



# TaxNewsFlash

United States



No. 2022-398  
December 23, 2022

## Rev. Proc. 2023-10: Insurance companies, unpaid loss discount factors for 2022 accident year

The IRS today released an advance version of [Rev. Proc. 2023-10](#) [PDF 216 KB] prescribing the loss payment patterns for the 2022 determination year and the discount factors for the 2022 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. 2023-10 also provides, for convenience, discount factors for losses incurred in the 2022 accident year and earlier accident years for use in taxable years beginning in 2022. The discount factors for accident years before 2022 were prescribed in earlier revenue procedures (e.g., [Rev. Proc. 2021-54](#) [PDF 846 KB]).

Rev. Proc. 2023-10 provides that the discount factors for losses incurred in accident year 2022 are determined by using the applicable interest rate for 2022 under section 846(c), which is 2.67% compounded semiannually. There are exceptions for the discount factors for long-tail lines of business provided for tax years beginning in 2032, which are computed using discount factors applicable to multiple accident years. 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 2017 U.S. tax law (Pub. L. No. 115-97), the law that is commonly referred to as the “Tax Cuts and Jobs Act” (TCJA)—and the final regulations under section 846 as published in June 2019. Read [TaxNewsFlash](#)

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)