

Fact sheet

IFRS 17 Solution Portfolio



Deep insurance expertise:

IFRS 17-specific project accelerators including accounting templates, chart of accounts and finance data models



Award winning:

Recognized as IFRS 17 category winner by Chartis Research four years running



Two solution options:

Choose the option that's right for you



Benefits beyond compliance:

Provides a foundation for broader finance transformation



Proven success:

Most mature solution on the market, trusted by insurers across the globe



Supports all measurement approaches:

GMM, PAA or VFA approach



The strength of Aptitude's references, the completeness of their IFRS 17 Solution and the specialist nature and focus of their organization was important to us when making this decision. Their deep understanding of the Insurance industry and the IFRS 17 standard will help us implement the standard faster than other vendor alternatives.

Apra Sekhon,
Chief Innovation Officer, CAA Club Group

Compliance, control and insight post-IFRS 17

The IFRS 17 standard went into effect for public companies in January 2023 but for most insurers there is still work to do to address the significant manual efforts that are elongating close times and increasing cost and resource requirements.

As insurers look to streamline and automate compliance, many are focusing on refining processes, understanding the changes in KPIs and addressing gaps in their existing systems including:

- improving the granularity and consistency of data
- removing manual and spreadsheet-based requirements
- increasing automation to allow teams to focus on more value-adding tasks

Aptitude's IFRS 17 Solution Portfolio

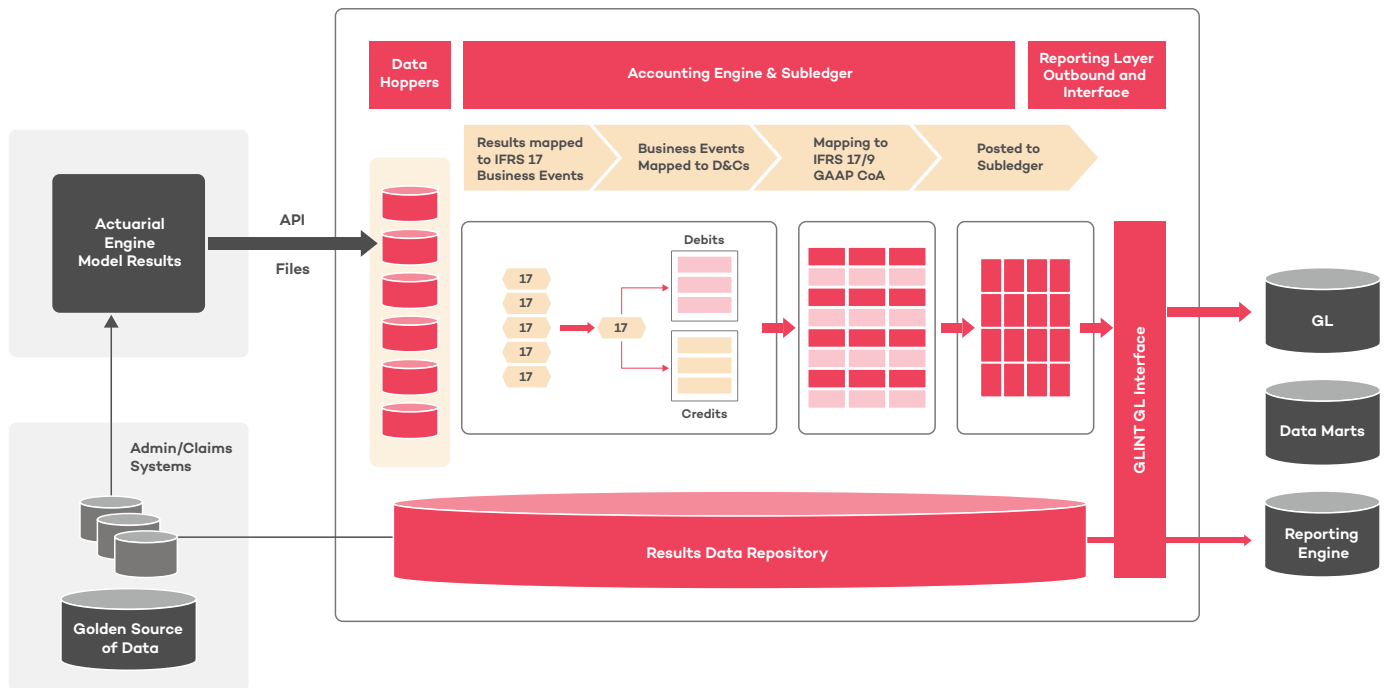
Not all insurers are alike. That's why we have two options for insurers looking to comply with IFRS 17.

