2026 Summer National Meeting
Columbus, Ohio

ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE
Thursday, August 13, 2026
8:00 – 8:30 a.m.

Meeting Summary Report

The Accounting Practices and Procedures (E) Task Force met Aug. 13, 2026. During this meeting, the Task Force:

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

2. Adopted its 2027 proposed charges.

3. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met Aug. 12. During this meeting, the Working Group took the following action:
   A. Adopted its May 18 minutes. During this meeting, the Working Group took the following action:
      i. Adopted the following statutory accounting principle (SAP) concepts and clarifications:
         a. Adopted revisions that add restricted asset categories for: 1) collateral assets received and on the balance sheet; 2) assets under modified coinsurance (modco) reinsurance agreements; and 3) assets held under funds withheld reinsurance agreements. (Ref #2025-27)
         b. Adopted Issue Paper No. 172 Qualifying Statutory Trusts. (Ref #2025-13)
         c. Adopted disclosures for funding agreement-backed notes (FABNs) and other similar structures, as well as a glossary to define the different structures. (Ref #2026-01)
         d. Editorial revisions to multiple Statements of Statutory Accounting Principles (SSAPs), including removing the word “funding” from the beginning of the paragraph that describes Federal Home Loan Bank (FHLB) agreements, replacing the term “CUSIP” with “Security Identifier,” and adding “U.S.” before “GAAP” as appropriate. (Ref #2026-03EP)
      ii. Exposed the following SAP concepts and clarifications to statutory accounting guidance:
         a. Exposed revisions to clarify that the restricted asset reporting for securities lending transactions shall reflect the asset lent by the reporting entity still reflected on the reporting entity’s financial statements and not collateral received. (Ref #2026-05)
         b. Exposed revisions to reject *Accounting Standards Update* (*ASU) 2025-10, Accounting for Government Grants Received by Business Entities,* incorporate terminology changes, and clarify that government grants are to be recorded as gain contingencies. (Ref #2026-04)
         c. Exposed revisions to clarify how funds withheld liabilities are recorded. (Ref #2026-02)

d. Exposed revisions to remove the disclosure exclusion for "investments accounted for under the equity method" from the fair value financial instrument disclosure. (Ref #2026-06)
e. Exposed revisions to the Life, Accident and Health/Fraternal Annual Statement Blank and Instructions to clarify what are reported as "Subsidiary, Controlled or Affiliated (SCA)-Certain Other" and "SCA-All Other." (Ref #2026-07)
f. Re-exposed *SSAP No. 109—Asset Liability Management (ALM) Derivatives* and the corresponding issue paper. (Ref #2024-15)

B. Adopted its April 22 minutes. During this meeting, the Working Group took the following action:
   i. Exposed revisions to *SSAP No. 7—Asset Valuation Reserve and Interest Maintenance Reserve* and related issue paper, revisions to other SSAPs, and proposed reporting revisions to incorporate new guidance for the interest maintenance reserve (IMR). (Ref #2023-14)

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

D. Adopted the following SAP clarifications:
   i. Adopted revisions to *SSAP No. 1—Accounting Policies, Risks & Uncertainties and Other Disclosures* to clarify that the security lending restricted asset reporting category shall reflect the security lent, which is reported in the insurer's investment schedules, not collateral received. (Ref #2026-05)
   ii. Adopted revisions to S*SAP No. 61—Life, Deposit-Type and Accident and Health Reinsurance* to clarify that derecognized net positive IMR shall increase reinsurer collateral requirements, but that net negative IMR shall not decrease collateral reinsurer requirements (asymmetrical method). Received the response from the Reinsurance (E) Task Force. (Ref #2025-22)
   iii. Adopted revisions to *Interpretation* (*INT) 23-01: Net Negative (Disallowed) Interest Maintenance Reserve*: Extend the effective date to Dec. 31, 2027, with nullification on Jan. 1, 2028.
   iv. Adopted an agenda item supporting revisions to the Life, Accident and Health/Fraternal Annual Statement asset valuation reserve (AVR) schedule and instructions, including to clarify what shall be reported as "Subsidiary, Controlled or Affiliated (SCA)-Certain Other" and "SCA-All Other." The Working Group directed the notice of adoption to the Life Risk-Based Capital (E) Working Group. (Ref #2026-07)

