2026 Fall National Meeting
Dallas, TX

STATUTORY ACCOUNTING PRINCIPLES (E) WORKING GROUP
Sunday, November 15, 2026
9:00 – 11:00 a.m.

Meeting Summary Report

The Statutory Accounting Principles (E) Working Group met Nov. 15, 2026. During this meeting, the Working Group:

1. Adopted the following statutory accounting principle (SAP) concepts and clarifications:
   A. *Statement of Statutory Accounting Principles (SSAP) No. 7—Asset Valuation Reserve (AVR) and Interest Maintenance Reserve (IMR)*: Adopted conceptual revisions to SSAP No. 7, 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 that were recommended by the American Council of Life Insurers (ACLI) IMR compliance proposal. (Ref #2023-14)
   B. *SSAP No. 24—Discontinued Operations and Unusual or Infrequent Items* and *SSAP No. 67—Other Liabilities*: Adopted revisions 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)
   C. *SSAP No. 61—Life, Deposit-Type and Accident and Health Reinsurance*: Adopted revisions clarify the reporting and accounting of funds withheld liabilities under reinsurance contracts with a Dec. 31, 2027, effective date. (Ref #2026-02)
   D. *SSAP No. 101—Income Taxes* and *Interpretation (INT) 18-03: Additional Elements Under the Tax Cuts and Jobs Act* (TCJA): Adopted revisions to nullify INT 18-03, effective Jan. 1, 2027, and to update SSAP No. 101 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)

2. Exposed new SAP concepts and clarifications for a public comment period ending Feb. 12, 2027:
   A. Preamble: Exposed revisions to adopt, with modification, the disclosure principles detailed in *ASU 2025-11, Interim Reporting (Topic 270), Narrow-Scope Improvements*. (Ref #2026-19)
   B. *SSAP No. 21—Other Admitted Assets*: Exposed revisions permitting structured settlements that receive an 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)

C. SSAP No. 21: 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)

D. *SSAP No. 23—Foreign Currency Transactions and Translations*: Re-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)

E. *SSAP No. 26—Bonds*: 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)

F. SSAP No. 26 and *SSAP No. 43—Asset-Backed Securities*: Exposed revisions to incorporate new disclosures related to the source of private letter ratings. (Ref #2026-16)

G. *SSAP No. 37—Mortgage Loans*: Re-exposed the agenda item with additional questions on residential mortgage loans and directed NAIC committee support to work with the industry on drafting revisions. (Ref #2026-11)

H. *SSAP No. 47—Uninsured Plans* and *SSAP No. 54—Individual and Group Accident and Health Contracts*: 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)

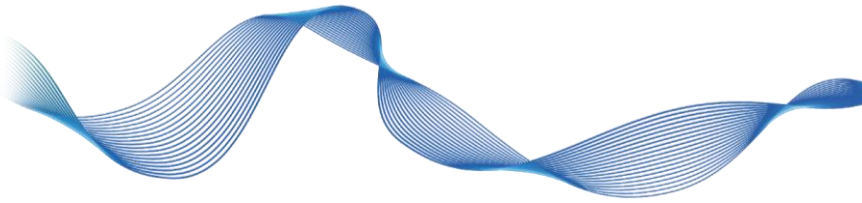
I. *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* and *SSAP No. 97—Investments in Subsidiaries, Controlled and Affiliated Entities*: Exposed revisions clarify that for SSAP No. 97, paragraph 8.b.ii and 8.b.iv entities, if the statutory adjustments result in a negative equity 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)

J. *SSAP No. 93—Investments in Tax Credit Structures* and *SSAP No. 94—State and Federal Tax Credits*: Exposed revisions to clarify various aspects of accounting guidance and simplify disclosures. (Ref #2026-20)

K. *SSAP No. 100—Fair Value*: 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. Also directed NAIC committee support to address the distinction between "operating entities" and "investment entities" through the SSAP No. 48 project. (Ref #2026-06)

L. *Various SSAPs*: 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)

M. *New SSAP and issue paper*: 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 staff was directed to draft a related annual statement blanks proposal. (Ref #2024-15)

N. Disclosure Review: Exposed concept agenda item with a request for comments on disclosures which can potentially be either simplified or removed. (Ref #2026-21)

O. Annual Statement Blank or Instructions:

i. Exposed revisions proposing to remove the restricted asset column from the investment schedules. (Ref #2026-22)

ii. 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)

iii. 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)

3. Directed NAIC committee support to:

A. SSAP No. 21: 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)

B. *SSAP No. 62—Property and Casualty Reinsurance*: Directed NAIC committee support to develop revisions to the current 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)

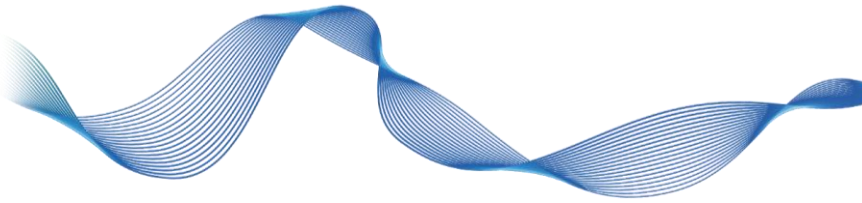
C. *SSAP No. 86—Derivatives*: Directed NAIC committee support to draft revisions to consolidate accounting replication synthetic asset transactions (RSAT) guidance in SSAP No. 86 and work with industry and regulators in the interim on the parameters for when RSATs should be permitted, including a disclosure that would allow comparison to state investment limits from NAIC designations. (Ref #2026-09)

4. Received updates on the following:

A. 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).

B. Received an update on SSAP No. 48 project discussions.

C. 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.



D. Received a comment letter from Kerper and Bowron on the unearned premium tests in *SSAP No. 65—Property and Casualty Contracts*.

5. Adopted its Oct. 7 meeting minutes, during which the Working Group received a presentation from the ACLI on a proposed IMR compliance proposal.

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