

Minutes of Meeting held on 28th July 2023 at Insurance Institute of India, BKC Mumbai on IFRS17/Ind AS 117 preparedness of General Insurance Industry.

	List of Attendees	Name of the Company	Designation
1	Satish Durai	Swiss Re	CFO
2	Sumedh Jog	Tata AIG	CFO
3	Supriyo Chakki	Tata AIG	Appointed Actuary
4	Suresh K	Tata AIG	EVP - IT
5	Gopal Balachandran	ICICI Lombard	CFO
6	Anckur Anil Kanwar	ICICI Lombard	Deputy CFO
7	Prasun Sarkar	ICICI Lombard	Appointed Actuary
8	Arif Syed	ICICI Lombard	Head – Technology
9	Manish Singh	ICICI Lombard	VP – Actuarial
10	Nitin Tripathi	ICICI Lombard	VP
11	Karan Rungta	ICICI Lombard	DVP
12	Smita Tibrewala	ICICI Lombard	VP
13	Joydeep Saha	Manipal Cigna	Appointed Actuary
14	Srikanth K	Manipal Cigna	CFO
15	Sumeet Agarwal	Manipal Cigna	CTO
16	Parthasarathy Chakrabarthy	Iffco Tokio	EVP – IT
17	Harneet Singh Sethi	Iffco Tokio	Chief Manager – Actuarial
18	Aditya Aggarwal	Iffco Tokio	GM - F &A
19	KG Nandakumaran	Oriental	CFO & DGM
20	Girish Ahuja	Oriental	DGM
21	Yogita Arora	Oriental	Appointed Actuary
22	CA Bharati	Oriental	DGM – IT
23	Ritu Kotnala	Royal Sundaram	Actuarial
24	Nitin Dayani	Royal Sundaram	Finance
25	V Anuradha	Royal Sundaram	IT
26	Ravitosh Mishra	Zuno General Insurance	Finance
27	Rushikesh Kulkarni	Zuno General Insurance	Finance
28	Vikram Jain	Universal Sompo	Head - Applications & Integration
29	Nilesh Mejari	Universal Sompo	CFO
30	Chinmay Bhatia	HDFC Ergo	Head – IT
31	Anshul Mittal	HDFC Ergo	EVP – Actuarial
32	Birish Giri	Acko General	Appointed Actuary
33	Ashok Kumar Lahoty	National	Appointed Actuary
34	VR Kumar	National	CFO & DGM
35	Sharad Kumar Singh	National	Chief Manager – IT
36	Vishwanath Mahendra	Niva Bupa	Director & CFO
37	Manish Sen	Niva Bupa	Appointed Actuary
38	Nitin Tayal	Niva Bupa	Senior VP – IT
39	Nikhil Kamdar	Go digit	Appointed Actuary
40	Rohit Singhal	XL India	Appointed Actuary
41	Ankit Bansal	Navi General	CFO
42	Mr Vikram Arora	Future Generali	Chief Information Officer

	List of Attendees	Name of the Company	Designation
43	Ankit Jain	Factory Mutual	CFO
44	Arun Purohit	Hannover Re	Head – Generation
45	Pankaj Jain	RGA India Branch	CFO
46	Aditi Saboo	Scor RE	CFO
47	Piyush Patwa	Allianz Global;	CFO
48	Yash Kotak	Kotak General	CFO
49	Mehul Shah	Kotak General	Appointed Actuary
50	Suresh Sankar	Kotak General	CTO
51	Shefali Sehvani	Lloyds' India	CFO
52	Hemant Jain	Reliance General	CFO
53	Karthikeyan A.V.	Reliance General	Appointed Actuary
54	Ashwini Kumar Arora	Cholamandalam MS	Appointed Actuary
55	Anuradha Vasudevan	Cholamandalam MS	Financial Controller
56	Srigopal Gopisetty	Cholamandalam MS	IT
57	Rahul Tomar	Liberty General	IT
58	Swapnil Kulkarni	Liberty General	Finance
59	Ryan Samaratunga	Liberty General	Appointed Actuary
60	Mona Mathur	Shriram General	CFO
61	Sourav Roy	Shriram General	Appointed Actuary
62	Malaya Kanta Barik	Shriram General	IT Head
63	Devi Dayal Garg	Future Generali	CFO
64	Jatin Arora	Future Generali	Appointed Actuary
65	Nirav Shah	Aditya Birla Health Insurance	Appointed Actuary
66	Kishan Vaishnav	Aditya Birla Health Insurance	Finance & Accounts
67	Sabsayachi Das	Munich Re - India Branch	Corporate Actuary & Head of Risks
68	Ramesh Mane	Munich Re - India Branch	Manager
69	S. Hemamalini	United India	DGM Accounts
70	Vishnu Vardhan. P.	United India	Appointed Actuary
71	K. Rajkumar	United India	CM IT
72	Kumar Shah	Bajaj Allianz General	Financial Controller
73	Gaurav Malhotra	Bajaj Allianz General	Appointed Actuary
74	Rikhil Shah	SBI General	CFO
75	Kaushik Sengupta	SBI General	
76	Pushkar Deodhar	SBI General	Appointed Actuary
77	RS Gupta	New India	Chief Manager
78	Naman Gokhroo	New India	Asst Manager
79	Sriram K. Kavasseri	New India	DGM
80	Dhiraj Kumar	New India	CM
81	Ashok Mishra	New India	Manager
82	Rajesh Khadtare	GIC RE	DGM
83	Trupti Mangeshkar	GIC RE	Senior Manager
84	Santosh Bishnoi	ECGC	AGM – Actuarial
85	Deepa V.	ECGC	Manager – Accounts
86	Amit Bhandari	Magma HDI	
87	Amit Thapliyal	Magma HDI	VP & CTO

