Oracle® Insurance IFRS 17 Analyzer

User Guide

Release 8.0.8.0.0

F20961-01

September 2019

ORACLE®

Contents

4   Application Workflow

5 Oracle Insurance IFRS 17 Analyzer Reports

A References

B Band Maintenance

C Variable Maintenance

Document Control

This section provides the revision details of the document.

Version Number	Revision Date	Changes Done
1.0	Created: July 2019	Completed the following 8.0.8.0.0 updates: ? Added a new section on the SubLedger and SubLedger Manual Adjustment functionality. ? Added information about Long Duration Contracts ? Enhanced the Calculation Preferencessection to include the Long Duration Contract method and information on the Long Duration Contract pane.
2.0	Created: August 2019	Completed the following 8.0.8.1.0 updates: ? Enhanced the SubLedger and SubLedger Manual Adjustment sections to include the selection of a Solo or Consolidated run.
3.0	Created: September 2019	Completed the following 8.0.8.1.1 updates: ? Enhanced the SubLedger section to include the option to select multiple GL accounts, account mapping feature and the Inbox functionality. ? Enhanced the Calculation Preferencessection to include the option to calculate onerous contracts for a PAA template.

This document guides you through the functionalities of Oracle Insurance IFRS Analyzer application version 8.0.8.0.0 and the application flow.

Preface

This section provides supporting information for the Oracle Insurance IFRS 17 Analyzer Application Pack (IIA) User Guide and includes the following topics:

- Summary
- Audience
- Related Documents
- Conventions
- Abbreviations

Summary

You can find the latest copy of this document in OHC Documentation Library which includes all the recent additions/revisions (if any) done till date.

Audience

Oracle Insurance IFRS 17 Analyzer Application Pack User Guide is intended for the users of Oracle Insurance IFRS 17 Analyzer Application pack.

Related Documents

For more information, see the following documents in the Oracle Insurance IFRS 17 Analyzer Application Pack 8.x documentation set:

- *Oracle Insurance IFRS 17 Analyzer Application Pack Installation and Configuration Guide*
- *Oracle Insurance IFRS 17 Analyzer Application Pack Release Notes*

Conventions

The following text conventions are used in this document:

Convention	Meaning
boldface	Boldface type indicates graphical user interface elements associated with an action or terms defined in text or the glossary.
italic	Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.

Convention	Meaning
`monospace`	Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the window, or text that you enter.

Abbreviations

The following table lists the abbreviations used in this document:

Abbreviation	Meaning
CSM	Contractual Service Margin
GMM	General Measurement Method
PAA	Premium Allocation Approach
VFA	Variable Fee Approach

1

About OFSAA and OFSAA Application Packs

This chapter includes the following topics:

About Oracle Financial Services Analytical Applications (OFSAA)

In today's turbulent markets, financial institutions require a better understanding of their risk-return, while strengthening competitive advantage and enhancing long-term customer value. Oracle Financial Services Analytical Applications (OFSAA) enable financial institutions to measure and meet risk-adjusted performance objectives, cultivate a risk management culture through transparency, lower the costs of compliance and regulation, and improve insight into customer behavior.

OFSAA uses industry-leading analytical methods, shared data models, and applications architecture to enable integrated risk management, performance management, customer insight, and compliance management. OFSAA actively incorporates risk into decision making, enables to achieve a consistent view of performance, promote a transparent risk management culture, and provide pervasive intelligence.

Oracle Financial Services Analytical Applications delivers a comprehensive, integrated suite of financial services analytical applications for both banking and insurance domains.

About Oracle Insurance IFRS 17 Analyzer Application Pack

IFRS17 is an international norm that supersedes the current reporting standards, IFRS 4. The new standards provide the users of financial statements with a new perspective of the financial accounts of insurance companies. Oracle Financial services Insurance IFRS 17 Analyzer application enables the insurance companies to adhere to the disclosure requirements as proposed under IFRS 17 with an ability to compute Contractual Service Margin and Net Liabilities.

About Oracle Financial Services Analytical Applications Infrastructure (OFS AAI)

Oracle Financial Services Analytical Applications Infrastructure (OFS AAI) powers the Oracle Financial Services Analytical Applications family of products to perform the processing, categorizing, selection and manipulation of data and information required to analyze,

understand and report on specific performance, risk, compliance, and customer insight issues by providing a strong foundation for the entire family of Oracle Financial Services Analytical Applications across the domains of Risk, Performance, Compliance, and Customer Insight.

2

Understanding Oracle Insurance IFRS 17 Analyzer Application

This chapter includes the following topics:

- Introduction
- Functional Flow

Introduction

Insurance companies need to identify the risks that arises from the insurance contracts along with the calculation of assets and liabilities. IFRS 4 was introduced in March 2004 and was intended to provide limited improvements to accounting for insurance contracts. IFRS 4 permitted companies to continue previous accounting practices for insurance contracts, but did enhance the disclosure requirements.

IFRS17 standards, released in May 2017, supersedes the current reporting standards IFRS 4 on accounting for insurance contracts and has an effective date of 1 January 2021. The new standards provide users of financial statements with a new perspective of the financial accounts of insurance companies. IFRS 17 introduces an approach that tackles some challenges in accounting for insurance contracts currently addressed inconsistently when a company applies IFRS 4.

- IFRS 17 provides updated information about the obligations, risks, and performance of insurance contracts.

- Increases transparency in financial information reported by insurance companies, which will give investors and analysts more confidence in understanding the insurance industry.

- Introduces consistent accounting for all insurance contracts based on a current measurement model.

Oracle Insurance IFRS 17 Analyzer application follows the IFRS 17 standards diligently and enables insurance companies to adhere to the disclosure requirements as proposed under IFRS 17, along with an ability to compute Contractual Service Margin and Net Liabilities.

IFRS 17 requires Insurance companies to have a consistent accounting standards for the Insurance contracts which ensures timely recognition of losses in the book of accounts. Insurance companies are required to identify and report the Fulfillment Cash Flows and Contractual Service Margin at every reporting date, based on the current market conditions. Oracle Insurance IFRS 17 Analyzer application helps the organizations in arriving at the insurance obligations (Insurance Contract liabilities reported on the balance sheet), using different methodologies for a set of portfolios, by assessing the net liability for every insurance contract.

IFRS 17 standard requires the entities to perform initial recognition of insurance contracts and execute periodical re-assessment of the insurance liabilities, based on the current assumption sets. The insurance liabilities are presented in every reporting period and those reflect the change in the amount since inception. The profitability of insurance contracts is amortized over the duration of contract, based on the services provided.

One of the critical requirements of IFRS 17 is to estimate the measurements at most granular level, rather than at the aggregated portfolio level. Groups are formed with a portfolio to reflect the insurance contract that share similar risks. The financial report separately showcases the asset and the liabilities of the groups of contracts. This primarily involves in showcasing the insurance and finance results separately per insurance groups.

Functional Flow

The following digram depicts the functional flow of Oracle Insurance IFRS 17 Analyzer application:

3
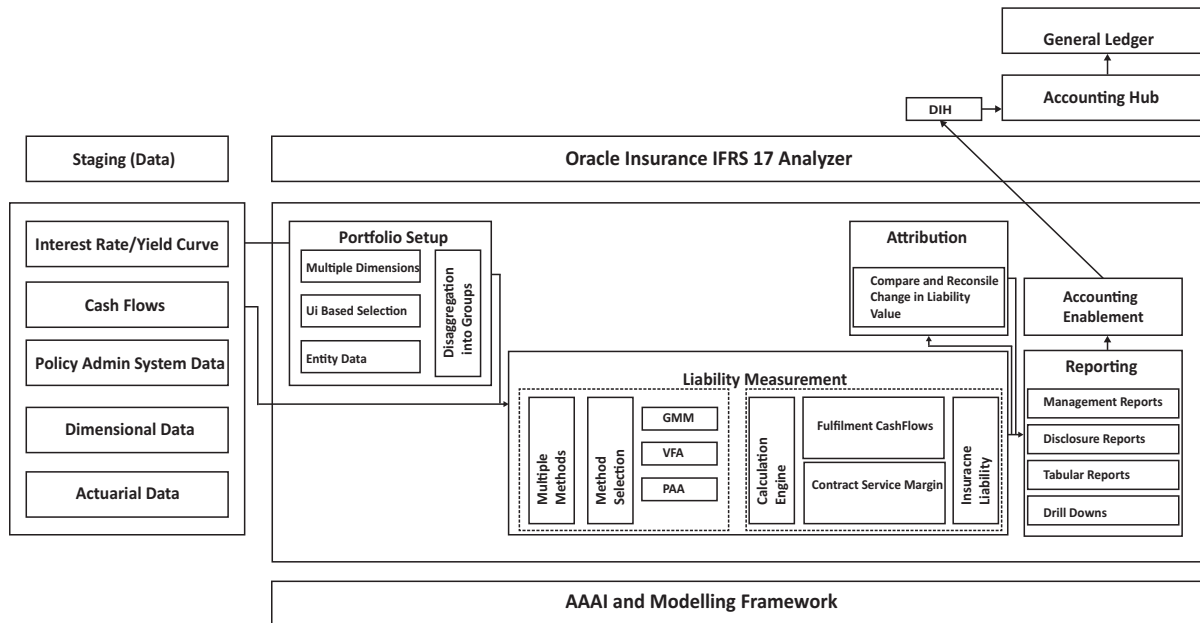
Exploring Oracle Insurance IFRS 17 Analyzer Application

This chapter provides the functional as well as a business overview of Oracle Insurance IFRS 17 Analyzer. This chapter includes the following topics:

- Level of Aggregation
- General Measurement Model
- Variable Fee Approach
- Premium Allocation Approach
- Long Duration Contracts
- SubLedger

Level of Aggregation

This section provides details about aggregating insurance contracts into groups.

To understand how Oracle Insurance IFRS 17 Application features Level of Aggregation, see Level of Aggregation Section in Application Workflow Chapter.

Overview

IFRS 17 mandates to group insurance contracts to reduce risks. This process is referred to as Risk Pooling. This grouping also helps in determining the profitability of the insurance contracts in the group.

