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# NAIC Accounting Update: 2025 Fall National Meeting

## Introduction

On December 8–11, 2025, the National Association of Insurance Commissioners (NAIC) held its 2025 Fall National Meeting in Hollywood, Florida, bringing together stakeholders to address current and emerging regulatory challenges in the insurance industry. The event emphasized the importance of market stability and consumer protection.

During the event, the NAIC Statutory Accounting Principles (E) Working Group (SAPWG) met to continue progress on its focus areas. SAPWG is the group within the NAIC that maintains revisions to the NAIC's *Accounting Practices and Procedures Manual* (the "AP&P Manual"). The AP&P Manual contains guidance for insurers on preparing financial statements for financial regulation purposes.

This insurance industry spotlight highlights key statutory accounting topics discussed at the NAIC's 2025 Fall National Meeting that have been or are being addressed by various NAIC task forces and working groups, including SAPWG. A comprehensive list of SAPWG agenda items that were adopted, exposed for public comment, deferred, or otherwise addressed during the event can be found in the [Appendix](#).

## Life Reinsurance

In December 2023, SAPWG received a referral from the NAIC Valuation Analysis (E) Working Group concerning reinsurance risk transfer and reserve credit for a specific reinsurance structure observed in the life insurance industry. The structure, known as a combination reinsurance contract, combines coinsurance and a yearly renewable term and includes interdependent features. In response to the referral, SAPWG created [Agenda Item 2024-06](#) to address risk transfer considerations related to combination reinsurance contracts.

Revisions to SSAP No. 61<sup>1</sup> and Appendix A-791<sup>2</sup> were originally adopted by SAPWG at the NAIC's 2025 Summer National Meeting. Those changes were intended to clarify statutory expectations and eliminate inconsistent interpretations of existing guidance. However, the changes were not adopted by the NAIC Financial Condition (E) Committee because certain regulators expressed concerns about the effective date and transition. As a result, the changes did not become immediately effective.

At the NAIC's 2025 Fall National Meeting, the clarifications to SSAP No. 61 were adopted at all levels. Clarifications are effective immediately for new and newly amended contracts. For existing contracts, clarifications should be accounted for as a change in accounting principle in accordance with SSAP No. 3<sup>3</sup> on or before December 31, 2026. Insurers will need to reevaluate risk transfer on existing contracts that contain the noted features during 2026. Applying the adopted clarifications to existing, and sometimes very old, reinsurance contracts may present challenges.

Complex life reinsurance contracts in general, and treatment of the assets that back them, continued to draw attention from regulators. Insurers will be applying AG 55,<sup>4</sup> which focuses on asset adequacy testing for reinsurance treaties that cede asset-intensive business offshore, for the first time in year-end 2025 reporting. Disclosures about modified coinsurance and funds withheld treaties were expanded in 2025; the expanded disclosures include the new Schedule S, Part 8, that is required to be provided in the life annual statement ([Agenda Item 2024-07](#)). Further, recently adopted revisions to SSAP No. 1<sup>5</sup> require disclosure of the total book/adjusted carrying value of assets held under modified coinsurance and funds withheld reinsurance agreements.

## Private Placement Securities

Insurers continue to invest in private credit. To enhance transparency, SAPWG has long sought clear and concise disclosures about investment portfolios, including investments in private placement securities. Adopted revisions in [Agenda Item 2025-19](#) will allow regulators easier access to information about private placement securities and the associated private letter ratings often used for private placements. Such revisions will also address potential concerns about the increase in, and reliance on, Level 3 fair value measurements for private placement securities.

To achieve its goals, SAPWG adopted new disclosure and reporting requirements for private placement securities that are effective for year-end 2026 reporting.

As a result of adopting [Agenda Item 2025-19](#), SAPWG sponsored a proposal to the NAIC Blanks (E) Working Group to include a new column in the relevant annual statement investment detail schedules. The new column will identify each held debt security by category as follows:

- Public.
- Rule 144A (i.e., exempt from SEC registration in accordance with SEC Rule 144A under the Securities Act of 1933).
- Private placement (i.e., exempt from SEC registration in accordance with SEC Regulation D under the Securities Act of 1933, Section 4(a)(2) of the Securities Act of 1933, or another Securities Act of 1933 exclusion aside from Rule 144A).
- Not applicable (i.e., otherwise outside the scope of the Securities Act of 1933).