	List of Attendees	Name of the Company	Designation
88	Vinod Rathi	General Re	CFO
89	N Harikrishnan	AIC	CFO
90	Anupam Bansal	AIC	Chief Actuary
91	Kapil Goyal	Magma HDI	VP – Finance
92	Gaurav Parasrampur	Magma HDI	CFO
93	Piyush Jain	Kshema General Insurance	Appointed Actuary
94	Rohit Ajaonkar	Raheja QBE	Appointed Actuary
95	Ritesh Jiwarajka	Liberty General	CFO
96	Manisha Mehta	Magma HDI	Lead - Pricing & Strategies

From GI Council

1. Mr C.R. Vijayan – Deputy Secretary General (DSG)
2. Mr S. Skandan – Consultant
3. Mr Sekhar Ballal

DSG welcomed all the participants. Mr S. Skandan wanted that the Council should form a steering committee to take up the issues pertaining to implementation of IFRS 17/Ind AS 117, as desired by IRDAI. Member companies have also approached the Council for inputs regarding understanding of the subject, knowledge and training needs, reorienting the IT systems of the companies to suit the new requirements and also have a forum for negotiation with vendors/consultants at the Council level to take advantage of easier pricing. These requirements were discussed at CFO's meeting held on 9th June 2023, where it was decided that a separate meeting of CFO's, Actuaries and IT heads would be called to discuss these issues threadbare.

IRDAI, vide its letter dated July 13, 2023, stated that it is contemplating phase-wise implementation of IFRS/Ind AS in insurance sector. Fifteen Insurers, 10 life and 5 non-life, based on the Listing and AUM criteria have been identified for phase 1 implementation from April 1, 2025.

The following representatives from General Insurance Industry led and moderated the discussions:

1.	CFO – ICICI Lombard
2.	CFO – Future Generali
3.	Appointed Actuary – ICICI Lombard
4.	Appointed Actuary – Oriental
5.	Appointed Actuary – Aditya Birla Health Insurance
6.	Head – IT, Universal Sampo

The das took the participants through the important facets of this standard by explaining them in detail. Gist of the discussions were as follows:

1. There is a requirement of a cross functional team including Actuarial, Finance, IT, Underwriting, Investments, compliance etc. to take this standard through as it involves every area of operations and are interlinked.
2. Unbundling of contracts must be attempted in full, product wise/policy wise based on the principles of the standards/materiality etc. It is quite possible that majority of the general insurance policies will come under PAA model instead of GMM model depending on the nature of business written by each company and the various materiality thresholds defined by each

company. The members were also briefly apprised of some of the globally adopted IFRS practices from jurisdictions which have recently moved to this new accounting regime, for example, Motor OD and Motor TP being combined and defined to be one portfolio. While at the same time in some other jurisdictions, Motor Liability only policies separated out from the comprehensive portfolio while defining portfolio. Hence it is important for the industry to deliberate on these matters and come on an agreement as most of the product constructs are more or less same across the industry. Considerations like tariff restrictions or tariff wordings in motor products also need to be considered in certain aspects of the standards, for example, onerousness, line of aggregation etc.