What happens, if the insurance contracts are not grouped? At inception, the individual contracts are treated equally and the probability of claim is also distributed equally. However, on subsequent measurements, the probability of claiming individual contracts may increase (expected cash outflows are increased) or decrease (expected cash outflows are decreased). The increase in the probability of claiming individual contracts marks a contract as Onerous and is recognized immediately in the profit or loss. Also, the decrease in the probability of claiming individual contracts increases the CSM and is marked as profitable over the coverage period.

What happens, if the insurance contracts are grouped? The contracts in the groups are measured collectively and thus the change in expected cash outflows and the CSM remain unaffected (continue to recognize over current and future coverage periods). These profits are recognized over the coverage period.

Identifying Portfolios of Insurance Contracts

To group the insurance contracts, the portfolios must be identified as the first step. Contracts in the same product line are expected to possess similar risks and can be managed together. Therefore, such contracts in the same product line are grouped in the same portfolio.

For example:

- Whole life insurance

- Annuities

- Car insurance

Portfolios of contracts are divided into groups of a minimum of the following:

- Onerous at initial recognition

- No risk of being onerous

- Remaining contracts in the portfolio

IFRS 17 permits these groups to be further sub-divided. For example, you can create sub-groups based on different levels of profitability.

The level at which to perform grouping assessment includes the following:

- An entity may assess a set of contracts if reasonable and supportable information enables it to conclude the contracts will be in the same group.

- Otherwise, groups are determined by considering individual contracts.

- Multiple sets or an individual contract can form a group.

> **Note**: If the requirements of IFRS 17 are met, a group can be formed with any number of contracts or an individual contract.

Grouping Contracts at Initial Recognition According to Expected Profitability

Initial Recognition of insurance contracts is the process of grouping together the insurance contracts that are subject to similar risks. The initial recognition is performed at the beginning of the coverage period of the group of contracts (Policy Inception). During initial recognition, an insurance contract can be part of an existing group of insurance contracts if all the contracts have similarly expected profitability at the time of initial recognition and are issued within one year.

> **Note**: Insurance contracts that are issued more than one year apart should not be a part of the same group.

Once the Initial Recognition of the group of insurance contracts is completed, the carrying amount of the group at each reporting date is calculated as the sum of the liability for remaining coverage and the liability for incurred claims comprising the Fulfillment Cash Flows related to past service allocated to the group at that date.

The Liability for remaining coverage is comprised of the Fulfillment Cash Flows allocated to the group at that date and the Contractual Service Margin (CSM) of the group at that date. CSM is the unearned profits recognized over the coverage period.

The requirements on when to recognize a group of reinsurance contracts held are different depending on whether the reinsurance contract held covers the losses of separate insurance contracts on a proportionate basis (proportionate reinsurance contracts) or the reinsurance contract held covers aggregate losses from underlying contracts over a specified amount (non-proportionate reinsurance contracts).

A group of proportionate reinsurance contracts held is recognized at the later of the beginning of the coverage period of the group or the initial recognition of any underlying insurance contract. This means an entity will not recognize a group of proportionate reinsurance contracts held until it has recognized at least one of the underlying insurance contracts. A group of non-proportionate reinsurance contracts held are recognized at the beginning of the coverage period of the group.

Onerous Assessment

Onerous assessment includes multiple levels of processing. These include measuring insurance contract/set of insurance contracts at initial recognition. If found onerous, those are marked onerous at initial recognition. If not, the assessment to determine which of the following groups, should these contracts/group of contracts belong to, is performed:

- Remaining contracts in the portfolio

- No significant possibility of becoming onerous at initial recognition.

Facts and circumstances can indicate if the contracts might form an onerous group even before typical initial recognition. This process is known as Early Recognition.

Note: Contracts can fall into different groups because of legal or regulatory constraints, based on the ability to set different price or level of benefit for policyholders with different characteristics. Then under IFRS 17, an entity may include these contracts in the same group, by following all other IFRS 17 grouping requirements.

Onerous Classification

The insurance contracts/cohorts onerous classification is performed in the application with a check whether the contracts are net outflow at inception. If the contracts are profitable at inception, then the CSM is projected into the future using different assumption scenarios. For any projected period, a loss is recognized then the contract is marked as profitable with a significant possibility of turning onerous.

Forming the Cohorts

IFRS 17 requirements mandate that the contracts issued more than one year apart should not be included in the same group. To achieve this, groups can be further divided as required. Each of these groups can include contracts issued over any length of time up to one year. This period does not need to be restricted or aligned with the entity's reporting period. This requirement is known as the Annual Cohort Requirement.

The contracts in the cohorts can be of less than one year as well. For example, if an entity manages contracts in quarterly cohorts it could choose to have groups issued within a reporting quarter.

Reinsurance Contracts Held

A reinsurance contract held cannot be considered onerous applying IFRS 17. Therefore, the requirements for dividing a portfolio into groups are modified for reinsurance contracts held.

For a group of reinsurance contracts held, an insurer expects either to incur a net cost of purchasing the reinsurance or, sometimes, make a net gain from purchasing the reinsurance. As such, applying the grouping requirements to reinsurance contracts held, at a minimum, a portfolio is divided into the following:

1. A group of contracts on which there is a net gain at initial recognition if any.

2. A group of contracts on which at initial recognition there is no significant possibility of a net gain arising subsequently if any.

3. A group of remaining contracts in the portfolio, if any.

For some reinsurance contracts held, applying the requirements in IFRS 17 will result in group that comprises a single contract.

General Measurement Model

This section provides details about the General Measurement Model. IFRS 17 introduces the General Measurement Model which provides pertinent information about the future cash flows and profitability of insurance contracts. The General Measurement Model provides a wide-ranging and intelligent structure with various features of Insurance Contracts and the opportunities to make them profitable.

Overview

In IFRS, Insurance contracts are grouped as profitable and onerous to make it easier for the Insurers to evaluate their profit/loss. Fulfillment Cash Flows and Contractual Service Margin are two parameters that are considered while calculating the liability of the remaining insurance coverage, and thereby, the profit/loss.

> **Note**: IFRS 17 requires financial institutions to update the Fulfillment Cash Flows at each reporting date, using current estimates that are consistent with relevant market information.

Performing Initial Measurement

The asset/liability measurement is performed by adding up the fulfillment cash flows and the contractual service margin, after the initial recognition of insurance contracts.

- **Fulfillment Cash Flows** is the current estimate of amounts that the insurer expects to collect from premiums and payout for claims, benefits, and expenses, including an adjustment for the timing and risk of those cash flows.

- **Contractual Service Margin** is the expected profit for providing future insurance coverage (unearned profit).

The measurement of the fulfillment cash flows reflects the current value of any interest-rate guarantees and financial options included in the insurance contracts.

Performing Successive Measurements

After the initial asset/liability measurement at inception, subsequent measurements of ongoing group insurance contracts are also performed. The total liability of such a group of insurance contracts is comprised of the liability of the remaining coverage and the liability for incurred claims. The liability for remaining coverage is calculated as the sum of fulfillment cash flows of the coverage to be provided in the future and the remaining CSM.

The liability for incurred claims is measured as the fulfillment cash flows for claims and expenses already incurred but not yet paid.

The fulfillment cash flows are measured again on each reporting date to reflect estimates based on current assumptions. This measurement applies the same requirements that were applied for the initial measurement. Changes in estimates of the fulfillment cash flows are reflected in profit/loss, other comprehensive income, or in some cases, the CSM is adjusted.

Reinsurance Contracts Held

Estimates of Future Cash Flows

The amount an entity pays for a reinsurance contract held consists of premiums it pays minus any amounts paid by the reinsurer to the entity as compensation for expenses incurred (for example, ceding commissions). The amount an entity recognizes for reinsurance contracts held can be viewed as the reinsurer's share of the risk-adjusted expected present value of the cash flows generated by the underlying insurance contracts and a contractual service margin (CSM) that makes the initial measurement of the reinsurance asset equal to the amount the entity pays for the reinsurance contract.

Consistent assumptions are used when measuring estimates of the present value of future cash flows for a group of reinsurance contracts held and estimates of the present value of future cash flows for the group(s) of underlying insurance contracts. This includes any associated adjustments for the financial risk and the time value of money arising from the reinsurance contracts held. As a result, the cash flows used to measure the reinsurance contracts held to reflect the extent to which those cash flows depend on the cash flows of the underlying contracts that the reinsurance contract held covers.

Also, the expected present value of future cash flows includes an adjustment for the risk that the reinsurer may fail to satisfy its obligations under the reinsurance contract held. Changes in the fulfillment of cash flows that result from changes in the risk of non-performance by the reinsurer do not adjust the contractual service margin. Instead, these changes are reflected in profit or loss when they occur.

Risk Adjustment for Non-financial Risk

The requirements in IFRS 17 for the risk adjustment for non-financial risk are modified for reinsurance contracts held. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the reinsurer.

Contractual Service Margin

The contractual service margin for a reinsurance contract held represents the cost of purchasing reinsurance. This is different from the contractual service margin for underlying insurance contracts which represents unearned profit on those contracts. The cost of purchasing reinsurance is recognized as services are received under the reinsurance contract held. As an exception, if the reinsurance contract held covers events that have already occurred, the net cost at initial recognition is recognized immediately in profit or loss.

The amount an entity pays for reinsurance typically exceeds the expected present value of cash flows generated from that reinsurance plus the risk adjustment for non-financial risk. As such, the contractual service margin for a group of reinsurance contracts held at initial recognition typically represents a net cost of purchasing reinsurance.

Variable Fee Approach

Variable Fee Approach is applied to direct participating contracts, is defined by three criteria, and is based on policyholders sharing in the profit from an identified pool of underlying items.

Overview

Variable Fee Approach (VFA) is applied to direct participating contracts. The Variable Fee Approach (VFA) is defined by these criteria, based on policyholders being entitled to a significant share in the profit from an identified pool of underlying items:

- The contractual terms specify that the policyholder participates in a share of an identified pool of underlying items.

- The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items.

- The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

The insurance contract liability, based on the obligation for the entity to pay the policyholder an amount equal to the value of the underlying items, net of a consideration charged for the contract, is called a "variable fee".

This approach requires that changes to the estimate of the future fees an entity expects to earn from direct participating contract policyholders are adjusted against the CSM. The CSM on direct participating contracts would be recognized in profit or loss as part of the entity's insurance service results based on the passage of time.

