



SINGAPORE ACTUARIAL
CONFERENCE 2023

IFRS 17 Solution's Impact on Organizational Behavior

Andres E. Montes, ASA, MAAA, MBA, Senior Modeling Actuary - Slope Software, Inc.
Xiaoxu Liu, FSA, CERA, Consulting Actuary at Deloitte USA

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Agenda

1) Two IFRS 17 Solutions

- **Piecemeal**
- **Holistic**

2) Holistic IFRS 17 Solution

- **Organizational Behavior Influences**
- **Advantages**

3) Two Poll Questions

IFRS 17 Internal Stakeholders

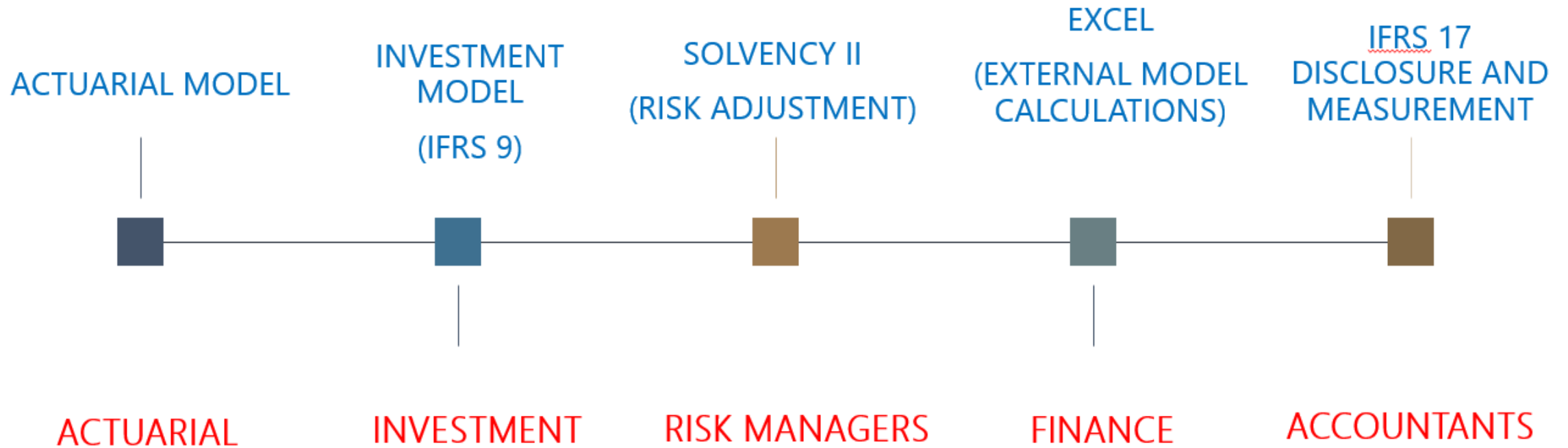
Collaboration is Key for understanding Data Interdependencies

- Accountants
- Actuaries
- Auditors
- Finance
- Investment
- Management
- Marketing/Sales
- Risk Management



