



Meeting information

AASB 17 *Insurance Contracts* Transition Resource Group (TRG)

16 November 2017

2pm-3.30pm AEDT

Deloitte Offices (Sydney, Melbourne), Teleconference

Objective: Discuss the Insurance Project Advisory Panel's reformation as a Transition Resource Group for AASB 17.

Attachments: Appendix A – Australian Transition Resource Group Terms of Reference

ATTENDANCE	ORGANISATION
Anne Driver (Chair)	QBE/AALC
Stuart Alexander	Deloitte
James Barden	AASB Staff
Brendan Counsell	EY
Ian Elliott, Frank Saliba, Josephine Tiong	ATO
Fehraz Fallil	iCare NSW
Karen Foo, Rion van Zyl Smit	Department of Treasury and Finance (Victoria)
Peter Grant	Insurance Australia Group (IAG)
Charles Hett	NZASB
Andrew Kearnan	AASB/Corporate Advisor
Ayman Sobhan (for Tommy Kiang)	Insurance Council of Australia
Peter Gallagher (for Stefan Kitanoski)	VAGO
Toby Langley	Merrill Lynch
Chris Maher	AMP
Ian Moyser	KPMG
Kris Peach	AASB Chair
Janri Pretorius	AASB Staff
Grant Robinson	Institute of Actuaries IFRS 17 Implementation Task Force
David Rush	Institute of Actuaries IFRS 17 Implementation Task Force
Paul Ruiz	Non-executive director
Rob Sharma	APRA
Tony Tong	Pacific Life Re

Minutes

Welcome – Anne Driver (Chair)

The group was welcomed to the inaugural meeting of the AASB TRG and noted the following:

- AASB TRG is to support the IASB TRG by having key insurance experts in Australia consider international and domestic issues
- Australian is in a unique position in that many of the AASB 1023/1038 principles have been carried over

Overview of TRG (purpose, structure, responsibilities) - Anne Driver (Chair)

Anne Driver noted the following:

- IFRS 17/AASB 17 were released earlier in 2017 with an effective date of 1 Jan 2021
- The AASB TRG is set up as a public forum to discuss **implementation issues**
- The implementation stage is all about applying the Standard in the real world
- The AASB TRG gives the AASB an opportunity to see what action it may need to take, for example moving issues to the IASB TRG, or taking Australian specific action
- The AASB TRG gives Anne Driver (who is also an IASB TRG member) the opportunity to take Australian views to the IASB TRG
- The AASB TRG is structured much the same as the IASB TRG. AASB TRG meeting will be held in the interim between IASB papers being released (2 weeks before the IASB TRG meeting) and the IASB TRG meeting – AASB TRG is therefore forced to work around the calendar of the IASB TRG
- Anne Driver noted her background is primarily general insurance and reinsurance and that is the basis on which she is appointed to the IASB TRG. The AASB TRG collectively needs to articulate all areas where they agree or disagree with IASB TRG issues but pay particular attention to knowledge gaps regarding Life insurance
- Terms of reference have been distributed (attached to these minutes) please let AASB Staff know if there is any issues with terms of reference
- AASB website has info on the conditions that AASB submissions can be made: [About the Transition Resource Group for AASB 17 Insurance Contracts](#)
- Anne noted there are a number of other forums outside that can help to discuss and filter issues before being brought to the TRG, including:
 - o insurance council of Australia – general insurance
 - o financial services council – life insurance
 - o institute of actuaries task force
 - o accountants and actuaries liaison committee – implementation issues
 - o differences – breadth of members in AASB not as IFRS 17 experienced as IASB

Members' introductions - all

Each member was asked to introduce themselves for the benefit of other members. Members gave a brief background on their experience in regard to insurance accounting.

IASB TRG update - Anne Driver (Chair)

- IASB TRG held initial admin teleconference on 13 November
- expected outputs of the IASB TRG:
 - o webinars
 - o education
 - o changes to Standard - bar for changes is **very high**
 - o pushing issues to the interpretations committee (IFRIC)
- IASB TRG focus is on areas which are judgemental and/or complex
- Papers will be submitted to IASB TRG, IASB Staff will review submissions and take relevant papers to TRG, providing a log of submissions to view those not taken to TRG
- IASB TRG emphasised that membership is in a personal capacity
- IASB TRG emphasised that issues must be pervasive
- membership: 6 accounting firms, 9 preparers involved in IFRS 17 projects
- IASB TRG will likely wrap up in 2019 to let people get on with implementation

Proposed meeting dates and meeting agendas – James Barden (AASB Staff)

- TRG will meet for whole day meetings 4 times per year, approx. 1 week before IASB TRG. Physical meetings to be held concurrently in Sydney and Melbourne (linked via VC), teleconferencing available for other locations.
- Tentative dates:
 - o Monday 29 January 2018
 - o Monday 23 April 2018
 - o Monday 17 September 2018
 - o Monday 26 November 2018
- Placeholders to be sent very soon
- TRG meetings will discuss:
 - o IASB TRG papers (to be circulated before meetings)
 - o Australian specific issues submitted to AASB