This is a flexible approach that helps to mitigate accounting mismatches. This approach matches assets and liabilities. According to VFA, there is no direct impact on profit and loss. Also, CSM is being released over the contract period. In VFA, the discounting rate will be equal to the current interest rate.

Reinsurance Contracts Held

For reinsurance contracts held, the entity and the reinsurer do not share in the returns on underlying items and so the VFA criteria are not met, even if the underlying insurance contracts issued are VFA contracts. The contractual service margin for a group of reinsurance contracts held represents the net cost (or net gain) of purchasing reinsurance, considering the rights and obligations of the entity under the reinsurance contract. The insurer does not receive investment-related services from the reinsurer.

Premium Allocation Approach

The Premium Allocation Approach (PAA) is similar to existing approaches for non-life insurance products. The Premium Allocation Approach only applies over the coverage period, not over the settlement period.

Overview

This defines the contract boundary is critical to analyzing whether an insurer can use the PAA for some contracts. The PAA, or simplified approach, may be used where contract coverage period, including premiums included in the contract boundary, is one year or less or use of the PAA produces a liability.

The first step to assess its use is to define the contract boundary and hence the coverage period. Many non-life insurance contracts meet the first criteria by having a coverage period of one year or less. However, contracts with longer coverage periods, such as surety, engineering,

construction, or lenders mortgage insurance will need to demonstrate they meet the second criteria.

Non-life insurers in this scenario will need to develop more complex modeling than they currently apply, requiring more data and the development of long-term assumptions. This also means insurers will present financial statements with a mix of valuation techniques, complicating the way results are analyzed and communicated.

The premium allocation approach assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Assessment of whether an individual or a set of contracts belongs to those groups is based on the likelihood of changes in applicable facts and circumstances.

Longer-term non-life contracts, such as construction, engineering, and lenders mortgage insurance, may not meet the criteria. As a result, the insurer will face additional complexity in its valuation, modeling, and associated processes. Some life insurance contracts currently using long-duration measurement models may qualify to be able to use the PAA approach, which simplifies the modeling required but may also lead to unexpected results.

Reinsurance Contracts Held

An entity may use the premium allocation approach to simplify the measurement of a group of reinsurance contracts held, if at the inception of the group the entity reasonably expects that the resulting measurement would not differ materially from the measurement applying the general model or the coverage period for each contract in the group of reinsurance contracts held is one year or less.

Because groups of reinsurance contracts held are separate from groups of underlying insurance contracts, the assessment of whether a group of reinsurance contracts meets the conditions for applying the premium allocation approach may differ from the assessment of whether the group(s) of underlying contracts meet(s) those conditions. The following example demonstrates the premium allocation approach eligibility assessment for a group of underlying insurance contracts and a group of reinsurance contracts held that provide reinsurance coverage on the group of underlying contracts.

Long Duration Contracts

A Long Duration Contract is one that is generally not subject to unilateral changes in its provisions and requires the performance of various functions and services (including insurance protection) for an extended period. Examples include contracts that are non-cancellable or guaranteed renewable by the insurer, such as most term and whole life insurance and payout annuity contracts.

According to the revised guidance, the non-participating traditional insurance contracts and limited-payment contracts that are measured using the net level premium measurement approach are covered. Annual or more frequent updating of insurance assumptions is required, with the impact on the liability recognized on a retrospective catch up basis as a separate component of benefit expense. There is no provision for adverse deviation. The net premium ratio is capped at 100%, which replaces the premium deficiency test. Contracts from different issue years will no longer be permitted to be grouped, effectively resulting in a lower level of aggregation for determining contracts in a loss position.

The discount rate is standardized to an upper-medium grade (low credit risk) fixed-income corporate instrument yield ("single A") that reflects the duration characteristics of the liability rather than expected investment yields. The discount rate is required to be updated at each reporting date, with the effect of discount rate changes on the liability recorded in other comprehensive income (OCI). The contract inception date discount rate is locked in for benefit expense purposes.

SubLedger

The subledger function enables you to pass IFRS 17 compliant journal entries that are based on the results of Contractual Service Margin (CSM) calculations. The solution has seamless connectivity between the CSM engine and the subledger function. The CSM results, that available post-execution, allow you to execute the subledger definitions.

The subledger function picks up data from the relevant tables and passes entries by using the pre-approved accounting rules. The entries are passed only for the runs that are marked for reporting.

The subledger function comes with pre-ceded IFRS 17 compliant accounting rules that are configurable and can be customized. In terms of output, the solution comes with out of box reports including a journal entry report and a ledger closing balance report. Both these reports are available at the selected granularity levels.

4

Application Workflow

This chapter provides you the application workflow of various modules.

This chapter includes the following sections:

- Level of Aggregation
- Calculation Preferences
- Liability Calculations
- SubLedger
- SubLedger Manual Adjustment

Level of Aggregation

The IFRS17 mandates the insurance companies to recognize the group of insurance contracts that are managed together. All insurance products which share similar risk can be setup together using the Level of Aggregation section of OFS Insurance IFRS 17 Analyzer application. This helps you to set up portfolios and indicate the basis on which the underlying insurance contracts have to be grouped for measurement and reporting the estimates based on IFRS 17 requirements.

Insurance companies a possess large portfolio of contracts that have to be managed and assessed for the net liabilities. The Level of Aggregation enables insurance companies to identify and group together similar insurance contracts. The aggregation of the contractual service margin and the net liability is derived from the individual contracts within the Level of Aggregation.

The extent to which contracts are aggregated may have a significant impact on the statement of comprehensive income of an insurance entity and its systems, processes, and data. The insurance contracts can be grouped within a Legal Entity and Line of business, based on other parameters such as geography, year of inception, and remaining term.

Access Level of Aggregation

You can access the Level of Aggregation section by clicking the Level of Aggregation element from the LHS navigation menu of the application. Upon clicking this element, the Level of Aggregation section is displayed as depicted in the following figure:

This page displays the existing Level of Aggregation definitions in the *Aggregation Summary* grid. This page also enables you to define a Level of Aggregation, edit the existing definitions, and view the details of the existing definitions.

Search for Level of Aggregation Definitions

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions, enter the keyword in the **Name** field, **Code** field, and/or select a folder from the drop-down list adjacent to the Folder field before clicking the **Search** button.

The list of Level of Aggregation definitions in the *Aggregation Summary* grid is refreshed and the definitions that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Create a New Level of Aggregation Definition

The Level of Aggregation page enables you to create new definitions. Perform the following procedure to create a new Level of Aggregation definition:

1. Click the **Add** button, from the *Aggregation Summary* grid.

    The *Level of Aggregation Definition* window is displayed:

2. Populate the form as tabulated:

Table 4–1   Create New Level of Aggregation Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	

Table 4–1   Create New Level of Aggregation Definition

Field	Description
Aggregation Level grid	
Name	Enter a name for the Level of Aggregation definition.
Description	Enter a short description of the Level of Aggregation definition.
Folder	Click the drop-down list adjacent to this field and select a folder.
Legal Entity	Click the **Hierarchy Selection** icon adjacent to the text field and select the required Legal Entity from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
Line of Business	Click the **Hierarchy Selection** icon adjacent to the text field and select the required Line of Business from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
Code	Enter the code for calculation preferences.
Portfolio Dimensions grid	
All the fields in this grid require you to enable/disable the fields using the enable/disable button.	
Geography	Click the **Hierarchy Selection** icon adjacent to the text field and select the required Geography from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
Product	Click the **Hierarchy Selection** icon adjacent to the text field and select the required Product from the Hierarchy Selection window.
	For more information, see the Hierarchy Selection section.
Currency	Click the drop-down list and select the required currency.
Coverage Type	Click the drop-down list and select the required coverage type.
Policy Term	Click the drop-down list and select the policy term.
Cohort Period	Click the drop-down list and select the cohort period.
	Available options are the following:
	• Annually
	• Half Yearly
	• Quarterly
	• Monthly
	You can select the cohort duration based on the financial year. If the cohort duration is selected as 'Annual', then all the contracts which are issued within the last one year will be grouped. For example, if the financial year starts in April, then all the contracts commenced between April to March will be grouped as a single cohort.
Reinsurance Held	Click to enable reinsurance.

3. Click the **Save** button to save the definition.

The saved definition is displayed in the *Aggregation Summary* grid of the *Level of Aggregation* page.

The Audit Trail section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. User Comments section enables you to add additional information as comments.

Edit Level of Aggregation Definition

You can edit the Level of Aggregation definitions from the Level of Aggregation Summary page. Perform the following procedure to edit an existing Level of Aggregation definition:

1. Select the checkbox adjacent to the Level of Aggregation definition you want to edit, from the *Aggregation Summary* grid.

2. Click the **Edit** button.

    The *Level of Aggregation Edit* window is displayed.

3. Update the required fields. For more information, see Create a New Level of Aggregation Definition section.

    Note: You cannot modify the definitions which are in Approved or In Use statuses.

    ---

1. Click the **Save** button to save the definition details.

    The saved definition is displayed in the *Aggregation Summary* grid of the *Level of Aggregation* page.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

View Level of Aggregation Definition

You can view the Level of Aggregation definitions from the Level of Aggregation Summary page. Perform the following procedure to view an existing Level of Aggregation definition:

1. Select the checkbox adjacent to the level of Aggregation definition you want to view, from the *Aggregation Summary* grid.

2. Click the **View** button.

    The *Level of Aggregation - View* window is displayed with the definition details.

    Note: You cannot edit any of the fields in **View** mode.

Calculation Preferences

One of the core requirements of IFRS17 is to calculate the insurance liabilities in such a way that each component of the liability is segregated explicitly so that those are visible to you. For example, in the General Measurement Model, the entity is asked to distinctly provide the best estimate liability cash flows, the effect of discounting, the risk adjustment performed, and the best estimates. Further to this requirement, the entity is also required to study the movement analysis of each of these breakups between each reporting date.

As a mandate from IFRS 17, Insurance companies are required to provide the disclosures for every reporting period. IFRS 17 requires specific disclosure about the nature of risks from insurance contracts, any assumptions or judgments made, and the actual amounts recognized in the financial statement. However, IFRS 17 has specified the approach on a broader perspective which can be implemented in different ways by each organization.

The Calculation Preferences section enables the insurance companies to define the required formulas to arrive at the Contractual Service Margin, the Net Liability, and the Loss Components in their way, based on various parameters and variables. This provides the ability to implement the disclosure requirements according to their processes and assumptions. The application provides you a default set of formulas as well.

