



Increasing Business Value from the
Actuarial Function under IFRS17

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Presenting today



Kaise Stephan

Deloitte Partner

Actuarial & Insurance Solutions

kstephan@deloitte.com.au



Anne Driver

Deloitte Partner

Global IFRS17 General Insurance Leader

adriver@deloitte.com.au



Nicola Eiffe

Deloitte Director

A&A Financial Services

nieiffe@deloitte.com.au



James Yap

Deloitte Manager

Actuarial & Insurance Solutions

jamyap@deloitte.com.au



Matthew Webster

Dynamo Associate Director

Head of Territory – Australia

matthew.webster@dyna-mo.com



Shil Patel-Rae

Dynamo UK Managing Director

Global IFRS17 Lead

shil.patel-rae@dyna-mo.com

Agenda

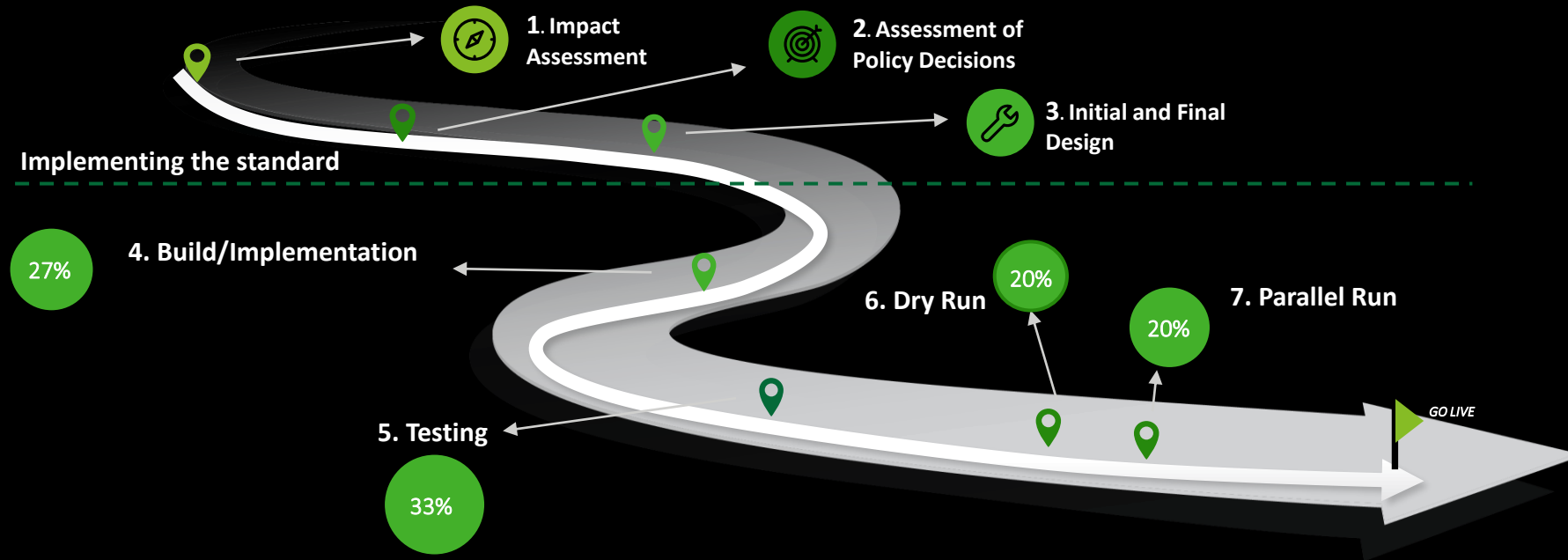


Topic	Speaker
Introduction	Anne Driver
Deloitte non-life survey on IFRS17	Nicola Eiffe & James Yap
Implementing IFRS17 calculation engines	Shil Patel-Rae & Matthew Webster
Industry Panel and Q&A	Peter Grant, Andrew Huszczo, Karl Marshall. Facilitated by Kaise Stephan
Close	Anne Driver



Deloitte non-life survey on IFRS17

Deloitte non-life survey on IFRS17



What are the key challenges for build/testing

- Data sourcing/ system issues
- Resource and budget constraints

What are the key challenges at parallel/dry run

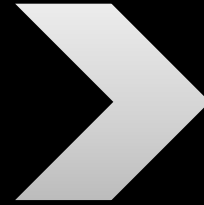
- Late policy changes
- Managing interpretation risk
- Challenges by auditors and other stakeholders

Deloitte non-life survey on IFRS17

Previous insights from the 2021 Deloitte non-life survey

Project objectives

- The majority of participants are viewing IFRS17 as a **purely compliance** exercise, and **not expecting substantial increases in annual finance operating costs**.



