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Statutory Accounting Principles (E) Working Group

E-Vote

June 5, 2025

The Statutory Accounting Principles (E) Working Group of the Accounting Practices and Procedures (E) Task Force conducted an e-vote that concluded June 5, 2025. The following Working Group members participated: Dale Bruggeman, Chair (OH); Richard Russell (AL); Kim Hudson (CA); William Arfanis (CT); Rylynn Brown (DE); Cindy Andersen (IL); Melissa Gibson (LA); Kristin Hynes (MI); Doug Bartlett (NH); Bob Kasinow (NY); Jamie Walker (TX); Jennifer Blizzard (VA); and Amy Malm (WI).

1. Exposed an Extension to INT 23-01

The Working Group exposed edits to *Interpretation (INT) 23-01: Net Negative (Disallowed) Interest Maintenance Reserve* to extend the effective date until Dec. 31, 2026, as well as incorporate the following clarifications and requirements:

* Paragraph 9a: Clarification on the adjusted capital and surplus calculation, with an additional cap to limit admittance to 10% of the current unadjusted capital and surplus.
* Paragraph 9d: New paragraph requiring completion of the data-captured template disclosures to admit net negative interest maintenance reserve (IMR).
* Paragraph 9e: New paragraph requiring net negative IMR to be captured in the principle-based reserving (PBR) calculation or asset adequacy testing (AAT)/cash flow testing pursuant to *Valuation Manual* (VM)-20, Requirements for Principle-Based Reserves for Life Insurance, with a requirement to prepare a reconciliation to ensure that reserves are not overstated.
* Paragraphs 13a and 13b: Clarification on the derivative disclosure roll-forward and confirmation that the amount disclosed for “net negative disallowed IMR” reflects the total.

Arfanis made a motion, seconded by Malm, to expose the proposed revised INT 23-01 for a 40-day public comment period ending July 14. The motion passed unanimously.

Having no further business, the Statutory Accounting Principles (E) Working Group adjourned.

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