<sup>1</sup> NAIC Statement of Statutory Accounting Principles (SSAP) No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*.

<sup>2</sup> NAIC Appendix A-791, *Life and Health Reinsurance Agreements*.

<sup>3</sup> NAIC Statement of Statutory Accounting Principles No. 3, *Accounting Changes and Corrections of Errors*.

<sup>4</sup> NAIC Actuarial Guideline No. LV, *Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties*.

<sup>5</sup> NAIC Statement of Statutory Accounting Principles No. 1, *Accounting Policies, Risks & Uncertainties, and Other Disclosures*.

Using the same categories, the reporting entity will also be required to provide aggregated disclosures — specifically, (1) total book-adjusted carrying value (BACV), (2) fair value that represents Levels 2 and 3 of the fair value hierarchy, (3) aggregate deferred interest and paid-in-kind interest, and (4) total BACV with a private letter rating for each type of private security.

Insurers will need to prepare for the expanded disclosure requirements by ensuring that they have the requisite information available. Working with investment managers and investment accounting and reporting vendors will be essential.

## Investment Subsidiaries and Residential Mortgages

The concept of an “investment subsidiary” was a holdover from previous accounting guidance that dealt with insurers’ investments in subsidiary, controlled, or affiliated entities. However, references to investment subsidiaries remained in the Risk-Based Capital Instructions and Annual Statement Instructions, and some insurers were applying “look-through” treatment to assets held within an investment subsidiary. Therefore, SAPWG adopted [Agenda Item 2024-21](#), including the sponsoring of proposals to the NAIC Blanks (E) Working Group and the NAIC Capital Adequacy (E) Task Force to eliminate the concept of investment subsidiaries from those instructions.

Insurers that use investment subsidiaries may continue to do so, but they must evaluate how the elimination of look-through concepts affects their financial reporting and risk-based capital calculations.

An exception was noted in the case of Delaware statutory trusts that were created to hold residential mortgage loans. Specifically, SAPWG adopted [Agenda Item 2025-13](#), which expands the scope of SSAP No. 37<sup>6</sup> to include residential mortgage loans held within qualifying trusts so that those loans can be reported on Schedule B — Mortgage Loans. For a residential mortgage held in a Delaware statutory trust or other statutory trust to qualify for reporting on Schedule B, the trust must be 100 percent owned by the reporting entity and hold only single residential mortgage loans, cash, and foreclosed real estate. This guidance is effective January 1, 2027, with early adoption permitted.

Insurers holding residential mortgage loans within a trust structure will need to (1) evaluate whether the structure qualifies under the new guidance; (2) determine whether to early adopt the new guidance; and (3) provide the requisite disclosures upon adoption, including the identification of trusts as subsidiaries on Schedule Y — Information Concerning Activities of Insurer Members of a Holding Company Group.

## Interest Maintenance Reserve

The Interest Maintenance Reserve (IMR) Ad Hoc Subgroup of SAPWG continues to meet frequently to clarify and standardize the complex accounting for IMR with the ultimate goal of substantively revising SSAP No. 7.<sup>7</sup> NAIC staff noted that progress continues to be made, and a working draft of revised SSAP No. 7 was provided to certain SAPWG members before year-end 2025. In addition, SAPWG Chairman Dale Bruggeman indicated that he aims for revised SSAP No. 7 to be reviewed and adopted by the close of the NAIC’s next Summer National Meeting in August 2026.

To that end, the IMR Ad Hoc Subgroup continues to expose items for discussion by SAPWG. At the NAIC’s 2025 Fall National Meeting, SAPWG exposed two such items for public comment:

- [Agenda Item 2025-23](#) — This agenda item exposes concepts and templates for insurers that admit a net negative IMR to demonstrate proof of reinvestment. Net

<sup>6</sup> NAIC Statement of Statutory Accounting Principles No. 37, *Mortgage Loans*.

<sup>7</sup> NAIC Statement of Statutory Accounting Principles No. 7, *Asset Valuation Reserve and Interest Maintenance Reserve*.

negative IMR is admissible under INT 23-01,<sup>8</sup> subject to certain limitations. INT 23-01 was extended to be effective through year-end 2026 reporting.

