



**Subject:** AASB 17 *Insurance Contracts* Transition Resource Group (TRG)  
**Venue:** Videoconference  
**Time(s):** Thursday 17 June 2021, 2.00pm – 4.00pm AEST

**Notes:** Minutes will be taken during the meeting and circulated as a summary for TRG members

Time (pm)	Duration (mins)	Topic	Attachment ref	Presenter/ discussion lead out
2:00	5	1. Welcome and introduction		Anne Driver
2:05	5	2. Admin of TRG and minutes		Eric Lee
2:10	30	3. Updates on APRA QIS feedback and APRA Connect	APRA	Rob Sharma
2:40	15	4. Updates from public sector insurance project	PS1	Angus Thomson
2.55	5	5. Updates from VFA Focus Group	ATT1	Thomas Moodie
3:00	15	6. Updates from PHI Focus Group 6.1 PAA eligibility paper 6.2 Risk equalisation paper	ATT2 ATT2.1 ATT2.2	Marion Smith Ciara Wasley Jennifer Dwyer
3:15	10	7. Discussion paper: Impact of cash flow settlement arrangements for reinsurance issued and held	ATT3	Thomas Moodie
3.25	10	8. IA updates		Brett Pickett
3.35	5	9. Possible narrow scope amendments: IFRS 9 and 17		Eric Lee
3.40	10	10. AOB • CSM Amortisation re Annuities (see below)		Anne Driver
3.50	5	11. Wrap up and close		Anne Driver

## AOB

### CSM Amortisation

The current discussion focuses on how the contractual service margin should be recognised in profit or loss for annuities, particularly for bulk purchase annuities.

There are two opposing views for determining coverage units that appropriately reflect the service provided:

- View A reflects solely the payments made to the policyholder in each period
- View B incorporates both the payment and the stand ready obligation, that ensures the policyholder continues to receive that payment for the rest of their life

The key questions that are being debated include:

- Whether both view A and view B are in line with the requirements of the standard
- Whether view B is in accordance with the May 2018 IFRS 17 TRG discussions (quantity of benefits dependent on amount that can be claimed?)
- Whether any additional service is provided over and above the cash payments made to policyholders
- Whether the accounting required by IFRS 17 appropriately reflects the economic substance of the products.
- Whether annuity contracts represent one insured event, or a series of insured events,
- Whether insurance coverage is only present in a period when a policyholder can make a valid claim.

## AASB 17 TRG members

Name	Organisation
<b>TRG members</b>	
Anne Driver (Chair)	AASB TRG Chair/Deloitte
Stuart Alexander	Deloitte
Prof. Jac Birt	University of Western Australia
Anthony Coleman	Lonergan Edwards
Cassandra Cope	HCF
Brendan Counsell	EY
David Daniels	NSW Audit Office
Regina Fikkers	PwC
Jennifer Dwyer	Medibank
Emily Evitts	Allianz
Fehraz Fallil	iCare NSW
Karen Foo	Victoria Department of Treasury and Finance
Scott Hadfield	PwC
Rhian Saunbury	Insurance Australia Group (IAG)
Charles Hett	NZASB
Jeroen Van Koert	AIA
Chris Maher	AMP Life / Resolution Life
Louise Miller	Suncorp
Aidan Nguyen	Financial Services Council
David Rush	Institute of Actuaries IFRS 17 Implementation Task Force
Frank Saliba	ATO
Rob Sharma	APRA
Victoria Smith	QBE
Warwick Spargo	RSM
Paul Stacey	Insurance Council of Australia
Leong Tan	Swiss Re
Ciara Wasley	NIB
Leann Yuen	KPMG / Co-Chair of the Accounting & Actuaries Liaison Committee (AALC)
Brett Pickett	Chair of Institute of Actuaries IFRS 17 Implementation Task Force

Name	Organisation
<b>AASB representatives</b>	
Helena Simkova	AASB Staff
Patricia Au	AASB Staff
Eric Lee	AASB Staff