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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
ADOPTIONS									
Principles-Based Bond Project - New Issue Paper No. 169	<p>Issue Paper No. 169 represents the culmination of several years of discussions and negotiations within the SAPWG group and interested parties.</p> <p>The issue paper modernizes previous accounting language that had not kept pace with financial instrument designs and methodologies over the years since the original SSAP accounting was developed.</p> <p>The NAIC has developed, and recently debuted, an on-line, principle-based bond definition and applications training project to assist the insurance public in understanding the changes.</p>	P&C Life Health	Y	Y	1/1/2025 Issue Papers are not authoritative	2019-21 Issue Paper No. 169	New SSAP Concept Issue Paper	New SAP Concept Adopted August 13, 2024	<p>This new SSAP Concept relates to the principles-based bond project and formalizes the discussions and decisions made through SAPWG parties.</p> <p>The updated SSAP clearly defines the distinctions between Issuer Credit Obligations (ICO), asset-backed securities and SSAP 21 assets for those investments that do not qualify as Schedule D1, D2 bonds under the revised bond definition.</p>
Debt Securities Issued by Funds	This adoption follows the release of Issue Paper 169 and is intended to provide clarification that bonds emanating from business development corporations (BDC), closed-end funds (CEF) and similarly structured vehicles that have been registered under the Investment Company Act of 1940, are allowed inclusion under the bond definition as they reflect operating entity status.	P&C Life Health	Y	Y	1/1/25	2024-01	SSAP No. 26 Issue Paper 169	Adopted by SAPWG E-vote as of 9/12/24	Revisions clarify that debt securities issued by funds that reflect operating entities will qualify as issuer credit obligations. The revisions further note that SEC registration is a practical safe harbor intended only for SEC registered funds and should not be utilized as an automatic acceptance for other debt securities issued by funds. Other debt securities must be analyzed as to the issuer's primary purposes. If those vehicles are intended to raise debt capital, then the debt securities are required to be analyzed as an asset-backed security regardless of the amount of debt being issued. The clarification revises SSAP 26R, ¶7.i and adds new ¶12.
Modification to an Existing Intercompany Pooling Arrangement	The primary issue stems from situations when assets other than cash (in most instances, bonds) are transferred as a component of consideration when a new reinsurance agreement is executed that modifies the existing intercompany pooling agreement. INT 03-02 allowances, originally adopted in 2003, create a disconnect with the overall SSAP 25 - <i>Affiliates and Other Related Parties</i> . It has been removed to avoid conflicting application.	P&C Life Health	Y	Y	8/13/24	2022-12	SSAP No. 63 SSAP No. 25 INT 03-02 SAP Clarification	Adopted August 13, 2024	The clarifications nullify INT 03-02, originally issued in 2003. The INT conflicts with SSAP 25 as currently designed as it relates to transfer of assets with respect to modified intercompany pooling arrangements and has therefore been removed. There were also certain disclosures in ASU 2023-06 that are to be incorporated into SSAP 103R - <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i> and will be combined with agenda item 2024-04 referencing the larger assessment of repurchase agreements and secured lending.
ASU 2023-06, Disclosure Improvements	A narrowly focused statutory change (meaning it impacts very few entities) to line up recent SEC disclosure requirements with statutory disclosures as referenced in the Discussion section.	P&C Life Health	N	Y	8/13/24	2023-26	SSAP No. 15 SSAP No. 103R SAP Clarification	Adopted August 13, 2024	Adopts, with modification, disclosures from ASU 2023-06, <i>Disclosure Improvements</i> . The additional disclosures are for unused commitments and lines of credit, disaggregated by short-term and long-term, and disclosures of accrued interest from repos and securities borrowing, separate disclosure of significant (10% of admitted assets) reverse repos, and counterparty disclosures for repos and reverse repos that are significant (10% of adjusted capital and surplus). Further refocuses certain modified disclosures from ASU 2023-06 from SSAP No. 103R - <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i> to agenda item 2024-04.