- **Agenda Item 2025-22** — This agenda item exposes revisions to SSAP No. 61 to clarify how IMR that is eliminated as part of a reinsurance transaction should influence the reinsurance collateral that is required for the cedent to receive reinsurance credit.

Insurers should monitor forthcoming changes to IMR guidance as they consider portfolio rebalancing and reinsurance transactions.

## Contacts

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<sup>8</sup> Interpretation of the Statutory Accounting Principles (E) Working Group No. 23-01, *Net Negative (Disallowed) Interest Maintenance Reserve*.

## Appendix — SAPWG Agenda Items

The tables in the sections below summarize SAPWG agenda items adopted, exposed for public comment, deferred, or otherwise addressed during the NAIC’s 2025 Fall National Meeting. New statutory accounting principle (SAP) concepts (formerly known as “substantive changes”), which are changes in accounting principles or in the method of applying those principles, have explicit effective dates as documented below. All SAP clarifications (formerly known as “nonsubstantive changes”), which are changes that clarify existing accounting principles, are effective upon adoption unless otherwise noted.

### Agenda Items Adopted

There were no new SAP concepts adopted at the NAIC’s 2025 Fall National Meeting. However, SAPWG (or the parent committee, in the case of Agenda Item 2024-06) adopted the following SAP clarification items as final during the event:

Reference No.	Relevant Guidance	Insurance Type	Revisions Adopted	Financial Statement Impact	Disclosure	Effective Date
2025-20	SSAP No. 26, <i>Bonds</i> SSAP No. 43, <i>Asset-Backed Securities</i> SSAP No. 21, <i>Other Admitted Assets</i> SSAP No. 2, <i>Cash, Cash Equivalents, Drafts, and Short-Term Investments</i>	Property and casualty (P&C) Life Health	<p><b>“Debt Security &amp; Residual Interest Disclosures”</b></p> <p>To ensure consistency of disclosures for bonds, nonbond debt securities, and residual interests, SAPWG adopted revisions to disclosures and an Annual Statement General Interrogatory. The revisions include the following:</p> <ul style="list-style-type: none"> <li>Expansion of disclosure of proceeds from the sale of bonds within the scope of SSAP No. 26 and SSAP No. 43, and the resulting realized gain/loss, to be data-captured. In addition, proceeds and realized gain/loss information for maturities of bonds within the scope of SSAP No. 2 and nonbond debt securities within the scope of SSAP No. 21 are also to be included.</li> <li>Clarifications to the summary presentation of bonds by maturity date required for annual audit. This comparative summary disclosure is added for nonbond debt securities under SSAP No. 21.</li> <li>Clarification for disclosure of impaired securities to include all debt securities and be data-captured. Potential elimination of quarterly disclosure requirement.</li> <li>Annual Statement Instructions and template for disclosure of bifurcated other-than-temporary impairment to also include nonbond debt securities and residual interests that apply the allowable earned yield method of accounting.</li> <li>Additional disclosures for residual interests that are consistent with other bond disclosures.</li> <li>New general interrogatory to identify residual interests accounted for under the allowable earned yield measurement method or the practical expedient. Also, an interrogatory regarding whether the company is changing from the practical expedient to the allowable earned yield method.</li> <li>Full disclosure requirements replace references to requirements.</li> </ul>	No	Yes	December 31, 2026

