**NAIC Accounting Practices and Procedures Manual**

**Editorial and Maintenance Update**

**November 17, 2024**

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

| **SSAP/Appendix** | **Description/Revision** |
| --- | --- |
| SSAP No. 26—Bonds | Editorial change to reinstate disclosure language and reporting category provision. |

**SSAP No. 26—Bonds:**

**Overview:** The disclosure in paragraph 39e is an existing disclosure (pre-bond-definition revisions) in SSAP No. 26. However, the pre-bond-definition version of the disclosure included direction for disclosure by Schedule D broad reporting categories, with categories listed in the SSAP. These reporting categories were removed from the adopted revised SSAP No. 26 disclosure effective Jan. 1, 2025. Although this disclosure is satisfied by the completion of Schedule D-1-1 and D-1-2 for statutory accounting purposes, comments have been made that the adopted revised language could require a listing of all bonds in the audited financial statements. As such,editorial revisions have been proposed to reinstate the prior language for “receiving bond treatment” (as adopted, revised SSAP No. 43, paragraph 44m points to this SSAP No. 26 disclosure for ABS items), and to include reference to reporting categories. A listing of the reporting categories is not deemed necessary within the SSAP.

**Proposed Edits to SSAP No. 26 (effective Jan. 1, 2025):**

39e. For each annual balance sheet presented, the book/adjusted carrying values, fair values, excess of book/carrying value over fair value or fair value over book/adjusted carrying values for each pertinent bond or assets receiving bond treatment, by category and subcategory as reported in Annual Statement Schedule D – Part 1, Section 1 (Issuer Credit Obligations) and Section 2 (Asset-Backed Securities).

**Staff Recommendation:**

NAIC staff recommend that the Statutory Accounting Principles (E) Working Group move this agenda item to the active listing, categorize as a SAP Clarification, and expose editorial revisions as illustrated within.

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