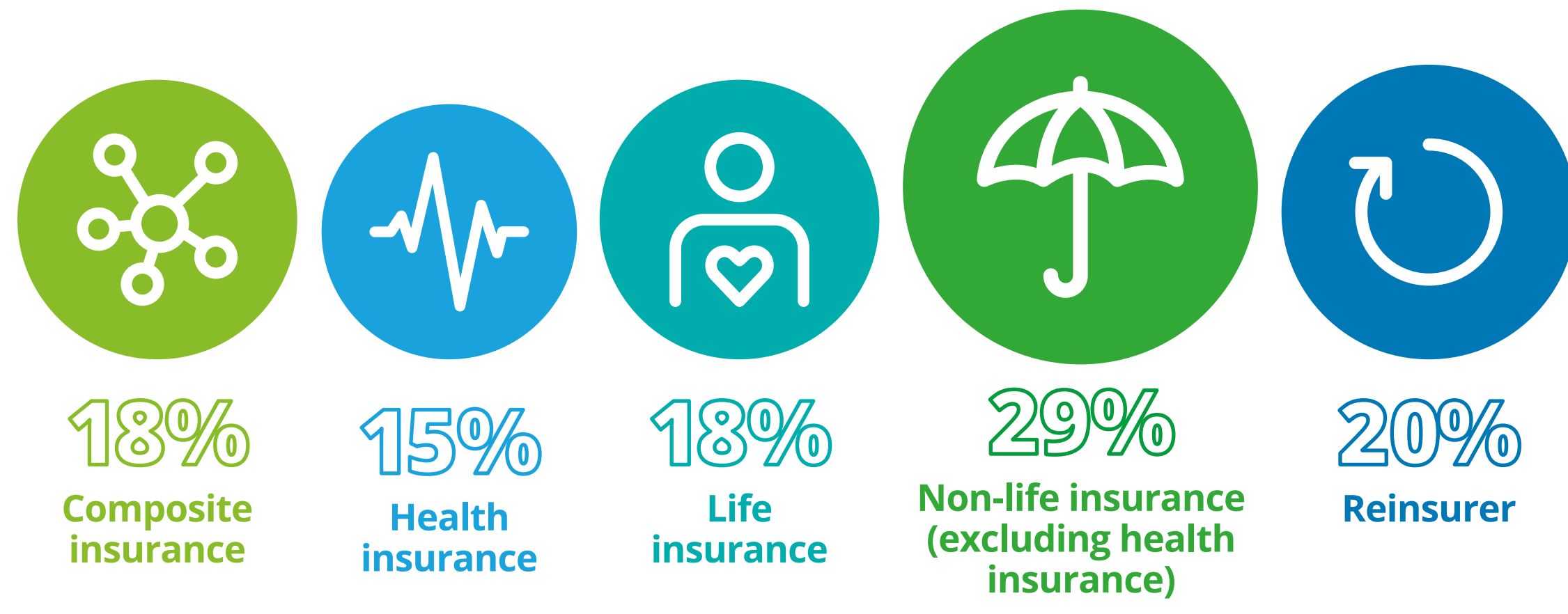


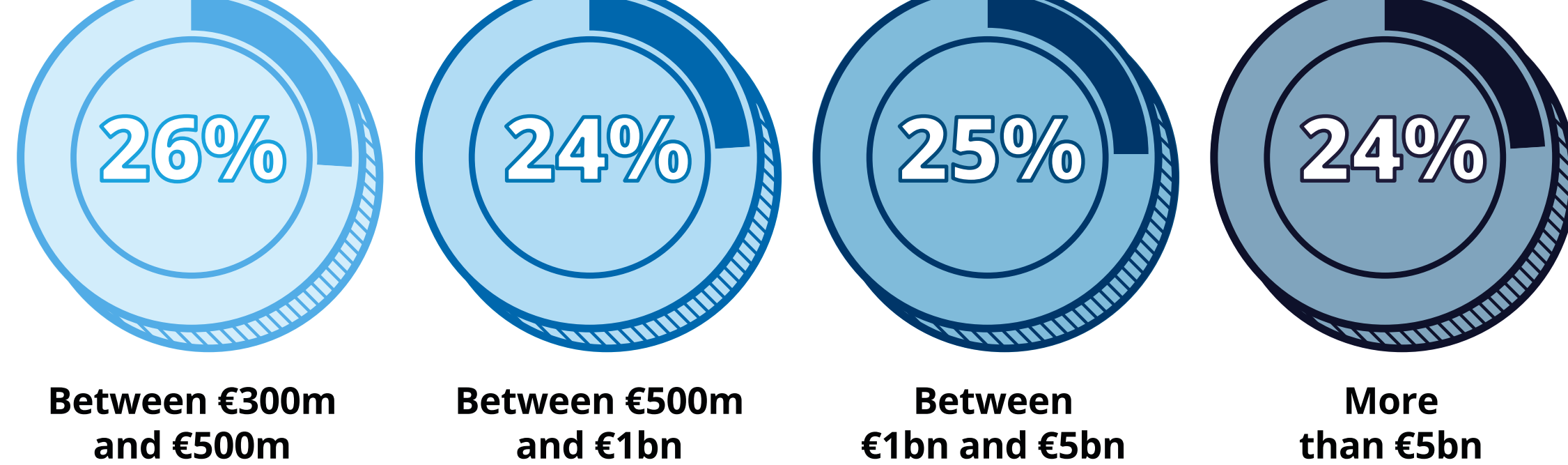
Global IFRS Insurance Survey 2018

Between February and March 2018 the Economist Intelligence Unit, on behalf of Deloitte, surveyed 340 insurance executives to investigate how global insurers in the industry are reacting to and preparing for the adoption of the International Financial Reporting Standard 17.

