

2025 Fall National Meeting  
Hollywood, Florida

## STATUTORY ACCOUNTING PRINCIPLES (E) WORKING GROUP

Tuesday, December 9, 2025

8:45 – 10:45 a.m. EST

### Meeting Summary Report

The Statutory Accounting Principles (E) Working Group met Dec. 9, 2025. During this meeting, the Working Group:

1. Adopted the following statutory accounting principle (SAP) concepts and clarifications to statutory accounting guidance:
  - A. *Preamble*: Adopted revisions to the Preamble to clarify treatment of issue papers in Level 5 and reference U.S. Securities and Exchange Commission (SEC) rules and interpretations as sources of authoritative U.S. generally accepted accounting principles (GAAP) for SEC registrants. (Ref #2025-12EP)
  - B. *Statement of Statutory Accounting Principles (SSAP) No. 2—Cash, Cash Equivalents, Drafts and Short-Term Investments, SSAP No. 21—Other Admitted Assets, SSAP No. 26—Bonds, and SSAP No. 43—Asset-Backed Securities*: Adopted revisions, effective Dec. 31, 2026, incorporate a new reporting column to identify private placement securities in relevant investment schedules and an aggregate disclosure that details key investment information by type of public or private security. (Ref #2025-19)
  - C. *SSAP No. 21, SSAP No. 26, and SSAP No. 43*: Adopted revisions, effective Dec. 31, 2026, clarify the existing disclosure financial statement note location and frequency for debt security disclosures and incorporate disclosures for residuals that identify the company's measurement method, whether the company is transitioning from the practical expedient to the allowable earned yield (AEY) method, and for those following the AEY method, information comparable to SSAP No. 43 for impaired securities. (Ref #2025-20)
  - D. *SSAP No. 37—Mortgage Loans and SSAP No. 40—Real Estate Investments*: Adopted new SAP concept revisions to allow residential mortgage loans held in qualifying statutory trusts to be captured in scope of SSAP No. 37. These revisions are effective Jan. 1, 2027, with early adoption permitted. (Ref #2025-13)
  - E. *SSAP No. 92—Postretirement Benefits Other Than Pensions and SSAP No. 102—Pensions*: Adopted revisions clarify that retirement plan assets can be held at net asset value (NAV) and shall be included in the required fair value disclosure. (Ref #2025-21)
  - F. *SSAP No. 101—Income Taxes*: Adopted, with modification, certain revisions from *Accounting Standards Update (ASU) 2019-12, Simplifying the Accounting for Income Taxes*. The revisions also incorporate U.S. GAAP guidance previously incorporated by reference. (Ref #2025-18)
  - G. *Annual Statement Blanks and Instructions*: Adopted revisions support removing the investment subsidiary concept from statutory reporting. This adoption action includes sponsoring a blanks proposal to remove annual statement reporting components as well as a referral to the Capital Adequacy (E) Task Force to eliminate risk-based capital (RBC) related instructions. (Ref #2024-21)

2. Exposed the following SAP concepts and clarifications to statutory accounting guidance for a public comment period ending Feb. 13, 2026:
  - A. *SSAP No. 1—Accounting Policies, Risks & Uncertainties and Other Disclosures*: Exposed revisions to add a new investment schedule reporting code to identify restricted assets held under a modified coinsurance (modco) and funds withheld arrangement. (Ref #2025-27)
  - B. *SSAP No. 1, SSAP No. 5—Liabilities, Contingencies and Impairments of Assets, SSAP No. 21, SSAP No. 26, and SSAP No. 43*: Exposed revisions consolidate and clarify the disclosure requirements for commitments and contingent commitments, including the addition of a definition for commitments, and a new comprehensive commitments and contingent commitments disclosure. (Ref #2025-24)
  - C. *SSAP No. 7—Asset Valuation Reserve and Interest Maintenance Reserve*: Exposed proposed concepts and templates for an interest maintenance reserve (IMR) proof of reinvestment developed by the IMR Ad Hoc Group. (Ref #2025-23)
  - D. *SSAP No. 22—Leases*: Exposed further revisions to clarify that sale-leasebacks with restrictions on access to cash or assets received from the sale do not qualify for sale-leaseback accounting and must be accounted for by the seller using the financing method. (Ref #2025-01)
  - E. *SSAP No. 40 and SSAP No. 90—Impairment or Disposal of Real Estate Investments*: Exposed revisions delete the shaded text instructions and delete previously superseded guidance in SSAP No. 40 currently shown as shaded text. (Ref #2025-32)
  - F. *SSAP No. 47—Uninsured Plans*: Exposed revisions correct inconsistencies in the calculation used to disclose in note 18B gains/losses on administrative services contracts (ASCs). (Ref #2025-30)
  - G. *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies*: Exposed agenda item proposes a review of several SSAP No. 48 concepts, and how they are applied to ensure intended guidance is clear and consistently applied. (Ref #2025-26)
  - H. *SSAP No. 51—Life Contracts and SSAP No. 52—Deposit-Type Contracts*: Exposed revisions provide guidance on the optional implementation period for *Valuation Manual* revisions regarding the economic scenario generator and non-variable annuities. (Ref #2025-34)
  - I. *SSAP No. 56—Separate Accounts*: Exposed revisions explicitly address nonadmittance for assets held under the “general account basis” in the separate account, and proposed revisions to incorporate the concept of nonadmitted assets within the separate account balance sheet and corresponding schedules. (Ref #2025-25)
  - J. *SSAP No. 61—Life, Deposit-Type and Accident and Health Reinsurance*: Exposed revisions clarify how IMR eliminated as part of a reinsurance transaction should influence the reinsurance collateral required to receive reinsurance credit. Exposure requests comments on whether different IMR treatment should be considered specifically, whether negative IMR eliminated from reinsurance transactions impact the reinsurance collateral. (Ref #2025-22)
  - K. *SSAP No. 103—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*: Exposed revisions allow repurchase agreements with maturity dates in excess of one year to be admitted. (Ref #2025-28)
  - L. *Interpretation (INT) 05-05: Accounting for Revenues Under Medicare Part D Coverage*: Exposed revisions note the Dec. 31, 2024, end of the coverage gap discount program and add references to the replacement federal Centers for Medicare & Medicaid Services (CMS) manufacturer’s discount program. (Ref #2025-31)
  - M. *Annual Statement Blanks*:
    - i. Exposed proposed revisions to clarify reporting on debt securities, and requested comments on additional reporting elements to improve consistency in reporting. (Ref #2025-29)

