

Theodor Stolojan,  
Chair of the IFRS Permanent Team,  
ECON Committee,  
European Parliament  
Rue Wiertz  
Altiero Spinelli 15G206  
1047 Brussels

15 May 2018

Dear Mr Stolojan,

**IFRS 17 - Insurance contracts**

The European Insurance CFO Forum represents the views of 21 of Europe's largest insurance groups. We are writing to you in relation to IFRS 17, the new International Financial Reporting Standard for insurance contracts that is effective from 2021. IFRS 17 represents as fundamental a change to financial reporting as Solvency 2 was to insurers' solvency measurement. We understand that the ECON committee would like to get a deeper understanding about the endorsement process and will be discussing insurance at its meeting on 17 May 2018.

As part of the European endorsement process for this new standard, earlier this year EFRAG launched the first comprehensive testing exercise in order to inform their endorsement advice to the European Commission. Our members have been very proactive and constructive in supporting this testing, which is due to be completed by the middle of June 2018 and will be very relevant in this regard. The CFO Forum supports high quality accounting standards and believes that comprehensive testing of the standard is key to assessing whether it is fit for purpose and contributing to the European public good, including a thorough consideration of its wider economic impact.

The testing is yet to be finalised. Nonetheless, we as well as other stakeholders, both in Europe and globally, have already identified common issues which need appropriate attention. It is already apparent that the standard is complex and will require significant time and effort to implement, which is very challenging given the timescale. There are also aspects of the standard that we expect will need amendment to provide relevant, reliable, comparable and understandable information. This standard will also require extensive resources, as well as educational efforts to help analysts, investors and the general public understand the depth and significance of the changes to the financial reporting they know and understand. As a consequence, we believe it is essential that the findings and implications from our testing are understood by all parties in the endorsement process.

We would be honoured to have the opportunity to share with you the outcome of our testing exercise once it is finalised and reported to EFRAG. Of course, we stand ready to engage with you on this matter earlier than that, should you deem it appropriate.

Yours sincerely



Luigi Lubelli  
Chairman  
European Insurance CFO Forum

Copy:

Mrs. Pervenche Beres – Member of the European Parliament

Mr. Sven Giegold – Member of the European Parliament

Mr. Alain Deckers – Head of Unit, Accounting and Financial Reporting at DG Financial Stability, Financial Services and Capital Markets Union, European Commission

Mr. Jean-Paul Gauzes – President, EFRAG Board

Mr. Patrick Raaflaub – Chairman, CRO Forum

Mr. Olav Jones – Deputy Director General, Insurance Europe

Mr. Roberto Gualtieri – Chair of the ECON Committee