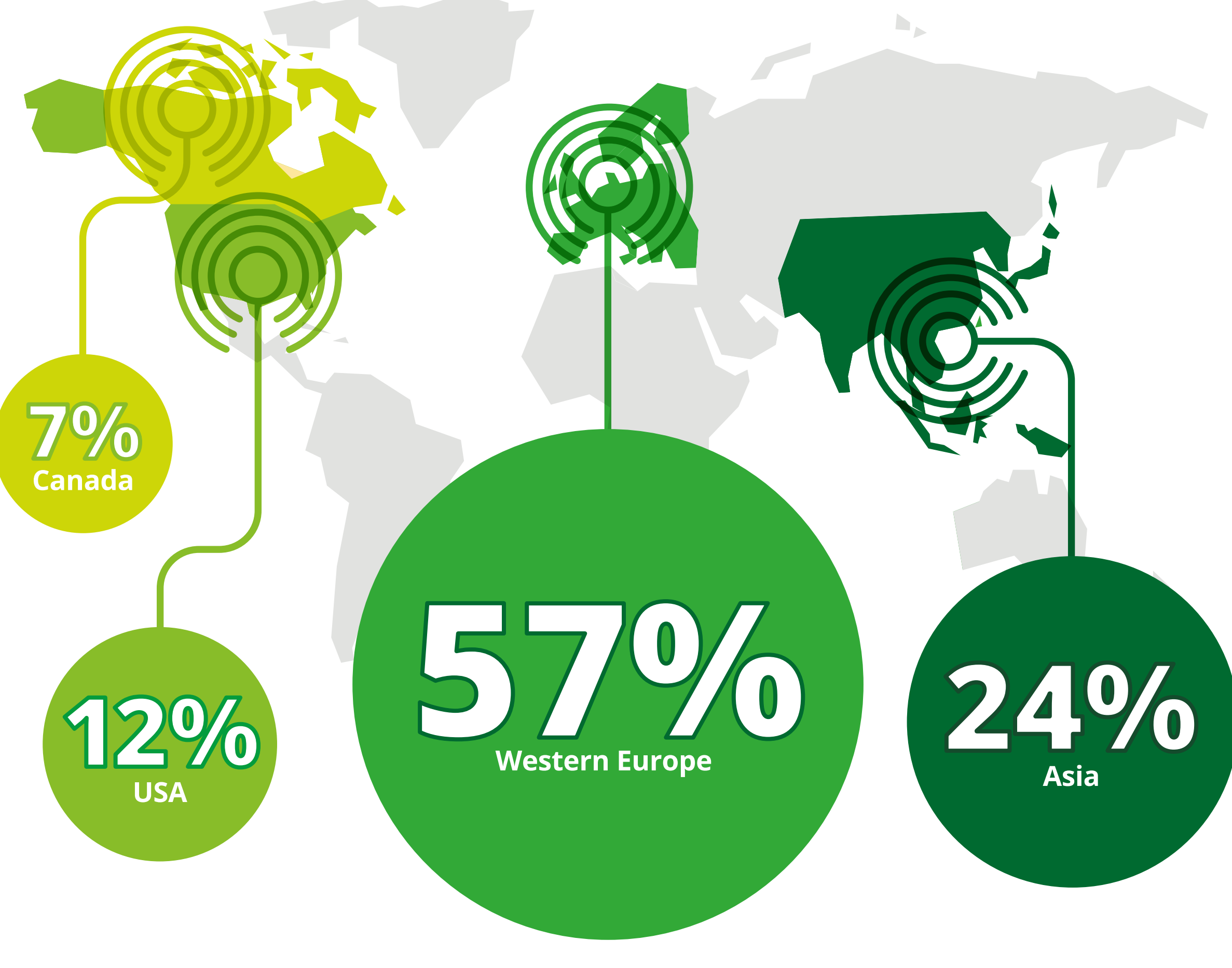
Participating insurers by primary type of business



