2026 Fall National Meeting
Dallas, Texas

ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE
Monday, November 16, 2026
1:30 – 2:00 p.m.
Convention Center—Grapevine A123—Level 3

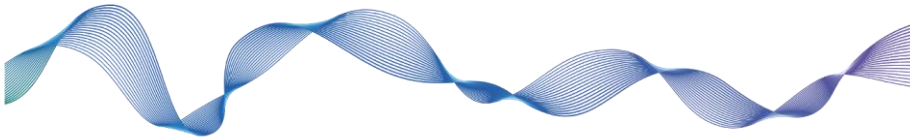
Meeting Summary Report

The Accounting Practices and Procedures (E) Task Force met Nov. 16, 2026. During this meeting, the Task Force:

1. Adopted its Summer National Meeting minutes (*see NAIC Proceedings – Summer 2026, Accounting Practices and Procedures (E) Task Force*).

2. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met Nov. 15. During this meeting, the Working Group took the following action:
   A. Adopted the following statutory accounting principle (SAP) concepts and clarifications:
      i. Adopted conceptual revisions to *Statement of Statutory Accounting Principles (SSAP) No. 7—Asset Valuation Reserve (AVR) and Interest Maintenance Reserve (IMR)*, a corresponding issue paper detailing discussions and rationale for revisions, and various miscellaneous revisions to other SSAPs to reflect the revisions adopted to IMR/AVR with a Jan. 1, 2028, effective date. The Working Group directed future data assessments and agenda items to assess compliance with IMR reporting provisions, with future planned Working Group discussions to consider potential increases to the net negative IMR admittance limit recommended by the American Council of Life Insurers (ACLI) IMR compliance proposal. (Ref #2023-14)
      ii. Adopted revisions that reject *Accounting Standards Update (ASU) 2025-10, Accounting for Government Grants Received by Business Entities*, and clarify the accounting treatment of government grants related to assets, as well as the statutory treatment of *FASB Statement No. 116, Accounting for Contributions Received and Contributions Made*. (Ref #2026-04)
      iii. Adopted revisions to *SSAP No. 61—Life, Deposit-Type and Accident and Health Reinsurance* to clarify the reporting and accounting of funds withheld liabilities under reinsurance contracts with a Dec. 31, 2027, effective date. (Ref #2026-02)
      iv. Adopted revisions to nullify *Interpretation (INT) 18-03: Additional Elements Under the Tax Cuts and Jobs Act* (TCJA), effective Jan. 1, 2027, and to update *SSAP No. 101—Income Taxes* for net controlled foreign corporation tested income and make other updates in response to changes made by the One Big Beautiful Bill Act. (Ref #2026-14)

   B. Exposed new SAP concepts and clarifications for a public comment period ending Feb. 12, 2027:
      i. Exposed revisions to the Preamble to adopt, with modification, the disclosure principles in *ASU 2025-11, Interim Reporting (Topic 270), Narrow-Scope Improvements*. (Ref #2026-19)
      ii. Exposed revisions permitting structured settlements that receive a Securities Valuation Office (SVO)-assigned NAIC designation to be reported as an "interest in a joint venture, partnership



or limited liability company with underlying assets having characteristics of bonds with an NAIC Designation Assigned by the SVO." (Ref #2026-18)

iii. Exposed revisions in response to a referral from the Life Risk-Based Capital (E) Working Group to expand collateral loan reporting, focused on the independent verification of the collateral's fair value. (Ref #2026-17)

iv. Exposed revisions to remove the Canadian foreign currency exception and directed NAIC committee support to develop transition guidance to implement the change for a Jan. 1, 2028, effective date. (Ref #2026-15)

v. Exposed revisions to incorporate additional concepts within the principles-based bond definition, with modification to consider structural mitigants in assessing significant asset-liability management (ALM) risk in financial asset-backed securities, along with proposed transition and effective date language. (Ref #2026-10)

vi. Exposed revisions to incorporate new disclosures related to the source of private letter ratings. (Ref #2026-16)

vii. Re-exposed the agenda item with additional questions on residential mortgage loans and directed NAIC committee support on drafting revisions. (Ref #2026-11)

viii. Exposed updated revisions clarifying that Medicaid state-directed capitated payments are included in insured plans, while Medicaid state-directed payments with separate payment terms without utilization risk are excluded from insured plans. (Ref #2026-13)

ix. Exposed revisions to clarify that for *SSAP No. 97—Investments in Subsidiaries, Controlled and Affiliated Entities* paragraph 8.b.ii and 8.b.iv entities, if the statutory adjustments result in a negative equity value, the amount reported on Schedule BA for that subsidiary, controlled, and affiliated (SCA) shall stop at zero, with the amount of the negative equity reclassified as a liability. (Ref #2026-23)

x. Exposed revisions to clarify *SSAP No. 93—Investments in Tax Credit Structures* and *SSAP No. 94—State and Federal Tax Credits* and simplify disclosures. (Ref #2026-20)

