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Project	Insurance Contracts		
Topic	Statement of Comprehensive Income: Additional illustrative example to accompany agenda paper 4D/74D		

Appendix A: Illustrative examples

Example #6

	Non-Life*	Life*	Total
Premiums	2300	3789	6089
Claims incurred / benefits	-1422	-2992	-4414
Expenses (incl amortisation of acquisition costs)	-672	-607	-1279
Variations in cash flows and cash flow forecasts	-18	-39	-57
Gross underwriting margin	188	151	339
Other expenses			
Acquisition costs	-98	-98	-196
Etc			
Operating income	90	53	143
Investment income	61	1167	1228
Interest accretion on insurance liabilities	-65	-1235	-1300
Net investment result	-4	-68	-72
Profit before change in discount rate			71
Change in discount rates			9
Profit before tax			80
Income tax expense			(11)
Profit for the year			69

*Could include contracts accounted for using both PAA and BBA

Cells shown greyed would be minimum line items required pursuant to the insurance contract standard proposal

Workings

	Non-Life*	Life*	Total
Analysis of gross underwriting margin			
Recognition of margin due to provision of insurance and other services	206	252	458
Recognition of margin due to release from insurance risk	0	0	0
Total margin released before cash flow changes	206	252	458
Variation in current period cash flows	-21	-62	-83
Change in estimates in respect of future cash flows	3	-39	-36
Total gross underwriting margin recognised in current period	188	151	339
Calculation of premiums			
Premiums written		4228	
(Increase) decrease in life assurance liability		-439	
Premiums	2300	3789	6089