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ASU 2023-01, Leases (Topic 842), Common Control Arrangements	Rejects the GAAP guidance and modifies to accept the amortization of leasehold improvements pertaining to leases between entities under common control, calling for amortization over the useful life of those improvements to the holding company group.	P&C Life Health	Y	Y	8/13/24	2024-02	SSAP No. 19 SSAP No. 73 SAP Clarification	Adopted August 13, 2024	Adopts, with modification, ASU 2023-01 in SSAP No. 19— <i>Furniture, Fixtures, Equipment and Leasehold Improvements</i> and SSAP No. 73— <i>Health Care Delivery Assets and Leasehold Improvements in Health Care Facilities</i> , as illustrated in the Form A. The proposed revisions reject the practical expedient for private companies and not-for-profit entities but adopt the leasehold improvement guidance from the ASU, with modification to the language to align with existing guidance in SSAP No. 19 and SSAP No. 73.
ASU 2023-08, Accounting for and Disclosure of Crypto Assets	SAPWG initially addressed statutory accounting for crypto currency in May 2021 with the issuance of INT 21-01. This exposure formally codifies the crypto accounting stance taken by SAPWG, and the GAAP definition. Disclosure of crypto currency activity has been added to the General Interrogatories of the Annual Statement blanks. See the recently issued JLKR article on the crypto currency status. Link: https://jlkrosenberger.com/ssap/crypto-accounting-fasb-weighs-in/	P&C Life Health	Y	Y	8/13/24	2024-03	SSAP No. 20 INT 21-01 SAP Clarification	Adopted August 13, 2024	Adopts with modification the definition of crypto assets from ASU 2023-08 into SSAP No. 20 and clarify that directly held crypto assets are nonadmitted assets for statutory accounting. INT 21-01, <i>Accounting for Cryptocurrencies</i> is now nullified upon the adoption of this agenda item.
Consistency Revisions for Residuals	The point of this exposure is to ensure all applicable SSAPs referencing residual security interests centralize and refer all residual security guidance to SSAP No. 21R - <i>Other Admitted Assets</i> .	P&C Life Health	N/A	N/A	1/1/25	2024-08	SSAP No. 21R SSAP No. 26R SSAP No. 30R SSAP No. 32R SSAP No. 43R SSAP No. 48 SAP Clarification	Adopted August 13, 2024	Adopted changes have been developed to incorporate consistency revisions for residual tranches and residual security interests. Over the past several years, a variety of revisions have been incorporated for residual interests. These began with revisions to clarify the reporting on Schedule BA (instead of Schedule D-1) along with the residual definition and guidance within each investment SSAP to highlight that residuals shall be captured on Schedule BA. Although these revisions were necessary to immediately address the reporting of residuals, the discussions that accompanied these revisions have noted that conforming revisions would be needed coinciding with the effective date of the principles-based bond definition guidance to have consistency of guidance location, terminology and definitions. With the revisions to SSAP No. 21R— <i>Other Admitted Assets</i> , the accounting and reporting for residuals, all residuals, regardless of investment structure, shall follow the guidance detailed in SSAP No. 21R and be reported on Schedule BA. To ensure consistency in definitions and guidance, adopted revisions centralize residual guidance within SSAP No. 21R and use a consistent approach in the other investment SSAPs to exclude residuals from their scope and now direct companies to SSAP No. 21R.
SSAP No. 2R – Clarification	This is a clean-up of outdated language in updated SSAPs.	P&C Life Health	N	N	1/1/25	2024-09	SSAP No. 2R SAP Clarification	Adopted August 13, 2024	Adopted revisions to eliminate lingering references that imply that asset-backed securities (ABS), mortgage loans, or other Schedule BA: Other Long-Term Invested Assets items are permitted to be reported in the scope of SSAP No. 2R.

