



8 December 2022

ANNOUNCEMENT

A DEEP-DIVE IFRS TRAINING PROGRAM FOR INSURANCE INDUSTRY PROFESSIONALS

A JOINT PROGRAM BY IAI-ICAI WITH SUPPORT FROM IRDAI’S EXPERT COMMITTEE ON
IMPLEMENTATION OF IND AS/ IFRS IN INSURANCE SECTOR

I. BACK GROUND

IFRS 17 is a new accounting standard in the Insurance Industry. The aim of IFRS 17 is to bring greater transparency and comparability to financial statements. All stakeholders need to understand the interrelationship between the current method and timing of reporting and requirements of IFRS 17 and fundamental changes to be adopted. In a broad view, it changes measurement from the historical cash flow to expected cash flow, from insurance revenue to insurance service revenue, from actual claims and expenses to the expected claims and expenses and expected risk margin (ERM) to expected contractual service margin (CSM). Actuaries would be required to develop several of these figures, to be used by Accountants for downstream reporting. It also aims to establish linkage between the participating insurance contracts with underlying investments and mandates disclosures about the Best Estimate Liability (BEL).

The Insurance regulator of India, IRDAI has initiated the process of training the Industry for IFRS 17. As a part of their strategy implementation, a unique and comprehensive 5 days (3 days basic course & 2 days advanced) training program is designed and the same is offered to all industry leaders by bringing-in expertise from both IAI and ICAI.

II. ABOUT THE PROGRAM

The 5 days training is split into two rounds, which will have a gap of 2-3 weeks; the first round will have a duration of 3 days covering all basics of IFRS and the second round of 2 days duration to cover advanced/specialised topics separately for Life and Non-Life business. The duration of each day’s program shall be 6 hours; however, tasks and assignments may have to be completed by participants after each day’s training.

All topics/sessions will involve expert faculty members from both Institute of Actuaries of India and Institute of Chartered Accountants of India. The classroom training is arranged at the College of Insurance, Insurance Institute of India (III) addressed at: *Plot no. C-46, G-Block, Near US Consulate, G Block BKC, Bandra-Kurla Complex, Bandra East, Mumbai, Maharashtra 400051, located just about 11 KM from the Mumbai Airport.*

The first round of program will commence on Wednesday, 21 December 2022 and will continue for 3 days. The first batch of training will be exclusively for Life Insurance professionals. General Insurance and Health Insurance programs will follow in subsequent batches, the dates of which will be communicated to all concerned. However, All registrations, irrespective of category of business, viz., Life, General or Health to be completed before the date of closing of registration as below. All participants will have



reading materials and assignments to complete before they come back for the next round of 2 days' advanced training, the dates of which will be communicated to all participants in advance. Arrangements are made for Breakfast, Tea & Snacks and Lunch during all days of training. Those who are travelling from stations outside Mumbai can also stay within the training campus for reasonable cost, if intimated in advance.

III. PROGRAM SCHEDULE:

Detailed course and program schedule is available in the ANNEXURE

IV. REGISTRATION:

- ✓ **Registration menu** : Visit IAI website at www.actuariesindia.org click on [IFRS 17 Training for Insurance Industry](#)
IAI Member: IAI login page >>IFRS17 Program
- ✓ **Registration fee** : ₹ 26,000 (Rupees Twenty six thousand only) +18% GST
- ✓ **Registration opens** : On 8 December 2022 6.00PM.
- ✓ **Registration closes** : On 19 December 2022 6.00PM.

V. FACULTY

- i. ABHISHEK CHADHA, ACTUARY
- ii. ANJANI KUMAR KHETAN, CA
- iii. AVDHESH GUPTA, ACTUARY
- iv. GAURAV DAVE, CA
- v. KAILASH MITTAL, ACTUARY
- vi. KAUSHAL JHUNJHUNWALA, ACTUARY
- vii. KEYUR PAREKH, ACTUARY, CA
- viii. KUNJ BEHARI MAHESHWARI, ACTUARY
- ix. MOHAN R LAVI, CA
- x. MURTUZA VAJIHI, CA
- xi. PHIL JACKSON, ACTUARY
- xii. SAIGEETA BHARGAVA, ACTUARY
- xiii. TANMEET KAUR, ACTUARY

VI. BENEFITS OF ATTENDING THE PROGRAM:

- ✓ First ever comprehensive training on IFRS 17 as directed by IRDAI
- ✓ Hands on experience and interaction with expert faculty in the class room
- ✓ All IFRS 17 expertise brought from ICAI and IAI
- ✓ Specialised sessions for Life and Non-Life.

