

October 17, 2018

Mr. Hans Hoogervorst
Chair, International Accounting Standards Board
IFRS Foundation
7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Re: IFRS 17 implementation date

Dear Mr. Hoogervorst:

The Canadian Institute of Actuaries (CIA) is the national, bilingual organization and voice of the actuarial profession in Canada. Its members are dedicated to providing actuarial services and advice of the highest quality. The Institute holds the duty of the profession to the public above the needs of the profession and its members.

The CIA has been actively monitoring developments with the implementation of the new International Financial Reporting Standard (IFRS) 17 for insurance contracts. A significant number of CIA members have participated in activities at the international level to support the release of IFRS 17. In conjunction with this, both the CIA and the Canadian Actuarial Standards Board (ASB) have been developing standards and guidance for members, to facilitate an effective transition to the new accounting requirements.

An exceptional effort is being made by CIA members, their employers, and their clients to implement IFRS 17 by the effective date of January 1, 2021. Although these efforts continue, we have observed serious concerns being raised by our members and other actuaries in the insurance industry who are working to develop the systems and policies required by the new accounting requirements. These include a number of complexities that have been uncovered, the fact that not all aspects of IFRS 17 are fully developed, and the need for further clarity on many aspects.

A specific concern is that IFRS 17 requires comparable financials for the fiscal year preceding the implementation date, leaving just over one year to operationalize the new accounting requirements. In our view, this is insufficient time to ensure all the issues are addressed. Additionally, practitioners in the property and casualty (P&C) insurance field have raised concerns that several issues unique to P&C insurance may require additional guidance as well as additional time and effort to implement.

We believe that the public interest is best served through clear and consistent financial reporting, and we recognize the important role of IFRS 17 in achieving this goal. However, we do not want to risk facing a situation wherein issues have not been sufficiently addressed or necessary clarification has not been attained due to time pressures.

We understand that other organizations affected by IFRS 17 have requested the implementation date be delayed to January 1, 2023. Given the concerns expressed above, and with the best interests of the public in mind, the CIA joins with their request to delay implementation.

I would be pleased to discuss this issue further at your convenience.

Sincerely,

[original signature on file]

John Dark, FCIA
President, Canadian Institute of Actuaries