

Unique problems need unique solutions

IFRS17 will have significant Operating Model impacts



Reporting

Impact on up to 90% of the chart of accounts, financial statements & disclosures

External & internal reporting requires more transparency & a higher level of detail

Higher pressure for fast close to respect IFRS17 deadlines



Strategy & governance

Product, channel & market segmentations as well as pricing needs to be re-assessed

Business planning & forecasting will need to be aligned to the new reporting regime

Internal KPIs and performance measurements required to reflect changing business direction



People, organisation & culture

Higher collaboration between the Finance, Actuary & Technology teams

Resources with specific skills required to deliver IFRS17 projects

Effective change management to transition the organisation to the new way's of working

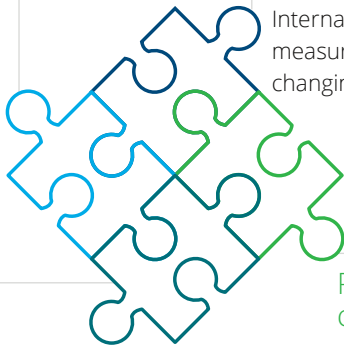


Process, systems & data

The way Insurers operate needs to adapt to the new requirements, technology & people

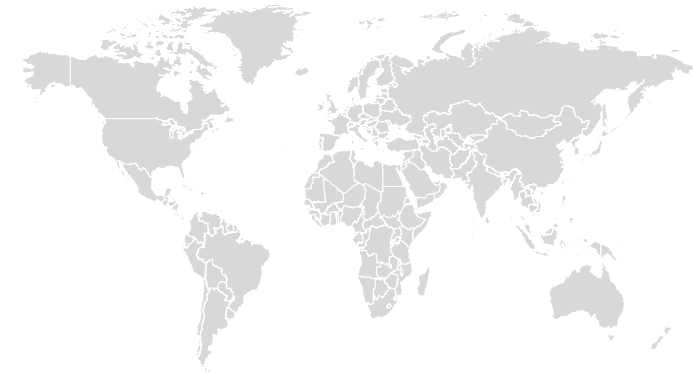
Technology upgrades required to seamlessly integrate calculation & reporting systems

Larger data volumes at deeper granularity drives complexity on the current IT architecture



It is more than just another regulatory initiative

A continuously changing environment requiring Insurers to become more agile and think ahead



Regulatory Changes	Levers to consider	Macro Economical changes
IFRS 17 – Insurance Contracts	Value/business imperative	Aging population
IFRS 15 – Revenue	People, change and learning	Climate Change
IFRS16 – leases	Process and package	Future of mobility
IFRS 9 – Financial Instruments	Technology disruption	Wearables & IOT
Solvency II	Insight Driven Organisation	Robots & AI
GDPR	Securities and controls	Drones

R&D/Product manufacturing

Distribution

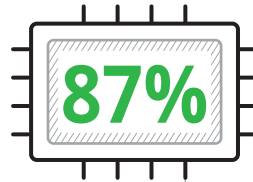
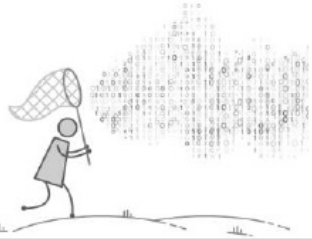
Underwriting

Claims

Risk Capital & Investment Mgt

Our Global IFRS Insurance survey 2018 shows

Capturing data inputs across functions and running the calculations needed are the largest technology challenge.

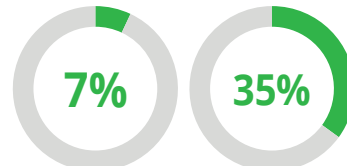


of insurers, reported that their **technology systems will require upgrades to capture the new data** and perform the calculations required for compliance



Most **insurers have set some expectations around budget** in light of the Standard having published back in May 2017.

The **expected spend is significantly greater than expectations captured in the 2013** survey.



Percentage of insurers with a budget of more than **€50M**

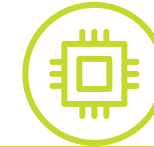
Source: Economist Intelligence Unit

Embracing IFRS17 for Insurance

Insurers will have to modernise their fragmented and complex legacy Finance and IT infrastructure. They should start by answering these key questions:



What data management solutions can an insurer build or buy to address both business and compliance needs?



How can an insurer leverage its current IT infrastructure to address business and compliance needs?



What business needs does an insurer have to address as a result of IFRS17?