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Adopted	Financial Statement Impact	Disclosure	Effective Date
2025-13	SSAP No. 37, <i>Mortgage Loans</i>	P&C Life Health	<p><b>“Residential Mortgage Loans Held in Statutory Trusts”</b></p> <p>This agenda item was developed to address accounting requirements for residential mortgage investments held in Delaware statutory trusts and other qualifying statutory trusts.</p> <p>Adopted revisions to SSAP No. 37 to expand its scope to include mortgage loans acquired through an investment in qualifying statutory trusts and have them reported on Schedule B — Mortgage Loans.</p> <p>Also adopted revisions to allow cash and foreclosed real estate held within the qualifying statutory trust to be reported as such.</p>	Yes	Yes	January 1, 2027, with early adoption permitted
2024-06	SSAP No. 61, <i>Life, Deposit-Type and Accident and Health Reinsurance</i>  Appendix A-791, <i>Life and Health Reinsurance Agreements</i>	Life Health	<p><b>“Risk Transfer Analysis on Combination Reinsurance Contracts”</b></p> <p>Finalized revisions to require risk transfer to be evaluated in the aggregate for multiple contracts with interrelated contract features, such as experience refunds. Revisions were adopted at the parent committee level.</p> <p>Also finalized revisions to refer to paragraph 6 of Appendix A-791 when reinsurance agreements also combine a yearly renewable term contract to ensure that the entirety of the agreement is evaluated for risk transfer.</p>	Yes	No	<p>For new or newly amended contracts, the revisions are effective immediately.</p> <p>For existing contracts, the revisions are effective December 31, 2026, to allow time for assessment by insurers and domiciliary state regulators. Any change resulting from adoption of these accounting requirements is accounted for as a change in accounting principle under SSAP No. 3, <i>Accounting Changes and Corrections of Errors</i>.</p>
2025-21	SSAP No. 92, <i>Postretirement Benefits Other Than Pensions</i>  SSAP No. 102, <i>Pensions</i>	P&C Life Health	<p><b>“Retirement Plan Assets Held at NAV”</b></p> <p>Adopted revisions to explicitly address valuation of plan assets using the net asset value (NAV) practical expedient for fair value disclosures.</p>	No	Yes	Year-end 2025 reporting
2025-18	SSAP No. 101, <i>Income Taxes</i>	P&C Life Health	<p><b>“ASU 2019-12, Simplifying the Accounting for Income Taxes”</b></p> <p>Adopted revisions to SSAP No. 101 to (1) reflect SAPWG’s adoption, with modification, of FASB Accounting Standards Update (ASU) No. 2019-12, <i>Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes</i>, and (2) fully incorporate paragraphs 19 and 20 of Accounting Principles Board Opinion No. 28, <i>Interim Financial Reporting</i> (which were previously incorporated by reference).</p>	N/A	N/A	Year-end 2025 reporting

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Adopted	Financial Statement Impact	Disclosure	Effective Date
2025-19	All SSAPs on invested assets	P&C Life Health	<b>Annual Statement Recommendation: “Private Placement Securities”</b>  Adopted revisions to existing disclosures to require a reporting entity to identify each held debt security by category as follows: <ul style="list-style-type: none"><li>• Public.</li><li>• Rule 144A (i.e., exempt from SEC registration in accordance with SEC Rule 144A under the Securities Act of 1933).</li><li>• Private placement (i.e., exempt from SEC registration in accordance with SEC Regulation D under the Securities Act of 1933, Section 4(a)(2) of the Securities Act of 1933, or another Securities Act of 1933 exclusion aside from Rule 144A).</li><li>• Not applicable (i.e., otherwise outside the scope of the Securities Act of 1933).</li></ul> Using the same categories, the reporting entity will also be required to provide aggregated disclosures as follows: <ul style="list-style-type: none"><li>• Total BACV.</li><li>• Total fair value.</li><li>• Fair value that represents Levels 2 and 3 of the fair value hierarchy.</li><li>• Aggregate deferred interest.</li><li>• Aggregate paid-in-kind interest.</li><li>• Total BACV with a private letter rating for each type of private security.</li></ul>	No	Yes	December 31, 2026
2024-21	Annual Statement Blanks and Annual Statement Instructions  Risk-Based Capital Instructions	P&C Life Health	<b>“Investment Subsidiary Classification”</b>  Adopted the following revisions: <ul style="list-style-type: none"><li>• Recommendation of revisions to eliminate the concept of an investment subsidiary from the Annual Statement Instructions.</li><li>• Recommendations to the Risk-Based Capital working groups with suggestions related to the impact of elimination.</li></ul>	No	No	December 31, 2026

## Agenda Items Exposed

SAPWG exposed the following items for written comments by interested parties:

