

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.201: Rulings and determination letters.
(Also: Part I, Sections 846; 1.846-1.)

Rev. Proc. 2014-59

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 2014 accident year. These factors will be used to compute discounted unpaid losses under § 846 of the Internal Revenue Code. See Rev. Proc. 2012-44, 2012-49 I.R.B. 645, for background concerning the loss payment patterns and application of the discount factors.

SECTION 2. SCOPE

This revenue procedure applies to any taxpayer that is required to discount unpaid losses under § 846 for a line of business using the discount factors published by the Secretary.

SECTION 3. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 846 for accident year 2014. All the discount factors presented in this section were

determined using the applicable interest rate under § 846(c) for 2014, which is 1.79 percent, and by assuming all loss payments occur in the middle of the calendar year.

.02 If the groupings of individual lines of business on the annual statement change, taxpayers must discount unpaid losses on the resulting line of business in accordance with the discounting patterns that would have applied to those unpaid losses based on their classification on the 2010 annual statement. See Rev. Proc. 2012-44, 2012-49 I.R.B. 645, section 2, for additional background on discounting under § 846 and the use of the Secretary's tables.

.03 Section V of Notice 88-100, 1988-2 C.B. 439, sets forth a composite method for computing discounted unpaid losses for accident years that are not separately reported on the annual statement. The tables separately provide discount factors for taxpayers who elect to use the composite method of section V of Notice 88-100. See Rev. Proc. 2002-74, 2002-2 C.B. 980.

.04 Tables.

Accident and Health (Other Than Disability Income or Credit Disability Insurance)

Taxpayers that do not use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the 2014 and later taxable years.

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount all unpaid losses in this line of business that are outstanding at the end of the 2014 taxable year.

Auto Physical Damage

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	90.2657	90.2657	9.7343	9.6418	99.0495
2015	99.7478	9.4822	0.2522	0.2478	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	0.1261	0.1261	0.1250	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

Commercial Auto/Truck Liability/Medical

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	25.7034	25.7034	74.2966	71.4890	96.2212
2015	48.2664	22.5629	51.7336	50.0047	96.6580
2016	67.8834	19.6171	32.1166	31.1079	96.8595
2017	82.0630	14.1795	17.9370	17.3589	96.7769
2018	90.4161	8.3532	9.5839	9.2420	96.4332
2019	94.6293	4.2132	5.3707	5.1568	96.0164
2020	97.0203	2.3910	2.9797	2.8368	95.2026
2021	98.2283	1.2081	1.7717	1.6687	94.1900
2022	98.6653	0.4370	1.3347	1.2578	94.2342
2023	98.8635	0.1982	1.1365	1.0803	95.0540

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	0.1982	0.9382	0.8996	95.8817
2025	0.1982	0.7400	0.7157	96.7157
2026	0.1982	0.5417	0.5285	97.5525
2027	0.1982	0.3435	0.3379	98.3798
2028 and later years	0.1982	0.1453	0.1440	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 95.9970 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Composite

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	39.5281	39.5281	60.4719	57.4533	95.0081
2015	62.0267	22.4986	37.9733	35.7826	94.2309
2016	73.7017	11.6750	26.2983	24.6441	93.7097
2017	80.0846	6.3830	19.9154	18.6454	93.6230
2018	85.7818	5.6971	14.2182	13.2312	93.0581
2019	90.2809	4.4992	9.7191	8.9288	91.8690
2020	91.9588	1.6778	8.0412	7.3959	91.9740
2021	92.9722	1.0134	7.0278	6.5058	92.5719
2022	94.0835	1.1113	5.9165	5.5010	92.9776
2023	94.7469	0.6634	5.2531	4.9302	93.8528

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	0.6634	4.5898	4.3492	94.7583
2025	0.6634	3.9264	3.7578	95.7050
2026	0.6634	3.2631	3.1558	96.7121
2027	0.6634	2.5997	2.5430	97.8186
2028 and later years	0.6634	1.9364	1.9193	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 94.8470 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Fidelity/Surety

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	22.8449	22.8449	77.1551	75.3264	97.6298
2015	55.8585	33.0137	44.1415	43.3670	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	22.0707	22.0707	21.8758	99.1168
----------------------	---------	---------	---------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

Financial Guaranty/Mortgage Guaranty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	6.2515	6.2515	93.7485	91.4394	97.5370
2015	43.0154	36.7639	56.9846	55.9847	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	28.4923	28.4923	28.2407	99.1168
----------------------	---------	---------	---------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