Participating insurers by net written premium

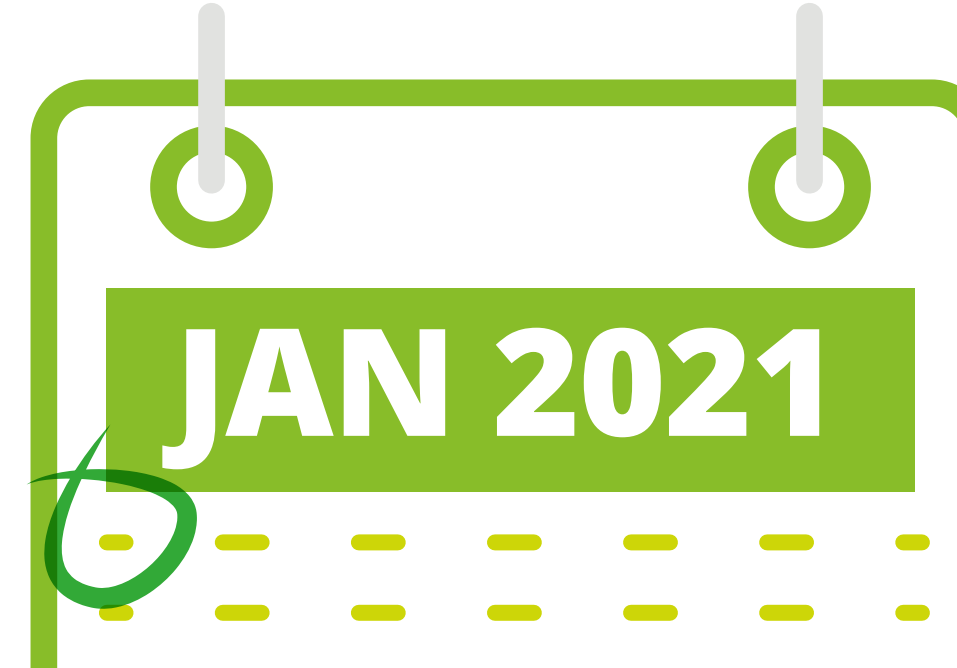


Participating insurers by geographical location

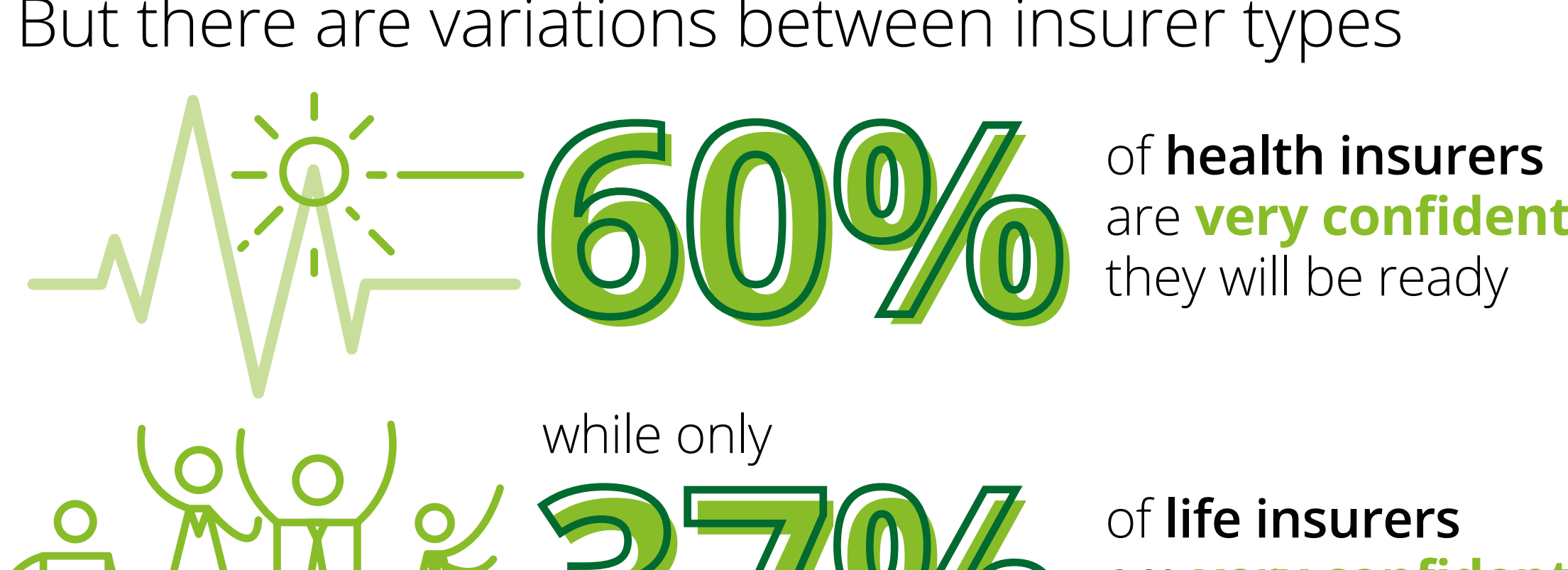


Just enough time to get ready

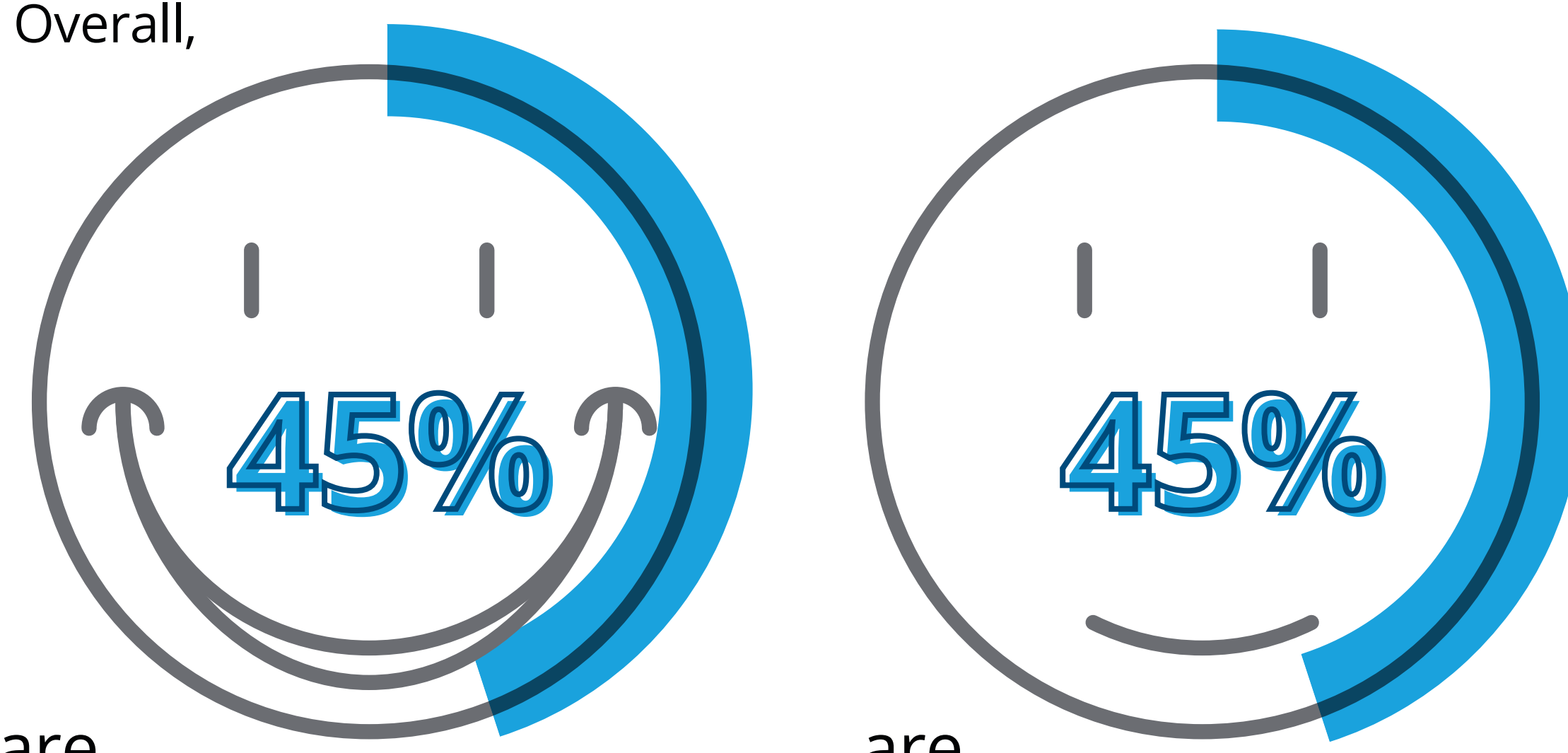
Insurers are proceeding to the Standard's **EFFECTIVE DATE OF 1 JANUARY 2021 WITH CAUTIOUS OPTIMISM**



