Aptitude
IFRS 17
Comply

A pre-configured, out of the box IFRS 17 solution that includes standard calculations, accounting rules, and disclosures for insurers looking to enable rapid IFRS 17 compliance

Aptitude™
SOFTWARE

Aptitude IFRS 17 Comply delivers cost effective, efficient compliance with flexible deployment options including SaaS, private cloud, and on-premise deployment models.

Collaboration with Big 4 advisory firms

Aptitude has collaborated with its partners to define a pre-packaged IFRS 17 solution for partner-led delivery to enable rapid and efficient IFRS 17 compliance

Globally proven

Aptitude was one of the first to bring an IFRS 17 solution to market. It has been implemented at a wide range of global Composite, General, and Life Insurers and many clients are in advanced testing phase or entering parallel running

Flexible and highly scalable

The solution has multiple deployment models and can be extended to address evolving business needs and act as a foundation for future finance transformation

Rapid implementation accelerating compliance

Pre-built accelerators, integrations, and an IFRS 17 data model speeds delivery allowing clients to be up and running with IFRS 17 data outputs in a matter of several weeks

Cost effective

Designed to achieve minimum compliance in the most cost-effective and efficient manner while retaining the option to tailor the functionality to specific client needs

Contents

Insurers who have not selected a solution are rushing to complete vendor evaluations and work through the data sourcing and accounting approaches necessary for compliance.

For smaller insurers especially, accelerated compliance with minimal disruption is the aim.

17

Aptitude Software is a Chartis RiskTech Quadrant Category Leader in the "Insurance Risk Systems for IFRS 17 and LDTI Compliance, 2020: *Market Update and Vendor Landscape Report.*

Challenges
to overcome

1. Disparate data sources

The multiple data sets required to drive IFRS 17 compliance typically reside across multiple legacy systems including policy administration, actuarial, and accounting. This presents a major challenge as disclosure reporting requires highly granular data sets to be sourced, accessed, converted, and standardized.

2. Data volumes and granularity

IFRS 17 requires an insurer's entire in-force book of business - which includes millions of policies and subsequent data sets - to be measured at transition and at each subsequent reporting period, at a level of granularity that has never been required.

3. Translation of actuarial and finance data

IFRS 17 requirements are significantly different to IFRS 4. Under IFRS 17, future expected cashflows and actual cashflows such as claims, premiums and Direct Acquisition Costs must be translated into debits and credits, assets, liabilities and P&L. Translating existing data used for one requirement into another totally different set of requirements is a major challenge for insurers.

4. Maintaining audit trails

IFRS 17 requires a high level of accuracy and total transparency in financial reporting. This presents a major challenge for insurers as actuarial systems have traditionally not supported the same level of control demanded by finance solutions and reconciliation of the two bases is highly complex.

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Purpose built to
accelerate compliance

IFRS 17 is a "must meet" compliance requirement for affected insurers. While some insurers are using the Standard as a launchpad for the transformation of their finance and actuarial capabilities, many firms, especially smaller insurers, are seeking to comply with minimal disruption at the lowest possible cost and with limited resources.

To meet this demand, Aptitude Software has developed IFRS 17 Comply for insurers looking for a pre-configured solution that is quick and easy to implement yet meets the compliance requirements.

IFRS 17 Comply contains all the functionality required to achieve compliance for P&C Insurers, Life Insurers, and Reinsurers. It is easily integrated into existing finance and actuarial technology landscapes with minimum disruption and supports compliance under GMM, VFA and PAA. The solution also includes a subledger with a rich, highly granular data model that can serve as the foundation for progressive finance transformation at a future date, protecting the investment and enabling future strategic value beyond compliance.

Key features and accelerators

Easily comprehensible data sourcing documentation to explain the data required from PAS, claims and actuarial systems, and data sources

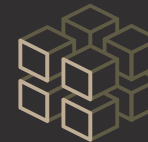Accounting under all measurement models - GMM, VFA and PAA

