

Case Study 2 - Retail South African insurer

Overview

IFRS 17, a new accounting standard that insurers must follow for financial periods starting on or after 1 January 2023, is currently in effect. A retail insurer in South Africa approached Infigos to help them fulfill this compliance deadline a few years ago as they started their compliance journey.

The team at Infigos assessed the necessary end-state, finished the IFRS 17 financials and disclosures, and worked backward to identify the necessary underlying data and accounting structures. This involved looking into IFRS 17, examining the present standard (IFRS 4) and how it was being used, and figuring out the necessary changes. The following tasks had to be completed:

- Creating general ledger, primary statement and note templates tailored to the client
- Mapping of actuarial data to the general ledger as well as primary statements and notes to the financial statements
- Identification of gaps in the data and processes to be addressed by the client
- Providing input to the client on areas of interest/concern by carrying out the relevant research and producing reports

Solution

An IFRS 17 Implementation, with a particular focus on disclosures

What we did?

Infigos's team used SAS's IFRS 17 solution software to assist the client in achieving their goals.

Results

- Research done throughout the process to incorporate industry best practice

- Journal Entry, General Ledger and Disclosure templates designed to meet IFRS 17 requirements.
- Checks built to ensure completeness and accuracy of data

Key Skills Required

- An understanding of accounting, including accounting software, journal entries, general ledgers, financial statements and disclosures
- Knowledge of the key insurance regulations, particularly IFRS 4 and 17, the Insurance Acts (short and long term) and relevant Income Tax Act sections
- Knowledge of the insurance business, including aspects such as reinsurance, claims and premiums, as well as the underlying business processes.

Learnings

- It is essential to have a detailed plan, with milestones, actions and responsible parties, in place when embarking on a journey to comply with a new regulation.
- Regular meetings with key stakeholders are required, particularly in the initial phases, to ensure alignment of objectives and acceptance of proposed solutions to problems.
- Time and specific personnel should be dedicated to such a project, with minimal disruption to BAU work