

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.201: Rulings and determination letters.

(Also: Part I, Sections 846; 1.846-1.)

Rev. Proc. 2016-58

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 2016 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 2016. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 2016, which is 1.56 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 99.2290 percent to discount unpaid losses incurred in this line of business in the 2016 accident year and that are outstanding at the end of the 2016 and later taxable years.

Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount all unpaid losses in this line of business that are outstanding at the end of the 2016 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 (%)
2016	90.2657	90.2657	9.7343	9.6535	99.1701
2017	99.7478	9.4822	0.2522	0.2483	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	0.1261	0.1261	0.1251	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	25.7034	25.7034	74.2966	71.8363	96.6886
2017	48.2664	22.5629	51.7336	50.2188	97.0718
2018	67.8834	19.6171	32.1166	31.2327	97.2479
2019	82.0630	14.1795	17.9370	17.4302	97.1744
2020	90.4161	8.3532	9.5839	9.2840	96.8715
2021	94.6293	4.2132	5.3707	5.1830	96.5045
2022	97.0203	2.3910	2.9797	2.8543	95.7897
2023	98.2283	1.2081	1.7717	1.6814	94.9023
2024	98.6653	0.4370	1.3347	1.2672	94.9441
2025	98.8635	0.1982	1.1365	1.0872	95.6662

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	0.1982	0.9382	0.9044	96.3940
2027	0.1982	0.7400	0.7187	97.1264
2028	0.1982	0.5417	0.5302	97.8602
2029	0.1982	0.3435	0.3386	98.5845
2030 and later years	0.1982	0.1453	0.1441	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 97.0950 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	39.5281	39.5281	60.4719	57.8180	95.6113
2017	62.0267	22.4986	37.9733	36.0465	94.9259
2018	73.7017	11.6750	26.2983	24.8432	94.4666
2019	80.0846	6.3830	19.9154	18.7981	94.3901
2020	85.7818	5.6971	14.2182	13.3500	93.8935
2021	90.2809	4.4992	9.7191	9.0241	92.8498
2022	91.9588	1.6778	8.0412	7.4740	92.9464
2023	92.9722	1.0134	7.0278	6.5693	93.4763
2024	94.0835	1.1113	5.9165	5.5519	93.8371
2025	94.7469	0.6634	5.2531	4.9700	94.6094

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	0.6634	4.5898	4.3790	95.4073
2027	0.6634	3.9264	3.7788	96.2399
2028	0.6634	3.2631	3.1692	97.1241
2029	0.6634	2.5997	2.5502	98.0937
2030 and later years	0.6634	1.9364	1.9214	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 96.4927 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	22.8449	22.8449	77.1551	75.5562	97.9277
2017	55.8585	33.0137	44.1415	43.4648	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	22.0707	22.0707	21.9006	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	6.2515	6.2515	93.7485	91.7295	97.8464
2017	43.0154	36.7639	56.9846	56.1110	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	28.4923	28.4923	28.2726	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	39.5281	39.5281	60.4719	57.8180	95.6113
2017	62.0267	22.4986	37.9733	36.0465	94.9259
2018	73.7017	11.6750	26.2983	24.8432	94.4666
2019	80.0846	6.3830	19.9154	18.7981	94.3901
2020	85.7818	5.6971	14.2182	13.3500	93.8935
2021	90.2809	4.4992	9.7191	9.0241	92.8498
2022	91.9588	1.6778	8.0412	7.4740	92.9464
2023	92.9722	1.0134	7.0278	6.5693	93.4763
2024	94.0835	1.1113	5.9165	5.5519	93.8371
2025	94.7469	0.6634	5.2531	4.9700	94.6094