But there are variations between insurer types

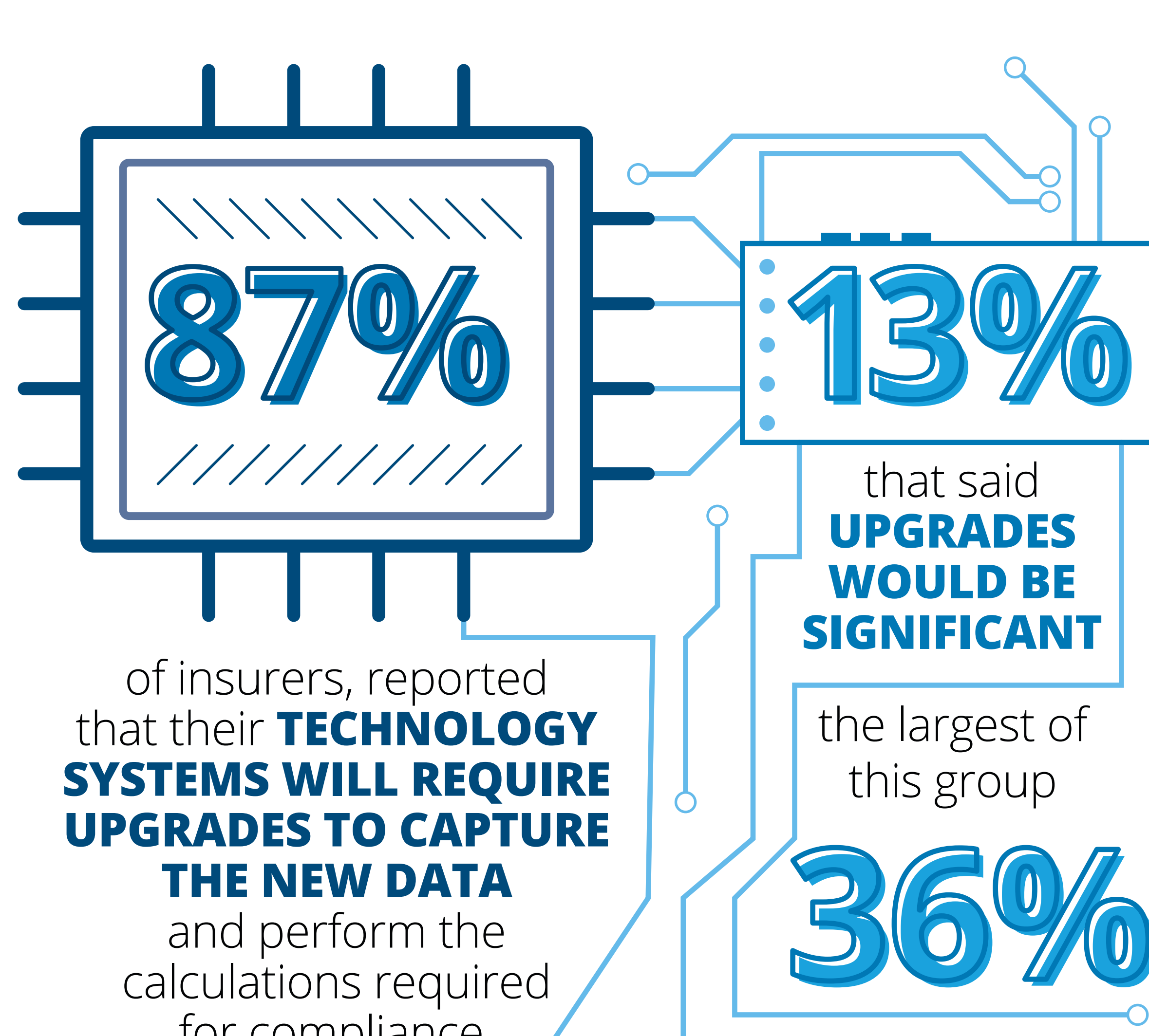


Overall,



EUROPE IS MORE CONFIDENT than other regions

Upgrading technology is necessary



CAPTURING DATA INPUTS

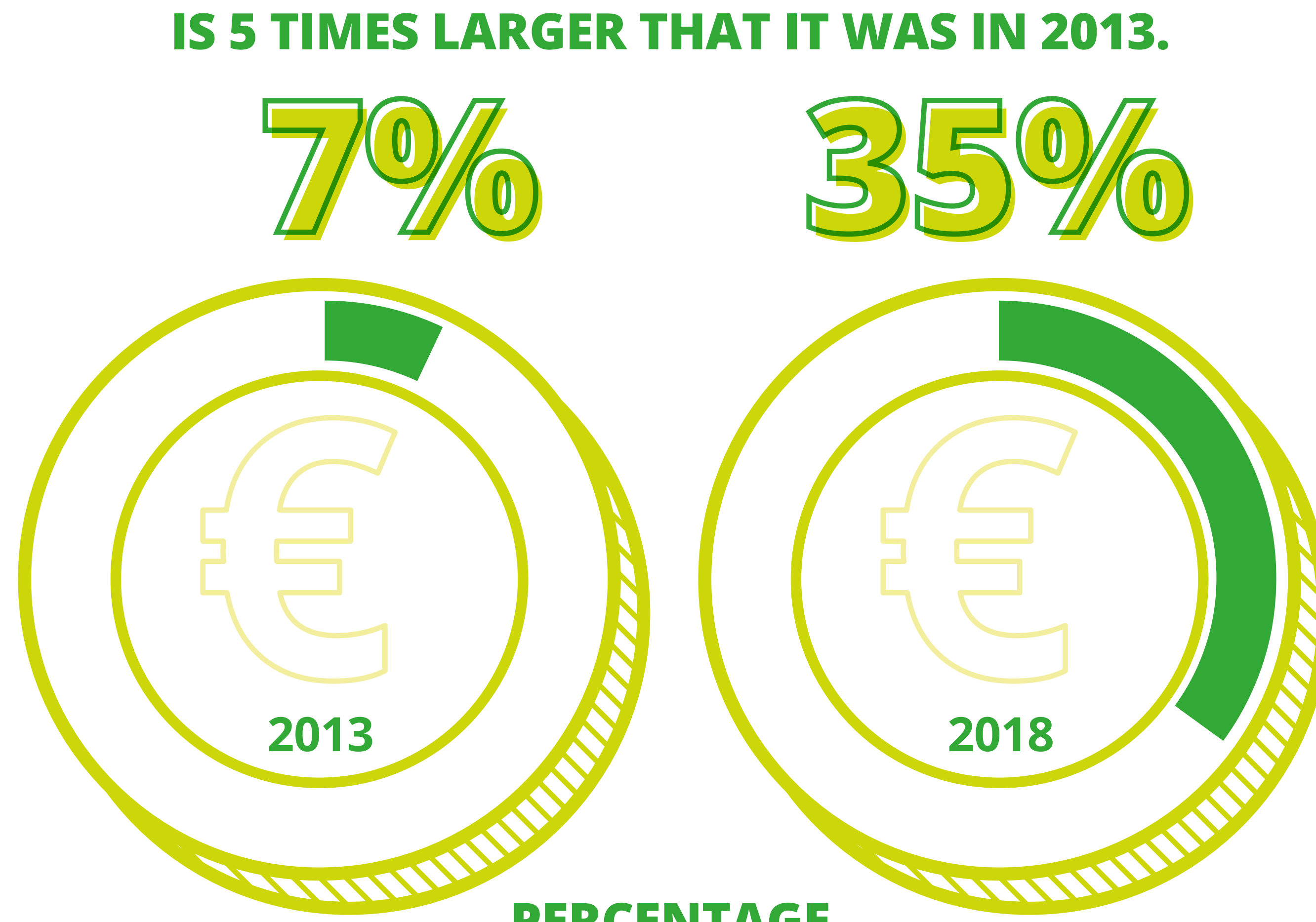
is cited as the largest technology challenge ahead

Significant implementation costs have been budgeted



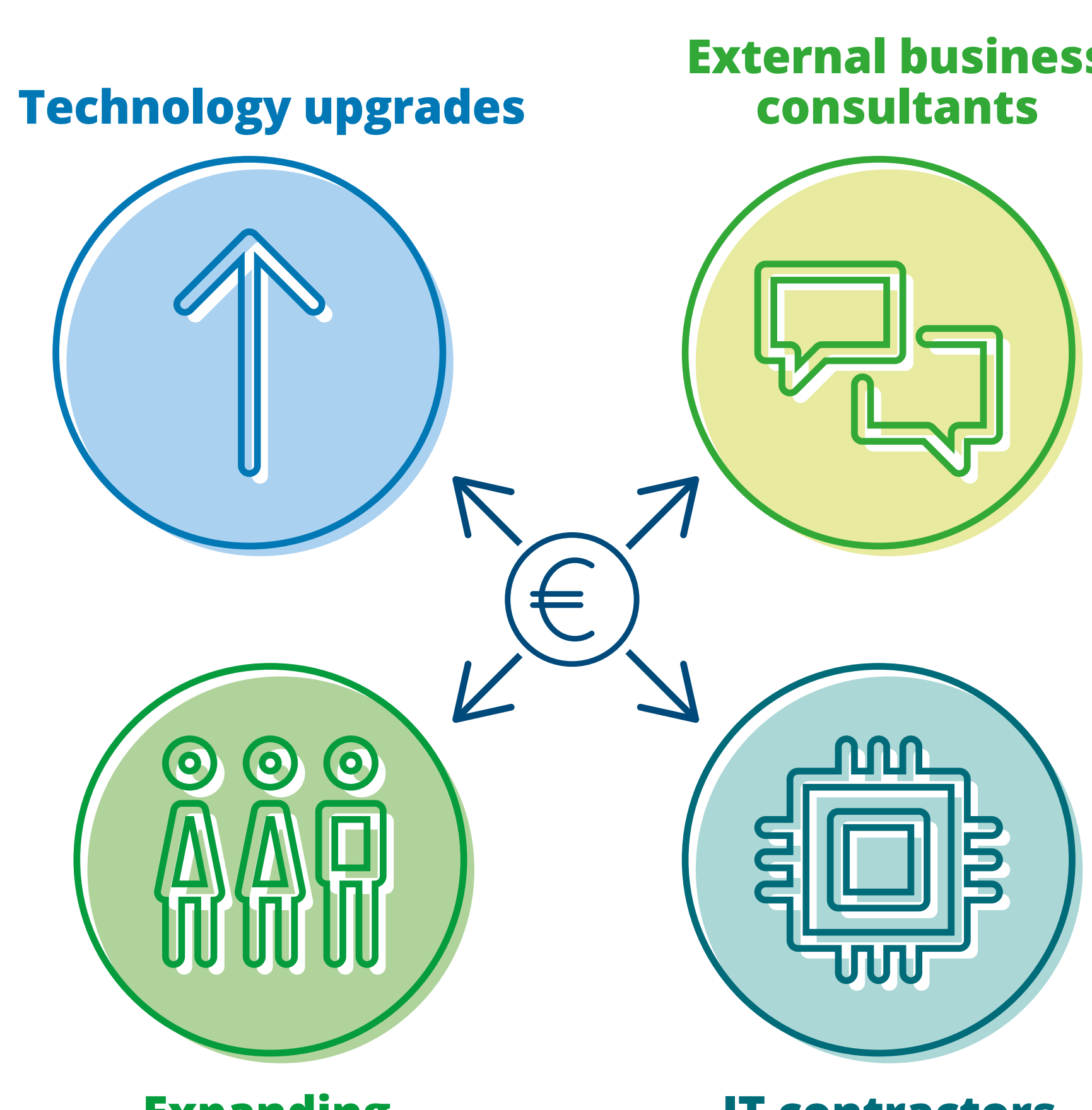
Now that the Standard is released, most insurers have set some expectations around budget. **THE EXPECTED SPEND IS SIGNIFICANTLY GREATER THAN EXPECTATIONS CAPTURED IN 2013**

