

AASB Transition Resource Group for AASB 17 Insurance Contracts

Submission to the IFRS Interpretations Committee

17 April 2023

Bruce Mackenzie
Chair, IFRS Interpretations Committee
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Dear Mr Mackenzie

**IFRS Interpretations Committee (the Committee) Tentative Agenda Decision
Insurance contract premiums receivable**

The Australian Accounting Standards Board's Transition Resource Group for AASB 17 *Insurance Contracts* (AASB 17 TRG) is a discussion forum for considering issues related to the implementation of IFRS 17 *Insurance Contracts* in Australia. The AASB 17 TRG's membership includes stakeholders from the preparer, auditing, regulator and user communities across the general, life and health insurance industries.

Tentative Agenda Decision

The issue of insurance contract premiums receivable from an intermediary has been the subject of considerable debate in the AASB 17 TRG, with papers on this topic discussed at two separate meetings since June 2020 and more recent discussions as a result of the Committee's outreach in November 2022.

The AASB 17 TRG strongly supports the Committee's Tentative Agenda Decision relating to premiums receivable by an insurer.

In particular, the AASB 17 TRG supports the Committee's conclusions:

- not to add a standard-setting project on the interaction between IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* to the work plan; and
- to identify that the application of either IFRS 17 or IFRS 9 would provide users of financial statements with useful information.

Our support for not adding the project to the IASB's work plan and identifying either IFRS 17 or IFRS 9 as applicable recognises the advanced stage of implementation of IFRS 17 by preparers and acknowledges that both approaches are in the process of being implemented by different insurers.

For the information of the Committee, in general, Australian insurers are planning to apply View 1, while some are planning to apply View 2, as evidenced by the findings in AASB Research Report 18 *AASB 17 Insurance Contracts: Presentation, Disclosure, Transition and Other Accounting Policy Decisions: A Survey on Australian Insurance Entities*, issued in March 2023.

Should the Committee have any questions, or would like to discuss the AASB 17 TRG's submission further, please contact Eric Lee at elee@aab.gov.au.

Yours sincerely



Anne Driver
Chair, AASB 17 TRG