



Insurance Statutory Reporting

Issues & Trends

We summarize new and revised statutory accounting standards for 2023 and later financial reporting.

February 2024

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Introduction

This Insurance Statutory Reporting summarizes new and revised statutory accounting standards for 2023, 2024 and 2025 financial reporting, highlights the related NAIC meeting materials, and links to KPMG publications for additional discussion.

Effective for 2023 reporting

- SSAP Nos. 20 and 21R clarified that invested assets pledged as collateral for admitted collateral loans must qualify as admitted invested assets.
- SSAP No. 34 added disclosures for interest income due and accrued and for PIK interest included in the current principal balance.
- SSAP Nos. 43R and 48 clarified the scope and reporting of residual interests and residual security tranches.
- SSAP No. 54R clarified that a gross premium valuation under Appendix A-010 and cash flow testing under AG 51 are both required.
- SSAP No. 86 adopted, with modification, US GAAP guidance to determine hedge effectiveness and guidance about portfolio and partial-term fair value hedges.
- INT 23-01 provided optional, temporary guidance for negative (disallowed) interest maintenance reserve (IMR).
- INT 23-03 provided guidance on assessing the effects of CAMT for periods on or after the 2023 year-end.
- INT 23-04 provided accounting and reporting guidance for ceding entities with reinsurance receivables from the estate of Scottish Re in liquidation.

Effective for 2024 reporting

- SSAP No. 7 revised the Annual Statement Instructions to remove guidance permitting the allocation of non-interest related losses to IMR and to clarify that they should be allocated to AVR.

Effective for 2025 reporting

- SSAP No. 2R further restricted the investments reported as cash equivalents or short-term investments.
- SSAP Nos. 26R, 43R and other SSAPs added guidance for the principles-based bond definition.

Unless otherwise indicated, all guidance became effective on adoption.

The NAIC Spring 2024 meeting is scheduled to be held in Phoenix, AZ March 15-18.

2023 reporting

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
5R, Liabilities, Contingencies and Impairments of Assets	2022-01	Definition Update	<p>Adopted August 13, 2023</p> <p>Included updates from the FASB conceptual framework, with a modification, to define a liability, deferring to other SSAPs that provide more topic specific contradictory guidance.</p>	Issues & Trends Summer 2023
5R, Liabilities, Contingencies and Impairments of Assets 92, Postretirement Benefits Other Than Pensions 102, Pensions 103R, Transfers and Servicing of Financial Assets and Extinguishments of Liabilities	2023-18	Measurement	<p>Adopted October 23, 2023</p> <p>Added guidance, with modifications, from ASU 2016-19, Technical Corrections and Improvements.</p>	NA
20, Non-admitted assets 21R, Other Admitted Assets	2022-11	Measurement	<p>Adopted October 23, 2023</p> <p>Clarified that, to be admitted, collateral loans must be secured by the pledge of invested assets that would qualify for admittance if held directly.</p>	NA
24, Discontinued Operations and Unusual or Infrequent Items	2023-06	Disclosure	<p>Adopted August 13, 2023</p> <p>Clarified that even though the general disclosures from ASU 2021-10, Government Assistance (Topic 832) were</p>	Issues & Trends Summer 2023

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
			previously adopted, ASU 2021-10 is rejected.	
25, Affiliates and Other Related Parties	2022-15	Scope	Adopted March 22, 2023 Clarified the definition of an affiliated investment.	Issues & Trends Spring 2023
30R, Unaffiliated Common Stock 32R, Preferred Stock	2023-23	Classification	Adopted December 1, 2023 Clarified that investments that are in substance residual interests are reported on the reporting line for residuals in Schedule BA.	Issues & Trends Fall 2023 (January 2024 SAPWG Call)
34, Investment Income Due and Accrued	2022-17	Disclosure	Adopted March 22, 2023 Added disclosures for interest income due and accrued and for paid-in kind interest included in the current principal balance.	Issues & Trends Spring 2023
34, Investment Income Due and Accrued	2023-13	Disclosure	Adopted August 13, 2023 Clarified disclosures and incorporated a practical expedient for the paid-in-kind interest aggregate disclosures.	Issues & Trends Summer 2023
43R, Loan-Backed and Structured Securities 48, Joint Ventures, Partnerships and Limited Liability Companies	2023-12	Scope	Adopted September 21, 2023 Clarified the scope and reporting of residual interests and residual security tranches.	Issues & Trends September 2023 SAPWG Call
43R, Loan-Backed and Structured Securities	2023-02	Measurement	Adopted August 13, 2023 Added collateral loan obligations (CLOs) to the financial modeling guidance and clarified that CLOs are not included as legacy securities.	Issues & Trends Summer 2023

