

SAS® Solution for Long-Duration Targeted Improvements

Challenge

Long-duration targeted improvements (LDTI) standards require that your organization, as an insurer, transform or modernize its GAAP reporting capabilities. This creates a need for an end-to-end process to effectively and efficiently meet the required disclosures. The LDTI regulatory compliance requirement is effective on Jan. 1, 2023, for defined larger US Securities and Exchange Commission (SEC) filers, and Jan. 1, 2025, for others. Bridging the gap between actuarial, accounting, general ledger, and reporting organizations and systems is an essential component of this transformation.

SAS and KPMG combine the SAS Solution for LDTI with a consistent consulting and delivery methodology to provide you with a sustainable solution that ensures long-term success.

Key Benefits




Your organization derives the following benefits when you deploy the SAS Solution for LDTI in combination with the consulting and delivery methodology:

- A unified platform that supports LDTI requirements:
 - Accurate financial statement results and disclosures within the reporting timeline.
 - Increased detail for management information.
 - Transparent, auditable and repeatable end-to-end processes.
 - A predefined data model supports business requirements and efficient reporting.
 - Sustainable management of an ongoing LDTI process.
- A standard delivery methodology helps transform and modernize the end-to-end process.
- Standardized and streamlined data processes integrate actuarial, accounting, general ledger and reporting functions.
- A predefined process combined with the delivery methodology accelerates time to value for the customer.
- Modernization:
 - Optimized processes for data collection from legacy systems.
 - Controls.
 - Workflow management.
 - Aggregation and allocation of source data.
 - Calculation of LDTI measures.
- Instead of simply meeting the basic LDTI regulations, the solution also specifically targets:
 - Data quality.
 - Visualization.
 - Actuarial and business insights.
 - Reporting and dashboards.



Why Engage Services

A successful implementation of the SAS Solution for LDTI requires the engagement of several groups within your organization. SAS and KPMG coordinate to ensure a collaborative approach of IT, actuarial and accounting groups, which have different roles, goals and contributions (see the following figure). SAS and KPMG carefully consider the business and reporting needs of each group when designing your solution so that each group benefits.

	TECHNOLOGY AND DATA Help move required LDTI data across actuarial systems, administration systems, data warehouses, and financial systems to help ensure compliance
	ACTUARIAL Responsible for generating LDTI cash flow projections, reserves, and analysis
	FINANCE/ACCOUNTING Responsible for creating LDTI-compliant financial disclosures and ledger entries

SAS and KPMG also provide services based on:

- Comprehensive understanding of the LDTI regulation.
- Guidance and advice from SAS LDTI solution experts to help your organization implement LDTI standards and requirements, as well as mitigate execution risks.
- Data processes that bridge the gap between actuarial, accounting and reporting organizations.

Process/Methodology

Readiness Understanding

The first step is conducting an introductory workshop or review with the IT, actuarial and accounting groups so that you and SAS can arrive at an understanding of where the SAS Solution for LDTI can best complement your current state of readiness. Workshop topics typically include:

A robust actuarial system

- Are you going to use your actuarial system to calculate the LDTI reserves?
- How many different systems does your organization run to produce reserves or cash flows, and that are therefore subject to LDTI implications?

Accounting policies and LDTI decisions

- Have you defined your LDTI cohorts (such as calendar year and types of policies)?
- Are you aware of applicable disclosures and the related requirements for your specific product lines?

LDTI data requirements

- Have you confirmed that you have all the necessary historical data ready and available to support LDTI, based on your selected transition date?
- How do you review and maintain actuarial assumptions related to your products and related experience studies data?
- Have you determined any accounting system enhancements necessary to post the new LDTI required disclosures?
- Will you use a workflow review and approval process for generated results? If so, which groups will participate?

Successful customer ownership

The outcome of implementing the SAS Solution for LDTI while engaging SAS and KPMG consulting services is an automated LDTI solution where data flows from source systems (see the figure below), calculations happen efficiently, disclosures are available for regulatory compliance, and detailed results are available for drill-down analysis.

The SAS and KPMG consultants work with you and dedicate themselves to sharing their knowledge - from initial design to implementation and testing - to build your understanding of the process and the LDTI solution.

We are committed to a handover that enables your independence and success. Our support to ensure that the solution for LDTI seamlessly transitions to you includes:

- Access to training from SAS Education, online access to SAS product documentation and access to the SAS Technical Support website, which is always current with the latest updates.
- SAS and KPMG customized documentation of the Solution Configuration and the User Run Guide developed with multiple audiences in mind (including developers, business users and more).
- User acceptance testing that gives your organization the opportunity to confirm data accuracy, execute and validate the results of the LDTI solution prior to your ownership in production.
- SAS technical support and SAS hosting support, as applicable, providing you with greater operational and strategic independence.

