

TechnoSys Presentation

IFRS 17 Seminar

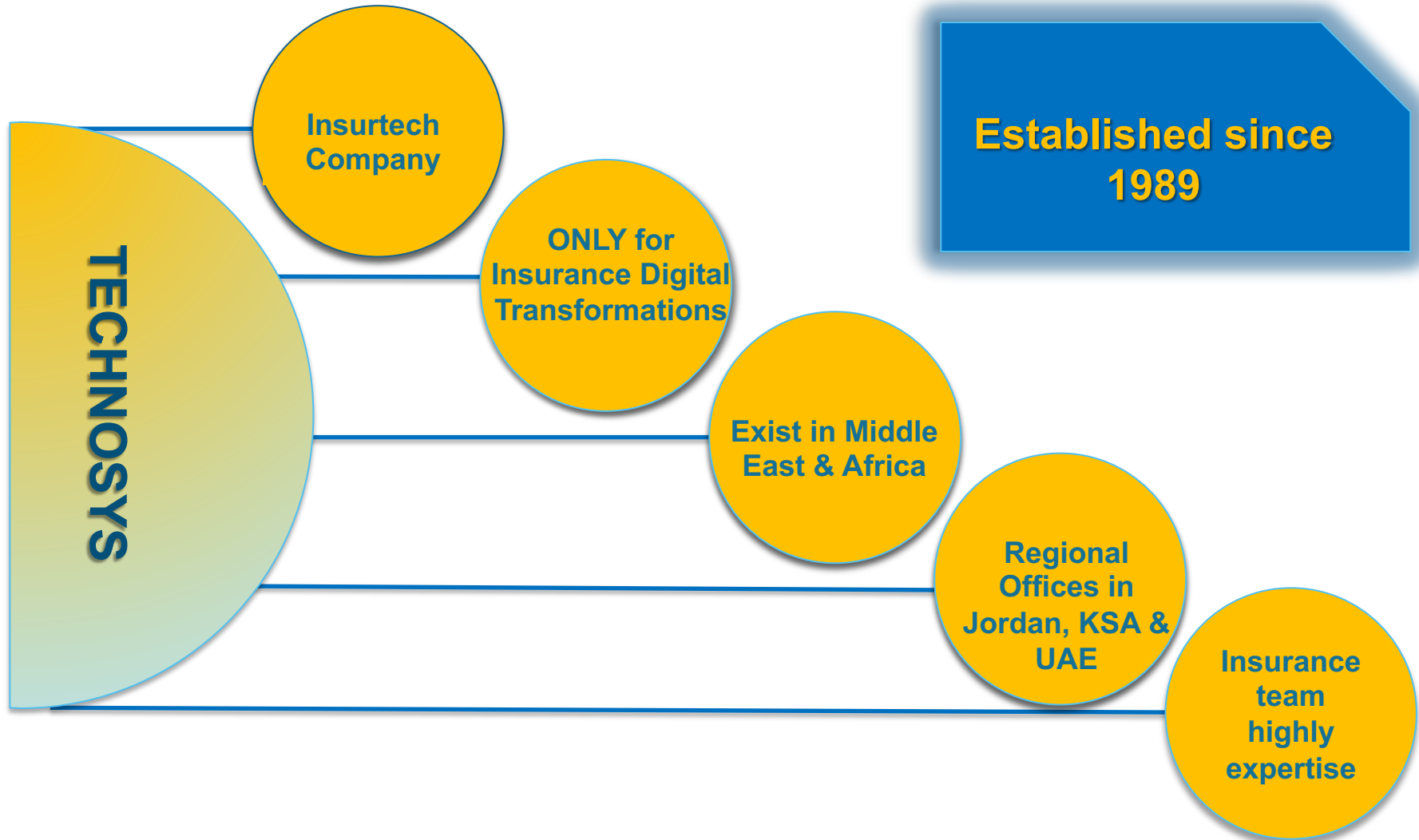
Aqaba - Jordan

23 - June – 2021

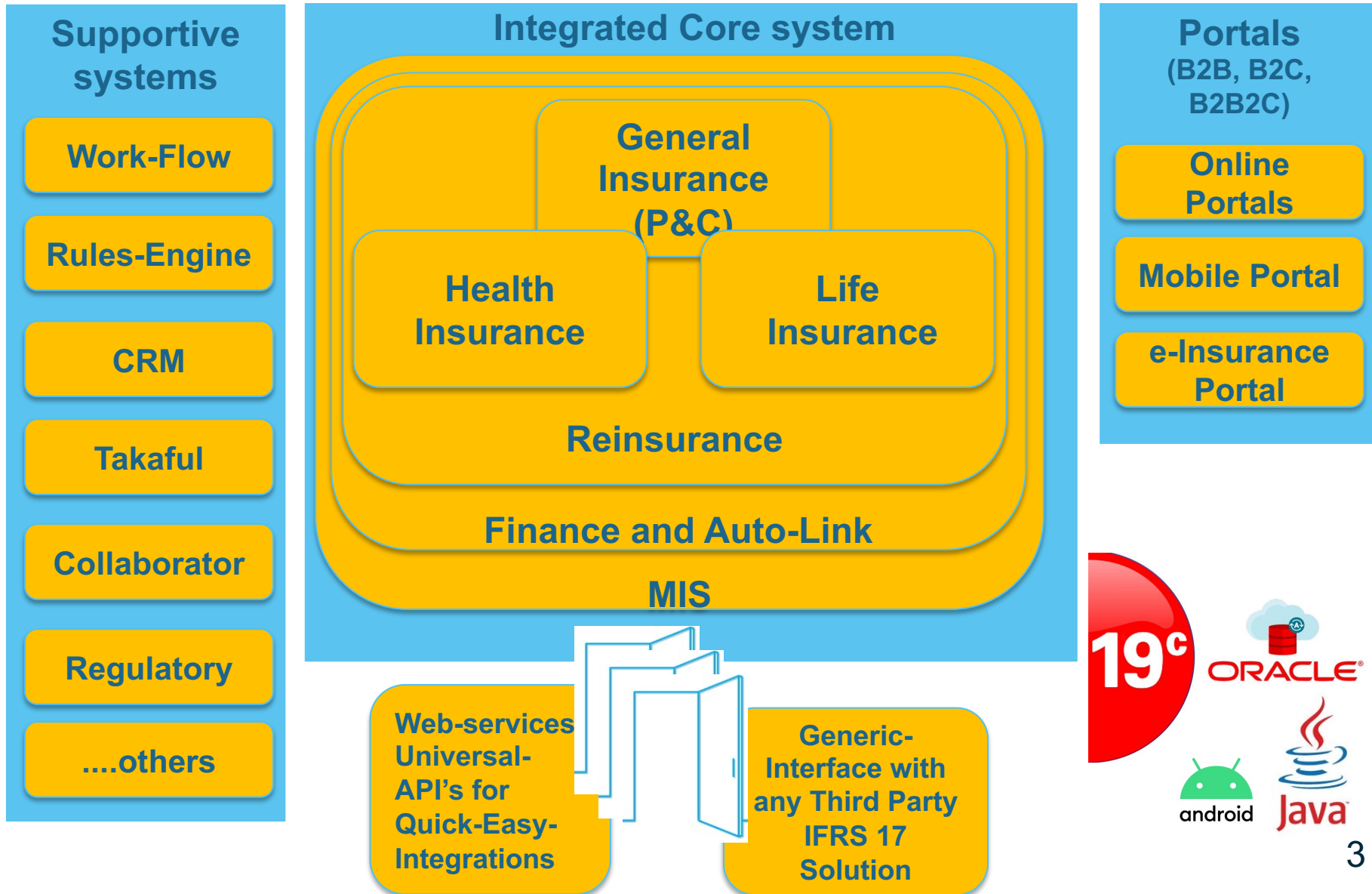
Presented by:
Eng. Ibrahim Qasmieh,
EMBA, MSc AI, ML
CEO & Chairman

30+years in Insurance Automation

Why TechnoSys?



