

# AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

LONDON 26 JANUARY 2016

Agenda ref 3C

PRESENTER Henry Rees

## Insurance Contracts Project: Update

### Introduction

1. The purpose of this paper is to provide the DPOC with an update of the International Accounting Standards Board's ('the Board's') project on accounting for insurance contracts and to seek any views and/or comments from Committee members on the papers that the staff plan to present to the Board at its February 2016 meeting.

### Background

2. At its January 2016 meeting, the Board expects to consider the remainder of the planned technical decisions on the accounting for insurance contracts.
3. Once the decisions on the issues for the January 2016 meeting are taken, the staff believe that the proposals for accounting for insurance contracts will be sufficiently developed to begin the balloting process. In addition, the staff believe that the Board will have complied with all of the required steps in the Board's *Due Process Handbook*.
4. Accordingly, at the February 2016 Board meeting, the staff expect to ask the Board:
  - a. to review the due process steps that it has taken in developing the new insurance contracts Standard and confirm that it is satisfied that the Board has completed the necessary due process steps on the project to date; and
  - b. to grant the staff permission to begin the balloting process for the new Insurance Contracts Standard.
5. We attach three draft papers for the February 2016 Board meeting:
  - a. Agenda Paper, AP 3C(i) (which will be AP 2A for the February meeting) *Background to the insurance contracts project* summarises the history of the Board's project to develop an insurance contracts Standard.
  - b. AP 3C(ii) (AP 2E for the February meeting) *Assessing the changes since the 2013 ED*, sets out staff's view, relative to the requirements of the *Due Process*

*Handbook*, on why the Board need not re-expose the new insurance contracts Standard.

- c. AP 3C(ii) (AP 2F for the February meeting) *Permission to ballot a Standard on insurance contracts and Due Process Summary* asks the Board:
  - i. to review the due process steps that it has taken in developing the new insurance contracts Standard and confirm that it is satisfied that the Board has completed the necessary due process steps on the project to date; and
  - ii. to grant the staff permission to begin the balloting process for the new Insurance Contracts Standard.

**Question for Committee members**

Do you have any comments or views on the analysis and arguments presented in these papers?

6. At the February meeting, the staff also expect to present the Board with background information about the background and context for the Board's project on insurance contracts, and provide an overview of the new insurance contracts Standard and how it responds to comments received over the life of the project. We will provide further information about this background at the lifecycle review of the insurance contracts Project which we plan to present to the Committee at its meeting in May 2016.