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Accounting Practices and Procedures Manual Editorial	Though not a quantitative impact, we have become so ingrained with seeing the "R" identifier behind a number of SSAPs that one may have to "look twice" to make sure they are referencing the appropriate promulgation(s). NAIC staff believe sufficient time has passed that make the "R" identifier obsolete. There are 21 existing SSAPs that will have the "R" removed.	P&C Life Health	N/A	N/A	8/13/24	2024-14EP	Various SSAPs	Adopted August 13, 2024	Editorial revisions remove the "Revised" and "R," previously intended to identify a substantively revised SSAP, from SSAP titles and SSAP references within the Manual.
GAAP ASUs REJECTED FOR STATUTORY ACCOUNTING									
NONE									
EXPOSURES									
New Bond Definition Question & Answer Section	The NAIC recently notified interested parties of its on-line training program for implementation of the revised bond definition promulgation. It is free for those that sign up prior to 12/31/2024 and takes approximately 6 hours of reading/study with a final examination. This Q&A provides a written supplement to the revised SSAP No. 26.	P&C Life Health	Y	Y	1/2/25	SSAP No. 26	2019-21	Exposed August 13, 2024 SAPWG SAP Clarification Comment period ended 09/27/24	Provides a comprehensive Question and Answer Implementation Guide reflecting guidance on various applications within the updated bond definition project with respect to specific investment vehicles and/or characteristics.
Annual Statement Reporting of Funds Withheld and Modco Assets	This exposure promises to be interesting. It evolved from a fallout of the 2023 spike in interest rates that further created the concerns brought up by the American Council of Life Insurers (ACLI) with respect to the net negative disallowed IMR for statutory accounting. When it came to identifying potential assets that may be subject to the IMR anomaly, it was noted that it was difficult locating specific assets associated with Funds Withheld and/or Modco agreements. That is likely because most entities do not specifically allocate assets to these type agreements, opting to assume they are covered by overall general account assets. The exposed modification does not change statutory accounting but would add a layer of Schedule S (Life) and Schedule F (P&C) disclosure reporting that would require entities to actually identify specific assets associated with these type arrangements.	P&C Life Health	N/A	Y	TBD	2024-07	N/A	Exposed March 16, 2024 ----- 08/29/24 Comment period extended by SAPWG to 12/16/24 for further discussion in Fall 2024 meeting	Exposed a project that proposed to add a new part to the reinsurance Schedule S in the Life/Fraternal and Health annual statement blanks and Schedule F in the Property/Casualty and Title annual statement blanks, which is similar in structure to Schedule DL and would include all assets held under a funds withheld arrangement and would include a separate signifier for modified coinsurance assets. The proposal would add new parts to reinsurance Schedule S (Life) and Schedule F (P&C).

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Collateral Loans - Schedule BA Reporting	<p>Annual statement preparers and insurer financial management should be aware that Schedule BA preparation and reporting is going to be considerably expanded and complex with the evolution of recent approval of the revised bond definition program and the expansion of the "All Other" investment categories.</p> <p>The selection of investment advisors becomes a more critical decision point, as those advising on investment vehicles to insurers are going to require a heavy sophistication in insurance investment definitions, as well as investment accounting nuances.</p>	P&C Life Health	Y	Y	TBD	2023-28	SAP Clarification	Exposed August 13, 2024 SAPWG SAP Clarification Comment period ended 09/27/24	<p>This agenda item has been developed to propose an expansion of reporting for collateral loans on Schedule BA so that regulators have the ability to quickly identify the type of collateral in support of admittance of collateral loans in scope of SSAP No. 21R - <i>Other Admitted Assets</i>. The current Schedule BA detail does not contain sufficient detail regarding the collateral supporting a loan to determine asset admittance of the investment. To be admitted, collateral must qualify as if it were a stand-alone investment held directly by the reporting entity.</p> <p>Note that RBC and AVR are also impacted by the upgrade in collateral loan reporting.</p>
