*2026 Summer National Meeting*
*Columbus, OH*

**STATUTORY ACCOUNTING PRINCIPLES (E) WORKING GROUP**
Wednesday, August 12, 2026
8:30 – 10:30 a.m.

**Meeting Summary Report**

The Statutory Accounting Principles (E) Working Group met Aug. 12, 2026. During this meeting, the Working Group:

1. Adopted the following statutory accounting principle (SAP) clarifications:
   A. *SSAP No. 1—Accounting Policies, Risks & Uncertainties and Other Disclosures*: Adopted revisions 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)
   B. S*SAP No. 61—Life, Deposit-Type and Accident and Health Reinsurance*: Adopted revisions 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)
   C. *INT 23-01: Net Negative (Disallowed) Interest Maintenance Reserve*: Adopted revisions extend the effective date to Dec. 31, 2027 with nullification on Jan. 1, 2028.
   D. Annual statement blanks and instructions: 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)

2. Exposed new SAP concepts and clarifications for a public comment period ending Oct. 2:
   A. *SSAP No. 7—Asset Valuation Reserve and Interest Maintenance Reserve*: 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 interest maintenance reserve (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)
   B. *SSAP No. 21—Other Admitted Assets*: Exposed an agenda item that requested comments on whether amounts realizable under insurer company-owned life insurance (ICOLI) policies should be captured 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)

C. *SSAP No. 23—Foreign Currency Transactions and Translations*: Exposed revisions to remove the Canadian exception for foreign currency translation, requiring translation within each financial statement reporting line. (Ref #2026-15)
D. *SSAP No. 24—Discontinued Operations and Unusual or Infrequent Items*: Exposed terminology revisions and new guidance to clarify that government grants are accounted for as gain contingencies. (Ref #2026-04)
E. *SSAP No. 26—Bonds*: 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)
F. *SSAP No. 37—Mortgage Loans*: Received the 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)
G. *SSAP No. 47—Uninsured Plans* and *SSAP No. 54—Individual and Group Accident and Health Contracts*: 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)
H. SSAP No. 61 and annual statement instructions and blanks: Exposed revisions to clarify how funds withheld assets and liabilities shall be recorded. (Ref #2026-02)
I. *SSAP No. 62—Property and Casualty Reinsurance*: Exposed revisions 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)
J. *SSAP No. 86—Derivatives*: Exposed an agenda item detailing concept changes to the accounting and reporting of replication synthetic asset transactions (RSATs). (Ref #2026-09)
K. *SSAP No. 100—Fair Value*: Received a referral from the Investment Analysis (E) Working Group and re-exposed the agenda item with an industry request to propose guidance to differentiate equity investments between “operating entities” and structures that hold investments. (Ref #2026-06)
L. *SSAP No. 101—Income Taxes* and *Interpretation (INT) 18-03: Additional Elements Under the Tax Cuts and Jobs Act (TCJA)*: Exposed revisions to nullify INT 18-03, effective Jan. 1, 2027, and to incorporate guidance in SSAP No. 101. (Ref #2026-14)
M. *SSAP No. 109—Asset Liability Management (ALM) Derivatives* and corresponding issue paper: Exposed a revised SSAP No. 109 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)

3. Received updates on the following:
   A. 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.

B. 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.
C. Received an update on *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* project discussions.
D. Received an update on the commitments and contingencies disclosures discussions.
E. 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.
F. Received a Life Actuarial (A) Task Force coordination memo and directed NAIC committee support to research coordination on one item.
G. Received notice that the next International Association of Insurance Supervisors (IAIS) Accounting and Auditing Working Group (AAWG) meeting is Sept. 16–17, 2026.

4. Adopted its May 18 minutes. During this meeting, the Working Group took the following action:
   A. Adopted the following SAP concepts and clarifications:
      i. SSAP No. 1: 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)
      ii. SSAP No. 37: Adopted Issue Paper No. 172 Qualifying Statutory Trusts. (Ref #2025-13)
      iii. *SSAP No. 52—Deposit-Type Contracts*: 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)
      iv. Editorial revisions to multiple 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)
   B. Exposed the following SAP concepts and clarifications to statutory accounting guidance:
      i. SSAP No. 1: 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)
      ii. SSAP No. 24: 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)

iii. SSAP No. 61: Exposed revisions to clarify how funds withheld liabilities shall be recorded. (Ref #2026-02)
iv. SSAP No. 100: Exposed revisions to eliminate the disclosure exclusion for “investments accounted for under the equity method” from the fair value financial instrument disclosure. (Ref #2026-06)
v. Annual statement: Exposed revisions to the Life, Accident and Health/Fraternal Annual Statement Blank and Instructions to clarify what shall be reported as “Subsidiary, Controlled or Affiliated (SCA)-Certain Other” and “SCA-All Other.” (Ref #2026-07)
vi. New SSAP and issue paper: Re-exposed SSAP No. 109 and the corresponding issue paper. (Ref #2024-15)

5. Adopted its April 22 minutes. During this meeting, the Working Group took the following action:
   A. Exposed the revised SSAP No. 7, issue paper, revisions to other SSAPs, and proposed reporting revisions to incorporate new guidance for the IMR. (Ref #2023-14)

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