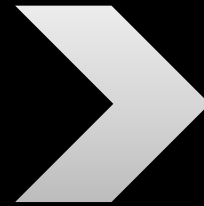
Draft indications from the 2022 Deloitte non-life survey

What has changed?

- A greater proportion of respondents target **compliance and financial transformation**. **All** participants **expect an increase in annual operating costs**.

Actuarial Reserving

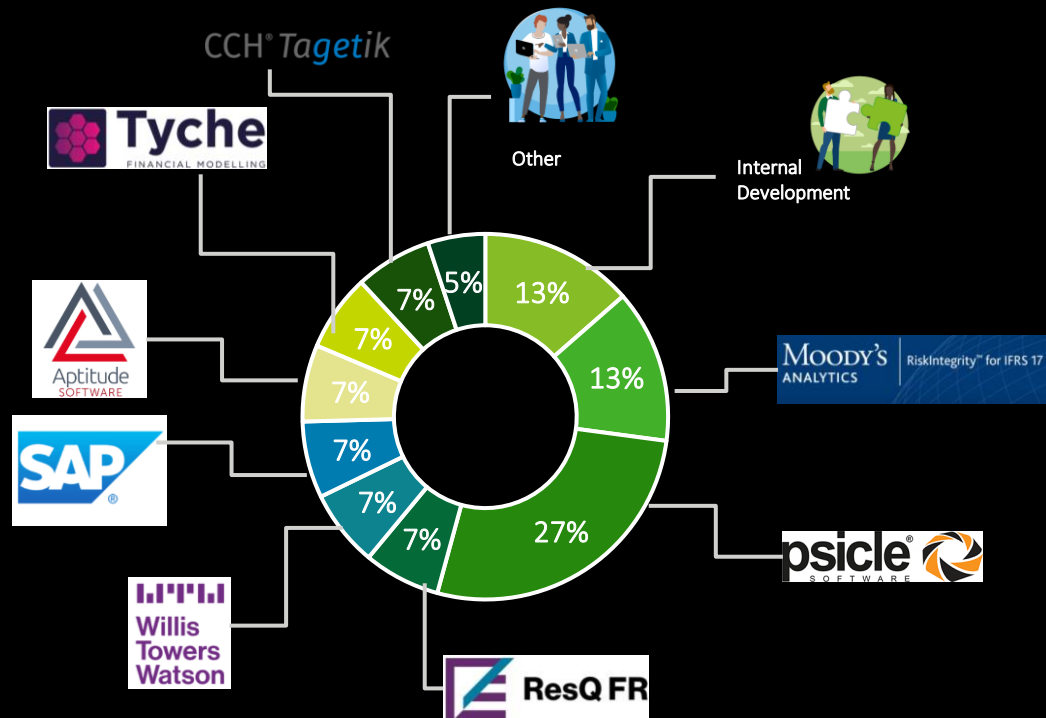
- Companies are expecting changes to their cost allocation models, reinsurance processes and reserving workflows to **support the downstream processes for IFRS17**.



What has changed?

- Expectations remain similar, with respondents **anticipating delays in reserving** as a result of added process elements.
- Majority of respondents **expect changes to both process and governance**. Many also expect workflow automation and skills training to be applied within reserving.

Deloitte non-life survey on IFRS17



87% Majority of survey respondents have opted to purchase an external IFRS actuarial software

27% Psicle leads in market share with 27% of respondents.



