

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.601: Rules and regulations.

(Also: Part I, §§ 832, 846; 1.846-1.)

Rev. Proc. 2026-13

SECTION 1. PURPOSE

This revenue procedure provides discount factors for the 2025 accident year for use by insurance companies in computing discounted unpaid losses under § 846 of the Internal Revenue Code¹ and discounted estimated salvage recoverable under § 832. This revenue procedure also provides, for convenience, discount factors for losses incurred in the 2024 accident year and earlier accident years for use in taxable years beginning in 2025. The discount factors for accident years before 2025 were provided in earlier revenue procedures. See, e.g., Rev. Proc. 2025-15, 2025-11 I.R.B. 1090. See Rev. Proc. 2023-10, 2023-3 I.R.B. 411, for background concerning the loss payment

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Internal Revenue Code or the Income Tax Regulations (26 CFR part 1).

patterns and application of the discount factors. This revenue procedure also requests comments relating to the composite method described in this revenue procedure and a 2024 change by the National Association of Insurance Commissioners (NAIC) to Schedule P (Analysis of Losses and Loss Expenses) of the annual statement.

SECTION 2. SCOPE

This revenue procedure applies to any insurance company that is required to discount unpaid losses under § 846 for a line of business using the discount factors published by the Secretary of the Treasury or the Secretary's delegate (Secretary) and also applies to any insurance company that is required to discount estimated salvage recoverable under § 832.

SECTION 3. DISCOUNT FACTORS FOR THE 2025 ACCIDENT YEAR

.01 The tables in this section 3 present separately for each line of business the discount factors for losses incurred in the 2025 accident year for use by insurance companies in computing discounted unpaid losses under § 846 and estimated salvage recoverable under § 832. The discount factors presented in this section are generally determined by using the applicable interest rate for 2025 under § 846(c), which is 3.57 percent, 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, 1988-2 C.B. 439. See section 3.02 of this revenue procedure. All discount factors are determined by assuming all loss payments occur in the middle of the calendar year.

.02 Section V of Notice 88-100 sets forth a composite method for computing discounted unpaid losses for accident years that are not separately reported on the annual statement. Tables 1 and 2 separately provide discount factors for insurance companies that have elected to use the composite method of Notice 88-100. See Rev.

Proc. 2002-74, 2002-2 C.B. 980. The discount factors computed using the composite method are unrelated to the composite discount factors referred to in § 1.846-1(b)(1)(ii) and (4), which apply to lines of business for which the Secretary has not published discount factors. The composite discount factors for use with respect to such lines of business are labelled “Short-Tail Composite” (in Table 1, part B) and “Long-Tail Composite” (in Table 2, part B). The “Miscellaneous Casualty” discount factors referenced in § 1.846-1(b)(2) are not set forth in tables but are equivalent to the “Short-Tail Composite” discount factors.

Discount Factors for 2025

2025 Interest Rate (using semi-annual compounding): 3.57%

Table 1 (part A)

Discount Factors Under Section 846 (percent)

For Losses Incurred in Accident Year 2025 in Short-Tail Lines of Business

Taxable Year Beginning in	Auto Physical Damage	Fidelity/Surety	Financial Guaranty/ Mortgage Guaranty	International	Other*
2025	98.0171	94.8069	94.2020	94.9732	96.3288
2026	96.5385	96.5385	96.5385	96.5385	96.5385
<u>Taxpayer Not Using Composite Method</u>					
Years after 2026	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Using the Composite Method</u>					
2027	98.2463	98.2463	98.2463	98.2463	98.2463
Years after 2027	Use composite method discount factors published for the accident year that is two years prior to the specified taxable year.				

* For the Accident and Health line of business (other than disability income or credit disability insurance), the discount factor for taxable year 2025 is 98.2463 percent. This is also the discount factor used in later taxable years for taxpayers not using the composite method. For taxpayers using the composite method, the discount factor for losses incurred in 2025 is the discount factor published for the Accident and Health line of business for losses incurred in the accident year coinciding with the taxable year.

