

PRESS RELEASE

20 June 2013

IASB publishes revised proposals for the accounting for Insurance Contracts

The International Accounting Standards Board (IASB) today published for public comment a revised Exposure Draft of proposals for the accounting for Insurance Contracts. The Exposure Draft builds upon proposals published in 2010, and reflects feedback received during the extensive public consultation period that followed the publication of those proposals.

The revised proposals aim to provide a consistent basis for accounting for insurance contracts and to make it easier for users of financial statements to understand how insurance contracts affect an entity's financial position, financial performance and cash flows. While the model presented in the 2010 Exposure Draft was broadly supported, some specific issues were raised that the IASB has sought to address. The revised proposals respond to those issues by introducing enhancements to the presentation and measurement of insurance contracts while seeking to minimise artificial accounting volatility.

When the IASB began its work in 2001, there was no Standard on Insurance Contracts in the International Accounting Standards (IAS). In preparation for the adoption of International Financial Reporting Standards (IFRS) by the European Union and others in 2005, the IASB introduced an interim standard (IFRS 4) until a more comprehensive review of the accounting for insurance contracts could be completed. The first phase of that comprehensive review began in 2007 with the publication of a Discussion Paper followed by an Exposure Draft that was published for public comment in 2010.

The revised Exposure Draft sets out in full the proposals for the accounting for insurance contracts. However, respondents are asked for comments on the key areas that the IASB has changed as a result of the responses it received to the 2010 Exposure Draft.

Commenting on the publication of the proposals, Hans Hoogervorst, Chairman of the IASB said:

"We are approaching the end of this important project to bring consistency and transparency to the accounting for Insurance contracts. The document published today responds to concerns expressed about non-economic volatility resulting from our previous proposals.

We are now seeking further feedback before finalising this much-needed Standard."

The revised Exposure Draft is available for comment until 25 October 2013. In addition to input received from comment letters, the IASB will undertake a further programme of outreach activities and field testing of the revised proposals. A high level ‘Snapshot’ summary of the proposals is available [here](#). Furthermore, on 25 June 2013 the IASB will hold two live webcast taking place at 10am and 3pm (both London time). More information, including details on how to register, can be found [here](#).

Further information, including the Exposure Draft, is available on the IASB website [Open to comment page](#).

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Notes to editors

About the IFRS Foundation

The IFRS Foundation is the oversight body of the International Accounting Standards Board (IASB). The Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements.

The Trustees of the IFRS Foundation promote the work of the International Accounting Standards Board (IASB) and the rigorous application of IFRSs but are not involved in any technical matters relating to the standards. This responsibility rests solely with the IASB.