International (Composite)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	39.5281	39.5281	60.4719	57.4533	95.0081
2015	62.0267	22.4986	37.9733	35.7826	94.2309
2016	73.7017	11.6750	26.2983	24.6441	93.7097
2017	80.0846	6.3830	19.9154	18.6454	93.6230
2018	85.7818	5.6971	14.2182	13.2312	93.0581
2019	90.2809	4.4992	9.7191	8.9288	91.8690
2020	91.9588	1.6778	8.0412	7.3959	91.9740
2021	92.9722	1.0134	7.0278	6.5058	92.5719
2022	94.0835	1.1113	5.9165	5.5010	92.9776
2023	94.7469	0.6634	5.2531	4.9302	93.8528

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	0.6634	4.5898	4.3492	94.7583
2025	0.6634	3.9264	3.7578	95.7050
2026	0.6634	3.2631	3.1558	96.7121
2027	0.6634	2.5997	2.5430	97.8186
2028 and later years	0.6634	1.9364	1.9193	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 94.8470 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Medical Professional Liability -- Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	6.3462	6.3462	93.6538	88.5243	94.5230
2015	23.0958	16.7496	76.9042	73.2101	95.1965
2016	41.6827	18.5868	58.3173	55.7681	95.6287
2017	56.5267	14.8440	43.4733	41.7901	96.1281
2018	71.2882	14.7615	28.7118	27.6451	96.2847
2019	82.3023	11.0141	17.6977	17.0277	96.2140
2020	86.5143	4.2120	13.4857	13.0830	97.0134
2021	91.1422	4.6279	8.8578	8.6480	97.6313
2022	94.8664	3.7242	5.1336	5.0454	98.2819
2023	97.5408	2.6745	2.4592	2.4375	99.1168

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024 and later years	2.4592	–	–	99.1168
----------------------	--------	---	---	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Medical Professional Liability -- Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	1.2044	1.2044	98.7956	90.6806	91.7861
2015	4.3376	3.1332	95.6624	89.1427	93.1846
2016	11.8161	7.4785	88.1839	83.1932	94.3405
2017	24.7088	12.8928	75.2912	71.6747	95.1967
2018	42.3863	17.6774	57.6137	55.1228	95.6764
2019	57.1600	14.7738	42.8400	41.2040	96.1813
2020	68.9797	11.8196	31.0203	30.0167	96.7644
2021	82.4247	13.4450	17.5753	16.9891	96.6647
2022	86.7084	4.2837	13.2916	12.9714	97.5906
2023	91.6701	4.9617	8.3299	8.1977	98.4120

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024 and later years	4.9617	3.3683	3.3385	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 97.0243 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Miscellaneous Casualty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	69.0731	69.0731	30.9269	30.2773	97.8996
2015	85.5169	16.4438	14.4831	14.2290	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	7.2415	7.2415	7.1776	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

Multiple Peril Lines (Homeowners/Farmowners, Commercial Multiple Peril, and Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery))

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	60.9719	60.9719	39.0281	37.7427	96.7063
2015	82.9059	21.9341	17.0941	16.2888	95.2890
2016	89.2783	6.3724	10.7217	10.1511	94.6789
2017	91.5605	2.2822	8.4395	8.0303	95.1520
2018	94.4255	2.8649	5.5745	5.2836	94.7811
2019	96.5899	2.1644	3.4101	3.1945	93.6765
2020	97.6023	1.0124	2.3977	2.2302	93.0150
2021	98.0034	0.4011	1.9966	1.8655	93.4323
2022	98.3410	0.3376	1.6590	1.5583	93.9272
2023	98.5727	0.2317	1.4273	1.3524	94.7512

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	0.2317	1.1957	1.1429	95.5863
2025	0.2317	0.9640	0.9297	96.4337
2026	0.2317	0.7324	0.7126	97.2960
2027	0.2317	0.5007	0.4916	98.1802
2028 and later years	0.2317	0.2691	0.2667	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 95.6622 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Other (Including Credit)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	54.6589	54.6589	45.3411	44.5308	98.2129
2015	84.2314	29.5725	15.7686	15.4919	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	7.8843	7.8843	7.8146	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

Other Liability -- Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	7.4270	7.4270	92.5730	87.1655	94.1587
2015	25.2808	17.8538	74.7192	70.7129	94.6382
2016	44.2108	18.9301	55.7892	52.8800	94.7853
2017	56.4956	12.2848	43.5044	41.4323	95.2370
2018	69.2838	12.7883	30.7162	29.2717	95.2975
2019	77.6662	8.3823	22.3338	21.3387	95.5442
2020	83.1572	5.4910	16.8428	16.1807	96.0688
2021	88.1777	5.0205	11.8223	11.4051	96.4709
2022	93.1315	4.9539	6.8685	6.6113	96.2552
2023	92.9490	-0.1826	7.0510	6.9138	98.0536