Access Calculation Preferences

You can access the Calculation Preferences section by clicking the Calculation Preferences element from the LHS navigation menu of the application. Upon clicking this element, the Calculation Preferences section is displayed as depicted in the following figure:

This page displays the existing Calculation Preferences definitions in the *Calculation Preferences Summary* grid. This page also enables you to define new Calculation Preference, edit the existing definitions, and view the details of the existing definitions.

Search for Calculation Preferences Definitions

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions, enter the keyword in the **Name** field and/or select a folder from the drop-down list adjacent to the **Folder** field before clicking the **Search** button.

The list of Calculation Preference definitions in the *Calculation Preferences Summary* grid is refreshed and the definitions that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Create New Calculation Preferences Definition

The Calculation Preferences page enables you to create new definitions. Perform the following procedure to create a new Calculation Preference definition:

1. Click the **Add** button, from the *Calculation Preferences Summary* grid.

   The *Calculation Preferences Definition* window is displayed:

2. Populate the form as tabulated:

Table 4–2   Create New Calculation Preferences Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Preference Details grid	
Name	Enter a name for the Level of Aggregation definition.
Description	Enter a short description of the Calculation Preference definition.
Folder	Click the drop-down list adjacent to this field and select a folder.
Reinsurance Held	Slide to enable if you want to use the Reinsurance feature. Upon enabling this option, the **Reinsurance Type** field is displayed.
Reinsurance Type	Click the drop-down list and select the type of reinsurance contract. Available options are the following: • Prospective • Retrospective **Note**: This field is displayed only if you have enabled the **Reinsurance Held** option.
Method	Click the drop-down list adjacent to this field and select a method. The application supports the following methods: • General Measurement Model • Long Duration Contracts • Premium Allocation Approach • Variable Fee Approach **Note**: The Variable Fee Approach is not available if you have selected Reinsurance.
Default	Select the button to mark the definitions as default. **Note**: Ensure that there is one default definition present per Folder and per Method in case of insurance contracts. This criterion is updated as per Folder, per Reinsurance Type, and per Method in case of reinsurance.
Calculation for Onerous Contracts	Select the checkbox adjacent to this field, if the calculation is for onerous contracts. **Note**: This option is available only for Premium Allocation Approach.
Disaggregate insurance Finance Expense	Click and enable if you want to disaggregate insurance finance expenses. Upon enabling this option, the **Disaggregate Type** field is enabled. **Note**: This is available only for the GMM method.
Disaggregate Type	Click the drop-down list and select the disaggregate type.
Include Risk Adjustment	Click and enable if you want to include risk adjustment. **Note**: This is available only for the GMM method.
Limited Payment Contract	Click and enable if you want to enable a limited payment contract. **Note**: This is available only for Long Duration Contracts method.
Disaggregate Insurance Finance Expense for Liability for Incurred Claims	Click and enable if you want to disaggregate insurance finance expenses for liability for incurred claims. Upon enabling this option, the **Disaggregate Type** field is enabled. **Note**: This is available only for the PAA method.

Table 4–2   Create New Calculation Preferences Definition

Field	Description
Disaggregate Type	Click the drop-down list and select the disaggregate type.

Output Parameters grid

Depending on the method selected, the fields in this grid are refreshed.

- General Measurement Model
- Premium Allocation Approach
- Variable Fee Approach

General Measurement Model

Populate the form for *Present Value of Future Cash Flows*, *Risk Adjustment*, *Acquisition Cost*, and *Contractual Service Margin* grids in the *Movement Analysis* tab.

Opening Balance	This field displays the closing balance of the previous reporting date.

Click the following icon adjacent to the text field and use the Parameters and Operators to define expressions, in the *Calculation Configuration* window for the following fields

- Change Related to Future Services:New Contracts
- Change Related to Future Services
- Change Related to Future Services
- Cash Inflow
- Insurance Finance Expense
- Changes Related to Current Service
- Cash Outflow
- Closing Balance

Populate the form for *Liability For Remaining Coverage*, *Liability For Incurred Claims*, and *Loss Component Of The Liability For Remaining Coverage* grids in the *Reconciliation* tab.

Opening Balance	This field displays the closing balance of the previous reporting date.

Click the following icon adjacent to the text field and use the Parameters and Operators to define expressions, in the *Calculation Configuration* window for the following fields

- Cash Inflow
- Insurance Revenue
- Insurance Acquisition Cashflow
- Insurance Service Expenses:Loss On New Contract
- Insurance Service Expenses:Loss On Ongoing Contract
- Insurance Service Expenses:Incurred Expenses
- Insurance Service Expenses:Reversal of Loss On Onerous Contract
- Investment Component
- Insurance Finance Expense
- Cash Outflows
- Closing Balance

Table 4–2   Create New Calculation Preferences Definition

Field	Description
Long Duration Contracts	
Populate the form for *Present Value of Expected Future Policy Benefits*, *Present Value of Expected Net Premiums*, and *Deferred Acquisition Cost* grids in the *Movement Analysis* tab.	
Opening Balance At Current Discount Rate	This field displays the closing balance of the previous reporting date At Current Discount Rate.
Opening Balance At Original Discount Rate	This field displays the closing balance of the previous reporting date At Original Discount Rate.

Click the following icon adjacent to the text field and use the Parameters and Operators to define expressions, in the *Calculation Configuration* window for the following fields

- Effect of changes in cash flow assumptions
- Effect of actual variances from expected experience
- Adjusted beginning of year balance At Original Discount Rate
- Opening Balance For New Business
- Benefit Payouts
- Derecognition (lapses)
- Interest Accretion
- Closing balance at the original discount rate
- Effect Of Changes In Discount Rate Assumptions
- Closing Balance At Current Discount Rate

Premium Allocation Approach

Populate the form for *Liability For Remaining Coverage*, *Liability For Incurred Claims*, *Acquisition Cash Flow*, *Cash InFlow*, and *Contractual Service Margin* grids in the *Liability Analysis* tab.

Opening Balance	This field displays the closing balance of the previous reporting date.
Opening Balance Net Of Acquisition Cost	This field displays the Closing Balance Net Of Acquisition Cost of the previous reporting date.

Table 4–2   Create New Calculation Preferences Definition

Field	Description
Click the following icon adjacent to the text field and use the Parameters and Operators to define expressions, in the *Calculation Configuration* window for the following fields	

- Cash Inflow For New Business
- Cash Inflow For Ongoing Business
- Liability for Onerous Contract- New Business
- Acquisition Cash Flow
- Amortization Of Acquisition Cash Flow
- Insurance Finance Expense
- Insurance Revenue
- Change In Estimate Of Future Claim value
- Change In Risk Adjustment For Non Financial Risk
- Investment Component Outgo
- Cash Outflow
- Liability for Onerous Contract- Ongoing Business

Field	Description
Closing Balance	Closing Balances for the following are calculated: • Liability For Remaining Coverage • Liability For Incurred Claims • Acquisition Cash Flow • Cash InFlow • Contractual Service Margin
Closing Balance Net Of Acquisition Cost	Closing Balances Net Of Acquisition Cost for the following are calculated: • Liability For Remaining Coverage • Liability For Incurred Claims • Acquisition Cash Flow • Cash InFlow • Contractual Service Margin

Variable Fee Approach

Populate the form for *Present Value of Future Cash Flows*, *Risk Adjustment*, and *Contractual Service Margin* grids in the *Movement Analysis* tab.

Field	Description
Opening Balance	This field displays the closing balance of the previous reporting date.

Table 4–2   Create New Calculation Preferences Definition

Field	Description
	Click the following icon adjacent to the text field and use the Parameters and Operators to define expressions, in the *Calculation Configuration* window for the following fields

- Change Related to Future Services:New Contracts
- Change Related to Future Services
- Cash Inflow
- Change In Fair Value Of Underlying Items
- Changes Related to Current Service
- Cash Outflow

Closing Balance	Closing Balance is calculated for the following:

- Present Value Of Future Cash Flows
- Risk Adjustment
- Contractual Service Margin

Populate the form for *Liability For Remaining Coverage*, *Liability For Incurred Claims*, and *Loss Component Of The Liability For Remaining Coverage* grids in the *Reconciliation* tab.

Opening Balance	This field displays the closing balance of the previous reporting date.

Click the following icon adjacent to the text field and use the Parameters and Operators to define expressions, in the *Calculation Configuration* window for the following fields

- Cash Inflow
- Insurance Revenue
- Insurance Acquisition Cashflow
- Insurance Service Expenses:Loss On New Contract
- Insurance Service Expenses:Loss On Ongoing Contract
- Insurance Service Expenses:Incurred Expenses
- Insurance Service Expenses:Reversal of Loss On Onerous Contract
- Investment Component
- Insurance Finance Expense
- Cash Outflows

Closing Balance	Closing Balance is calculated for the following:

- Liability For Remaining Coverage
- Liability For Incurred Claims
- Loss Component Of The Liability For Remaining Coverage

3. Click the **Save** button to save the definition.

   The saved definition is displayed in the *Calculation Preferences Summary* grid of the *Calculation Preferences* page.

4. Click **Submit** to submit the definition for the Approval workflow.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Note: Calculation Template Validations are applicable only with data in Source tables.

Edit Calculation Preferences Definition

You can edit the Calculation Preference definitions from the *Calculation Preference Summary* page. Perform the following procedure to edit an existing Calculation Preference definition:

1. Select the checkbox adjacent to the Calculation Preference definition you want to edit, from the *Calculation Preference Summary* grid.

2. Click **Edit**.

   The *Calculation Preference Edit* window is displayed.

3. Update the required fields. For more information, see Create New Calculation Preferences Definition section.

Note: You cannot modify the definitions which are in **Approved** or **In Use** statuses.

---

4. Click **Save** to save the definition details.

   The saved definition is displayed in the *Calculation Preferences Summary* grid of the *Calculation Preferences* page.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

View Calculation Preferences Definition

You can view the Calculation Preference definitions from the *Calculation Preferences Summary* page. Perform the following procedure to view an existing Calculation Preference definition:

1. Select the checkbox adjacent to the Calculation Preference definition you want to view, from the *Calculation Preferences Summary* grid.

