

Mr. Hans Hoogervorst, Chairman
International Accounting Standards Board
Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Brussels, 16 October 2018

Re: Global insurance industry comments on IFRS 17

Dear Chairman Hoogervorst,

As associations representing many markets where insurers are required to apply IFRS 17, we are writing to you with our views on how best to ensure a successful implementation of this important standard.

We remain committed to a high-quality standard for insurance contracts which improves insurers' financial reporting. We have collectively made significant contributions to the development of IFRS 17 and our member companies are engaging considerable resources into its planning and implementation.

This preparatory work, which in Europe has included extensive testing as part of EFRAG's endorsement activities, has confirmed that a number of important issues need to be resolved in order to ensure the quality and operational practicability of the new standard.

We can confirm that the topics raised by the European CFO Forum in their presentation to the EFRAG Board on 3 July encompass our range of concerns and need to be addressed. In addition, there are serious operational constraints on insurers' ability to successfully implement IFRS 17 on the current timelines.

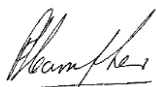
The industry recognises its responsibility for proposing solutions and we are liaising across our markets with the aim of providing timely progress on the necessary improvements to IFRS 17.

As a result, we strongly believe a 2-year delay in the effective date of the standard is required. This lead time is essential both to allow for the necessary improvements to the standard and to allow adequate time for the wide range of companies required to apply the standard and meet its significant implementation challenges.

There is no expectation that a delay will result in insurers stopping or slowing their implementation project. Rather, it will allow them to deal with operational constraints (skilled resource needs, software solutions), and the systems and control process changes needed to prepare data of suitable quality and reliability. It will also allow for the finalisation of related regulatory changes as required in some jurisdictions, for better change management and user understanding and education on the new, and potentially very different, financial reporting going forward.

We ask that these important matters are addressed so that insurers can plan accordingly to ensure an efficient IFRS 17 implementation.

Sincerely,



Leon Campher, CEO
Association for Savings and Investment South Africa



Stephen Frank, President & CEO
Canadian Life & Health Insurance Association



Richard Klipin, Chief Executive Officer
Financial Service Council of New Zealand



Yong-Duk Kim, Chairman & CEO
General Insurance Association of Korea



Don Forgeron, ICD.D, President & CEO
Insurance Bureau of Canada



Robert Whelan, Executive Director & CEO
Insurance Council of Australia



Tim Grafton, CEO
Insurance Council of New Zealand



Olav Jones, Deputy Director General
Insurance Europe



Shin Yong-Kil, Chairman & CEO
Korea Life Insurance Association