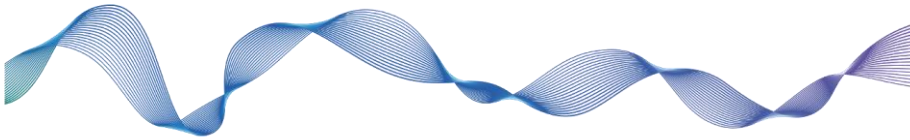
xi. Exposed updated revisions to prescribe the reporting format for the financial instruments fair value disclosure and remove the existing disclosure for when it is not practicable to determine fair value. Directed NAIC committee support to address the distinction between "operating entities" and "investment entities" through the *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* project. (Ref #2026-06)

xii. Exposed revisions to establish a commitments definition, clarify various reporting and disclosure elements involving commitments and contingencies, replace the existing financial statement note with a summary disclosure of commitments, and add general investment instructions to require investment commitments to be reported on the applicable investment schedule regardless of whether there is an existing investment balance. (Ref #2025-24)

xiii. Exposed a revised proposed *SSAP No. 109—Asset Liability Management Derivatives* and corresponding issue paper with the addition of an "effective duration" hedge effectiveness test. The Life Actuarial (A) Task Force is currently working with companies to conduct a pilot program to allow life regulatory actuaries to review the specific hedge-effectiveness tests and other guidance proposed by this agenda item. In addition, NAIC committee support were directed to draft a related annual statement blanks proposal. (Ref #2024-15)

xiv. Exposed a concept agenda item with a request for comments on disclosures that can potentially be either simplified or removed. (Ref #2026-21)

xv. Annual statement blank or instructions:



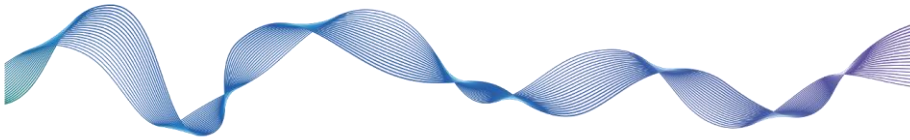
a. Exposed revisions proposing to remove the restricted asset column from the investment schedules. (Ref #2026-22)
b. Exposed revisions to consistently define how the acquisition date shall be reported throughout the investment schedules, excluding derivatives on Schedule DB. Regulator comments were requested on whether it would be beneficial to add a new column to the "owned" schedules to detail "most recent acquisition date." (Ref #2026-24)
c. Exposed revisions to update the definition of what shall be captured in the Schedule D-1-2: Asset-Backed Securities reporting lines for collateralized loan obligations, collateralized bond obligations, collateralized debt obligations (CLOs/CBOs/CDOs). (Ref #2026-25)

C. Directed NAIC committee support to:
i. The Working Group moved the agenda item on insurance company-owned life insurance (ICOLI) to the active listing and directed NAIC committee support to work with the industry and the Capital Adequacy (E) Task Force on an expanded disclosure for year-end 2027. The Working Group also directed a referral to the Life Actuarial (A) Task Force to provide guidance regarding the use of ICOLI in cash flow testing. (Ref #2026-08)
ii. Directed NAIC committee support to develop revisions to *SSAP No. 62—Property and Casualty Reinsurance* exception to retroactive reinsurance for intercompany reinsurance among 100% owned or controlled affiliated, clarifying the measurement of the gain on inception and developing revised disclosures. (Ref #2026-12)
iii. Directed NAIC committee support to draft revisions to consolidate accounting replication synthetic asset transactions (RSATs) guidance in *SSAP No. 86—Derivatives* and work with industry and regulators in the interim on the parameters for when RSATs should be permitted, including a disclosure that would allow comparison to state investment limits from NAIC designations. (Ref #2026-09)

D. Received updates on the following:
i. Received a referral from the Investment Analysis (E) Working Group on the reporting of structured investments and underlying collateral and other reporting enhancements. This referral requests a project to improve classifications within ABS reporting lines for multi-collateral financial asset-backed securities and to identify how an insurer obtains exposure to the underlying collateral (e.g., feeder funds).
ii. Received an update on SSAP No. 48 project discussions.
iii. Received details on current U.S. generally accepted accounting principles (GAAP) exposures, noting that comments are not recommended, and review of issued standards will occur under the normal maintenance process.
iv. Received a comment letter from Kerper and Bowron on the unearned premium tests in *SSAP No. 65—Property and Casualty Contracts*.