E. Exposed the following new SAP concepts and clarifications for a public comment period ending Oct. 2:
   i. SSAP No. 7: Exposed the revised SSAP, the issue paper, revisions to other SSAPs, and proposed reporting revisions reflecting edits presented during the meeting, with a revised Jan. 1, 2028, effective date. The net negative IMR admittance limit was discussed, with industry requested to develop a plan to ensure compliance and accuracy of reporting for subsequent consideration. (Ref #2023-14)

ii. Exposed an agenda item that requested comments on whether amounts realizable under insurer company-owned life insurance (ICOLI) policies should be reported on Schedule BA to capture investment risk. A referral to the Capital Adequacy (E) Task Force was directed to inform of the exposure and assess the risk-based capital (RBC). (Ref #2026-08)
iii. Exposed revisions to *SSAP No. 23—Foreign Currency Transactions and Translations* to remove the Canadian exception for foreign currency translation, requiring translation within each financial statement reporting line. (Ref #2026-15)
iv. Exposed terminology revisions and new guidance to clarify that government grants are accounted for as gain contingencies. (Ref #2026-04)
v. Exposed revisions to expand requirements for asset-backed security (ABS) structures to qualify as bonds under the principles-based bond definition. With the revisions, non-self-liquidating ABS structures will need to qualify under the equity-backed criteria, and self-liquidating ABS with significant embedded asset-liability management risk will not qualify as bonds. (Ref #2026-10)
vi. Received a referral from the Investment Analysis (E) Working Group and exposed an agenda item to clarify the definition of a residential mortgage loan and assess characteristics and risk components of residential mortgage loans for more granular reporting and accounting guidance. (Ref #2026-11)
vii. Exposed revisions to specify that Medicaid contract payments classified as capitated payments are included in insured plans. The Working Group directed a notice of the exposure to the Health Risk-Based Capital (E) Working Group. (Ref #2026-13)
viii. Exposed revisions to SSAP No. 61 and annual statement instructions and blanks to clarify how funds withheld assets and liabilities shall be recorded. (Ref #2026-02)
ix. Exposed revisions to *SSAP No. 62—Property and Casualty Reinsurance* to add a new disclosure and request conceptual comments regarding the exception to retroactive accounting involving transactions with insurers 100% owned by a common parent. (Ref #2026-12)
x. Exposed an agenda item detailing concept changes to the accounting and reporting of replication synthetic asset transactions (RSATs). (Ref #2026-09)
xi. Received a referral from the Investment Analysis (E) Working Group and re-exposed the revisions to *SSAP No. 100—Fair Value* item with an industry request to propose guidance to differentiate equity investments between “operating entities” and structures that hold investments. (Ref #2026-06)
xii. Exposed revisions to *SSAP No. 101—Income Taxes* and *INT 18-03: Additional Elements Under the Tax Cuts and Jobs Act (TCJA)* to nullify INT 18-03, effective Jan. 1, 2027, and to incorporate guidance in SSAP No. 101. (Ref #2026-14)
xiii. Exposed a revised *SSAP No. 109 —Asset Liability Management (ALM) Derivatives* and corresponding issue paper, with a revised effective date of Jan. 1, 2028. The Working Group directed a referral to the Life Actuarial (A) Task Force requesting consideration of a pilot program and a sponsored blanks proposal to incorporate new reporting lines on Schedule DB. (Ref #2024-15)

F. Received updates on the following:

i. Received information regarding reporting errors and noncompliance in statutory financial statements, highlighting an excessive number (57%) of items reported with Securities Valuation Office (SVO)-assigned designations on Schedule BA for improved RBC, items that did not have an SVO-assigned designation, and items that were misreported with a more favorable designation.
ii. Received a referral from the Life Risk-Based Capital (E) Working Group on collateral loans. This referral informs of actions taken to incorporate RBC for certain loans based on overcollateralization and requests that the Statutory Accounting Principles (E) Working Group incorporate additional disclosures on the independent verification of collateral fair value, details of the verification (including date and entity providing verification), and the range of the valuations.
iii. Received an update on *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* project discussions.
iv. Received an update on the commitments and contingencies disclosures discussions.
v. Received details on current U.S. generally accepted accounting principles (GAAP) exposures, noting that comments are not recommended and that the review of issued standards will occur under the normal maintenance process.
vi. Received a Life Actuarial (A) Task Force coordination memo and directed NAIC committee support to research coordination on one item.
vii. Received notice that the next International Association of Insurance Supervisors (IAIS) Accounting and Auditing Working Group (AAWG) meeting is Sept. 16–17.

4. Adopted the report of the Blanks (E) Working Group, which conducted an e-vote that concluded July 29 to adopt its May 28 minutes. During its May 28 meeting, the Working Group took the following action:

   A. Adopted its March 5 minutes (*see NAIC Proceedings Spring 2026 –, Accounting Practices and Procedures (E) Task Force, Attachment Two*).