Risk Transfer Analysis on Combination Reinsurance Contracts	<p>This exposure request has its roots in a December 2023 issue exposed by the Valuation Analysis Working Group (VAWG) with respect to the life insurance industry and some unique reinsurance arrangements that contain multiple types of reinsurance that rely upon each other. Each reinsurance agreement must be viewed in its substance to determine the contract boundaries. SSAP 61R - <i>Life, Deposit-type and Accident and Health Reinsurance</i> risk transfer analysis becomes somewhat murky unless mutually dependent contracts are assessed symbiotically rather than separately in order to avoid the potential of taking credit for more actuarial risks than what are truly being transferred. SSAP 62R - <i>Property and Casualty Reinsurance</i>, Implementation question #10 treatment already incorporates a very similar scenario, which was based upon FASB 113; accordingly, SAPWG has referred to its content for this proposal.</p>	Life Health	N	N	TBD	2024-06	SSAP No. 61R SAP Clarification	Exposed March 16, 2024 & re-exposed August 2024 to extend comment period to 09/27/24 for further discussion in Fall 2024 meeting	<p>Re-exposed revisions to incorporate guidance to SSAP No. 61R that is consistent with the guidance currently in SSAP No. 62R—<i>Property and Casualty Reinsurance</i>, Exhibit A Implementation Questions and Answers, question 10. This guidance requires risk transfer to be evaluated in aggregate for contracts with interrelated contract features such as experience rating refunds. The Working Group also added reference to A-791, paragraph 6 guidance in the yearly renewable term guidance paragraph regarding the entirety of the contract.</p> <p>Regulators observed that some companies were reporting an overstated reserve credit due to a bifurcated risk transfer analysis. Specifically, some companies reported a proportional reserve credit for a coinsurance component, despite in aggregate the reinsurer only being exposed to loss in tail scenarios. The issue arises when evaluating reinsurance for risk transfer in situation when treaties involve more than one type of reinsurance, and there is interdependence of the types of reinsurance, including but not limited to an experience refund that is based on the aggregate experience. In such cases, regulators find that these types of reinsurance must be evaluated together and cannot be evaluated separately for the purpose of risk transfer. For example, where a treaty includes coinsurance and YRT with an aggregate experience refund and the inability to independently recapture the separate types of reinsurance, it is not adequate to separately review the coinsurance and YRT pieces of the transaction for risk transfer. The treaty as a whole is non-proportional. This complexity is not immediately apparent to the regulatory reviewer, and it is important that this issue be raised broadly, so that individual state regulators are aware.</p>

NAIC Summer Meeting 2024, Accounting Updates (SAPWG)



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ASU 2023-09, Improvements to Income Tax Disclosures	Though likely a bigger project for public companies reporting under GAAP, this one applies some modification from the ASU 2023-09 disclosure reporting for SAP. No substantial changes for SAP reporting.	P&C Life Health	N	Y	TBD	2024-11	SSAP No. 101	Exposed March 16, 2024 & re-exposed August 2024 to extend comment period to 09/27/24 for further discussion in Fall 2024 meeting	Proposed revisions are to adopt, with modification, certain disclosures from ASU 2023-09 and removes SSAP No. 101 disclosure, paragraph 23.b. The exposed disclosure revisions are: <ul style="list-style-type: none"> • Removal of SSAP No. 101, paragraph 23b disclosure of the cumulative amount of each type of temporary tax difference when a deferred tax liability is not recognized for undistributed foreign earnings. • Disclosure of income/loss before income tax expense/benefit, disaggregated by domestic and foreign. • Disclosures of income tax expense/benefit and income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign. • Disclosures of income taxes paid (net of refunds received) to each individual jurisdiction in which income taxes paid (net of refunds received) is equal to or greater than 5% of total income taxes paid (net of refunds received).
