

**IFRS 17  
Implementation  
Working Group**

**Update on IFRS 17**  
May 2019

CFO Meeting  
Toronto ON  
May 15 2019

# Status Update for CFOs

May 2019

## Agenda

- ❑ Collaboration mandate
- ❑ Major activities and deliverables
- ❑ Concluded or continuing deliberations
- ❑ Substantive issues for future deliberations
- ❑ Implementation priorities and concerns
- ❑ Wrap up

## Working Group Mandate

- Working principles
  - Structure and composition of Working Group
  - Key success factors
- Objectives
  - Knowledge exchange
  - Deep understanding of IFRS 17 requirements
  - Broad consensus on core requirements
  - Minimize application differences
- Outcomes
  - Agreement on generic implementation approaches
  - Broadly standardized financial statement presentation
  - Broadly standardized disclosure framework and content
  - IFRS 17 messaging to stakeholders

## Major Activities and Deliverables

- ❑ Each jurisdiction independently concludes on its positions and implementation approach
- ❑ Group discussion of jurisdictional fact patterns, positions, risks, and concerns
- ❑ Updates on emerging issues affecting IFRS 17
- ❑ Ongoing deliverable(s)
  - Status updates to the CFO group
  - Regular updates to Summary of Jurisdictional Positions
- ❑ Final deliverable(s)
  - Approved Summary of Jurisdictional Positions to be shared with other Boards
  - Broadly standardized financial statement and notes formats

## Concluded or Continuing Deliberations

- ❑ Nature of an insurance contract in WCB context
- ❑ Level of aggregation – onerous contracts implications
- ❑ Self-insured accounts – in or out of IFRS 17 scope
- ❑ General measurement model:
  - Cash flows – current best estimate approach  
– contract boundary
  - Risk adjustment – meaning of compensation for risk
  - Discount rate – top-down vs bottom-up approach
- ❑ Implications of long contract boundary

*Red text indicates continuing or reopened deliberations*

## Substantive Issues for Future Deliberations

- ❑ Discount rate development
- ❑ Different discount rates(s) for liability valuation and rate-setting
- ❑ Validate current best estimate approach
- ❑ Recognition of discount rate changes through income or OCI
- ❑ Disaggregation and reclassification of premium components
- ❑ Classification of funding transactions
- ❑ Financial statement presentation and disclosure in WCB context
- ❑ Method of transition

## Implementation Priorities and Concerns

- ❑ Focus on practical interpretation and application of IFRS 17
- ❑ Resolution of contract boundary position
- ❑ Disaggregation of premium components
- ❑ Ensure financial statement presentation and disclosure are relevant to WCBs
- ❑ Accommodate both funding and financial statement objectives within the IFRS 17 framework
- ❑ Develop useful IFRS 17 reporting and other communications for stakeholders

## Wrap up

- Questions
- Priorities and concerns
- Next steps