

STAFF PAPER

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REG IASB Meeting

Project	Insurance Contracts		
Paper topic	Cover note		
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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

1. On 20 June 2013, the IASB published a second exposure draft revising its proposals on the accounting for insurance contracts. The exposure draft sought input on five areas for which the IASB made significant changes in response to the feedback it received on its proposals in the 2010 Exposure Draft, as follows:
 - (a) Adjusting the contractual service margin
 - (b) Contracts that require the entity to hold underlying items and specify a link to returns on those underlying items
 - (c) Presentation of insurance contract revenue and expense
 - (d) Interest expense in profit or loss
 - (e) Effective date and transition.
2. In addition, the IASB sought input on how it had balanced costs and benefits when developing its proposals for insurance contracts, and whether the proposals are drafted clearly and reflect the decisions made by the IASB. The IASB stated its intention not to revisit issues that it has previously rejected or to reconsider consequences that it has previously considered. The comment period ended on 25 October 2013.
3. The papers for this meeting comprise:

- (a) Agenda paper 2A *Outreach and comment letter analysis*, which outlines the main themes raised in the 194 comment letters received on the Exposure Draft *Insurance Contracts* and in the outreach activities that supplemented the formal consultation on that exposure draft;
 - (b) Agenda paper 2B *Feedback from users of financial statements* which provides more details on the views of users of financial statements; and
 - (c) Agenda paper 2C *Field work* which reports the findings from the field work undertaken during the comment letter period.
4. All the papers are provided for information only and no decisions are required from the IASB at this meeting.
 5. These papers have been written primarily for input to the IASB's decision-making process, but have been provided for information to the FASB. We have not included in this analysis any letter that addressed only the FASB's ED and that was copied to the IASB. Agenda papers 15A (FASB memo 109) provides a separate analysis of the 157 letters received on the FASB's Exposure Draft and agenda paper 15B (FASB memo 110) provides a summary of the FASB's user outreach.