Why AIMSweb?

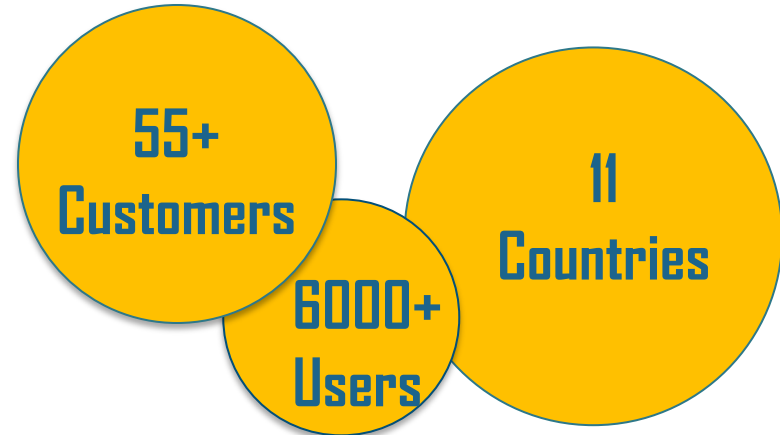


AIMSweb Market Share?



✓ AIMSweb run

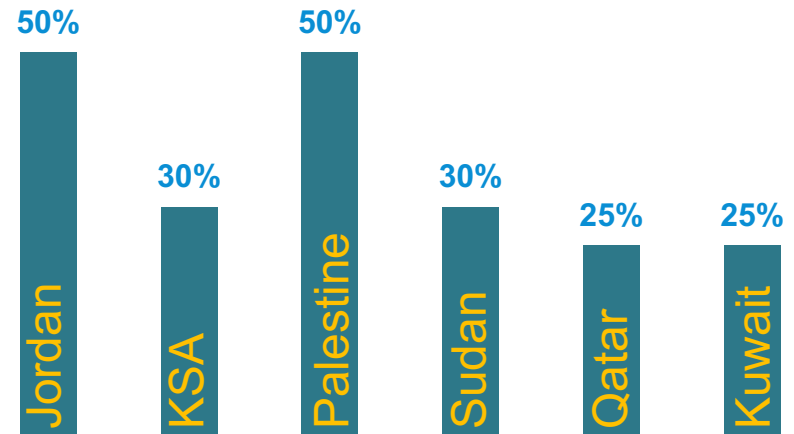
@Insurance Co.,
@Countries,
@Experts use daily



✓ AIMSweb have Major insurance market share in

@Jordan,
@KSA,
@Palestine,
@Sudan,
@Qatar,
@Kuwait,
@...

Market Share



IFRS 17 is the first truly international, comprehensive accounting Standard for insurance, replacing IFRS 4 – an interim Standard that results in widely different practices.

