

**Statutory Accounting Principles (E) Working Group
Maintenance Agenda Submission Form
Form A**

Issue: *ASU 2023-07, Improvements to Reportable Segment Disclosures*

Check (applicable entity):

	P/C	Life	Health
Modification of Existing SSAP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Issue or SSAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interpretation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Description of Issue:

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (*ASU*) 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures*, to improve the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. The ASU, among other more minor changes, requires public companies to disclose significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and are included within each reported measure of segment profit or loss (collectively referred to as the "significant expense principle"), and to disclose an amount for "other segment" items by reportable segment and a description of its composition.

Existing Authoritative Literature:

Historically, guidance applicable only to public entities from ASUs has typically been rejected as statutory accounting does have separate guidance for public vs. private reporting entities. All ASUs are reviewed for statutory accounting purposes to determine if the guidance should be considered for statutory accounting.

Additionally, statutory accounting has its own specified expense categories which differ from the segment reporting categories utilized by U.S. GAAP.

Activity to Date (issues previously addressed by the Working Group, Emerging Accounting Issues (E) Working Group, SEC, FASB, other State Departments of Insurance or other NAIC groups):

Prior to FASB codification, segment reporting requirements were in U.S. GAAP *FAS 131: Disclosures about Segments of an Enterprise and Related Information*, which upon establishment of the Account Standards Codification (ASC) was carried over to create Topic 280, Segment Reporting. In June 2007, agenda item 2007-02 rejected FAS 131 in Appendix D as not applicable for statutory accounting purposes.

Information or issues (included in *Description of Issue*) not previously contemplated by the Working Group:
None

Convergence with International Financial Reporting Standards (IFRS): None

Staff Recommendation:

NAIC staff recommends that the Working Group move this item to the active listing, categorized as a SAP clarification, and expose revisions to *Appendix D—Nonapplicable GAAP Pronouncements* to reject *ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures* as not applicable to statutory accounting. This item is considered not applicable as the ASU amends U.S. GAAP guidance on segment reporting disclosures for public entities, which is not an applicable concept for statutory accounting purposes. Topic 280 was established from FAS 131, which has previously been determined to be not applicable to statutory accounting principles by the Working Group. In addition, the annual statement reporting process requires reporting by line of business, jurisdiction and instead of U.S. GAAP "segment" type information.

Staff Review Completed by: William Oden – February 2025

Status:

On March 24, 2025, the Statutory Accounting Principles (E) Working Group exposed revisions to *Appendix D—Nonapplicable GAAP Pronouncements* to reject *ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures* as not applicable to statutory accounting.

On August 11, 2025, the Statutory Accounting Principles (E) Working Group adopted revisions to *Appendix D—Nonapplicable GAAP Pronouncements* to reject *ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures* as not applicable to statutory accounting.

https://naiconline.sharepoint.com/teams/FRSStatutoryAccounting/National_Meetings/A. National Meeting Materials/2025/08-11-25 Summer National Meeting/Adoptions/25-10 - ASU 2023-07, Improvements to Reportable Segment Disclosures.docx