**NAIC Accounting Practices and Procedures Manual**

**Editorial and Maintenance Update**

**March 18, 2020**

Maintenance updates provide revisions to the *Accounting Practices and Procedures Manual*, such as editorial corrections, reference changes and formatting.

| **SSAP/Appendix** | **Description/Revision** |
| --- | --- |
| SSAP No. 21R | In paragraph 2, remove the excerpts from *SSAP No. 4—Assets and Nonadmitted Assets* regarding the definition and accounting treatment for admitted assets. |
| SSAP No. 51R | Update paragraph references in paragraph 36 related to change in valuation basis to be consistent with the originally adopted language in the related issue paper. |

**Recommendation:**

NAIC staff recommends that the Statutory Accounting Principles (E) Working Group move this agenda item to the active listing, categorized as nonsubstantive, and expose editorial revisions, as illustrated below.

**SSAP No. 21R**

1. *SSAP No. 21R—Other Admitted Assets* in paragraph 2, remove the excerpts from SSAP No. 4 regarding the definition and accounting treatment for admitted assets.

SUMMARY CONCLUSION

2. The definition and accounting treatment for admitted assets is outlined in paragraphs 2 and 3 of *SSAP No. 4—Assets and Nonadmitted Assets* :

3. Consistent with paragraph 2, the following assets shall be considered admitted and shall be reported in accordance with SSAP No. 4. These admitted assets are not addressed in other statements.

**SSAP No. 51R**

*SSAP No. 51R—Life Contracts* - Update paragraph references in SSAP No. 51R, paragraph 36.

Update paragraph references in paragraph 36 related to changes in valuation basis to be consistent with the originally adopted language in the related issue paper. Paragraph 36 refers to “a change in valuation basis for reserves determined under paragraphs 18-21 and the reference should be updated to be paragraphs 17-21. This edit is consistent with *Issue Paper No. 154–Implementation of Principle Based Reserving*, Exhibit A, which documents changes to SSAP No. 51, paragraph 36 and includes a reference to paragraphs 17-21.

36. A change in valuation basis for reserves determined under paragraphs 17-21, except for reserves defined under *Actuarial Guideline XLIII—CARVM: For Variable Annuities* (AG 43), as detailed in Appendix C of this Manual, shall be defined as a change in the interest rate, mortality assumption, or reserving method (e.g., net level, preliminary term, etc.) or other factors affecting the reserve computation of policies in force and meets the definition of an accounting change as defined in *SSAP No. 3—Accounting Changes and Corrections of Errors*.

**Status:**

On March 18, 2020, the Statutory Accounting Principles (E) Working Group moved this item to the active listing, categorized as nonsubstantive, and exposed the editorial maintenance revisions to *SSAP No. 21R—Other Admitted Assets* and *SSAP No. 51R—Life Contracts* as detailed above. This item has a shortened comment period deadline ending May 1, 2020.

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