loss contingencies. This will enable users to make a more informed assessment of the likelihood, timing, and amount of future cash outflows relating to loss contingencies. Discussions with users and regulators as well as the Board's research indicated that the recognition or derecognition of a loss contingency, or a change in the estimate of a loss contingency, can have a significant impact on an entity's financial statements. Therefore, the Board concluded that the benefits of the disclosures in the proposed amendments outweigh the costs.

Amendments to the XBRL Taxonomy

The following elements are proposed additions or modifications to the XBRL taxonomy as a result of the amendments in this proposed Update. (Elements that currently exist in the 2009 taxonomy are marked with an asterisk* and have been **bolded**. If an existing element was modified, it has been marked to reflect any changes.)

Standard Label[†]	Definition	Codification Reference
Probable Loss [Member]	Estimated accrued (recognized) loss related to a loss contingency.	450-20-50-1F
Fair Value [Member]	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	820-20
Loss Contingency Accrual [Roll Forward]*		
Loss Contingency Accrual, at Carrying Value*	The carrying amount as of the balance sheet date of the combined total of loss contingency liabilities reserves .	450-20-50-1 <u>450-20-50-1F(g)(1)</u> 450-20-50-1F(g)
Loss Contingency Accrual, Carrying Value, Provision*	The charge against earnings in the period for <u>new loss contingencies recognized during the period</u> reserves, net of any adjustments to reduce previously estimated charges .	450-20-50-1 <u>450-20-50-1F(g)(2)</u> 450-20-50-1F(g)

[†]The Standard Label and the Element Name are the same (except that the Element Name does not include spaces). If they are different, the Element Name is shown in *italics* after the Standard Label.

Standard Label[†]	Definition	Codification Reference
Loss Contingency Accrual, Carrying Value, Increase Due to Change in Estimate	Represents increases to the contingent liabilities for changes in estimates related to loss contingencies recognized in prior periods.	450-20-50-1F(g)(3) 450-20-50-1F(g)
Loss Contingency Accrual, Carrying Value, Decrease Due to Change in Estimate	Represents decreases to the contingent liabilities for changes in estimates related to loss contingencies recognized in prior periods.	450-20-50-1F(g)(4) 450-20-50-1F(g)
Loss Contingency Accrual, Carrying Value, Payments	The payments (or other forms of settlements) made in the period which reduced the loss contingency or contingencies.	450-20-50-1F(g)
Loss Contingency Accrual, Carrying Value, Period Increase (Decrease)*	Net change in the period in loss contingency liabilities <u>reserves</u> .	<u>450-20-50-1F(g)</u>
Loss Contingency Accrual, Carrying Value, Description of Significant Activity	Represents a description of any significant activity during the period related to the accrued loss contingencies.	450-20-50-1F(g)
Loss Contingency, Balance Sheet Caption*	Identifies the line item(s) of the balance sheet that include <u>reflect</u> the loss contingency liabilities.	<u>450-20-50-1F(g)</u>
Malpractice Loss Contingency, Increase Due to Change in Estimate	Represents increases to the contingent malpractice liabilities for changes in estimates related to loss contingencies recognized in prior periods.	450-20-50-1F(g)
Malpractice Loss Contingency, Decrease Due to Change in Estimate	Represents decreases to the contingent malpractice liabilities for changes in estimates related to loss contingencies recognized in prior periods.	450-20-50-1F(g)

Standard Label[†]	Definition	Codification Reference
Loss Contingency, Aggregation Basis Policy	The company's policy for aggregating disclosures related to loss contingencies. Companies are allowed to aggregate disclosures for similar contingencies so that disclosures are understandable and not too detailed.	450-20-50-1B(b)
Early Stage Litigation Contingency [Member]	Early stage(s) of the contingency's life cycle.	450-20-50-1F(b)
Remote Loss Contingency [Member]	The risk of loss associated with future event(s) occurring is slight.	450-20-50-1C 450-20-50-1F(f)
Loss Contingency, Basis for Defense	Presents a description of the entity's basis for its defense related to the litigation or a statement that the entity has not yet formulated a defense.	450-20-50-1F(b)
Loss Contingency, Timing	Represents disclosure related to the anticipated timing of, or the next steps in, the resolution of the contingency.	450-20-50-1F(b)
Loss Contingency, Status	Represents a description of the current status of the contingency.	450-20-50-1F(c)
Loss Contingency, Damages Indicated by Expert Witness	Describes the form and magnitude of the award as indicated by the testimony of expert witnesses in the legal proceedings, which may include an unspecified amount of money.	450-20-50-1F(e)
Loss Contingency, Other Disclosures	Other nonprivileged information that would be relevant to financial statement users to enable them to understand and/or assess the possible loss.	450-20-50-1F(e)
Loss Contingency, Possible Recoveries from Insurance	The amount of possible recoveries from insurance (or other sources).	450-20-50-1F(e)
Loss Contingency, Possible Recoveries from Insurance, Denial, Contested, or Reserved Rights	Disclosure that the insurance company has denied, contested, or reserved its rights related to the entity's claim for recovery.	450-20-50-1F(e)

