Institute
and Faculty
of Actuaries

Exposure Draft ED/2019/4, Amendments to IFRS 17

IFoA response to the International Accounting Standards Board

25 September 2019

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We strive to act in the public interest by speaking out on issues where actuaries have the expertise to provide analysis and insight on public policy issues. To fulfil the requirements of our Charter, the IFoA maintains a Public Affairs function, which represents the views of the profession to Government, policymakers, regulators and other stakeholders, in order to shape public policy.

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Institute and Faculty of Actuaries

International Accounting Standards Board (IASB)

Email: commentletters@ifrs.org

25 September 2019

Dear Sir/ Madam,

IFoA Response to Exposure Draft ED/2019/4 – Amendments to IFRS 17 Insurance Contracts

1. The Institute and Faculty of Actuaries (IFoA) welcomes the opportunity to respond to the International Accounting Standards Board (IASB)'s recent exposure draft of amendments to IFRS 17 (ED/2019/4).

2. The IFoA has members working in the insurance industry in the UK and more widely, and the adoption of any standard in this area will directly affect the day-to-day work of many of our members. Since the publication of IFRS 17 in May 2017, there has been considerable focus on the standard from our members. A number of parties with IFRS 17 expertise within the IFoA have been involved in the development of our response to this ED.

3. The Appendix sets out our comments in response to the IASB's ED questions. In this covering letter, we also highlight a number of wider matters relating to IFRS 17 which we hope the IASB will find helpful.

Summary of Wider Matters

A Treatment of With Profits Contracts

4. With profits contracts are participating contracts (either insurance or with a discretionary participating feature) and are common in the United Kingdom and more broadly across Asia and Africa. A number of potential issues, not all of which were known before the publication of IFRS 17, have since been identified. In the IFoA's view, many of these apply more broadly to all participating contracts. These issues are set out below.

5. **Transition between measurement models:** The IFRS 17 measurement model is determined at inception (or potentially at transition where inception prior to transition is impracticable). Our view is that this presents an issue for multi-phase contracts where different measurement models would apply for different phases. For example, consider a savings contract with a guaranteed annuity option. Here, the (first) savings phase drives the assessment qualifying the product for the variable fee approach. However, a further pay-out (annuity) phase, if assessed on a stand-alone basis would be under the general model. This can therefore mean that after a certain point, in this case after annuitisation, a measurement model which is not appropriate to the cash flows is applied. This could result in mismatches arising in profit or loss, and challenges in applying a retrospective approach on transition.

6. **Hybrid contracts**: The IFoA notes that a similar issue arises for contracts where different components in isolation would be under different measurement models, but IFRS 17 requires the whole contract to be under a single measurement model. Hybrid contracts are typically with profits investment contracts with discretionary participating features, and so are within scope of IFRS 17. However, they also contain a unit linked investment contract (which in isolation would be measured under IFRS 9 Financial Instruments). This can result in

complexity in accounting and reduced comparability with directly written unit linked investment contracts.

7. **Non profit contracts in with profits funds:** In circumstances where non profit contracts sit under with profits contracts, the non profit contracts form part of the underlying items. The underlying items are measured at fair value (in accordance with IFRS 13 Fair Value Measurement). This contrasts with non profit insurance contract liabilities which are measured at fulfilment value (in accordance with IFRS 17) and non profit investment contracts, measured in accordance with IFRS 9 Financial Instruments.

8. There could be a number of reasons why these values differ, including exit value versus fulfilment value principles, or the allowance for a deposit floor. We note the IASB's intention to avoid accounting mismatches through the introduction of the variable fee approach. However, the issue described above can result in an accounting mismatch, where the profit and loss and shareholder equity amounts recognised can be significant.

9. **Mutual insurers**: Paragraphs BC217 to 220 of the Basis for Conclusions confirm/ explain why there is no proposed revision to the application of IFRS 17 to mutual insurers. As a consequence, we believe that mutual insurers within the UK and more widely may potentially withdraw from IFRS reporting where possible, and revert to local accounting measures (e.g. UKGAAP in the UK). Such dual reporting in this way would not be counter to the objectives of IFRS 17.

