

IFRS 17 Long-Term Insurer Return – Detailed Instructions

Detailed instructions are provided to assist insurers in clarifying filing requirements; they are **not** provided for every form or field of the Return.

All references to "forms" refer to pages of the Long-Term Insurer Return.

Any reference to "section" refers to a part of these instructions.

These returns are to be completed on an **Unconsolidated** basis.

All dollar amounts are to be entered in B\$.

Prior periods

Quarterly reports shall include interim financial statements for periods as follows:

- a. Statement of Financial Position as of the end of the current interim period and as of the comparable year-to-date of the immediately preceding financial year.
- b. Statement of profit or loss cumulatively for the current financial year to date, with comparative statement of profit or loss for the year-to-date of the immediately preceding financial year.
- c. Statement of changes in equity cumulatively for the current financial year to date.

Form: Notes to The Financial Statements

IFRS requires many items be presented separately within the financial statements or shown within the notes to the financial statements. If the Long-Term Insurer Return does not accommodate the separate line reporting of certain items, insurers are **expected** to disclose such information within the notes to the financial statements.

Form: Statement of Financial Position - Assets

Line 1 – Cash and cash equivalents

Insurers must **not** offset credit balances in one depository institution against debit balances in another depository institution. Netting is allowed only between branches of the same depository institution.

Line 4 – Assets held for sale

Report all assets that are in disposal groups under IFRS 5. This does not include investments in the portfolio designated available for sale.

Line 6 – Investments

See instructions for the form: Summary of Investments.

Line 13 – Investment properties

Include right-of-use assets that are considered investment properties.

Line 14 – Property and equipment

Include right-of-use assets that are considered Property and Equipment.

Line 20 – Other assets



Include prepaid expenses, receivables, deferred charges and deferred acquisition costs not related to insurance contract liabilities.

Form: Statement of Financial Position - Liabilities And Equity

Line 1 – Provisions, accruals and other liabilities

Include lease liabilities and payables not related to insurance contracts.

Line 2 – Liabilities held for sale

Report all liabilities that are in disposal groups under IFRS 5. This does not include liabilities designated available for sale.

Line 6 – Insurance contract liabilities - excluding segregated funds

This line applies to all Insurance contracts liabilities excluding segregated fund contracts.

Line 7 – Insurance contract liabilities - segregated funds guarantees

Insurers are required to disclose the liability being held in respect of segregated fund guarantees separately from the base underlying contracts utilizing the line items: Insurance Contract Liabilities - Segregated Fund Guarantees and Insurance Contract Liabilities – Segregated Funds Net Liabilities, respectively.

Line 8 – Insurance contract liabilities - segregated funds net liabilities

Insurers are required to disclose the liability being held in respect of segregated fund guarantees separately from the base underlying contracts utilizing the line items: Insurance Contract Liabilities - Segregated Fund Guarantees and Insurance Contract Liabilities – Segregated Funds Net Liabilities, respectively.

Line 10 – Reinsurance contract held liabilities - excluding segregated funds

This line applies to all reinsurance contracts held liabilities excluding segregated fund contracts.

Line 14 – Investment contract liabilities - excluding segregated funds net liabilities

Line applies to Investment Contract Liabilities excluding those for account of segregated fund holders.

Line 18 – Defined benefit pension plan

Report defined benefit pension plan net deficits on this line.

Form: Statement of Profit or Loss

Line 1 – Revenue from PAA contracts

Revenue from insurance contracts measured using the Premium Allocation Approach (PAA).

Line 2 – Revenue from GMM contracts (excluding VFA contracts)

Revenue from insurance contracts measured using the General Measurement Method (GMM) excluding insurance contracts that meet the eligibility criteria for Variable Fee Approach (VFA).

Line 3 – Revenue from VFA contracts

Revenue from insurance contracts that meet the eligibility criteria for Variable Fee Approach (VFA).

Line 5 – Insurance service expenses

An entity shall present in profit or loss insurance service expenses arising from a group of insurance contracts issued.

Line 6 – Net expense from reinsurance contracts held

This line represents amounts recovered from the reinsurer and an allocation of the premiums paid.

Line 8 – Interest revenue on financial assets not measured at FVTPL

This line is to record interest earned on cash and short-term investment, bonds, mortgage loans, derivative activities and any other interest-bearing investments.

