



FINANCIAL SERVICES

- Insurance Tax Bulletin

PRICEWATERHOUSECOOPERS 

IRS Releases 2007 Discount Factors January 9, 2008

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The IRS released Rev. Proc. 2008-10 and Rev. Proc. 2008-11 prescribing the loss payment patterns/discount factors and the salvage discount factors, respectively, for the 2007 accident year. These factors are for use in computing discounted unpaid losses and estimated salvage recoverable under §§ 846 and 832 of the Internal Revenue Code. These Revenue Procedures apply to any taxpayer that is required to discount unpaid losses under § 846 for a line of business using discount factors published by the Secretary, or that is required to discount estimated salvage recoverable under § 832. The discount factors were determined using the applicable interest rate of 3.97 percent.

PwC Observes: Note that these Revenue Procedures, as in the prior year, include composite discount factors.

For additional information please call Anthony DiGilio at (202) 414-1702 or contact your local insurance tax professional. Please visit us at: <http://www.pwc.com/us/insurance/tax>

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