2. Click the **View** button.

   The *Calculation Preference - View* window is displayed with the definition details.

Note: You cannot edit any of the fields in **View** mode.

Copy Calculation Preferences Definition

The copy feature enables you to use an existing definition to create a new definition. This feature is useful when you want to change the Interest Rate or Amortization rate for Sensitivity Analysis.

To copy an existing definition, perform the following procedure:

1. Select the checkbox adjacent to the Calculation Preference definition you want to copy, from the *Calculation Preference Summary* grid.

2. Click the **Copy** button.

    The *Save As* window is displayed.

3. Enter the Name, Description, and Folder fields.

4. Click **Save** to save the definition details.

    The saved definition is displayed in the *Calculation Preferences Summary* grid of the *Calculation Preferences* page.

    You can further edit the definition and submit for the Approval workflow.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Retire Calculation Preferences Definition

The retire feature enables you to disable unwanted Calculation Preference definitions.

To retire an existing definition, perform the following procedure:

1. Select the checkbox adjacent to the Calculation Preference definition you want to retire, from the *Calculation Preference Summary* grid.

2. Click **Retire**.

    The *Calculation Preference Summary > Details* window is displayed.

3. Update the required Output Parameters.

4. Click **Retire** button to retire the definition.

    The retired definition is displayed in the *Calculation Preferences Summary* grid of the *Calculation Preferences* page.

    The Workflow status of the retired definitions is changed to **Retired**.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Liability Calculations

The liability arising from the insurance contracts under IFRS 17 has to be considered in the books of accounts. The net liability is calculated using the present value of the cash flows of the contract, risk adjustment, and assumption. The Liability Calculations allow you to set up the Level of Aggregations, the assumptions, and the method which will be considered for calculation of the net liability for each of the contracts under the Level of Aggregation. This can be performed once the Level of Aggregation and assumptions are created. The same Run can be executed for each reporting period, which calculates the CSM, net liabilities, and so on, for the respective reporting period.

After setting up the Level of Aggregation, assumption set per Level of Aggregation, and Calculation Preference, you can execute the calculation for all the Level of Aggregations selected per calculation method. The Liability Calculation is triggered and the output is generated which is further used to generate the IFRS17 reports.

You can provide multiple scenarios for performing the IFRS17 executions. Each scenario can be marked as either a Base scenario or What if analysis or Scenario for onerous classification.

The base scenario will be used for calculating the actual results on the execution date. The onerous classification scenarios are used for calculating the onerous classification at inception. The what-if analysis will be used for calculating the IFRS17 liability trends for the current period and future periods that will in turn be used for comparison and other management purposes. The calculation results from the base scenario will be used for accounting purposes.

Access Liability Calculations

You can access the Liability Calculations section by clicking the Liability Calculations element from the LHS navigation menu of the application. Upon clicking this element, the Liability Calculations section is displayed as depicted in the following figure:

This page displays the existing Liability Calculation definitions in the *Liability Calculations Summary* grid. This page also enables you to define new Liability Calculation, edit the existing definitions, and view the details of the existing definitions.

Search for Liability Calculation Definitions

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions, enter the keyword in the **Name** field and/or select a folder from the drop-down list adjacent to the Folder field before clicking the **Search** button.

The list of Liability Calculation definitions in the Liability Calculations Summary grid is refreshed and the definitions that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Create New Liability Calculation Definition

The *Liability Calculations* page enables you to create new definitions. Perform the following procedure to create a new Liability Calculation definition:

1. Click the **Add** button, from the *Liability Calculations Summary* grid.

    The *Liability Calculation Definition* window is displayed:

2. Populate the form as tabulated:

Table 4–3 Create New Liability Calculations Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Aggregation Level grid	
Name	Enter a name for the Liability Calculation definition.
Description	Enter a short description of the Liability Calculation definition.
Folder	Click the drop-down list adjacent to this field and select a folder.
Legal Entity	Click the following icon adjacent to the text field and select the required Legal Entity from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
Line of Business	Click the following icon adjacent to the text field and select the required Line of Business from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
Run Type	Click the drop-down list adjacent to this field and select a run type.
Reinsurance Held	Click and enable if you want to use the Reinsurance feature.
	Upon enabling this, the reinsurance methods and reinsurance calculation preferences fields are displayed.

Table 4–3   Create New Liability Calculations Definition

Field	Description
Insurance Contract Calculation Method	Click the drop-down list adjacent to this field and select a method from the following list of available methods. • General Measurement Model • Premium Allocation Approach • Variable Fee Approach
Insurance Calculation Preference	Click the drop-down list adjacent to this field and select a calculation method from the list of available calculation methods.
Proportional Reinsurance method	Click the drop-down list adjacent to this field and select a method from the following list of available methods. • General Measurement Model • Premium Allocation Approach
Proportional Reinsurance calculation preference	Click the drop-down list adjacent to this field and select a calculation method from the list of available calculation methods.
Non-Proportional Reinsurance method	Click the drop-down list adjacent to this field and select a method from the following list of available methods. • General Measurement Model • Premium Allocation Approach
Non-Proportional Reinsurance calculation preference	Click the drop-down list adjacent to this field and select a calculation method from the list of available calculation methods.
Projection In Years	Enter the number of years for which the data has to be projected, in this field.
Use for Reporting	Enable this button if you want to use this liability calculation definition for the reporting purpose. **Note**: This indicator should be enabled only once for an Liability Calculation run for a particular legal entity and line of business. Only then the outputs generated through this execution will be used for generating the journal entries for the given line of business and legal entity.
Projection Frequency	Click the drop-down list adjacent to this field and select the Projection Frequency. Available values are the following: • Annually • Half Yearly • Quarterly • Monthly

3. Click the **Add** button from the *Level of Aggregation* grid and select the required Level of Aggregation definitions from the *Level of Aggregation List*. For more information, see the Level of Aggregation Chapter.

   You can also click the **View Details** link adjacent to each Level of Aggregation definition, to view the definition details.

4. Click the **Save** button to save the definition.

   The saved definition is displayed in the *Aggregation Summary* grid of the *Level of Aggregation* page.

5. Click the **Submit** button to submit the Liability Calculation definition for the Approval workflow.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Edit Liability Calculation Definition

You can edit the Liability Calculation definitions from the *Liability Calculation Summary* page. Perform the following procedure to edit an existing Liability Calculation definition:

1. Select the checkbox adjacent to the Liability Calculation definition you want to edit, from the *Liability Calculations Summary* grid.

2. Click the **Edit** button.

    The *Liability Calculations Edit* window is displayed.

3. Update the required fields. For more information, see Create New Liability Calculation Definition section.

4. Click the **Save** button to save the definition details.

    The saved definition is displayed in the *Liability Calculations Summary* grid of the *Liability Calculations* page.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

View Liability Calculation Definition

You can view the Liability Calculation definitions from the *Liability Calculation Summary* page. Perform the following procedure to view an existing Liability Calculation definition:

1. Select the checkbox adjacent to the Liability Calculation definition you want to view, from the *Liability Calculations Summary* grid.

2. Click the **View** button.

    The *Liability Calculation - View* window is displayed.

    Note: You cannot edit any of the fields in **View** mode.

Run Liability Calculation Definition

To execute the Liability Calculation Definition, perform the following procedure:

    Note: You can run only Approved definitions.
    ---

1. Select the checkbox adjacent to the Liability Calculation definition you want to run, from the *Liability Calculations Summary* grid.

    The *Date Selection* window is displayed.

2. Use the Calendar icon to select the required date in the **Date** field.

    The *Liability Calculation - View* window is displayed.

3. Click **OK**.

The selected Liability Calculation definition is marked for execution.

There is no restriction on the execution frequency of the Run. The projection frequency is provided while configuring the Run. For example, the execution date is 15th January 2018 and the projection frequency is quarterly, the actual data is calculated on 15th January and the CSM projection is performed on 15th April, 15th July, and so on.

If you want to compare the projections of two runs, the actual execution frequency of those two runs should be the same to get the desired results.

Copy Liability Calculation Definition

The copy feature enables you to use an existing definition to create a new definition. To copy an existing definition, perform the following procedure:

1. Select the checkbox adjacent to the Liability Calculation definition you want to copy, from the *Liability Calculation Summary* grid.

2. Click the **Copy** button.

   The *Save As* window is displayed.

3. Enter the Name and Description fields.

4. Click **Save** to save the definition details.

   The saved definition is displayed in the *Liability Calculation Summary* grid of the *Liability Calculation* page.

   You can further edit the definition and submit for the Approval workflow.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Retire Liability Calculation Definition

The retire feature enables you to disable unwanted Liability Calculation definitions.

To retire an existing definition, perform the following procedure:

1. Select the checkbox adjacent to the Liability Calculation definition you want to retire, from the *Liability Calculations Summary* grid.

   Note: You cannot retire the definitions in **Success** or **Failed** statuses.
   ---

2. Click the **Retire** button.

   The *Liability Calculations Summary > Details* window is displayed.

3. Update the required Level of Aggregation details.

4. Click **Retire** to retire the definition.

   The retired definition is displayed in the *Liability Calculations Summary* grid of the *Liability Calculations* page.

   The Workflow status of the retired definitions is changed to **Retired**.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

SubLedger

A subledger can generate calculations for cash flows. The granular level of data stored in the subledger can be used to generate the best estimate cash flows. It uses data along with implied allocations from expenses, taxes, investment income, and so on. A subledger generates bookings and reports to feed out to general ledgers, management reporting, and analysis tools. By maintaining detailed data and handling complex calculations and reconciliations, it takes stress off general ledgers. This allows for GL consolidation, cloud migration, and provides the accuracy and suitability of ledger data.

Access SubLedger

You can access the SubLedger section by clicking the SubLedger element from the LHS navigation menu of the application. Upon clicking this element, the SubLedger section is displayed as depicted in the following figure:

This page displays the existing SubLedger definitions in the *SubLedger Definition* grid. This page also enables you to define new SubLedger Definition, edit the existing definitions, view the details of the existing definitions, run the definitions, and create new versions of the existing definitions.

Search for SubLedger Definitions

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions, select the required items from the Hierarchy Folder and Hierarchy fields, and click the **Search** button.