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	3.2639	3.7871	3.7446	98.8760
2025 and later years	3.2639	0.5232	0.5186	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 98.8835 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Other Liability -- Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	10.0721	10.0721	89.9279	83.2624	92.5879
2015	24.3995	14.3274	75.6005	70.2978	92.9858
2016	37.3366	12.9372	62.6634	58.5036	93.3618
2017	52.4142	15.0776	47.5858	44.3389	93.1768
2018	64.3437	11.9295	35.6563	33.0968	92.8218
2019	73.7950	9.4512	26.2050	24.1538	92.1723
2020	79.7756	5.9807	20.2244	18.5522	91.7317
2021	84.0963	4.3206	15.9037	14.5251	91.3315
2022	85.6878	1.5915	14.3122	13.1794	92.0851
2023	86.9224	1.2346	13.0776	12.1698	93.0577

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	1.2346	11.8431	11.1420	94.0805
2025	1.2346	10.6085	10.0959	95.1680
2026	1.2346	9.3740	9.0311	96.3421
2027	1.2346	8.1394	7.9472	97.6382
2028 and later years	1.2346	6.9048	6.8439	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 94.1596 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Private Passenger Auto Liability/Medical

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	42.9881	42.9881	57.0119	55.4898	97.3301
2015	71.9931	29.0051	28.0069	27.2195	97.1887
2016	84.8250	12.8318	15.1750	14.7605	97.2687
2017	92.3500	7.5251	7.6500	7.4327	97.1594
2018	96.2665	3.9165	3.7335	3.6143	96.8084
2019	97.9880	1.7214	2.0120	1.9422	96.5308
2020	98.7958	0.8078	1.2042	1.1620	96.4928
2021	99.2445	0.4487	0.7555	0.7300	96.6335
2022	99.4543	0.2097	0.5457	0.5315	97.3919
2023	99.6370	0.1827	0.3630	0.3567	98.2513

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024 and later years	0.1827	0.1803	0.1787	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Products Liability -- Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	4.5270	4.5270	95.4730	87.9108	92.0792
2015	16.0134	11.4865	83.9866	77.8956	92.7476
2016	45.1313	29.1179	54.8687	49.9126	90.9673
2017	39.2459	-5.8854	60.7541	56.7438	93.3992
2018	44.8357	5.5898	55.1643	52.1199	94.4813
2019	72.1615	27.3258	27.8385	25.4836	91.5409
2020	80.4448	8.2834	19.5552	17.5826	89.9130
2021	73.2957	-7.1491	26.7043	25.1102	94.0305
2022	87.4824	14.1866	12.5176	11.2466	89.8460
2023	87.7500	0.2677	12.2500	11.1779	91.2480

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	0.2677	11.9823	11.1079	92.7025
2025	0.2677	11.7147	11.0367	94.2127
2026	0.2677	11.4470	10.9642	95.7823
2027	0.2677	11.1793	10.8904	97.4156
2028 and later years	0.2677	10.9117	10.8153	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 94.4051 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Products Liability – Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	7.1936	7.1936	92.8064	85.1351	91.7341
2015	16.9555	9.7619	83.0445	76.8101	92.4927
2016	28.3624	11.4069	71.6376	66.6765	93.0747
2017	39.7945	11.4321	60.2055	56.3360	93.5729
2018	54.3906	14.5961	45.6094	42.6183	93.4419
2019	60.9060	6.5154	39.0940	36.8077	94.1518
2020	67.7760	6.8700	32.2240	30.5353	94.7596
2021	75.7119	7.9359	24.2881	23.0753	95.0067
2022	79.5966	3.8847	20.4034	19.5690	95.9107
2023	83.9430	4.3464	16.0570	15.5342	96.7441

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	4.3464	11.7107	11.4272	97.5795
2025	4.3464	7.3643	7.2467	98.4026
2026 and later years	4.3464	3.0179	2.9913	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 97.9028 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Reinsurance -- Nonproportional Assumed Property

