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Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
Principles-Based Bond Project	This began as a smaller project and has evolved into a major review and refinement of the definition of a bond and what qualifies as a bond to be reported on Schedule D-1 of the annual statement. Its impact will be pervasive to all insurance entities investing in the bond markets. Interested parties (industry) have a keen interest in the final outcome of this pervasive reassessment. It will also have equal repercussions for investment firms advising their insurance industry clientele. Advisory firms will have accountability for ensuring their investment offerings to their insurance clients clearly qualify within the eventual bond definition refinement. We will keep it on the hot list.	P&C Life Health	N	Y	TBD	2019-21	SSAP No. 26R and 43R SAP Clarification	Exposed	<p>Revisions have been proposed to reflect a majority of the interested parties' comments (the full list of comments can be accessed on SAPWG's page). With exposure, it is requested that interim discussions continue to occur with interested parties. Updated documents proposed for exposure:</p> <ul style="list-style-type: none"> • SSAP No. 26R—Bonds • SSAP No. 43R—Asset-Backed Securities • SSAP No. 21R—Other Admitted Assets <p>Other SSAP Revisions – (This document only includes proposed changes to SSAP No. 86 for Replication Synthetic Assets "RSATs). In addition to the documents proposing SSAP revisions, NAIC staff has drafted a proposal to revise the reporting lines on Schedule BA to encompass the debt securities that do not qualify as bonds, as well as to consolidate existing reporting lines. This document only proposes the changes to Schedule BA. Once comments are considered, subsequent revisions to incorporate the changes through other schedules as appropriate (such as AVR) would be drafted. Concurrently, the Blanks (E) Working Group exposed blanks proposals to detail the bond reporting changes, as well as investment schedule changes identified from the bond project.</p>

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Negative IMR	The Spring National meeting brought extensive discussion on this new IMR concept originally proposed by the ACLI (or Council). ACLI feels in our rising interest rate environment, an inappropriate perception could prevail to public or rating agencies that financial strength has been negatively impacted through lower surplus and RBC ratios. Further, ACLI is concerned companies may use less prudent investment/risk management techniques to avoid creating negative IMR in their balance sheet. The Council had suggested seven "guardrails" for SAPWG to consider in buffering the ACLI negative IMR concerns. Subsequent to the NAIC Spring National meeting on March 23, 2023, SAPWG, via e-vote, exposed INT 2023-01T. If adopted, the INT would allow a temporary option to admit negative IMR to the extent of 5% of adjusted C&S IF an RBC ratio of at least 300% is present. Further, if the option is selected, there would be special reporting lines within the statutory quarterly and annual statements to reflect the amounts and impact of recognized negative IMR. Again, this is a stop-gap INT that would contain an established nullification date.	Life & Health	Y	Y	TBD	2022-19	INT 23-01T	Exposed	<p>Last year the Working Group exposed the agenda item as a potential new SAP Concept with a request for comments by industry on potential guardrails and details on unique considerations. The Working Group directed NAIC staff to coordinate with the Life Actuarial (A) Task Force and requested regulator-only sessions with the industry to receive company-specific information.</p> <p>The discussion continued at the NAIC Spring National; given the current interest rate environment and additional interest rate increases potentially on the horizon, the disallowance of negative IMR has become a serious and pressing issue for the industry.</p>
Collateral for Loans	The regulators originating the request for this agenda item believe it is imperative to uphold the existing requirement to maintain audit requirements if joint ventures, partnerships, limited liability companies, or investments that would qualify as subsidiary-controlled or affiliated entities (SCA) if the collateral was directly held. These investments must qualify as admitted investments under SSAP No. 48 and SSAP No. 97 to qualify as collateral for loans. In their view, allowing fair value without an audit would lower the collateral requirement standard and allow potential arbitrage within RBC and admissibility of assets by using a collateral loan as the conduit. Additionally, they note concerns that a level 3 fair value without a deep active secondary market is subject to varying expert opinions and is difficult to take regulatory action on.	N/A	N/A	N/A	TBD	2022-11	SSAP No. 21R SAP Clarification	Adopted	Last year the Working Group re-exposed revisions to SSAP No. 21R to clarify that invested assets pledged as collateral for admitted collateral loans must qualify as admitted invested assets. Proposed changes are continuing to require the use of audits of collateral where indicated for admissibility and to revise the standard to note that a fair value comparison is required unless the collateral would be considered a SSAP No. 48 or a SSAP No. 97 investment, in which case, the comparison is to audited net equity value. Audited equity value reflects the value that would likely be the day 2 value reported in the event the collateral was used to make the debt holder whole for these assets.