10. The IFoA recommends that the IASB revises IFRS 17 to address the above matters. This would help avoid undue cost and complexity and to help ensure that the resulting financial reporting is useful and meaningful to investors in the context of with profits contracts.

B Implications Arising from Group and Subsidiary Reporting

11. IFRS 17 will introduce a number of reporting differences within an insurance group, notably between group and subsidiary entities. These could arise due to internal reinsurance arrangements, different reporting frequencies and internal service company arrangements. These potential differences mean that the subsidiary accounting results could differ depending on whether the results are prepared for group or subsidiary reporting; this could then introduce additional complexity and undue cost for limited benefit to financial reporting.

12. In the UK, it also is likely that some insurers will revert back to UKGAAP for subsidiary reporting and thus avoid IFRS, with possible equivalent consequences in other countries. The IFoA would recommend that the IASB reconsiders whether these reporting differences within an insurance group can be reduced. For example, it could reconsider paragraph B137, which introduces a specific exemption from IAS 34 Interim Financial Reporting, and so links the Contractual Service Margin (CSM) to reporting frequencies. This exemption could be removed or an additional relief could be provided on transition under the modified retrospective approach.

C Modified Retrospective Approach on Transition to IFRS 17

13. The Modified Retrospective Approach (MRA) is intended to achieve the closest outcome to the full retrospective application of IFRS 17 at transition. The differences from a full retrospective application under the MRA are, as expected, set out in a prescribed way in IFRS 17. However, unless further modifications are made, there may be limited uptake of the MRA and so increased adoption of the Fair Value Approach (FVA). The IFoA would not welcome this since, by definition, the FVA is not equivalent to a retrospective approach and is highly subjective (even within the framework of IFRS 13 Fair Value Measurement).

14. The IFoA suggests that the IASB includes additional modification to increase the adoption of the MRA. As an example, relief to interim reporting requirements (paragraph B137) could be provided.

D ‘I-E’ Tax in the Fulfilment Cash Flows

15. In the UK, the tax paid by insurance companies in respect of certain life and annuity business is determined by reference to investment income earned on underlying assets, less administration expenses incurred; this assessment is known as ‘I-E’. Benefits paid to policyholders, in particularly for participating contracts, are based on the underlying items net of this ‘I-E’ tax. Outside of the UK, an ‘I-E’ type tax assessment is common in a number of Asian and African countries.

16. The IFoA’s understanding of IFRS 17 is that the fulfilment cash flows allow for tax charges levied on policyholders, but not tax payments to the tax authorities (as these are within the scope of IAS 12 Income Taxes). As a consequence, there is a potential accounting mismatch between the release of the CSM into the profit and loss account, and the payment of the actual ‘I-E’ tax to the tax authorities.

17. The IFoA requests that the IASB confirms the intended treatment of ‘I-E’ tax in view of the potential consequences noted above and more broadly clarifies the tax cash flows to be included in the fulfilment cash flows compared to those in IAS 12.

E Perspective of Risk in the Risk Adjustment

18. Paragraph 37 of IFRS 17 covers the risk adjustment and states ‘to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk’. The IFoA believes that clarity over which stakeholder(s) should be considered on behalf of the entity would help with the calibration of the overall risk adjustment.

Should you wish to discuss any of the points raised in further detail, please contact Steven Graham, Technical Policy Manager (steven.graham@actuaries.org.uk / 0207 632 2146) in the first instance. We would be happy to meet to discuss our responses to the ED questions and wider matters outlined above, if this were of help to the IASB.

Yours sincerely,

John Taylor
President, Institute and Faculty of Actuaries

Appendix: Responses to IASB questions ED/2019/4

Question 1 Scope exclusions: credit card contracts and loan contracts that meet the definition of an insurance contract (paragraphs 7(h), 8A, Appendix D and BC9–BC30)

(a) Paragraph 7(h) proposes that an entity would be required to exclude from the scope of IFRS 17 credit card contracts that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer.

Do you agree with the proposed amendment? Why or why not?

(b) If not excluded from the scope of IFRS 17 by paragraphs 7(a)–(h), paragraph 8A proposes that an entity would choose to apply IFRS 17 or IFRS 9 to contracts that meet the definition of an insurance contract but limit the compensation for insured events to the amount required to settle the policyholder's obligation created by the contract (for example, loans with death waivers). The entity would be required to make that choice for each portfolio of insurance contracts, and the choice for each portfolio would be irrevocable.

