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IFRS 17 Insurance Contracts Project Update

Objective

- 1 The objective of this paper is to provide an update on the progress in developing a draft endorsement advice for IFRS 17 *Insurance Contracts*.

Activities

Full case study

- 2 Eleven completed case studies have been submitted and are now being analysed. Meetings with 3 participants to discuss questions have been conducted and the rest will be finalised by 13 July 2018 to enable detailed discussion of the findings. As previously communicated to EFRAG TEG, Appendix 2 and 3 of the draft endorsement advice will be updated for the results of the case study where relevant.

Simplified case study

- 3 51 responses were received, of which 49 have been included in the analysis. Two responses came from outside Europe and we could not establish any relation between the respondents and a European insurer. A response submitted by a group of insurers has been counted as one participant.
- 4 The analysis is still in progress, but the following statistics are available:

Type of insurer	# of participants
Insurer	34
Reinsurer	3
Financial conglomerate	8
Mutual entity	3
Pension company	1
Total	49

- 5 Participants came from a broad range of European jurisdictions and reported in varying degrees of preparedness. Responses have been aggregated where a jurisdiction was represented by fewer than 3 respondents. The table below summarises the geographic spread of respondents and their stage of preparation for IFRS 17 implementation:

IFRS 17 Project update

	No.	Impact analysis in progress	Impact analysis completed and preparing for implementation	Implementation in progress	Impact analysis and implementation in progress in parallel	No information
Belgium	3	1		1	1	
France	3	1	1	1		
Germany	3			3		
Italy	5	3	1	1		
Netherlands	6	2	2	1	1	
Rest of Eastern Europe *	3	2	1			
Rest of Western Europe **	7	5		1		1
Slovenia	9	5	2	2		
UK	10	2	8			
Total	9	21	15	10	2	1

* Czech Republic and Lithuania

** Austria, Denmark, Greece, Spain and Sweden

6 A detailed analysis will be presented at a future meeting of EFRAG TEG.

User outreach

7 EFRAG Secretariat conducted structured interviews with 27 users of financial statements. Of these, 22 specialised in insurance and 5 were generalists. They represented a number of European jurisdictions and considered insurance companies from a range of perspectives.

8 The updated detailed analysis forms part of the agenda papers for this meeting.

Other activities

9 Feedback from the economic consultant identifies that the project is on track.

10 EFRAG Secretariat continues to monitor the development of the European Parliament's Motion for Resolution (MfR) on IFRS 17. The European Parliament is expected to vote on the final text of the MfR in September. The text of the Motion for Resolution has been sent to you by separate email.

Question for EFRAG TEG

11 Does EFRAG TEG have any comments on this update?