

**MEETING of the INSURANCE ACCOUNTING COMMITTEE and the
SUBCOMMITTEE ON ACTUARIAL STANDARDS
Westin Grand Cape Town Arabella Quays Hotel – Cape Town
March 3-7, 2010**

AGENDA

[Link to all attachments](#) (zip)

Wednesday, March 3 – 1:30 p.m. to 5:00 p.m.

Insurance Accounting Committee – Part 1

Bartholomew Diaz & Vasco da Gama

1. **Introductions** and review of the agenda
2. **Minutes** – approval of [Hyderabad meeting minutes](#)
3. **Review of Committee [Activity Report](#)** and [summary of Zoomerang survey](#) conducted for the Hyderabad meeting (only for background)
4. **Breakout sessions.** On Wednesday we plan to hold breakout sessions to discuss individual issues to attempt to develop straw man positions to discuss later in the meeting sessions. These will likely include the following, although the specific issues addressed will be determined based on the interest of those attending: (1) expenses, (2) discount rates, (3) risk margin calibration, (4) subsequent measurement of margins, (5) measuring and presentation aspects of unbundling and (6) relation between insurance contracts and revenue recognition.
5. **[Status of Insurance Contracts project](#) ([Timetable for Board discussions](#))**
6. **Reports from the Committee's IAA working Groups, discussion of issues and develop IAA positions where appropriate**
 - a. Contract boundaries and definition of an insurance contract – led by Stefan Engeländer
 - b. Risk Margins, particularly practical aspects – led by Burt Jay
 - c. Subsequent measurement of (risk and residual) margins – led by Stefan Engeländer
 - d. [Acquisition and other expenses](#) and [Consideration of Acquisition Cost in Measurement of Insurance Contracts under IFRS Phase II](#) (Stefan Engeländer) – led by Sam Gutterman
 - e. Discount rates (also will discuss the substantive items to be included in item 8 of the Subcommittee agenda, the discount rate RFP)

- i. Desirable attributes of a discount rate
 - ii. Illiquidity, currency and credit risk issues
- f. [Presentation, disclosure and the use of other comprehensive income](#)
- g. [Unbundling and revenue – measurement and presentation](#)
- h. Participating, unit and indexed link contracts ([Universal Life](#)) ([Variable](#))– led by Stefan Engländer
- i. Property & casualty specific issues, including [unearned premium approach](#)
- j. [Reinsurance issues](#)
- k. [Update on Phase II field testing and other tests being conducted](#)
- l. Other issues

7. Discussion of status of other IASB projects

- a. [IASB Work Plan](#)
- b. Issues other than Insurance
 - i. IASB Conceptual Framework and IASB Constitution review – led by Mo Chambers
 - ii. [Fair Value Measurement](#) – led by Jim Milholland
- c. IASB current or upcoming exposure drafts and discussion papers
 - i. Revenue recognition – led by Jim Milholland *[link to come]*
 - 1. December FASB/IASB conference on insurance contracts and revenue recognition – Sam
 - ii. [Financial instruments, impairments](#) – led by Francis Ruygt
 - iii. [IAS 37 Exposure Draft, summary of decisions](#) ([draft comment letter](#)) – led by Jacque Friedland
 - iv. [Management commentary](#) ([draft comment letter](#)) – led by Jim Doherty
- d. IASB Insurance Working Group update (none expected)
- e. [Summary of updates from IASB Board Meetings](#)
- f. Standards Advisory Council – update by Francis Ruygt from February meeting

8. Planning for implementation of Phase 2

9. Interrelationships with other projects

- a. Solvency Subcommittee's [Note on the Use of Internal Models](#) and [IAASB Auditing Complex Financial Instruments \(IAA comment letter\)](#) and [Summary of Significant Comments on Consultation and IAASB Task Force Recommendations](#)
- b. Pensions & Employee Benefits, Insurance Regulation and Enterprise & Financial Risk Committees (will be covered at joint meetings)
- c. Regional developments
 - i. Solvency II (Europe)
 - ii. Principles Based Approach (U.S.)

10. Interrelationships with other organizations

- a. IAASB, auditing issues and possible expansion of IAA relationship with IFAC
- b. IAIS – Francis
 - i. Insurance Contracts Subcommittee
 - ii. Solvency Subcommittee
- c. FASB – Sam

11. IAA comments on exposure drafts from international organizations

12. Committee panel presentations at the ICA *[links to come]*

13. Relevant research efforts around the world

14. IAA member organizations’ related activities.

15. Future projects and committee meetings

(continued on Thursday morning)

Thursday, March 4 – 8:30 a.m. to 10:15 a.m.

Actuarial Standards Subcommittee – Part 1

Bartholomew Diaz

- 1. Introductions** and review of the agenda
- 2. Minutes** – approval of [Hyderabad meeting minutes](#)
- 3. Review of Subcommittee** [Activity Report](#)

4. **IASP/IAN Exposure Drafts** [(4) and (5a) will be discussed both before the Thursday afternoon of the Professionalism Committee and on Friday morning]
 - a. Current IASP 2 [Statement of Intent](#) and [Report of the Professionalism Committee](#), also to be discussed at joint Insurance Accounting/Employee Benefits meeting on Saturday
 - i. Vote on whether to recommend approval by Council
 - ii. How to proceed on development (if Council approves)
 - b. Current IASP 3 – 11 approach
5. **IASP/IAN Management**
 - a. Standards issues being discussed with the IAA Professionalism Committee
 - i. [Draft IASP template](#)
 - ii. [Draft IAN template](#)
 - iii. Efforts at convergence – [terms of reference](#) of the proposed Convergence of Actuarial Standards Task Force
 - b. Website issues
 - c. Translation status
 - d. Future updates
6. **Planning for future IASP/IANs**
7. **Stochastic modeling book**
 - a. Status and pricing update
 - b. Publication
 - c. Marketing (see Hyderabad minutes under item 2 above)
8. [Discount rate monograph RFP](#)
 - a. Discussion of the draft
 - b. Attracting funding sponsors and respondents
9. **Plans for other educational materials**
 - a. Strategy on assistance to be provided for application for lesser developed countries - led by Francis Ruygt
10. **Related IAA member association activities**

(continued on Friday morning)

Thursday March 4 – 10:45 to 12:30

Insurance Accounting Committee – Part 2	Bartholomew Diaz
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(continued in the afternoon)

Thursday March 4 – 14:00 to 17:30

Insurance Accounting Committee – Part 3	Bartholomew Diaz
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(continued on Friday morning)

Friday March 5 – 8:30 to 10:15

Insurance Accounting Committee – Part 4	Sir Francis Drake
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(continued in the afternoon)

Friday March 5 – 10:45 to 12:30

Actuarial Standards Subcommittee – Part 2	Sir Francis Drake
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Friday March 5 – 14:00 to 17:30

Insurance Accounting Committee – Part 5	Sir Francis Drake
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Saturday March 6 – 8:30 to 10:15

Joint Meeting of the Insurance Accounting Committee, Insurance Regulation Committee and Enterprise & Financial Risk Committee	Bartholomew Diaz & Vasco da Gama
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(separate agenda)

Saturday March 6 – 10:45 to 12:00

Joint Pensions & Employee Benefits Committee And Insurance Accounting Committee	Bartholomew Diaz & Vasco da Gama
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(separate agenda)

February 2010 [status report](#) of the Insurance Accounting Committee and Accounting Standards Subcommittee to Council – will not be separately discussed