



Insurance Statutory Reporting

Issues & Trends

We summarize new and revised statutory accounting standards for 2022 and 2023 financial reporting.

February 2023

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Introduction

This Insurance Statutory Reporting summarizes new and revised statutory accounting standards for 2022 and 2023 financial reporting, highlights the related NAIC meeting materials, and links to KPMG publications for additional discussion.

Effective for 2022 reporting

- SSAP Nos. 19 and 73 clarified that when a lease terminates early, the amortization of leasehold improvements ceases, and any remaining unamortized leasehold improvement balance is expensed. The revisions included an exclusion for health care delivery assets.
- SSAP Nos. 25 and 43 clarified the identification and reporting of affiliated transactions and added disclosures in the Annual Statement investment schedules to identify investments held that involve related parties.
- SSAP 43R clarified that residual tranches or interests are recorded at the lower of amortized cost or fair value and reported on Schedule BA. Revisions are effective December 31, 2022. Early adoption was permitted.
- INT 22-02 provided an exception to insurers from assessing the effects of the insurer's valuation allowance and deferred tax assets from the Corporate Alternative Minimum Tax (CAMT) through the first quarter of 2023. It also provided subsequent event exceptions.

Effective for 2023 reporting

SSAP No. 86 adopted, with modification, US GAAP guidance to determine hedge effectiveness and guidance about portfolio and partial-term fair value hedges. Revisions are effective January 1, 2023 with early adoption permitted.

New guidance in this edition is in light blue type.

Unless otherwise indicated, all guidance became effective on adoption.

The NAIC Spring 2023 meeting is scheduled to be held in Louisville, KY March 22-25.

2022 reporting

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
4, Assets and Nonadmitted Assets Preamble	2022-01	Presentation/ Disclosure	Adopted August 10, 2022 Incorporated updates from the FASB conceptual framework in the definition of an asset.	Issues & Trends 09/22
19, Furniture, Fixtures, Equipment and Leasehold Improvements 73, Health Care Delivery Assets and Leasehold Improvements in Health Care Facilities	2021-25	Measurement	Adopted December 13, 2022 Clarified that when a lease terminates early, the amortization of leasehold improvements ceases, and any remaining unamortized leasehold improvement balance is expensed. The revisions include an exclusion for health care delivery assets.	Issues & Trends 02/23
24, Discontinued Operations and Unusual or Infrequent Items	2022-04	Presentation/Disclosure	Adopted August 10, 2022 Included certain government assistance disclosures from ASU 2021-10, Government Assistance (Topic 832)—Disclosures by Business Entities about Government Assistance.	Issues & Trends 09/22
25, Affiliates and Other Related Parties 43R, Loan-backed and Structured Securities	2021-21	Annual Statement only disclosure	Adopted May 24, 2022 Clarified the identification and reporting of affiliated transactions and added disclosures in the Annual Statement investment schedules to identify investments held with related parties. <i>Effective for 2022 year-end reporting.</i>	Issues & Trends 05/22

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
25, Affiliates and Other Related Parties 97, Investments in Subsidiary, Controlled and Affiliated Entities	2022-13	Scope	Adopted December 13, 2022 Added foreign open-end investment funds to the list of investments where the ownership percentage does not reflect control unless the insurer controls the fund with the power to direct or cause the direction of management of an underlying company.	Issues & Trends 02/23
43R, Loan-Backed and Structured Securities	2021-15	Presentation/ Disclosure	Adopted November 10, 2021 Clarified that residual tranches or interests are recorded at the lower of amortized cost or fair value and reported on Schedule BA. <i>Effective December 31, 2022. Early adoption was permitted.</i>	Issues & Trends 02/22
	2021-23	Designation guidance	Adopted April 4, 2022 Updated NAIC designation and designation category guidance for residential mortgage-backed securities and commercial mortgage-backed securities.	Issues & Trends 05/22
48, Joint Ventures, Partnerships and Limited Liability Companies	2022-02	Measurement	Adopted August 10, 2022 Clarified that the audit of US tax basis financial statements should occur at the investee level when used as an alternative valuation method for a minority ownership interest.	Issues & Trends 09/22
72, Surplus and Quasi-Reorganizations	2021-27	Measurement	Adopted April 4, 2022 Added guidance on accounting for changes in fair values for written call options.	NA
104R, Share Based Payments	2022-06	Measurement	Adopted August 10, 2022	Issues & Trends 09/22

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
			Incorporated the practical expedient in ASU 2021-07, Compensation—Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based-Awards, when determining the current price input in option-pricing models used to estimate the fair value of share-based payments.	
INT 22-01, Freddie Mac When-Issued K-Deal Certificates	2022-08	Scope	Adopted May 24, 2022 Clarified that Freddie Mac When-Issued K-Deal Certificates are in the scope of SSAP No. 43R from the date of initial acquisition.	Issues & Trends 05/22
INT 22-02, Third Quarter 2022 through First Quarter 2023 Reporting of the Inflation Reduction Act – Corporate Alternative Minimum Tax	INT 22-02	Measurement/ Disclosure	Adopted December 13, 2022 Provided an exception to insurers from assessing the effects on the insurer's valuation allowance and deferred tax assets from the CAMT through the first quarter of 2023. Also provided subsequent event exceptions. This INT will be nullified on June 15, 2023.	Issues & Trends 02/23
Preamble, Table of Contents, and Appendix F	2021-26EP	Editorial change	Adopted April 4, 2022 Updated terminology references of 'substantive' and 'nonsubstantive' to reflect 'new SAP concept' and 'SAP Clarification'.	NA

2023 reporting

SSAP / INT/Other, Title	NAIC Ref.	Type	Revisions	Read more
86, Derivatives	2021-20	Measurement	<p>Adopted August 10, 2022</p> <p>Adopted, with modification, US GAAP guidance to determine hedge effectiveness.</p> <p><i>Revisions are effective January 1, 2023, with early adoption permitted.</i></p>	<p>Issues & Trends 09/22</p>
	2022-09	Measurement	<p>Adopted December 13, 2022</p> <p>Adopted, with modification, US GAAP guidance about the portfolio layer method and partial-term fair value hedges.</p> <p><i>Revisions are effective January 1, 2023, with early adoption permitted.</i></p>	<p>Issues & Trends 02/23</p>

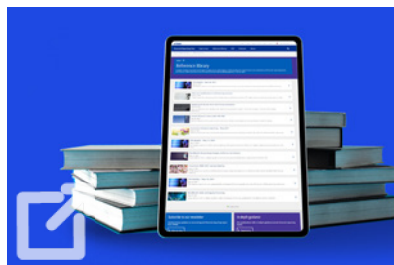
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Acknowledgments

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