



Cover Memo

Project:	Insurance Activities in the Public Sector	Meeting:	AASB November 2021 (M184)
Topic:	Working draft Exposure Draft	Agenda item:	AASB 5.1
		Date:	26 October 2021
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		Decision-making	High
		Project status	Board deliberation

Objectives of this agenda item

- The objectives of this agenda item are for the AASB and the NZASB to:
 - consider** a working draft Exposure Draft proposing the public-sector-specific modifications to AASB 17/PBE IFRS 17 agreed by the Boards at their meetings between April and September 2021; and
 - in relation to risk adjustments:
 - note** an interpretation issue on confidence levels; and
 - decide** whether to incorporate content in the Exposure Draft on the interpretation issue.
- The papers in this agenda item are being presented to the November 2021 AASB meeting and the December 2021 NZASB meeting.
- In respect of the working draft Exposure Draft (Agenda Paper 5.2), staff have not identified any specific questions for the Boards to answer. It is intended that the Boards consider the content of the working draft Exposure Draft on a page-by-page basis. With this in mind, **staff would be grateful for any feedback on the working draft Exposure Draft from members in advance of the meetings**, including any specific matters that you might wish to raise for Board discussion. (Please note this is not intended to preclude spontaneous debate that might occur in the course of the meetings on specific issues.)
- At this stage, it is planned that the Exposure Draft will be approved for issue at the Boards' February 2022 meetings.

Reasons for bringing this agenda item to the Boards

- At their February 2021 meetings, the AASB and the NZASB decided the key issues to be deliberated in this project.¹

¹ The AASB project summary is available [here](#).

6. The following table outlines:
- the Board meetings at which topics have been considered; and
 - other activities needed to progress the project.
7. There is no overall change to the timetable since the June 2021 meetings, except for the explicit addition of liaison with the Public Sector Focus Sub-Group of the AASB 17 Transition Resource Group, and the explicit addition of field testing among key stakeholders. The field testing is likely to focus largely on applying the proposed indicators for determining the types of arrangements that fall within the scope of AASB 17/PBE IFRS 17.

Activity / Topic	AASB	NZASB
Scope: public sector activities to which AASB 17/PBE IFRS 17 should apply	April 2021	April 2021
Risk adjustment: relevance and measurement	April 2021	May 2021
Discounting/inflating: used to measure insurance liabilities	June 2021	June 2021
PAA eligibility: criteria for using 'simplified' measure of liabilities for remaining coverage	June 2021	June 2021
Captive insurers	Sept 2021	Sept 2021
Non-contract costs: classification	Sept 2021	Sept 2021
Unit of account (including onerous contracts)	Sept 2021	Sept 2021
Measuring Investments backing insurance liabilities	Sept 2021	Sept 2021
Targeted redeliberation on scope and risk adjustment	Sept 2021	Sept 2021
Agree content of Exposure Draft	Nov 2021	Dec 2021
Discussion with the Public Sector Focus Group	Dec 2021	Dec 2021
Field testing among key stakeholders	Commencing Nov 2021	Commencing Nov 2021
Issue Exposure Draft (probably with 60-day comment period, in view of other stakeholder outreach)	Planned March 2022	Planned March 2022
Consider feedback on ED and proposals for addressing issues raised	Planned June 2022	Planned June 2022
Address any sweep issues and agree on revised Standards	Planned July–Aug 2022	Planned July–Aug 2022
Issue revised Standards	Planned Sept 2022	Planned Sept 2022

Papers for this agenda item

Agenda Paper 5.2: Working draft Exposure Draft *Proposed Amendments to AASB 17/PBE IFRS 17 Insurance Contracts*

Agenda Paper 5.3: Risk adjustment – alignment of confidence levels