Debt Securities containing Embedded Derivatives	The issue originated from reporting entity questions that surfaced from the redefinition of bond structures. The proposed accounting is a shift from current existing guidance that ruled out separation of embedded derivatives as far as accounting was concerned. An issue paper will be forthcoming.	P&C Life Health	Y	Y	TBD	2024-16	New SSAP Concept	Exposed August 13, 2024 with a comment period due date of 09/27/24	Addresses situations where a debt instrument that contains derivative components does not qualify as a structured note and therefore cannot be treated as a standard bond. This involves scenarios where two separate items (debt security and a derivative) are combined into one instrument that has the characteristic of a single debt security. The proposed NAIC staff accounting process calls for a new SAP Concept whereby debt securities with derivative components (or wrappers) will be separated ((bifurcated) and accounted for separately in line with SSAP 86 - <i>Derivatives</i> . The guidance only applies to items that do not qualify as structured notes and details the proposed accounting and reporting guidance for the bifurcated debt and derivative components.
New Market Tax Credit Project - Issue Paper Development	The federal New Market Tax Credit (NMTC) programs have been around since late 2000, originally established by the U.S. Congress to provide investors with incentive federal tax credits for investing in low-income urban and rural communities. The program(s) provides substantial tax credits to investors that provide capital and maintain staying power (7 years) in the low-income community investments. The concept grew in popularity over the years and states also became involved in similar programs providing state tax credits. As tax credit programs evolved, existing accounting guidance did not provide comprehensive guidance on the nuances of these evolving programs. This SAP concept updates and covers the existing universe of these low income community projects.	P&C Life Health	Y	Y	January 1, 2025	2022-14 Issue Paper Development	SSAP No. 93R SSAP No. 94R SSAP No. 34 SSAP No. 48 New SAP Concept	New SAP Concept Adopted March 16, 2024 ----- 08/29/24 - the comment period on the final issue paper extended by SAPWG to 11/08/24 for further discussion in Fall 2024 meeting	The federal New Market Tax Credit (NMTC) SAP Concept was adopted in the March 2024 SAPWG spring meeting. The issue paper addressed herein has now been constructed following the March 2024 adoption. This item addresses the allowance for public comment on the new issue paper.

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Current Expected Credit Loss Issue Paper (CECL)	Though educational in purpose only, this effort provides a useful go-to piece for a user to obtain a centralized impairment guidance for both GAAP and SAP.	P&C Life Health	N	N	TBD	2023-24	Common Area	New SSAP Issue Paper providing impairment reporting history	The formal rejection of all GAAP ASUs referencing the <i>Current Expected Credit Loss</i> (CECL) standard was formalized by SAPWG effective December 31, 2023. This SAPWG item was purposed to document and centralize for historical purposes all applicable GAAP impairment guidance.
Conforming Repurchase Agreements	The exposure emanates from the Life RBC Working Group following suggestions from the influential American Council of Life Insurers (ACLI) to modify how repurchase agreements are treated in the life RBC formula, thereby reducing the current RBC charge assigned to these instruments. SAPWG via this exposure is assessing the differences between repurchase agreements and security lending programs before suggesting change in the RBC capital charge.	P&C Life Health	N	Y	TBD	2024-04	SSAP No. 103R SAP Clarification	Exposed March 16, 2024 ----- 08/29/24 Comment period extended by SAPWG to 12/16/24 for further discussion in Fall 2024 meeting	Proposed revisions detail initial statutory differences between securities lending and repurchase agreements as well as other items that should be reviewed for potential clarification on the "conforming agreement" securities lending concept currently captured in the general interrogatories.