THE NUMBER OF INSURERS THAT EXPECT TO SPEND MORE THAN €50M TO IMPLEMENT IFRS 17 IS 5 TIMES LARGER THAT IT WAS IN 2013.

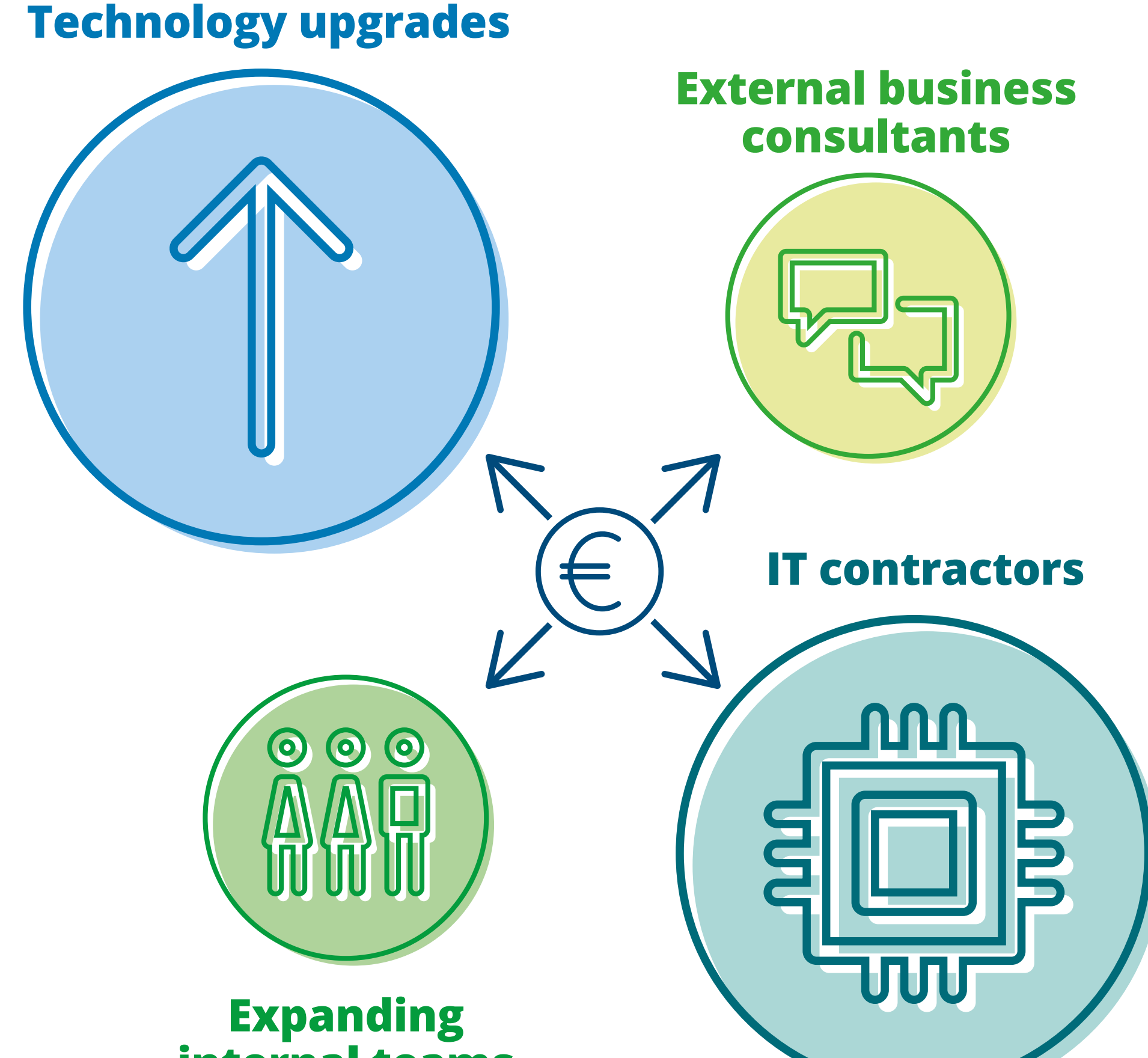


Technology and acquisition of specialist talent underpins implementation budgets

Insurers are dividing their budgets relatively evenly between:

