



Unique problems need **unique solutions**

IFRS17 will have significant operating model impacts

Reporting

Impact on up to 90% of the chart of accounts, financial statements, and disclosures

External and internal reporting requires more transparency and a higher level of detail

Higher pressure for fast close to respect IFRS17 deadlines

Process, systems, and data

The way Insurers operate needs to adapt to the new requirements, technology and people

Technology upgrades required to seamlessly integrate calculation and reporting systems

Larger data volumes at deeper granularity drives complexity on the current IT architecture

Strategy and governance

Product, channel, and market segmentations as well as pricing needs to be re-assessed

Business planning and forecasting will need to be aligned to the new reporting regime

Internal KPIs and performance measurements required to reflect changing business direction

People, organisation, and culture

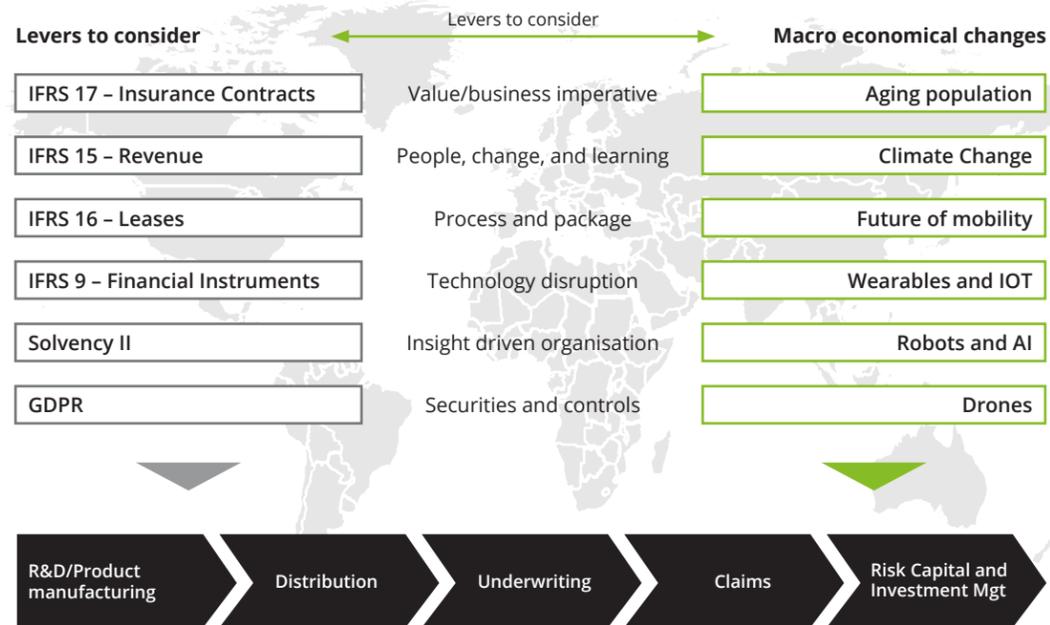
Higher collaboration between the Finance, Actuary, and Technology teams

Resources with specific skills required to deliver IFRS17 projects

Effective change management to transition the organisation to the new ways of working

It is more than just another regulatory initiative

A continuously changing environment requiring insurers to become more agile and think ahead



Global IFRS Insurance Survey 2018

Undertaken by the Economist Intelligence Unit (EIU) on behalf of Deloitte, the survey explores the views of 340 senior insurance executives on the scale and complexity of IFRS 17 implementation challenges

Key findings include:

- Just enough time to get ready**
Global insurers are cautiously confident that they will meet the implementation date of 1 January 2021. Of the 45 percent very confident to be compliant on time, life insurers as a sub-group make up only 37 percent.
- Upgrading technology is necessary** (see left)
- Significant implementation costs have been budgeted** (see left)
- Insurers are seeing more benefits vs. cost**
93 percent of global insurers feel that the benefits of adopting IFRS 17 will outweigh the cost of compliance. This is compared to only 21 percent in 2013.
- Actuarial, accounting, and collaboration skills will be in high demand**
Insurers cited collaboration skills as being equally as important as actuarial skills. Many of them said they would try to drive tighter integration between finance, actuarial, and other departments.

Our Global IFRS Insurance Survey 2018 shows

Capturing data inputs across functions and running the calculations needed are the largest technology challenges.

Most insurers have set some expectations around budget in light of the standard having published back in May 2017. The expected spend is significantly greater than expectations captured in the 2013 survey.

Source: Global IFRS Insurance Survey 2018, Economist Intelligence Unit

87% of insurers reported that their **technology systems will require upgrades to capture the new data** and perform the calculations required for compliance.



percentage of insurers with a budget of more than €50M

Embracing IFRS17 for insurance

Insurers will have to modernise their fragmented and complex legacy finance and IT infrastructure. They should start by answering these key questions:

- What business needs does an insurer have to address as a result of IFRS17?
- How can an insurer leverage its current IT infrastructure to address business and compliance needs?
- What data management solutions can an insurer build or buy to address both business and compliance needs?