The list of SubLedger definitions in the *SubLedger Definition* grid is refreshed and the definitions that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Create New SubLedger Definition

The *SubLedger Definition Summary* page enables you to create new definitions. Perform the following procedure to create a new SubLedger definition:

1. Click the **Add** button, from the *SubLedger Definition* grid.

   The *SubLedger Process* window is displayed:

The *SubLedger Process* window displays the *SubLedger Definition* grid. The definition contains three-step processing as depicted in the following figure.
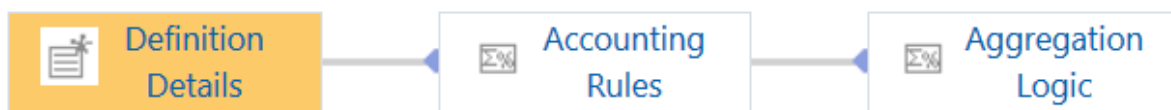
By default, the **Definition Details** process is displayed.

2. Populate the form in the **Definition Details** process as tabulated:

Table 4–4   Create New SubLedger Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Domain	By default, the domain is selected as Insurance. You cannot change this.
Sub Domain	Click the drop-down list adjacent to this field and select a sub-domain.
GAAP Code	Click the drop-down list adjacent to this field and select a GAAP Code.
Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.
Legal Entity	Click the following icon adjacent to the text field and select the required Legal Entity from the *Hierarchy Selection* window. For more information, see the Hierarchy Selection section.
Run Type	Click the drop-down list adjacent to this field and select the option either as Solo or Consolidated.
LOB Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.

Table 4–4   Create New SubLedger Definition

Field	Description
Line of Business	Click the following icon adjacent to the text field and select the required Line of Business from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
Reporting Currency	Click the drop-down list adjacent to this field and select a currency.
Calculation Method	Click the drop-down list adjacent to this field and select a calculation method
Version	During creating a definition, the version is set to 0. You cannot change this.
Effective From Date	Click the calendar icon and select an effective date.
	Note: The effective date should be on or before the current date.

3. Click **Save** to save the definition.

4. Click the **Accounting Rules** process.

   The *Accounting Rules* grid with the *Copy Accounting Rules* grid is displayed.

5. Populate the form in the **Accounting Rules** process as tabulated:

Table 4–5   Create New SubLedger Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.
Legal Entity	Click the following icon adjacent to the text field and select the required Legal Entity from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
LOB Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.
Line of Business	Click the following icon adjacent to the text field and select the required Line of Business from the *Hierarchy Selection* window.
	For more information, see the Hierarchy Selection section.
GAAP Code	Click the drop-down list adjacent to this field and select a GAAP Code.
Run Type	Click the drop-down list adjacent to this field and select the option either as Solo or Consolidated.
Version	Click the drop-down list adjacent to this field and select a a version.
Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.

Table 4–5   Create New SubLedger Definition

Field	Description
Hierarchy	Click the drop-down list adjacent to this field and select a hierarchy.
Select GL Accounts	Click the following icon adjacent to the text field and select the required GL Accounts from the *Hierarchy Selection* window.
	For more information, see Hierarchy Selection section.
Accounting Attributes	Click the drop-down adjacent to this field and select an attribute.
Modify Accounts for Opposite Signage	Select this checkbox if you want to modify accounts for opposite signage.
Journal Comments	Enter the required comments.
Workflow Comments	Enter the required comments.

6. In the Account Mapping column, click the icon.

7. Populate the form in the **Account Mapping** section as tabulated:

Table 4–6   Create New SubLedger Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Debit Account	Click the drop-down list adjacent to this field and select an account.
Debit Source Column	Click the drop-down list adjacent to this field and select a debit source.
Credit Account	Click the drop-down list adjacent to this field and select an account.
Credit Source Column	Click the drop-down list adjacent to this field and select a credit source.

8. Click the **Apply** button to save the definition.

9. Click the **Aggregation Logic** process.

The *Aggregation Attributes* grid is displayed.

This grid displays the Cohort Coverage type, Inception year, Level of aggregation, Line of business, Location, Onerous classification, and Products attributes.

10. Select the checkbox(s) adjacent to the required attributes.

11. Click **Save** to save the definition.

12. Click **Submit** to submit the SubLedger definition.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Edit a SubLedger Definition

You can edit the SubLedger definitions from the *SubLedger Definition Summary* page. Perform the following procedure to edit an existing SubLedger definition:

1. Select the checkbox adjacent to the SubLedger definition you want to edit, from the *SubLedger Definition* grid.

2. Click the **Edit** button.

   The *SubLedger Process* window is displayed.

3. Update the required fields. For more information, see Create New SubLedger Definition section.

4. Click the **Save** button to save the definition details.

   The saved definition is displayed in the *SubLedger Definition* grid of the *SubLedger Definition Summary* page.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

View SubLedger Definition

You can view the SubLedger definitions from the *SubLedger Definition Summary* page. Perform the following procedure to view an existing SubLedger definition:

1. Select the checkbox adjacent to the SubLedger definition you want to view, from the *SubLedger Definition* grid.

2. Click the **View** button.

   The *SubLedger Process* window is displayed with the definition details.

Run SubLedger Definition

To execute the SubLedger Definition, perform the following procedure:

> **Note**: You can run only Approved definitions.

1. Select the checkbox adjacent to the SubLedger definition you want to run, from the *SubLedger Definition* grid.

2. Click **Run** icon.

   The *Date Selection* window is displayed.

3. Click the **Calendar** icon and select a date.

4. Enter a version of the definition which you want to execute in the **Version no** field.

5. Enter a description in the **Execution Description** field.

6. Use the Calendar icon to select the required date in the **Date** field.

7. Click the **Execute** button.

   The selected SubLedger definition is marked for execution.

Finalize a SubLedger Run

Finalizing a sub ledger run enables you to conclude the journal entries of the associated base run and manual adjustment run. You can finalize base sub ledger approved runs. If you want to perform further manual adjustments, then you must perform these steps once again to reflect the same through the journal entries. Perform the following procedure to finalize a SubLedger run from the *SubLedger Definition Summary* page:

1. Select the SubLedger definition you want to finalize from the *SubLedger Definition* grid.

2. In the **Version Details** column, click **View**.

    The *Version Details* sub-section appears.

3. In the **Number of Executions** column, select the value.
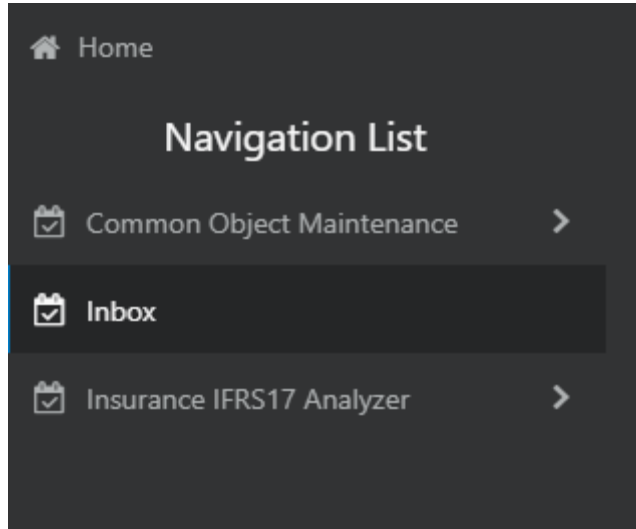
    The **Finalize** window appears.

4. Select the Execution ID of the sub-ledger run that you want to finalize, and then click **Finalize**.

    A message appears, confirming that the version was successfully finalized.

Approve or Reject a Subledger Definition

You can Approve or Reject a SubLedger definition if you have the Approver rights, from the Inbox menu. Perform the following steps to Approve or Reject a Subledger definition:

1. In the left pane, select **Inbox**.

The **Inbox** page appears.

2. In the Task ID section, select the link of the subledger definition that you want to Approve or Reject.

The SubLedger Process window is displayed.

3. Select either **Approve** or **Reject**.

    The SubLedger Definition is either Approved or Rejected.

Create a New Version of the SubLedger Definition

You can edit the SubLedger definitions from the *SubLedger Definition Summary* page and create a new version with minor updates. Perform the following procedure to create a new version of an existing SubLedger definition:

1. Select the checkbox adjacent to the SubLedger definition you want to edit, from the *SubLedger Definition* grid.

2. Click the **New Version** button.

    Note: You can create new versions only for the **Approved** definitions.

    The *SubLedger Process* window is displayed.

3. Update the required fields. For more information, see Create New SubLedger Definition section.

4. Click **Save** to save the definition details.

    The saved definition is displayed in the *SubLedger Definition* grid of the *SubLedger Definition Summary* page.

SubLedger Manual Adjustment

The SubLedger Manual Adjustment enables you to update the batch details of approved SubLedger definitions.

Access SubLedger Manual Adjustment

You can access the SubLedger Manual Adjustment section by clicking the SL Manual Adjustment element from the LHS navigation menu of the application. Upon clicking this element, the *Manual Adjustment Summary* section is displayed as depicted in the following figure:

This page displays the existing SubLedger Manual Adjustment definitions in the *Batch Details* grid. This page also enables you to define new SubLedger Manual Adjustment Definition, edit the existing definitions, view the details of the existing definitions, and run the definitions.

Search for SubLedger Manual Adjustment Definitions

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions, enter required keywords in the Batch ID Like, Batch Description Like, Start Date, and/or End Date fields and click the **Search** button.

The list of SubLedger Manual Adjustment definitions in the Batch Details grid is refreshed and the definitions that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Create New SubLedger Manual Adjustment Definition

The *Manual Adjustment Summary* page enables you to create new definitions. Perform the following procedure to create a new SubLedger Manual Adjustment definition:

1. Click the **Add** button, from the *Batch Details* grid.

   The *SubLedger Manual Adjustment* window is displayed with *SubLedger Definition Details* grid:

2. Populate the form in the *SubLedger Definition Details* grid as tabulated:

Table 4–7   Create New SubLedger Manual Adjustment Definition

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Domain	By default, the domain is selected as Insurance. You cannot change this.
Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.
Legal Entity	Click the following icon adjacent to the text field and select the required Legal Entity from the *Hierarchy Selection* window. For more information, see the Hierarchy Selection section.
LOB Hierarchy Folder	Click the drop-down list adjacent to this field and select a folder.
Line of Business	Click the following icon adjacent to the text field and select the required Line of Business from the *Hierarchy Selection* window. For more information, see the Hierarchy Selection section.
GAAP Code	Click the drop-down list adjacent to this field and select a GAAP Code.
Calculation Method	Click the drop-down list adjacent to this field and select a Calculation Method.
Run Type	Click the drop-down list adjacent to this field and select the option either as Solo or Consolidated.

