

STAFF PAPER

January 2016

IASB Meeting

Project	Insurance contracts		
Paper topic	Cover note		
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (the "Board") and does not represent the views of the Board or any individual member of the Board. Comments on the application of IFRS Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB *Update*.

Remainder of planned technical decisions

1. At this meeting, the International Accounting Standards Board (the Board) will consider the remainder of the planned technical decisions on the accounting for insurance contracts. Those issues are:
 - (a) in Agenda Paper 2A *Level of aggregation*, the level of aggregation for the contractual service margin; and
 - (b) in Agenda Paper 2B *Specifying the effect of discretion in the general model*, considering whether and how to specify how to determine the effect of discretion to be recognised in the contractual service margin when contracts with participation features are accounted for under the general model. This issue is carried over from the Board's discussion on Agenda Paper 2A *Comparison of the general model and the variable fee approach* at the November 2015 meeting.

Next steps

2. Once the decisions on the issues in Agenda papers 2A and 2B are taken, the staff believe that the proposals for accounting for insurance contracts will be sufficiently developed to begin the balloting process. In addition, the staff believe

that the Board will have complied with all of the required steps in the Board's *Due Process Handbook*.

3. Accordingly, at the February meeting, the staff expect to ask the Board:
 - (a) to review the due process steps that it has taken in developing the new insurance contracts Standard and confirm that it is satisfied that the Board has completed the necessary due process steps on the project to date; and
 - (b) to grant the staff permission to begin the balloting process for the new Insurance Contracts Standard.
4. In preparation for that discussion, the staff has prepared the following papers for background:
 - (a) *Agenda Paper 2C Background to the insurance contracts project*, summarises the background and context of the IASB's project on insurance contracts,
 - (b) *Agenda Paper 2D Overview of the new insurance contracts Standard*, provides an high-level overview of the Board's model for insurance contracts based on the decisions to date.
5. The staff do not expect to discuss Agenda papers 2C and 2D at this meeting.