Do you agree with the proposed amendment? Why or why not?

1. We do not have any comments on question 1(a).
2. The IFoA welcomes the proposed amendment in question 1(b).

Question 2 Expected recovery of insurance acquisition cash flows (paragraphs 28A–28D, 105A–105C, B35A–B35C and BC31–BC49)

Paragraphs 28A–28D and B35A–B35C propose that an entity:

(a) allocate, on a systematic and rational basis, insurance acquisition cash flows that are directly attributable to a group of insurance contracts to that group and to any groups that include contracts that are expected to arise from renewals of the contracts in that group;

(b) recognise as an asset insurance acquisition cash flows paid before the group of insurance contracts to which they are allocated is recognised; and

(c) assess the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired.

Paragraphs 105A–105C propose disclosures about such assets.

Do you agree with the proposed amendments? Why or why not?

3. Overall, the IFoA welcomes the proposed changes to insurance acquisition costs. In our view, the costs now better match the income and expenses of insurers over the lifetime of the customer relationship, rather than the individual contract.
4. However, we note two points in relation to this proposal:

- **'Permit' versus 'require':** The exposure draft (paragraphs 28A -28D) requires, rather than permits, initial acquisition costs to be allocated to future contracts. As noted in the accompanying IASB Snapshot: Amendments to IFRS 17, this change will increase the cost of applying IFRS 17 for companies. It may also add complexity in the calculations and additional disclosures. Our view is that permitting, rather than requiring, insurers to allocate initial acquisition costs to future

renewals would allow insurers to determine whether the cost/benefit of the applying this change is justified for their business;

- **Impact on Premium Allocation Approach eligibility:** Allowing the recognition of an asset for insurance acquisition expenses paid before the group of insurance contracts (to which they are allocated) is recognised has an impact on the assessment of eligibility for the premium allocation approach. It would be useful to clarify whether the assessment required under paragraph 53(a) is before or after the recognition of any insurance acquisition expenses, and whether the decision to recognise such an asset would be taken after making this assessment.

Question 3 Contractual service margin attributable to investment-return service and investment-related service (paragraphs 44–45, 109 and 117(c)(v), Appendix A, paragraphs B119–B119B and BC50–BC66)

(a) Paragraphs 44, B119–B119A and the definitions in Appendix A propose that an entity identify coverage units for insurance contracts without direct participation features considering the quantity of benefits and expected period of investment-return service, if any, in addition to insurance coverage. Paragraph B119B specifies criteria for when contracts may provide an investment-return service.

Do you agree with the proposed amendment? Why or why not?

(b) Paragraphs 45, B119–B119A and the definitions in Appendix A clarify that an entity is required to identify coverage units for insurance contracts with direct participation features considering the quantity of benefits and expected period of both insurance coverage and investment-related service.

Do you agree with the proposed amendment? Why or why not?

(c) Paragraph 109 proposes that an entity disclose quantitative information about when the entity expects to recognise in profit or loss the contractual service margin remaining at the end of a reporting period. Paragraph 117(c)(v) proposes an entity disclose the approach used to determine the relative weighting of the benefits provided by insurance coverage and investment-return service or investment-related service.

Do you agree with the proposed disclosure requirements? Why or why not?

5. In principle, the IFoA welcomes the proposed amendment to require an investment-return service under the general model (question 3(a)), to be considered when allocating the CSM using coverage units, and the related disclosure requirements (question 3(c)). We view this as an improvement to the current requirements of IFRS 17, as it better reflects the services provided under insurance contracts.

6. We interpret the related changes in paragraph B65 to mean that investment management expenses are only included in the fulfilment cash flows when there is an investment-return service present. In the periods when a contract does not have an investment-return service (or the whole contract lifetime if no such service), the CSM is potentially overstated. This means there is a potential timing mismatch between the release of the overstated CSM into the profit and loss account and the payment of the investment expenses. We note that it is common in both existing European Union Solvency II reporting and UK financial reporting for all expected investment expenses to be included in the best estimate liabilities.