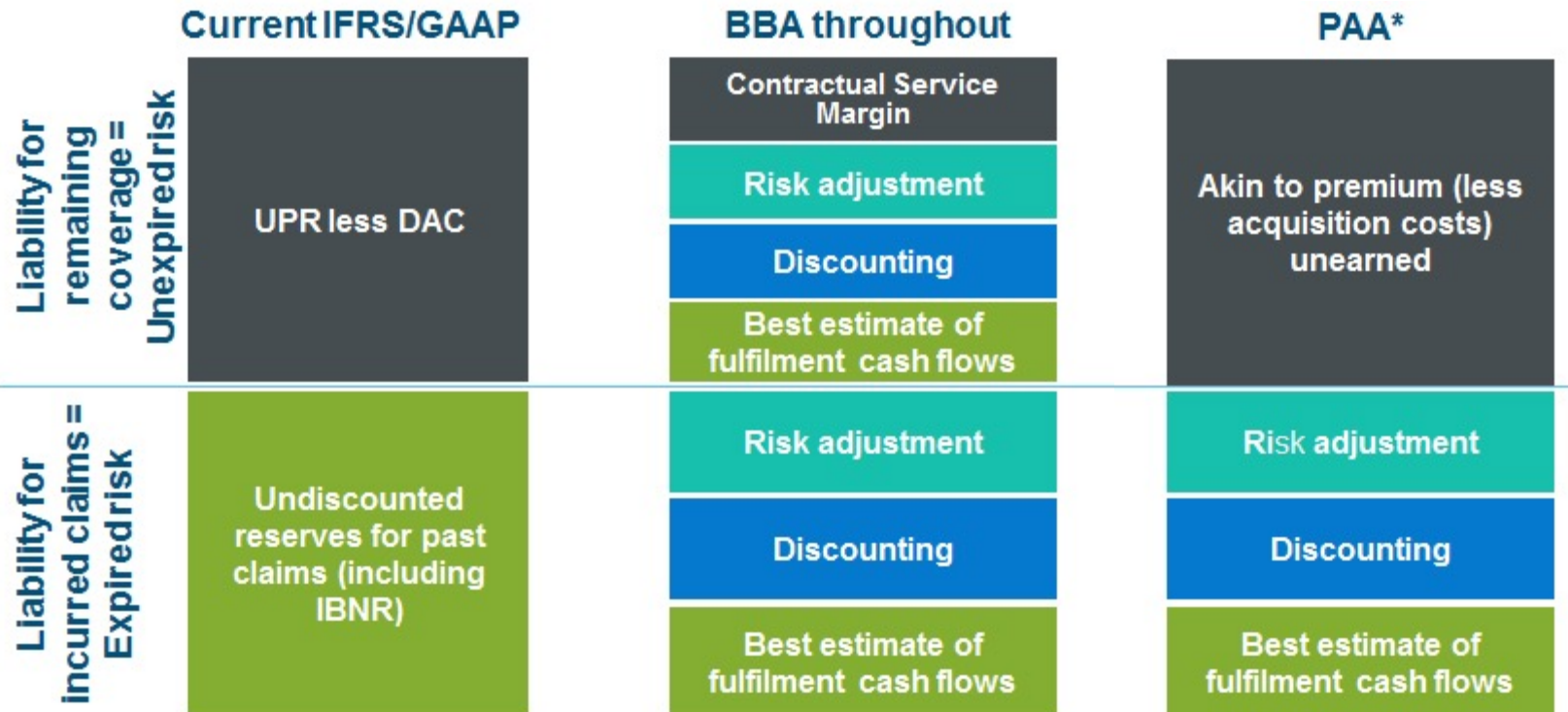
The IASB aimed for IFRS 17 to bring:

- Consistent accounting for all insurance contracts
- Updated information about obligations, risks and performance of insurance contracts
- Increased transparency in financial information reported by insurance companies



One world, One accounting language

IFRS 17 Technical Overview?



Acronym Key	
UPR	Unearned Premium Reserve
DAC	Deferred Acquisition costs
IBNR	Incurred But Not Reported
BBA	Building Block Approach
PAA	Premium Allocation Approach

Size of boxes for illustrative purposes only.
 Specific conditions must be met for PAA (*)
 Insurance Contracts Redefined in IFRS 17

IFRS 17 Project Stakeholders?