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2025-24	<p>SSAP No. 1, <i>Accounting Policies, Risks &amp; Uncertainties, and Other Disclosures</i></p> <p>SSAP No. 5, <i>Liabilities, Contingencies and Impairments of Assets</i></p> <p>SSAP No. 21, <i>Other Admitted Assets</i></p> <p>SSAP No. 26, <i>Bonds</i></p> <p>SSAP No. 43, <i>Asset-Backed Securities</i></p> <p>Annual Statement Instructions</p>	<p>P&amp;C</p> <p>Life</p> <p>Health</p>	<p><b>Proposed SAP Clarification: “Commitments and Contingencies Disclosures”</b></p> <p>Current disclosures of commitments and contingent commitments are included in Notes 14 and 21 of the annual statement. To address the risk that insurers are entering into complex financial arrangements that include various commitments, this item focuses on consolidating and clarifying disclosures of commitments and contingent commitments. Proposed revisions are as follows:</p> <ul style="list-style-type: none"> <li>Add to SSAP No. 5 a definition of “commitment” that states, in part: <ul style="list-style-type: none"> <li>A commitment is a legally binding arrangement in which the reporting entity agrees to provide support or resources (most often cash or financial assistance) or to make payments to another party at a future date, but the arrangement does not yet meet the definition of a liability under this statement. If fulfillment of the commitment is not required until the occurrence of a specified event or until requested by another party (e.g., capital calls, delayed draws, etc.), the arrangement is considered a contingent commitment.</li> </ul> </li> <li>Clarify the disclosure for loss contingencies and impairments of an asset by requiring the following information: <ul style="list-style-type: none"> <li>Nature.</li> <li>Amounts accrued and an estimate of possible loss or range of loss.</li> </ul> </li> <li>Add a disclosure describing commitments and contingent commitments.</li> <li>Add a comprehensive summary of commitments and contingent commitments with prescribed format in proposed updates to Note 14: <ul style="list-style-type: none"> <li>Investment-related.</li> <li>Other (postretirement benefits, future rents, discontinued operations, tax credits, guarantees, guaranty fund assessments, and all other).</li> </ul> </li> <li>Add disclosure of nonderivative forward purchase commitments (e.g., Government National Mortgage Association [GNMA] and private placement securities).</li> <li>Add disclosure of additional investment commitments to SSAP Nos. 21, 26, and 43.</li> </ul> <p>Comments are requested on the existence of clawback features in investments.</p>	Yes	Yes	To be determined (TBD)

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2025-27	SSAP No. 1, <i>Accounting Policies, Risks &amp; Uncertainties, and Other Disclosures</i>	P&C Life Health	<b>Proposed SAP Clarification: "SSAP No. 1 Modco/FWH Code"</b>  Restricted asset disclosure revisions are proposed to separately disclose assets held under modco and funds withheld reinsurance arrangements.  Proposed revisions would also add reporting code categories within the investment schedules for modco assets, funds withheld assets, and collateral assets received and on the balance sheet.	No	Yes	TBD
2025-34	SSAP No. 3, <i>Accounting Changes and Corrections of Errors</i>  SSAP No. 51, <i>Life Contracts</i>  SSAP No. 52, <i>Deposit-Type Contracts</i>	P&C Life Health	<b>Proposed SAP Clarification: "Updates on Economic Scenario Generator and Non-Variable Annuities"</b>  In response to changes made to the NAIC's <i>Valuation Manual</i> whose effective date is January 1, 2026, this item proposes to update guidance and disclosures to include implementation and phase-in guidance.	Yes	Yes	TBD
2025-23	SSAP No. 7, <i>Asset Valuation Reserve and Interest Maintenance Reserve</i>	Life	<b>Proposed New SAP Concept: "IMR Proof of Reinvestment"</b>  The deferral of realized loss recognition is premised on the notion that proceeds are used to reinvest in fixed-income instruments with a higher yield.  This item proposes a disclosure of proof of reinvestment with verification that the weighted-average yield on investments acquired is greater than the weighted-average yield of the investments sold.  Proof of reinvestment would be separately determined for the general account and the separate account.  The proposal would apply only if net negative IMR is being admitted.	Yes	Yes	TBD
2025-01	SSAP No. 22, <i>Leases</i>	P&C Life Health	<b>Proposed SAP Clarification: "Sale-Leaseback Clarification"</b>  This item's reexposed proposed revision would clarify that if the reporting entity's use of cash received in a sale-leaseback transaction is prevented or restricted, the transaction does not qualify for sale-leaseback accounting and is considered a financing arrangement.	Yes	TBD	TBD
2025-32	SSAP No. 40, <i>Real Estate Investments</i>  SSAP No. 90, <i>Impairment or Disposal of Real Estate Investments</i>	P&C Life Health	<b>Proposed SAP Clarification: "Remove Shaded Text"</b>  This item proposes to remove shaded superseded guidance. Shaded text was previously used to indicate substantive revisions as deleted text but is no longer used for SSAPs.	No	No	TBD
2025-30	SSAP No. 47, <i>Uninsured Plans</i>	P&C Life Health	<b>Proposed SAP Clarification: "Administrative Services Contracts Disclosure Clarification"</b>  This item would clarify the disclosure of profitability of administrative services contract plans.	No	Yes	TBD