## 2025 NAIC FALL NATIONAL MEETING

- ii. Exposed revisions to update and modernize expense descriptions and categories. (Ref #2025-33)
- 3. Directed NAIC staff on the following items:
  - A. New SSAP: Directed NAIC staff to prepare an issue paper and concurrent SSAP to reflect statutory accounting guidance for interest-rate hedging derivatives used for asset-liability management (ALM) using the amortized cost approach. (Ref #2024-15)
- 4. Received updates on the following:
  - A. A memorandum to the Blanks (E) Working Group clarifying that the intent of the new reporting on Schedule S, Part 8 was not to change any part of the way that assets subject to a modco or funds withheld arrangement are factored into the life/fraternal RBC calculation, and that the goal of Schedule S, Part 8 is to create a schedule that matches with the existing reporting in RBC and does not change or override the guidance that exists in life/fraternal RBC reporting.
  - B. IMR Ad Hoc Group activities, noting that the discussions have focused on the proof of reinvestment, the concept of “disallowed” IMR, separate account reporting, amortization of IMR, and updating the NAIC designation change guidance for allocating realized gains and losses to either IMR or asset valuation reserve (AVR). Remaining topics include excess withdrawals, market value adjustments, modco/funds withheld (FWH) reinsurance transactions, and the admittance limit.
  - C. Notice of a potential Macprudential (E) Working Group referral regarding disclosure requirements for financial asset-backed notes.
  - D. Discussion of a printed *Accounting Practices and Procedures Manual* (AP&P Manual), resulting in support of no longer printing Volume II if it allows for more copies of Volume I to be printed.
  - E. Received an update that NAIC committee support will collaborate with interested parties in identifying possible clarifications to respond to the referral from the Life Risk-Based Capital (E) Working Group received at the Summer National Meeting to distinguish between “Certain Other” and “Other” AVR equity reporting lines for subsidiary, controlled, and affiliated entities (SCA) investments.
  - F. U.S. GAAP exposures, noting that no items are currently exposed by the Financial Accounting Standards Board (FASB), and future items will follow the normal maintenance process.
  - G. International Association of Insurance Supervisors (IAIS) Accounting and Auditing Working Group activities. Some items of particular interest are the International Accounting Standards Board’s (IASB’s) potential exposure of targeted improvements to amortized cost measurement expected in International Financial Reporting Standard (IFRS) 9, Financial Instruments, discussions on private equity investments in accounting firms and related ethical and independence considerations, and the Insurance Capital Standard (ICS) implementation and revisions to Insurance Core Principle (ICP) 9 (Supervisory Reporting) and ICP 20 (Public Disclosure).
- 5. Adopted its Summer National Meeting minutes.
- 6. Adopted its Sept. 10 minutes. During this meeting, the Working Group took the following action:
  - A. Heard a presentation from the American Council of Life Insurers (ACLI) on two draft proposals for ALM derivatives.
  - B. Exposed agenda item 2024-15 (ALM Derivatives), the ACLI presentation on ALM derivatives, and the two ACLI proposal drafts for a 51-day public comment period ending Oct. 31.



## 2025 NAIC FALL NATIONAL MEETING

7. Adopted its Oct. 6 minutes. During this meeting, the Working Group took the following action:
  - A. Exposed the revised agenda item 2025-19 (Private Securities), including the interested party and Working Group edits discussed during the meeting, for a 25-day public comment period ending Oct. 31.