★ ** Involve Internal & External IT and Project Manager as early as possible

Budgets

**Time Availability
of Team**

**Training,
training, and
training again**

**Training in
Arabic
Language is a
must**

**Assign External
Experts (Actuary &
Audit,...)**

**Select Approved
IFRS17 Software
Solution**

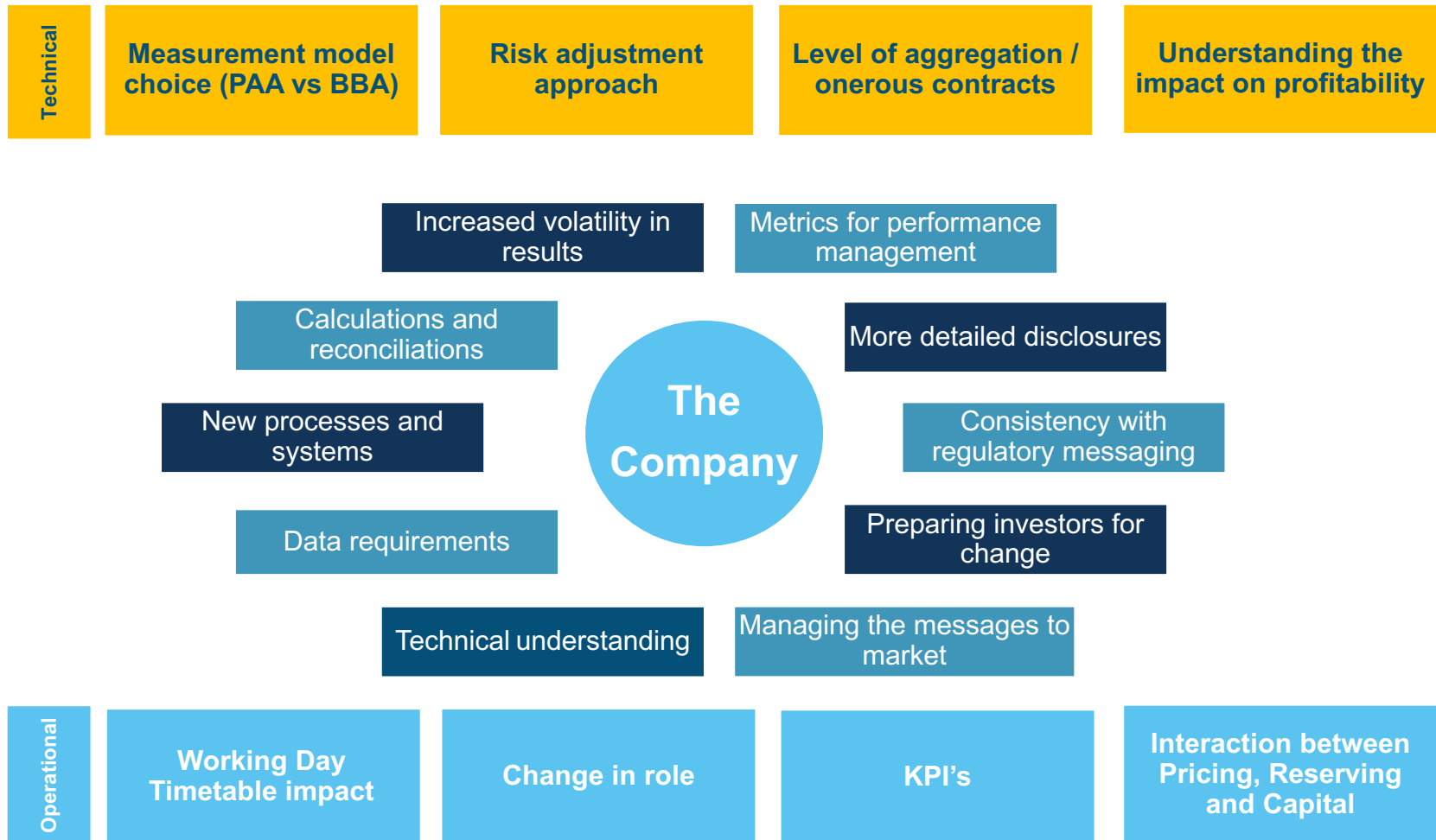
**Build/Test Interface
between Core-
Insurance-System and
IFRS17 Software**

