

Mr. Jean-Paul Gauzes
EFRAG Board President
EFRAG
35 Square de Meeûs
B-1000 Brussels, Belgium

3 August 2018

Re: IFRS 17 testing results presented to the EFRAG Board

Dear Mr Gauzes,

Thank you for your letter dated 19 July in which you asked us to provide, to the extent possible, some indication of the solutions the CFO Forum will envisage to the priority issues identified.

We consider all of the issues that were identified in the EFRAG testing to be both important and solvable and we are fully committed to proposing solutions to all of these issues, which need to be addressed. In this regard, our Members have commenced a process to determine a solution for each issue identified. Whilst some of these can be addressed by a straightforward amendment to the text in the standard, others may require some additional consideration. This process will take some time to complete and given the importance of the targeted improvements, we are devoting significant efforts to it.

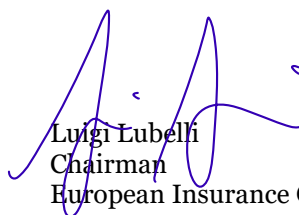
With respect to your request to prioritise the issues, we have discussed this again internally within the CFO Forum. We believe that the common objective should be to improve the final standard on all material issues identified during the EFRAG testing. As already mentioned, we consider all these issues to be solvable and, thus, we consciously decided as a CFO Forum that we would not prioritise them because they all should be addressed given their importance to the industry. We are of the firm belief that making improvements to resolve all these issues will ensure a high quality standard, which is in the interest of all stakeholders.

As such, we are now focusing on finding solutions for the issues by developing concrete suggestions for limited amendments to IFRS 17 where necessary. To demonstrate our commitment and constructive approach, we are planning to provide our aligned proposals for focused IFRS 17 amendments as soon as they are finalised which will be at the latest by the end of October. We respectfully ask you for your understanding that this is a very tight timeframe, given that the half-year reporting of our Members is in progress and that we will not be able to conduct the required technical meetings with full attendance of our members before the beginning of September.

Whilst we appreciate the work done by EFRAG staff on the insurance industry's concerns, we would like to re-emphasise the critical importance of all the issues discussed on 3 July with the EFRAG Board, which does not seem to be completely reflected in the EFRAG staff papers to date. We would be pleased to meet with the EFRAG staff to better explain why our concerns are critical.

We understand and concur with the need to maintain momentum by quickly developing and agreeing the necessary changes to the standard. We therefore remain fully committed to ongoing positive engagement with both EFRAG and the IASB.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Luigi Lubelli".

Luigi Lubelli
Chairman
European Insurance CFO Forum