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Modification to an Existing Intercompany Pooling Arrangement	The key here is inconsistent language between SSAP No. 25, SSAP No. 62R, and INT 03-02; SSAP No. 25 should govern all related party transactions. At the Spring National Meeting, SAPWG tabled this decision for further exposure and discussion.	N/A	N/A	N/A	TBD	2022-12	INT 03-02	Exposed	NAIC Staff continues to recommend nullification of the INT 03-02, as it is inconsistent with SSAP No. 25 guidance regarding economic and non-economic transactions between related parties. The guidance in INT 03-02 can result in unrecognized gains (dividends) or losses through using the statutory book valuation when using assets (bonds) to make payments to affiliates for modifications to existing intercompany reinsurance pooling agreements. Treatment of transfers of assets between affiliates should be consistent for all intercompany transactions, and there is not a compelling need to be different when valuing assets for intercompany reinsurance transactions. NAIC staff requests Working Group direction on effective date for nullification and suggests December 31, 2022.
Review Annual Statement Instructions for Accounting Guidance	This should be of interest to all the long-term statutory insurance accountants that have observed certain annual statement (AS) instructions can tend to include more promulgated direction than the actual SSAP to which the topic pertains. Considering the volume of SSAPs and AS instructions, it will be a broad project, although NAIC staff feels there will be limited situations where AS instructions prevail over SSAP.	N/A	N/A	N/A	TBD	2023-01	N/A	Exposed	This project was developed to establish a program to review the annual and quarterly statement instructions to ensure that all accounting guidance is properly reflected within the Statements of Statutory Accounting Principles (SSAPs). Although duplication or reference of accounting guidance may occur for ease of applying the reporting guidance, the direction of this project is to ensure that the annual or quarterly statement instructions are not the source of statutory accounting guidance. For purposes of this agenda item, accounting guidance is intended to refer to measurement, valuation, admittance/non-admittance, as well as assets and liabilities that should be recognized or derecognized within the statutory financial statements.
2023 NAIC Accounting Practices & Procedures Manual	In speaking for all the statutory insurance accountants nationwide, we heartily and thankfully applaud the NAIC's action to locate a useful alternative to the Bookshelf platform.	N/A	N/A	N/A	TBD	N/A	N/A	Exposed	Through numerous goadings from Interested Parties to top NAIC management, the NAIC has once and for all committed to replace the cumbersome and wieldy Bookshelf product that has been the NAIC AP&P Manual delivery system for years. On February 6, 2023, NAIC management notified the public that a clean, searchable PDF version of the 2023 APP Manual would be available FREE to those purchasing the 2023 AP&P Bookshelf subscription. Granted, updates to the 2023 Manual will still have to be accessed via the Bookshelf platform, but at least the 2023 full AP&P initial manual will be stand-alone. For 2024, NAIC has noted its commitment to locate an efficient and user-friendly alternative to the current situation.

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Derivatives and Hedging	Low priority is placed on this issue as it is more of an administrative item for historical documentation purposes—no impact on existing authoritative guidance.	N/A	N/A	N/A	Effective Immediately	Issue Paper No. 167	SSAP No. 86 New SAP Concept	Adopted	Adoption of Issue Paper No. 167— Derivatives and Hedging to detail the historical actions of the authoritative guidance resulting in new SAP concepts within SSAP No. 86—Derivatives. As the statutory accounting guidance has already been adopted, the issue paper adoption is for historical documentation and does not change authoritative guidance.
Affiliate Reporting Clarification	During the 2022 NAIC Fall National meeting, SAPWG adopted revisions to clarify application of the existing affiliate definition and to incorporate new disclosure requirements for investments acquired through, or in related parties, regardless of if they meet the affiliate definition. This revision intends to clarify that an investment held from an affiliate is considered an affiliated investment. No real change here, so we will give this one a low priority.	P&C Life Health	N	Y	Effective Immediately	2022-15	SSAP No. 25 SAP Clarification	Adopted	Revisions clarify that any invested asset held by a reporting entity that is issued by an affiliated entity or which includes the obligations of an affiliated entity is an affiliated investment.