**Many-years-Historical-Data
must be available in Core-
Insurance-System for
IFRS17 Interface**

**Act Early to avail missing
DATA for IFRS17 Interface**

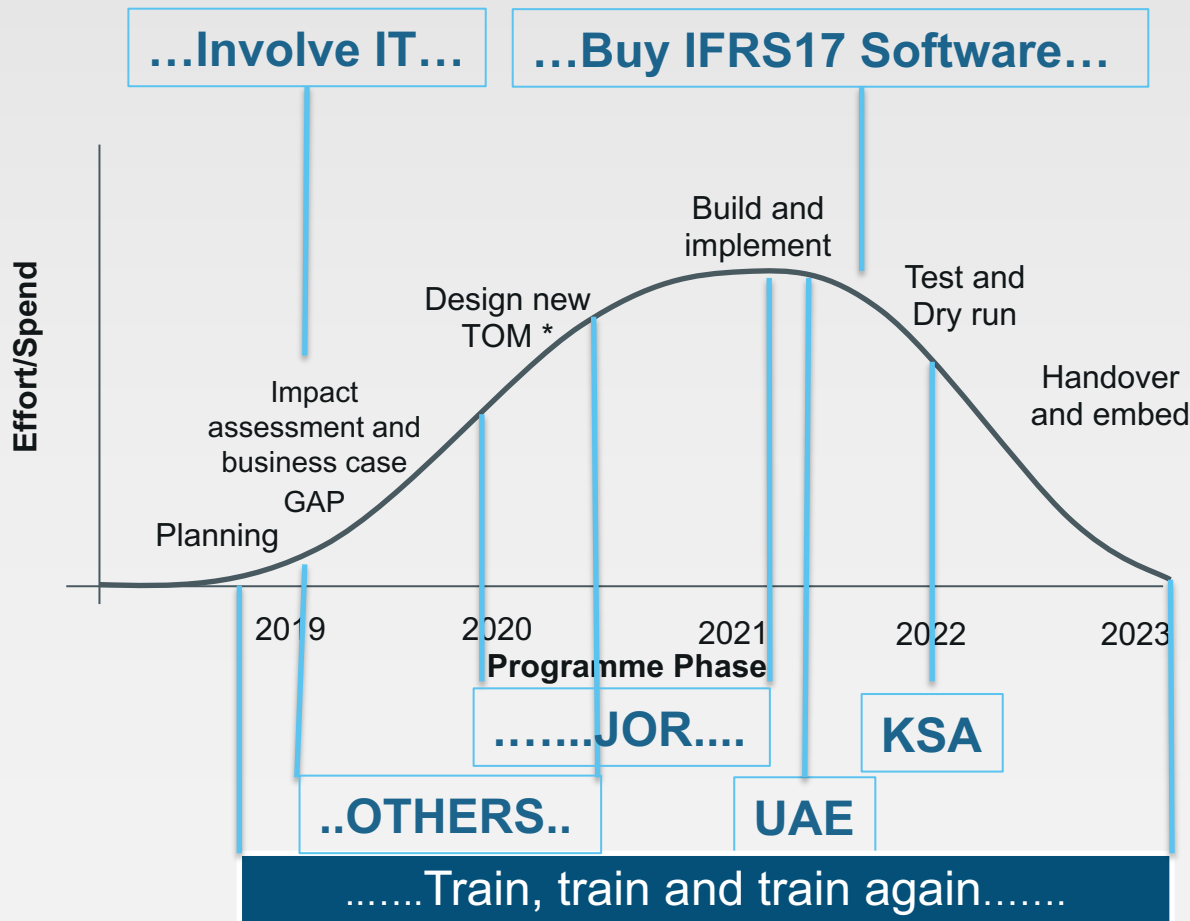
**During Transition 2022, Avail dual Chart of Account
to present your Financials in IFRS4 & IFRS17**

How does IFRS 17 impact the company?



IFRS 17 project timeline

The ideal timeline for implementing IFRS 17 will depend on the complexity of the changes required to the underlying systems and processes for financial reporting.



- Actuaries need to be integrated and integral to Finance process
- Controls and documentation need to be updated
- Don't leave things to the last minute
- Reconciliations can be time consuming
- Technical issues can be surprisingly time consuming
- Core Historical Data may be missing (Recon, RI Sec., CF Prem, CF Claims, CF RI...)
- Training the Board early, as well as other stakeholders is key

* TOM Target Operating Model
(Max Business Benefit)

Objective: to search for the optimum solution for IFRS 17 Implementation.