Standard Label [†]	Definition	Codification Reference
Schedule of Loss Contingencies by Contingency or Class of Contingency [Text Block]*	Describes and quantifies the loss contingencies that were reported in the period or disclosed as of the balance sheet date.	450-20-50-1 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9 450-20-50-10 460-10-50-2 460-10-50-3
Loss Contingency Disclosures*	Excluding environmental contingencies, warranties and unconditional purchase obligations (all of which have their own elements in this taxonomy), describes any existing condition, situation, or set of circumstances involving uncertainty as of the balance sheet date (or prior to issuance of the financial statements) as to a probable, or <u>reasonably possible, or remote probability of a</u> loss incurred by an entity that will ultimately be resolved when one or more future events occur or fail to occur, and typically discloses the amount of loss recorded or a range of possible loss, or an assertion that no reasonable estimate can be made.	450-20-50-1 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9 450-20-50-10 460-10-50-2 460-10-50-3
Loss Contingencies [Table]*	Discloses the specific components (such as the nature, name, and date) of the loss contingency and gives an estimate of the possible loss or range of loss, or states that a reasonable estimate cannot be made. Excludes environmental contingencies, warranties and unconditional purchase obligations.	450-20-50-1 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-10 460-10-50-2 460-10-50-3

Standard Label†	Definition	Codification Reference
Loss Contingencies by Nature of Contingency [Axis]*	Quantifies and describes each loss contingency that exists as of the balance sheet date, by nature of the probable, or possible, <u>or remote</u> loss incurred.	450-20-50-1 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9 450-20-50-10 460-10-50-2 460-10-50-3
Loss Contingency, Nature [Domain]*	An existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an enterprise that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the incurrence of a loss or impairment of an asset or the incurrence of a liability.	450-20-50-1 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9 450-20-50-10 460-10-50-2 460-10-50-3
Loss Contingency, Period of Occurrence*	States when the existing condition, situation, or set of circumstances involving uncertainty occurred.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Management's Assessment and Process*	Describes management's process to evaluate the contingency matter and to estimate the impact on the financial statements and ongoing operations, such as added credit risk or loss of customers, including pertinent information to adequately disclose the matter and significant assumptions underlying the estimates.	450-20-50-1 450-20-50-4(b) 450-20-50-9(b) <u>450-20-50-1F</u>

Standard Label[†]	Definition	Codification Reference
Loss Contingency, Estimate of Possible Loss*	Reflects the estimated amount of loss from the specified contingency as of the balance sheet date.	450-20-50-4(b) 450-20-50-9(b) <u>450-20-50-1F(e)(2)</u>
Loss Contingency, Range of Possible Loss*	Describes the estimated range of loss from the specified contingency when no single amount within the range appears to be a better estimate than any other amount within the range, may disclose the factors that could cause the estimate to change, and may indicate that a material change in estimate might occur based on a reasonably possible change in circumstances.	450-20-50-4(b) 450-20-50-9(b) <u>450-20-50-1F(e)(2)</u>
Loss Contingency, Range of Possible Loss, Minimum*	The estimated minimum amount of possible loss from the contingency.	450-20-50-4(b) 450-20-50-9(b) <u>450-20-50-1F(e)(2)</u>
Loss Contingency, Range of Possible Loss, Maximum*	The estimated maximum amount of possible loss from the contingency.	450-20-50-4(b) 450-20-50-9(b) <u>450-20-50-1F(e)(2)</u>
Loss Contingency, Inestimable Loss*	Explanation as to why an estimate of a specified contingent loss cannot be made, resulting in disclosure without accrual.	450-20-50-4(b) 450-20-50-9(b) <u>450-20-50-1F(e)(3)</u>
Loss Contingency, Estimated Recovery from Third Party*	If estimable, describe the recovery that could be expected to result from a right to proceed against a third party such as an insurer or co-defendant.	<u>450-20-50-1F(e)(5)</u> 460-10-50-3

Standard Label[†]	Definition	Codification Reference
Loss Contingency, Loss in Period*	The amount of loss pertaining to the specified contingency that was charged against earnings in the period, including the effects of revisions in previously reported estimates.	450-20-50-4 <u>450-20-50-1F</u>
Loss Contingency, Lawsuit Filing Date*	States the date the complaint was formally filed in a court of law, in arbitration or mediation.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Name of Defendant*	Identifies the named defendant in a lawsuit.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Name of Plaintiff*	Identifies the plaintiff in the lawsuit.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Trial or Alternative Dispute Resolution*	Identifies whether the action is pursued in a court of law, an arbitration or mediation, and whether a decision by the trier of fact in a nontrial proceeding is binding or nonbinding.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Parties Jointly and Severally Liable in Litigation*	Identifies individuals or entities that are co-defendants in a law suit, and who may have to pay all or a portion of any damages awarded.	450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Domicile of Litigation*	Identifies the domicile or jurisdiction of the court of law, arbitration or mediation proceeding.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a)

