

IFRS 17 Insurance Contracts

Overview

This **two-day** course will focus on accounting for insurance contracts as per IFRS 17. Currently, there are different accounting practices for similar insurance contracts. There have been substantial efforts put into the development of IFRS 17 to ensure that insurers reflect the effect of economic changes in their financial statements in a timely and transparent way. This will provide improved information about the current and future profitability of insurers, improve global comparability of financial statements and enhance the quality of financial information. Participants are expected to have a basic understanding of financial statements.

Key learning outcomes

At the end of the course, participants will be equipped to:

- Understand the changes in IFRS 17 from the current IFRS 4 Insurance Contracts
- Appreciate the accounting methodology prescribed in IFRS 17 and evaluate its impact on financial statements
- Understand the transition requirements in IFRS 17
- Analyze the presentation and disclosure requirements in the financial statements
- Understand the requirements for transition to IFRS 9 Financial Instruments for insurance companies

Who Should Attend

The course is designed for those who would like to gain an understanding of the requirements of IFRS 17 and its impact on the financial statements. It would be beneficial for those working in finance, risk and actuarial teams involved in implementation of IFRS 17 as well as management, analysts and others who would like to know the impact of the standard on financial statements.

Day One

Introduction

The aim of this section is to provide a background to IFRS 17, its objectives and the scope of the standard.

- Introduction to IFRS 17: Reasons for IFRS 17, scope and exclusions
- Executive summary: Overview of the standard, key terms and principles

Recognition and Measurement

The aim of this section is to appreciate the recognition and measurement approaches to insurance contracts and evaluate its impact on the financial statements.

- Insurance contracts: Combination, separation of components and level of aggregation
- Recognition of insurance contracts: Criteria and timing of recognition
- Measurement: Overview of the different accounting approaches

IFRS 17 Accounting Approaches

The aim of this section is to obtain an in-depth understanding of the different measurement models and evaluate its impact on the financial statements.

- General approach: Initial recognition, subsequent measurement and presentation
- Premium allocation approach: Initial recognition, subsequent measurement and presentation
- Modified approaches for other contracts: Reinsurance contracts, contracts with direct and discretionary participation features
- Contract modifications and derecognition of insurance contracts: Impact of modifications on financial statements, derecognition principles

Day Two

Transition, Presentation and Disclosures

The aim of this section is to explain the transition, presentation and disclosure requirements in relation to insurance contracts.

- Transition approaches: Full retrospective, modified retrospective and fair value
- Presentation: Statement of financial position, statement of financial performance
- Disclosures: Qualitative and quantitative disclosures, significant judgements and nature and extent of risks

IFRS 9 Financial Instruments

The aim of this section is to provide an overview of IFRS 9 Financial Instruments.

- IFRS 9 adoption for insurers: Overlay approach, deferral approach and transition requirements
- Classification and measurement: Classification of financial assets based on business model and nature of cash flows, redesignation of financial assets on adoption of IFRS 17, classification of financial liabilities
- Expected credit loss impairment model: General model, simplifications and practical expedients
- Hedge accounting: IFRS 9 updates
- Disclosures: Qualitative and quantitative disclosures

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