



**ALERT**

## SEC Staff Observations Address Disclosures about Short-Duration Insurance Contracts

Recent SEC staff observations during discussions with the AICPA Insurance Expert Panel address how acquisitions and disposals of businesses, and the effect of foreign currency fluctuations, could be presented in disclosures about short-duration insurance contracts.<sup>1</sup>

The SEC staff's observations about how to present acquisitions, disposals, and foreign currency information in the incurred and paid claims development tables illustrate how the staff believes an insurance company can meet the objectives of new FASB disclosure requirements. Public business entities will need to include new disclosures in financial statements for annual reporting periods in fiscal years beginning after December 15, 2015, and interim reporting periods in fiscal years beginning after December 15, 2016.<sup>2</sup> Other companies will need to comply a year later.

If a registrant wants to use an approach that was not discussed with the AICPA's Insurance Expert Panel, the SEC staff is open to discussing specific facts and circumstances with that registrant.

The observations of the SEC staff are summarized in the [November 1 and 17, 2016 minutes](#) of the meetings that it held with the AICPA's panel.

**Contact us:** This is a publication of KPMG's Department of Professional Practice 212-909-5600

**Contributing authors:** Jennifer D. Austin and Alan W. Goad

**Earlier editions are available at:** [kpmg.com/us/frn](http://kpmg.com/us/frn)

Legal—The descriptive and summary statements in this newsletter are not intended to be a substitute for the potential requirements of the standard or any other potential or applicable requirements of the accounting literature or SEC regulations. Companies applying U.S. GAAP or filing with the SEC should apply the texts of the relevant laws, regulations, and accounting requirements, consider their particular circumstances, and consult their accounting and legal advisors. Issues & Trends In Insurance® is a registered trademark of KPMG LLP.

---

<sup>1</sup> AICPA Insurance Expert Panel Minutes of the November 1 and 17, 2016 meetings, available at [www.aicpa.org](http://www.aicpa.org).

<sup>2</sup> [FASB Accounting Standards Update No. 2015-09](#), Disclosures about Short-Duration Contracts, available at [www.fasb.org](http://www.fasb.org).