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	0.6634	4.5898	4.3790	95.4073
2027	0.6634	3.9264	3.7788	96.2399
2028	0.6634	3.2631	3.1692	97.1241
2029	0.6634	2.5997	2.5502	98.0937
2030 and later years	0.6634	1.9364	1.9214	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 96.4927 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	6.3462	6.3462	93.6538	89.1520	95.1953
2017	23.0958	16.7496	76.9042	73.6651	95.7881
2018	41.6827	18.5868	58.3173	56.0830	96.1686
2019	56.5267	14.8440	43.4733	41.9985	96.6076
2020	71.2882	14.7615	28.7118	27.7775	96.7458
2021	82.3023	11.0141	17.6977	17.1111	96.6856
2022	86.5143	4.2120	13.4857	13.1334	97.3871
2023	91.1422	4.6279	8.8578	8.6744	97.9290
2024	94.8664	3.7242	5.1336	5.0566	98.4989
2025	97.5408	2.6745	2.4592	2.4402	99.2290

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026 and later years	2.4592	–	–	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	1.2044	1.2044	98.7956	91.6674	92.7849
2017	4.3376	3.1332	95.6624	89.9398	94.0180
2018	11.8161	7.4785	88.1839	83.8063	95.0358
2019	24.7088	12.8928	75.2912	72.1207	95.7891
2020	42.3863	17.6774	57.6137	55.4311	96.2115
2021	57.1600	14.7738	42.8400	41.4072	96.6556
2022	68.9797	11.8196	31.0203	30.1417	97.1676
2023	82.4247	13.4450	17.5753	17.0624	97.0618
2024	86.7084	4.2837	13.2916	13.0116	97.8935
2025	91.6701	4.9617	8.3299	8.2144	98.6127

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026 and later years	4.9617	3.3683	3.3423	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	69.0731	69.0731	30.9269	30.3590	98.1638
2017	85.5169	16.4438	14.4831	14.2610	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	7.2415	7.2415	7.1857	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	60.9719	60.9719	39.0281	37.9001	97.1096
2017	82.9059	21.9341	17.0941	16.3869	95.8627
2018	89.2783	6.3724	10.7217	10.2205	95.3261
2019	91.5605	2.2822	8.4395	8.0800	95.7413
2020	94.4255	2.8649	5.5745	5.3189	95.4145
2021	96.5899	2.1644	3.4101	3.2206	94.4441
2022	97.6023	1.0124	2.3977	2.2506	93.8655
2023	98.0034	0.4011	1.9966	1.8815	94.2357
2024	98.3410	0.3376	1.6590	1.5706	94.6737
2025	98.5727	0.2317	1.4273	1.3617	95.3998

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	0.2317	1.1957	1.1495	96.1346
2027	0.2317	0.9640	0.9340	96.8791
2028	0.2317	0.7324	0.7151	97.6355
2029	0.2317	0.5007	0.4928	98.4099
2030 and later years	0.2317	0.2691	0.2670	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 96.9112 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	54.6589	54.6589	45.3411	44.6328	98.4380
2017	84.2314	29.5725	15.7686	15.5268	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	7.8843	7.8843	7.8235	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	7.4270	7.4270	92.5730	87.8256	94.8717
2017	25.2808	17.8538	74.7192	71.2032	95.2943
2018	44.2108	18.9301	55.7892	53.2368	95.4250
2019	56.4956	12.2848	43.5044	41.6871	95.8227
2020	69.2838	12.7883	30.7162	29.4498	95.8772
2021	77.6662	8.3823	22.3338	21.4618	96.0953
2022	83.1572	5.4910	16.8428	16.2629	96.5568
2023	88.1777	5.0205	11.8223	11.4571	96.9106
2024	93.1315	4.9539	6.8685	6.6435	96.7242
2025	92.9490	-0.1826	7.0510	6.9311	98.2990

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	3.2639	3.7871	3.7499	99.0184
2027 and later years	3.2639	0.5232	0.5192	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 99.0369 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	10.0721	10.0721	89.9279	84.0612	93.4762
2017	24.3995	14.3274	75.6005	70.9339	93.8272
2018	37.3366	12.9372	62.6634	59.0027	94.1583
2019	52.4142	15.0776	47.5858	44.7284	93.9954
2020	64.3437	11.9295	35.6563	33.4040	93.6834
2021	73.7950	9.4512	26.2050	24.4004	93.1136
2022	79.7756	5.9807	20.2244	18.7539	92.7295
2023	84.0963	4.3206	15.9037	14.6923	92.3828
2023	85.6878	1.5915	14.3122	13.3176	93.0508
2025	86.9224	1.2346	13.0776	12.2812	93.9100