7. We encourage the IASB to reconsider whether the observed mismatch could be removed.

Question 4 Reinsurance contracts held—recovery of losses on underlying insurance contracts (paragraphs 62, 66A–66B, B119C–B119F and BC67–BC90)

Paragraph 66A proposes that an entity adjust the contractual service margin of a group of reinsurance contracts held that provides proportionate coverage, and as a result recognise income, when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or on addition of onerous contracts to that group. The amount of the adjustment and resulting income is determined by multiplying:

(a) the loss recognised on the group of underlying insurance contracts; and

(b) the fixed percentage of claims on the group of underlying contracts the entity has a right to recover from the group of reinsurance contracts held.

Do you agree with the proposed amendment? Why or why not?

8. The IFoA welcomes the intention and direction of the proposed amendment. However, we have some concerns over the proposed solution:

- **Definition of 'proportionate'**: The IFoA believes that the definition of proportionate insurance may be too narrow. The definition could exclude other types of reinsurance treaty which are widely used such as surplus and excess of loss reinsurance; one interpretation of the text is that surplus may be covered, but we think the wording is unclear. Many non-proportional contracts are still directly and independently related to groups of contracts and insurers already have mechanisms to identify related recoveries.

  In addition, most quota share business (generally thought of as proportionate) will include some level of retention or limit of claims by the insurer, which may not match the exposure of the direct writer. As such, this business may not therefore meet the requirement that reinsurance contracts held provide an entity with the right to recover from the issuer a percentage of all claims incurred on groups of underlying insurance contracts. The number of treaties qualifying as proportionate may be very limited, removing the benefit of the amendment in most circumstances.

- **Application:** The proposal in paragraph B119D is for the loss recognised on the group to be multiplied by the fixed percentage of claims on the group of underlying insurance contracts the entity has a right to recover, from the group of reinsurance contracts held. The proposed approach ignores the premium ceded and expected profitability of the reinsurance contract(s) covering the onerous group, which may give rise to unusual results. (The Snapshot is one example where a loss is largely deferred despite the reinsurance contract only exacerbating the loss).

  We suggest that this could be replaced by multiplication of the losses recognised on the group by a proportion determined on a systematic and rational basis over the duration of the group of contracts, which is an approach used elsewhere in IFRS 17. In addition, we believe further consideration is required on the day 2 onwards treatment under paragraph 66(c)(ii) to ensure consistency with day 1 under paragraph B119D.

9. In addition, we are unclear whether the amendment only applies to groups of contracts that are considered onerous at initial recognition, or whether the gain on reinsurance can be offset against the loss component on a group of contracts that subsequently become onerous. This may be the intent of the wording 'or on addition of onerous contracts to that group', but we think this wording is unclear.

Question 5 Presentation in the statement of financial position (paragraphs 78–79, 99, 132 and BC91–BC100)

The proposed amendment to paragraph 78 would require an entity to present separately in the statement of financial position the carrying amount of portfolios of insurance contracts issued that are assets and those that are liabilities. Applying the existing requirements, an entity would present the carrying amount of groups of insurance contracts issued that are assets and those that are liabilities. The amendment would also apply to portfolios of reinsurance contracts held that are assets and those that are liabilities.

Do you agree with the proposed amendment? Why or why not?

10. The IFoA welcomes the proposed amendment: we believe this will not adversely impact the usability of financial statements, but could avoid potential excess effort.

Question 6 Applicability of the risk mitigation option (paragraphs B116 and BC101–BC109)

The proposed amendment to paragraph B116 would extend the risk mitigation option available when an entity uses derivatives to mitigate financial risk arising from insurance contracts with direct participation features. That option would apply in circumstances when an entity uses reinsurance contracts held to mitigate financial risk arising from insurance contracts with direct participation features.

Do you agree with the proposed amendment? Why or why not?

11. The IFoA supports the IASB's recognition of the need for insurers to be able to recognise in the profit and loss account those changes in insurance contracts with direct participation features (variable fee approach contracts) which relate to financial risks; changes which are mitigated through the use of reinsurance contracts and derivatives.

12. However, our view is that this solution does not address significant mismatches arising from reinsurance held and issued contracts. For example, it is common in many markets for large-scale transfers of business to be effected initially through reinsurance treaties (covering both non-financial and financial risk). These can last for several years with the risk mitigation option not necessarily applying. In addition, it is noted in paragraph BC213 that the reason for excluding reinsurance issued from the variable fee approach was due to these contracts being insurance contracts, and so not providing investment related services. However, such contracts often do have an investment component.