   B. Adopted 16 proposals:
      i. 2025-23BWG Modified – Update the Separate Account Assets page by adding “Nonadmitted Assets” and “Net Admitted General Account Assets.” Add a new line on the Separate Account Summary of Operations for “Change in Nonadmitted Assets” within the surplus account. Insert a new page “Exhibit of Nonadmitted Assets” that will detail the current and prior total nonadmitted assets and the change in nonadmitted assets.
      ii. 2025-24BWG – Update Notes to Financial Statements Note 18B – ASC Plans for the disclosure clarifications in *SSAP No. 47—Uninsured Plans*.
      iii. 2025-25BWG – Update Notes to Financial Statements Note #2 – Accounting Changes and Corrections of Errors, by adding the reference to *Valuation Manual* (VM)-20, Requirements for Principle-Based Reserves for Life Products.

iv. 2025-26BWG Modified – Update the annual statement expense categories and instructions to remove outdated expense terminology and update to reflect the current types of expenses that exist for companies.
v. 2025-27BWG Modified – Add a section to life/fraternal AVR to report collateralized loan obligations (CLOs). Add a footnote to Schedule D, Part 1, Section 2, to report the book/adjusted carrying value (BACV) by NAIC designation for CLOs.
vi. 2026-01BWG – Update Notes to Financial Statements Note #26 – Intercompany Pooling Arrangements to add instructions for modifications to an existing intercompany pooling arrangement that involved the transfer of assets with fair value that differ from statement value.
vii. 2026-02BWG Modified – Update Notes to Financial Statements Note #11 – Debt to add a cross-check between Note #11B – FHLB Agreements and General Interrogatory #26.
viii. 2026-03BWG Modified – Update the Life/Fraternal Annual and Quarterly Blanks and Instructions, Exhibit 5, General Interrogatory lines 27.6 and 27.7, Supplemental Exhibits and Schedules, Variable Annuities Supplement, to clarify how companies should report valuation standards for VM-22, Requirements for Principles-Based Reserves for Non-Variable Annuities, business. Add an annual supplement for VM-22 reserve reporting.
ix. 2026-04BWG Modified – Add a section to Notes to Financial Statements Note #11 – Debt to disclose funding agreements backing special purpose vehicles (SPV) issuances. Add a footnote to Life Statement Exhibit 7 to report the amount of total funding agreements backed by SPV issuances.
x. 2026-05BWG – Update the instructions to require explicit identification of instances where net asset value (NAV) is used by requiring direct reporting, rather than inference through omission, in the Fair Value Hierarchy Level and Method Used to Obtain Fair Value Code column in Schedules D and BA. The updates require completion of this column for all reported items and restrict reporting to indicators expressly permitted in the annual statement instructions.
xi. 2026-06BWG – Update Notes to Financial Statements Note #5L(1) to add a reconciling adjustment line to the illustration to identify the assets pledged under multiple arrangements.
xii. 2026-07BWG – Add clarifying instruction to Schedule D, Part 1, Sections 1 and 2, for the payment due at maturity column and to specify what reporting categories should be included in this column. Add clarifying instructions to the origination balloon payment percentage column on Schedule D, Part 1, Section 2. For Schedule BA, Parts 1, 2, and 3, add clarification to the maturity date column to complete the column if the investment has a contractual stated maturity date.
xiii. 2026-08BWG Modified – Add a code “O – Other” to the active status column on Schedule T for reporting entities that have a unique, restricted license type that does not fit into one of the other existing categories. Add a field to provide a description of the other license type (for example, captive insurers or international insurers). The proposal changes the “N – None of the Above” status code to “N – None,” since instances where the existing codes do not apply will now be reported under the “O – Other” status code.

xiv. 2026-09BWG – Update the Five-Year Historical to add a line reporting short-term and cash equivalent affiliated investments.
xv. 2026-11BWG – Update Notes to Financial Statements Note #5A – Mortgage Loans by adding a paragraph to disclose mortgage loans acquired through a qualifying investment in a qualifying statutory trust.
xvi. 2026-12BWG – Update the AVR factors to zero in columns 7 and 9 for the Collateral Loan section.

C. Deferred two proposals and exposed five new proposals for a 60-day public comment period ending July 27.

D. Received an NAIC Securities Valuation Office (SVO) memo referral for the combining of security identifiers and adding a security identifier type field to the financial statements.

E. Adopted its editorial listing.

F. Noted the following points on the Blanks (E) Working Group timeline:
  i. The Working Group plans to meet Aug. 26. Proposals with an effective date of the first quarter of 2027 should have been submitted to NAIC committee support by July 27 to be considered for adoption during this meeting.
  ii. Any new blanks changes having an effective date of annual 2027 or beyond need to be submitted, 30 days prior to meetings and within policy statement timelines.