

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Insurance Team (Konetzke x442)  
Minutes of February 19, 2014,  
**Subject:** Board Meeting on Insurance Contracts      **Date:** February 25, 2014  
**cc:** Sutay

*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 an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topic: Insurance Contracts

Basis for Discussion: FASB Memos 111–113: Cover Memo, Overall Scope, Alternative Approaches to Redeliberation Topics

Length of Discussion: 8:30AM to 9:20AM EST

Attendance:

Board members present: Golden, Kroeker, Buck, Linsmeier, Schroeder, Siegel, Smith

Board members absent: None

Staff in charge of topic: M. Brown

Other staff at Board table: Cosper, Proestakes, Richer, Shah, Brickman, Pooley, Konetzke

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board began redeliberations of the June 2013 Exposure Draft, *Insurance Contracts (Topic 834)*.

**Tentative Board Decisions:**

The Board discussed whether the scope of the insurance contracts project should continue to include all entities that issue insurance contracts as proposed in the Exposure Draft. The Board decided to limit the scope to insurance entities as described in existing U.S. generally accepted accounting principles (U.S. GAAP).

Vote: 6 to 1

The Board also discussed a range of possible approaches the project could take, including considering a comprehensive redeliberation of the project based on the proposed Update or considering targeted improvements to existing U.S. GAAP. The Board decided the project should focus on making targeted improvements to existing U.S. GAAP. For short-duration contracts, the Board decided to limit the targeted improvements to enhancing disclosures.

Vote: 5 to 2

For long-duration contracts, the Board concluded that decisions reached by the IASB in its 2013 IASB Exposure Draft, *Insurance Contracts*, should be considered when contemplating improvements to existing U.S. GAAP.

Vote: 4 to 3

**General Announcements:** The Board directed the staff to perform an analysis of existing U.S. GAAP for long-duration contracts and an assessment of the areas that should be considered for targeted improvements.