Based on your current state of readiness,
SAS helps you apply the following implementation framework:



PROJECT INITIATION



Build and Definition

- Install and manage environment.
 - Host customer kickoff meeting.
 - Provide product overview training.
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Requirements and Design

- Confirm actuarial, finance and accounting use cases.
 - Confirm workflow process and security model.
 - Identify and disposition any gaps in requirements and deliverables.
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Data Management

- Identify source data flows.
 - Map data to solution and disclosure reports.
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Solution Configuration

- Specify process flow and update data quality rules.
 - Configure insurance analysis of change, subledger and posting rules.
 - Validate LDTI measurement results.
 - Validate accounting results, journal entries and output data mart.
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Reporting

Validate accuracy of data in disclosure reports.



System Integration Testing (SIT)

Execute full system test to validate data flow, process, security and output.



Documentation

- Provide Solution Configuration document that covers system design.
 - Provide User Run Guide.
 - Provide location for product documentation.
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User Acceptance Testing (UAT)

- Provide knowledge transfer (KT) to prepare customer for UAT.
 - Support UAT and drive issues to resolution.
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Migration to Production

- Promote content to production environment.
 - Facilitate customer acceptance and transition to operations and SAS Technical Support.
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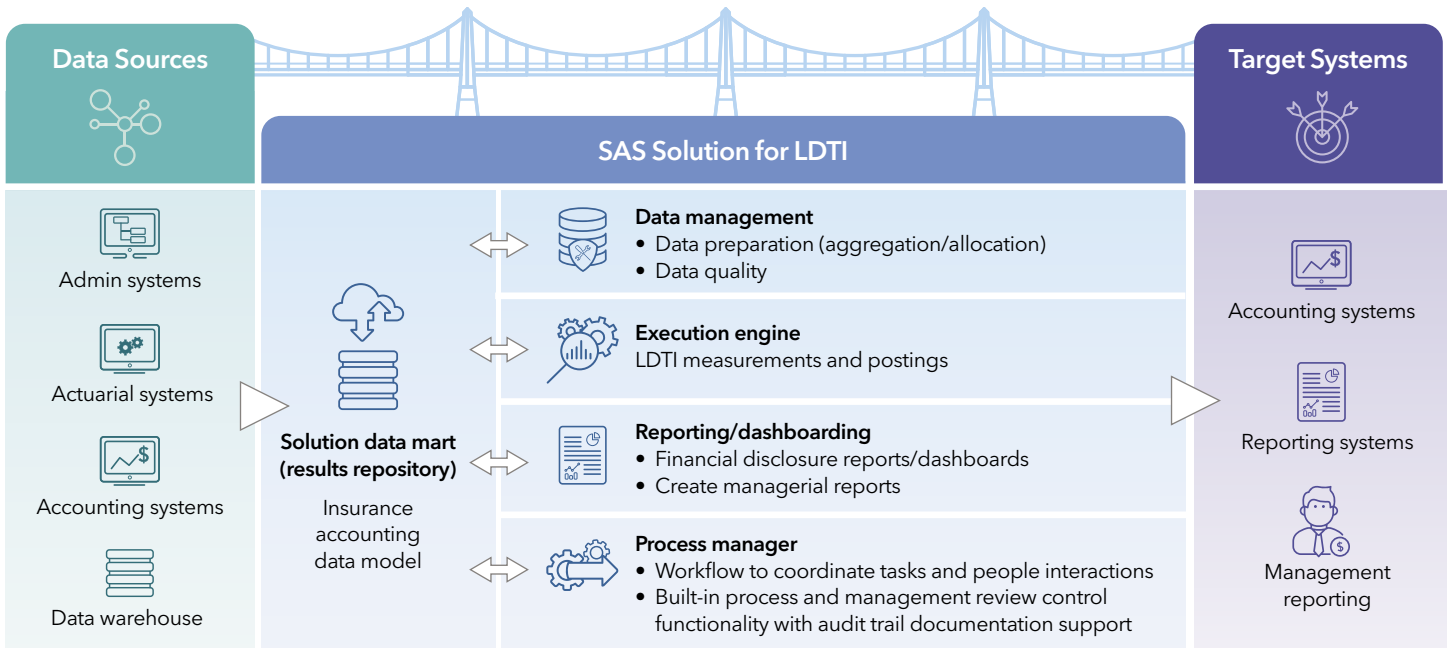


PRODUCTION READY

SAS and KPMG combine the SAS Solution for LDTI with a consistent consulting and delivery methodology to provide you with a sustainable solution that supports your long-term success.

The SAS Solution for LDTI complements your existing infrastructure because it serves as a bridge to connect them. When it is combined with the services and implementation framework outlined in this brief, insurers have everything they need to control and streamline LDTI processes with the required integration capabilities, transparent calculations and subledger accounting.

Bridge the gap with the SAS® Solution for LDTI



For more information, visit sas.com/ldti.

