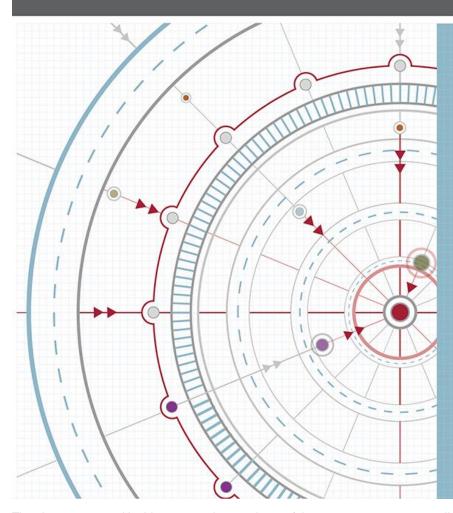
IFRS® Foundation



IFRS 17 Insurance Contracts

Accounting Standards Advisory Forum meeting
December 2019
ASAF Agenda Paper 4

The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board or the IFRS Foundation.



Objective of this session

We will provide ASAF members with an overview of the feedback on the Exposure Draft *Amendments to IFRS 17*

In April 2019 ASAF members provided views on the Board's tentative decisions on the possible amendments to IFRS 17 *Insurance Contracts*



In June 2019 the Board issued the Exposure Draft of proposed amendments to IFRS 17

The comment period ended on 25 September 2019

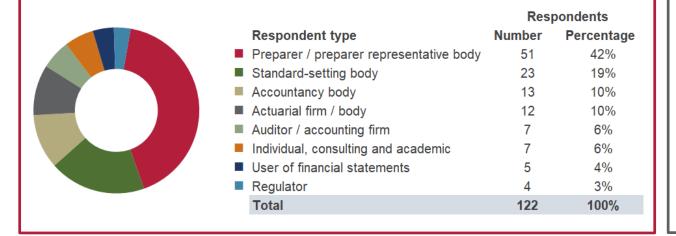
The Board aims to issue any final amendments to IFRS 17 in mid-2020



Outreach and comment letters

122 comment letters







Outreach
July – September

70 meetings

14 jurisdictions



Overall feedback on the Exposure Draft

Overall support for the Board considering concerns and implementation challenges raised since IFRS 17 was issued and proposing targeted amendments to IFRS 17

Some respondents think the Board should

- extend the scope of some of the proposed amendments
- reconsider some of the suggested amendments the Board considered when developing the Exposure Draft and decided not to propose
- consider new implementation challenges specific to transactions / jurisdictions



Categories of topics*

Proposed amendments for the Board to confirm

- Support for Board's proposal
- Concerns and suggestions already considered when developing the Exposure Draft
- The staff have not identified points the Board has not considered previously

Topics with feedback from respondents to consider further

- Concerns and suggestions about the Board's proposal
- The staff have identified points for the Board to consider

Topics with feedback from respondents <u>not</u> to consider further

- Support for Board's decision not to propose changes
- Concerns and suggestions already considered when developing the Exposure Draft
- The staff have not identified points the Board has not considered previously

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Proposed amendments to confirm*

Scope exclusion for loans

Coverage units for VFA contracts

Balance sheet presentation —portfolio instead of group level Applicability
of the risk
mitigation
option—
reinsurance
contracts held

Transition relief for business combinations

Transition reliefs for the risk mitigation option

BIFRS

Topics to consider further*

Scope exclusion for credit cards

Insurance acquisition cash flows

Coverage units for general model contracts, disclosures, terminology

Reinsurance contracts held recovery of losses Applicability of the risk mitigation option to nonderivative FVTPL

2

Effective date of IFRS 17

IFRS 9 temporary exemption in IFRS 4 Retrospective application of risk mitigation option

Proposed minor amendments

Annual cohorts for some specific insurance contracts

Contracts
acquired in
their
settlement
period

Interim financial statements Additional specific transition modifications and reliefs



^{*} Staff recommendations in Agenda Paper 2D of the November 2019 Board meeting

Topics not to consider further*

Separate presentation of premiums receivable and claims payable

Subjectivity in

adjustment

Risk mitigation option for general model contracts

Comparative information on initial application

Annual cohorts other than for some specific insurance contracts

Contract boundary of reinsurance contracts held

determining discount rates and risk

Risk adjustment in a group of entities

Discount rate used to adjust the CSM

OCI option

Classification of contracts acquired in business combinations

Scope of the VFA— reinsurance contracts

Mutual entities

General optionality and flexibility in modified retrospective approach

Reliefs in full retrospective approach



^{*} Staff recommendations in Agenda Paper 2D of the November 2019 Board meeting

Next steps



November 2019

Board discussion of comment letter feedback and redeliberation plan



Dec 2019 – Feb 2020

Finalisation of amendments to IFRS 17 considering the feedback on the Exposure Draft



Mid-2020

Expected issuance of final amendments



Get involved