3. Click **Search** to search for SubLedger definitions with the entered data.

4. Click the drop-down list adjacent to the **Reporting Currency** field and select a currency.

5. Click the drop-down list adjacent to the **Status** field and select a status.

6. Click the calendar icon adjacent to the **FIC MIS Date** field and select a date from the calendar.

   All the executions performed on the selected date are displayed in the **Execution ID** drop-down.

7. Click the drop-down list adjacent to the **Execution ID** field and select an execution ID.

8. Click **Submit** to save and submit the definition.

9. Click **Save** to save the definition.

Edit SubLedger Manual Adjustment Definition

You can edit the SubLedger Manual Adjustment definitions from the *Manual Adjustment Summary* page. Perform the following procedure to edit an existing SubLedger Manual Adjustment definition:

1. Select the checkbox adjacent to the SubLedger Manual Adjustment definition you want to edit, from the *Batch Details* grid.

2. Click the **Edit** button.

The *SubLedger Manual Adjustment* window is displayed with the *SubLedger Definition Details* grid.

3. Update the required fields. For more information, see Create New SubLedger Manual Adjustment Definition section.

4. Click **Save** to save the definition details.

The saved definition is displayed in the *Batch Details* grid of the *Manual Adjustment Summary* page.

View SubLedger Manual Adjustment Definition

You can view the SubLedger Manual Adjustment definitions from the *Manual Adjustment Summary* page. Perform the following procedure to view an existing SubLedger Manual Adjustment definition:

1. Select the checkbox adjacent to the SubLedger Manual Adjustment definition you want to view, from the *Batch Details* grid.

2. Click the **View** button.

The *SubLedger Manual Adjustment* window is displayed with the definition details. This window displays the *Aggregation Attributes* and *Accounting Rules* details as well.

Run SubLedger Manual Adjustment Definition

To execute the SubLedger Manual Adjustment Definition, perform the following procedure:

Note: You can run only Approved definitions.

---

1. Select the checkbox adjacent to the SubLedger Manual Adjustment definition you want to run, from the *Batch Details* grid.

2. Click **Run** icon.

The *Execution* window is displayed.

3. Enter the start date in the **Start Date** field.

4. Enter a description in the **Execution Description** field.

5. Click **Execute**.

The selected SubLedger Manual Adjustment definition is marked for execution.

Approve or Reject a Subledger Manual Adjustment

You can Approve or Reject a SubLedger Manual Adjustment if you have the Approver rights, from the Inbox menu. Perform the following steps to Approve or Reject a Subledger definition:

1. In the left pane, select **Inbox**.

The **Inbox** page appears.

2. In the Task ID section, select the link of the subledger definition that you want to Approve or Reject.

The SubLedger Process window is displayed.

3. Select either **Approve** or **Reject**.

The SubLedger Manual Adjustment is either Approved or Rejected.

5

Oracle Insurance IFRS 17 Analyzer Reports

Oracle Insurance IFRS 17 Analyzer application includes pre-packaged reports, which cater to disclosure requirements under IFRS 17. It also includes reports, which are created to help management in strategic decisions. All the reports are segregated in the following three Dashboards:

This chapter includes the following topics:

- Dedicated Disclosure Reports
- Projection of Contractual Service Margin
- Analytical Reports and Trend Reports
- List of IFRS 17 Reports

Dedicated Disclosure Reports

IFRS 17 guidelines lay specific emphasis on disclosures of key financial data while keeping the scope open on what constitutes an appropriate disclosure. The Application reports have a range of disclosure reports to track the Movement Analysis, Reconciliations, and Statement of Accounts.

Projection of Contractual Service Margin

The projection of Contractual Service Margin displays the projection as calculated based on the input variables and other parameters to extrapolate the output for the contract duration.

Analytical Reports and Trend Reports

The Analytical and Trend Reports helps in identifying the Onerous/Non Onerous contracts in different Legal Entities and other parameters which allows the Management in strategic decision making.

The Dashboards have a set of filters, which allow the users to access specific information the reports viewed and reported. The filters are Legal Entity, Reporting Date, Liability Calculation Run, and so on. In addition to the filters, users can view the reports in a specific Reporting currency.

List of IFRS 17 Reports

Following are the reports available as part of Oracle Insurance IFRS 17 Analyzer version:

Movement Analysis for General Measurement Model

This report provides a detailed analysis of changes/movements in insurance liabilities, during the coverage period of contracts under the General Measurement Model.

Statement of Accounts for General Measurement Model

This report displays the revenue and expenses which are generated by insurance services and investment in the reporting period. These data are taken forward to Profit and Loss statement under the General Measurement Model.

Reconciliation for General Measurement Model

This report helps in reconciling the data derived from the calculation of CSM/net liability under the General Measurement Model.

Movement Analysis for Premium Allocation Approach

This report provides a detailed analysis of changes/movements in insurance liabilities during the coverage period of the contract, under the Premium Allocation approach.

Statement of Accounts for Premium Allocation Approach

This report displays the revenue and expenses which are generated by insurance services and investment in the reporting period. These are taken forward to Profit and Loss statement under the Premium Allocation approach.

Summary of Group of Contracts

This report displays the total number of Groups/Contracts with the number of contracts in Onerous, Non-Onerous, and Others.

Trend of CSM Projection on Different Reporting Period

This report displays the difference in CSM and Loss component, based on calculations from different reporting periods.

Comparative Analysis between Different Runs

This report displays the difference between CSM and Projected values from different Runs for the same reporting period. This helps you to analyze the difference in output, based on different methods/assumptions.

Trend of Actual Vs Projected Contractual Service Margin

This report displays the trend of Actual CSM and the projected CSM over a time period.

Movement Analysis for Current and Past Year

This report displays the Opening Balances, Changes in Current, Future Services, and so on, for the current and past year for Present Value, Risk Adjustment, Insurance Contract Liability, and Contractual Service Margin.

Movement Analysis for Reinsurance

This report displays the Present Value of Cash Flows, Risk Adjustment, Contractual Service Margin, and Reinsurance Net Flow for Opening Balance, Change related to Future Services (New Contracts), Change related to Future Services, Cash Inflow, Insurance Finance Expense, Changes Related to Current Service, Cash Outflow, and Closing Balance.

Reconciliation Report for Reinsurance

This report displays the Liability for Remaining Coverage, Expected Recoveries for Incurred Claims, and Total Reinsurance Contracts Held for Opening Balance, Reinsurance Recovery, Reinsurance Premium Allocation, Insurance Service :Incurred Expenses, Insurance Finance Expense, Change in Risk of Reinsurer Performance, Cash Outflows, and Closing Balance.

Financial Statement for Reinsurance

This report displays the Amounts Recovered From Reinsurers, Expected Claim, Risk Adjustment Recognized, CSM Allocation, and Total value.

Liability Analysis for Reinsurance Held

This report displays the Liability for Remaining Coverage, Expected Recoveries for Incurred Claims, and Total Reinsurance Contracts Held for Opening Balance, Reinsurance Premium, Reinsurance Premium Allocation, Insurance Service Expenses:Incurred Expenses, Insurance Finance Expense, Change In Estimate of Future Claim Recoverable, Change in Risk Adjustment for Claim Recoverable Non-Financial Risk, Reinsurance Recoverable, and Closing Balance.

Financial Statement for Reinsurance

This report displays the Reinsurance Recovery, Allocation of Reinsurance Premiums, Insurance Expense Reinsurance Contracts, Insurance Finance Expense from Reinsurance Held, and Net Expense from Reinsurance Held.

Comparison Report - Liability Analysis without Onerous for Premium Allocation Approach

This report displays the Liability for Remaining Coverage, Liability for Incurred Claims, and Loss Component for Opening Balance, Cash Inflow for New Business, Cash Inflow for Ongoing Business, Acquisition Cash Flow, Amortization of Acquisition Cash Flow, Insurance Finance Expense, Insurance Revenue, Change in Estimate of Future Claim Value, Change in Risk Adjustment for Non-Financial Risk, Investment Component Outgo, Cash Outflow, and Closing Balance.

Comparison Report - Liability Analysis for Reinsurance Held for Premium Allocation Approach

This report displays the Liability for Remaining Coverage, Expected Recoveries for Incurred Claims, and Total Reinsurance Contracts Held for Opening Balance, Reinsurance Premium, Reinsurance Premium Allocation, Insurance Service Expenses:Incurred Expenses, Insurance Finance Expense, Change in Estimate of Future Claim Recoverable, Change in Risk Adjustment for Claim Recoverable Non-Financial Risk, Reinsurance Recoverable, and Closing Balance.

Comparison Report - Statement of Profit or Loss for Premium Allocation Approach

This report displays Insurance Revenue, Insurance Service Expenses, and Profit.

Comparison Report - Financial Statement for Reinsurance for Premium Allocation Approach

This report displays the Reinsurance Recovery, Allocation of Reinsurance Premiums, Insurance Expense Reinsurance Contracts, Insurance Finance Expense from Reinsurance Held, and Net Expense from Reinsurance Held.

Comparison Report - Statement of Net Profit and Loss for Premium Allocation Approach

This report displays the Insurance Service Revenue, Service Expenses, Insurance Acquisition Costs, Insurance Service Expense, Insurance Service Result, Insurance Finance Expense, Investment Income, Financial Result, and Profit/Loss.

Comparison Report - Movement Analysis for General Measurement Model

This report displays the Present Value of Cash Flows, Risk Adjustment, Contractual Service Margin, and Insurance Contract Liability for Opening Balance, Change related to Future Services (New Contracts), Change related to Future Services, Cash Inflow, Insurance Finance Expense, Changes Related to Current Service, Cash Outflow, Rounding Error, and Closing Balance.

Comparison Report - Reinsurance Movement Analysis for General Measurement Model

This report displays the Present Value of Cash Flows, Risk Adjustment, Contractual Service Margin, and Reinsurance Net Flow for Opening Balance, Change related to Future Services (New Contracts), Change related to Future Services, Cash Inflow, Insurance Finance Expense, Changes Related to Current Service, Cash Outflow, and Closing Balance.

