



Insurance Contracts

Steps after publication of the new Standard

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Background—status of the project

- The Board has completed decision-making on the insurance contracts project, other than:
 - effective date
 - resolving sweep issues identified in drafting and field work
- The Board expects to publish the new Standard in H1 2017

A few points to note for insurance

- Many of the concepts in the new insurance contracts Standard are new and implementation will be challenging for many entities.
- There are likely to be significant operational implications in applying the new requirements. Many questions about implementation are likely to be actuarial in nature.
- Entities will be approaching the transition to the new requirements from many different perspectives. There will be different education needs between different entities.

How implementation and consistent application has been supported

- Material published as part of, or together with, a new Standard:
 - Basis for Conclusions
 - Illustrative Examples
 - Effects Analysis
 - Project Summary and Feedback Statement
- Webcasts introducing the new Standard and on specific areas
- Investor perspectives article
- Educational meetings with investors, regulators and national standard-setters
- IFRS conferences focused on implementation
- Webpage summarising implementation activities and allowing questions to be raised
- Transition resource group to meet specific needs

Transition resource groups

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	<i>IFRS 15 Revenue from Contracts with Customers</i> (May 2014)	<i>IFRS 9 Financial Instruments</i> (July 2014)
Scope of discussion	Full Standard	New impairment requirements only
Composition	24 individuals (11 preparers, 11 auditors and 2 investors)	12 individuals (6 preparers and 6 auditors)
Expertise, skills and knowledge of members	Revenue recognition under US GAAP and/or IFRS Standards	Credit risk knowledge
Operating procedures	Public meetings - Supporting papers, recordings and meeting summaries available on IASB website	
Result of discussions	Clarifications to IFRS 15 issued in April 2016	1 issue raised with the Board - No clarification was necessary

No transition resource group was established for IFRS 16 *Leases* (January 2016)

Questions for the Council

- **Question 1**—Slide 4 lists steps that the Board has used to support the implementation and consistent application of new Standards in the past. Which steps do the Advisory Council members think should be used to support implementation and consistent application of the new insurance contracts Standard?
- **Question 2**—Slide 5 includes an overview of the transition resource groups for recently issued Standards. What advice do the Advisory Council members have in relation to the new insurance contracts Standard?