Table 1 (part B)
Discount Factors Under Section 846 (percent)
For Losses Incurred in Accident Year 2025 in Short-Tail Lines of Business

Taxable Year Beginning in	Reinsurance - Non- proportional Assumed Financial Lines	Reinsurance - Non- proportional Assumed Liability	Reinsurance - Non- proportional Assumed Property	Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft, Pet)	Warranty	Short-Tail Composite
2025	94.9406	93.8058	95.3714	97.0553	98.0069	96.6054
2026	96.5385	96.5385	96.5385	96.5385	96.5385	96.5385

Taxpayer Not Using Composite Method

Years after 2026	98.2463	98.2463	98.2463	98.2463	98.2463	98.2463
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Taxpayer Using the Composite Method

2027	98.2463	98.2463	98.2463	98.2463	98.2463	98.2463
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Years after 2027 **Use composite method discount factors published for the accident year that is two years prior to the specified taxable year.**

Table 2 (part A)

Discount Factors Under Section 846 (percent)

For Losses Incurred in Accident Year 2025 in Long-Tail Lines of Business

Taxable Year Beginning in	Commercial Auto/Truck Liability/Medical	Medical Professional Liability - Claims-Made	Medical Professional Liability - Occurrence	Multiple Peril Lines	Other Liability - Claims- Made	Other Liability - Occurrence
2025	92.7912	89.9549	84.2073	94.4611	89.6344	87.9606
2026	93.5133	91.2521	86.4746	92.5690	90.7627	88.9863
2027	94.1823	91.6347	88.1348	92.6080	90.8107	89.8289
2028	94.5524	92.6662	89.7767	92.5264	91.0559	90.2447
2029	94.4332	92.4552	90.7378	92.2615	90.9686	90.6061
2030	93.8646	93.2174	91.1974	92.5637	91.0111	89.3763
2031	93.8845	92.6918	91.6531	92.6495	90.5663	89.3393
2032	94.4510	93.7328	91.4746	94.7671	92.5852	90.2206
2033	95.6118	95.3263	93.6570	95.7661	95.6185	91.4060
2034	97.8620	97.0999	95.6841	97.5155	96.3278	93.6044
<u>Taxpayer Not Using Composite Method</u>						
2035	98.2463	98.2463	97.2501	98.2463	97.9703	95.2097
2036	98.2463	98.2463	98.2463	98.2463	98.2463	96.8131
Years after 2036	98.2463	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Using the Composite Method</u>						
2035	98.2463	98.2463	97.5177	98.2463	98.0050	96.3273
Years after 2035	Use composite method discount factors published for the accident year that is ten years prior to the specified taxable year.					

Table 2 (part B)

Discount Factors Under Section 846 (percent)

For Losses Incurred in Accident Year 2025 in Long-Tail Lines of Business

Taxable Year Beginning in	Private Passenger Auto Liability/ Medical	Products Liability - Claims-Made	Products Liability - Occurrence	Workers' Compensation	Long-Tail Composite
2025	94.9556	86.9550	86.1793	86.7823	92.0262
2026	94.5489	88.5282	87.8134	85.0171	91.1814
2027	94.6490	88.8084	89.1375	84.3111	90.8933
2028	94.5543	87.6563	89.8227	83.7305	90.1230
2029	93.4742	89.4311	90.2047	84.0629	89.7600
2030	92.7233	91.3355	90.7591	83.3153	89.1923
2031	93.4032	93.4192	91.8587	83.9937	89.4663
2032	93.5712	93.9397	92.1985	85.7493	91.0189
2033	94.4679	95.4488	93.4239	87.4231	92.6313
2034	97.0779	97.4692	95.8540	88.5091	94.1737
<u>Taxpayer Not Using Composite Method</u>					
2035	98.2463	98.2463	97.4244	90.0263	95.7770
2036	98.2463	98.2463	98.2463	91.5785	97.3442
2037	98.2463	98.2463	98.2463	93.1661	98.2463
2038	98.2463	98.2463	98.2463	94.7893	98.2463
2039	98.2463	98.2463	98.2463	96.4458	98.2463
2040	98.2463	98.2463	98.2463	98.1221	98.2463
Years after 2040	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Using the Composite Method</u>					
2035	98.2463	98.3230	97.6204	93.4950	96.8705
Years after 2035	Use composite method discount factors published for the accident year that is ten years prior to the specified taxable year.				

