



KPMG IFRS 17

Express — powered by SAS[®]

**Fast track your IFRS 17
implementation**

January 2022

KPMG International

home.kpmg/ifrs17express



The effective date for IFRS 17 Insurance Contracts (IFRS 17) is fast approaching, bringing unprecedented accounting change for the insurance industry, including changes to results, disclosures and key performance indicators (KPIs). It will also require substantial updates to systems, data and processes. While some insurers welcome the opportunity to take a more holistic view at digitization and processes, many insurers are wanting a simpler approach that is less resource-intensive and can be completed quickly.

IFRS 17 presents several challenges:

- 1 **Manual processes are no longer adequate, with updates to operational activities, IT infrastructure, closing processes and workflow scheduling required.**
- 2 **New and more complex judgments require more granular data.**
- 3 **The dynamic nature of the business world means regular updates to maintain compliance, governance, and oversight are needed.**

With 1 January 2023¹ drawing closer, it is becoming increasingly difficult to ensure IFRS 17 compliance will be delivered on time and to quality. Even those organizations that began their IFRS 17 journey early are finding it a challenge to test systems and build controls within the required timeframe.

For those insurers that are still at the beginning of their IFRS 17 implementation, speed and reliability is critical.

To help insurers address the business challenges presented by IFRS 17 efficiently, KPMG has joined forces with SAS to develop KPMG IFRS 17 Express — powered by SAS (IFRS 17 Express), an IFRS 17 software solution offering that is cost-effective, efficient and developed using our experience and insights in mind.

Technology Requirements

Choosing the right technology and reporting solution from the options available is a key decision for insurers. To date, this has meant a choice between two approaches:

Self-development	Cost, time, and resource intensive, primarily suitable for large, resource-rich insurers that began their IFRS 17 journey early to benefit from fully bespoke development.
Customized software solutions	Software vendors typically provide an “empty box” that may require significant time and effort to configure to your needs and reflect the myriad of choices and judgments in IFRS 17 to deliver a finished solution. The extent of time and effort required for customization should not be underestimated.

Building on the joint experience of SAS and KPMG’s professionals, IFRS 17 Express offers a **third alternative**: a fast track software solution offering designed for efficient onboarding and use.

IFRS 17 Express uses an innovative closing-oriented approach that can help significantly reduce IFRS 17’s computational burden. It also offers pre-configured options for you to choose from, helping you take the fast track to IFRS 17 compliance.

¹ The effective date of IFRS 17 *Insurance Contracts* as issued by the International Accounting Standards Board (‘The Board’)

Presenting IFRS 17 Express — a fast track software solution

IFRS 17 Express combines KPMG professionals' deep IFRS knowledge, sector know-how and experience gained from the recent IFRS 17 implementation at Allianz, one of the world's leading insurance groups, with a leading IFRS 17 software solution from SAS.

This jointly developed solution offering provides a robust and tried and tested approach to accelerate IFRS 17 reporting that can help significantly shorten implementation timelines and reduce the cost of change.

How you can benefit from IFRS 17 Express



End-to-end approach

A leading closing-oriented approach that can help reduce the calculation burden and support a speedy and efficient onboarding process.



Validated and tested

The IFRS 17 methodology was tested and verified with Allianz around the globe, building on leading practice interpretations for life, health, P&C and reinsurance portfolios of any size to help accelerate configuration.



Compliant

Full compliance with IFRS 17 as amended, including all measurement models and developed to handle the wide range of insurance products worldwide.



Advanced technology

Built on the SAS Solution for IFRS 17, offering the flexibility to handle multiple source models, feeder systems, and ledgers.

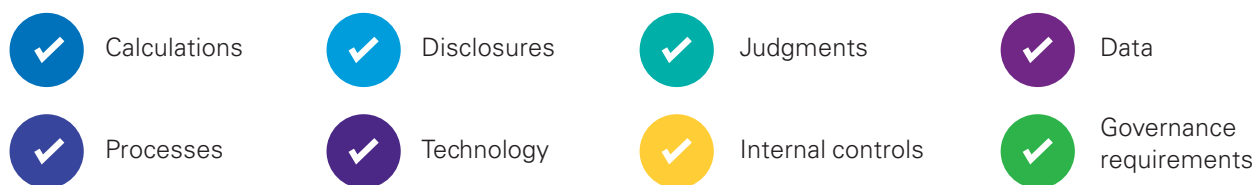


What should you do?

IFRS 17 brings material changes to reported results and financial disclosures that require profound operational changes and updated technology to deliver.

Insurers face a multiplicity of challenges when applying this complex standard to their product portfolio, requiring new data flows, analyses, and judgments from their core actuarial valuation models to accounting and reporting processes enabled by supporting technology.

