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## **IFRS 17 *Insurance Contracts* Project Update**

### **Objective**

- 1 The objective of this session is:
  - (a) To consider (agenda paper 08-01):
    - (i) An update on the progress in developing a draft endorsement advice for IFRS 17 *Insurance Contracts*; and
    - (ii) The project plan and the potential dates for additional meetings; and
  - (b) To approve a consultation paper on Level of Aggregation (agenda paper 08-02).
- 2 The case study questionnaire is included in the papers for this meeting for background only (agenda paper 08-03).

**A. PROJECT UPDATE**

- 3 The following is a summary of progress since the conference call of the EFRAG Board on 16 January 2018.

**Meetings**

*EFRAG TEG meeting 17 – 18 January 2017*

- 4 Topics discussed included:
- (a) Proposed consultation papers on Release of CSM and Level of Aggregation;
  - (b) Existing practices in risk mitigation;
  - (c) Presentation; and
  - (d) Sharing of risks.

*EFRAG IAWG meeting – 25 January 2018*

- 5 Topics discussed included:
- (a) Proposed consultation paper on Release of CSM;
  - (b) Proposed consultation paper on Level of Aggregation;
  - (c) Sharing of risks; and
  - (d) Papers submitted to the February 2018 meeting of the IFRS 17 Transition Resource Group.

**Activities**

- 6 The open call for tenders was issued on 26 January 2018 after calls with potential tenderers to encourage participation in the tender process.
- 7 Meetings were held with the majority of the case study participants to discuss the process and selection of portfolios. The case study is included in the papers for this meeting for background.
- 8 The simplified case study is expected to be issued shortly.

**Upcoming meetings:**

- 9 EFRAG upcoming meetings are:
- (a) EFRAG IAWG – 15 February 2018;
  - (b) EFRAG TEG meeting – 7-8 March 2018.

**IASB Transition Resource Group**

- 10 The IASB's Transition Resource Group is holding its first technical meeting on 6 February 2018. The topics to be discussed are:
- (a) Separation of insurance components of a single insurance contract;
  - (b) Boundary of contracts with annual repricing mechanisms;
  - (c) Boundary of reinsurance contracts held;
  - (d) Insurance acquisition cash flows paid on an initially written contract;
  - (e) Determining quantity of benefits for identifying coverage units; and
  - (f) Insurance acquisition cash flows when using fair value transition.
- 11 The EFRAG IAWG has agreed to change its meeting dates to enable discussion of papers before future meetings of the Transition Resource Group.

**Question for the EFRAG Board**

12 Does the EFRAG Board have any comments on this update?

**B. PROJECT PLAN**

- 13 The following charts provide a summary of the anticipated progress of the project.
- 14 Based on the charts, it would appear that the following additional meetings will be needed if the consultation period on the draft endorsement advice ('DEA') is to be extended to 8 weeks:
- (a) EFRAG Board:
    - (i) Conference call week commencing 26 February (update and approve Release of CSM paper);
    - (ii) Conference call week commencing 30 July (preliminary views on outcome of case study and impact on DEA);
    - (iii) Conference call week commencing 20 August (draft DEA for early comment);
    - (iv) Week commencing 3 September (approve DEA for consultation);
    - (v) Week commencing 3 December (draft final endorsement advice ('FEA') for early comment);
  - (b) EFRAG TEG:
    - (i) Conference call week commencing 19 February;
    - (ii) Week commencing 13 August;
  - (c) EFRAG IAWG: Week commencing 12 November.

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Week Starting	Jan 2018					Feb 2018				Mar 2018			
	1	8	15	22	29	5	12	19	26	5	12	19	26
<b>Case study</b>			TEG	IAWG		BRD	IAWG	TEG CC	BRD CC	TEG	IAWG	BRD	
Insurers prepare	[Blue bar]												
Review of results	[Grey bar]												
Simplified case study	Design				Issue								
<b>Studies</b>	[Grey bar]												
Economic study	Design			Consult						Issue tender			
Level of aggregation	Draft					Consult							
CSM run-off	Draft							Consult					
Transition	[Grey bar]						Draft					Consult	
IFRS 17/ Sol II	[Grey bar]					Issue contract							
<b>User outreach</b>	Design									Conduct			
<b>DEA</b>	[Grey bar]												
Draft DEA	[Grey bar]												
Consult	[Grey bar]												
<b>FEA</b>	[Grey bar]												

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Week Starting	Apr 2018					May 2018				Jun 2018			
	2	9	16	23	30	7	14	21	28	4	11	18	25
<b>Case study</b>	TEG	I		BRD IAWG			TEG	IAWG	BRD	IAWG	TEG		
Insurers prepare	[Blue bar]												
Review of results									[Blue bar]				
Simplified case study	[Blue bar]												
<b>Studies</b>													
Econ study	[Green bar]												
Level of aggregation	[Green bar]												
CSM run-off	[Green bar]												
Transition	[Green bar]												
IFRS 17/ Sol II	[Green bar]												
<b>User outreach</b>	[Red bar]												
<b>DEA</b>													
Draft DEA										[Orange bar]			
Consult													
<b>FEA</b>													

IFRS 17 Insurance Contracts – Project Update

Week starting	Jul 2018					Aug 2018				Sep 2018			
	2	9	16	23	30	6	13	20	27	3	10	17	24
<b>Studies</b>	BRD TEG	IAWG								TEG		BRD IAWG	TEG
Econ study	Draft								Final				
<b>DEA</b>													
Draft DEA					BRD CC	TEG		BRD CC		BRD			
Consult													
<b>FEA</b>													

Week Starting	Oct 2018					Nov 2018				Dec 2018				
	1	8	15	22	29	5	12	19	26	3	10	17	24	31
<b>DEA</b>		IAWG	BRD			IAWG		BRD	TEG	IAWG		BRD TEG		
Draft DEA														
Consult														
<b>FEA</b>							IAWG				BRD			

**Question for the EFRAG Board**

15 Proposed additional meeting weeks are coloured in yellow. In addition to update conference calls, does the EFRAG Board agree to add the proposed extra meetings to its calendar?