Comparison Report - Reconciliation Report for General Measurement Model

This report displays the Liability For Remaining Coverage, Liability for Incurred Claims, Loss Component of the Liability for Remaining Coverage, and Insurance Contract Liability for Opening Balance, Cash Inflow, Insurance Revenue, Insurance Acquisition Cashflow, Insurance Service Expenses:Loss on New Contract, Insurance Service Expenses:Loss on Ongoing Contract, Insurance Service Expenses:Incurred Expenses, Insurance Service Expenses:Reversal of Loss On Onerous Contract, Investment Component, Insurance Finance Expense, Cash Outflows, and Closing Balance.

Comparison Report - Statement of Net Profit and Loss for General Measurement Model

This report displays the Amounts recovered from reinsurers, Expected claim, Risk adjustment recognized, CSM allocation, Net expense from reinsurance contracts, Insurance Finance Expense From Reinsurance Held, and Net Financial Result.

A

References

This section covers the following topics:

- Pagination Options
- Hierarchy Selection

Pagination Options

The Pagination Options enables smooth navigation between different pages. The following are the common elements that you can use for pagination.

Table A–1   Pagination Elements

Element	Description
K	Navigate to the first page.
‹	Navigate to the previous page.
›	Navigate to the next page.
›|	Navigate to the last page.

You can also navigate to a specific page by entering the page number in the **Jump to page** field.

Hierarchy Selection

When you have selected the Filter Type as Hierarchy, define the Filter conditions by doing the following in the Hierarchy Selection section:

1. Select the required **Dimension** from the drop-down list.

2. Select the associated **Hierarchy** from the drop-down list. You can select **More** to search for a specific Hierarchy in the Hierarchy more dialog.

3. Select any combination of rollup points and leaf (last descendant child) values.

In the *New - Filter Details* window you can perform the following:

Table A–2   New Filter Window Icons

Icon	Description
	Click this button to search for a hierarchy member using Dimension Member Alphanumeric Code, Dimension Member Numeric Code, Dimension Member Name, or Attribute and by keying in Matching Values in the Search dialog.
	Use these icons to expand or collapse the members under a node.
	Use these icons to expand a branch or collapse a branch.
	Use these icons to focus or unfocus a selected node except the root node.
	Use these icons to toggle the display of Numeric Code or Alphanumeric code at the left of the nodes, right of the nodes, or to hide.

4. Use the following buttons to select/deselect the members:

Table A–3   Select/deselect members

Button	Description
>	Move the selected members to the Selected Members pane.
>>	Move all the members to the Selected Members pane.
<	Deselect a member selected in the Selected Members pane.
<<	Deselect all the selected members.

5. Click **OK** to save the member selection.

B

Band Maintenance

This section covers the following topics:

- Access Band Maintenance

- Search for Band Definitions

- Create a New Band Definition

- Edit Band Definition

- View Band Definition

Access Band Maintenance

You can access the **Band Maintenance** section by clicking the **Band Maintenance** element under the **Common Object Maintenance** section from the LHS navigation menu of the application. Upon clicking this element, the **Band Maintenance** section is displayed as depicted in the following figure:

This page displays the existing Band Type definitions with the details such as Band Type, Created By, Creation Date, Last Modified By, and Last Modification Date Calculation definitions in the *Band Maintenance* grid. This page also enables you to define new Band Definition, edit the existing definitions, and view the details of the existing definitions.

Search for Band Definitions

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions, enter the keyword in the Band Type field and click the **Search** button.

The list of Band Type definitions in the *Band Maintenance* grid is refreshed and the definitions that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Create a New Band Definition

The Band Type page enables you to create new definitions. Perform the following procedure to create a new Band definition:

1. Click the **Add** button, from the *Band Type* grid

   The *Band Dimension Definition* window is displayed:

2. Click the drop-down list adjacent to the **Band Type** field and select a Band Type from the available list.

3. Enter the Band Range by clicking the **Add** button in *Band Range Details* grid.

   Enter the **From** and **To** values for all the band ranges. You can optionally enter descriptions for all the ranges.

   You can also select the checkbox adjacent to a Band Range and click **Delete** to remove an existing Band Range.

4. Click **Save** to save the definition.

   The saved definition is displayed in *Band Maintenance* grid of the *Band Maintenance* page.

   The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

Edit Band Definition

You can edit the Band definitions from the *Band Maintenance* page. Perform the following procedure to edit an existing Band definition:

1. Select the checkbox adjacent to the Band definition you want to edit, from the *Band Maintenance* grid.

2. Click the **Edit** button.

   The *Band Maintenance* window is displayed.

3. Update the required fields. For more information, see Create a New Band Definition section.

4. Click **Save** to save the definition details.

   The saved definition is displayed in *Band Maintenance* grid of the *Band Maintenance* page.

The **Audit Trail** section at the bottom of the definition page displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. **User Comments** section enables you to add additional information as comments.

View Band Definition

You can view the Band definition details from the *Band Maintenance* page. Perform the following procedure to view an existing Band definition:

1. Select the checkbox adjacent to the Band definition you want to view, from the *Band Maintenance* grid.

2. Click the **View** button.

   The *Band - View* window is displayed with the definition details.

   Note: You cannot edit any of the fields in View mode.

B

Variable Maintenance

There are different input and output variables used in the formula for calculating Net Liabilities and CSM. These variables differ based on the approach selected or assumptions made. In the standard product, the variables which are needed for the formula are defined. However, new variables can be created using the *Variable Maintenance* section, for the different financial elements.

> **Note**: The out of the box variables cannot be modified or deleted. Any newly created variables can be deleted only if those are not used.

This section covers the following topics:

- Access Variable Maintenance

- Search for Variables

- Create a New Variable

Access Variable Maintenance

You can access the Variable Maintenance section by clicking the **Variable Maintenance** element from the LHS navigation menu of the application. Upon clicking this element, the *Variable Maintenance* section is displayed as depicted in the following figure:

	Code	Calculation Moment	Action Type	Discount Rate	Cash Flow	Cash Flow Boundary	Calculation Frequency	Reinsuran
☐	ORIG_ACQ_CASH_FLOW_AMRT	Inception Date	Sum Of Actual CashFlow		Inception Date	On And Before Inception Date	At Inception	No
☐	CURR_ACT_ACQ_COST	End Of Report Period	Sum Of Actual CashFlow		Current Report Date	Start Of Report Period to Current Report Date	Ongoing Basis	No
☐	ORIG_CASH_FLOW	Inception Date	Sum Of Actual CashFlow		Inception Date	On And Before Inception Date	Ongoing Basis	No

This page displays the existing variables in the *Variables* grid. Variables are listed in ascending order of their Code values. This page also enables you to create new Variables.

Search for Variables

The Search feature enables you to filter the list of existing definitions and find the definitions that you look for. To search for definitions enter Code, Calculation Moment, Cash Flow, Discount Rate, Action Type, Name, Calculation Frequency, Cash Flow Boundary, and Reinsurance Held before clicking the **Search** button.

The list of variables in the *Variables* grid is refreshed and the variables that match with your search criteria are displayed.

You can also make use of the pagination options as detailed in the Pagination Options section.

Note: You can create variables only from the first page.

Create a New Variable

Attention: Before you create a new variable from the Variable Maintenance screen, you must add the corresponding direct and re-insurance variable columns in the following tables in the ERwin Data Model:

1. For direct insurance variables, add the corresponding variable column into the following tables:

   - ? FCT_IFRS17_CONTRACT_OUTPUT
   - ? FCT_IFRS17_COHORT_OUTPUT

2. For re-insurance variables, add the corresponding variable column into the following tables:

   - ? FCT_IFRS17_RI_CONTRACT_OUTPUT
   - ? FCT_IFRS17_RI_COHORT_OUTPUT

3. Upload the Erwin Data Model.

The Variables page enables you to create new variables. Perform the following procedure to create a new variable:

1. Click the + button, from the *Variables* grid.

   A new window is displayed:

2. Enter the required values in all the columns, as tabulated:

Table C–1

Column Name	Description
Code	Enter the code for the variable. The code can be should be alphanumeric and start with the alphabet.
Name	Enter a name for the variable.
Calculation Moment	Click the drop-down list adjacent to this field and select a calculation moment. Available values are the following: • At Inception • Close of Period • Start of Period • Subsequent Period
Cash Flow	Click the drop-down list in this column and select a cash flow. Available values are the following: • Current Report Date • Inception Date • Start of Report Period
Calculation Frequency	Click the drop-down list adjacent to this field and select a calculation frequency. Available values are the following: • At Inception • Ongoing Basis
Discount Rate	Click the drop-down list adjacent to this field and select a discount rate. Available values are the following: • Current Report Date • Inception Date • Start of Report Period

Table C–1

Column Name	Description
Cash Flow Boundary	Click the drop-down list adjacent to this field and select a Cash Flow Boundary. Available values are the following: • Current Report Date Onwards • Inception Date Onwards • On and Before Inception Date • Start of Report Period Onwards • Start of Report Period to Current Report Date
Action Type	Click the drop-down list adjacent to this field and select an Action Type. Available values are the following: • PV of Actual Cash Flow • PV of Assumed Cash Flow • Sum PV of Actual Cash Flow • Sum of Assumed Cash Flow
Reinsurance Held	Click the drop-down list adjacent to this field and **Yes** or **No**. Selecting **Yes** enables reinsurance in your definition.

3. Click and enable the required cash flow types under the *Cash Flow Type* grid.

4. Click **Save** to save the variable.

   The saved definition is displayed in the *Variables* grid of the *Variable Maintenance* page.

Attention: After you have created the variables from the Variable Maintenance screen, you must perform the following steps :

1. For each new variable that you have created, you must populate the table FSI_ IFRS17_FSI_FCT_COLUMN_MAP in the Atomic Schema. The following are the expected values for the columns in this table:

   ? **TABLE_CDE** - The value must be "COMMON_INP"

   ? **FSI_COLUMN_NAME** - The value must be the same as the value given in the Code field in the Variable Maintenance screen.

   ? **FCT_COLUMN_NAME** - Column name added in the Erwin model.

   ? **RI_FLAG** - The value must be '0' for direct insurance variables and '1' for re-insurance variables.