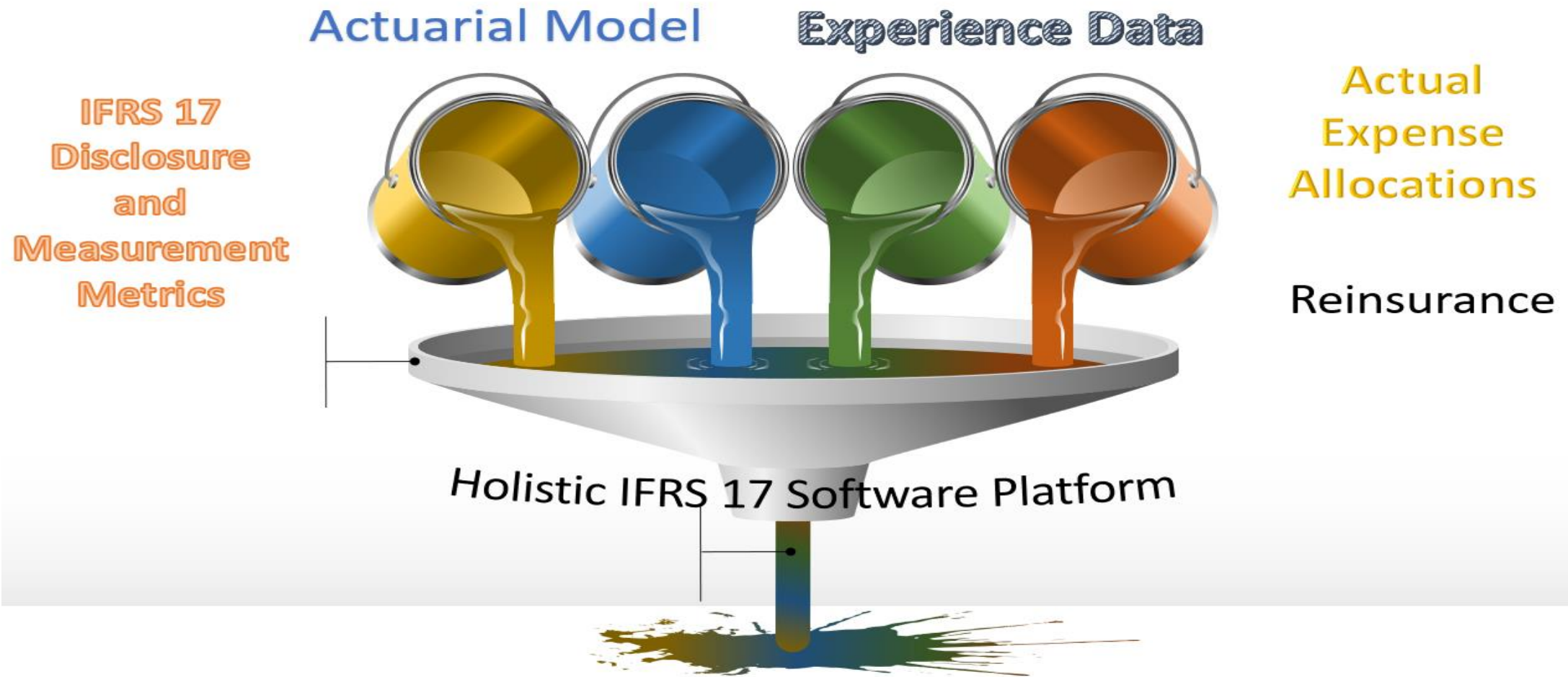
Piecemeal IFRS 17 Platform

Sequential Processing promotes talent fragmentation



Holistic IFRS 17 Solution

Promotes talent collaboration



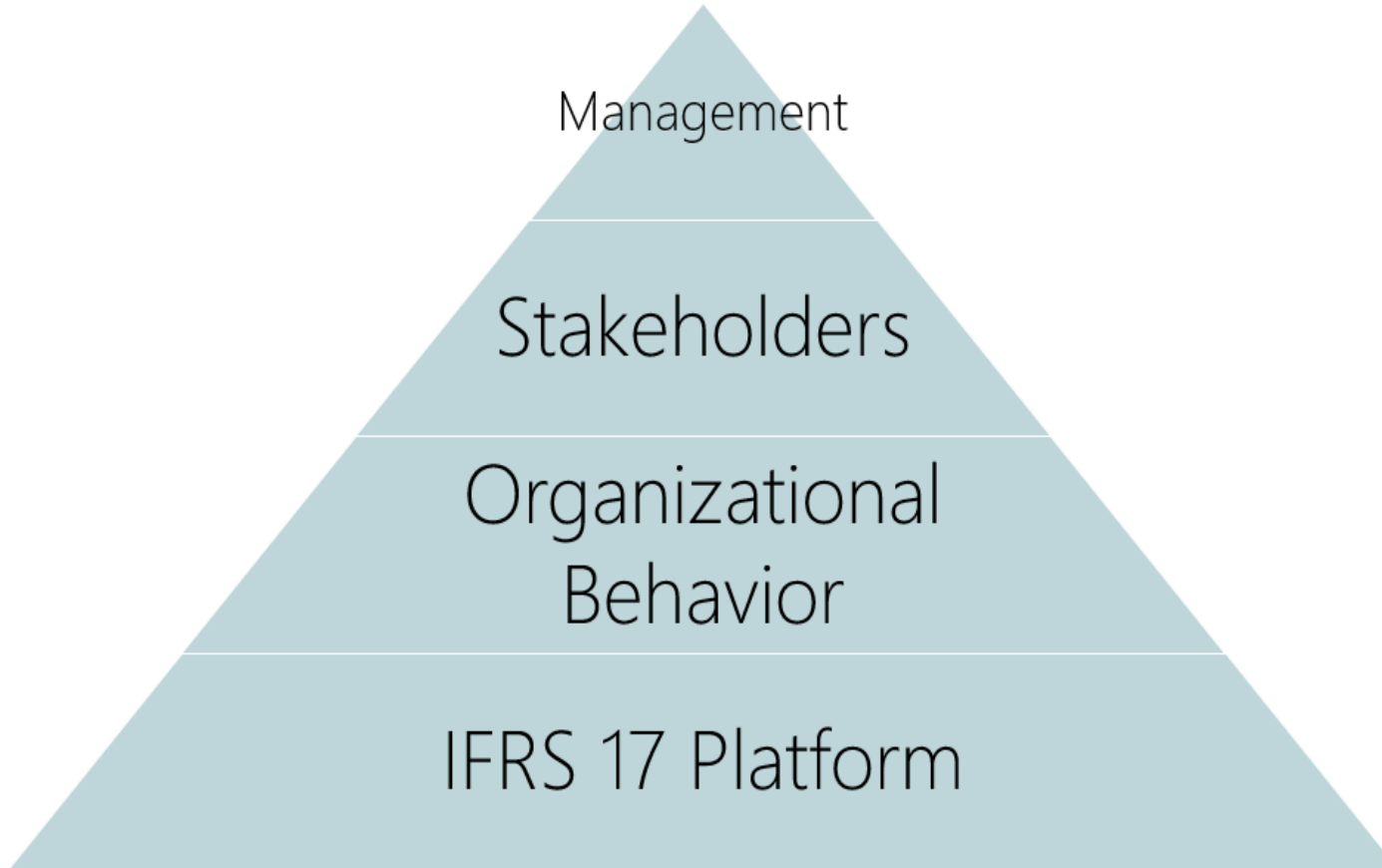


Poll Question #1

Do you currently use a piecemeal or holistic IFRS 17 software solution?

Organizational Impacts

Piecemeal versus Holistic Paradigms



Organizational Impacts

Holistic Advantages

Organizational Behavior

- Encourages team participation
- Promotes synergies
- Spurs creative thinking for portfolio leveraging and mitigation
- Optimizes tactical operation of business

Stakeholder Communications

- Enhanced multiple considerations embedded within stakeholder communications
- Transparency fosters deeper financial, risk, and organizational insights

Management

- More Effective Management Actions
- Better understanding of strategic opportunities and risks

PRESENTATION TITLE

IFRS 17 Modeling Platform

Holistic Advantages

MODEL INPUTS

Breaks Down Silos

MODEL OUTPUTS

Integrated Financial Analysis

Current Reporting Period

LIABILITY PORTFOLIO MANAGEMENT

A/E Analysis

Post Reporting Period

EFFICIENT MODEL

More efficient for implementing model changes quickly

TRANSPARENCY

IFRS 17 Disclosure / Measurement reconciliations facilitate communication with all stakeholders



Holistic Advantages *Model Inputs*

Enhanced Data Appreciation

Input data impacts and interdependences

More Efficient Coordination

Provisioning cost versus analysis benefit

Better gap management

Improved manual override

Reduced Modeling Risk

Mitigates Key Man Risk



Holistic Advantages *Model Output*

Better Operational Insights

Between Accounting Standards or Metrics

- IFRS 9 versus IFRS 17
- EEV versus Best Estimate Liability
- Solvency II versus Risk Adjustment

More Focused Sensitivities

CSM

Profit / Loss

Actuarial Assumptions

Economic

Improved Strategic Planning

Long Term Impacts better understood



Holistic Advantages

