# SAS Solutions for Insurance

## IFRS 17 COMPLIANCE STRATEGY

- **Efficient use of project budgets** to develop capability to support strategic implementation
- **Industrialised pre-defined, end-to-end** process to calculate financial results and disclosures quickly and with full traceability.
- **Start now and adapt as interpretation of the standard is refined in the future.**

## CHALLENGES

- Implementation deadline requires action now
- Uncertainty over final interpretation of IFRS 17
- Risk & Finance systems both required to build business performance picture
- New actuarial calculations will be computationally intensive
- Increased granularity & volume of data
- Multiple complex processes difficult to audit

## SOLUTION

<table>
<thead>
<tr>
<th>CURRENT STATE</th>
<th>TACTICAL STATE</th>
<th>STRATEGIC STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing actuarial systems feed GL (via manual or automated process)</td>
<td>IFRS 17 Calculations completed manually and replace data feeds to GL</td>
<td>Actuarial systems feed GL in an automated way</td>
</tr>
</tbody>
</table>

## BENEFITS

- **Greater Governance & Control**
  - IFRS 17 compliance
  - Avoidance of costly remediation plans
  - Robust, controlled & governed environment
  - Flexible platform fit for uncertain future
  - Reduced need for auditor rework & reputational loss

- **Increased Cost Efficiency**
  - Avoid excessive ongoing operational costs.
  - Leaner & cheaper through automation and standardisation
  - Improved workflows & minimal business disruption

- **Greater Analytical Efficiency**
  - Standardised tools & approach less prone to operational risk
  - Leverage existing actuarial & accounting tools
  - Improved flexibility of processes

- **Achieving Reporting Deadlines**
  - Deliver accurate results & disclosures within reporting timeline
  - Co-ordinate tasks & approvals efficiently across the business
  - Increased detail for use in forecasting & management information
  - Transparent & auditable approach to end-to-end IFRS 17 process

- **Better Business Insight**
  - Increased understanding of financial performance
  - Timely KPI production
  - Data driven decision making
  - More integrated teams
ALTERNATIVE APPROACHES

**SELF-BUILD APPROACH**
- Lack of metadata, lineage & governance
- High risk delivery project
- Introduces potential security & operational risks
- Increased storage requirements need new infrastructure
- Requires bespoke integration of multiple systems
- Requires understanding of both actuarial & finance
- Availability of skilled project resource
- Time-consuming to industrialise process
- Increased development & operational costs
- Internal support framework required
- Requires bespoke integration of multiple systems
- Limited process flexibility
- Uncertain capability
- Limited innovation

**EXTEND CURRENT SYSTEMS**
- Limited process flexibility
- Uncertain capability
- Limited innovation

IFRS 17 PROCESS

**Detailed Data Allocation**
- Policy details & actual cashflows
- Expected cashflow

**Data Validation**
- Policy details
- Expected & actual cashflow

**IFRS 17 Calculation**
- Journal entries
- Results

**Review**
- Postings

**Policy Admin Systems**
- Generates (un)discounted expected cashflows
- Holds the expenses
- Reads the journal entries
- Dashboards, reports, disclosures of IFRS 17 data

**WHY SAS?**
- Fully integrated platform supporting end-to-end IFRS 17 process
- Data governance, lineage & standard IT processes for regulations
- High skills base across the industry
- Reduced time & resources needed for implementation
- Industrialised process
- Reduced risk – strengthens controls & auditability
- Dedicated customer support
- Scalable solution
- Agility to react to changes in regulation & or business dynamics
- Enhanced analytical capabilities

SAS Solution includes Risk & Finance Workbench, Infrastructure for Risk Management & Data Management with SAS Regulatory Content for IFRS17

Data Feeds

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