13. We would therefore suggest that reinsurance held and issued are permitted to be measured under the variable fee approach, where the eligibility conditions in IFRS 17 are met.

Question 7 Effective date of IFRS 17 and the IFRS 9 temporary exemption in IFRS 4 (paragraphs C1, [Draft] Amendments to IFRS 4 and BC110–BC118)

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021. The amendments proposed in this Exposure Draft are such that they should not unduly disrupt implementation already under way or risk undue delays in the effective date.

(a) The proposed amendment to paragraph C1 would defer the effective date of IFRS 17 by one year from annual reporting periods beginning on or after 1 January 2021 to annual reporting periods beginning on or after 1 January 2022.

Do you agree with the proposed amendment? Why or why not?

(b) The proposed amendment to paragraph 20A of IFRS 4 would extend the temporary exemption from IFRS 9 by one year so that an entity applying the exemption would be required to apply IFRS 9 for annual reporting periods beginning on or after 1 January 2022.

Do you agree with the proposed amendment? Why or why not?

14. The IFoA welcomes the proposed amendments.

15. We observe that for medium and small-sized insurers (including mutual insurers), the proposed effective date of 1 January 2022 may be challenging. The IASB may want to consider additional relief measures around comparative requirements, and/or working with accounting bodies to permit a deferral of IFRS 17 for insurers by, say, one - two years.

Question 8 Transition modifications and reliefs (paragraphs C3 (b), C5A, C9A, C22A and BC119–BC146)

(a) Paragraph C9A proposes an additional modification in the modified retrospective approach. The modification would require an entity, to the extent permitted by paragraph C8, to classify as a liability for incurred claims a liability for settlement of claims incurred before an insurance contract was acquired. Paragraph C22A proposes that an entity applying the fair value approach could

choose to classify such a liability as a liability for incurred claims.

Do you agree with the proposed amendments? Why or why not?

(b) The proposed amendment to paragraph C3 (b) would permit an entity to apply the option in paragraph B115 prospectively from the transition date, rather than the date of initial application. The amendment proposes that to apply the option in paragraph B115 prospectively on or after the transition date, an entity would be required to designate risk mitigation relationships at or before the date it applies the option.

Do you agree with the proposed amendment? Why or why not?

(c) Paragraph C5A proposes that an entity that can apply IFRS 17 retrospectively to a group of insurance contracts be permitted to instead apply the fair value approach to that group if it meets specified criteria relating to risk mitigation.

Do you agree with the proposed amendment? Why or why not?

16. The IFoA welcomes the proposed amendment in question 8(a).

17. We also welcome the extension of the risk mitigation option (question 8(b)), such that it can now apply prospectively from the date of transition, rather than from the date of initial application.

18. However, where an insurer has historically hedged financial risk in respect of business accounted for under the variable fee approach, past movements in the fair value of hedging instruments (prior to the date of transition) will have been taken through the profit and loss account into shareholder equity under IFRS 9 Financial Instruments. By contrast, movements in the value of hedged items over that period will have been taken to the CSM. As hedging is fundamental to how insurers manage and mitigate financial risk, this will result in a misstatement in shareholder equity at the date of transition and in profit emergence in future years.

19. The fair value transition option (question 8(c)) as an alternative to retrospective application of the hedge adjustment does not resolve the issue described above. The fair value approach is a different measurement basis to either the fully retrospective or the modified retrospective

approach and, as such, it is to be expected that in many circumstances it will result in a different CSM at transition. For example:

- In an environment of decreasing interest rates where the predominant risk that is hedged is interest rate risk, the CSM at transition is likely to be higher on a fair value basis than on a retrospective basis;
- In an environment of equity growth where the predominant risk that is hedged is equity risk, the CSM at transition is likely to be lower on a fair value basis than on a retrospective basis.

This would result in a lack of comparability between portfolios that are or are not hedged, between portfolios subject to different types of risk, between business written before and after the transition date and, consequently, between entities.