Process for review of IASB papers – James Barden (AASB Staff)

- IASB papers will be received approx. 2 weeks before IASB TRG meeting (approx. 1 week before AASB TRG meeting) and distributed to members quickly
- Specific matters for comment in IASB papers and significant issues will be discussed at the AASB TRG meetings
- sub groups may be formed to prepare responses on complex papers
- following AASB TRG meetings, Anne Driver will share feedback on papers at IASB TRG on behalf of the group where feasible

Process for review of Australian stakeholder issues papers – Janri Pretorius (AASB Staff)

- Any stakeholder can submit a potential implementation issue to AASB staff
- We encourage early submissions
- Papers should be submitted at least four weeks before a meeting to be included at the meeting
- submissions should be via the form available here: [About the Transition Resource Group for AASB 17 Insurance Contracts](#)
- Issues submitted:
 - o must be related to, or arise from, AASB 17;
 - o may result in possible diversity in practice; and
 - o are expected to be pervasive, i.e. relevant to a wide group of stakeholders.
- Any question submitted should include a detailed description of the possible ways in which AASB 17 could be applied
- AASB Staff and Anne Driver will assess papers and where appropriate present them to the AASB TRG
- A submission log will be created for AASB TRG members to view submissions that aren't taken to the AASB TRG
- Submitters may be invited to present the issues to the AASB TRG.
- AASB noted that the AASB would take 3 approaches to dealing with issues raised by the AASB TRG:
 - o move issues up to the IASB TRG (if appropriate)
 - o for Australian-specific issues, provide Q&A's/education pieces
 - o Australian-specific amendments, however this would only be in rare and exceptional circumstances, and would only occur in line with its standard setting frameworks, which would generally require a regulatory issue or an addition of information extremely relevant for users to warrant for-profit amendments.
- AASB Staff will create a framework for feeding issues to the IASB TRG

Discussion of pipeline issues - Anne Driver (Chair)

- Accounting firms and other implementation groups are working on issues so we should see papers emerging.
- AASB noted that groups should be cognisant of interpreting the Standard consistently locally ie making sure that it does not lead to different interpretation of the Standard locally
- Pipeline issues:
 - o coverage unit – Grant and Brendan to create a paper (on behalf of the Institute of Actuaries) on the issue and send to AASB staff
 - o definition of liability for remaining coverage for PAA – ICA working on this with general insurers
- AASB noted that when drafting papers on issues, important to acknowledge past IASB discussions/decisions and justify why the issue should be considered again.

End meeting

TRG membership

TRG member	Organisation
Anne Driver (Chair)	QBE/AALC
Stuart Alexander	Deloitte
James Barden	AASB Staff
Stephen Burton	Suncorp
Carol Cao	Genworth
Tony Coleman	Loneragan Edwards
Brendan Counsell	EY
Ian Elliott	ATO
Fehraz Fallil	iCare NSW
Regina Fikkers	AASB/PwC
Karen Foo	Department of Treasury and Finance (Victoria)
Allan Fraser	HCF
Peter Grant	Insurance Australia Group (IAG)
Charles Hett	NZASB
Andrew Kearnan	AASB/Corporate Advisor
Tommy Kiang	Insurance Council of Australia
Nick Kirwan	Financial Services Council
Stefan Kitanoski	VAGO
Toby Langley	Merrill Lynch
Su-Lin Macdonald	NSW Treasury
Chris Maher	AMP
Ian Moyser	KPMG
Kris Peach	AASB Chair
Janri Pretorius	AASB Staff
Grant Robinson	Institute of Actuaries IFRS 17 Implementation Task Force
David Rush	Institute of Actuaries IFRS 17 Implementation Task Force
Paul Ruiz	Non-executive director
Rob Sharma	APRA
Tony Tong	Pacific Life Re
Arie Van den Berg	QLD Treasury
Warwick Spargo	RSM Bird Cameron

APPENDIX A - AUSTRALIAN AASB TRANSITION RESOURCE GROUP FOR AASB 17 TERMS OF REFERENCE

INTRODUCTION

- AASB 17/IFRS 17 *Insurance Contracts* was issued in July 2017, effective from 1 January 2021.
- The new measurement model is a fundamental change, with potentially significant implications from an implementation as well as systems perspective.
- The IASB has created a Transition Resource Group (TRG), to provide support for stakeholders post issuance will enhance the quality and consistency of implementation.
- The AASB has created an equivalent TRG (AASB TRG), chaired by Anne Driver, who is also a member of the IASB TRG. The AASB TRG has the same objectives as the IASB TRG, being a forum to discuss Australian implementation issues and feed these through to the IASB TRG where appropriate. The AASB envisages that all Australian implementation issues would be first discussed by the AASB TRG before being submitted to the IASB TRG.
- AASB Staff will be responsible for the administration of the AASB TRG.
- The terms of reference for TRGs exist in addition to the terms of reference for AASB Project Advisory Panels, previously distributed upon membership. References to Project Advisory Panels should be read as Transition Resource Group. TRG terms of reference take preference where conflicts may exist.