Standard Label [†]	Definition	Codification Reference
		<u>450-20-50-1F</u>
Loss Contingency, Allegations*	Presents an assertion of a fact by a plaintiff in a pleading (complaint), which the plaintiff claims it will prove upon presentation of evidence at the proceeding.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Damages Sought*	Describes the form and magnitude of the award the plaintiff seeks in the legal matter, which may include an unspecified amount of money.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Laws Affected*	Specifies the laws, rules or regulations, or accepted industry practices or procedures that were alleged to have been violated by the defendant.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Actions Taken by Plaintiff*	Describes actions taken or threatened by the plaintiff in the legal matter.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Actions Taken by Defendant*	Describe actions taken by the defendant in the legal matter.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Actions Taken by Court, Arbitrator or Mediator*	Describes important rulings or decisions made by the judge, arbitrator or mediator in the legal matter that could impact the outcome of the case.	450-20-50-1 450-20-50-4(a) 450-20-50-9(a)

Standard Label [†]	Definition	Codification Reference
		<u>450-20-50-1F</u>
Loss Contingency, Request for Information*	Describes the type of information that the parties to the litigation have sought or provided, and when it was provided.	450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Expected Trial Commencement*	States the date the complaint was formally filed in a court of law, in arbitration or mediation.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Opinion of Counsel*	Sets forth the entity's counsel's opinion as to the likely outcome of the matter, or that no such opinion can as yet be expressed.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u> 450-20-55-12(c)
Loss Contingency, Settlement Agreement, Date*	The effective date of a duly executed litigation settlement agreement.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Settlement Agreement, Counterparty's Name*	Name of the other party to the settlement agreement.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Loss Contingency, Settlement Agreement, Court*	Identify the name of the court, if applicable, which approved the terms of the settlement agreement resolving the legal matter.	450-20-50-4 450-20-50-4(a) 450-20-50-9(a)

Standard Label [†]	Definition	Codification Reference
		<u>450-20-50-1F</u>
Loss Contingency, Settlement Agreement, Terms*	Description of the terms of a settlement agreement which resolved the legal matter, including amount and timing of payment, and the nature of rights obtained or lost (such as patent, trademark, copyright, license and franchise rights).	450-20-50-4 450-20-50-4(a) 450-20-50-9(a) <u>450-20-50-1F</u>
Litigation Settlement, Gross*	This element represents the gross amount awarded, to be received by, or to be remitted to the entity in settlement of litigation occurring during the period.	450-20-50-9(a) <u>450-20-50-1F</u>
Litigation Settlement, Expense*	This element represents the expenses incurred by the entity which are directly related and attributable to receiving an award in settlement of litigation.	450-20-50-9(a) <u>450-20-50-1F</u>
Gain (Loss) Related to Litigation Settlement*	The net proceeds or assets obtained in excess of (less than) the net carrying amount of assets recorded, or assets distributed and liabilities assumed less than (in excess of) litigation liabilities reserves extinguished, in settlement of a litigation matter. Represents (for other than an insurance entity in its normal claims settlement process), the amount of income (expense) recognized in the period to settle pending or threatened litigation and insurance claims.	450-20-50-4 450-20-50-9(a) <u>450-20-50-1F</u>

Standard Label[†]	Definition	Codification Reference
Loss Contingency, Settlement Agreement, Consideration*	Describe the nature of the consideration to which the entity agreed to pay in a settlement agreement which resolved the legal matter.	450-20-50-4 450-20-50-4(a) 450-20-50-9(b) <u>450-20-50-1F</u> 450-20-50-9(a)
Loss Contingency, Accrual Carrying Value, Current*	The portion of the carrying amount as of the balance sheet date of the combined total of loss contingency liabilities reserves which is expected to be resolved within one year or the normal operating cycle, if longer.	450-20-50-4 <u>450-20-50-1F</u>
Loss Contingency, Accrual Carrying Value, Noncurrent*	The portion of the carrying amount as of the balance sheet date of the combined total of loss contingency liabilities reserves which is expected to be resolved after one year or beyond the normal operating cycle, if longer.	450-20-50-4 <u>450-20-50-1F</u>
Loss Contingency, Related Receivable Carrying Value*	The carrying amount as of the balance sheet date of a recorded receivable related to a loss contingency accrual. For example, an insurance recovery receivable to the extent that the insurance recovery is probable and does not exceed the amount of the loss previously recognized in the financial statements.	<u>450-20-50-1F</u> 460-10-50-3
Loss Contingency, Related Receivable Carrying Value, Receipts*	The collections in the period which reduce the recorded receivable pertaining to a loss contingency accrual.	<u>450-20-50-1F(e)(5)</u>
Loss Contingency, Related Receivable Carrying Value, Period Increase (Decrease)*	Net change in the period in the recorded receivable pertaining to a loss contingency.	<u>450-20-50-1F(e)(5)</u> 460-10-50-3