SECTION 4. DISCOUNT FACTORS FOR TAXABLE YEARS BEGINNING IN 2025

.01 The tables in this section 4 present separately for each line of business discount factors for losses incurred in the 2025 accident year and earlier accident years for use by insurance companies in computing discounted unpaid losses under § 846 and estimated salvage recoverable under § 832 in taxable years beginning in 2025.

.02 Tables 3 and 4 separately provide discount factors for insurance companies that have elected to use the composite method of Notice 88-100. See Rev. Proc. 2002-74. The discount factors computed using the composite method are unrelated to the composite discount factors referred to in § 1.846-1(b)(1)(ii) and (4), which apply to lines of business for which the Secretary has not published discount factors. The composite discount factors for use with respect to such lines of business are labelled “Short-Tail Composite” (in Table 3, part B) and “Long-Tail Composite” (in Table 4, part B). The “Miscellaneous Casualty” discount factors referenced in § 1.846-1(b)(2) are not set forth in tables but are equivalent to the “Short-Tail Composite” discount factors.

Table 3 (part A)
Discount Factors Under Section 846 (percent)
For Taxable Years Beginning in 2025
Short-Tail Lines of Business

Accident Year	Auto Physical Damage	Fidelity/Surety	Financial Guaranty/ Mortgage Guaranty	International	Other*
2025	98.0171	94.8069	94.2020	94.9732	96.3288
2024	96.9063	96.9063	96.9063	96.9063	96.9063
<u>Taxpayer Not Using Composite Method</u>					
2023	98.5707	98.5707	98.5707	98.5707	98.5707
2022	98.6826	98.6826	98.6826	98.6826	98.6826
2021	98.5999	98.5999	98.5999	98.5999	98.5999
2020	98.4834	98.4834	98.4834	98.4834	98.4834
2019	98.4785	98.4785	98.4785	98.4785	98.4785
Years before 2019	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Using the Composite Method</u>					
Years before 2024	98.5707	98.5707	98.5707	98.5707	98.5707

* For the Accident and Health line of business (other than disability income or credit disability insurance), the discount factor for taxable year 2024 is 98.4349 percent.

Table 3 (part B)
Discount Factors Under Section 846 (percent)
For Taxable Years Beginning in 2025
Short-Tail Lines of Business

Accident Year	Reinsurance - Non- proportional Assumed Financial Lines	Reinsurance - Non- proportional Assumed Liability	Reinsurance - Non-proportional Assumed Property	Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft, Pet)	Warranty	Short-Tail Composite
2025	94.9406	93.8058	95.3714	97.0553	98.0069	96.6054
2024	96.9063	96.9063	96.9063	96.9063	96.9063	96.9063
<u>Taxpayer Not Using Composite Method</u>						
2023	98.5707	98.5707	98.5707	98.5707	98.5707	98.5707
2022	98.6826	98.6826	98.6826	98.6826	98.6826	98.6826
2021	98.5999	98.5999	98.5999	98.5999	98.5999	98.5999
2020	98.4834	98.4834	98.4834	98.4834	98.4834	98.4834
2019	98.4785	98.4785	98.4785	98.4785	98.4785	98.4785
Years before 2019	98.5513	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Using the Composite Method</u>						
Years before 2024	98.5707	98.5707	98.5707	98.5707	98.5707	98.5707

Table 4 (part A)
Discount Factors Under Section 846 (percent)
For Taxable Years Beginning in 2025
Long-Tail Lines of Business

Accident Year	Commercial Auto/Truck Liability/Medical	Medical Professional Liability - Claims-Made	Medical Professional Liability - Occurrence	Multiple Peril Lines	Other Liability - Claims- Made	Other Liability - Occurrence
2025	92.7912	89.9549	84.2073	94.4611	89.6344	87.9606
2024	94.1807	92.1360	87.8094	93.3234	91.6872	90.0762
2023	95.2185	93.1025	90.1803	93.9066	92.4061	91.5784
2022	95.8620	94.4096	92.1748	94.3016	93.1601	92.5186
2021	95.3575	93.4953	92.9976	91.6759	92.3482	90.9746
2020	94.8262	93.0034	93.2158	91.2360	92.2753	90.3502
2019	95.0988	93.9636	94.0439	90.9051	92.7450	90.3437
2018	94.9804	95.1291	94.9993	91.0177	93.8378	91.9830
2017	96.4102	96.0160	96.1220	93.5200	94.9264	92.6228
2016	98.3585	97.7503	97.7902	94.8530	96.6876	94.4974
<u>Taxpayer Not Using the Composite Method</u>						
2015	98.5513	98.5513	98.5513	96.1895	98.0033	95.8511
2014	98.5513	98.5513	98.5513	97.5045	98.5513	97.2176
Years before 2014	98.5513	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Using the Composite Method</u>						
Years before 2016	98.5513	98.5513	98.5513	96.9185	98.0920	96.7300