Possible Types/Sources ...?	1- Can be developed Internally on Excel	Cheaper, but not documented
	2- Can extend/develop your Core-Insurance-System	Price-Moderate, yet not tested & incomplete, hence not favorable by External Auditors/Actuaries
	3- Can acquire External ready-made IFRS 17 and Interface it with Core-Insurance-System	Cost can vary between moderate and high, yet complete and tested at other Companies, hence favorable by your External Auditors/Actuaries

** **N.B.** KSA is ahead in implementing IFRS 17; ALL insurance companies acquired External IFRS 17 Solutions (option #3 above) as per External Auditors Recommendations. NONE chose extending Core-Insurance-System.

- ✓ Measurement Models (3 Models)
- ✓ Actuarial Modelling (or Interface with External Actuary System)
- ✓ Risk Management (or Interface with External Risk System)
- ✓ Cash flows, Discounting, Risk Adjustments, Reinsurance Process
- ✓ Workflows & Computational Rules Engine setup by System-Admin
- ✓ Full Reporting, Financial Statements Disclosures
- ✓ Auditing, Controlling, Running Scenarios (Simulations)
- ✓ Sub-Ledger, and/or General Ledger Processing and interfacing
- ✓ Interface with Core-Insurance-System (Data-needed) (In and Out)
- ✓ Grouping of Insurance Portfolio, Onerous Identification
- ✓ For Fin. Instruments in life-investment-linked, need IFRS 9 supported
- ✓ Nice-to-have (AI & ML) predictions, and Others.....

- ✓ Platform, Security, Database, Technology, Robustness, Audit-trail, Cloud-support,
- ✓ Project Implementation Team experiences Profile in similar IFRS 17 projects.
- ✓ Speaking-Language of the Implementation/Training Team

- ✓ Time line of the IFRS 17 Project
- ✓ Do Pilot Project using your Live-Actual-Data (TRY-BEFORE-BUY)
- ✓ Software is on-cloud or on-premise.
- ✓ If On-premise, then what is Price and Annual Support Fees.
- ✓ But if on-Cloud, What is Annual Subscription Fees.
- ✓ Price of Implementation team.
- ✓ References using software, testimonial and recommendations

