

HKFRS 17 – Second Readiness Assessment Survey (2019)

Name of insurer:

[Please input]

Type of business authorized:

[Please select]

Professional reinsurer (Yes/No):

[Please select]

Contact person for this survey:

Name:

[Please input]

Telephone:

[Please input]

Email:

[Please input]

Colour key:

Input, explain or specify

Select from menu

Personal Information Collection Statement

The provision of personal data is voluntary. However, failure to provide such data may make it impossible to communicate with you. Purpose of Collection: The personal data you provide will be used for future correspondence and in relation to this survey. Transfer of Personal Data: For the purposes of collection mentioned above, the personal data you provide may be disclosed to organisations (e.g. The Hong Kong Federation of Insurers) that are directly involved in this exercise. Access to / Correction of Personal Data: In accordance with the Personal Data (Privacy) Ordinance, you have the right to request access to and correct the personal data provided. Requests should be made in writing to the Data Privacy Officer of the Insurance Authority at 19/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong.

Questions	Responses
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Status of Readiness

1a) Have you prepared a work plan / road map for implementation of HKFRS 17?	[Please Select]
1b) If your answer in 1a) is yes, what is your company's readiness status in preparing for the implementation of HKFRS 17?	[Please Select]
	[Please specify if your answer is others]
1c) Would the implementation plan be affected by the IASB exposure draft issued in June 2019?	[Please Select]
	[Please explain if there is impact]
2a) Have you performed any gap analysis of HKFRS 17? <div style="text-align: right; padding-right: 20px;"> Between HKFRS 4 and HKFRS17 Between existing regulatory reporting and HKFRS17 Between QIS specification and HKFRS17 Between other reporting and HKFRS17 </div>	Please select your answer below (multiple selections are allowed)
	[Please Select]
	[Please Select]
	[Please Select]
	[Please Select]
	[Please state the "other reporting"]
2b i) Have you performed any impact analysis of HKFRS 17?	[Please Select]
	[Please specify if your answer is no]
2b ii) Is HKFRS 17 expected to result in a higher or lower value of insurance contract liabilities compared to HKFRS 4?	[Please Select]
	[Please specify /explain]
3) In what year does your company plan to perform parallel/dry runs for HKFRS 17?	[Please Select]
	[Please specify if your answer is others]
4) When did/will your company adopt HKFRS 9?	[Please Select]
	[Please specify if your answer is others]

Questions	Responses
<p>5) Please list and rank the top three topics of the exposure draft that mostly affect your implementation plan.</p>	[Please Select Top #1]
	[Please enter the comment for Topic #1]
	[Please Select Top #2]
	[Please enter the comment for Topic #2]
	[Please Select Top #3]
	[Please enter the comment for Topic #3]
<p>6) Please list and rank the top five challenges of implementing HKFRS 17. Please also elaborate.</p> <p>For example, timeline, lack of HKFRS 17 expert in the market, lack of in-house expert, budget, lack of HKFRS 17 training, information technology (IT) infrastructure, data storage and management, reporting & disclosure requirements, lack of actuarial expertise, interpretation of the accounting standard, etc.</p>	1
	2
	3
	4
	5

Questions	Responses
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Support & Resources