Table 4 (part B)
Discount Factors Under Section 846 (percent)
For Taxable Years Beginning in 2025
Long-Tail Lines of Business

Accident Year	Private Passenger Auto Liability/ Medical	Products Liability - Claims-Made	Products Liability - Occurrence	Workers' Compensation	Long-Tail Composite
2025	94.9556	86.9550	86.1793	86.7823	92.0262
2024	95.1115	89.6632	89.0194	86.4322	92.0595
2023	95.6012	90.7369	91.0112	86.8945	92.4617
2022	95.8576	90.5530	92.2079	87.3806	92.4240
2021	94.4178	85.5424	90.1962	83.9002	89.0997
2020	94.0255	85.8393	89.4917	82.1898	88.1551
2019	94.2553	87.2412	90.4215	82.5155	88.0992
2018	95.0550	89.0388	91.8072	84.1036	89.1661
2017	95.6473	90.2969	92.1992	84.7150	90.3858
2016	97.7282	91.5785	94.4133	86.5946	92.1457
<u>Taxpayer Not Using the Composite Method</u>					
2015	98.5513	92.8838	95.7739	87.8065	93.4541
2014	98.5513	94.2124	97.1571	89.0414	94.7812
2013	98.5513	95.5629	98.5513	90.2995	96.1195
2012	98.5513	96.9299	98.5513	91.5813	97.4421
2011	98.5513	98.2868	98.5513	92.8867	98.5513
2010	98.5513	98.5513	98.5513	94.2154	98.5513
2009	98.5513	98.5513	98.5513	95.5661	98.5513
2008	98.5513	98.5513	98.5513	96.9334	98.5513
2007	98.5513	98.5513	98.5513	98.2913	98.5513
Years before 2007	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Using the Composite Method</u>					
Years before 2016	98.5513	94.7288	96.6903	91.2579	95.0968

SECTION 5. REQUEST FOR COMMENTS

.01 Effect of NAIC Change on Composite Method. Section V of Notice 88-100 sets forth a composite method for computing discounted unpaid losses for accident years that are not separately reported on the annual statement. Beginning in 2024, the NAIC changed Schedule P of the annual statement to require ten years of data (and a “prior” row) to be reported for all lines of business. Previously, only two years of data were required to be reported for some lines of business. As described in Rev. Proc. 2025-15, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) expect that composite method discount factors, which apply with respect to accident years not separately reported on the annual statement, will be of limited use to insurance companies with respect to the lines of business set forth in Tables 1 and 3 following the 2024 NAIC change. This is because the 2024 NAIC change generally increases the number of accident years being separately reported on the annual statement for these lines of business. Nonetheless, in Rev. Proc. 2025-15, the Treasury Department and the IRS made no change to the determination and application of composite method discount factors to reflect the 2024 NAIC change to Schedule P. The Treasury Department and the IRS instead requested comments regarding composite method discount factors with respect to the lines of business set forth in Tables 1 and 3 following the NAIC change. No comments were received.

