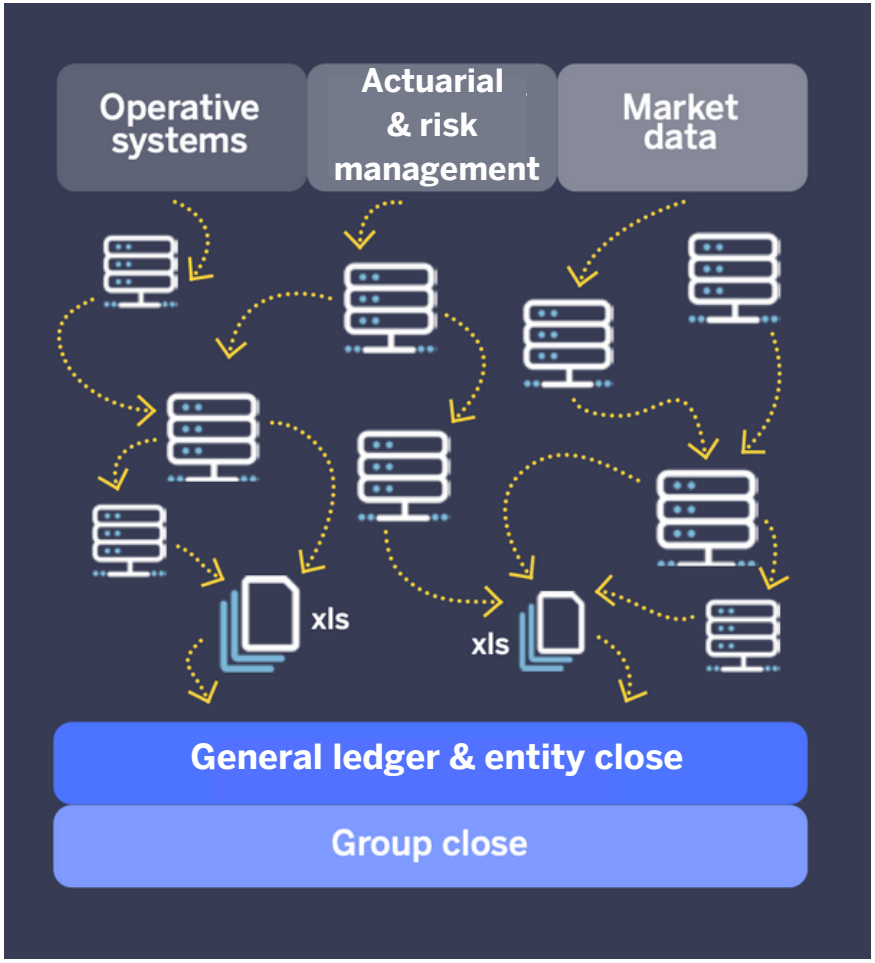
Fioneer: IFRS17

SAP Fioneer

Fioneer IFRS17 solution

The regulatory challenges for insurers

From our international accounting experience over the decades, we have observed that new regulations have often been implemented in separate workstreams with separate IT solutions. This typically requires insurers to integrate data from multiple sources: insurance & asset management, actuarial & risk and market data. To fulfil immediate needs and requirements, IT solutions are designed in a siloed approach resulting in multiple fragmented and disparate systems.



