

Mr Bruce Mackenzie
IFRS Interpretations Committee Chair
Columbus Building,
7 Westferry Circus
Canary Wharf, London E14 4HD
United Kingdom

Paris, 22 May 2023

March 2023 IFRIC Tentative Agenda Decision – Premiums Receivable from an Intermediary (IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments)

Dear Bruce,

Mazars welcomes the opportunity to comment on the IFRS Interpretations Committee's (thereafter "the Committee") tentative agenda decision (TAD), issued in March 2023, on Premiums Receivable from an Intermediary (IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments).

We support the Committee's tentative conclusion that, "*in the fact pattern described in the requests, an insurer could account for premiums paid by a policyholder and receivable from an intermediary applying either IFRS 17 or IFRS 9*" and its conclusion not to add the matter to its standard-setting agenda.

However, we believe that further clarification could be provided by the Committee on the application of this decision.

According to the TAD, "*an insurer could account for premiums paid by a policyholder and receivable from an intermediary applying either IFRS 17 or IFRS 9*". It would be helpful that the Committee draws the consequences on comparability among entities and consistency from period to period of having two acceptable outcomes.

In addition, the Committee could clarify (i) whether one standard or the other applies equally to insurance contracts measured under the premium allocation approach (PAA) and (ii) that it applies consistently on both premiums receivable and claims payable.

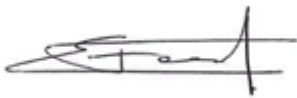
On the latter, we draw the Committee's attention to an equivalent accounting issue in relation to claims payable where the intermediary has paid in cash a claim to the policyholder before having received the corresponding payment from the insurer. If an entity applies IFRS 9 to premiums receivable from an intermediary, then the obligation to reimburse the intermediary for claims paid should also be presented as an IFRS 9 liability rather than as part of the liability

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for incurred claims (LIC). However, if an entity applies IFRS 17 to the premiums receivable from an intermediary, then it would continue to include any obligation to reimburse the intermediary for claims payable as part of the LIC.

Please do not hesitate to contact us should you want to discuss any aspect of our comment letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Edouard Fossat', written over a horizontal line.

Edouard Fossat

Financial Reporting Technical Support