Enhanced Liability Portfolio Management

Accelerated Feedback Loop

Experience results versus assumption calibration

Enhanced Profit Pruning

Real time experience study each reporting period accelerates action steps toward

- Further Leveraging of Positive Results
- Risk Mitigation

Improved Future Competitiveness

Enhanced Pricing through better understanding of codependent Long Term Impacts

- Policyholder behavior
- Economic shocks
- Actuarial Assumptions



Holistic Advantage

Increased Modeling Efficiency

Improved Execution

Improved model exception handling

Avoids duplicating model assumptions

Faster run time

Avoids need to have separate configurations from a technology and process perspective for different use cases.

Improved Accuracy

Reflects More robust assumption setting with better understood codependencies

Reduced Modeling Risks

Fewer Data Handoffs and Reconciliations



Holistic Advantage *Transparency*

Improved Auditability

Easier creation of detailed support documentation

- Cohort level values that reconcile with aggregated disclosure amounts
- Ability to trace back from aggregated disclosure amount to actuarial cash flows and their inputs

Organizational Paradigm Shift

Higher Stakeholder collaboration between

- Actuaries
- Accountants
- Finance
- Investment
- Risk Management
- Audit
- Management
- Technology

Away from Individual depth toward team breadth

Enhanced Model Governance

Fewer controls



Poll Question 2

On a scale of 1 (individual oriented) to 5 (team oriented), how would you rank your organization's overall behavior regarding these key IFRS 17 processes:

- Understanding model input interdependencies
- Analyzing outputs
- Identifying Modeling Efficiencies
- Create liability portfolio management strategies
- Communicating transparent results to various stakeholders



Questions



xiaoxuliu@deloitte.com
xiaoxuliu@deloitte.com

Thank You



andres.montes@slopesoftware.com
xiaoxuliu@deloitte.com