7a) Have you started to engage with your company's management on HKFRS 17? (e.g. senior management, board of directors, etc.)	[Please Select]
If your answer in 7a) is yes, please select your answer. Multiple selection is allowed.	Please select your answer below (multiple selections are allowed)
Senior Management	[Please Select]
Board of directors	[Please Select]
Senior management from head office or parent company (applicable to insurer being part of an international insurer)	[Please Select]
Others: (Please specify)	[Please Specify if your answer is others]
7b) If your answer in 7a) is yes, how does your management support the implementation of HKFRS 17? Please list and rank the top three support.	1
	2
	3
8a) What is the estimated implementation cost on HKFRS 17 (in HKD '000)?	[Please enter \$]
8b) Is your implementation cost impacted by the 2019 June IASB exposure draft? (in HK '000)	[Please Select]
Please state the estimated amounts (in HKD '000)	[Please enter \$]
9a) Did/will you upgrade your finance IT system, actuarial valuation model/database, administration system to meet the requirements of HKFRS 17?	[Please Select]
	[Please Specify if your answer is others]
9b) Refer to question 9a), how much did/will you spend on the system? (in HKD '000)	[Please enter \$]
9c i) If your answer in 9a) is "Yes - buy a new system" or "Yes - modify the existing system by vendor & internal staff" or "Yes - modify the existing system by vendor", what is your current status with the vendor?	[Please Select]
	[Please Specify if your answer is others]
9c ii) If your answer in 9a) is "Yes - modify the existing system by internal staff", what is your current status of the system upgrade implementation?	[Please Select]
	[Please Specify if your answer is others]
9c iii) If your answer in 9a) is "No - use the existing system", did you perform a test run in HKFRS 17 basis?	[Please Select]

Questions	Responses
<h2 data-bbox="159 201 595 244">Technical Implications</h2>	
<p data-bbox="159 280 1014 300">10) Please list and rank the top five challenging technical areas in HKFRS 17. Please also elaborate.</p> <p data-bbox="159 336 1328 440">For example, Contractual Service Margin (CSM) amortisation, determination of discount rates, contract boundary, unbundling of multi-component contracts, identification of onerous contracts, treatment of reinsurance, level of aggregation, hedging adjustment, retrospective application, financial statements & disclosures, effect of risk adjustment, determining portfolio that meets premium allocation approach definition, actuarial valuation models, preparation of actuarial data, etc.</p>	<p data-bbox="1350 288 1361 308">1</p> <p data-bbox="1350 336 1361 355">2</p> <p data-bbox="1350 387 1361 406">3</p> <p data-bbox="1350 438 1361 458">4</p> <p data-bbox="1350 489 1361 509">5</p>
<p data-bbox="159 552 875 571">11) Please list and rank the top five topics that you need more training or seminars</p>	<p data-bbox="1350 560 1361 579">1</p> <p data-bbox="1350 611 1361 630">2</p> <p data-bbox="1350 662 1361 681">3</p> <p data-bbox="1350 713 1361 732">4</p> <p data-bbox="1350 764 1361 783">5</p>
<p data-bbox="159 818 1171 837">12a) Have you completed the determination of HKFRS 17 contract boundary assessment of your insurance portfolio?</p>	<p data-bbox="1659 818 1794 837">[Please Select]</p>
<p data-bbox="159 882 1256 901">12b) If not, please describe the types of contracts/product features that are still under discussion and the main issues involved.</p>	<p data-bbox="1552 850 1895 869">[Please specify if your answer is others]</p> <p data-bbox="1648 901 1798 920">[Please describe]</p>
<p data-bbox="159 994 1223 1013">13a) Based on the latest financial year, how much of gross written premium do you expect to apply the following method?</p> <p data-bbox="1093 1018 1346 1037">(i) General Model (In HK'000)</p> <p data-bbox="1021 1042 1346 1061">(ii) Variable Fee Approach (In HK'000)</p> <p data-bbox="898 1066 1346 1085">(iii) Premium Allocation Approach (PAA) (In HK'000)</p> <p data-bbox="987 1090 1346 1109">Total Gross Written Premium (In HK'000)</p>	<p data-bbox="1653 1018 1794 1037">[Please Enter \$]</p> <p data-bbox="1653 1042 1794 1061">[Please Enter \$]</p> <p data-bbox="1653 1066 1794 1085">[Please Enter \$]</p> <p data-bbox="1361 1090 2074 1109">\$ -</p>
<p data-bbox="159 1137 1335 1201">13b) Among with 13a) (iii) above, how much of gross written premium is relating to contracts greater than 12 months (i.e. multi-year policies), which you expect PAA provides a reasonable approximation results from the General Model and consider using PAA instead of General Model?</p>	<p data-bbox="1653 1161 1794 1181">[Please Enter \$]</p>
<p data-bbox="159 1281 763 1300">14a) Have you determined the approach to determine discount rate?</p>	<p data-bbox="1659 1281 1794 1300">[Please Select]</p>
<p data-bbox="159 1313 1048 1332">14b) Have you determined how to derive the discount rate beyond the observable market yield curve?</p>	<p data-bbox="1659 1313 1794 1332">[Please Select]</p> <p data-bbox="1570 1337 1883 1356">[Please explain if your answer is yes]</p>
<p data-bbox="159 1369 1335 1409">14c) While determining the discount rate, how do you reflect the required deduction of credit risk? (Please explain if applicable for your company)</p>	<p data-bbox="1653 1377 1794 1396">[Please explain]</p>

