

# Meeting the challenges of IFRS 17 rules

How ORYX provided a large insurance firm with a solution to input, compute and analyse data to support the IFRS 17 submission process.

IFRS 17 requires a measurement of insurance contracts using updated estimates and assumptions that provide transparent reporting on financial position and risk. Although it comes into force on 1st January 2023, for accounting purposes it requires application to comparatives. With huge volumes of data to process, how did the Insurance firm overcome this challenge, and what have been the results of their focus to meet the new IFRS 17 rules?

## Client Fact File

- Part of one of the largest insurance groups in the world
- Operating in the Lloyd's Syndicate, reporting under UK GAAP and IFRS
- Global reach with over £1bn in premium

## Key Project Metrics

- Delivered in two phases to guarantee confidence
- Duration: 8 months + 3 Months
- Key business benefits achieved:
  - Support of IFRS 17 requirements
  - Saved many hours of effort from otherwise manual and labour-intensive processes
  - Increase of IFRS 17 submissions from annual to quarterly, through creation of streamlined processes
  - Designed to supplement de facto corporate technologies

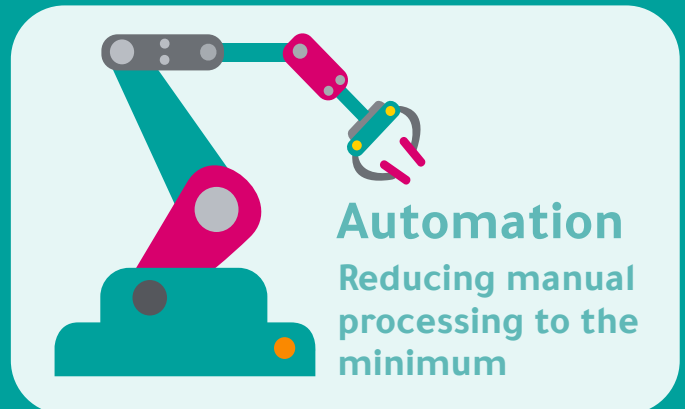
## Background

The Financial Controller recognised the business faced an important challenge. He explains: "There were several problems we faced that caused us to look for a solution. We have lots of data in our systems but to do anything meaningful with it required us to export it. Traditionally, Excel is the tool for the finance office, but the sheer volume of data we had in our General Ledger system and the database containing our specialist insurance data would simply be too much for a spreadsheet to handle.

That left us with a choice; build a spreadsheet process and continually undertake the export into multiple spreadsheets - a very time-consuming and laborious process, or look for an alternative solution."

## The Project

The insurance firm engaged with Accountagility after looking into a few tools on the market. Feeling assured that ORYX would work, they wanted to be confident that ORYX would automate and streamline their working



practices to support the IFRS 17 submission process, that it would work in conjunction with their existing technology solutions, and achieve a return on the investment. Accountagility was quick to respond by providing an initial Proof of Concept project. This enabled both parties to work together and explore the best possible ways to ensure ORYX was the correct solution.

A fuller roll-out followed and today, the solution exports data from both the firm's General Ledger and database (that houses their specialist insurance data), removing any need for repeatable manual exports.

The implemented ORYX solution was configured to include dimensional modelling and mappings in line with the data structure required by the business.

The ORYX solution provides a computational rules engine that executes a set of computations using rules configured to cater for their IFRS 17 accounting reporting requirements. It also provides functionality such as the ability to drill back to source in ledger data, review last results, and account details.

The firm operates in multiple currencies (USD\$, GBPE and Canadian\$) but reports in GBPE. ORYX takes an input FX rate and performs conversion to GBPE at average and closing rates. The output journal contains the original currency.

But it's the cube view feature that provides the greatest benefit. Cube views provide a very complex view of their data, and is where the views can be manipulated to view an output using various dimensional filters. It is here where data can be interrogated, scrutinised, and issues flagged, making the drill to source feature instrumental to resolving any issues.

ORYX outputs an XLS export that journalises the data in a 'ready to post' general ledger compatible template. Before the journal is downloaded it can be reviewed in the cube view.

**"Accountagility provided dedicated resource throughout the project" says their Financial Controller. He continues "This offered continuity and a depth of knowledge within the product and project that you don't always get when working with larger corporates who allocate a pool of resource. Even after UAT, when everything was closed down, I was delighted to be able to go back to that same resource for additional help or advice".**

# The ORYX Solution

- **ORYX for IFRS 17 is based on the features readily available within the ORYX Close software**
- **Enable users to input, compute and analyse data for the IFRS 17 Submission requirements**

## Key Outcomes

By implementing ORYX, the Insurance firm created a streamlined process that met their needs to do things in a standardised way. Because ORYX is automated, it does not need to keep downloading data from the GL or database. It enables the firm to look at the business in many ways. If previously, they had wanted to look at the business say, by product line, or currency, they would have needed to go into another system and either download to a spreadsheet or try to analyse it there.

Not only are they able to produce journals significantly quicker, there are less likely to be spreadsheet-based errors, nor is there a single dependency on one person understanding the process.

## Strategic Benefits

Their Financial Controller comments **"Time saving has been our biggest advantage. If we hadn't had ORYX, we'd have had to build an XLS based journal - that alone would have taken weeks, and then each time we ran it, it would have taken between 3 to 4 days. With ORYX we can run a journal in 15 minutes. Given we repeat this process frequently, reducing a 3-day process to 15 minutes is a huge time saving initiative"**.

Given that an insurance firm is likely to have 15 or 20 versions of data from actuaries, being able to run them multiple times is a huge benefit. Without ORYX, the risk is having a messy process that needed a lot more people.

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He continues **"At the start of the project, I anticipated needing an additional headcount. That would have been a high-cost resource due to the calibre of person. We've been able to absorb the work within the team because ORYX does the heavy lifting around the data crunching. Immediately we've saved one headcount"**.

At the time of writing, the business is looking to build out the potential of using ORYX for future analysis, and that could potentially double the saving of headcount to two. There is no doubt future savings could be made as requirements increase.

Glynis Franzman, CEO of Accountagility observes another area of benefit. **"The granularity and enrichment of the first trial posting of the IFRS technical journal was impressive. It contained 10,000's of**

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**Financial Controller,**  
large insurance firm

**lines. This far exceeded the usual simple journals that would contain prepayments, expenses, accruals etc. This posting afforded a journal that contained so many elements, such as by year of account, source type, CCY and account - providing so much data for that detail to be imported into their reporting tool"**.

## About Accountagility

Accountagility provides a full suite of solutions to help companies accelerate business performance, reduce risk and deliver cost savings of up to 80% in the Finance function.

The IFRS 17 Posting Tool solution deployed for this insurance firm was based on ORYX Close.

Other solutions available include financial planning, cost allocations and group finance consolidation.

## Financial Controller:

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