

STAFF PAPER

September 2012

IASB Meeting

Project	Insurance contracts		
Paper topic	Cover note for IASB sessions		
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1. This paper provides an overview of the papers for the IASB September meeting, together with a summary of the staff recommendations.:
 - (a) *Agenda 16A Report on FASB meetings on insurance contracts held in July/August 2012* reports to the IASB the decisions the FASB has taken on its project on insurance contracts since the boards last met. It is provided for information
 - (b) *Agenda paper 16B Residual margin – accretion of interest* discusses whether an insurer should be required to accrete interest on the residual margin. The staff recommends that the IASB confirm the proposal in the ED that an insurer should accrete interest on the residual margin.
 - (c) *Agenda paper 16C Residual margin – Rate of accretion of interest* discusses whether an insurer should accrete interest on the residual margin using the rate determined at inception or a rate updated at each reporting period. The staff recommends that the IASB:
 - (i) Confirm the proposal in the ED that an insurer should accrete interest on the residual margin using the discount rate of the liability determined at initial recognition of the contract, and

- (ii) Does not provide further guidance on determining the discount rate to use when accreting interest on the residual margin.
- (d) Agenda paper 16D *Review draft or re-expose* seeks the IASB’s view on whether the proposals in its insurance contracts project can be finalised or whether the IASB should re-expose the revised insurance contract standard.
- (e) Agenda paper 16E *Due process overview* summarises the steps the IASB has taken in developing phase II of its project to develop an insurance contracts standard. That paper demonstrates that the IASB has, for the insurance contracts project, met the requirements of all the mandatory and ‘comply or explain’ due process steps set out in the IASB Due Process Handbook.
- (f) Agenda papers 16F *Disclosures: Overview and proposed drafting* and 16G *Disclosures: Staff analysis* reminds the IASB of its previous decisions on disclosure, identifies proposals in the ED that the staff propose to carry forward with little or no modification and recommends further modifications to the proposed disclosure requirements in the ED. In addition, Agenda paper 16F sets out the proposed disclosure package, incorporating the decisions the IASB has previously taken and the staff recommendations in agenda paper 16G *Disclosures: Staff Analysis*.