

Actuarial & Insurance Solutions | Audit Support

Background

Licensed (re)insurers in Bermuda and the Caribbean are required to produce audited annual financial statements. These statements need to be aligned to internationally recognized accounting standards.

Most of the reinsurers apply GAAP or the statutory basis but IFRS can be used as well.

The purpose of an audit

An audit of a reinsurance company holds significant value by enhancing transparency, ensuring regulatory compliance, and promoting financial integrity. By thoroughly examining financial statements, underwriting practices, and claims processes, auditors can identify potential risks and inefficiencies, which helps in safeguarding policyholders' interests.

Additionally, an audit provides assurance to stakeholders, including investors and regulators, that the company operates within legal and ethical boundaries. This process not only fosters trust and credibility but also aids in strategic decision-making, ultimately contributing to the company's long-term sustainability and reputation in a competitive market.

The need for actuarial audit expertise

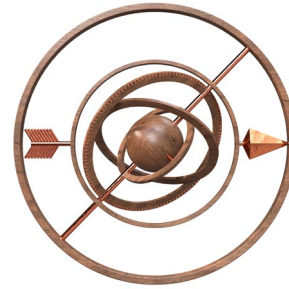
Reinsurance companies promise to protect policyholders against specific risks or losses in the future. Given the uncertainty of these events, significant judgement is required to determine the provisions that reinsurers should hold to meet their obligations which is typically performed by actuaries. Actuaries are needed to support auditors in assessing how provisions have been determined.

Recent developments

Long-term reinsurers reporting under GAAP must implement LDTI, marking one of the most significant changes in accounting standards for reinsurers in recent decades. LDTI became effective January 1, 2023, for SEC filers, whereas the effective date for non-public reinsurers is January 1, 2025.

IFRS 17 replaced IFRS 4 for IFRS reporters on 1 January 2023 and introduced a comprehensive new framework for insurance contract accounting. IFRS 17 has impacted Life, Health and P&C reinsurers extensively.

Those applying a statutory accounting basis need to continually demonstrate the principles of an accounting standard have been adhered to.



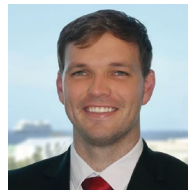
Our actuarial services

Our team of experts have considerable experience in the application and review of GAAP, STAT and IFRS reporting across insurance, reinsurance and captive structures across Bermuda and the Caribbean. We have sizable delivery teams with expertise in both life and non-life reinsurance.

We have provided program assurance services and implementation support on GAAP and IFRS engagements across the region for a variety of clients and have gained considerable insight across the industry.

Through our experience, we have built tools and accelerators to provide a quality audit that allows for robust and efficient verification of results and remediation of any identified deficiencies.

Our actuaries have extensive knowledge of a wide variety of valuation systems and modelling methodologies and can cater to diverse needs.



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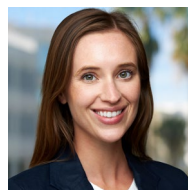
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