



TaxNewsFlash

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Rev. Proc. 2025-15: Insurance companies, unpaid loss discount factors for 2024 accident year

The IRS today released [Rev. Proc. 2025-15](#) prescribing discount factors for the 2024 accident year for use by insurance companies in computing discounted unpaid losses under section 846 and discounted estimated salvage recoverable under section 832.

Rev. Proc. 2025-15 also provides, for convenience, discount factors for losses incurred in the 2023 accident year and earlier accident years for use in tax years beginning in 2024. The discount factors for accident years before 2024 were prescribed in earlier revenue procedures (e.g., [Rev. Proc. 2023-41](#))

Rev. Proc. 2025-15 provides that the discount factors for losses incurred in accident year 2024 are determined by using the applicable interest rate for 2024 under section 846(c), which is 3.18% compounded semiannually. The exceptions are the discount factors for long-tail lines of business determined using the composite method described in section V of Notice 88-100. All discount factors are determined by assuming all loss payments occur in the middle of the calendar year.

Background

The discount factors are determined pursuant to section 846—a provision of the Code that was amended by the Pub. L. No. 115-97 (the “Tax Cuts and Jobs Act” (TCJA))—and the final regulations under section 846 as published in June 2019. Read [TaxNewsFlash](#)

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