@ CBJ



Formulate Action Plan

- IFRS 17 project.
- Working groups

Credit Policy

- Enforcement of Upfront payment & Premium Instalments

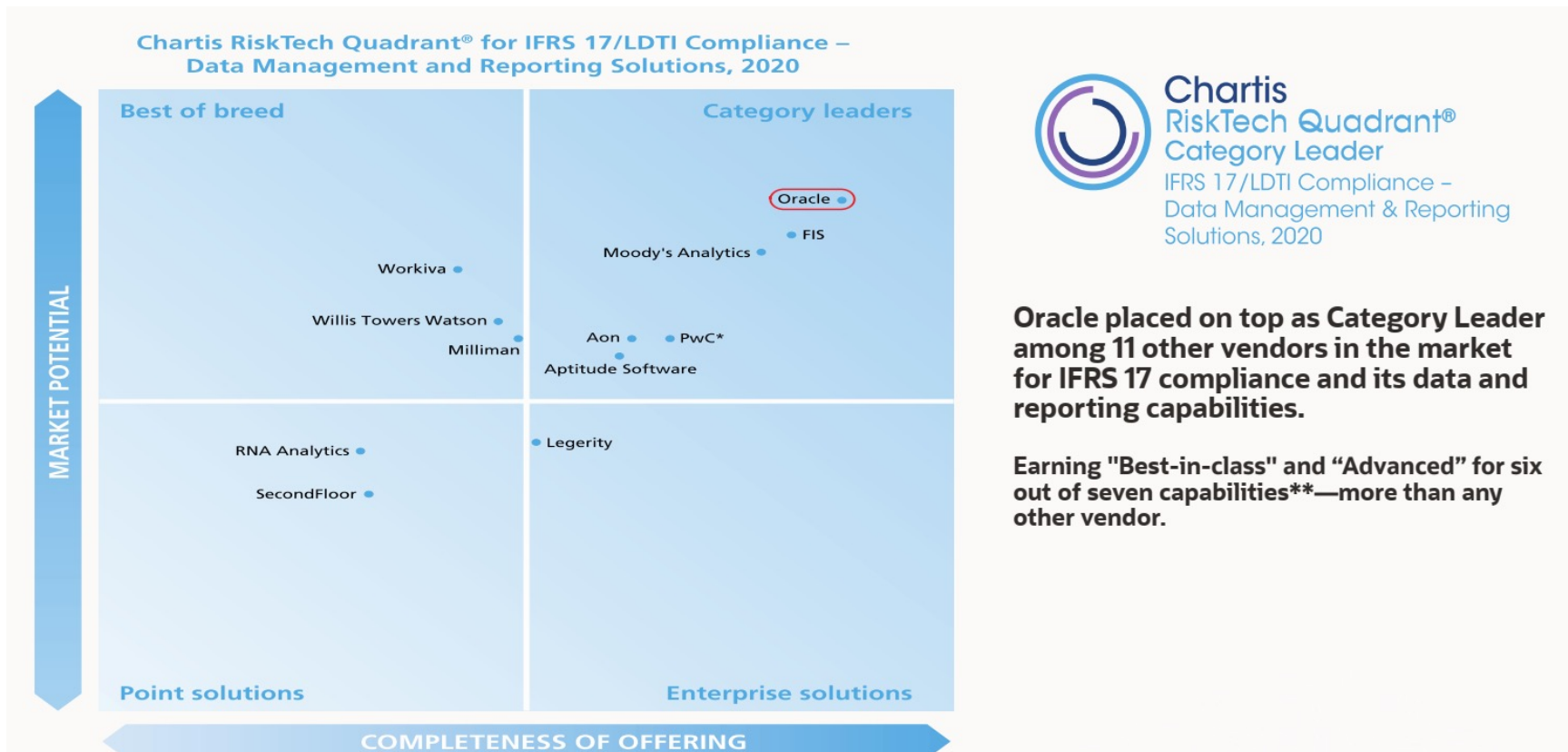
Claim Settlements

- Between Insurance Companies
- Policyholders'

Oracle IFRS 17 Leading Status Amongst Competitors



Position of Oracle IFRS 17 in Gartner Quadrant and prize-awarded to Oracle IFRS 17 Solution



20+ IFRS 17 Reference Regionally and Globally



Offering	Details
<ul style="list-style-type: none"> • ARABIC Online Training on IFRS 17: 	<p>We Provide Arabic training on IFRS 17 Theory and practice in ARABIC and English by a practitioner-consultant.</p>
<ul style="list-style-type: none"> • Consultancy Services to IFRS 17: 	<p>We Provide consultancy services on your Core-Insurance-System to cover all the requirements of the IFRS 17 system</p>
<ul style="list-style-type: none"> • Generic Interface with IFRS 17: 	<p>We Provide Generic interface between AIMSweb or any Core-Insurance-System with any other IFRS 17 software</p>
<ul style="list-style-type: none"> • IFRS 17 Software : 	<p>We Provide International leading reputable IFRS 17 software at competitive pricing.</p>
<ul style="list-style-type: none"> • Package Deal for POOL of customers to buy IFRS17 Software: 	<p>We are working to get a package deal with a reduced competitive pricing for a group of our Insurance customers using AIMSweb (inside & outside Jordan)</p>

- ✓ To upgrade core insurance system to latest version.
- ✓ In your core-insurance-system; use historical data in best manner for IFRS 17 standards
- ✓ In your core-insurance-system; utilize current important functions for IFRS 17 as Premiums settlements, Premiums reconciliations, Claims settlements, Premiums instalments, Expenses allocations, Reinsurance securities, DAC,.....
- ✓ Buy reputable IFRS 17 solution, and interface it with core insurance system.
- ✓ Training and training again on IFRS 17 and core insurance system.

One last minute important notice:



Can a consultant be a provider ???