

## Concerns about the IASB presentation on mutuals

### Background

In July 2018 the IASB published a presentation on [Insurance Contracts issued by mutual entities](#); an educational material aiming to support the implementation of IFRS 17 for mutual entities.

Insurance Sweden is concerned about the IASB presentation. We question the content of the presentation as well as the due process preceding its publication. Our concerns are shared by [AMICE](#), the Association of Mutual Insurers and Insurance Cooperatives in Europe.

### Our key concerns

The legal nature or the status of the presentation is uncertain. The presentation is of course not a part of the standard, but considering its detailed guidance, if left unquestioned, we fear the presentation will be picked up by auditors and advisors as a model how to apply IFRS 17 to mutuals. We consider that to be a most unfortunate scenario.

In our view the definitions and detailed accounting guidance in the document are misleading and confusing, misrepresenting the nature of a mutual entity. The prescriptive nature of the presentation stands in sharp contrast to the principle based standard. The presentation also introduces new elements that were not at all consulted before the standard was published, like for example a risk adjustment to compensate the mutual entity.

### No guidelines wanted

We would like to emphasize that we do not seek any public debate with the IASB how mutuals should or should not apply IFRS 17; it is much too late for that. We are not aiming to change the standard (in this respect) - nor do we want any kind of guidelines.

We simply want the presentation to be removed from the IASB website.

### Insurance Europe and TRG

We would like to inform our colleagues at Insurance Europe FRWG that we disagree with the IASB presentation; we reach out for support for our view.

The origin of the IASB presentation on mutuals is unclear. It has not followed any private or public discussion; according to our knowledge it was published without any contact established with the mutual sector. We believe the presentation was put together following a discussion within the TRG in May 2018, but that is not confirmed.

We would like to discuss whether TRG members should be addressed. We think it would be useful if (some) TRG-members are informed about our concerns over the IASB presentation in preparation for the next TRG meeting scheduled at 26-27 September 2018.

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