

IFRS 17 – Contracts in Scope

This article is an introduction of various parameters to take into consideration for identifying the Contracts that fall within the purview of IFRS 17.

To be IFRS17 ready, the bouquet of all insurance product covers can be analysed into two categories:



Insurance Contracts

- Contracts having significant insurance risk



Investment Contracts

- Contracts not having significant insurance risk

Identification Process Overview

The process recommended for determining the insurance contracts that fall under the scope of IFRS17 measurement is as below:





Significant Insurance Risk in an insurance contract may constitute of an insured event that could cause the insurer to pay a significant additional amount in any scenario that has commercial substance. The threshold level for 'Significant' is not specified under IFRS17 and is to be determined and justified by companies when designing their accounting policies and procedures in conjunction with the auditors and actuaries.

To gain more insights on the above scope under IFRS17 or for any other related discussions, please feel free to reach out to us at kap@ka-pandit.com.

M/s. K. A. Pandit Consultants & Actuaries

MUMBAI
2nd Floor, Churchgate House,
32-34 Veer Nariman Road,
Fort, Mumbai - 400001.
Tel .: +91-22-42922250

MUMBAI
C/201 Remi Bizcourt,
Off. Veera Desai Road,
Andheri (W),
Mumbai - 400058.
Tel .: +91-22-42922231

AHMEDABAD
509, Golden Triangle,
Near Sardar Patel Stadium
Navrangpura,
Ahmedabad - 380014.
Tel .: +91-79-26460734

Website :
www.ka-pandit.com
E-mail :
kap@ka-pandit.com

This material and the information contained herein prepared by M/S. K. A. Pandit Consultants & Actuaries (KAP) is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). This material contains information sourced from third party sites (external sites). KAP is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such external sites. By means of this material, KAP is not rendering professional advice or services. This information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser. No entity in the KAP Network shall be responsible for any loss whatsoever sustained by any person who relies on this material. ©2021 K. A. PANDIT ISO 9001:2015 CERTIFIED | ISO 27001:2013 CERTIFIED

We work for you, wherever your business takes you!