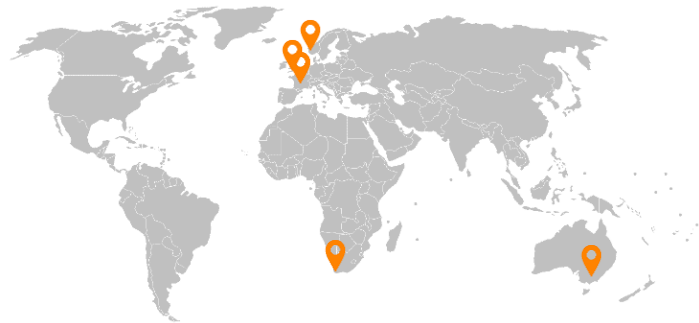
Implementing IFRS 17 Calculation Engines Practical Experience

May 2022

INTRODUCTION | Dynamo Analytics and Psicle

Team
70+

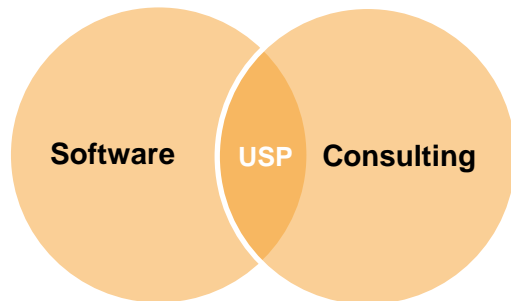
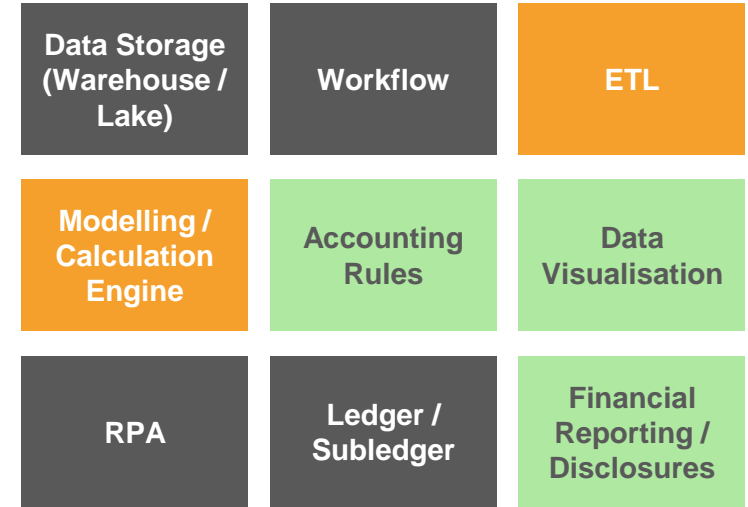
Software Clients
c. 30



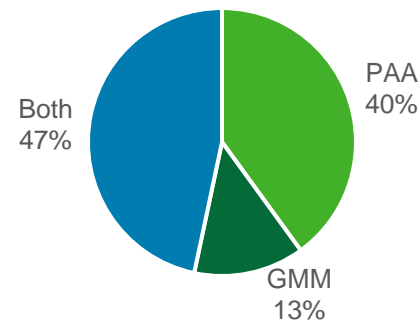
We are passionate about understanding how the world of business-critical modelling is evolving

We apply our professional and technology expertise to help businesses navigate their transformational journey with confidence.

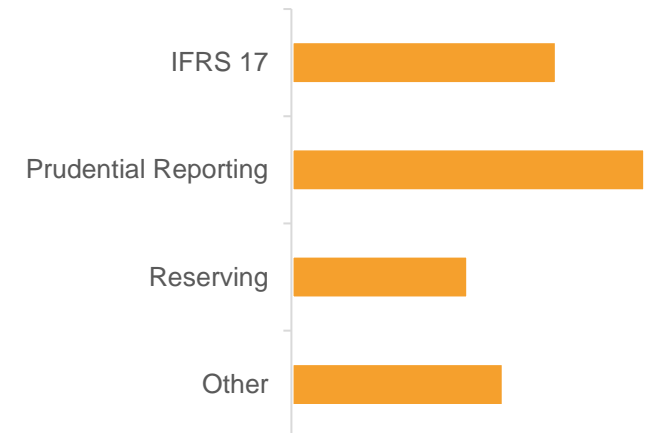
Psicle in IFRS 17 implementations



IFRS 17 by Measurement Model



Psicle Implementation by Use Case



INTRODUCTION | IFRS 17 – Our Scope

Dynamo experience is **highly practical** in building solutions to meet the modelling requirements of the Standard.

We bridge the technical Standard, work with internal teams and their technical IFRS 17 advisors / auditors / other vendors to deliver a fit-for-purpose, highly automated IFRS 17 end-to-end calculation engine.

