



TaxNewsFlash

United States

No. 2018-564
December 13, 2018

Rev. Proc. 2019-10: Insurance company, method of accounting change for computing reserves (text of revenue procedure)

The IRS today released an advance version of Rev. Proc. 2019-10 to provide procedures for an insurance company changing its basis of computing reserves pursuant to section 807(f) as amended by a provision of the new U.S. tax law (Pub. L. No. 115-97, enactment date December 22, 2017)—the law that is also referred to as the “Tax Cuts and Jobs Act” (TCJA).

[Rev. Proc. 2019-10](#) [PDF 48 KB] provide procedures for an insurance company to obtain automatic consent of the Commissioner of Internal Revenue to change its method of accounting to comply with section 807(f).

In addition, Rev. Proc. 2019-10 provides guidance on: (1) accounting for an adjustment that arose under section 807(f) prior to its amendment by the new U.S. tax law; and (2) how a change in basis of computing life insurance reserves must be taken into account for purposes of computing amounts under the transition relief rule provided by the new tax law.

The purpose of this edition of *TaxNewsFlash* is to provide text of the revenue procedure. Initial impressions on the revenue procedure will be provided in a future edition of *TaxNewsFlash*.

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