.02 Plans Regarding Composite Method. The Treasury Department and the IRS are making no change to the determination and application of composite method discount factors to reflect the 2024 NAIC change to Schedule P in this revenue procedure. Accordingly, like Rev. Proc. 2025-15, this revenue procedure provides composite method

discount factors for accident years that *were* separately reported on the annual statement due to the 2024 NAIC change to Schedule P, although section V of Notice 88-100 provides the composite method for computing discounted unpaid losses for accident years that are *not* separately reported on the annual statement. Beginning with the revenue procedure providing discount factors for use by insurance companies in computing discounted unpaid losses under § 846 and discounted estimated salvage recoverable under § 832 for taxable years beginning in 2026, the Treasury Department and the IRS expect to provide composite method discount factors only for accident years not separately reported on the annual statement. Accordingly, with respect to the lines of business set forth in Tables 1 and 3, the Treasury Department and the IRS expect to require that, for accident years separately reported on the annual statement, taxpayers using the composite method must use the same discount factors used by taxpayers not using the composite method. Consistent with prior practice, although the annual statement does not distinguish between cancellable accident and health insurance and other insurance designated as “Other,” these two groups of policies would continue to be treated as if their losses were reported separately. Set forth below, for informational purposes only, are Table 1 (parts A and B) for the 2025 accident year and Table 3 (parts A and B) for taxable years beginning in 2025, as they would have appeared if the proposed approach had been required for taxable years beginning in 2025. The composite method discount factors set forth in these tables were derived using the loss payment patterns previously determined for the 2022 determination year under section 846(d)(3)(B)(i). See Rev. Proc. 2023-10 for background concerning the loss payment patterns. The anticipated changes to the discount factors used by insurance companies using the composite method to compute discounted unpaid losses under § 846 and discounted estimated salvage recoverable under § 832 are expected to

change the proper time for the inclusion of the item in income or the taking of the item as a deduction. Accordingly, affected insurance companies are expected to have a change in method of accounting subject to § 446(e) and § 1.446-1. The Treasury Department and the IRS anticipate providing simplified procedures for insurance companies to change their method of accounting to use such factors in their first taxable year beginning after December 31, 2025. For example, the Treasury Department and the IRS are considering implementing the change on a cut-off basis, providing automatic change request procedures, and limiting the information that must be provided on Form 3115, *Application for Change in Accounting Method*.

Table 1 (part A)

Discount Factors Under Section 846 (percent)

For Losses Incurred in Accident Year 2025 in Short-Tail Lines of Business

(Informational Purposes Only)

Taxable Year Beginning in	Auto Physical Damage	Fidelity/Surety	Financial Guaranty/ Mortgage Guaranty	International	Other*
2025	98.0171	94.8069	94.2020	94.9732	96.3288
2026	96.5385	96.5385	96.5385	96.5385	96.5385
2027 - 2034	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Not Using Composite Method</u>					
Years after 2034	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Using the Composite Method</u>					
2035	98.2463	98.2463	98.2463	98.2463	98.2463
Years after 2035	Use composite method discount factors published for the accident year that is two years prior to the specified taxable year.				

* For the Accident and Health line of business (other than disability income or credit disability insurance), the discount factor for taxable years 2025 - 2034 is 98.2463 percent. This is also the discount factor used in taxable years after 2034 for taxpayers not using the composite method. For taxpayers using the composite method, the discount factor for losses incurred in accident year 2025 for taxable years after 2034 is the discount factor published for the Accident and Health line of business for losses incurred in the accident year coinciding with the taxable year.

Table 1 (part B)

Discount Factors Under Section 846 (percent)

For Losses Incurred in Accident Year 2025 in Short-Tail Lines of Business

(Informational Purposes Only)

Taxable Year Beginning in	Reinsurance - Non- proportional Assumed Financial Lines	Reinsurance - Non- proportional Assumed Liability	Reinsurance - Non- proportional Assumed Property	Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft, Pet)	Warranty	Short-Tail Composite
2025	94.9406	93.8058	95.3714	97.0553	98.0069	96.6054
2026	96.5385	96.5385	96.5385	96.5385	96.5385	96.5385
2027 - 2034	98.2463	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Not Using Composite Method</u>						
Years after 2034	98.2463	98.2463	98.2463	98.2463	98.2463	98.2463
<u>Taxpayer Using the Composite Method</u>						
2035	98.2463	98.2463	98.2463	98.2463	98.2463	98.2463
Years after 2035	Use composite method discount factors published for the accident year that is two years prior to the specified taxable year.					

