

# INSURANCE COMMISSION OF THE BAHAMAS



**To:** ALL REGISTERED INSURERS

**Date:** APRIL 13, 2024

**Re:** CONSULTATION AND GUIDANCE NOTE ON IFRS 17 DISCOUNT RATE

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The Insurance Commission of The Bahamas (the Commission) would like to thank all of those who were able to attend the Industry Session held on February 7, 2024, to discuss the development of an IFRS Compliant Discount Rate for The Bahamas. The feedback following the session was invaluable and much appreciated.

As discussed during the Industry Session, the Commission is initiating a consultation to cover the following items:

- The development of IFRS compliant discount rates for The Bahamas (please refer to the attached presentation given at the industry session and utilize the template for responding to the consultation).
- The guidance that has been produced for the insurance industry outlining disclosure required around the discount rates being used (draft guidance attached).

The key inputs used in the establishment of the IFRS 17 Compliant Discount Rates are Bahamas Government Registered Stock (BGRS) Secondary Market Prices published by the Central Bank of The Bahamas. The attached presentation details how this information is developed and includes, for example, an explanation of the approach used to extrapolate beyond the term of the BGRS with the longest maturity.

The purpose of this consultation is to gather insights and perspectives from key stakeholders in the insurance industry. The Commission believes that your valuable input and expertise would greatly contribute to the success of this initiative. Please note that this guidance is a draft document and will be further amended to incorporate the feedback received during the consultation period.

Please submit your comments to the Supervision Unit at [supervisionunit@icb.gov.bs](mailto:supervisionunit@icb.gov.bs) on or before June 30, 2024.

Thank you in advance for your continued cooperation and collaboration in this important consultation.

**Dana Munnings-Gray**  
**Superintendent of Insurance (Acting)**  
**INSURANCE COMMISSION OF THE BAHAMAS**