Insurers are racing against the clock to get this done. Those organizations that have not started have a significant amount to do in a short period of time. At a minimum, insurers should address:



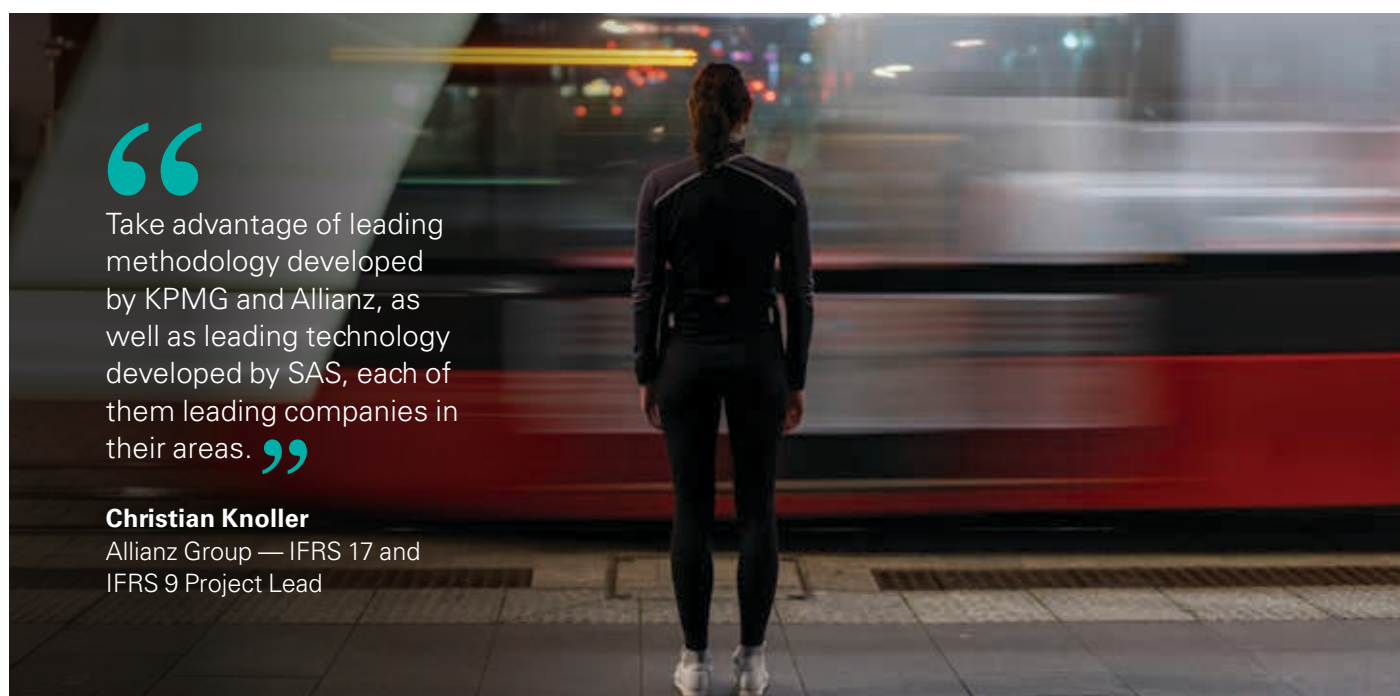
With all of this in mind, where should you start?

Overall, you should:

- Use the remaining time efficiently.
- Avoid reinventing the wheel.
- Be confident about getting things right first time.

Additional considerations:

- Consistency and technical precision embedded in the design, development, and implementation of your chosen IFRS 17 solution.
- A quick path to produce your IFRS 17 opening balance sheet and 2022 comparatives.
- Methodology and technical support on call with annual updates and maintenance readily available.



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Take advantage of leading methodology developed by KPMG and Allianz, as well as leading technology developed by SAS, each of them leading companies in their areas.”

Christian Knoller

Allianz Group — IFRS 17 and IFRS 9 Project Lead

A software solution offering designed to meet your needs

Key design features

KPMG IFRS 17 Express — powered by SAS offers a tried and tested IFRS 17 methodology, leveraging the experience of market leaders and leading practices.