E. Adopted its Oct. 7 minutes. During this meeting, the Working Group took the following action:
i. Received a presentation from the ACLI on a proposed IMR compliance proposal.

F. Adopted its Summer National Meeting minutes (*see NAIC Proceedings – Summer 2026, Accounting Practices and Procedures (E) Task Force, Attachment One*).



3. Adopted the report of the Blanks (E) Working Group, which met Aug. 26. During this meeting, the Working Group took the following action:
   A. Adopted its July 29 minutes (*see NAIC Proceedings, Summer 2026, Accounting Practices and Procedures (E) Task Force, Attachment Two*).

   B. Adopted four proposals:
      i. 2026-13BWG Modified – Add an active status code column to the Cybersecurity Insurance Coverage Supplement, Part 5, and to the Private Flood Insurance Supplement, Parts 2 through 6, to identify the active status for each state.
      ii. 2026-14BWG – Update Schedule P instructions with revisions exposed at the Casualty Actuarial and Statistical (C) Task Force.
      iii. 2026-15BWG Modified – Update the "CUSIP" column throughout the annual and quarterly investment schedules to be a "Security Identifier" column to allow for different types of identifiers, such as Committee on Uniform Security Identification Procedures (CUSIP), CUSIP International Numbering System (CINS), Private Placement Numbers (PPNs), International Securities Identification Numbers (ISINs), and Legal Entity Cross-Reference Identifier (LXID). Add a "Security ID Type" column to the investment schedules to identify what security identifier is being used. Update references to CUSIP throughout the annual and quarterly statements to the security identifier when the instructions are not specifically referring to CUSIP.
      iv. 2026-17BWG – Update Annual General Interrogatory 25.04 and 25.05, changing "amount of collateral" to "assets lent." Update Notes to Financial Statements Note #5L(1) category "Collateral held under security lending agreements" to "Assets lent under security lending agreements."

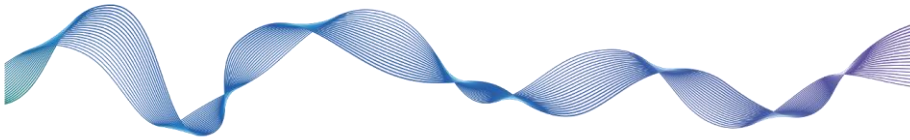
   C. Deferred two proposals and exposed three new proposals for a 70-day public comment period ending Nov. 3.

   D. Withdrew two proposals sponsored by the Statutory Accounting Principles (E) Working Group to allow time for additional discussion.
      i. 2025-29BWG – Update Investment Schedules General Instructions restricted asset codes to add codes that were previously added to Notes to Financial Statements, Note 5L – Restricted Assets, for reporting funds withheld and modified coinsurance (modco) arrangements.
      ii. 2026-16BWG – Update the list of disclosure exclusions for Notes to Financial Statements, Note #20C, to remove investments accounted for under the equity method.

   E. Adopted its editorial listing.

6. Received an update on the Financial Data Repository (FDR) modernization project and freeze period.

The NAIC is modernizing its annual and quarterly financial reporting system, including the annual and quarterly statement filings, the supplemental filings, and the risk-based capital (RBC) filings. The modernization is intended to improve system flexibility, speed, and filing accuracy in statutory reporting; enhance automation and functionality to support modern regulatory needs; and enable modular design for easier upgrades and integration with emerging technologies.



NAIC committee support are working with its vendor, SAIC, to identify the reporting fields in XBRL format, as well as working with the financial statement vendors. The PDFs will be created from the company data input into the vendor system. They will appear as they do now, with the exception of the Notes to the Financial Statement. All notes disclosures will appear in the electronic version, as well as in the PDF.

To facilitate the full transition to the new system, there will need to be a metadata freeze period. Metadata is the background information that describes, organizes, and gives context to the data. The freeze period means that all proposal changes to the annual and quarterly financial statements need to be adopted by May 2028 to be included in the year-end 2028 annual statement filing submitted in March 2029, and by Jan. 1, 2029, for the quarterly statement to be filed May 15, 2029. The date would be June for the RBC.

Changes after May/June 2028 would not be in effect until Jan. 1, 2030, essentially skipping any new changes for year-end 2029. This will allow SAIC and NAIC committee support to get everything in the new system ready for the first-quarter reporting.