Standard Label[†]	Definition	Codification Reference
Loss Contingency, Related Receivable Carrying Value, Current*	The portion of the carrying amount as of the balance sheet date of a recorded receivable related to a loss contingency accrual that is expected to be collected within one year or the normal operating cycle, if longer. For example, an insurance recovery receivable to the extent that the insurance recovery is probable and does not exceed the amount of the loss previously recognized in the financial statements.	450-20-50-1F(e)(5) 460-10-50-3
Loss Contingency, Related Receivable Carrying Value, Noncurrent*	The portion of the carrying amount as of the balance sheet date of a recorded receivable related to a loss contingency accrual that is expected to be collected after one year or beyond the normal operating cycle, if longer. For example, an insurance recovery receivable to the extent that the insurance recovery is probable and does not exceed the amount of the loss previously recognized in the financial statements.	450-20-50-1F(e)(5) 460-10-50-3
Accrual for Environmental Loss Contingencies*	Total costs accrued as of the balance sheet date for environmental loss contingencies.	410-30-50-7 450-20-50-4 450-20-25-2 450-20-50-1F
Accrued Environmental Loss Contingencies, Current*	Carrying value of the obligation (known or estimated) arising from requirements to perform activities to remediate one or more sites, payable in 12 months or in the next operating cycle if longer.	210-10-45-6 410-30-50-7 410-30-50-10(d)(1) 450-20-50-4 450-20-50-1F
Accrued Environmental Loss Contingencies, Noncurrent*	Carrying value of the obligation (known or estimated) arising from requirements to perform activities to remediate one or more sites, payable after 12 months or beyond the next operating cycle if longer.	210-10-45-6 210-10-S99-1 410-30-50-7 410-30-50-10(d)(1) 450-20-50-4 450-20-50-1F

Standard Label [†]	Definition	Codification Reference
Catastrophic Event [Domain]*	Identification or description of an unexpected natural or man-made disaster of substantial extent causing significant physical damage or destruction, loss of life or sometimes permanent change to the natural environment, such as earthquake, windstorm, fire, <u>and</u> explosion.	450-20-50-4 450-20-50-4(a) <u>450-20-50-1F</u>
Commitments and Contingencies*	Represents the caption on the face of the balance sheet to indicate that the entity has entered into (1) purchase or supply arrangements that will require expending a portion of its resources to meet the terms thereof and (2) is exposed to potential losses or, less frequently, gains, arising from (a) possible claims against a company's resources due to future performance under contract terms and (b) possible losses or likely gains from uncertainties that will ultimately be resolved when one or more future events that are deemed likely to occur do occur or fail to occur. This caption alerts the reader that one or more notes to the financial statements disclose pertinent information about the entity's commitments and contingencies.	210-10-S99-1 450-20-50-4 <u>450-20-50-1F</u> 942-210-S99-1 944-210-S99-1
Commitments and Contingencies Disclosure [Text Block]*	Includes disclosure of commitments and contingencies. This element may be used as a single block of text to encapsulate the entire disclosure including data and tables.	210-10-S99-1 440-10-50-2 <u>450-20-50-1F</u> 450-20-50-4 460-10-50-8 825-20-50-1

Standard Label [†]	Definition	Codification Reference
Discontinued Operation, Description of Material Contingent Liabilities Remaining*	Nature and amounts of material contingent liabilities, such as product or environmental liabilities or litigation, that remain with the entity despite the disposal of the disposal group that is classified as a component of the entity. Also includes any reasonably likely range of possible loss.	205-20-S99-2 310-10-50-21 310-10-50-22 450-20-50-1 450-20-50-1F 450-20-50-3 450-20-50-4 450-20-50-5 450-20-50-6 460-10-50-2
Environmental Exit Costs, Reasonably Possible Additional Losses*	Estimate of the reasonably possible loss exposure in excess of the amount accrued for remediation, site restoration, postclosure, monitoring commitments, or other exit costs associated with the sale, disposal or abandonment of a particular property resulting from unanticipated contamination of the assets.	450-20-50-3 450-20-50-4 450-20-S99-1
Litigation Reserve*	Aggregate carrying amount of reserve for known or estimated probable loss from litigation, which may include attorneys' fees and other litigation costs.	210-10-S99-1 450-20-50-1
Litigation Reserve, Current*	Carrying amount of reserve for known or estimated probable loss from litigation, which may include attorneys' fees and other litigation costs, which is expected to be paid within one year of the date of the statement of financial position.	210-10-S99-1 450-20-50-1 450-20-55-11
Litigation Reserve, Noncurrent*	Carrying amount of reserve for known or estimated probable loss from litigation, which may include attorneys' fees and other litigation costs, which is expected to be paid after one year or beyond the normal operating cycle, if longer.	210-10-S99-1 450-20-50-1

