

# IFRS 17 Progress Report Template

Submit completed reports via email to FSRA Relationship Manager Boniface Tuurosong at [Boniface.Tuurosong@fsrao.ca](mailto:Boniface.Tuurosong@fsrao.ca) with the subject field: “Insurer Name – IFRS 17 Progress Report – (MMYYYY).” See *Submission Deadlines* for due dates.

## Notice

The Financial Services Regulatory Authority of Ontario (FSRA) expects insurers to engage senior management in developing an IFRS 17 transition plan and fulfilling these reporting requirements.

Information will be considered confidential and treated accordingly.

## Scope of Progress Reports

Progress reports should include information on the following:

### 1. Transition Project Structure and Resources

- a) Description of the transition project structure, governance, and timeline, including the role of the board or Chief Agent, project sponsor, key project team members (internal and external), and accountabilities.
- b) Assessment of whether resources are sufficient to meet project deliverables.

### 2. Project Status

Indicate the status of key milestones of the transition project plan. For example, indicate if the project is on schedule, ahead of schedule or behind schedule. If behind schedule, indicate the steps being taken to bring the project back on schedule.

When evaluating project status, insurers should:

- a) Conduct a qualitative assessment of IFRS 17/IFRS 4 differences (e.g., impact on policyholder liability, retained earnings, regulatory capital, etc.).
- b) Identify issues and solutions in applying IFRS 17 where a decision has been made and, where a decision has not been made, the major factors relevant to the decision, and the timeline for completing that decision.
- c) Describe possible choices, actions, elections, or policies (accounting or actuarial) being considered and applicable criteria when deciding.

- d) Where a decision has been determined and it is possible to estimate its impact, provide a preliminary estimate of the range of quantitative impacts for each financial statement item affected by the choice and the potential impact on capital levels. If it is not yet possible to estimate its impact, describe the timeline and process for completing that estimate.

Details should be included in the progress report based on the areas identified in 3. *Significant Accounting Impacts* below.

FSRA expects insurers to keep their FSRA Relationship Manager informed of any major changes, delays, or risks to the IFRS 17 transition plan.

### **3. Significant Accounting Impacts**

Insurers should provide a summary of the significant changes caused by the difference between IFRS 4 and IFRS 17. FSRA has identified the following accounting policy options affecting the insurer's financial statements:

- a) Level of Aggregation
- b) Estimate of Future Cash Flows
- c) Discount Rates
- d) Risk Adjustment
- e) Contractual Service Margin
- f) Embedded Guarantees
- g) Accounting for Financial Guarantee Contracts
- h) Deferred Acquisition Costs
- i) Premium Allocation Approach Measurement
- j) Contracts with Direct Participation Features
- k) Reinsurance
- l) Impact of adoption of IFRS 9 on IFRS 17 Transition Date (e.g., classification and measurement, expected credit losses, etc.)
- m) Impact on Presentation and Disclosures
- n) Transition

The progress report should comment on the above and on any other items that have a significant impact on the insurer's financial statement balances (mainly on the Statement of Financial Position), recognition, classification, measurement, presentation, or disclosure. Each report should provide the status and progress towards decisions made.

#### **4. Operational Preparedness**

Insurers should update their assessment of the IFRS 17 impact on:

- a) Preparation of regulatory returns.
- b) Changes required to systems, if any.
- c) Training designed and delivered to staff.
- d) Any other items impacting the project.

Requested information that has been reported in a previous progress report and remains unchanged from one reporting period to the next does not need to be repeated. However, the insurer should indicate that the information is unchanged from the previous report.

#### **Submission Deadlines**

Insurers must submit their semi-annual progress reports to FSRA on or before:

- July 16, 2021
- November 30, 2021
- May 31, 2022
- November 30, 2022
- May 31, 2023

#### **Contact Information**

All reports and any questions can be directed to FSRA Relationship Manager Boniface Tuurosong at [Boniface.Tuurosong@fsrao.ca](mailto:Boniface.Tuurosong@fsrao.ca).