Line 9 – Net investment income excluding segregated funds

This line is to record investment income (includes realised gains, fair value gains, dividends, rental income, etc.) less related expenses excluding net investment income from segregated funds.

Line 10 – Net investment income – segregated funds

This line is to record investment income (includes realised gains, fair value gains, dividends, rental income, etc.) less related expenses from segregated funds, excluding any investment income from the general fund.

Line 11 – Provision for credit losses

Line to record impairment losses in accordance with IFRS.

Line 13 – Net finance income (expenses) from insurance contracts excluding segregated funds

Line to record change in carrying amount of group of insurance contracts arising from the effect of the time value of money, changes in time value of money, effect of financial risk and changes in financial risk excluding net finance income (expenses) from segregated funds.

Line 14 – Net finance income (expenses) from segregated funds

Line to record change in carrying amount of segregated funds arising from the effect of the time value of money, changes in time value of money, effect of financial risk and changes in financial risk.

Line 15 – Net finance income (expenses) from reinsurance contracts held

Line to record change in carrying amount of group of reinsurance contracts held arising from the effect of the time value of money, changes in time value of money, effect of financial risk and changes in financial risk.

Line 16 – Movement in investment contract liabilities

Line to record the movement in investment contract liabilities which consists of claims incurred in the year less the corresponding elimination of the policyholder liability originally recognized in the balance sheet and the investment return credited to policyholders.

Line 20 – General and operating expenses

See instructions for the form: Insurance Service And Other Operating Expenses.

Form: Summary of Investments

For each investment category listed in the summary the balance sheet value of the investments should be reported in the columns based on their classification under the applicable accounting standards.

Line 5 and 6 – Equity securities

Include options, warrants and rights in respect of common shares.

Lines 7 and 8 – Preferred shares

Include convertible preference shares.

Line 11 – Mortgage loans



Amounts reported should be after the deduction of collective and individual provisions, if any, which were established to reflect non-collectability of loan balances. Includes sale agreements, power of sales, mortgage pools, and mortgages in process of foreclosure, where title has not yet passed to the insurer/society.

Line 14 – Other Investments

Include leases, and other recognized financial assets not reported on line items above.

Column C – Fair value through profit or loss (FVTPL)

Report the balance sheet value of investments included in the category at fair value through profit or loss classified as held for trading.

Column D – Available for sale (FVOCI)

Report items that are classified as Available for Sale, but are measured at amortized cost in this column.

Column E – FV option/investment properties fair value

Report the balance sheet value of investments designated as at fair value through profit or loss and investment property valued using the fair value method.

Column F – Amortized cost

Report the balance sheet value of financial instrument investments measured using amortized cost including investments classified as held to maturity and loans and receivables.

Include investment properties valued using the cost method.

Form: 10 Largest Mortgage Loans- Commercial & Residential

List the largest 10 commercial and residential mortgage loans in descending order by outstanding principal balance (gross before provisions).

Foreign insurers should report all amounts vested in trust.

Column B – Name of borrower

The total of all mortgages to the same borrower or group of related borrowers should be considered one mortgage in determining the largest 10 mortgages.

Column H - Amount of Cumulative Prior Encumbrances

If the insurer's mortgage loan is not a first charge on the property, the total cumulative amount of all prior mortgages and prior claims (if any) should be included in this column.

Column J – Market value of property

Show the market valuation of the property as at year-end. If the loan is shared with other lenders having claims on the property, the market value of the property reported in column J should be the market value of the property multiplied by the proportion of the insurer's original loan in relation to the total loan originally advanced.

Form: Foreclosures in Process

Insurers should include those properties where the foreclosure process has begun and where the asset is still being accounted for on the insurer's balance sheet as a mortgage. Properties where title has passed to the insurer, and which are accounted for as Property should be excluded.

Form: Reinsurance contracts held summary

Identify amounts only at the reinsurer counterparty level, not at a contract level; therefore for each reinsurer, total the amounts of all contracts held with that reinsurer and group them into one total for each row.

Column B – Name of assuming insurer

The complete legal name of the reinsurer to which the insurer has a counterparty exposure. The counterparty name should be reported exactly as per the signed contract.

Column C, D, E and F – Rating agency identifier code

The unique rating agency identifier used by AM Best, S&P or other rating agencies.