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	1.2346	11.8431	11.2286	94.8119
2027	1.2346	10.6085	10.1597	95.7689
2028	1.2346	9.3740	9.0740	96.8001
2029	1.2346	8.1394	7.9714	97.9360
2030 and later years	1.2346	6.9048	6.8516	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 96.2276 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	42.9881	42.9881	57.0119	55.6793	97.6626
2017	71.9931	29.0051	28.0069	27.3175	97.5386
2018	84.8250	12.8318	15.1750	14.8121	97.6085
2019	92.3500	7.5251	7.6500	7.4597	97.5123
2020	96.2665	3.9165	3.7335	3.6291	97.2044
2021	97.9880	1.7214	2.0120	1.9509	96.9616
2022	98.7958	0.8078	1.2042	1.1672	96.9294
2023	99.2445	0.4487	0.7555	0.7332	97.0542
2024	99.4543	0.2097	0.5457	0.5333	97.7195
2025	99.6370	0.1827	0.3630	0.3575	98.4721

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026 and later years	0.1827	0.1803	0.1789	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	4.5270	4.5270	95.4730	88.8146	93.0259
2017	16.0134	11.4865	83.9866	78.6245	93.6155
2018	45.1313	29.1179	54.8687	50.5069	92.0504
2019	39.2459	-5.8854	60.7541	57.2259	94.1927
2020	44.8357	5.5898	55.1643	52.4854	95.1438
2021	72.1615	27.3258	27.8385	25.7661	92.5555
2022	80.4448	8.2834	19.5552	17.8203	91.1284
2023	73.2957	-7.1491	26.7043	25.3029	94.7525
2024	87.4824	14.1866	12.5176	11.4008	91.0781
2025	87.7500	0.2677	12.2500	11.3089	92.3180

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	0.2677	11.9823	11.2156	93.6014
2027	0.2677	11.7147	11.1208	94.9310
2028	0.2677	11.4470	11.0246	96.3099
2029	0.2677	11.1793	10.9268	97.7413
2030 and later years	0.2677	10.9117	10.8275	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 95.8264 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	7.1936	7.1936	92.8064	86.0592	92.7297
2017	16.9555	9.7619	83.0445	77.5639	93.4004
2018	28.3624	11.4069	71.6376	67.2784	93.9149
2019	39.7945	11.4321	60.2055	56.8070	94.3552
2020	54.3906	14.5961	45.6094	42.9837	94.2430
2021	60.9060	6.5154	39.0940	37.0882	94.8693
2022	67.7760	6.8700	32.2240	30.7434	95.4053
2023	75.7119	7.9359	24.2881	23.2254	95.6247
2024	79.5966	3.8847	20.4034	19.6728	96.4195
2025	83.9430	4.3464	16.0570	15.5996	97.1513

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	4.3464	11.7107	11.4628	97.8837
2027	4.3464	7.3643	7.2615	98.6044
2028 and later years	4.3464	3.0179	2.9947	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 98.2573 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	20.1003	20.1003	79.8997	77.4053	96.8780
2017	59.2833	39.1830	40.7167	39.1254	96.0916
2018	73.0867	13.8034	26.9133	25.8251	95.9565
2019	80.3675	7.2808	19.6325	18.8905	96.2208
2020	87.7278	7.3603	12.2722	11.7677	95.8895
2021	94.4454	6.7175	5.5546	5.1816	93.2838
2022	96.5143	2.0689	3.4857	3.1774	91.1552
2023	97.9468	1.4326	2.0532	1.7833	86.8559
2024	97.4560	-0.4909	2.5440	2.3058	90.6356
2025	97.0652	-0.3908	2.9348	2.7356	93.2116