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2025-26	SSAP No. 48, <i>Joint Ventures, Partnerships and Limited Liability Companies</i>	P&C Life Health	<b>Proposed SAP Clarification: “SSAP No. 48 Equity Changes”</b>  In review of valuation changes in the annual statement for entities accounted for under SSAP No. 48, a disconnect was noted related to unrealized gain/loss and valuation increase/decrease reported on the investment schedules.  Although no revisions were proposed, this agenda item requests comments on equity method accounting in the following areas: <ul style="list-style-type: none"><li>• Timing of recognition of equity value increases and declines.</li><li>• Acquisition at a discount with negative goodwill.</li><li>• Application of goodwill and related disclosures.</li><li>• Goodwill and basis differences.</li><li>• Negative investment income and impairment.</li><li>• Ownership percentage and related-party codes.</li></ul>	TBD	TBD	TBD
2025-25	SSAP No. 56, <i>Separate Accounts</i>	Life	<b>Proposed New SAP Concept: “Separate Account Nonadmitted Assets”</b>  This agenda item addresses an issue identified by the IMR Ad Hoc Subgroup of SAPWG. This subgroup noted that with book-value separate accounts, there is no mechanism to ensure that assets backing these products are subject to the same admittance provisions as the general account.  Proposed revisions include the following: <ul style="list-style-type: none"><li>• Incorporating the concept of nonadmitted assets within separate accounts.</li><li>• Not allowing nonadmitted assets in the general account to be transferred to the separate account.</li><li>• Not allowing nonadmitted assets to be admitted in book-value separate accounts.</li><li>• Applicable separate account annual statement changes.</li></ul>	Yes	Yes	TBD
2025-22	SSAP No. 61, <i>Life, Deposit-Type and Accident and Health Reinsurance</i>	Life	<b>Proposed SAP Clarification: “IMR Impact to Reinsurance Collateral”</b>  This agenda item addresses another issue identified by the IMR Ad Hoc Subgroup of SAPWG. It applies to both unauthorized and certified reinsurers and to both positive and negative IMR.  Key topics of the agenda item's proposed revisions include the following: <ul style="list-style-type: none"><li>• IMR derecognized by the cedent and the resulting collateral requirements for the reinsurer for determining the amount of reserve credit.</li><li>• A requirement to include derecognition of IMR in the collateral requirement calculation regardless of the terms in the reinsurance treaty.</li></ul>	Yes	TBD	TBD

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2024-15	SSAP No. 86, <i>Derivatives</i>	P&C Life Health	<b>Proposed New SAP Concept: “Asset Liability Management Derivatives”</b>  Previously, SAPWG exposed two versions of a draft SSAP addressing the use of interest-rate hedging derivatives for asset-liability management (ALM). The draft SSAPs considered two differing methods of accounting: (1) amortized cost and (2) fair value mark and spread. SAPWG held an interim conference call to receive comments.  After discussion, SAPWG directed the preparation of an issue paper and concurrent SSAP on the amortized cost approach. Under the amortized cost approach: <ul style="list-style-type: none"><li>Hedges would be recorded at amortized cost.</li><li>Changes in fair value would be amortized only when hedges are terminated, matured, or redesignated.</li></ul> Development of applicable annual statement reporting revisions will occur during the interim period.	Yes	TBD	TBD (tentative effective date is January 1, 2027)
2025-28	SSAP No. 103, <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i>	P&C Life Health	<b>Proposed New SAP Concept: “Nonadmittance of Long-Term Repos”</b>  This agenda item’s proposed revisions to SSAP No. 103 would: <ul style="list-style-type: none"><li>Allow long-term repurchase agreements to be admitted.</li><li>Clarify that reverse repurchase agreements whose maturity dates are greater than 365 days would continue to be nonadmitted.</li></ul>	Yes	No	TBD
2025-31	INT 05-05, <i>Accounting for Revenues Under Medicare Part D Coverage</i>	Health	<b>Proposed SAP Clarification: “Update Coverage Gap Reference”</b>  This agenda item proposes to update INT 05-05 to reflect the following changes resulting from the Inflation Reduction Act of 2022. <ul style="list-style-type: none"><li>Replacement of the Coverage Gap Discount Program, which ended on December 31, 2024, with the Centers for Medicare &amp; Medicaid Services (CMS) Manufacturer Discount Program.</li><li>Discounts on eligible medications.</li></ul>	Yes	No	TBD
2025-29	Annual Statement Blanks and Annual Statement Instructions	P&C Life Health	<b>Proposed SAP Clarification: “Reporting Clarifications”</b>  This agenda item proposes to clarify reporting for debt securities as a result of the principles-based bond definition. It addresses the following topics: <ul style="list-style-type: none"><li>Payment due at maturity.</li><li>Origination balloon payment percentage.</li><li>Rated notes or rated feeder funds.</li><li>Aggregate deferred interest.</li><li>Schedule BA — Residuals Maturity Date.</li><li>Schedule BA — Investments in SSAP No. 48 Entities With Underlying Assets Having Characteristics of Mortgage Loans.</li></ul>	No	Yes	TBD