Questions	Responses
15) Please list and rank the top three key changes that affect your company operation after implementing HKFRS 17?	
Rank	Please specify the possible changes or impact below (if any)
Top #1	[Please Select Top #1] [Please enter the comment for Topic #1]
Top #2	[Please Select Top #2] [Please enter the comment for Topic #2]
Top #3	[Please Select Top #3] [Please enter the comment for Topic #3]
16) How will HKFRS 17 implementation affect policyholders?	Please select your answer below (multiple selections are allowed)
No material impact	[Please Select]
Reduce the range of products (Please specify below)	[Please Select] [Please specify if you answer yes on "reduce the range of products" above]
Increase premium rates	[Please Select]
Lower dividend distribution of participating products	[Please Select]
Higher cost of capital - leading to more expensive insurance products	[Please Select]
Others (Please specify)	[Please Specify]
17) Will your company change the business strategy during the transitional period given the anticipated impact of future profit recognition?	[Please Select] [Please explain if your answer is yes]
18) Will your company change the business strategy after the transitional period given the anticipated impact of future profit recognition?	[Please Select] [Please explain if your answer is yes]

Questions	Responses
19) What changes does your company make to the enterprise risk management framework to implement HKFRS 17? Enhance role of internal audit function Enhance role of actuarial function Enhance controls on data governance Others (Please specify) Others (Please specify) Others (Please specify)	Please select your answer below (multiple selections are allowed)
	[Please Select]
	[Please Select]
	[Please Select]
	[Please Specify]
	[Please Specify]
20) Will you set up any new financial indicators from HKFRS 17 reporting?	[Please Select]
	[Please explain if your answer is yes]

Stakeholders Communication

21a) Have you started any communication with external stakeholders on HKFRS 17? (e.g. rating agencies, investors, auditors, etc.) If your answer in 21a) is yes, please select your answer. Multiple selections are allowed. Rating Agency Investors Auditors Others (Please specify below)	[Please Select]
	Please select your answer below (multiple selections are allowed)
	[Please Select]
	[Please Select]
	[Please Select]
	[Please Specify if your answer is others]
21b) If you have started any communication with the stakeholders on HKFRS 17, what are the top five issues discussed?	1
	2
	3
	4
	5
22) What reporting basis will primarily drive your management decision making after implementation of HKFRS 17? Please provide your explanation:	[Please Select]
	[Please specify if your answer is others]
	[Please explain your selection above]

Other Comments

23) If you have other comments which the survey has not mentioned above , please supplement below:	[Please Enter the subject / topic #1 of HKFRS 17]
	[Please enter your comments related to the subject / topic 1 above]
	[Please Enter the subject / topic #2 of HKFRS 17]
	[Please enter your comments related to the subject / topic 2 above]
	[Please Enter the subject / topic #3 of HKFRS 17]
	[Please enter your comments related to the subject / topic 3 above]
	[Please Enter the subject / topic #4 of HKFRS 17]
	[Please enter your comments related to the subject / topic 4 above]
	[Please Enter the subject / topic #5 of HKFRS 17]
	[Please enter your comments related to the subject / topic 5 above]