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	0.1836	2.7512	2.5932	94.2578
2027	0.1836	2.5675	2.4486	95.3671
2028	0.1836	2.3839	2.3017	96.5527
2029	0.1836	2.2003	2.1526	97.8320
2030 and later years	0.1836	2.0166	2.0011	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 96.0251 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	3.4987	3.4987	96.5013	89.5392	92.7855
2017	23.2170	19.7183	76.7830	71.0645	92.5524
2018	43.7483	20.5313	56.2517	51.4823	91.5213
2019	38.9131	-4.8352	61.0869	57.1582	93.5686
2020	47.9298	9.0167	52.0702	48.9631	94.0328
2021	80.0315	32.1017	19.9685	17.3758	87.0160
2022	76.5053	-3.5292	23.4947	21.2005	90.2350
2023	78.1701	1.6649	21.8299	19.8534	90.9460
2024	80.0717	1.9015	19.9283	18.2468	91.5621
2025	79.8791	-0.1926	20.1209	18.7255	93.0650

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	1.1246	18.9963	17.8843	94.1462
2027	1.1246	17.8717	17.0300	95.2901
2028	1.1246	16.7471	16.1623	96.5079
2029	1.1246	15.6225	15.2811	97.8145
2030 and later years	1.1246	14.4979	14.3861	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 95.9885 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	1.5423	1.5423	98.4577	93.0298	94.4871
2017	20.9273	19.3850	79.0727	74.9455	94.7805
2018	30.4705	9.5433	69.5295	66.4972	95.6390
2019	46.3043	15.8337	53.6957	51.5778	96.0558
2020	51.8464	5.5421	48.1536	46.7973	97.1834
2021	72.7869	20.9405	27.2131	26.4241	97.1007
2022	82.0967	9.3097	17.9033	17.4542	97.4915
2023	89.2630	7.1664	10.7370	10.5045	97.8346
2024	95.3692	6.1062	4.6308	4.5147	97.4934
2025	96.7995	1.4303	3.2005	3.1437	98.2266

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	1.4303	1.7702	1.7513	98.9364
2027 and later years	1.4303	0.3399	0.3372	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 98.9741 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 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 (%)
2016	55.6145	55.6145	44.3855	43.8006	98.6824
2017	89.3328	33.7182	10.6672	10.5037	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	5.3336	5.3336	5.2925	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	85.4101	85.4101	14.5899	14.4669	99.1571
2017	99.5388	14.1287	0.4612	0.4541	98.4669

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 2016 accident year and that are outstanding at the end of the tax year shown.

2018 and later years	0.2306	0.2306	0.2288	99.2290
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Taxpayers that use the composite method of Notice 88-100 should use 99.2290 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2018 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 (%)
2016	21.8973	21.8973	78.1027	72.4793	92.8001
2017	43.4962	21.5989	56.5038	51.8433	91.7519
2018	56.0061	12.5099	43.9939	40.0450	91.0240
2019	63.5544	7.5482	36.4456	33.0628	90.7181
2020	68.9880	5.4337	31.0120	28.1027	90.6188
2021	73.9567	4.9687	26.0433	23.5338	90.3641
2022	76.0580	2.1013	23.9420	21.7833	90.9836
2023	77.6365	1.5785	22.3635	20.5323	91.8119
2024	80.1194	2.4828	19.8806	18.3505	92.3034
2025	81.3456	1.2262	18.6544	17.4010	93.2810

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 2016 accident year and that are outstanding at the end of the tax year shown.

2026	1.2262	17.4281	16.4367	94.3111
2027	1.2262	16.2019	15.4573	95.4044
2028	1.2262	14.9757	14.4627	96.5746
2029	1.2262	13.7494	13.4525	97.8408
2030 and later years	1.2262	12.5232	12.4266	99.2290

Taxpayers that use the composite method of Notice 88-100 should use 96.0431 percent to discount unpaid losses incurred in this line of business in 2016 and prior years and that are outstanding at the end of the 2026 taxable year.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Sharon Y. Horn of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure contact Ms. Horn at (202) 317-4426 (not a toll free call).