VII. CONTACT:

Point of contact for guidance, all related queries & room booking: Mr. Ravindra Mastekar at: ravindra@actuariesindia.org or 022 62433348



ANNEXURE

IFRS Beginners training- 3 days					
Day	Session No	Session Name	Timings & Duration	Topic	
Day 1 (6 hours)	1	Introductory	10.00 am-11.00 am (60 min)	1. Introduction and Background to IFRS-17 Insurance Contracts & Brief chronology of events leading up to IFRS-17	
				2. Executive Summary and Overview of IFRS 17, its scope and exclusions. (Why this Standard and when to apply this Standard?)	
				3. How Ind-AS 117 is intended to improve financial reporting for insurance contracts	
				4. IFRS 17 vs different regimes such as RBC / Solvency II (similarities & differences); MCEV / IEV and current IGAAP reporting in India	
	Tea Break		11.00 am-11.15 am (15 min)		
	2	Core concepts of IFRS-17	11.15 am-12.45 pm (90 min)	• Key Definitions, Concepts and Principles under IFRS-17 and how they apply	
				• Structured Flowchart of topics covered under IFRS 17	
• What are Insurance Contracts, as contemplated under IFRS-17					
• Pure Investment contracts and Insurance Contracts having Investment component; Identification of investment components					
○ Insurance Risk - how different from Finance Risk					
○ How to assess significant insurance risk?					
• Separation of components from host insurance contract and their treatment					
• How to identify and separate various components of an insurance contract					
• Situations when insurance contracts are to be combined					
Lunch break		12.45 pm-1.30 pm (45 min)			
3	Overview of Different measurement models	1.30 pm-3.30 pm (120 min)	• Describe the three measurement models		
			• Examples of Life, General, Health insurance contracts which model they are likely to follow		



			<ul style="list-style-type: none"> Contract Boundary of insurance contracts Contract Modification requirements and impact
	Tea Break	3.30 pm-3.45 pm (15 min)	
	4	Initial measurement and level of aggregation 3.45 pm-4.45 pm (60 min)	<ul style="list-style-type: none"> Initial measurement Definition of Portfolios Level of Aggregation (viz. Unit of Account) - for insurance contracts Aggregating Insurance Contracts into Portfolio, Cohorts and Groups Profitability grouping and how it is assessed Key assumptions for FCF computation Adjustment for financial and non-financial risk Mathematical examples of testing onerousness CSM at its initial recognition and its subsequent movement
	5	Quiz time 4.45 pm-5.15 pm (30 min)	Day 1 Quiz
DAY 2 (6 hours)	5	Day I recap 10.00 am-10.15 am (15 min)	Day 1 Recap
	6	Discount rate 10.15 am-11.15 am (60 min)	<ul style="list-style-type: none"> Top-down vs Bottom-up approach Considerations for assessing credit default and illiquidity premiums Deriving discount rate for a group (unit of account)
		Tea Break	11.15 am-11.30 am (15 min)
	7	General Model (GM) measurement 11.30 am-12.45 pm (75min)	<ul style="list-style-type: none"> Initial measurement Subsequent measurement of CSM Impact of assumption changes / operational variance in CSM Choice of coverage units IFRS-17 Financial statements for GM product as an example
		Lunch break	12.45 pm-1.30 pm (45 min)
	8	VFA Measurement 1.30 pm-2.45 pm (75min)	<ul style="list-style-type: none"> VFA eligibility Initial and Subsequent measurement of CSM for VFA products with numerical example



			<ul style="list-style-type: none"> Risk mitigation option allowed by standard for VFA contracts Impact of economic assumption changes / economic variance in CSM Coverage unit choices IFRS-17 statements for VFA product as an example 	
9	Premium Allocation Approach (PAA) under IFRS 17	2.45 pm-3.45 pm (60min)	<ul style="list-style-type: none"> Applicability / Eligibility - when can one apply PAA How PAA is different from General Model and what simplification are introduced by PAA Examples of General Insurance & Health contracts satisfying PAA or GM IFRS-17 statements for PAA product as an example Applicability of PAA for certain life contracts (e.g. Group) 	
Tea Break		3.45pm-4.00pm (15 min)		
10	Risk Adjustment	4.00 pm-5.00 pm (60 min)	Different approaches for calculating Risk Adjustment	
11	Quiz time	5.00 pm-5.15 pm (15 min).	Day 2 Quiz	
Day 3 (6 hours)	11	Day 2 recap	10.00 am-10.15 am (15 min) Day 2 Recap	
	12	Onerous Contracts	10.15 am-11.15 am (60 min) <ul style="list-style-type: none"> Accounting for onerous contracts and Loss components Roll forward of LC, loss unwinding, loss recognition 	
	Tea break		11.15 am-11.30 am (15 min)	
	13	Re-insurance Contracts held	11.30 am-12.30 pm (60 min) <ul style="list-style-type: none"> Accounting for reinsurance contracts, subsequent measurement Contract boundary 	
	14	Systems	12.30 pm-1.30 pm (60 min) <ul style="list-style-type: none"> Changes in actuarial models required Additional system requirements including changes for accounting Data requirements 	
	Lunch break		1.30 pm-2.15 pm (45 min)	
15			Insurance service results	



	Presentation \$ Disclosures for Life Insurers & Non-Life and Health Insurers	2.15 pm- 3.30 pm (75 min)	<ul style="list-style-type: none"> ○ Insurance Revenue and Insurance Service expenses ● Insurance Finance Results ○ Insurance Finance Income and Insurance Finance expenses ○ Accounting policy choices available ● Chart of Accounts ● Reconciliation from opening to closing and their levels of aggregation ● Disclosure requirements (including those arising from the report of the working group) ● Auditing requirements and changes that might be required
Tea Break		3. 30pm-3.45pm (15 min)	
16	Transition approaches	3.45 pm- 4.45 pm (60 min)	<ul style="list-style-type: none"> ● Requirements under the standard ● Explanation and illustration of various transition approaches under IFRS-17 ● Data requirements resulting from different transition approaches
17	Quiz time	4.45 pm- 5.00pm (15 min)	Day 3 Quiz