Global IFRS Insurance survey 2018

Undertaken by the Economist Intelligence Unit (EIU) on behalf of Deloitte, the survey explores the views of 340 senior insurance executives on the scale and complexity of IFRS 17 implementation challenges

Key findings include:

- **Just enough time to get ready.** Global insurers are cautiously confident that they will meet the implementation date of 1 January 2021. Of the 45 percent very confident to be compliant on time, life insurers as a sub-group make up only 37 percent.
- **Upgrading technology is necessary** (see above)
- **Significant implementation costs have been budgeted** (see above)
- **Insurers are seeing more benefits vs. cost.** 93 percent of global insurers feel that the benefits of adopting IFRS 17 will outweigh the cost of compliance. This is compared to only 21 percent in 2013.
- **Actuarial, accounting and collaboration skills will be in high demand.** Insurers cited collaboration skills as being equally as important as actuarial skills. Many of them said they would try to drive tighter integration between finance, actuarial, and other departments.

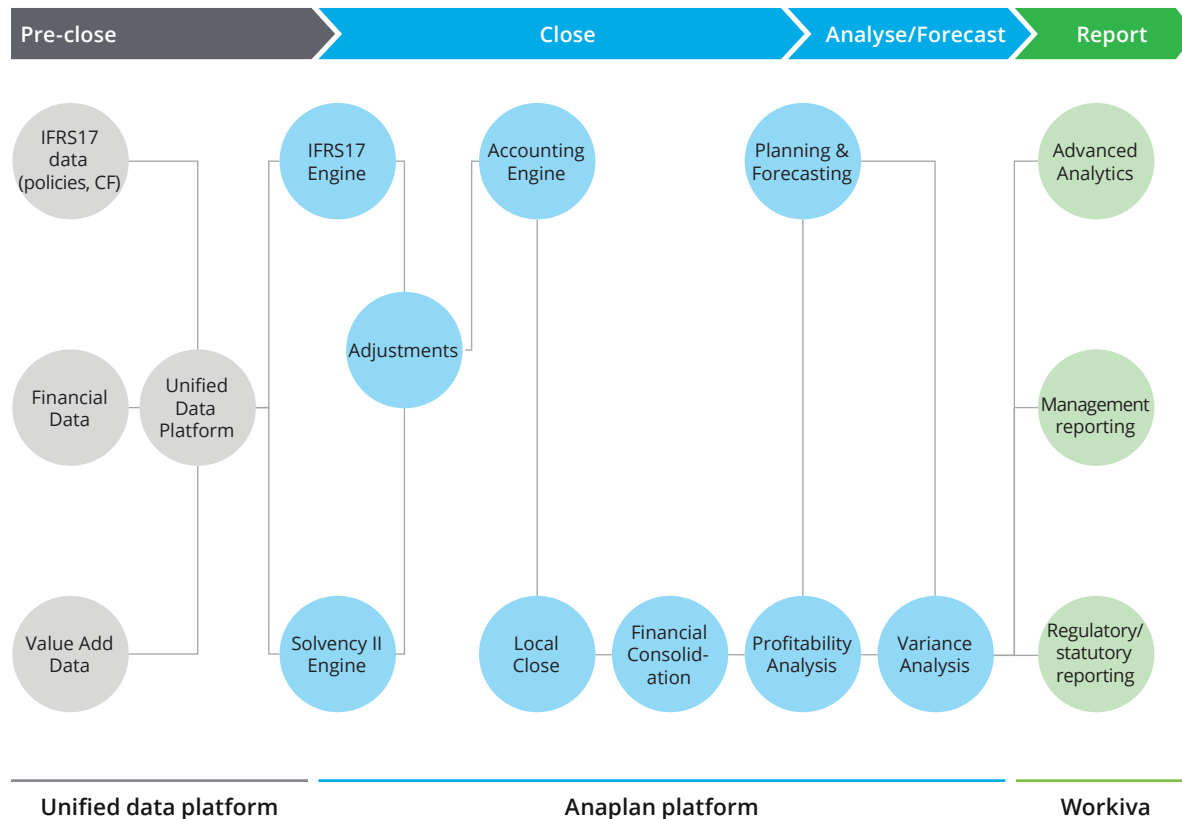


A copy of the report can be downloaded here <https://bit.ly/2OC09at>

With Deloitte you can be ready for tomorrow

End to end integrated IFRS17 capabilities from Pre-close to Report

Transparency & trail of data from source systems through to your final reports and everything in between



The benefits of the Deloitte IFRS17 approach



Best of breed: The Deloitte IFRS17 approach leverages fit for purpose components to deliver on IFRS17 and beyond.



Cost: Data virtualisation implementations reduce implementation time and associated cost by up to 40% compared to traditional ETL implementations.



Flexibility: Business owned solution, the approach is modularised, allowing use with the current IT assets, as well as taking advantage of capability extending add-ons.



