

IFRS 17 framework

Considerations for a smooth transition to the new standard



First steps



Impact assessment

- Assess the operational, financial and reporting impacts of IFRS 17 on your insurance business.
- Develop a roadmap towards implementation, highlighting the options available and the associated costs.



Tax

- Assess the impact on cash tax, tax processes and tax reporting.
- Develop and implement tax project plan including assessment of potential cash tax and tax reporting implications, current and future tax data requirements, potential changes to law, and integration of the tax workstream into the wider project.



Technical analysis and ongoing evaluation

- Review technical interpretation guidance and consider practical interpretation options. This may also include modelling the impact of options, which can also help evaluate the impact on product design, reinsurance, business plans and dividend cover.



Transition

- Prepare for the process of creating your opening balance sheet under IFRS 17, using existing data in the most effective way.

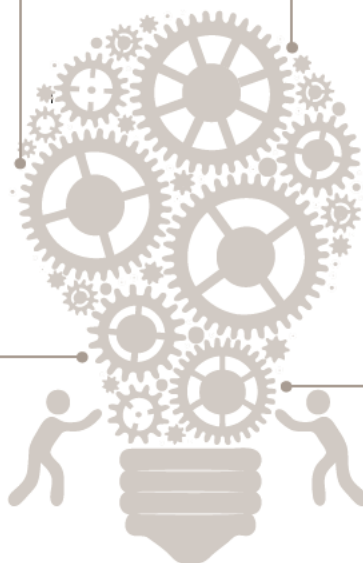
Implementation

Systems and infrastructure

- Design the most efficient end state to accommodate the additional requirements of IFRS 17.
- Evaluate the options for the proof of concept and implement new solutions or required changes in your systems (including, amongst others, administration systems, actuarial systems, general ledgers, and reporting and consolidation tools).

Data

- Develop an information model and a robust data framework which will enable the transition to and ongoing management of the new standard. Prepare and cleanse legacy data supplementing with new data points where necessary.



Organisational design

- Design and implement the target operating model considering the role of third parties (outsourcing), near/off-shoring, scope of new roles and responsibilities.
- Develop a framework which allows effective coordination between finance, actuarial, capital and risk management.
- Reflect new KPIs in employees remuneration plans.

Process and controls

- Design and implement the end to end process, controls and dependencies (including detailed timetables) required to achieve compliance.
- Enhance your control framework to identify any bottlenecks or risks and breaches, and ensure the consistency and quality of the information provided.

Throughout the project

Programme management and delivery

- Run the programme, ensuring it delivers pragmatic solutions in a co-ordinated manner utilising strong risk management disciplines.
- Embed project and change management, knowledge transfer and robust testing.

Education and training

- Conduct a thorough analysis of the education and training needs across the various competency areas.
- Deliver a training programme across the organisation which spans the breadth of requirements but is customised and fit for purpose for each area.

Assurance

- Provide assurance over the implementation through the appropriate blend of quality assurance, programme assurance and internal or external audit.

Board decisions

Reporting KPIs

- Redesign KPIs used in internal and external reporting in conjunction with Investor Relations, FP&A and business owners.
- Manage different messages that regulatory and accounting metrics may give.

Business strategy and transactions

- Understand the impacts of IFRS 17 on business strategy including for example M&A and other deals activity, restructuring and reinsurance.
- Review internal and external financial covenants, identify metrics based on pre-IFRS 17 reporting and renegotiate debt coverage or other agreements with third parties where necessary.
- Decide what your messages are to the market and how to tell your business' story with the new data you have.