ASU 2022-03, Fair Value Measurement of Restricted Securities	The adopted revisions do not change the principles of fair value measurement but rather provide clarity in situations involving equity securities that have restrictions related to asset sales. The clarification mainly applies to two specific scenarios, one where the restriction is based on the entity holding the equity security and one where the restriction is a characteristic of the equity security. It basically adopts ASU 2022-03 with respect to SAP terminology and modification to exclude the ASU 2022-03 sales restriction disclosures.	P&C Life Health	N	N	Effective Immediately	2022-16	SSAP No. 100R SAP Clarification	Adopted	Revisions adopt with modification the fair value measurement guidance from ASU 2022-03, Fair Value Measurement of Restricted Securities, to incorporate updated guidance for restricted securities for statutory accounting. The disclosures from ASU 2022-03 were not adopted.
Interest Income Disclosure Update	This revision is a result of comments received from interested parties with respect to the Principles-Based Bond Project, suggesting some revisions to further enhance reporting of interest income on Schedule D-1-1 Bonds.	P&C Life Health	N	Y	12/31/23	2022-17	SSAP No. 34 SAP Clarification	Adopted	Revisions adopt additional disclosures in SSAP No. 34 to data capture the gross, non-admitted, and admitted amounts of interest income due and accrued, and to reflect the cumulative amount of paid-in-kind interest income included in the current principal balance.
ASU 2022-04, Disclosure of Supplier Finance Program Obligations	The revision will only apply to all entities that use supplier finance programs, such as reverse factoring, payables finance, or structured payables arrangements. Enhanced disclosures are aimed at helping the users of the financial statements have clear information on the use of these financing structures.	P&C Life Health	N	Y	Effective Immediately	2022-18	SSAP No. 105R SAP Clarification	Adopted	Revisions reject ASU 2022-04, Disclosure of Supplier Finance Program Obligations for statutory accounting.

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Actuarial Guideline XLIX-A— The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest Sold (On or After December 14, 2020)	Revisions provide additional clarity and uniformity to Model #582. The Guideline change will impact the narrow group of larger insurance entities that design and market interest-sensitive market-indexed products.	N/A	N/A	N/A	5/1/23	AG 49-A	Appendix C	Adopted	Revisions to AG 49-A intend to improve illustrations for indexed universal life (IUL) products with uncapped volatility- controlled funds and a fixed bonus. The guideline applies to policies sold on or after May 1, 2023.
Actuarial Guideline LIV— Nonforfeiture Requirements for Index-Linked Variable Annuity Products	One thing to note here is that the revised guideline interprets the term “variable annuity” for purposes of exemption from Model 805. It is not intended to modify the definition of a variable annuity under Model 250 or other Model Regulations. The Guideline change will impact the narrow group of larger insurance entities that design and market interest-sensitive market indexed products.	N/A	N/A	N/A	7/1/24	AG 54	Appendix C	Adopted	The purpose of this new guideline is to specify the conditions under which an Index-Linked Variable Annuity (ILVA) is consistent with the definition of a variable annuity and exempt from Model 805 and specify nonforfeiture requirements consistent with variable annuities. The guideline applies to all contracts (including associated riders, endorsements, or amendments) issued on or after July 1, 2024.
Conceptual Framework – Updates	These clarifications are recommended because of the authoritative treatment that statutory accounting provides to the definition of an asset and a liability in SSAP No. 4 and SSAP No. 5R. For GAAP, the FASB Conceptual statements definitions are not authoritative but rather are concepts to consider when developing and applying guidance. The FASB basis for conclusions noted that some existing authoritative FASB literature regarding liabilities is inconsistent with the updates to Concepts Statement No. 8. Therefore, a statutory modification regarding topic-specific liabilities guidance is recommended.	N/A	N/A	N/A	TBD	2022-01	SSAP No. 5R	Exposed	The Working Group re-exposed revisions to SSAP No. 5R—Liabilities, Contingencies and Impairment of Assets and Issue Paper No. 16X—Updates to the Definition of a Liability. The revisions incorporate the definition of a liability from Financial Accounting Standards Boards (FASB) Concepts Statement No. 8, Conceptual Framework for Financial Reporting—Chapter 7, Presentation, and Concepts Statement No. 8, Conceptual Framework for Financial Reporting—Chapter 4, Elements of Financial Statements, which updates the definition of an asset and of a liability.
