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Final regulations, Rev. Rul. 2020-19: Computing and reporting life insurance reserves for insurance companies (text of guidance)

The IRS today posted on its website a version of final regulations (T.D. 9911) concerning the computation of life insurance reserves and the change in basis of computing certain reserves of insurance companies pursuant to tax law changes made by the 2017 tax law (Pub. L. No. 115-97) or the law that is often referred to as the “Tax Cuts and Jobs Act” (TCJA).

Read the [final regulations](#) [PDF 235 KB]

These regulations finalize regulations that were proposed in April 2020 with amendments. Read a KPMG report providing initial impressions about the proposed regulations: [TaxNewsFlash](#)

The version of the final regulations as posted today by the IRS includes this statement:

This document is in the process of being submitted to the Office of the Federal Register (OFR) for publication and will be pending placement on public display at the OFR and publication in the Federal Register. The version of the proposed rule [sic] released today may vary slightly from the published document if minor editorial changes are made during the OFR review process. The document published in the Federal Register will be the official document.

The IRS also released a related revenue ruling—[Rev. Rul. 2020-19](#) [PDF 46 KB]—that examines 10 factual situations to determine whether there is a change in basis of computing life insurance reserves under section 807(f) as amended by the TCJA.

The purpose of this report is to provide text of the final regulations and the revenue ruling. A more detailed discussion will be provided in a follow-up report by KPMG LLP.

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