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February 16, 2018

Mr. Dale Bruggeman  
Chair, Statutory Accounting Principles (E) Working Group  
National Association of Insurance Commissioners  
Via Email: Julia Gann ([jgann@naic.org](mailto:jgann@naic.org))

Re: SSAP No. 101, Federal Income Tax Reform

Dear Mr. Bruggeman,

The Tax Work Group of the American Academy of Actuaries<sup>1</sup> would like to offer a suggestion on Exposure 2018-01, Federal Income Tax Reform. In the Statutory Accounting Principles (E) Working Group paper on the impact of the 2018 federal income tax changes on SSAP 101. The terms “life entities” and “non-life entities” are used. It should be clarified that “life entities” means insurance companies that qualify as life insurance companies under the federal tax code and “non-life entities” means insurance companies that do not qualify as life insurance companies under the federal tax code.

One way to handle this would be in a footnote the first time these terms appear. For example, a footnote could state, “Whenever the term ‘life entities’ is used, it means insurance companies that qualify as life insurance companies under the federal tax code and when the term “non-life entities” is used, it means insurance companies that do not qualify as life insurance companies under the federal tax code.”

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Should you have any questions or comments, please contact Ian Trepanier, Life Policy Analyst at the American Academy of Actuaries. ([Trepanier@actuary.org](mailto:Trepanier@actuary.org)).

Sincerely,

Barbara Gold, MAAA, FSA  
Chair, Tax Work Group  
American Academy of Actuaries

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<sup>1</sup> The American Academy of Actuaries is a 19,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.