

Factsheet

International Financial Reporting Standard 17 with Solidatus

Following nearly twenty years of discussion, the International Financial Reporting Standard 17 (IFRS 17) launches in January 2022. Designed to achieve the goal of a consistent, principle-based accounting for insurance contracts, the new Standard requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. Under IFRS 17, companies will measure their contracts based on the obligations that the contracts create and reflect the time value of money in estimated payments to settle claims.

Key principles and considerations

IFRS 17 will revolutionize the insurance industry and require the deployment of significant resources if insurers are to remain compliant, especially as the Standard will have broad application to various contracts. Significant planning is therefore needed to transform optimally. Given the changes to the way data will be presented it is critical to ensure that the right data is delivered in the right way, as well as modelling the future state while also demonstrating appropriate controls and processes to regulators.

IFRS 17 replaces IFRS 4 Insurance Contracts, which was introduced in 2004 as an interim Standard, which has allowed insurers to use different accounting policies to measure similar contracts. Companies can adopt it before that date if it also applies both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments.

IFRS Standards are set by the IFRS Foundation's standard-setting body, the International Accounting Standards Board. Their mission is to develop IFRS

Standards that bring transparency, accountability and efficiency to financial markets around the world.

Challenges

- Deployment of new processes and systems as accounting systems and processes transform to meet new guidelines. The volume of data reported will increase with an accompanying decrease in time to do so.
- Identifying source data for new reporting and ensuring existing data comes from 'golden sources.'
- Understanding which current assets can be redeployed to meet new requirements.
- Demonstrating to regulators governance of data and auditing of changes in flow. Knowing the location of source data and the lineage of data reported.
- Evidence improved data quality, in addition to meeting obligations around correct access rights to data and retention of data.
- Additional resources and budget in order to remain compliant.

Key benefits

- **Create an operational blueprint** at a use case or enterprise level.
- **Demonstrate data lineage**, model data quality and manage user access rights and data retention.
- **Map the delta of change** across regulatory updates to reduce future project work.
- **Enhance collaboration** both internally and externally.
- **Create and leverage** a single data repository across jurisdictions creating consistent reporting.
- **Model future processes** and workflows to determine the impact and effectively manage change.
- **Perform a simple and clear gap analysis** on existing processes.
- **Gain a competitive advantage** by analyzing and optimizing organizational data.

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Solidatus for IFRS 17

IFRS 17 is the biggest change to insurance accounting compliance this century. It requires a substantial transformation in the business process and data flows to meet the new accounting standards. To succeed, firms will need total governance of their data, knowing and being able to prove all provenance, lineage and quality while ensuring appropriate security and controls.

- Solidatus offers a world-class modelling solution that enables organizations to map existing and future state processes and flows, enabling them to minimize transformational risks of both process and data while ensuring optimal compliance.
- Solidatus models can be leveraged as a deployable asset enabling the streamlining and simplification of system transformation, facilitating a move to cloud or allowing the optimization of data assets, ensuring they are deployed effectively and appropriately.
- Solidatus delivers a data management solution that enables organization to manage their data in a system-agnostic fashion where lineage and ingestion are as automated as possible across the entire spectrum of a firm's existing technology stack.
- Solidatus enables firms to address the challenges of creating a common taxonomy and model the delta between the current and future versions.

Effectively model and report on the new IFRS 17 standards

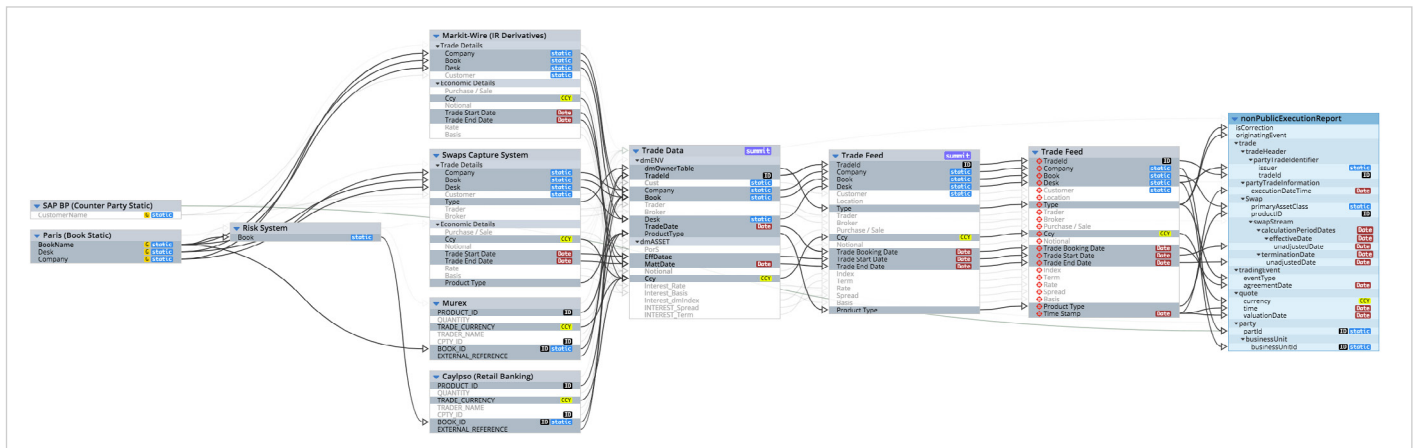
Break down data silos and optimize your data

Establish effective data governance

Build transparency into IFRS 17 regulatory reporting

Mitigate future transformation risks

Deliver Enterprise wide consistent metadata



About Solidatus

Solidatus is an innovative data management technology company, empowering organizations to unlock the true business value behind their data. Our lineage-first technology enables organizations to connect and visualize data relationships across the enterprise, simplifying how they identify, access and understand them. Launched in 2017, Solidatus is the chosen data management tool for both the regulators and the regulated. Its clients and investors include top-tier global financial services brands such as Citi and HSBC, healthcare and retail organizations as well as government institutions. Solidatus has offices in the United Kingdom, the United States and Singapore. For more information, visit www.solidatus.com

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