Standard Label[†]	Definition	Codification Reference
Loss on Contracts*	Losses recognized in the current period on contracts which are expected to generate losses, which are probable and can be reasonably estimated, in a future period.	225-10-S99-2 450-20-50-4 <u>450-20-50-1F</u>
Malpractice Loss Contingency Disclosure [Text Block]*	Description of the accrual for malpractice loss contingencies (general and professional liability) which may include the policy used for accruing the loss contingency, the nature and amount of any accrual, and any significant estimate used to determine the accrual.	450-20-50-4 450-20-50-F 450-20-50-3 450-20-50-4 450-20-50-5 450-20-50-6 450-20-50-9 450-20-50-10 954-450-50-1 954-450-50-2
Malpractice Loss Contingency, Accrual, Undiscounted, Current*	Amount of the current portion of the accrued liability on an undiscounted basis for malpractice claims (including general and professional liability) at the end of an accounting period.	450-20-50-4 <u>450-20-50-1F</u>
Malpractice Loss Contingency, Accrual, Undiscounted, Noncurrent*	Amount of the noncurrent portion of the accrued liability on an undiscounted basis for malpractice claims (including general and professional liability) at the end of an accounting period.	450-20-50-4 <u>450-20-50-1F</u>
Malpractice Loss Contingency, Accrual, Undiscounted*	Amount of the accrued liability on an undiscounted basis for malpractice claims (including general and professional liability) at the end of the accounting period.	450-20-50-4 <u>450-20-50-1F</u>
Malpractice Loss Contingency, Accrual, Discounted, Current*	Amount of the current portion of the accrued liability on a discounted basis for malpractice claims (including general and professional liability) at the end of an accounting period.	450-20-50-4 450-20-50-1F 954-450-50-2
Malpractice Loss Contingency, Accrual, Discounted, Noncurrent*	Amount of the noncurrent portion of the accrued liability on a discounted basis for malpractice claims (including general and professional liability) at the end of an accounting period.	450-20-50-4 450-20-50-1F 954-450-50-2

Standard Label [†]	Definition	Codification Reference
Malpractice Loss Contingency, Accrual, Discounted*	Amount of the accrued liability on a discounted basis for malpractice claims (including general and professional liability) at the end of an accounting period.	450-20-50-4 450-20-50-1F 954-450-50-2
Malpractice Loss Contingency, Accrual Not Recognized*	Description of a loss contingency for malpractice claims that is not recognized for financial reporting purposes because the accounting recognition criteria is not met but there is a reasonable possibility of loss or <u>a remote possibility (for certain contingencies), additional loss (for example, a loss is not probable, but reasonably possible, of occurrence)</u> . The disclosure should indicate the nature of the loss contingency and may provide a range of loss or state that an estimate cannot be made.	450-20-50-3 450-20-50-4 450-20-50-5 450-20-50-6 450-20-50-1D 450-20-50-1F
Malpractice Loss Contingency, Accrual Not Recognized, Low End of Loss Range*	Low end of the loss range for a loss contingency related to for malpractice claims that <u>do not meet the recognition criteria for loss contingencies but do meet the disclosure criteria</u> . is reasonably possible to occur but does not meet the loss recognition criteria.	450-20-50-3 450-20-50-4(b) 450-20-50-1F
Malpractice Loss Contingency, Accrual Not Recognized, High End of Loss Range*	High end of the loss range for a loss contingency related to for malpractice claims that <u>do not meet the recognition criteria for loss contingencies but do meet the disclosure criteria</u> . is reasonably possible to occur but does not meet the loss recognition criteria.	450-20-50-3 450-20-50-4(b) 450-20-50-1F
Insurance Receivable for Malpractice, Current*	The current portion of the amount receivable from insurance and similar arrangements for reimbursement and payment of malpractice claims and litigation costs.	210-10-S99-1 450-20-50-1F(e)(5)