Built-in set of reports to support each measurement model, such as the Analysis of Change and reporting dashboards
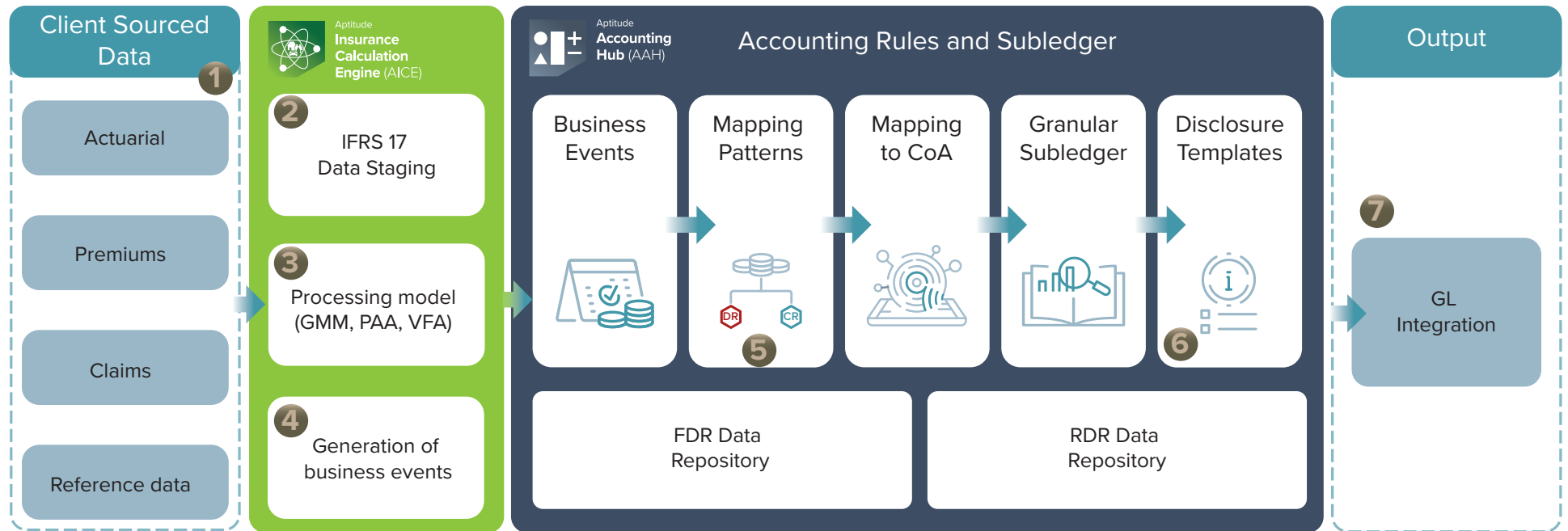
Standard IFRS 17 Chart of Accounts

Pre-built data model for ingested data

GL extract file can integrate into all common market General Ledgers

Core offering

Aptitude
IFRS 17 Comply

Aptitude
SOFTWARE ™

Client Sourced Data	Aptitude Insurance Calculation Engine (AICE)	Aptitude Accounting Hub (AAH) — Accounting Rules and Subledger					Output

Client Sourced Data ①

- Actuarial
- Premiums
- Claims
- Reference data

Aptitude Insurance Calculation Engine (AICE)

② IFRS 17 Data Staging

③ Processing model (GMM, PAA, VFA)

④ Generation of business events

Accounting Rules and Subledger

- Business Events
- Mapping Patterns ⑤
- Mapping to CoA
- Granular Subledger
- Disclosure Templates ⑥

FDR Data Repository

RDR Data Repository

Output

⑦ GL Integration

1. Data requirements documentation to accelerate data sourcing
2. Pre-defined data requirements to be populated with client data
3. Pre-defined measurement model calculations
4. IFRS 17 Business Event catalogue which triggers generation of the accounting
5. IFRS 17 Posting Rules catalogue - pre-defined accounting for all measurement models
6. Disclosure templates and standard reporting suite pre-built
7. Standard GL integration accelerator to integrate reportable data into the GL

Menu based approach

Aptitude Software recognises that IFRS 17 compliance, does not mean a one size fits all approach will meet every client's needs. Aptitude IFRS 17 Comply therefore comes with configuration options as part of a menu based approach.

"Must meet" **criteria**

External calculation of the risk adjustment

Single GAAP
(IFRS 17)

Acceptance of baseline Chart of Accounts
(can be mapped to client GL CoA)

Options available outside of the core functionality

- Connecting to systems other than the GL

- Allocations

- Transition calculations

- Sub-Group level cashflows (contract/coverage-level)

- Bespoke Analysis of Change under GMM

- Tailored Loss Component sequence

- Variation to our standard cash flow types

- Discounting

- Multi-GAAP

- Significant changes to the baseline Chart of Accounts

- Solvency II

- Simulation and Forecasting

Implementing Aptitude
IFRS 17 Comply

The speed and ease at which IFRS 17 Comply can be implemented is a key value differentiator.

Projects are delivered by Aptitude's Professional Services organization who work with the client and our strategic delivery partners to define the requirements, configure and test the output and project manage the program. Aptitude has worked closely with Big 4 advisory firms, to deliver IFRS17 implementations across the globe. Our IFRS17 Comply solution leverages our experience of working together with our strategic delivery partners, across a range of referenceable implementations, ensuring that Aptitude Comply clients benefit from this proven expertise.

Achieving a fast start by reducing the time spent on requirements validation

Before the project begins, Aptitude's team of functional and delivery specialists will work with you and the chosen delivery partner to agree on your requirements.

The pre-defined set of product functionalities is reviewed and validated with client subject matter experts over the course of three 90 minute workshops to ensure requirements will be met. Any requirements outside of the standard configuration will be identified and factored into the delivery plan. Data and technical dependencies will be identified in advance of the project.