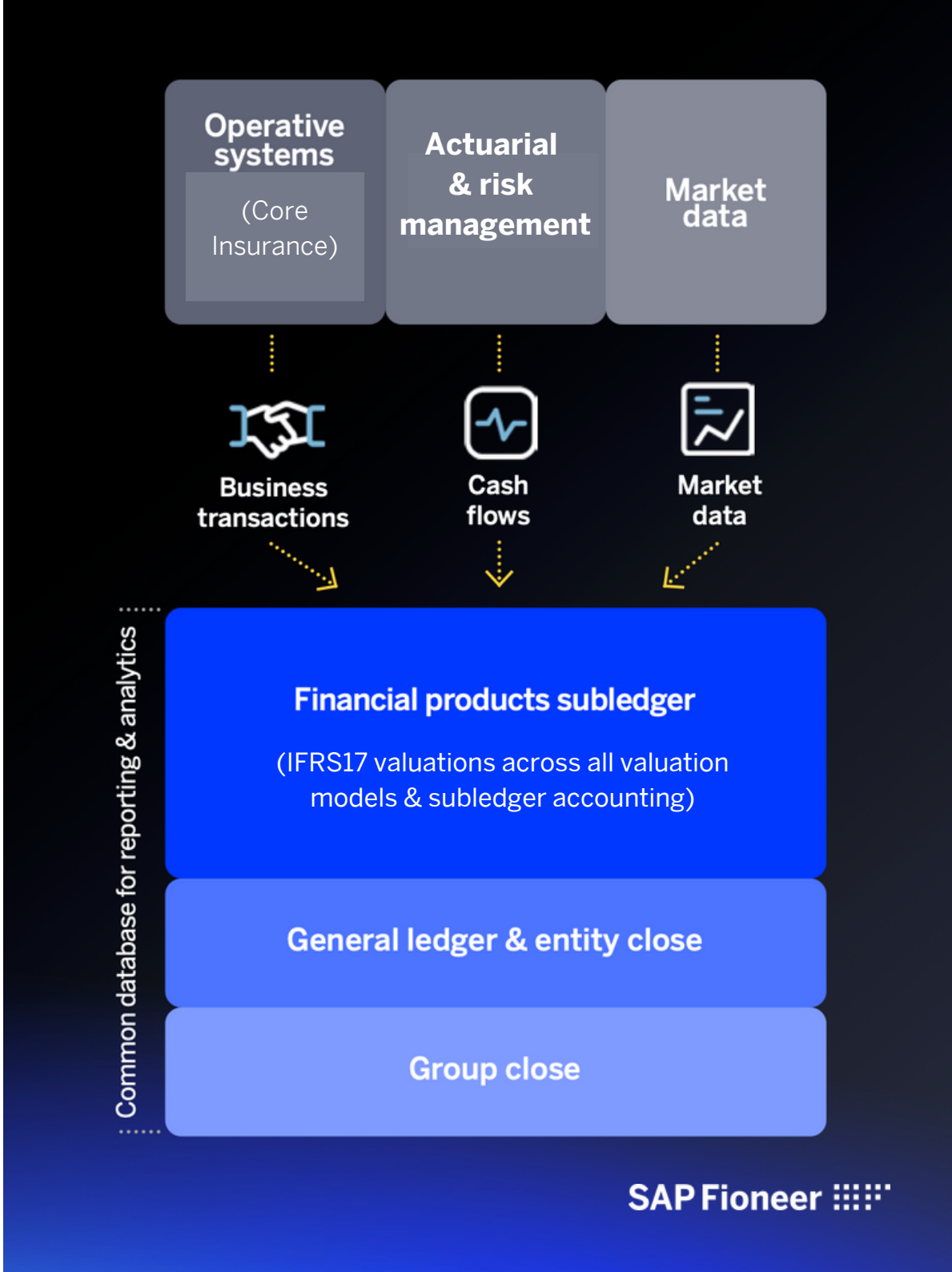
With this approach, once the prime purpose was achieved, the data became redundant and there was no agility. The lack of holistic approach and platform architecture caused significant challenges in auditability and traceability. Furthermore, reconciliation and month end closings became nightmares and there was no transparency whatsoever from an entity and group closing point of view.

This “quick fix” approach to meet regulatory requirements caused delays in implementing regulatory standards globally such as IFRS17, IFRS9 & SOLVENCY. It also required significant investment and resource to maintain cumbersome and labour-intensive manual processes and fragile data architecture that ultimately became redundant. Apart from technological weaknesses, there were also key challenges in terms of lack of training and required competencies, and adequate implementation guidance and advisory.

Introducing Fioneer's Financial Products Subledger:

The ideal solution to bridge the gap between operations and finance

- A central hub for managing data between operational and finance systems, streamlining accounting flows and supporting increased transparency and control
- A high-performance subledger with powerful accounting functionality that integrates with core systems to manage large data volumes and reconcile valuations for a growing number of financial products
- Dedicated multi-GAAP and multi-entity subledger for financial instruments
- Comprehensive accounting functionality including a centralized accounting rules engine and specialized calculators
- Integration with general ledger in SAP S/4HANA
- Comes with a scalable data model supporting data volume management for optimized performance and scalability
- Shipped with pre-configurated templates for IFRS17, IFRS9, US GAAP and international accounting standards



Compliant with IFRS17, our solution protects sensitive information and provides strong audit credibility. Scalable and configurable to Indian market specifics.

Compliance and regulatory adherence

Covers all IFRS17 measurement approaches across all insurance lines of business

In productive use in many jurisdictions, audited and implemented by all of the big four audit companies

Developed as a co-innovation, initially with Swiss Re, and now more than 100 insurance groups are actively influencing the future of the solution

Data security and privacy

Fully supports data lifecycle management using the SAP standard data protection framework

Data security is based on the SAP S/4HANA foundation in use by thousands of clients globally including most of the leading financial services institutions

Audit trail and transparency

Acts as a true subledger: data in the subledger can not be deleted or manually changed. All corrections and remediations must be performed using an auditable correction process

All data generated with full context information and logging of when, how and with which input data was created

Solution by default supports drill-up and drill-down from the source data to the general ledger

Scalability and flexibility

Scalable to the requirements of large insurance and financial services groups (eg SwissRe, PayPal, MunichRe/ERGO, Generali, AIG)

Flexibility to adopt IFRS17 specifics (Ind As 117) of Indian market only with customizing

Scalable to future use cases like Solvency II Market Value Balance Sheet, Carbon Accounting, Financial Instruments Accounting or Forecast, Plan, Simulation