New Market Tax Credits	There is a consensus between NAIC and the Interested parties about having uniformity in accounting and reporting for equity investments for which the return is earned primarily through tax credits. Concern remains with the IPs that tax credits issued in the form of debt should be reported on Schedule D rather than Schedule BA. Regulators tend to disagree here; NAIC staff will refer to SAPWG for final determination.	N/A	N/A	N/A	TBD	2022-14	SSAP No. 93	Exposed	Last year, the Working Group exposed a discussion document to expand current statutory accounting guidance in SSAP No. 93—Low-Income Housing Tax Credit Property Investments to capture all tax equity investments that provide federal business tax credit and state premium tax credits if they meet specified criteria. It appears NAIC will proceed with drafting revised statutory accounting guidance and a related issue paper to expand the guidance in SSAP No. 93 for tax credits, as well as to draft revisions to SSAP No. 94—Transferable and Non-Transferable State Tax Credits for future Working Group discussion.

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CLO Financial Modeling	This agenda item has been drafted to ensure the financial modeling guidance summarized in SSAP No. 43R—Loan Backed and Structured Securities reflects the practices as directed by the Purposes and Procedures Manual of the NAIC Investment Analysis Office.	N/A	N/A	N/A	TBD	2023-02	SSAP No. 43R	Exposed	The working group exposed revisions to SSAP No. 43R—Loan-backed and Structured Securities to incorporate changes to add CLOs to the financial modeling guidance and to clarify that CLOs are not captured as legacy securities. These revisions reflect the guidance adopted for the P&P Manual in February 2023.
New C-2 Mortality Risk Note	The Life Risk-Based Capital (E) Working Group is working on a project to modify its C-2 mortality risk charges. The Working Group, in cooperation with the C-2 Mortality Work Group of the American Academy of Actuaries, developed structural updates to the life risk-based capital (RBC) treatment of group permanent life and miscellaneous other instruction updates. The proposal assigns the same factors to group permanent life as individual permanent life for policies with and without pricing flexibility.	N/A	N/A	N/A	TBD	2023-03	SSAP No. 51R SSAP No. 59 SSAP No. 61R	Exposed	The Working Group exposed revisions to SSAP No. 51R—Life Contracts, SSAP No. 59—Credit Life and Accident and Health Insurance Contracts and SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance. A new financial statement note will provide the development of net amounts at risk in the categories needed for the Life C-2 mortality risk charges. These categories are designed to create a direct link to a financial statement source and accompanying Life RBC C-2 mortality risk updates.
Corporate Alternative Minimum Tax Guidance	In December 2022, the Working Group adopted temporary guidance to address the CAMT in INT 22-02: Third Quarter 2022 through First Quarter 2023 Reporting of the Inflation Reduction Act - Corporate Alternative Minimum Tax. This agenda item is to begin the project of providing guidance regarding the CAMT for periods after the first quarter of 2023. Interested parties of the SAPWG have submitted initial informal recommendations to assist with preparing the guidance. The CAMT is more complex than the prior alternative minimum tax and is assessed using book income at the consolidated return level.	N/A	N/A	N/A	TBD	2023-04	SSAP No. 101	Exposed	The Working Group will continue to work with industry on developing guidance for the reporting of the CAMT. The CAMT presents several accounting challenges. Working Group input will be needed on several decision points including, treatment of tax sharing agreements, consideration regarding the CAMT DTA in the statutory valuation allowance, and the treatment of CMATs DTAs, in the overall DTA admissibility calculation.
ASU 2022-06, Reference Rate Reform (Topic 848), Deferral of the Sunset Date of Topic 848	To address ASU 2020-04, the Working Group issued INT 20-01: Reference Rate Reform and this interpretation was then revised to incorporate guidance from ASU 2021-01. This agenda item intends to revise INT 20-01 again to include the revised sunset date of December 31, 2024.	N/A	N/A	N/A	TBD	2023-05	N/A	Exposed	FASB issued ASU 2022-06, Reference Rate Reform (Topic 848), Deferral of the Sunset Date of Topic 848 to extend the sunset date of the reference rate reform guidance that was included in ASU 2020-04, Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting and ASU 2021-01, Reference Rate Reform (Topic 848), Scope. The Working Group exposed temporary (optional) expedient and exception interpretative guidance, to revise the expiration date of the guidance in INT 20-01: ASU 2020-04 & 2021-01 - Reference Rate Reform to be December 31, 2024.

