

International Financial Reporting Standards

Insurance Contracts Standard *What is an insurance contract?*

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1. The need for change and the history of the project
2. What is an insurance contract?
3. Initial measurement of insurance contracts
4. Subsequent measurement of insurance contracts
5. Modifications to General model: variable fee contracts
6. Other modifications to the General model
7. Presentation and disclosure
8. Applying the standard for the first time

Scope; *Insurance Contracts*

- Accounting for insurance contracts, **NOT** insurance entities
- Insurance contract: an **insurer** accepts significant **insurance risk** by agreeing to compensate **policyholder** if uncertain future event **adversely affects** policyholder
- **Insurance risk** is a risk, other than **financial risk**
- **Similar** to IFRS 4 definition

Scoped out

- *Option not* to apply insurance contracts Standard to **fixed fee service contracts** which meet definition of insurance contract

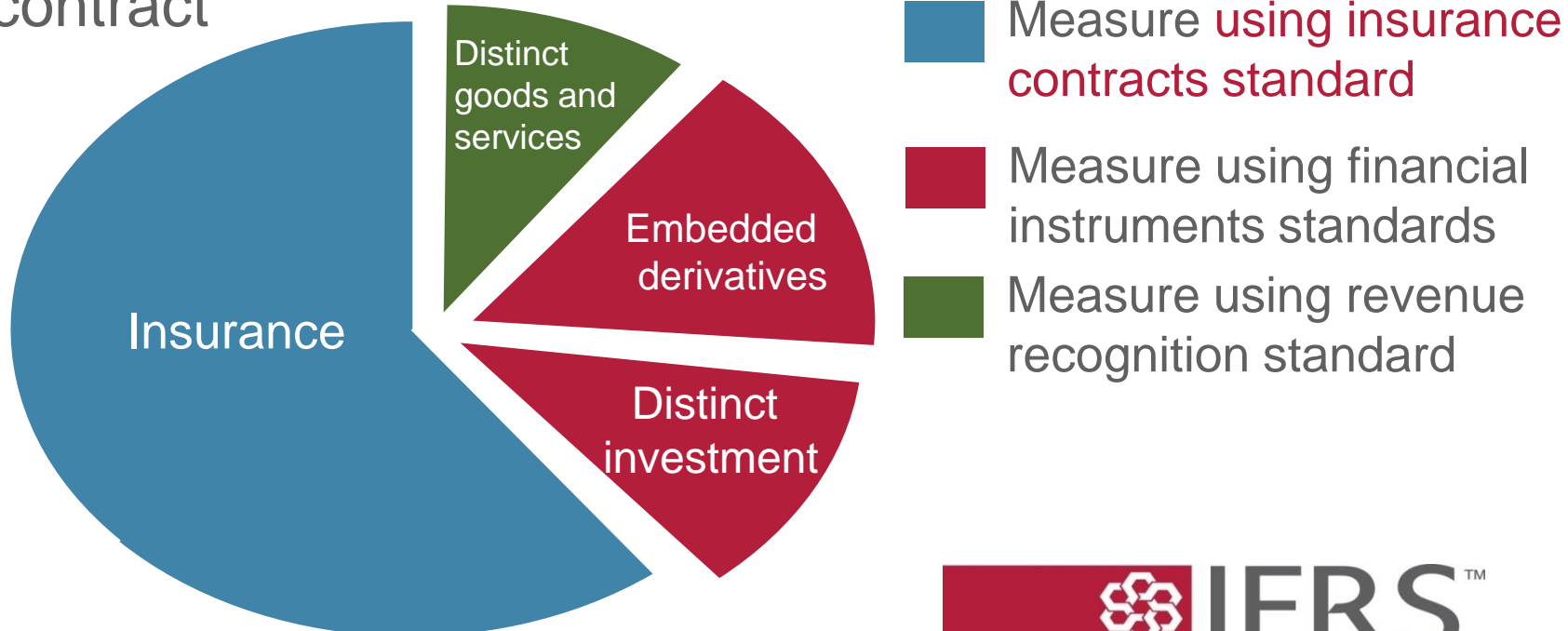
Scoped in

- **Discretionary** participating **investment** contracts
- *Option to* apply insurance contracts Standard to **financial guarantee contracts**

Identify and recognise the contract

5

- Required to **separate components** of insurance contract



Thank You

