

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

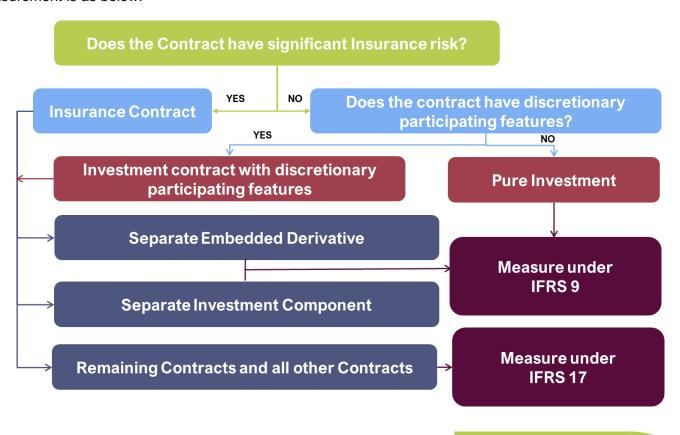


Investment Contracts

 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.

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