Appendix A-791	Removes a misinterpretation that the Commissioner's Standard Ordinary (CSO) reserving methodology could be considered a safe harbor under A-791 - <i>Life and Health Reinsurance Agreements</i> , as it pertains to Group Term life business reinsured under a YRT reinsurance agreement. Recommended to SAPWG by the Valuation Analysis (E) Working Group.	Life Health	N/A	N/A	TBD	2024-05	SAP Clarification	Exposed March 16, 2024 & re-exposed August 2024 to extend comment period to 09/27/24 for further discussion in Fall 2024 meeting	RE-EXPOSED - Revisions remove the first sentence of the Appendix A-791 <i>Life and Health Reinsurance Agreements</i> (A-791), paragraph 2.c. Question and Answer. First, this sentence is unnecessary, as it is an aside in a discussion about group term life. More importantly, this statement is being misinterpreted as supporting the use of Commissioner's Standard Ordinary (CSO) rates as a "safe harbor," at or below which YRT rates would be automatically considered not to be excessive. The 791 section 2c QA guidance does not provide a safe harbor based on CSO. It indicates that if the YRT reinsurance premium is higher than the proportionate underlying direct premium for the risk reinsured, then the reinsurance premium is excessive. VAWG observes that the prudent mortality under the Valuation Manual, Section 20: Requirements for Principle-Based Reserves for Life Products (VM-20), may appropriately be either higher or lower than the CSO rate depending on the facts and circumstances.
Clearly Defined Hedging Strategy	A clarification to match the <i>clearly defined hedging strategy</i> (CDHS) between the actuarial language and the SSAP 108 definition.	P&C Life Health	Possibly	Y	TBD	2024-17	SAP Clarification SSAP 108	Exposed August 13, 2024 with a comment period due date of 09/27/24	Exposed revisions update the definition of a clearly-defined hedging strategy under SSAP No. 108. The purpose is to mirror updates previously adopted by the Life Actuarial (A) Task Force as defined in Valuation Manual-21. The updated definition pertains only to paragraph 7 of SSAP 108 and further capture the mirrored definition in Valuation Manual-01 (VM-01).

NAIC Summer Meeting 2024, Accounting Updates (SAPWG)



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Clarifications to the New Market Tax Credit (NMTC) Project	None - see Discussion section	P&C Life Health	N	N	1/1/25	2024-18	SAP Clarification SSAP No. 34 SSAP No. 48 SSAP No. 93 SSAP No. 94R	Exposed August 13, 2024 with a comment period due date of 09/27/24	Relates to the March 2024 adoption of Agenda item 2022-14. Upon review of the sample journal entries provided within the adopted revisions, questions surfaced from outside users as to inconsistencies between applicable SSAPs, and further noted SSAP 48 had not been updated to reflect the NMTC impact on its application. This exposure clarifies and improves the comparative journal entry examples.
ASU 2024-02 Codification Adjustments	This is a GAAP issue that will be rejected for statutory accounting purposes	P&C Life Health	N	N	TBD	2024-19	N/A	Exposed for Rejection in August 13, 2024 SAPWG meeting as not applicable to SAP Accounting	ASU 2024-02, <i>Codification Improvements—Amendments to Remove References to the Concepts Statements</i> removes references to FASB Concept Statements from the Codification to make a clear understanding of authoritative versus nonauthoritative literature. NAIC staff recommends movement to Appendix D - <i>Nonapplicable GAAP Pronouncements</i> and reject ASU 2024-02.

