

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Insurance Team (Rizzuto x442)  
**Subject:** Minutes of September 16, 2015,  
Board Meeting on Targeted  
Improvements to the Accounting for  
Long-Duration Contracts  
**Date:** September 24, 2015  
**cc:** Sutay

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topic: Insurance—Targeted Improvements to the  
Accounting for Long-Duration Contracts

Basis for Discussion: FASB Memo 138: Accounting for Participating  
Life Insurance Contracts

FASB Memo 139: Accounting for Certain  
Benefits in Nontraditional Contracts

Length of Discussion: 9:30 AM to 10:20 AM

Attendance:

Board members present: Golden, Kroeker, Buck, Schroeder, Siegel,  
Smith

Board members absent: Linsmeier

Staff in charge of topic: Casas

Other staff at Board table: Cosper, Proestakes, Brickman, Shah, Rizzuto

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss topics relating to the development of new guidance in a proposed FASB Accounting Standards Update addressing targeted improvements to the accounting for long-duration insurance contracts.

The Board has not yet determined the timing of the release of that proposed Update.

**Tentative Board Decisions:**

The Board decided to require insurance entities to measure benefits with other-than-nominal capital market risk associated with nontraditional contracts at fair value.

(Vote: unanimous)

At a future meeting, the Board will discuss whether the change in fair value that is attributable to an entity's own credit risk should be recognized in other comprehensive income.

The Board also discussed the accounting for participating life insurance contracts. No technical decisions were made.

*Next Steps*

The Board will continue to deliberate other targeted improvements to accounting for long-duration contracts.

**General Announcements:**

None.