

MINUTES



To: Board Members
From: Insurance Contracts Team
(Montgomery, ext. 445)
Subject: Minutes of the February 16, 2011, Joint Board Meeting: Insurance Contracts
Date: February 28, 2011
cc: FASB: Bielstein, Golden, Stoklosa, Chookaszian, Posta, Guasp, Sutay, Klimek, Gabriele, McGarity, Proestakes, Lott, Hood, Brickman, Weiner, Kuhaneck, Lindemuth, Handy, Montgomery, Galloway (GASB), FASB Intranet; IASB: Clark, Hack, Pryde, Zeitler, d'Eri, Vermaak, Yeoh, Jordan, Teixeira

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue a final Accounting Standards Update.

Topic: Insurance Contracts—Unbundling Education Session

Basis for Discussion: FASB Memo Nos. 58H, 58I, 58J/
IASB Agenda Papers 3H, 3I, 3J

Length of Discussion: 9:15am to 11:00am (EST)

Attendance:

Board members present: FASB: Golden, Linsmeier, Seidman, Smith, and Siegel

IASB: Tweedie, Cooper, Danjou, Engström, Finnegan, Gomes, Kalavacherla, König, McConnell, McGregor, Pacter, J. Smith, Yamada, and Zhang

Board member absent: None

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| Staff in charge of topic: | Weiner, Yeoh, and Pryde |
| Other staff at Board table: | IASB: Clark, Hack, Zeitler, d'Eri, and Vermaak |
| Staff participating by video: | FASB: Hildebrand, Lindemuth, Montgomery, and Proestakes |

Type of Document and Timing Based on the Technical Plan:

Please refer to the current technical plan for information about the expected release dates of exposure documents and final standards.

Summary of Decisions Reached:

The IASB and the FASB invited guest speakers from PricewaterhouseCoopers and Met Life to provide an education session on separating insurance contracts into insurance and noninsurance components, which is referred to as unbundling. The IASB's Exposure Draft, *Insurance Contracts*, and the FASB's Discussion Paper, *Preliminary Views on Insurance Contracts*, proposed that an insurer should account separately for the investment or service components of an insurance contract that are not closely related to the insurance coverage. The purpose of this education session was to give the Boards information on the effect, costs, and benefits of unbundling. Because this was an education session, the Boards were not asked to make any decisions.

General Announcements: None.