Standard Label[†]	Definition	Codification Reference
Insurance Receivable for Malpractice, Noncurrent*	The noncurrent portion of the receivable from insurance and similar arrangements for reimbursement and payment of malpractice claims and litigation costs.	210-10-S99-1 <u>450-20-50-1F(e)(5)</u>
Insurance Receivable for Malpractice*	The amount receivable from insurance and similar arrangements for reimbursement and payment of malpractice claims and litigation costs.	<u>450-20-50-1F(e)(5)</u>
Malpractice Loss Contingency, Period Cost*	Amount of costs associated with malpractice claims, including costs associated with litigating and settling claims, incurred during an accounting period.	<u>450-20-50-1F(e)(5)</u> 954-450-25-2 954-450-30-1
Malpractice Loss Contingency, Premium Costs*	Amount of costs incurred that are associated with obtaining malpractice insurance and other risk transferring arrangements during an accounting period.	<u>450-20-50-1F(e)(5)</u>
Malpractice Loss Contingency, Accrual Adjustment*	Amount of adjustments made to the accrued liability for malpractice claims other than changes for period costs, premium costs, <u>increases in the accrued liability because of a change in estimate, decreases in the accrued liability because of a change in estimate,</u> and settlements of claims during an accounting period.	<u>450-20-50-1F(e)(5)</u>
Malpractice Loss Contingency, Settlement of Claims*	Amounts paid during an accounting period for malpractice claims, including costs associated with litigation or claims settlements.	<u>450-20-50-1F(e)(5)</u>
Malpractice Loss Contingency, Description*	Description of the disclosure shall indicate the nature of the contingency and shall give an estimate of the possible loss or range of loss or state that such an estimate cannot be made. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a	450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6

Standard Label [†]	Definition	Codification Reference
	potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable.	
Malpractice Loss Contingency, Claims Incurred in Period*	The estimated amount of loss for asserted and unasserted claims alleging malpractice by the entity and its service providers that occurred during the period.	450-20-50-4 <u>450-20-50-1F</u> 954-450-30-1
Malpractice Loss Contingency, Claims Incurred in Prior Periods*	The amount of change in the estimated amount of loss for asserted and unasserted claims alleging malpractice by the entity and its service providers that occurred prior to the current period, which were included in current period expense.	450-20-50-4 <u>450-20-50-1F</u> 954-450-30-1
Malpractice Loss Contingency, Return of Premiums*	Amount received during the period representing a return of premiums previously paid, generally under a retrospectively rated policy.	954-720-25-1
Malpractice Loss Contingency, Insurance Recoveries*	Amount of insurance recoveries recognized from insurance and similar arrangements for reimbursement and payment of malpractice claims recognized during an accounting period.	450-20-50- <u>1F(e)(5)</u> 954-720-25-1
Malpractice Loss Contingency, Claims Incurred, Net*	Amount of costs associated with malpractice claims and insurance premiums incurred during an accounting period, less insurance recoveries and returns of previously paid premiums.	450-20-50-4 <u>450-20-50-1F</u> 954-450-30-1 954-720-25-1
Product Liability Contingencies [Text Block]*	Disclosures of exposure to material amount of loss arising from allegations of damages pertaining to and arising from one or more of the entity's products. This element may be used for a listing and details of all of an entity's disclosures about such loss contingencies.	450-20-50-4 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9 450-20-S99-1

Standard Label [†]	Definition	Codification Reference
Product Liability Contingency [Table]*	Information and financial data about the reasonably possible loss, <u>the remote loss (certain contingencies)</u> , or the recognized and additional <u>reasonably possible loss from product liability contingencies</u> related to an individual product.	450-20-50-1 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9 450-20-S99-1
Product Liability Contingency, Description*	Describes the damages allegedly caused by appropriate use of the product, such as death from a drug and injury from a toy, which the damaged party reasonably believed was attributable to dangers for which no warning or inadequate warning was provided, such as defects in labeling, construction, and inappropriate (impurities in) processing.	450-20-50-1 450-20-50-4(a) <u>450-20-50-1F</u> 450-20-50-9(a)
Product Liability Contingency, Geographic Areas*	Identifies the geographic areas in which the damages were alleged to have occurred.	450-20-50-1 450-20-50-3 450-20-50-4(a) 450-20-50-5 <u>450-20-50-1F</u> 450-20-50-6 450-20-50-9(a)
Product Liability Contingency, Management Assessment Process*	Describes management's process to evaluate allegations of damages pertaining to a product and to estimate the impact on the financial statements and <u>ongoing operations</u> .	<u>450-20-50-1F</u>
Product Liability Contingency, Accrual, Assumptions*	Describes the important assumptions underlying the estimate of the product liability loss, and may describe any changes in the assumptions made since the last reporting period.	<u>450-20-50-1F</u>