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	20.1003	20.1003	79.8997	77.0575	96.4428
2015	59.2833	39.1830	40.7167	38.9047	95.5497
2016	73.0867	13.8034	26.9133	25.6747	95.3978
2017	80.3675	7.2808	19.6325	18.7886	95.7015
2018	87.7278	7.3603	12.2722	11.6990	95.3295
2019	94.4454	6.7175	5.5546	5.1310	92.3737
2020	96.5143	2.0689	3.4857	3.1355	89.9532
2021	97.9468	1.4326	2.0532	1.7463	85.0551
2022	97.4560	-0.4909	2.5440	2.2728	89.3394
2023	97.0652	-0.3908	2.9348	2.7078	92.2638

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	0.1836	2.7512	2.5710	93.4497
2025	0.1836	2.5675	2.4317	94.7098
2026	0.1836	2.3839	2.2900	96.0596
2027	0.1836	2.2003	2.1457	97.5193
2028 and later years	0.1836	2.0166	1.9988	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 93.6157 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Reinsurance -- Nonproportional Assumed Liability

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	3.4987	3.4987	96.5013	88.6033	91.8156
2015	23.2170	19.7183	76.7830	70.2953	91.5505
2016	43.7483	20.5313	56.2517	50.8393	90.3782
2017	38.9131	-4.8352	61.0869	56.6276	92.7001
2018	47.9298	9.0167	52.0702	48.5442	93.2284
2019	80.0315	32.1017	19.9685	17.0254	85.2613
2020	76.5053	-3.5292	23.4947	20.8878	88.9042
2021	78.1701	1.6649	21.8299	19.5820	89.7028
2022	80.0717	1.9015	19.9283	18.0141	90.3941
2023	79.8791	-0.1926	20.1209	18.5308	92.0972

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	1.1246	18.9963	17.7279	93.3227
2025	1.1246	17.8717	16.9106	94.6220
2026	1.1246	16.7471	16.0787	96.0085
2027	1.1246	15.6225	15.2318	97.4993
2028 and later years	1.1246	14.4979	14.3699	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 93.5114 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Reinsurance -- Nonproportional Assumed Financial Lines

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	1.5423	1.5423	98.4577	92.2737	93.7191
2015	20.9273	19.3850	79.0727	74.3677	94.0497
2016	30.4705	9.5433	69.5295	66.0705	95.0253
2017	46.3043	15.8337	53.6957	51.2784	95.4981
2018	51.8464	5.5421	48.1536	46.6047	96.7836
2019	72.7869	20.9405	27.2131	26.3119	96.6884
2020	82.0967	9.3097	17.9033	17.3902	97.1337
2021	89.2630	7.1664	10.7370	10.4712	97.5250
2022	95.3692	6.1062	4.6308	4.4981	97.1342
2023	96.7995	1.4303	3.2005	3.1355	97.9710

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	1.4303	1.7702	1.7486	98.7822
2025 and later years	1.4303	0.3399	0.3369	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 98.8072 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	55.6145	55.6145	44.3855	43.7162	98.4922
2015	89.3328	33.7182	10.6672	10.4801	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	5.3336	5.3336	5.2865	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

Warranty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	85.4101	85.4101	14.5899	14.4490	99.0347
2015	99.5388	14.1287	0.4612	0.4531	98.2453

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2016 and later years	0.2306	0.2306	0.2286	99.1168
----------------------	--------	--------	--------	---------

Taxpayers that use the composite method of Notice 88-100 should use 99.1168 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2016 taxable year.

Workers' Compensation

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2014	21.8973	21.8973	78.1027	71.7286	91.8388
2015	43.4962	21.5989	56.5038	51.2212	90.6509
2016	56.0061	12.5099	43.9939	39.5167	89.8231
2017	63.5544	7.5482	36.4456	32.6085	89.4717
2018	68.9880	5.4337	31.0120	27.7101	89.3530
2019	73.9567	4.9687	26.0433	23.1932	89.0563
2020	76.0580	2.1013	23.9420	21.4883	89.7517
2021	77.6365	1.5785	22.3635	20.2804	90.6854
2022	80.1194	2.4828	19.8806	18.1385	91.2368
2023	81.3456	1.2262	18.6544	17.2260	92.3427

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2014 accident year and that are outstanding at the end of the tax year shown.

2024	1.2262	17.4281	16.2971	93.5104
2025	1.2262	16.2019	15.3517	94.7524
2026	1.2262	14.9757	14.3893	96.0846
2027	1.2262	13.7494	13.4097	97.5293
2028 and later years	1.2262	12.5232	12.4126	99.1168

Taxpayers that use the composite method of Notice 88-100 should use 94.5527 percent to discount unpaid losses incurred in this line of business in 2014 and prior years and that are outstanding at the end of the 2024 taxable year.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is David Remus of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure contact Mr. Remus on (202) 317-6995 (not a toll free call).