Enter for all rating agencies that rate the assuming insurer.

If unrated enter "1" in column F.

Column G – Reinsurer domicile

The domicile where the reinsurer counterparty is legally incorporated.

Column H – Reinsurer group domiciliary jurisdiction

The domicile where the ultimate incorporated insurance group owning the reinsurer counterparty is legally incorporated. If the counterparty does not belong to a group, leave this column blank.

Column I – Business covered

Underlying class of insurance risk reinsured. E.g. Property, Auto, etc.

Column J – Type of contract

Type of reinsurance contract using the following two letter codes:

- FA - Facultative
- XS - Excess of loss
- QS - Quota share
- SU - Surplus
- SL - Stop loss

Columns K to R

Net expenses from reinsurance contracts held reported on this form in column N should correspond to the amount reported on the form: Statement of profit or loss, line 6, column C.

Total Liabilities for remaining coverage and for incurred claims reported on this form in column R should correspond to the amount calculated in the form: Insurance and Reinsurance Contracts line 19, columns (E – F).

Column S – Reinsurance receivable

Include all receivables, net of allowance for doubtful accounts, on paid losses and paid loss adjustment expenses.

Column T – Reinsurance payable

Include funds, other than those for collateral purposes held in the insurer's bank account.

Form: Insurance and Reinsurance Contracts

This schedule is to be completed in accordance with IFRS 17 disclosure requirements for the Insurance and Reinsurance Contracts Liability for the contracts that are measured under the Premium Allocation Approach (PAA) as well as the contracts that are not measured under PAA.

Form: P&L by Line of Business

See instructions for the form: Statement of Profit or Loss for further details regarding the completion of this form.

Lines 5, 6, 7 – Insurance Service Expenses is to be split into Claims Incurred (International and Domestic) and Other. The total of Lines 5 and 6 should correspond to the amount reported on the form: Insurance Service and Other Operating Expenses, line 1, column C.

Form: Investment return

Report investment income after adjustment for accrued interest or dividends included in the price of investments purchased or sold during the year.

Report investment income on an "accrual basis".

Line 2 – Bonds

Include amortization of premium or discount and interest earned on bonds and debentures during the year.

Line 19 – Rental income including B\$____. for insurer's/society's own use

Report gross income, **including an imputed rent for owned premises which are for own use.**

Real estate expenses (but not imputed rent) related to own use space should be included with other investment expenses on line 23. Similarly, real estate taxes are included on line 24.

Line 24 – Investment taxes

Include taxes on real estate properties whether for own use or not, any other taxes (other than income taxes), licenses and fees which are considered to have been incurred in the care and management of investments.

Form: Insurance service and other operating expenses

This exhibit should be completed on an incurred basis for all expenses, reporting by type of expense from line 1 to 27 with the total amount represented by insurance service expenses and general and operating expenses on lines 29 and 30 respectively.

Forms: Risk free rates and liquidity premiums or discount rates by line of business – for insurer using bottom-up or top-down approach

IFRS 17 discuss two methods to determine rates for discounting cash flows that do not vary based on the returns of underlying items, the bottom-up approach (paragraph B80) and the top-down approach (paragraphs B81 to B85).

The bottom-up approach is described in paragraph B80 as a liquid risk-free yield curve with an adjustment to reflect the liquidity characteristics of insurance contracts.

The risk free rates, liquidity premiums or discount rates ("rates") disclosed in the form are rates used to discount the estimates of future cash flows.

An entity's discount rate curves can be expressed as forward rates or spot rates. The ICB expects an entity to report the discount rate curves in the 'Spot Rates' format in the tables and indicate 'Spot Rates' in Line 22 col C of the schedules. If forward rate curves are used, please convert them to Spot Rate curves for reporting purposes in these schedules.



They should be rates of the most illiquid bucket for each line of business.

For example, if there are two liquidity buckets in a line of business, the rates of the most illiquid of the two buckets should be provided.

If there is more than one single illiquid curve in the most illiquid bucket, the insurer can use a blended curve. The rates should be expressed as a percentage, limited to two decimal points.

Cells are to be left blank (i.e. do not enter zero or any value) in the following instances: for line of business that are not written by the insurer; or if the duration of the liabilities is less than the projection years shown in the exhibit.