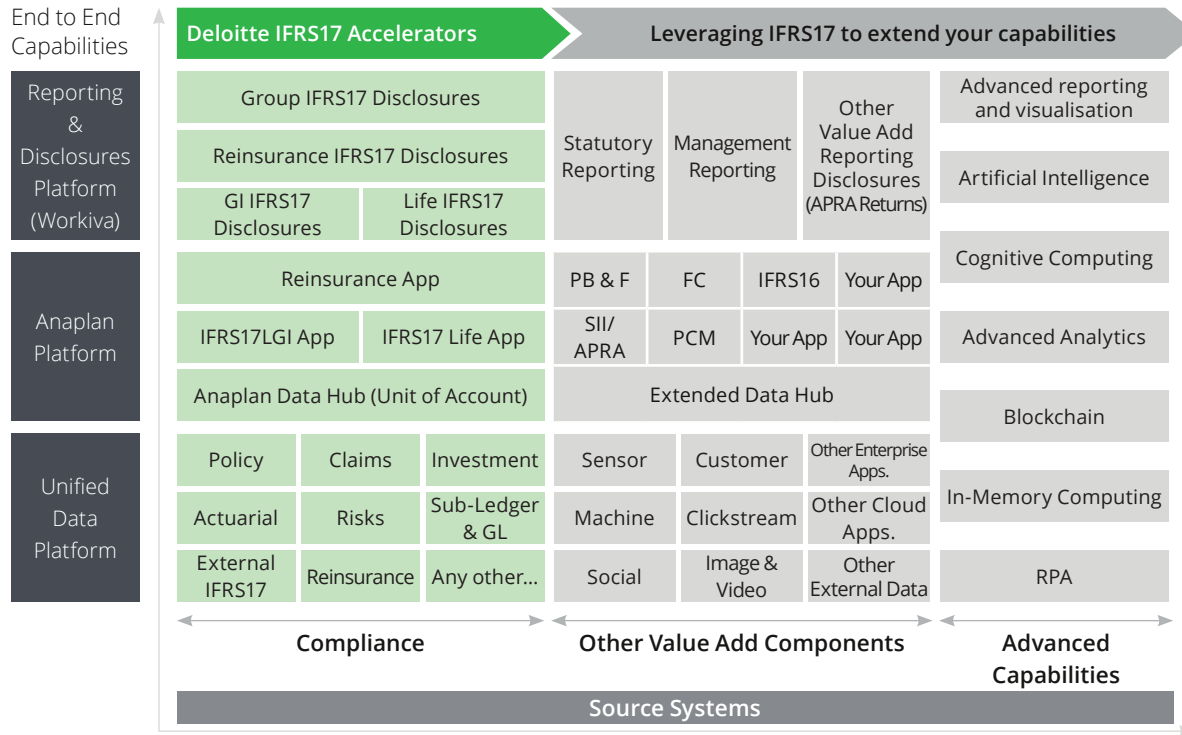
Collaboration: The Deloitte IFRS17 approach fosters collaboration between actuarial and finance teams for report preparation.



Agility. Data virtualisation has shorter delivery cycles compared to traditional ETL, thus users benefit from early access to data.

A modular approach to IFRS17 to go beyond Compliance

You control the amount of disruption, the amount of change, your path to additional value and ultimately the budget



Key considerations

Software vs. Solution

Blackbox vs. Transparency

Vendors vs. Accountants/ Actuaries

System vs. Platform

Compliance vs. Value

Siloed vs. Collaborative

Today vs. Tomorrow



Our Deloitte Anaplan connected apps

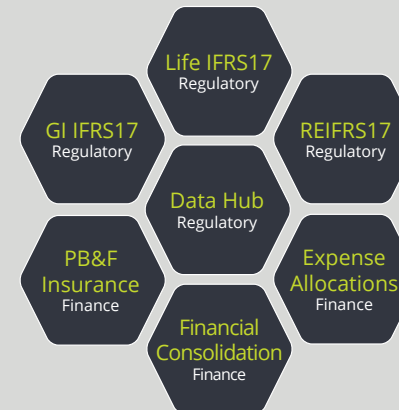
In addition to Anaplan's downloadable Apps, Deloitte has released 20+ Apps on the App Hub, with more on the way, all of which can be used as accelerators.

Our Apps are in addition to Anaplan's Apps, and cover a range of industries and use cases, including. IFRS16, Own risk of Solvency assessment, IFRS17, Transfer Pricing, Predictive Analytics, Activity Based

Costing for Insurance companies, Planning, budgeting and Forecasting, Scenario Planning, Sales Commissions and more.

Access the Anaplan App Hub:
<https://apphub.anaplan.com/>

Examples of Deloitte Anaplan connected apps include:



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