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2025-33	Annual Statement Blanks and Annual Statement Instructions	P&C Life Health	<b>Proposed SAP Clarification: "Update to Annual Statement Expense Descriptions and Categories"</b>  The proposed revisions in this agenda item would update the annual statement expense categories and related descriptions.	No	Yes	TBD

## Agenda Items Deferred

SAPWG deferred action on the following items previously exposed:

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2025-03	SSAP No. 7, <i>Asset Valuation Reserve and Interest Maintenance Reserve</i>	Life	<b>Proposed New SAP Concept: "IMR Definition"</b>  This agenda item is related to a broader project aimed at incorporating accounting guidance on asset valuation reserve (AVR) and IMR into SSAP No. 7 and removing such guidance from the Annual Statement Instructions. It discusses a definition of IMR proposed by the American Council of Life insurers (ACLI) and the NAIC staff's recommended changes to the ACLI's proposed definition of the term.  Future guidance developed in the broader project will use the definition of IMR as ultimately determined.	Yes	TBD	TBD
2023-14	SSAP No. 7, <i>Asset Valuation Reserve and Interest Maintenance Reserve</i>	Life	<b>Proposed New SAP Concept: "SSAP No. 7 — Asset Valuation Reserve and Interest Maintenance Reserve"</b>  This agenda item is related to the broader project to incorporate accounting guidance on AVR and IMR into SSAP No. 7 and remove such guidance from the Annual Statement Instructions.  SAPWG previously exposed proposed revisions to remove hypothetical IMR as recommended by the IMR Ad Hoc Subgroup.  In a reinsurance transaction, current guidance requires a three-step process to determine the interest-related gain/loss for the block. Hypothetical IMR is the IMR balance and future amortization that would result if the remaining assets associated with the block of liabilities were sold.	Yes	TBD	TBD

(Table continued)

Reference No.	Relevant Guidance	Insurance Type	Revisions Exposed	Financial Statement Impact	Disclosure	Effective Date
2024-04	SSAP No. 103, <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i>	P&C Life Health	<p><b>Proposed SAP Clarification: “Conforming Repurchase Agreements”</b></p> <p>As noted in this agenda item, SAPWG “directed NAIC staff [on the date the agenda item was exposed] to work with industry in determining current application/interpretation differences on the reporting of securities lending collateral and repurchase agreement collateral for possible consistency revisions.”</p> <p>A previously exposed memo describes similarities and differences between securities lending and repurchase agreements.</p> <p>SAPWG is considering adoption, with modification, of certain disclosures from ASU 2023-06, <i>Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative</i>, including the following.</p> <ul style="list-style-type: none"><li>• Accrued interest from repurchase agreements and securities borrowing.</li><li>• Separate disclosure of significant (at least 10 percent of admitted assets) reverse repurchase agreements.</li><li>• Counterparty disclosures for repurchase agreements and reverse repurpose agreements that are significant (at least 10 percent of adjusted capital and surplus).</li></ul>	Yes	TBD	TBD

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