Standard Label[†]	Definition	Codification Reference
Product Liability Contingency, Circumstances Impacting Precision of Estimate*	Circumstances affecting the reliability and precision of damages estimates for a specified product.	<u>450-20-50-1F</u> 450-20-S99-1
Product Liability Contingency, Loss Inestimable Explanation*	Reason(s) why an estimate of the probable or reasonably possible loss or range of loss for product liability damages cannot be made.	450-20-50-4(b) <u>450-20-50-1F(e)(3)</u> 450-20-50-9(b) 450-20-S99-1
Product Liability Accrual, Material Components*	Describes the material components of a loss accrual for damages arising from third-party use of the entity's product(s) or process(es).	<u>450-20-50-1F</u> 450-20-S99-1
Product Liability Accrual, Component Amount*	Recorded amount of the accrual for a material component of a product liability contingency.	<u>450-20-50-1F</u> 450-20-S99-1
Product Liability Accrual, Period Expense, Caption*	Identifies the income statement line item in which the amount of loss reported during the period pertaining to product liability is reflected.	450-20-50-1 <u>450-20-50-1F</u>
Product Liability Accrual, Period Expense*	The amount of loss reported during the period pertaining to product liability.	450-20-50-1 <u>450-20-50-1F</u>
Loss Contingency Accrual, Product Liability, Undiscounted, Due within One Year*	The portion of the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) that is expected to be paid within one year of the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1

Standard Label[†]	Definition	Codification Reference
Loss Contingency Accrual, Product Liability, Undiscounted, Due in Second Year*	The portion of the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) that is expected to be paid in the second year after the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Undiscounted, Due in Third Year*	The portion of the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) that is expected to be paid in the third year after the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Undiscounted, Due in Fourth Year*	The portion of the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) that is expected to be paid in the fourth year after the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Undiscounted, Due in Fifth Year*	The portion of the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) that is expected to be paid in the fifth year after the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Undiscounted, Due after Fifth Year*	The portion of the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) that is expected to be paid after the fifth year after the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Gross*	The estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) as of the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1

Standard Label[†]	Definition	Codification Reference
Loss Contingency Accrual, Product Liability, Discount	The amount of imputed interest necessary to reduce (reconcile) the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) to the present value recognized on the balance sheet (if the accrual qualifies for discounting).	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Net*	Present value of the estimated aggregate accrual for damages arising from third-party use of the entity's product(s) or process(es) as of the balance sheet date (if the accrual qualifies for discounting).	<u>450-20-50-1F</u> 450-20-S99-1
Loss Contingency Accrual, Product Liability, Net, Explanation of Material Change in Accrual*	Describes the nature or cause of a material change in the expected aggregate amount since the prior balance sheet date, other than a change resulting from pay-down of the obligation.	<u>450-20-50-1F</u> 450-20-S99-1
Product Liability Contingency, Accrual, Discount Rate*	Rate applied to the undiscounted amount of estimated damages for product liability to arrive at the present value recorded as of the balance sheet date.	<u>450-20-50-1F</u> 450-20-S99-1
Product Liability Contingency, Accrual, Discount Amount*	The amount of imputed interest necessary to reduce (reconcile) the estimated aggregate undiscounted amount of the accrual for damages arising from third-party use of the entity's product(s) or process(es) to the present value recognized on the balance sheet (if the accrual qualifies for discounting).	<u>450-20-50-1F</u> 450-20-S99-1
Product Liability Contingency, Accrual, Present Value*	Present value of the accrual for product liability contingencies environmental loss contingencies at an individual site as of the balance sheet date (if the accrual qualifies for discounting).	<u>450-20-50-1F</u> 450-20-S99-1

Standard Label[†]	Definition	Codification Reference
Product Liability Contingency, Accrual, Caption*	Identifies the balance sheet line item in which the accrual for the product liability loss contingency for an individual site is reflected.	450-20-50-4 <u>450-20-50-1F</u>
Product Liability Contingency, Indication Accrual May Change*	Disclosure that it is reasonably possible that a change in an estimate of the obligation will occur in the near term when information available prior to issuance of the financial statements indicates that it is at least reasonably possible that the product liability accrual estimate will change due to one or more future confirming events.	450-20-50-1F <u>450-20-S99-1</u>
Product Liability Contingency, Loss Exposure Not Accrued, Description*	Nature of the reasonably possible allegations of damages and estimate of the loss exposure for product liability for which no accrual has been recorded.	450-20-50-3 450-20-50-4(a) 450-20-50-5 <u>450-20-50-1F(e)(2)</u> 450-20-50-6 450-20-50-9(a)
Product Liability Contingency, Loss Exposure Not Accrued, Best Estimate*	Best estimate of the loss exposure for a reasonably possible liability for product liability damages for which no accrual has been recorded.	450-20-50-3 450-20-50-5 <u>450-20-50-1F(e)(2)</u> 450-20-50-6 450-20-50-9(b)
Product Liability Contingency, Loss Exposure Not Accrued, Low Estimate*	Low-end of the range estimate for a reasonably possible liability for product liability damages for which no accrual has been recorded.	450-20-50-4(b) <u>450-20-50-1F(e)(2)</u> 450-20-50-9(b)
Product Liability Contingency, Loss Exposure Not Accrued, High Estimate*	High-end of the range estimate for a reasonably possible liability for product liability damages for which no accrual has been recorded.	450-20-50-4(b) <u>450-20-50-1F(e)(2)</u> 450-20-50-9(b)

