

Insurance Advisory Panel Terms of Reference

Agenda items and other information associated with closed sessions will not be made public. Members must keep confidential all unpublished Institute information, or information obtained from other organizations through their role at the Institute, unless the disclosure of that information has been properly authorized.

Establishment of an Insurance Advisory Panel February 2018

1. HKFRS 17 *Insurance Contracts*, effective on 1 January 2023, represents a fundamental change to existing practice for most entities issuing insurance contracts and is therefore expected to require significant implementation effort.
2. In view of the magnitude of change, the Institute's Financial Reporting Standards Committee (FRSC) decided to form an Insurance Advisory Panel to support stakeholder implementation of HKFRS 17. As HKFRS 17 became effective on 1 January 2023, the focus of the IAP's work has shifted towards the application of HKFRS 17.

Objectives and scope of activities

3. The objectives of the Insurance Advisory Panel are to:
 - (a) solicit, analyse, and discuss stakeholder questions raised regarding application of HKFRS 17;
 - (b) provide a forum for stakeholders to follow the discussion of questions raised;
 - (c) identify application issues which need to be brought to the attention of the IASB;
 - (d) identify areas of focus for educational activities;
 - (e) provide views or recommendations on an issue for the FRSC to consider, which may include submitting a question to the IFRS Interpretations Committee or writing to the IASB. Those collective views or recommendations may not necessarily be unanimous; and
 - (f) provide a forum for the FRSC to consult experts on HKFRS 17 and other insurance-related matters. The FRSC may consult the Insurance Advisory Panel on an ad hoc basis.
4. The scope of the Insurance Advisory Panel meeting discussions will be limited to stakeholder questions raised on application of HKFRS 17.
5. The Insurance Advisory Panel will not be expected to discuss questions that are solely actuarial in nature.
6. The Insurance Advisory Panel has no authority. No decisions, interpretation or guidance will be issued by the Insurance Advisory Panel.

Role and expectations of the Insurance Advisory Panel members

7. Members of the Insurance Advisory Panel (Panel Members) should:
 - (a) have practical and direct knowledge of the application of HKFRS 17;
 - (b) be capable of sharing their views on the questions submitted;
 - (c) be capable of considering different perspectives and have an ability to participate in a free exchange of ideas; and
 - (d) have expertise in a broad spread of insurance product types.
8. Acceptance of nomination onto the Panel will presuppose the Panel Member's availability to participate in most, if not all, the activities of the Panel.
9. The role of a Panel Member includes acting in an advisory capacity to the SSD staff, providing specific and industry technical expertise as well as his perspectives and those of his organisation, on the issues relating to the project. It is anticipated that Panel Members will be fully apprised of the content of the issue(s) being considered, and that they will familiarise themselves with other resource material relevant to the project.
10. Panel Members may also be requested to identify other key stakeholder groups / individuals with whom the SSD staff and FRSC should consult as part of the project.
11. Panel Members may be requested to contribute to discussion papers or other documents and review draft versions of SSD staff or FRSC publications for the purposes of providing feedback to SSD staff, including identifying any practical application or implementation issues.

Composition and Membership of the Insurance Advisory Panel

12. Membership is by organisation. Member organisations nominate representatives that meet the criteria in paragraph 7 to participate at meetings.
13. Membership may be limited to ensure effective discussion and debate. Potential Panel members are identified by the SSD staff and/or FRSC. Membership of the Insurance Advisory Panel is subject to review at least annually.
14. As the focus is on accounting application questions, priority will be given to organizations that issue insurance contracts or are auditors/consultants of the insurance industry. Consequently, not every applicant will be invited to join the Panel.
15. There are a limited number of observer seats available for those who need to be aware of HKFRS 17 application. Registration is required for parties who are interested to be an observer. Registrations are on a first come-first served basis.

Procedures

16. Questions may be submitted by those applying HKFRS 17. The questions must meet the following criteria:
 - (a) must be focused on, or arise from, applying HKFRS 17; and
 - (b) may result in possible diversity in practice.
17. Cross cutting issues between HKFRS 17 and other HKFRS standards may be referred to the relevant FRSC Advisory Panel as appropriate.
18. A submission should detail what the question is, background to the question, and why they are asking it. For example, does the question arise because: it is unclear how to apply a specific requirement in HKFRS 17; there is an inconsistency within HKFRS 17 or with other HKFRS standards; or the requirements of HKFRS 17 is impracticable; etc.
19. SSD is the convener of the Insurance Advisory Panel meetings. All questions submitted will be evaluated against the submission criteria and referred to relevant FRSC Advisory Panel(s) if need be. Relevant questions will be circulated to the Insurance Advisory Panel in advance of each meeting.
20. Panel Members will share their views on each submission at the meetings.
21. Panel Members are expected to analyse and evaluate each submission to determine whether an issue needs to be brought to the attention of the IASB or needs to be included as an area of focus for education activities and seminars.
22. A log of all submissions and their resulting outcome will be maintained. Relevant meeting information including the meeting summaries will be published on the Institute website for reference only.
23. Public meetings will be scheduled as need be. Regular communications may also occur via email, calls or other means outside scheduled public meeting times for closed session items.
24. Panel Members shall serve on a voluntary, unpaid basis.
25. Panel Members may be called to meet in person, virtually, by phone or other means as and when necessary. Regular communications may also occur via email or other means at other times.
26. The Insurance Advisory Panel is a standing panel under the remit of the FRSC similar to the other FRSC advisory panels with membership being reviewed at least annually (see paragraph 13).

Conflicts of Interests

27. If a Panel Member believes he/she may have a conflict of interest regarding a matter on which they are being consulted, he/she should inform the SSD which will determine his/her future involvement in that matter.

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