

NAIC Spring Meeting 2026, Accounting Updates (SAPWG)



● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
ADOPTIONS									
Separate Account Nonadmitted Assets	Non-admitted assets should generally be a rare event in the Separate Account situation, yet with the increased potential of the use of book value assets in the Separate Account arena, occasional situations may give rise to the need for this option. As the Discussion section further clarifies, the process is set up to be infrequent and not encourage manipulation of non-admits from the General Account. We give this a lower priority because its overall impact will be minimal to the overall insurance entity universe, yet important to the larger insurance entity community engaged in the life and annuity space.	L	Y	Y	Effective 1/1/2027	2025-25	SSAP 56	Adopted 03/23/2026	<p>On December 9, 2025, the SAPWG exposed targeted revisions to SSAP No. 56 - Separate Accounts. Historically, the concept of nonadmitted assets existed in separate accounts, but it wasn't explicitly presented the way it is in the general account. Regulators identified that book-value (general account-based) separate accounts didn't have a clear mechanism to enforce admissibility rules. That created the potential for inconsistent treatment and, in some cases, overstated statutory positions.</p> <p>Adopted changes require explicit identification of nonadmitted assets within separate accounts, prevent nonadmitted general account assets from being "moved" into separate accounts and treated differently, and align separate account reporting with general account principles, including new balance sheet columns and supporting schedules.</p>
Administrative Services Contracts Disclosure Certification	The overall target group here is narrow and targeted primarily to the health arena and ASO/ASC plans (but could also potentially impact P&C) that perform cost-based administrative services (claim payment administration). The clarification organizes the concepts to be included in the determination of contract gain/(loss).	L, AH, PC	Y	Y	Effective 12/31/2026	2025-30	SSAP 47	Adopted 03/23/2026	<p>On December 9, 2025, the SAPWG exposed revisions to SSAP No. 47 - Uninsured Plans, along with updates to Note 18B. The revision corrects how net gain or loss is calculated for Administrative Services Contract (ASC) plans. ASC plans are typically low-risk from an underwriting perspective, but misstatements in gain/loss can distort results and reduce comparability across insurers.</p> <p>Adopted revisions changed gain/loss calculation methodology and enhanced Note 18B disclosures.</p>

NAIC Spring Meeting 2026, Accounting Updates (SAPWG)



● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
Updated Coverage Gap	This is a clean-up item - Discussion section provides the primary fodder	AH	N	Y	Effective Immediately	2025-31	NA	Adopted 03/23/2026	<p>On December 9, 2025, the SAPWG exposed revisions to INT 05-05 - Accounting for Revenues Under Medicare Part D Coverage. This is essentially a refresh of statutory guidance to align with current Medicare Part D structure. The old framework included mechanics tied to the coverage gap discount program. With that program now eliminated, continuing reference to it creates unnecessary confusion and potential misapplication.</p> <p>Adopted revisions remove outdated references, clarifies how manufacturer discounts should be reflected going forward, and keep statutory accounting in sync with CMS program design</p>
Remove Shaded Text	This is a clean-up item - Discussion section provides the primary fodder	L, AH, PC	N	N	Effective Immediately	2025-32	SSAP 40	Adopted 03/23/2026	<p>On December 9, 2025, the SAPWG exposed revisions to SSAP No. 40 - Real Estate Investments and SSAP No. 90 - Impairment or Disposal of Real Estate Investments.</p> <p>The revisions remove shaded text instructions that were used historically for transition or guidance context and previously superseded guidance that is no longer applicable but still appears in the standards.</p>

NAIC Spring Meeting 2026, Accounting Updates (SAPWG)



● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
Updates to Annual Statement Expense Descriptions and Categories	This could be useful for expense account clarification since a number of the expense categories can be quite general in their descriptions; annual statement instructions are helpful as to specific items to be included but also can be general in their descriptive nature.	L, AH, PC	N	N	Effective Immediately	2025-33	N/A	Adopted 03/23/2026	<p>On December 9, 2025, the SAPWG exposed revisions to modernize expense descriptions and categories across the annual statement blanks. The proposal updates how expenses are labeled and categorized in the blanks to better reflect how insurers operate today.</p> <p>Adopted revisions affected the following statements:</p> <ul style="list-style-type: none"> Property & Casualty (Exhibit 1) Life/Fraternal (Exhibit 2) Health (Exhibit 3) Title (Exhibit 4) <p>Adoptions had no changes to underlying statutory accounting.</p>
Updates to Economic Scenario Generator and Non-Variable Annuities	For the actuarial community, the Economic Scenario Generator could be a material addition for the actuarial projection process. It comes with highly focused guidelines and guardrails in order to utilize its facilities and is used within the Principle-based Reserving (PBR) realm. Under restricted parameters, the process <u>allows the use of non-prescribed, proprietary scenario models</u> for a company to model risk and balance sheet volatility. It's a deep dive, so if interested you will need to perform specific reading in the topic.	L	N	Y	Effective Immediately	2025-34	Valuation Manual update	Adopted 03/23/2026	<p>On December 9, 2025, the SAPWG exposed revisions to SSAP No. 3 - Accounting Changes and Corrections of Errors, SSAP No. 51 - Life Contracts, and SSAP No. 52 - Deposit-Type Contracts. The proposed revisions focus on consistent financial reporting during transition periods when carriers phase in new valuation approaches.</p> <p>Adopted revisions enhance disclosures for VM-20 phase-in (economic scenario generator) and require insurers to treat VM-22 adoption as a formal change in valuation basis that needs to be disclosed as a change in accounting principle in accordance with guidance in SSAP 3.</p>

NAIC Spring Meeting 2026, Accounting Updates (SAPWG)



● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberger Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
Sale-Leaseback Clarification	This one is a guardrail clarification to the statutory lease SSAP (22) to circumvent inventive programs that do not clearly create an arm's-length transaction due to restrictions inserted within the sale-leaseback agreement. It keeps everyone on a level playing field.	L, AH, PC	Y	Y	Effective Immediately	2025-01	SSAP 22	Adopted 03/23/2026	<p>On December 9, 2025, SAPWG exposed further revisions to SSAP 22. The exposed revisions incorporate aspects of changes recommended by the NAMIC/APCIA comment letter and include additional NAIC staff changes to further clarify.</p> <p>SAPWG adopted the exposed revisions to SSAP 22 – Leases, which clarified situations where a sale-leaseback transaction includes restrictions on cash or assets that are received as part of a sale.</p>
IMR Proof of Reinvestment	<p>This issue originates from the monumental rate hikes the U.S. experienced between March 2022 and July 2023 when a series of 11 rates hikes were instituted to curb the post COVID pandemic inflation jolt. During that period the FED Funds rate spiked from .25-.50% to 5.25-5.50%. Clearly this whipsawed bond pricing to accommodate the rising interest rate environment. The outcome was material losses showing up in insurers portfolios impacting IMR calculations and creating substantial negative IMR balances that could not be considered admitted assets under current IMR rules. Insurers approached the NAIC for relief and in 2023 were granted temporary reprieve to admit negative IMR balances (up to 10% of C&S) IF a specific set of processes were incorporated in the admittance process (INT 23-01), including maintaining a minimum RBC greater than 300% adjusted authorized control level. There are also extensive disclosure requirements proving up compliance.</p> <p>Continued on next page.</p>	L	Y	Y	In Process TBD	2025-23	New SAP Concept <hr style="border-top: 1px dashed black;"/> New Issue Paper in Development	Adopted 03/23/2026	<p>On December 9, 2025, SAPWG exposed the proposed concepts and templates for the IMR Proof of Reinvestment. These concepts and disclosures are anticipated to be included in the issue paper and revised SSAP developed as part of the IMR long-term project.</p> <p>Adopted the proposed concepts for the IMR Proof of Reinvestment. With the Proof of Reinvestment, insurers would have to pass the proof in order to move into a net negative IMR position or increase a net negative IMR position in either the general account or book-value separate account. If a company does not complete the proof of reinvestment the company will be required to recognize losses that exceed gains from sales of qualifying fixed-income investments immediately as a capital loss. The concepts and revised disclosure templates will be subsequently exposed and considered for final adoption in the issue paper and revised SSAP.</p>

NAIC Spring Meeting 2026, Accounting Updates (SAPWG)

● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
	<p>By the way, the NAIC responsible committees are contemplating making this process permanent in the long-term. In addition to the initial requirements summarized above, this Issue 2025-03 now incorporates an added step to support net negative IMR admittance. The general concept behind negative IMR is that the proceeds from the sale of fixed-income securities have been reinvested into new fixed income investments providing a higher yield (this makes conceptual sense). With 2025-03 SAPWG has now incorporated the requirement to</p> <p>"track" those proceeds to prove <i>and disclose</i> the sales monies have been truly reinvested. That's not an easy task with cash flowing in all directions in a life company. So, SAPWG will provide a set of templates to standardize the proof process in calculating and disclosing the entity true-up of proof (which is rather extensive). If one fails the annual proof test, then you lose the option to admit the net negative IMR balance.</p> <p>BOTTOM LINE: The proof of reinvestment can be rather extensive step process. Insurance entities will want to assess their overall net negative IMR balances to determine materiality if considering incorporating the additional effort.</p>								

● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
Nonadmittance of Long Term Repos	<p>Some background - Why would a company want to employ a repurchase or reverse repurchase instrument? Answer 1 = if they have excess cash they can put that cash to better use via a reverse repurchase (i.e. lending) and potentially earn a higher return with minimal risk since the instrument is collateralized by highly-rated securities. Answer 2 = alternatively, if the entity has a need for liquidity or leverage, it can borrow cash for shorter term periods generally at a cheaper interest rate. Answer 3 = longer term repos are not as prolific, but do exist and are typically called "term repos" because unlike their short-term repo cousins they have a fixed maturity date and can have a duration of several months to a year or more. Again, due to full collateralization, these instruments offer a lower risk alternative.</p> <p>LOGICAL APPROACH: Due to the limited risk associated with these instruments, the NAIC made a logical reassessment of the existing requirements, and changed stance to admit the long-term repurchase agreement. However, in its continued conservative approach, SAPWG will require non-admitted status of reverse repurchase instruments with maturities greater than one year. Reason? The supporting collateral for a reverse repo is subject to market value fluctuation, thereby potentially exposing that instrument (and insurer) to negative market impact, leaving it uncollateralized (or insufficiently collateralized).</p>	L, AH, PC	Y	Y	Effective Immediately	2025-28	New SAP Concept	Adopted 03/23/2026	<p>On December 9, 2025, SAPWG exposed revisions to SSAP No. 103 to allow long-term repurchase agreements to be admitted.</p> <p>SAPWG adopted the exposed revisions to SSAP No. 103 to allow long-term repurchase agreements to be admitted, along with clarification that reverse repurchase agreements with maturity dates in excess of one year shall continue to be nonadmitted. The revisions also provide guidance on the reporting of long-term reverse repurchase agreements.</p>

NAIC Spring Meeting 2026, Accounting Updates (SAPWG)



● HIGH PRIORITY
 ● MODERATE PRIORITY
 ● LOW PRIORITY

Topic / Issue	What's the Rub? JLK Rosenberg Perspective	Applicable to	Financial Statement Impact	Disclosure	Effective Date	Ref #	SSAP	Status	Discussion
Reporting Clarifications	The introduction of the Principles-Based Bond Project (PBBP) criterion created multiple changes within the annual statement reporting areas. In particular, the annual statement supporting instructions had multiple adjustments necessary to incorporate the revised PBBP rules. This 2025-09 item is a list of SAP clarifications encountered by annual statement preparers and interested parties when actually assembling the 2025 annual statement as it applied to interpretation of the PBBP. It provides clarification only.	L, AH, PC	N	Y	Effective 12/31/2026	2025-29	AS blanks and instructions ----- SAP Clarification	Adopted 03/23/2026	<p>On December 9, 2025, SAPWG exposed an agenda item to modify and clarify guidance on the reporting of certain components in investment schedules, particularly in reference to the principles-based bond definition for debt securities.</p> <p>SAPWG adopted this agenda item and communicated support for sponsoring a blanks proposal to clarify reporting on debt securities. This agenda item included clarifications on the following topics: payment due at maturity, origination balloon payment %, rated notes/feeder funds, aggregate deferred interest, residuals on Schedule BA, and look-through on investments with underlying mortgage characteristics.</p> <p>This agenda item did not result in any SSAP revisions.</p>