3. Crop insurance/Weather based Crop Insurance is another issue which needs further deliberations. Existing insurance schemes are only for kharif/Rabi (seasonal) while weather-based schemes are also for a limited period of time (maybe annual). In this scenario, a detailed analysis is imperative in the inclusion of crop insurance in this standard for discussion on risk transfer in certain type of contracts for Ind AS 117 eligibility versus index based contracts replicating derivative instruments falling under Ind AS 109. Nuances of what defines an insurance contract vs a derivative contract under Ind AS standards were also briefly highlighted.
4. Similarly, services that are correlated or inter related with the underlying insurance policy contract must be recognized, which then is the test for determining value added services that need to be accounted separately or not based on the principles laid down in the standards and materiality thresholds. E.g.: In case of Motor Comprehensive, towing of vehicles is an integral service for the policy.
5. There is a need for clarification and framing guidelines in respect of onerous contracts, especially regarding the tariff restrictions and tariff wordings prevailing currently.
6. It was clarified that the Risk Based Capital (RBC) and IFRS are two independent regimes/calculations, where RBC checks the balance sheet while the IFRS determines the way balance sheet needs to be prepared and presented. Some of the member companies highlighted the need for clarity on capital requirement through the new RBC regime during the IND AS implementation as IND AS is expected to make some financial impact on the available surplus/capital of an entity vis-à-vis the current IGAAP accounting.
7. The reporting formats for IND AS is not yet published by the Authority. .
8. There is a requirement to separate the investment component from the insurance component so that the pure insurance related results/performance are analysed separately though in general insurance business this may be limited to only some of reinsurance contracts. . This is mostly going to affect the life insurance industry as there are liabilities which are linked to the performance of the investments.
9. As regards IT solutions, currently there is no single vendor who has sufficient experience to handle IFRS cases. Industry may have to fall back on IRDAI who have a set of approved vendors for project expertise. But some of the challenges of having a common vendor(s) were also highlighted, for example, the requirements of process and data gaps would be different from each company which will largely be driven by the existing systems, the gap assessment which will include data and process gaps can only be effectively found out after a thorough financial impact assessment only which will take considerable time for few companies, etc.
10. Reinsurance contracts will have to be separately accounted as per the requirement of the standards while the current accounting allows the net results to be presented.
11. Long term policies need to be measured at the general measurement model, unlike majority of the annual policies. Accounting policies will be different based on the classification of insurance contracts driven by contract boundary conditions, materiality thresholds etc.

Members wanted to know the impact of reinsurance on life contracts that are being reinsured. This will also involve working with Life Insurance Council. GI Council agreed to examine this matter.

Members who are subsidiaries of MNC's told that they are following the formats of their parent companies and it could be different from the solutions that may be worked out at the Industry level in India.

Ultimately members agreed that the data needs to meet the standards on both quality and quantity as required by the standard which will ultimately drive the accuracy and alignment of the financial numbers under the new standard.

It was decided to form 5 groups, under the aegis of GI Council that will take the discussions forward and these groups will work under the guidance of the Finance Committee of the Council. It was also agreed that each company in the sub-group will identify a SPOC for their company and ensure participation in all meetings. Further it was proposed to schedule the first meeting of the sub-group by end of August'23. Furthermore, it was mentioned that IRDAI has started work in sensitising the companies (15 of them- 10 in life and 5 in non-life) by asking them to provide regular update on their IND AS implementation progress. These 5 companies in the non-life sector are listed or to be listed companies (ICICI Lombard, New India, GIC RE, Star Health and GO Digit). These 5 companies will therefore be in all the groups that will give guidance to our members.

The groups and their composition are as follows:

Name of Group	Subject	Composition
Insurance Contract Group	Defining onerous contracts, contract boundaries, value added services etc.	Listed 5 PLUS National, Magma, Manipal Cigna, Universal Sampo, Munich RE and Lloyds branch(**)
Other than Insurance Contract Group	Accounting for leases, ESOP's etc and other topics not connected with main standard	LISTED 5 PLUS HDFC Ergo, Bajaj General, Oriental, Royal Sundaram, Aditya Birla, Future Generali, SCOR RE
Systems	To be largely driven by the discussion outcomes from first two groups above.	Listed 5 PLUS Tata AIG, Chola MS, United India, Niva Bupa, SBI General, Munich Re
Taxation	Including impact on direct taxes and GST	Listed 5 PLUS Reliance General, Swiss Re, Care Health, RGA Life, Acko General
Training and Knowledge partner	Will also arrange training sessions for participants amongst member companies	All companies will be accommodated and need based training will be imparted.

(**) It is also proposed to constitute a sub group to examine crop insurance/WBCIS schemes in depth and that will include representatives of AIC without compromising the objective of building larger consensus which can only be achieved through a wider representation of almost all the companies in the group.

It was also decided that GI Council website would have a link to IFRS 17 and articles/ discussion papers pertaining to the same would be put for reference and reading. It was also decided that a physical meeting would be called to discuss important issues at least on monthly basis. The first of these meetings would be held in the first week of September 23.

ICICI Lombard also gave a presentation on the various facets of the implementation of the standard which was well appreciated. The meeting concluded with thanks to the lead speakers in the dais who gave a lucid analysis of the standard.
