Things to Consider

At each roadshow stop we highlight two topics to consider as you implement IFRS 17

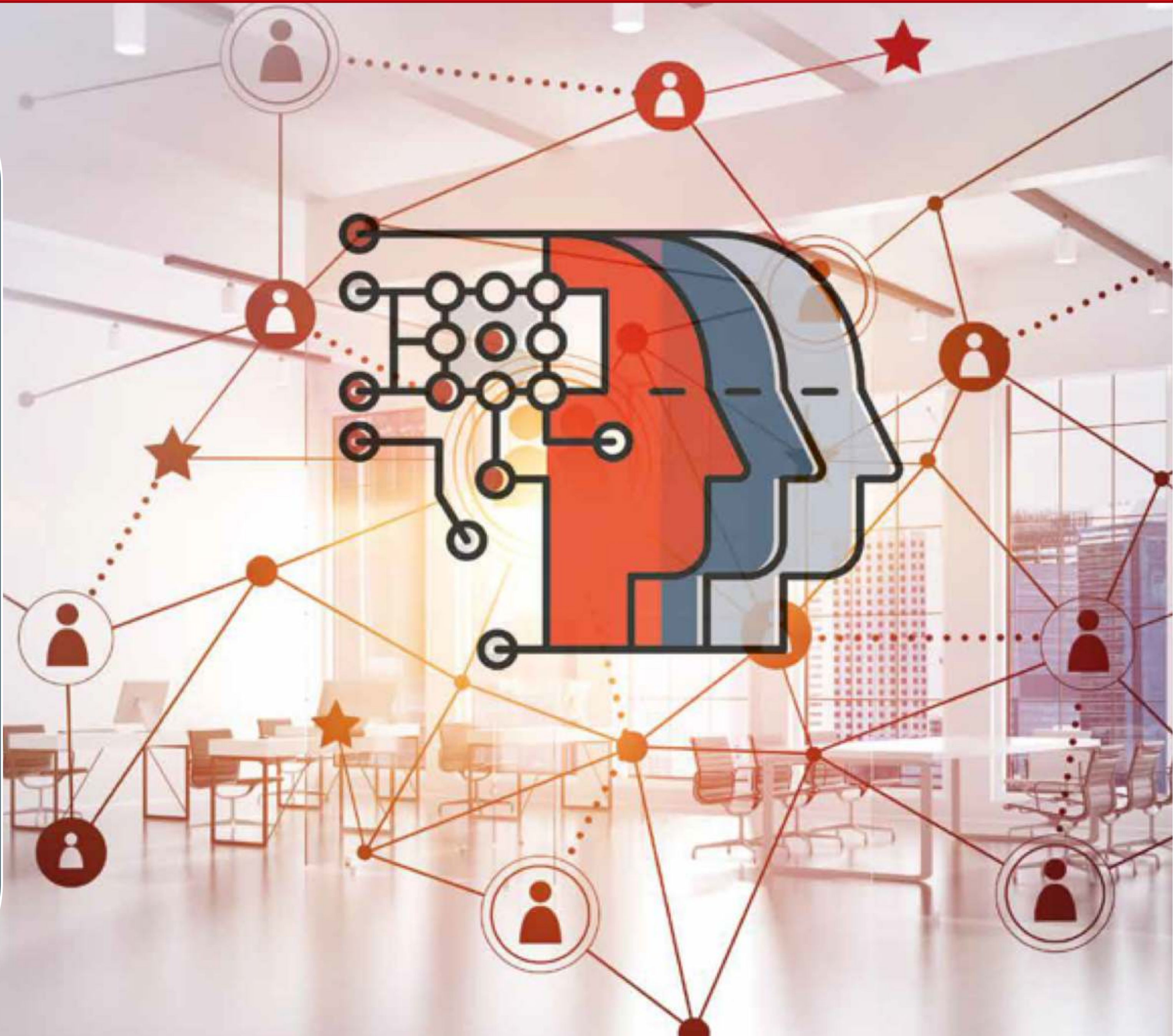
Here is:
#1 and #2

Toronto, Canada

Insurers in Toronto were certainly interested in the topic of IFRS 17. Discussion questions included; natural hedging of contracts & offsets, structuring groups for granularity of data, and running parallel books. Linda Bembridge talked of her experience with clients – scoping out architecture, decision making and best practices emerging among insurers.

Following the Toronto event we discovered that 60% of surveyed insurers were at an Impact Analysis stage, while 20% were still in pre-impact analysis. It is 6 months since our GIRA (Global Insurers Readiness Assessment Survey) and we have seen roughly 5% of insurers move from pre-impact to impact analysis but no increase in solution design. This certainly is indicative of the time each stage takes to complete.

Disparate data & systems environment is still the dominant concern of insurers, although supporting IFRS 17 disclosure requirements is a close second.



1. Flexibility is Key

With most insurers set to kick off projects well ahead of the standard effective date, solutions must be implemented with flexibility in mind. Over the next 3 years, business models will certainly change and the IASB will build on the first release of the standard. You need to make sure that you can make small tweaks to your implementation to reflect these changes.

1

Lessons Learned:

Three years ago we were helping some of the world's largest Telcos navigate the beginning stages of IFRS 15 / ASC 606 compliance, well ahead of the 2018 deadline. As we look back on those early discussions, it is evident just how much telco business models have shifted over that time – and required their revenue recognition solutions to change as well. Our experience tells us that flexibility is critical to respond to changes that will certainly come.

2. Start from where you want to end up

Rather than starting your process by looking at all the data and all the source systems you have and may need, start your impact assessments by looking at exactly what will be required for the disclosure reports – and then work back from there.

2

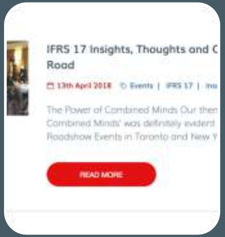
Lessons Learned:

Frequently during our POCs and client projects, multiple divisions will gather in a room to discuss data requirements to support the disclosures. Recently during one of these workshop meetings we were walking through the various disclosure reports and asked if the organization utilized a specific type of reinsurance product. We were quickly told no by the main project team but then a small contingent on the other side of the room spoke up and said, that actually, they did! We ended up using large flip charts to go through and try to get to a level of detail that let's us see what it is we have and what we need to complete the requirements.

Join the Conversation

Download the full EBook

- Guide to IFRS 17
- www.aptitudesoftware.com/IFRS-17



Blog

- Industry and customer learnings
- www.aptitudesoftware.com/blog

Survey

- Biannual GIRA report Q4 2017
- https://www.aptitudesoftware.com/global-ifrs-17-readiness-assessment-report/

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