A copy of the report can be downloaded from <https://bit.ly/2OC09at>

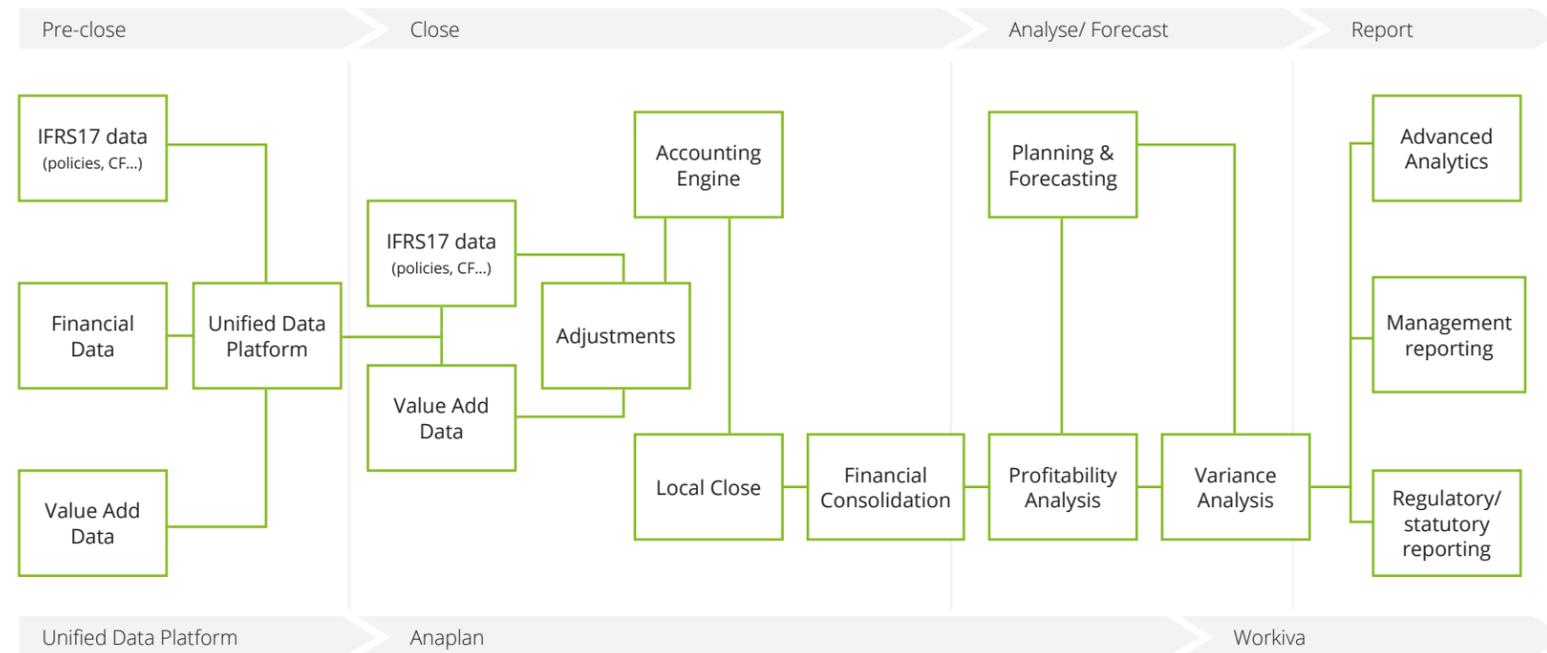
Contact

Tony Trewhella, Partner
Deloitte Consulting LLP
atrewhella@deloitte.com.au
+61 407 367 857

Thierry Lotrian, Partner
Deloitte Consulting LLP
tlotrian@deloitte.com.au
+61 434 182 495

With Deloitte you can be ready for tomorrow

End-to-end integrated IFRS17 capabilities from pre-close to report



Key considerations

- Software vs. Solution
- Black box vs. Transparency
- System vs. Platform
- Compliance vs. Value
- Vendors vs. Accountants/Actuaries
- Siloed vs. Collaborative
- Today vs. Tomorrow



Our Deloitte Anaplan connected apps

In addition to Anaplan's downloadable apps, Deloitte has released 20+ apps on the app Hub, with more on the way, all of which can be used as accelerators.

Our apps are in addition to Anaplan's apps, and cover a range of industries and use cases, including IFRS16, Own risk of Solvency assessment, IFRS17, Transfer Pricing, Predictive Analytics, Activity Based Costing for Insurance companies, Planning, budgeting and Forecasting, Scenario Planning, Sales Commissions and more.