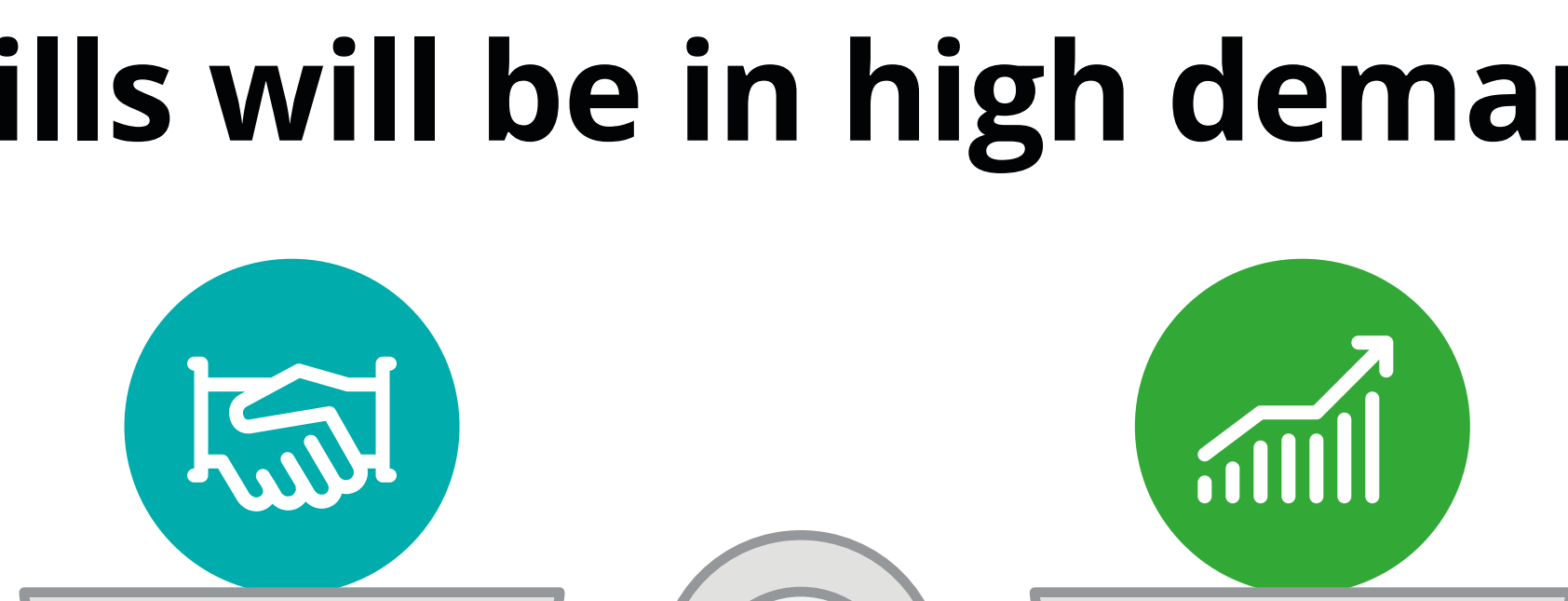


But compared with other types of insurers **Reinsurers** and **composite insurers** are devoting a **higher percentage of their budgets** towards technology solutions and IT contractors

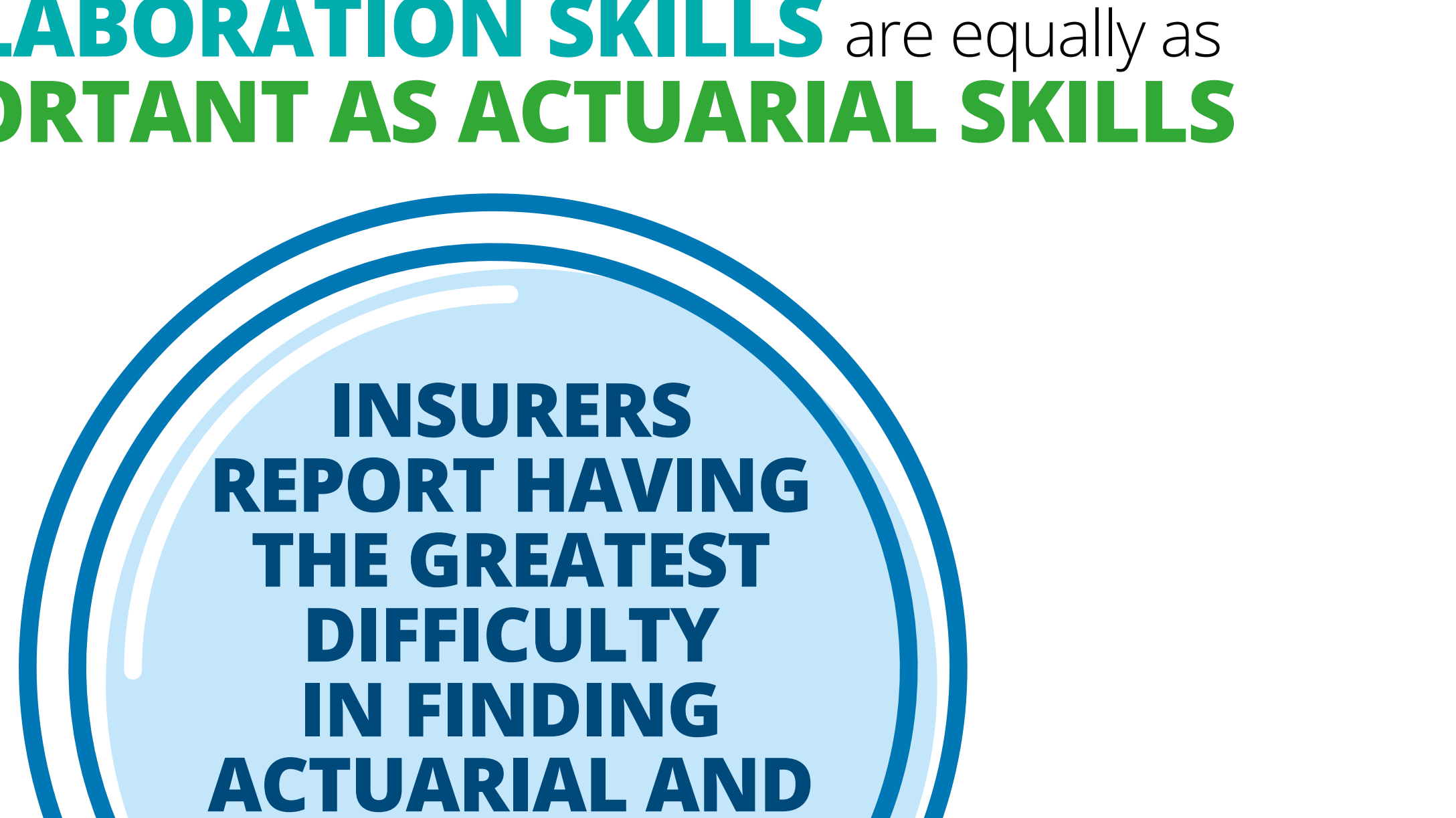


Actuarial, data and collaboration skills will be in high demand

To become IFRS 17 compliant, many insurers are trying to drive tighter integrations between **FINANCE, ACTUARIAL** and **OTHER DEPARTMENTS**