Standard Label[†]	Definition	Codification Reference
Product Liability Contingency, Loss Exposure Not Accrued, Third Party Recovery Commentary*	Describes the extent to which disclosed but not recognized contingent losses from product liability damages are expected to be recoverable through insurance, indemnification arrangements, or other sources, and any material limitations of that recovery.	450-20-S99-1 <u>450-20-50-1F(e)(5)</u>
Product Liability Contingency, Loss Exposure in Excess of Accrual, Description*	Nature of the reasonably possible loss contingency and estimate of the reasonably possible loss exposure in excess of the amount accrued for damages pertaining to a specified product.	450-20-S99-1 <u>450-20-50-1F(e)(2)</u>
Product Liability Contingency, Loss Exposure in Excess of Accrual, Best Estimate*	Best estimate of the reasonably possible loss exposure in excess of the amount accrued for damages pertaining to a specified product.	450-20-S99-1 <u>450-20-50-1F(e)(2)</u>
Product Liability Contingency, Loss Exposure in Excess of Accrual, Low Estimate*	Low-end of the range estimate of the reasonably possible loss exposure in excess of the amount accrued for damages pertaining to a specified product.	450-20-S99-1 <u>450-20-50-1F(e)(2)</u>
Product Liability Contingency, Loss Exposure in Excess of Accrual, High Estimate*	High-end of the range estimate of the reasonably possible loss exposure in excess of the amount accrued for damages pertaining to a specified product.	450-20-S99-1 <u>450-20-50-1F(e)(2)</u>
Product Liability Contingency, Unasserted Claims*	Extent to which unasserted claims are reflected in an accrual or may affect the magnitude of the site contingency.	450-20-S99-1 <u>450-20-50-1F</u> <u>450-20-55-14</u> <u>450-20-55-15</u>
Product Liability Contingency, Uncertainties from Joint and Several Liability*	Uncertainties with respect to joint and several liability that may affect the magnitude of the contingency.	450-20-S99-1 <u>450-20-50-1F</u>

Standard Label [†]	Definition	Codification Reference
Product Liability Contingency, Uncertainties from Insurance*	Uncertainties with respect to the legal sufficiency of insurance claims or the solvency of carriers for product liability damages.	450-20-S99-1 <u>450-20-50-1F</u>
Product Liability Contingency, Time Frame of Disbursements*	Estimated time frame of disbursements over which the accrued or presently unrecognized amounts may be paid out for damages pertaining to a specified product.	450-20-S99-1 <u>450-20-50-1F</u>
Product Liability Contingency, Recovery from Third Party of Environmental Remediation Cost ProductLiability ContingencyRecoveryFromThirdParty OfEnvironmental RemediationCost	Amount of the estimated recovery from third parties recorded in the period pertaining to product liability damages from specified products.	450-20-S99-1 <u>450-20-50-1F(e)(5)</u>
Product Warranty Accrual, Noncurrent*	Carrying value as of the balance sheet date of obligations incurred through that date and due after one year (or beyond the operating cycle if longer) for estimated claims under standard and extended warranty protection rights granted to customers.	210-10-S99-1 450-20-50-4 450-20-50-3 <u>450-20-50-1F</u>
Public Utilities, Disclosure of Regulatory Matters Pending*	Describes all of the specific regulatory matters that are pending, including the regulatory authorities involved and the potential impacts.	380-360-55-16 450-20-50-4 450-20-50-3 450-20-50-4 450-20-50-5 <u>450-20-50-1F</u> 980-20-50-6 980-360-55-17 980-360-55-20 980-360-55-

Standard Label [†]	Definition	Codification Reference
		21 980-360-55-22 980-360-55-23 980-360-55-24 980-360-55-25 980-360-55-27 980-360-55-28 980-360-55-29
Reinsurance, Loss on Uncollectible Accounts in Period, Amount*	The amount of the write-down or write-off charged against earnings in the period of a previously recorded receivable from a reinsurer.	450-20-50-4 <u>450-20-50-1F</u>
Reinsurance, Loss on Uncollectible Accounts in Period, Description*	Description of the facts and circumstances pertaining to a loss recognized in the period on a previously recorded receivable from a reinsurer, which may include the nature of the receivable (such as premium or claims recovery), identification of the defaulting party, and whether a dispute exists.	450-20-50-1 <u>450-20-50-1F</u>
Unusual or Infrequent Item, Description of Contingencies*	Description of the contingencies arising from the unusual or infrequent event that have not yet been recognized in the financial statements but are reasonably expected <u>or</u> <u>remotely expected (certain contingencies)</u> to impact the entity's financial statements in the near term; for example, future losses or future insurance recoveries.	225-20-45-16 310-10-50-21 450-20-50-1F 450-20-50-4 450-20-50-5