20. Retrospective application of the risk mitigation option for periods prior to the date of transition would better reflect the actual economic performance of historic hedging relationships. We acknowledge the IASB's concerns regarding whether such retrospective application could be achieved without the use of hindsight and the risk of 'cherry-picking'. However, we believe that such concerns can be addressed by restricting the risk mitigation option to circumstances where the company can demonstrate, using reasonable and supportable information, that a documented and internally approved hedging strategy was in place.

Question 9 Minor amendments (BC147–BC163)

This Exposure Draft also proposes minor amendments (see paragraphs BC147–BC163 of the Basis for Conclusions).

Do you agree with the Board's proposals for each of the minor amendments described in this Exposure Draft? Why or why not?

21. We highlight the key points set out in our covering letter that should be considered in the context of Question 9:

- Treatment of with profit contracts;
- Implications arising from Group and Subsidiary reporting;
- Modified Retrospective Approach on transition to IFRS 17; and
- 'I-E' tax in the fulfilment cash flows.

22. In addition, the IFoA highlights the following other minor amendments for comment:

I Level of aggregation in assessing eligibility for the Variable Fee Approach (paragraph B107)

23. Within the exposure draft paragraph B107 b (ii) has been changed to 'over the duration of the insurance contract', whereas previously it had 'over the duration of the group of insurance contracts'. We note that there is no explanation in the basis for conclusions or the other documents for this change. We would therefore propose that the IASB confirm the level of aggregation that should be adopted in assessing eligibility for the variable fee approach (VFA).

24. The IFoA understands that some firms are assuming that the VFA eligibility test can be performed at the level of the group based on paragraph 24, which states that recognition and measurement should be performed at this level. This is consistent with the requirement to allocate the fulfilment cash flows at the level of the group (not contract). The change in paragraph B107 could be interpreted as saying that the VFA test should be carried out at the level of the contract (or homogeneous group of contracts as for the IFRS 17 significant insurance risk test), rather than the level of the group (in IFRS 17). The level of aggregation determines the extent to which cash flows and mutualisation effects are allocated.

25. An assessment at the contract level would require significant additional level of effort and cost, and it is unclear that there is much benefit to be gained in terms of useful financial reporting. We therefore suggest the IASB reverts to the previous wording.

II Definition of investment component (Appendix A)

26. The new definition of 'investment component' in Appendix A states: 'The amounts that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs.' As observed at the April 2019 IASB Transition Resource Group, the extent of investment component is expected to be wide-ranging and include contracts that do not have a surrender value.

27. The new definition could give counter-intuitive results with multi-phase products, such as a deferred annuity, where the investment component is the lower of a series of benefits. In such products, the investment component is likely to be less than the surrender value in the deferred period. Where a surrender occurs this could result in a significant profit or loss impact; however, economically it would be expected that assets and liabilities would be released in parallel.

28. We therefore suggest that the IASB considers revising the definition of investment components so that for products where there is a defined surrender value, the investment component is set as this surrender value. In our view this could significantly reduce operational complexity and avoid the counter intuitive results noted above.

III Locked-in discount rates (paragraph B96 (d))

29. The IFoA notes the requirement added to paragraph B96 (d) that, when the change in the risk adjustment is disaggregated into non-financial risk and time value of money under the general model, that this is carried out at the locked-in rate. We believe the use of locked-in discount rates under the general model in this circumstance could result in significant operational complexity and mismatches in profit or loss (or Other Comprehensive Income).

IV Use of Premium Allocation Approach

30. We believe explanation of how the Premium Allocation Approach should deal with both mid-term policy adjustments and cancellations, and also Insurance Premium Tax (in the UK) could be helpful.

Question 10 Terminology

This Exposure Draft proposes to add to Appendix A of IFRS 17 the definition 'insurance contract services' to be consistent with other proposed amendments in this Exposure Draft.

In the light of the proposed amendments in this Exposure Draft, the Board is considering whether to make a consequential change in terminology by amending the terms in IFRS 17 to replace 'coverage' with 'service' in the terms 'coverage units', 'coverage period' and 'liability for remaining coverage'. If that change is made, those terms would become 'service units', 'service period' and 'liability for remaining service', respectively, throughout IFRS 17.

Would you find this change in terminology helpful? Why or why not?

31. The IFoA has no comments in relation to this question.