Our IFRS 17 Solution is a highly configurable, enterprise solution underpinned by a calculation engine and highly extensible subledger. This is the perfect choice for insurers with complex, multi-entity requirements looking to leverage IFRS 17 compliance as a catalyst to drive finance transformation. It's the solution of choice for global insurers like Aviva, Great Eastern Life, FWD Group and Transamerica.

IFRS 17 Comply is a pre-configured, out-of-the-box version of the full IFRS 17 Solution. It enables insurers to comply quickly and effectively with IFRS 17 requirements based on best practices built into the solution. IFRS 17 Comply is perfect for smaller insurers looking for rapid, low-cost IFRS 17 compliance with the potential to extend the solution at a later date to support complex configurations and broader finance transformation. It's the solution selected by wefox, Hollard and ClearView to get them up and running in weeks not months.

Solution architecture

We have invested heavily to ensure our solutions include insurance knowledge, IP, accelerators and best practices to substantially reduce the risk involved in these types of complex projects. Our solutions easily integrate with existing actuarial systems and provide the complex accounting and calculation functionality necessary to support IFRS 17.



Data integration: Standard APIs support data ingestion from any source system and ensure data is complete and accurate. This provides full drill back capabilities from postings to the supporting transaction-level detail

Aptitude Insurance Calculation Engine (AICE): IFRS 17 calculation engine that includes functionality to recognize and classify insurance contracts, perform IFRS 17 calculations and generate business events to feed the accounting engine and subledger. It supports all measurement models – GMM, VFA and PAA

Aptitude Accounting Engine: Business rules engine that contains IFRS 17 configurable accelerators including 168+ business events, Chart of Accounts and disclosure templates to significantly reduce IT customization and accelerate implementation and compliance

Aptitude Subledger: Fully functional multi-entity/GAAP/currency/period subledger with accelerators to support accounting for financial services and insurance operations. Underpinning the solution is an extensible finance/actuarial/risk data model

Reporting Layer: All regulatory reporting data is stored in the subledger in granular detail and can be aggregated as required. The client's reporting tool of choice can generate disclosures, reports, and dashboards from available IFRS 17 reporting templates

Product functionality

IFRS 17 Groupings

- Maintenance of cohorts and groupings
- Degree of Profitability Thresholds (NSPO)
- Group-level processing
- Opening Transition Balance transfer – provided by client

CSM for GMM/VFA

- Preconfigured CSM calculation – calculated at initial recognition and subsequent measurement dates
- CSM run-off patterns/Amortization
- GMM Analysis of Change template
- Investment component identification and processing
- Coverage-unit-based CSM release
- OCI option supported

VFA

- Calculation of Variable Fee
- TVOG Ingestion
- VFA Analysis of Change template
- Process Mutualization factors
- Apply Risk Mitigation – exclusion from CSM

Liability for Remaining Coverage (LRC)

- Two calculation methods – FCF/GWP
- Update LRC at initial and subsequent measurement
- Investment Component (NDIC) % based
- LRC, DAC, Premium and Expense Variances
- LRC financings – accretion bases

Liability for Incurred Claims

- LIC initial and subsequent measurement
- Input – expected and risk adjusted Cash Flows
- Configurable sequencing of LIC/AOM
- Groupings by Underwriting Year and Accident year
- Linear and non-linear run-off (Premium, Expense, Earnings Patterns)

Onerousness

- Onerous testing
- Calculation of Loss Component (configurable)
- Loss Component run off
- Loss Component reversal on profitability switch

Deferred Acquisition Cost (DAC) /Experience

- Accounting to treat DACs as acquisition expense
- Initial recognition date field
- Pre-Acquisition premiums and costs
- Calculation of Experience Adjustment
- Experience Adjustment assigned to past/current/future service

Reinsurance

- Reinsurance (proportional and non-proportional) supported including net loss/net gain and CSM adjustment based on onerous underlying
- PAA and GMM Reinsurance Contract measurement (mixed matchings)
- Net Loss/Net Gain
- Ingestion of Loss Component (Initial)
- Ingestion of Loss Component runoff
- Simple Loss Component Runoff (in line with revenue recognition)
- Direct / Reinsurance Linkages – many to many

Award-winning for 4 years running

For the 4th year in a row, we've been recognized by Chartis Research as the category award winner for IFRS 17 – Accounting Systems for the strength of our IFRS 17 solutions. Chartis Research is the leading provider of research and analysis on the global market for risk technology.



Chartis recognizes the maturity of Aptitude's IFRS 17 solution offerings. The depth of insurance-specific accounting IP and the level of automation, processing and reporting capabilities sets them apart in this space.

Sidhartha Dash,
Research Director, Chartis Research



Aptitude's IFRS 17 solutions provide all the capabilities you need to quickly comply with the standard while providing long-term benefits beyond compliance.

Book a demo today to see our solutions in action.

SCAN ME



Get in touch

To arrange a demo or to discuss a project, please scan the QR code or contact us below.

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