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
47, Uninsured Plans 95, Nonmonetary Transactions 104R, Share-Based Payments	2023-07	Scope	Adopted August 13, 2023 Added guidance, with modification, from ASU 2019-08, Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606).	Issues & Trends Summer 2023
54R, Individual and Group Accident and Health Contracts	2023-22	Measurement	Adopted December 1, 2023 Clarified that a gross premium valuation under Appendix A-010 and cash flow testing under AG 51 are both required.	Issues & Trends Fall 2023 (January 2024 SAPWG Call)
86, Derivatives	2021-20	Measurement	Adopted August 10, 2022 Added guidance, with modification, from the US GAAP guidance to determine hedge effectiveness.	Issues & Trends September 2022
	2022-09	Measurement	Adopted December 13, 2022 Added guidance, with modification, from the US GAAP guidance about the portfolio layer method and partial-term fair value hedges.	Issues & Trends February 2023
92, Postretirement Benefits Other Than Pensions 102, Pensions	2023-21	Measurement	Adopted October 23, 2023 Remove the transition guidance included in the initial adoption of these SSAPs, as it is past the ten-year effective period for that transition.	NA
100R, Fair Value	2022-16	Measurement	Adopted March 22, 2023 Added guidance, with modification, from ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions.	Issues & Trends Spring 2023

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
INT 20-01, Reference Rate Reform	2023-05	Recognition & Disclosure	Adopted August 13, 2023 Extended the expiration date to December 31, 2024	NA
INT 23-01T, Net Negative (Disallowed) IMR	2022-19	Measurement	Adopted August 13, 2023 Provided optional, temporary guidance for negative (disallowed) IMR.	Issues & Trends Summer 2023
INT 23-03, Inflation Reduction Act – Corporate Alternative Minimum Tax	2023-04	Measurement & Disclosure	Adopted September 21, 2023 Provided guidance on assessing the effects of CAMT for periods on or after the 2023 year-end.	Issues & Trends September 2023 SAPWG Call
INT 23-04, Scottish Re Life Reinsurance Liquidation Questions	INT 23-04	Measurement	Adopted January 10, 2024 Added accounting and reporting guidance for ceding entities with reinsurance receivables from the estate of Scottish Re in liquidation.	Issues & Trends Fall 2023 (January 2024 SAPWG Call)

2024 reporting

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
7, Asset Valuation Reserve and Interest Maintenance Reserve	2023-15	Measurement	Adopted December 1, 2023 Revised the Annual Statement Instructions to remove guidance permitting the allocation of non-interest related losses to IMR and to clarify that they should be allocated to AVR. <i>Revisions are effective January 1, 2024.</i>	Issues & Trends Fall 2023 (January 2024 SAPWG Call)

2025 reporting

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
2R, Cash, Cash Equivalents, Drafts, and Short-Term Investments	2023-17	Classification	<p>Adopted December 1, 2023 Further restricted the investments reported as cash equivalents or short-term investments. <i>Revisions are effective January 1, 2025.</i></p>	Issues & Trends Fall 2023 (January 2024 SAPWG Call)
26R, Bonds 43R, Loan-Backed and Structured Securities	2019-21	Measurement	<p>Adopted August 13, 2023 Added guidance for the principles-based bond definition, effective January 1, 2025. <i>Revisions are effective January 1, 2025.</i></p>	Issues & Trends Summer 2023 SAPWG Call

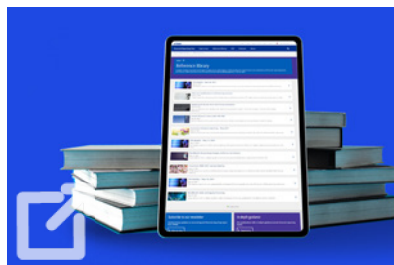
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