



Project	Insurance contracts
Topic	Measurement approaches - overview

Purpose of this paper

1. This paper gives an overview of the papers that deal with the issue of the candidate measurement approaches for insurance. The papers address the following topics:
 - (a) candidate measurement approaches– tabular comparison (agenda paper 6A). This paper provides a tabular overview of differences and similarities between the candidate measurement approaches for insurance contracts, including those the staff recommend for removal at the next IASB and FASB meetings.
 - (b) key issues on measurement (agenda paper 6B). In this paper we discuss some of the key issues that need to be answered in order to make progress on the measurement approach.
 - (c) measurement approaches for insurance contracts (agenda paper 6C). This paper analyses the list of candidate measurement approaches for insurance contracts and proposes some changes to that list.
 - (d) The IAS 37 model for insurance contracts (agenda paper 6D). This paper gives more details on how the updated IAS 37 model could be applied to insurance contracts.
 - (e) Current exit price (agenda paper 6E). This paper considers whether the IASB should retain current exit price (modified to exclude day one gains) as one of the candidate measurement approaches. (The FASB decided tentatively in February to exclude that candidate from further consideration)
2. In July, we intend to ask the boards to reach a tentative conclusion on the measurement approach and the main features of the selected measurement

This paper has been prepared by the technical staff of the IASB for the purposes of discussion at a public meeting of the IASB working group identified in the header of this paper.

The views expressed in this paper are those of the staff preparing the paper and do not purport to represent the views of any individual members of the Board or the IASB.

The meeting at which this paper is discussed is a public meeting but it is not a decision-making meeting of the Board. Official pronouncements of the IASB are published only after the Board has completed its full due process, including appropriate public consultation and formal voting procedures.

IASB Staff paper

approach. At this Insurance Working Group meeting, we seek feedback from Working Group members on the candidate measurement approaches.

Question 1 for Working Group members

Do you any questions or comments on the measurement approaches included in the list of candidates in agenda paper 6A?

Question 2 for Working Group members

Do you have any input on the key issues described in agenda paper 6B

- What should the measurement objective be?
- Should a risk margin be identified and measured separately?
- Should a margin for other services be identified and measured separately?
- What is the role of the premium in subsequent measurement?
- How should an insurer release residual and composite margins?