



# TaxNewsFlash

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## Rev. Proc. 2026-13: Insurance companies, unpaid loss discount factors for 2025 accident year

The IRS today released [Rev. Proc. 2026-13](#) prescribing discount factors for the 2025 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. 2026-13 also provides, for convenience, discount factors for losses incurred in the 2024 accident year and earlier accident years for use in tax years beginning in 2025. The discount factors for accident years before 2025 were prescribed in earlier revenue procedures (e.g., [Rev. Proc. 2025-15](#))

Rev. Proc. 2026-13 provides that the discount factors for losses incurred in accident year 2025 are determined by using the applicable interest rate for 2025 under section 846(c), which is 3.57% 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.

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