Table 3 (part A)
Discount Factors Under Section 846 (percent)
For Taxable Years Beginning in 2025
Short-Tail Lines of Business
(Informational Purposes Only)

Accident Year	Auto Physical Damage	Fidelity/Surety	Financial Guaranty/ Mortgage Guaranty	International	Other*
2025	98.0171	94.8069	94.2020	94.9732	96.3288
2024	96.9063	96.9063	96.9063	96.9063	96.9063
2023	98.5707	98.5707	98.5707	98.5707	98.5707
2022	98.6826	98.6826	98.6826	98.6826	98.6826
2021	98.5999	98.5999	98.5999	98.5999	98.5999
2020	98.4834	98.4834	98.4834	98.4834	98.4834
2019	98.4785	98.4785	98.4785	98.4785	98.4785
2018	98.5513	98.5513	98.5513	98.5513	98.5513
2017	98.5513	98.5513	98.5513	98.5513	98.5513
2016	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Not Using Composite Method</u>					
Years before 2016	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Using the Composite Method</u>					
Years before 2016	98.5707	98.5707	98.5707	98.5707	98.5707

* For the Accident and Health line of business (other than disability income or credit disability insurance), the discount factor for taxable year 2025 is 98.2463 percent.

Table 3 (part B)

Discount Factors Under Section 846 (percent)

For Taxable Years Beginning in 2025

Short-Tail Lines of Business

(Informational Purposes Only)

Accident Year	Reinsurance - Non- proportional Assumed Financial Lines	Reinsurance - Non- proportional Assumed Liability	Reinsurance - Non-proportional Assumed Property	Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft, Pet)	Warranty	Short-Tail Composite
2025	94.9406	93.8058	95.3714	97.0553	98.0069	96.6054
2024	96.9063	96.9063	96.9063	96.9063	96.9063	96.9063
2023	98.5707	98.5707	98.5707	98.5707	98.5707	98.5707
2022	98.6826	98.6826	98.6826	98.6826	98.6826	98.6826
2021	98.5999	98.5999	98.5999	98.5999	98.5999	98.5999
2020	98.4834	98.4834	98.4834	98.4834	98.4834	98.4834
2019	98.4785	98.4785	98.4785	98.4785	98.4785	98.4785
2018	98.5513	98.5513	98.5513	98.5513	98.5513	98.5513
2017	98.5513	98.5513	98.5513	98.5513	98.5513	98.5513
2016	98.5513	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Not Using Composite Method</u>						
Years before 2019	98.5513	98.5513	98.5513	98.5513	98.5513	98.5513
<u>Taxpayer Using the Composite Method</u>						
Years before 2024	98.5707	98.5707	98.5707	98.5707	98.5707	98.5707

.03 Comments Regarding Composite Method.

The Treasury Department and the IRS request comments on the plans described in section 5.02 of this revenue procedure, including:

(1) comments on whether the Treasury Department and the IRS should permit taxpayers using the composite method to use discount factors determined using the approach described in section 5.02 of this revenue procedure in taxable years beginning in 2024 or 2025, and also provide simplified procedures for taxpayers using the composite method to change their method of accounting to use such factors in such taxable years;

(2) comments regarding any alternative approaches the Treasury Department and the IRS should consider, including elimination or alteration of the composite discount method described in Section V of Notice 88-100, either for short-tail lines of business only or for both short-tail and long-tail lines of business; and

(3) comments on what, if any, additional guidance regarding composite method discount factors insurance companies require.

.04 Procedures for Submitting Comments.

(1) Deadline. Written comments should be submitted by May 22, 2026.

(2) Form and manner. The subject line for the comments should include a reference to Revenue Procedure 2026-13. All commenters are strongly encouraged to submit comments electronically. However, comments may be submitted in one of two ways:

(a) Electronically via the Federal eRulemaking Portal at www.regulations.gov (type IRS-2026-0134 in the search field on the regulations.gov homepage to find this revenue procedure and submit comments); or

(b) By mail to: Internal Revenue Service, CC:PA:01:PR (Revenue Procedure 2026-13), Room 5503, P.O. Box 7604, Ben Franklin Station, Washington, D.C., 20044.

(3) Publication of comments. The Treasury Department and the IRS will publish for public availability any comment submitted electronically or on paper to its public docket on [regulations.gov](https://www.regulations.gov).

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Grace Chang of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact Ms. Chang at (202) 317-4286 (not a toll-free call).