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SSAP No. 56 – Book Value Separate Accounts	This is a relatively narrow situation as not many companies deal with Separate Account management. SSAP 56 - <i>Separate Accounts</i> deals with accounting and reporting for the relationship between the General and Separate accounts of an insurance entity, and transfers therein. Separate Account reporting typically calls for fair value reporting on Separate Account assets since their general premise is to have the policyholder bear the risk of the underlying portfolio results. The question in this exposure 2024-10 rests with certain assets that are held in the separate account at book value with no fair value reporting. Industry is seeing more of these "book value" instruments showing up in separate accounts. They are not dependent upon an underlying portfolio and basically are fixed interest rate guarantee type instruments. The question becomes how are transfers between the General and Separate Account measured. Fair value or at book value? We continue to await the final verdict.	P&C Life Health	Y	Y	TBD	2024-10	SSAP No. 56	SAP Clarification March 16, 2024 ----- 08/13/24 - the comment period on the final issue paper extended by SAPWG to 11/08/24 for further discussion in Fall 2024 meeting	The exposed revisions aimed to work with industry in determining current applications/differences in interpretations for the reporting of book value assets and to propose revisions to incorporate a consistent statutory accounting approach. This exposure has been developed to expand the guidance in SSAP No. 56— <i>Separate Accounts</i> to further address situations and provide consistent accounting guidelines for when assets are reported at a measurement method other than fair value. The guidance in SSAP No. 56 predominantly focuses on separate account products in which the policyholder bears the investment risk. In those situations, the assets in the separate account are reported at fair value. SSAP No. 56 provides limited guidance for assets supporting fund accumulation contracts (GICs), which do not participate in underlying portfolio experience, with a fixed interest rate guarantee, purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer, with direction that these assets shall be recorded as if they were held in the general account. This measurement method is generally referred to as "book value." The guidance in SSAP No. 56 focuses on the accounting and reporting for both the separate account and general account, with specific focus on what is captured within each account as well as transfers between the two accounts. As the focus is on fair value separate account assets, there is not guidance that details how transfers should occur between the general and separate accounts when the assets will be retained and reported at "book value." Particularly, the guidance does not address whether assets should be disposed / recognized at fair value when transferring between accounts, with subsequent reporting at the general account measurement guidance or whether the assets should be transferred at the "book value" that is reported in the existing account. The process has the potential to impact recognition of gains / losses and IMR, so it should be clearly detailed to ensure consistent reporting.
Asset Liability Management Derivatives	An interesting situation where macro-hedging could become a potential alternative vehicle, particularly within volatile economic and market conditions.	P&C Life Health	Y	Y	TBD	2024-15	New SAP Concept	New SAP Concept August 13, 2024 ----- The comment period ends 11/08/24 for further discussion in Fall 2024 meeting	The topic evolved from industry situations where derivatives are utilized to manage macro-event hedging and the hedge does not meet effective hedge accounting parameters, yet the hedge strategies are economically effective for macro-level asset-liability management (termed ALM hedges). NAIC staff is suggesting a new SAP concept approach to address these anomalies that are not effective hedges under SSAP No. 86 - <i>Derivatives</i> .

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Update to SSAP 107 Disclosures	This item dates to 2014 when the ACA was in full swing. A number of the ACA programs associated with SSAP 107 have ended, yet remain in the blanks and are generally reported as zero for the most part. This exposure removes the redundancy. It is most likely associated with the larger health entities that became involved with ACA.	Life	N	Y	TBD	2024-13	SSAP No. 107 SAP Clarification	Adopted May 15, 2024	SSAP No. 107 introduced significant financial statement disclosure requirements for the three risk-sharing provision programs of the Affordable Care Act ("3Rs programs"). Two of these programs terminated at the end of 2016. The disclosures are required by SSAP No. 107, paragraphs 60-62 and Exhibit B of SSAP No. 107 illustrates the rollforward disclosure required by paragraph 61. These disclosure requirements are currently satisfied through detailed data tables included in Footnote 24E of the quarterly and annual financial statements. This agenda item proposes removal of the disclosures for the expired programs and removal of the related parts of the roll forward illustration in Exhibit B of SSAP No. 107 for the expired programs.
Updates to SSAP No. 27 Annual Statement	This exposure goes back to the NAIC program to better align instructions per the actual SSAPs with the instructions that have evolved in the annual statement instructions to resolve potential disconnects between the two.	P&C Life Health	N	Y	TBD	2024-12	SSAP No. 27 SAP Clarification	Exposed and currently deferred pending further study by NAIC staff	It came to regulators attention that the annual statement instructions only provide disclosures for derivative Swaps, Futures, and Options. However, the guidance in SSAP No. 27 is intended to be applicable to all derivative instruments and financial instruments, except those specifically carved out in FAS 105 paragraphs 14 and 15. Exposed revisions are designed to incorporate FAS 105 guidance directly into SSAP No. 27 and update the related annual statement instructions to more accurately reflect the existing required disclosures in Note 16 to provide additional disclosures and instructions for derivatives and non-derivative financial instruments.