Insurance IFRS 17 Breakfast Briefing
Survey Results
19 June 2019
We designed the survey to enable us to get a point in time view of insurance companies thoughts on IFRS 17 challenges. The survey participants were wide ranging in terms of size and complexity of business written and the participants included captive managers, domestic non life and life undertakings and Global life and composite insurers. The projects range from multifaceted global implementations to smaller scale local projects. To note all of the participants surveyed are still on their IFRS 17 journey and at various stages of their thought process and decision making.
What is your estimated total budget (including all internal and external cost) to deploy a fully compliant IFRS 17 programme?

- < €1m: 32%
- < €5m: 29%
- €5m - €10m: 21%
- > €10m: 7%
- > €15m: 11%
What is your company’s plan for your IFRS 17 IT solution?

- In-house developed: 33%
- External solution with RFP issued: 33%
- External solution with RFP to be issued within next 3 months: 19%
- External solution with RFP to be issued after the next 6 months: 0%
What is the mix of resources do you think is required within your company to implement IFRS 17? (Multi-select)

- Internal resources: 36%
- External – consultants: 34%
- External – contractors: 26%
- External – Other: 4%
What methodology do you plan to use for transition? (Multi-select)

- Full retrospective: 23%
- Modified retrospective: 30%
- Fair Value: 47%
What is driving your selection of the modified or fair value approach

- Emergence of profits: 4%
- Stability of balance sheet: 28%
- Undecided: 68%
Have you engaged with your auditors to date on policy and methodology decisions?

- **40%** Initial high level discussions held
- **16%** Detailed working assumptions provided
- **44%** Yet to be discussed
What do you see as the biggest obstacle to being compliant with IFRS 17 by the effective date?

- Development of suitable IT solution: 52%
- Additional resources: 40%
- Additional budget: 8%
Which IFRS 17 data requirement will present the biggest challenge?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Requirement</th>
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<tbody>
<tr>
<td>44%</td>
<td>Sourcing required data for modelling of transition</td>
</tr>
<tr>
<td>8%</td>
<td>Data for explicit modelling of reinsurance/retrocession</td>
</tr>
<tr>
<td>24%</td>
<td>Storage of historical data and assumptions</td>
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<td>24%</td>
<td>Data for disclosures</td>
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What 3 areas do you see as being the most challenging technical inputs? (multi-select)

- **24%** CSM
- **26%** Transition
- **7%** Discount rate
- **17%** Risk adjustment
- **17%** Projection of future cash flows
- **9%** Chart of accounts
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