



30 Cannon Street, London EC4M 6XH, United Kingdom
Tel: +44 (0)20 7246 6410 Fax: +44 (0)20 7246 6411
Email: iasb@iasb.org Website: www.iasb.org

**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: October 2008, London

Project: Insurance Contracts

Subject: Education session: Cover note (Agenda Paper 3)

Agenda papers for this meeting

1 We have prepared the following agenda papers for this meeting:

Agenda Paper No.	Title	Objective
3	Cover note	Outlines objectives for this meeting and the next steps.
3A	Overview of comments on the measurement attribute	Gives an overview of the responses to the discussion paper (DP) <i>Preliminary Views on Insurance Contracts</i> on measurement attributes.
3B	Candidate measurement approaches	Provides a list of those measurement approaches that the staff views as viable candidates for selection in the case of insurance liabilities and discusses the main features of the candidates.
3C	Candidate measurement approaches– tabular comparison	Provides a tabular comparison between the candidates.
3 D	Candidate measurement approaches- example	Provides an example showing how each candidate works, focussing on risk margins, day one differences and subsequent changes in estimates.

Objective of this meeting

- 2 In its September meeting, the Board discussed why respondents prefer a measurement that reflects the fact that the insurer intends (and in most cases must) fulfil the liability by paying the contractual benefits as they fall due, rather than by transferring the liability to a third party.
- 3 In agenda paper 3A we provide an overview of the responses to the DP on the subject of measurement attributes.
- 4 In agenda paper 3B staff provides an overview of measurement approaches candidates to the Board and discusses what the main features of those measurement approaches are. This paper will also discuss some considerations on selecting between the candidates.
- 5 The overview of the candidates in agenda paper 3B is supported by a tabular comparison between the candidates in agenda paper 3C.
- 6 Agenda paper 3D provides an example that shows how each candidate works. This example focuses on risk margins, day one differences and subsequent changes in estimates. It also demonstrates the interaction between margins in the balance sheet and subsequent release of margins in the performance statement.

Next steps

- 7 We will seek feedback from the Insurance Working Group meeting in November 2008.
- 8 At a subsequent meeting, we will ask the Board to reach a conclusion on the measurement attribute and the main features of the selected measurement attribute.
- 9 In November 2008, staff intends to start discussing policyholder behaviour and policyholder participation, with at the centre of the debate the question whether an insurer should account for individual rights and obligations under the contract or account for the whole contract (unit of account).
- 10 This timing is consistent with the tech plan presented at the June IASB meeting.