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Additional Updates on ASU 2021-10, Government Assistance	This agenda item provides additional clarifications to SSAP No. 24 regarding follow-up questions that NAIC staff received regarding adopting the disclosures about government assistance in ASU 2021-10. Additional modifications have been proposed which reject ASU 2021-10 but still incorporate government assistance disclosures.	N/A	N/A	N/A	TBD	2023-06	N/A	Exposed	Last year the Working Group adopted revisions to SSAP No. 24— Discontinued Operations and Unusual or Infrequent Items in agenda item 2022-04: ASU 2021-10, Government Assistance. The revisions incorporate certain disclosures, adopted with modification from ASU 2021-10, to supplement existing disclosures regarding unusual or infrequent items. The exposed revisions will clarify the rejection of ASU 2021-10, Government Assistance, and the incorporation of disclosures regarding government assistance.
ASU 2019-08, Codification Improvements to Topic 718 and Topic 606	The amendments in ASU 2019-08 require that an entity measure and classify share-based payment awards granted to a customer by applying the guidance in Topic 718. The amount recorded as a reduction of the transaction price is required to be measured on the basis of the grant-date fair value of the share-based payment award in accordance with Topic 718. The grant date is the date at which a grantor (supplier) and a grantee (customer) reach a mutual understanding of the key terms and conditions of a share-based payment award. The classification and subsequent measurement of the award are subject to the guidance in Topic 718 unless the share-based payment award is subsequently modified and the grantee is no longer a customer.	N/A	N/A	N/A	TBD	2023-07	SSAP No. 104R SSAP No. 95 SSAP No. 47	Exposed	The Working Group exposed revisions to adopt with modification ASU 2019-08 Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer for statutory accounting. These revisions would add language to include share-based consideration payable to customers under SSAP No. 104R guidance in the same manner as U.S. GAAP. With the revisions proposed to SSAP No. 104R, revisions are also proposed to SSAP No. 95—Nonmonetary Transactions to update previously adopted U.S. GAAP guidance. In addition, proposed revisions to SSAP No. 47—Uninsured Plans, reject Topic 606 guidance in ASU 2019-08. The proposed revisions to SSAP No. 95, SSAP No. 104R, and SSAP No. 47—Uninsured Plans.
ASU 2019-07, Codification Updates to SEC Sections	Guidance in ASU 2019-07, Codification Updates to SEC Sections does not apply to statutory accounting and, as expected, was rejected by the Working Group.	N/A	N/A	N/A	TBD	2023-08	N/A	Exposed	The Working Group exposed revisions to Appendix D—Nonapplicable GAAP Pronouncements to reject ASU 2019-07—Codification Updates to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates as not applicable to statutory accounting.
ASU 2020-09—Amendments to SEC Paragraphs	Guidance in ASU 2020-09—Amendments to SEC Paragraphs does not apply to statutory accounting and, as expected, was rejected by the Working Group.	N/A	N/A	N/A	TBD	2023-09	N/A	Exposed	The Working Group exposed revisions to Appendix D—Nonapplicable GAAP Pronouncements to reject ASU 2020-09, Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762—Debt (Topic 470) as not applicable to statutory accounting. This guidance is not applicable as it pertains to an exception of issuers or guarantors filing financial statements with the SEC when the issuer or guarantor is included in filed consolidated financial statements and other conditions are met.

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ASU 2022-05, Transition for Sold Contracts	Guidance in ASU 2022-05, Transition for Sold Contracts, does not apply to statutory accounting and, as expected, was rejected by the Working Group.	N/A	N/A	N/A	TBD	2023-10	N/A	Exposed	The Working Group exposed proposed revisions to reject ASU 2022-05, Transition for Sold Contracts as not applicable for statutory accounting in SSAP No. 50—Classifications of Insurance or Managed Care Contracts; SSAP No. 51R—Life Contracts; SSAP No. 52—Deposit-Type Contracts; SSAP No. 56—Separate Accounts; SSAP No. 71—Policy Acquisition Costs and Commissions and SSAP No. 86—Derivatives. The guidance in ASU 2022-05 provides updated transition guidance for ASU 2018-12, which had previously been rejected for statutory accounting.
Editorial	Minor revisions and clarifications.	N/A	N/A	N/A	TBD	2023-11EP	N/A	Exposed	This agenda item details editorial updates for the Accounting Practices and Procedures Manual. These revisions are captured in three broad categories: <ul style="list-style-type: none"> • SSAP No. 86—Derivatives: Change to a disclosure category from 'intrinsic value' to 'volatility value.' • Various – Streamline references to the Purposes and Procedures Manual. • Various – Changes to consistently reference percent (with % sign and not 'percent') throughout SSAPs.