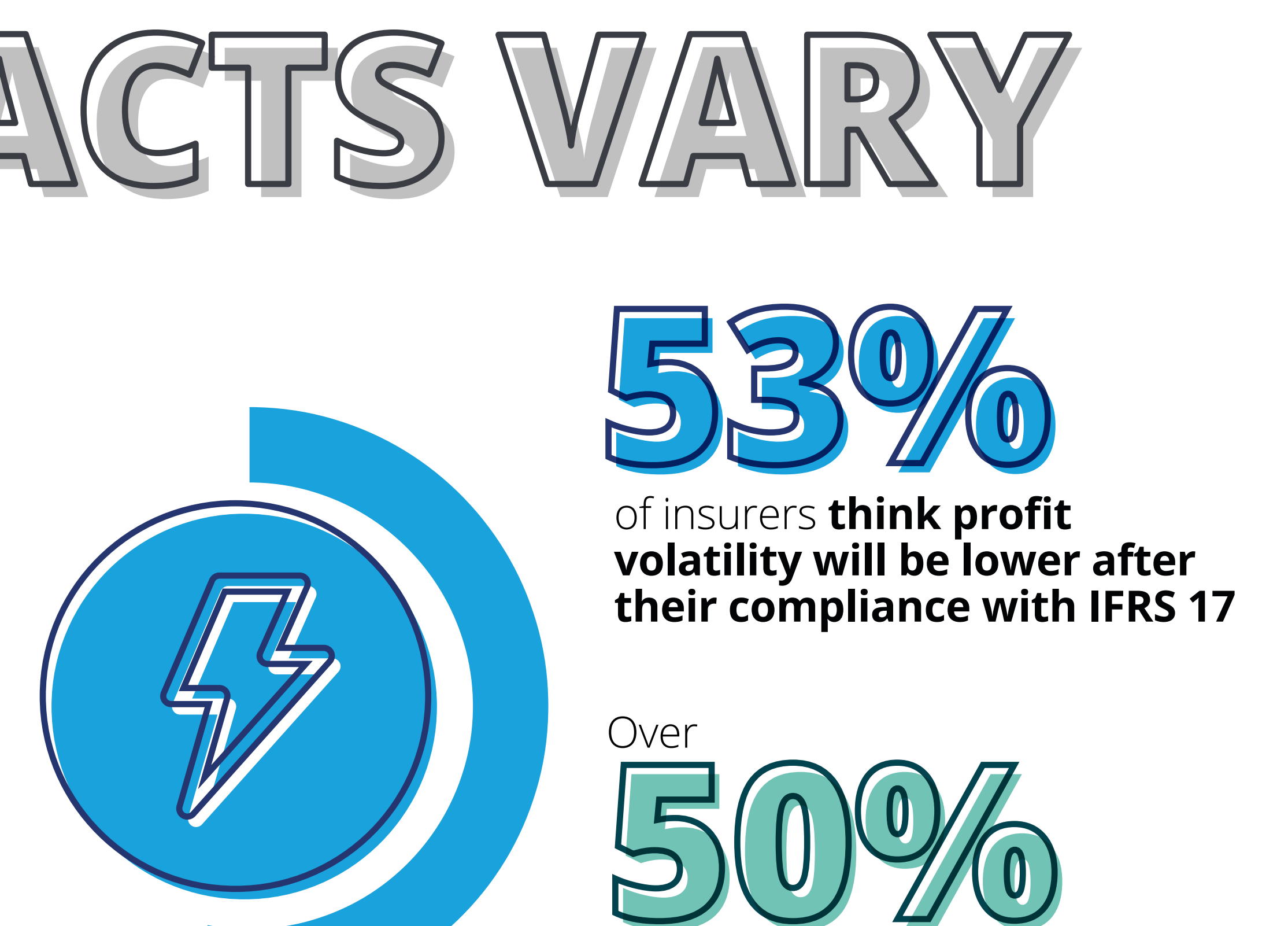
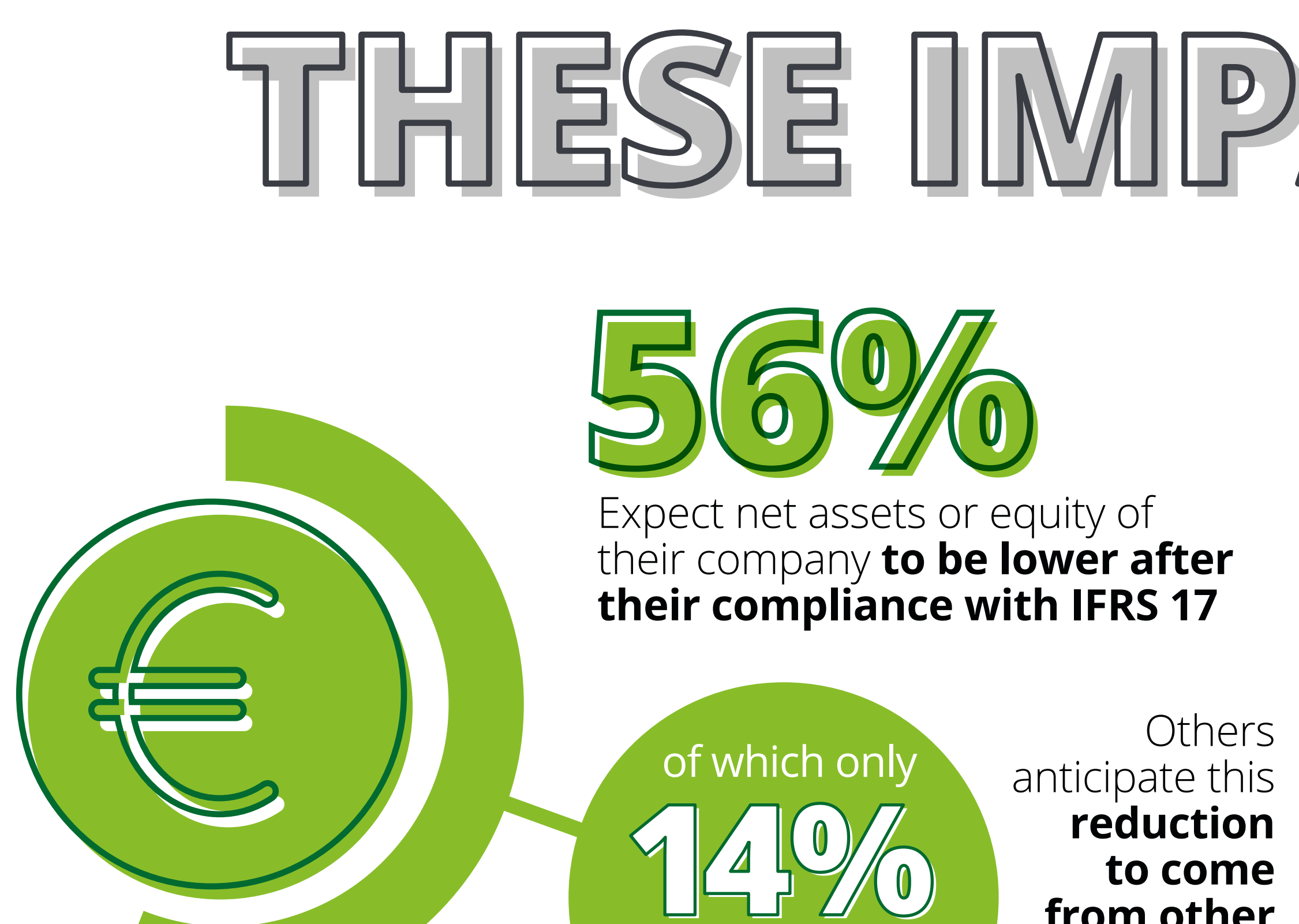
COLLABORATION SKILLS are equally as **IMPORTANT AS ACTUARIAL SKILLS**