PURPOSE OF TRG

- The TRG is one of the ways the Board is supporting implementation of the new Standard. The purpose of the group is to:
 - provide a public forum for stakeholders to follow the discussion of questions raised on implementation.
 - inform the Board in order to help the Board determine what, if any, action will be needed to address those questions. Action would most likely be to submitting issues to the IASB TRG, who may then work with the IASB to provide supporting materials such as webinars, case studies and/or referral to the Board or Interpretation Committee. The Board may also consider Australian-specific support where appropriate.
 - provide an opportunity for Anne Driver to obtain Australian views on the issues being considered by the IASB TRG, and where possible present a unanimous view on behalf of the jurisdiction.
 - the TRGs (AASB or IASB) do not issue guidance

HOW TO SUBMIT AN ISSUE TO THE AASB TRG

- Any stakeholder can submit a potential implementation issue
- We encourage early submissions
- Papers should be submitted at least four weeks before a meeting to be included at the meeting
- submissions should be via the form available here: [About the Transition Resource Group for AASB 17 Insurance Contracts](#)
- Issues submitted:
 - must be related to, or arise from, AASB 17;
 - may result in possible diversity in practice; and
 - are expected to be pervasive, i.e. relevant to a wide group of stakeholders.
- Any question submitted should include a detailed description of the possible ways in which AASB 17 could be applied
- Submitters will be invited to present the issues to the AASB TRG.

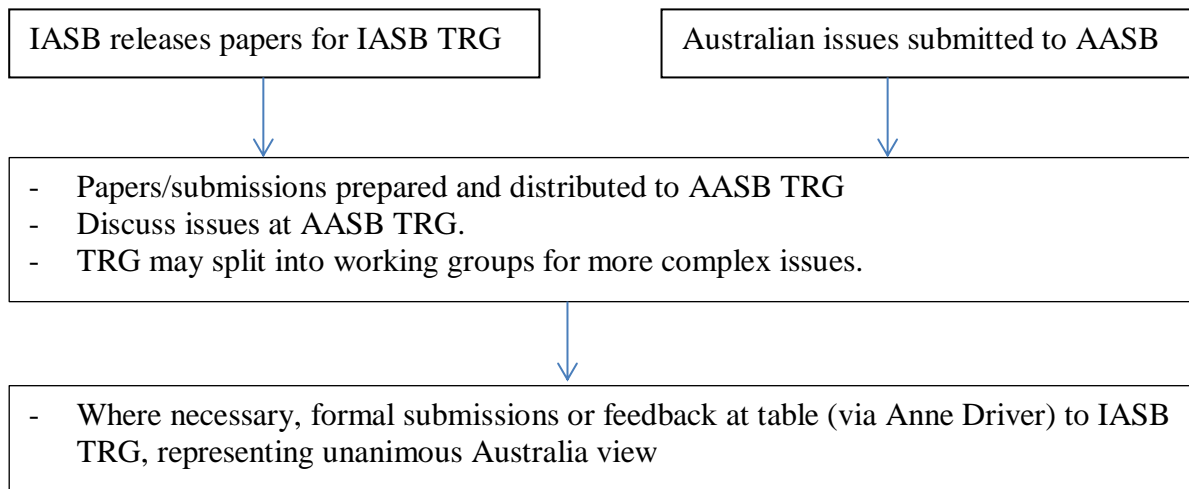
TRG MEETINGS

- The AASB TRG will meet before the IASB TRG meets (approx. quarterly) for a full day meeting. Interim meetings may be held, members may be asked to respond to queries via email, where a significant issue warrants. Proposed meeting dates are set out for 2018 below:

Papers expected from IASB TRG	<u>Proposed AASB TRG meeting</u>	IASB TRG meeting
23 Jan	<u>Mon 29 Jan</u>	6 Feb
18 April	<u>Mon 23 April</u>	2 May
12 Sept	<u>Mon 17 Sept</u>	26 Sep
20 Nov	<u>Mon 26 Nov</u>	4 Dec

- Meetings will be held concurrently in Melbourne and Sydney, linked via videoconference, with videoconference/teleconference facilities available for those located elsewhere.
- Member attendance/input is imperative to the functions of the group, and the AASB strongly encourages and values attendance at meetings.

- Flow of meetings:



MORE INFORMATION ON IASB TRG

<http://www.ifrs.org/groups/transition-resource-group-for-insurance-contracts/>