Aptitude takes a phased approach to an agreed project scope, delivery plan and commercials as outlined below:

	WEEK 1	WEEK 1-2	WEEK 3	WEEK 4 — WEEK 6
	1. VALIDATE	**2. ANALYZE**	**3. REVIEW**	**4. DELIVERY READINESS**
OBJECTIVE	Baseline validation by Aptitude that standardized functionality meets client requirements	Detailed workshops to validate requirements defining variations away from standard functionality. Performed for each of the actuarial and accounting requirements	Provide understanding of the in-scope functionality, bespoke requirements and delivery responsibilities	Demonstrate where the solution will fit into the overall landscape and create a view of the future state architecture. Define the roles and responsibilities and view of actions to tale the project through each sprint of tasks
OUTPUT	• Yes/No Aptitude view on appropriateness • Identification of areas requiring deep-dive • High level pricing	• Requirement summary • Detailed project plan & team structure • Project costing, split between standard functionality and bespoke requirements • Project delivery RACI between client, partner and Aptitude	• Validate project scope • Delivery plan • Commercial offer • RACI - client, partner and Aptitude	• Input data requirements and source system integrations • Downstream system requirements • Team responsibilities • Define immediate task owners • Discuss on-going governance
TIME	None	**Program & Architecture** / **Actuarial** / **Finance** 1 hour / 1.5 hours / 1.5 hours	1.5 hours	1.5 hours

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Business benefits

Aptitude IFRS 17 Comply is a simplified, pre-configured version of the existing Aptitude IFRS 17 Solution. It is designed for insurers that are looking for a faster, more standardized path to IFRS 17 compliance, while laying the foundation for future transformation projects.

Control
Highly flexible and configurable, giving finance full control

- Multiple deployment options including SaaS, private cloud and on-premise

- Configurable accelerators built into the product

Strategic foresight
Harness data to drive actionable business insights

- Includes a variety of reports to facilitate analysis

- Provides a centralized, highly granular, rich data model easily accessible for analysis

Smart compliance

Quickly comply with the IFRS 17 Standard

- Capable of driving compliance under all measurement models

- Integrates with existing accounting and actuarial architecture with minimal disruption

Operational intelligence

Gain operational and cost efficiencies and improved productivity

- Cost effective IFRS 17 compliance

- Built in accelerators reduce risk and resource requirements

Business agility

Modern enterprise compliance solution that can embrace change

- Scalability, speed and capacity to handle increasing mass volumes of policies and data

- Provides the foundation for progressive finance transformation over time

Why **Aptitude Software**

Aptitude Software's vision is to empower finance communities to transform business with smart compliance, operational intelligence, control, and strategic foresight.

We understand finance

Aptitude Software is dedicated to developing finance management software. Aptitude solutions are designed by finance experts who speak the language and understand the challenges today's CFO faces.

Regulatory compliance expertise

Aptitude Software has been delivering finance solutions to address regulatory compliance needs for over 20 years. We have deep, specific expertise in IFRS 17, IFRS 16/ASC 842, IFRS 15/ASC 606, IFRS 9 and LDTI.

Low risk and speed of deployment

Aptitude's solutions come pre-packaged with IP-rich, industry-specific project accelerators such as finance templates, pre-defined business event data models, and disclosure templates. The accelerators are continually enhanced as best practices are captured by Aptitude's Centre of Excellence (CoE). This enables efficient implementation, reduced risk, and faster time to benefit.

Our delivery team is made up of over 120 consultants located across the globe with deep technical and finance expertise. Together with a global partner network of certified specialists and our Centre of Excellence providing guidance and oversight on projects, Aptitude's delivery teams have implemented over 80 instances of our solutions across four continents.

Proven enterprise scalability and performance

Aptitude Software has proven expertise in delivering solutions for small and mid-size businesses to global organizations. Our solutions easily scale to match the size of the business.

Future ready solutions

Aptitude is 100% committed to the ongoing development of finance management solutions built on modern IT architectures. This gives organizations the ability to embrace emerging innovative technologies with the agility to respond to fast changing regulatory and market challenges and opportunities.   Aptitude is continually evolving its products, skills, and delivery processes, and invests 34% (2019) of software revenue into research and development.

Strong pedigree

Aptitude Software has an enviable global customer base with combined revenues approaching $1 trillion. Aptitude has a strong, proven track record across industries with specific, in-depth domain expertise in Financial Services (Insurance and Banking), Telecoms, Media, and Technology and has been helping companies with their digital finance journey for over 20 years.

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Learn more about Aptitude IFRS 17 Comply using the contact points and resources below:

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filter further using the industry and type menus to narrow your search

https://www.aptitudesoftware.com/resources/

Aptitude Software provides software solutions that enable finance professionals to run their global businesses, forecast decision outcomes, and comply with complex regulations. Uniquely combining deep finance expertise and IP rich technology, Aptitude gives finance leaders the tools they need to transform their business and achieve their ambitions.

Aptitude is proud to have served the offices of finance for over 20 years, delivering financial control and insight to create a world of financial confidence for our global clients.

Aptitude Software supports businesses with combined revenues approaching $1 trillion and over 500 million end customers. Headquartered in London, Aptitude Software is an operating company of Aptitude Software Group plc.

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