INSURERS REPORT HAVING THE GREATEST DIFFICULTY IN FINDING ACTUARIAL AND ACCOUNTING EXPERTISE

Lower equity, less profit volatility and slower profit emergence

THESE IMPACTS VARY



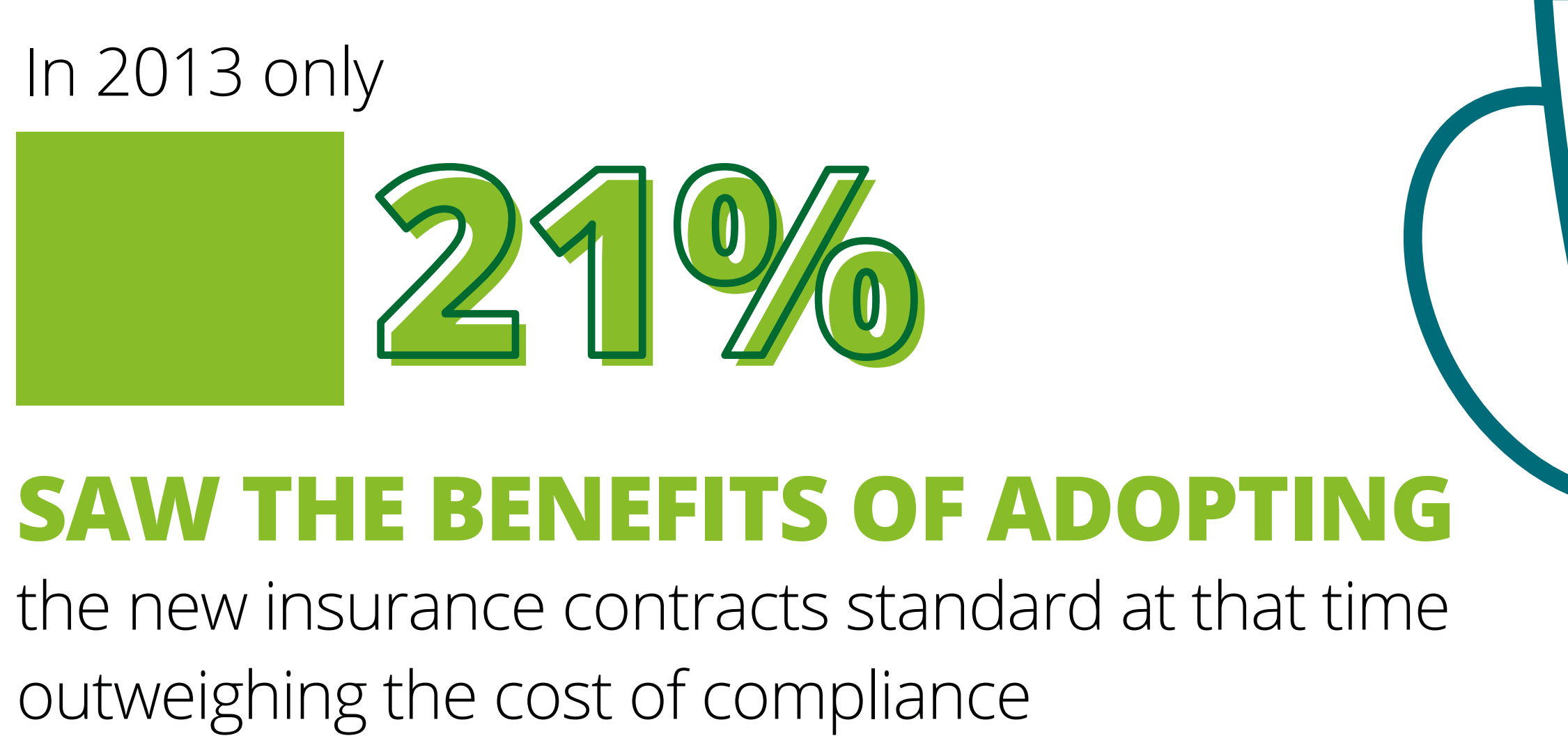
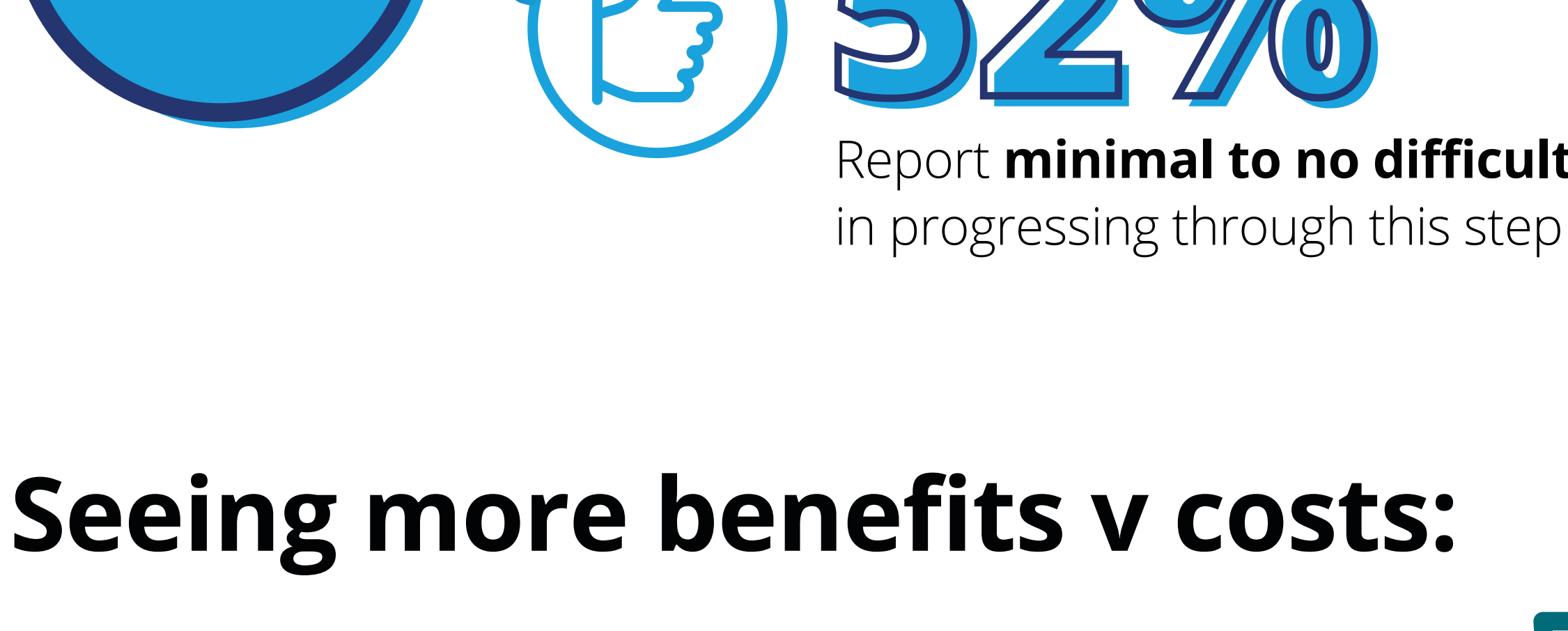
Stakeholder awareness is growing quickly



CONFIDENCE IN THE EFFECTIVENESS OF THESE COMMUNICATIONS IS NOT STRONG

ONLY A THIRD STRONGLY AGREED that their board, senior management, investors, and other stakeholders have a **good understanding of the implications of IFRS 17**

Seeing more benefits v costs:



The **top three** expected benefits:

- FINANCIAL STATEMENTS THAT BETTER REFLECT BUSINESS PERFORMANCE**
- EASIER ACCESS TO CAPITAL MARKETS**
- IMPROVED INFORMATION TO SUPPORT PRODUCT DESIGN**

These vary by region and insurance type; Key outliers include

ASIA is looking forward to improved financial statements more than any other region

COMPOSITE INSURERS see greater transparency in IFRS financial reporting as a primary benefit.