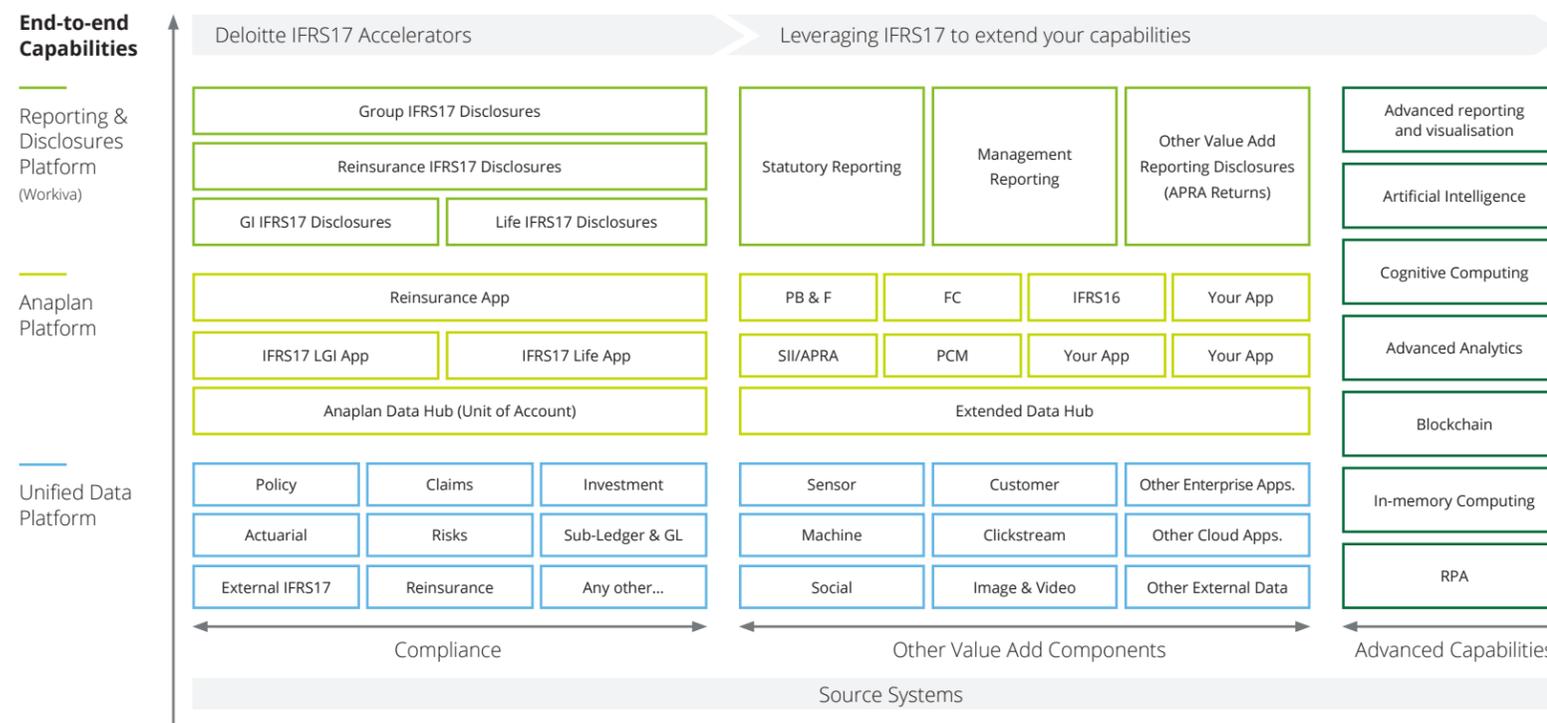
Access the Anaplan App Hub:
<https://apphub.anaplan.com/>

Examples of Deloitte Anaplan connected apps include:

- ▶ **Life IFRS 17** Regulatory
- ▶ **RE IFRS 17** Regulatory
- ▶ **GI IFRS 17** Regulatory
- ▶ **Data Hub** Data
- ▶ **PB&F Insurance** Finance
- ▶ **Expense Allocations** Finance
- ▶ **Finance Consolidation** Finance

A modular approach to IFRS17 to go beyond compliance

You control the amount of disruption, the amount of change, your path to additional value, and ultimately the budget



The expected benefits of our IFRS17 approach

- ▶ **Best of breed:** The Deloitte IFRS17 approach leverages fit for purpose components to deliver on IFRS17 and beyond.
- ▶ **Cost:** Data virtualisation implementations can reduce implementation time and associated cost by up to 40% compared to traditional ETL implementations.
- ▶ **Flexibility:** Business owned solution, the approach is modularised, allowing use with the current IT assets, as well as taking advantage of capability extending add-ons.
- ▶ **Collaboration:** The Deloitte IFRS17 approach fosters collaboration between actuarial and finance teams for report preparation.
- ▶ **Agility:** Data virtualisation has shorter delivery cycles compared to traditional ETL, thus users can benefit from early access to data.

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.