Where companies fundamentally transform, we offer much wider integrations and modelling capability to other processes (for example, reserving).

Design

- Highly collaborative
- Challenge and benchmark of initial designs, approaches, methodologies. Propose known alternatives.

Build

- Typically collaborative, however can be Dynamo-led
- Build of actuarial calculation engine (FCF, RA, CSM etc.) including data transforms/mappings
- Work with local teams / other vendors to integrate with wider systems architecture and generate financial reporting

Testing

- Typically client-led
- Dynamo can assist with designing testing framework

BAU

- Typically client-led
- Dynamo offering will extend to assisting / operating BAU IFRS 17 calculations when Standard is live

IFRS 17 | Implementation Tips

Work towards an
“MVP”

Waterfall design
Agile build

Design with the end
in mind

- Bridge between bases
- Reporting granularity

Trend to aim for
simplicity

IFRS 17 | Implementation Tips

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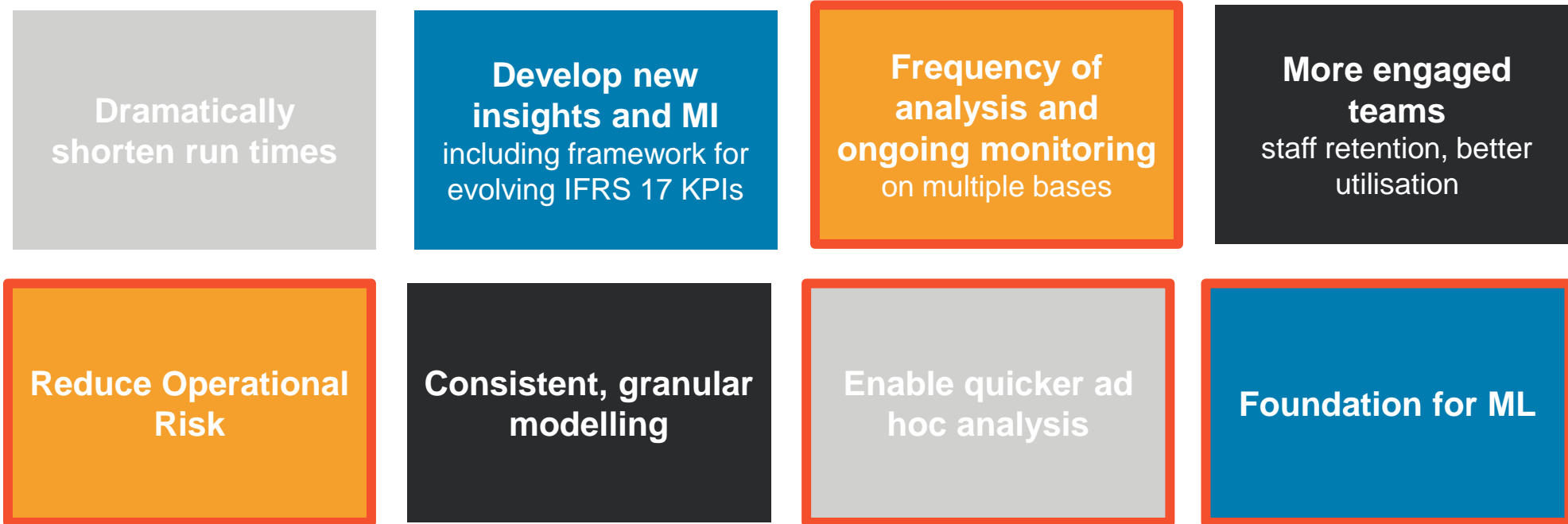
Trend to aim for
simplicity

Modelling Gross and RI identically*	PAA LfRC and Loss Component Approaches
Managing IFRS 17 Groups (inc Gross vs. RI) vs. Standard	GMM CSM / Loss Component limited shortcuts in practice

IFRS 17 | Extracting Business Value

To extract true business value IFRS 17 cannot be a compliance exercise, but an opportunity to strategically change your processes.

“Transformation” - rethink and reengineer financial reporting landscape (data systems, actuarial modelling, finance processes) to intrinsically link them together





Industry Panel

Your industry panel members



Peter Grant

Chief Financial Officer
IAG



Karl Marshall

Chief Actuary
QBE



Andrew Huszczo

Chief Actuary
Suncorp



Close session



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