



## Risk Adjustments for Insurance Contracts Under IFRS 17



The International Actuarial Association (IAA) is pleased to announce the publication of our Educational Monograph on *Risk Adjustments for Insurance Contracts Under IFRS 17*.

In May 2017, the International Financial Reporting Standard 17 (IFRS 17) – Insurance Contracts, was released, with an implementation date of January 1st, 2021.

The measurement model within IFRS 17 was designed to include explicit provision for non-financial uncertainties of cash flows in the form of a risk adjustment for non-financial risk. The objective of this monograph is to address the educational needs of practitioners in the insurance field who are involved in the preparation and auditing of financial statements under IFRS 17. While a substantial amount of actuarial literature is available for various applications of risk margins, much of that material is not directly applicable to the specific needs of IFRS 17. This monograph addresses this need by providing a focused source of technical education material

as IFRS 17 comes into effect.

While IFRS 17 does not specify how the objective of setting an appropriate risk adjustment should be achieved, this monograph provides descriptions and illustrative examples of techniques that could be applied in the risk adjustment calculation for various types of insurance contracts. While specific practice guidance or interpretations regarding IFRS 17 will come from other sources, this monograph will help educate and assist practitioners as practices emerge.

Masaaki Yoshimura, IAA President, stated “In the world of insurance, based on the business of managing uncertainty and risk, adjustments for risk have been an integral part since the earliest days of accounting for such business. The publication of this monograph is a key milestone which provides educational material specific to IFRS 17 for practitioners in the insurance sectors. A must read for anyone in the field!”

This monograph forms an important part of the IAA’s research and educational objectives, to facilitate and provide useful educational material that is accessible to actuaries everywhere. It will be complemented by a model International Actuarial Standard of Practice and an International Actuarial Note, both of which are currently under development.

This project has been made possible through the generous support of the following actuarial organizations:

- AFIR-ERM Section
- ASTIN Section
- Actuaries Institute Australia
- Canadian Institute of Actuaries
- Institute of Actuaries of Japan

- Institute & Faculty of Actuaries (United Kingdom)
- The Actuarial Foundation (United States)
- Casualty Actuarial Society (United States)
- Society of Actuaries Financial Reporting Section (United States)

In addition to their financial support, these organizations appointed representatives who have provided technical guidance and ongoing monitoring of the project as members of the ad hoc Project Oversight Group created to oversee the project. Other members include the leadership of the IAA committees on Insurance Accounting and Insurance Regulation. The authors are from a team of professionals from Deloitte.

You can order your copy online, available in [print & e-copy](#) or [e-copy](#) formats.

*Ce communiqué de nouvelles est aussi disponible [en français](#).*

The International Actuarial Association (IAA) is the worldwide association of professional actuarial associations, representing approximately 70,000 actuaries in more than 115 countries, with seven special interest Sections for individual actuaries. The IAA was founded in 1895 and exists to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served. The IAA has 73 Full Member Associations and 25 Associate Member Associations.

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