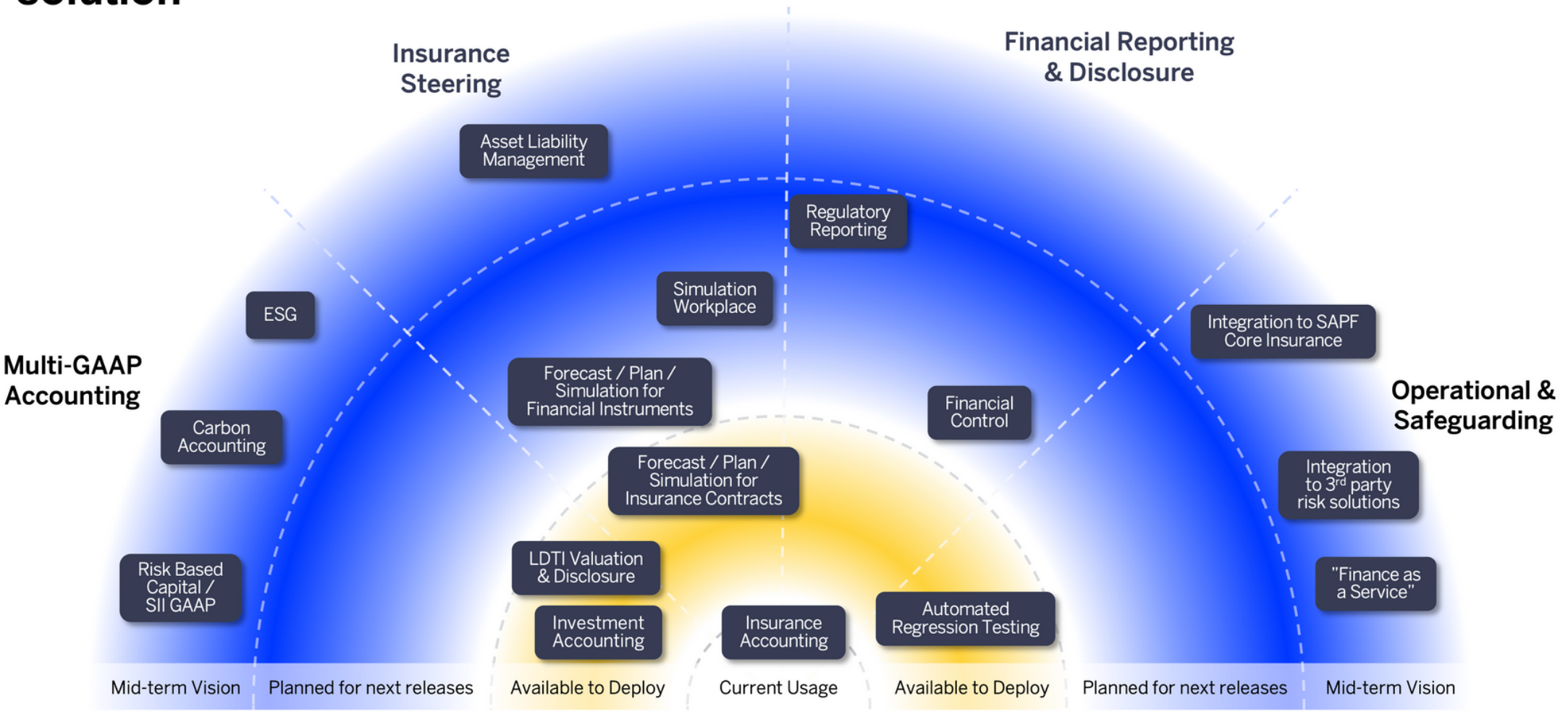
Support and training

Strong international support team that has successfully supported the solution for >150 go-lives and live banking and insurance groups

Training and enablement offering based on online as well as on-site training

Safeguarding services covering successful project setup, execution and go-live

Our roadmap and mid-term vision: to develop a full insurance steering solution



SAP Fioneer

Success factors to address IFRS17 requirements

1 Universally valid concepts – for all GAAPs

- Unified model of date fields
- Universally valid structuring of costs and revenues
- Distinct levels of granularity

2 Solid and tested processing infrastructure

- Accounting coverage: YTD/PTD, Foreign Currency accounting
- Controlling coverage: cost allocations, change analysis
- Universal valuation deltas as basis for multi-GAAP solution

3 Comprehensive coverage of IFRS17

- Full coverage of valuation approaches: GMM, PAA, & VFA
- Loss component as an “of which”-component for new and existing business
- Reinsurance held – hedging relationships, Loss Recovery Component

About SAP Fioneer

SAP Fioneer builds software solutions and platforms that enable banks, insurance companies and challengers to run, transform and grow at scale and speed, using world-class technology.

www.sapfioneer.com

“Understanding..the business model was particularly important in the IFRS17 introduction and this is..where..SAP Fioneer can bring a lot of value..being very specialised”

Robert Lempertseder,
Head of Financial & Regulatory Reporting
Munich RE

Chinmaya Vijayakumar chinmaya.vijayakumar@sapfioneer.com
CVS Rao cvs.rao@sapfioneer.com

SAP Fioneer

Fioneer: IFRS17

SAP Fioneer