IFRS 17 Express is designed to the needs of insurers with a robust, thorough, efficient, and cost-effective approach to the technological challenges presented by IFRS 17:

- **Fully functional IFRS 17 contractual service margin calculation and posting engine**, offering the storage of historical interest rates, FX data and cash flow projections, as well as calculated results accessible from previous, current, and future reporting periods.
- **Pre-defined data model and wide-ranging postings** deliver automation and integration, helping to meet tight deadlines through leaner closing processes.
- **A leading closing-oriented approach** that can help significantly reduce the computational burden. Pre-configured options enable quick and easy installation and onboarding. Together, these can help accelerate implementation, enabling you to take the fast track to IFRS 17 compliance.
- **Developed to manage a broad range of globally available insurance products worldwide** and all three IFRS 17 measurements approaches, helping you to implement your relevant calculation method for insurance — and reinsurance — lines of business.
- **Built on the SAS Solution for IFRS 17**, IFRS 17 Express is technology agnostic, with the flexibility to handle multiple source models, feeder systems, and ledgers.
- **Facilitates the timely tracking of results and metrics** with data validation tools available to run what-if analysis, and movements and variables mapped to the analysis of change.
- **A structured workflow process** within a single, integrated, and traceable platform fosters collaboration among actuaries, risk managers and finance teams.
- **Traceability, auditability, and transparency** make reconciliations easier, supporting robust, reliable, and repeatable IFRS 17 compliant reporting.

Simple, rapid business and technical onboarding

Onboarding to customized software solutions can take precious time that fast followers don't have.

IFRS 17 Express accelerates onboarding, which can help ease your journey to IFRS 17 compliance

Technical onboarding through:

1. Pre-defined data requirements and integration steps.
2. The integration of cash flows and mapping of outputs to the user's chart of accounts.



Business onboarding through a four-step process:

1. Familiarization with a tried and tested pre-defined approach.
2. Establishing opening balances.
3. Configuring and adjusting of postings to conform to the user's chart of accounts.
4. Adjustments for group consolidation, including intercompany eliminations.

IFRS 17 Express can help you you time and effort

The countdown is on

You need an efficient and effective IFRS 17 software solution to help make the best use of the time remaining.

Help fast track your IFRS 17 implementation by using IFRS 17 Express to leverage the knowledge and lessons learned by industry front runners. Their experience can help you understand and solve interpretation issues and challenges more quickly.

IFRS 17 Express combines KPMG professionals' deep IFRS knowledge, sector know-how and experience from the IFRS 17 implementation at Allianz, one of the world's leading insurance groups, with the SAS Solution for IFRS 17.

IFRS 17 Express is designed to be a quick-to-value software solution.

Learn more

To learn more about IFRS 17 Express, sign up for a demo at home.kpmg/ifrs17express.



About KPMG

KPMG has a top-down and business-focused approach to IFRS 17 implementation to help insurance organizations accelerate progress towards their goals confidently and securely.

This approach is tailored to help you deliver the results that are important, while building on the market-leading knowledge of KPMG professionals who:

- Have a hypothesis-driven approach, starting top down to allow design decisions to be taken earlier, helping to reduce demands on scarce resources.
- Bring deep market insights from advising insurers on IFRS 17 and IFRS 9 to help accelerate thinking in complex aspects of IFRS 17 requirements.
- Understand that one size does not fit all, enabling clear communication of the issues that matter.
- Leverage proprietary tools and accelerators to support IFRS 17 implementation, tailoring their approach to meet an insurance organization's needs and aspirations, whether quick wins, cost savings, efficient financial and regulatory reporting, more insightful analysis, and improved teamwork.
- Bring insights every step of the way, actively promoting knowledge transfer so that a sound base of expertise can be delivered to help drive new ways of working.

To learn more about how KPMG can help unlock value from your IFRS 17 program, please contact us.

About SAS® IFRS 17 Technology

The SAS Solution for IFRS 17 can help you meet IFRS 17 regulatory requirements. The following features support all aspects of the reporting standard:

- A predefined input data model that can accept the necessary data for the insurance liabilities valuation, including:
 - Expected cash flows.
 - Actual cash flows.
 - Market data, including interest rates (IR) and foreign exchange (FX) rates.
 - Direct entries in the calculation engine or the subledger.
- A set of mapping tables to facilitate the integration of external systems.
- A set of configuration tables to specify software behavior.
- Predefined data quality rules to check the completeness and accuracy of the inputs.
- Sample IFRS 17 data for many use cases.
- Predefined calculations for the three accounting approaches (GMM/BBA, PAA, VFA), both for initial recognition and for subsequent measurements.
- A predefined IFRS 17 posting framework that provides subledger support to convert the outcomes of the calculations into journal postings.
- A predefined set of disclosures.
- A predefined control framework.

To learn more about the [SAS® Solution for IFRS 17](https://sas.com/ifrs17), visit sas.com/ifrs17.

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Designed by Evaluateserve | Publication name: KPMG IFRS 17 Express — powered by SAS® | Publication number: 137716-G | Publication date: January 2022