

Oracle Financial Services Insurance Accounting Analyzer

User Guide

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OFS Insurance Accounting Analyzer User Guide

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Document Control

Version Number	Revision Date	Change Log
1	February 2020	<p>Completed the following updates for 8.0.9.0.0:</p> <ul style="list-style-type: none"> • Included new reports: <ul style="list-style-type: none"> ▪ Disclosure Reports <ul style="list-style-type: none"> — Roll Forward — Premium and Benefits — Disclosure of Information about the Liability for Future Policy Benefits LFPB RF — Roll Forward — Commission and Expenses — Balance of and Changes in Deferred Acquisition Costs DAC RF ▪ Ledger Balances <ul style="list-style-type: none"> — Present Value of Expected Net Premium — Ledger Closing Balances ▪ Ledger Balances by Event <ul style="list-style-type: none"> — Present Value of Expected Net Premium ▪ Adjustments and Allocations <ul style="list-style-type: none"> — Cohort Adjustment • Renamed old reports to the new name. • Updated the Level of Aggregation, Calculation Preferences, Liability Calculations, Variable Maintenance, and Subledger sections with the new features • Enhanced the Variable Maintenance section to include the input variable calculation changes • Enhanced the Subledger section with the Excel functionality • Added two new chapters; Dimension Management and Batch Execution as part of the discounting engine functionality.
2	May 2020	<ul style="list-style-type: none"> • Updated the Calculation Preferences section to include the Transition Templates - Fair Value changes, and the ability to download expressions in a PDF format. • Updated the Finalize a Subledger Run section to include the sequence for executing and finalizing a Subledger run for a second date.

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1 About OFSAA and OFSAA Application Packs

This chapter includes the following topics:

- About Oracle Financial Services Analytical Applications (OFSAA)
- About Oracle Insurance Accounting Analyzer Application Pack
- About Oracle Financial Services Analytical Applications Infrastructure (OFS AAI)

1.1 About Oracle Financial Services Analytical Applications (OFSAA)

In today's turbulent markets, financial institutions require a better understanding of their risk-return while strengthening their 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 application architecture to enable integrated risk management, performance management, customer insight, and compliance management. OFSAA actively incorporates risk into decision making, enables you to achieve a consistent view of performance, promotes a transparent risk management culture, and provides pervasive intelligence.

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

1.2 About Oracle Insurance Accounting Analyzer Application Pack

IFRS17 is an international norm that supersedes the current reporting standards, IFRS 4. The new standard provides users of financial statements with a new perspective of the financial accounts of insurance companies. Oracle Financial services Insurance Accounting 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.

1.3 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 Accounting Analyzer Application

This chapter includes the following topics:

- Introduction
- Functional Flow

2.1 Introduction

Insurance companies need to identify the risks that arise 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 released in May 2017, supersedes the current IFRS 4 reporting standards on accounting for insurance contracts and have an effective date of 1 January 2021. The new standards provide users of financial statements 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. Some of the benefits of the IFRS17 are:

- IFRS 17 provides updated information about the obligations, risks, and performance of insurance contracts.
- Increased transparency in financial information reported by insurance companies that will give investors and analysts more confidence in understanding the insurance industry.
- Consistent accounting for all insurance contracts based on a current measurement model.

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

The IFRS 17 standard requires insurance companies to have a consistent accounting standard for the insurance contracts that ensure 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. The Oracle Insurance Accounting Analyzer application helps organizations in arriving at the insurance obligations, insurance contract liabilities reported on the balance sheet, by using different methodologies for a set of portfolios and by assessing the net liability for every insurance contract.

The 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 the contract, based on the services provided.

One of the critical requirements of IFRS 17 is to estimate the measurements at the most granular level, rather than at the aggregated portfolio level. Groups are formed with a portfolio to reflect the insurance contract that shares similar risks. The financial report separately showcases the asset

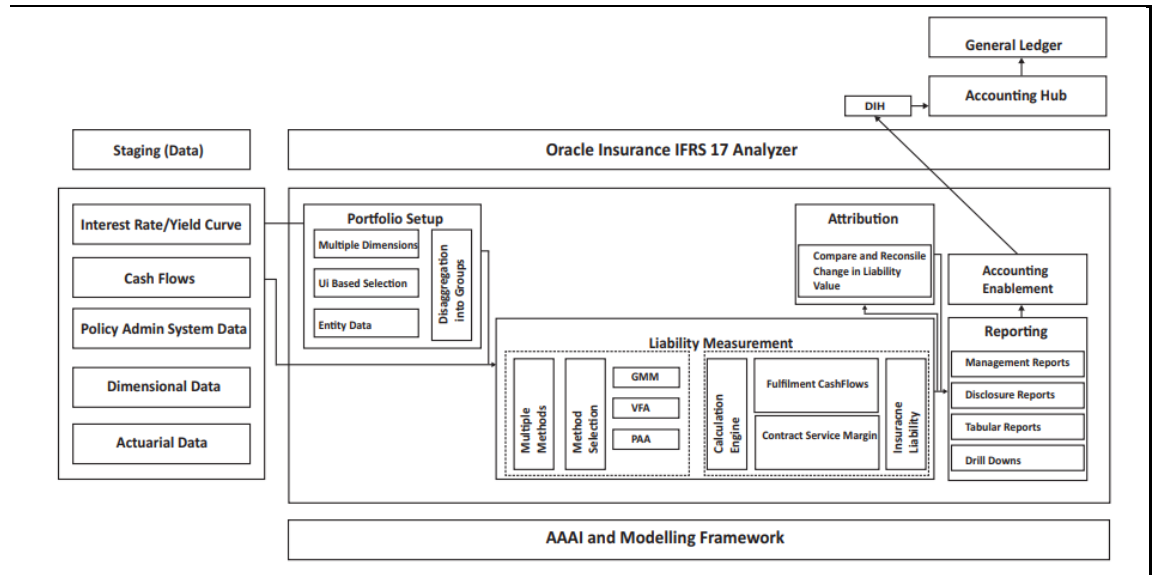
and the liabilities of the groups of contracts. This primarily involves showcasing the insurance and finance results separately per insurance groups.

NOTE

By default, the financial elements dimension member code is numeric. If you require it to be an alphanumeric code, then you must follow the post-installation activities as described in the Configurations to use Alphanumeric and Numeric Codes for Dimension Members section in the [AAI Administration Guide](#). This is a one-time activity and this decision must be taken before the application is used. Changing it from numeric to alphanumeric while using the application is not supported. Note that in case of an integrated setup, the decision for numeric and alphanumeric codes must be taken before all integrated applications are used.

2.2 Functional Flow

The following diagram depicts the functional flow of Oracle Insurance Accounting Analyzer application:



3 Exploring Oracle Insurance Accounting Analyzer Application

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

- [Level of Aggregation](#)
- [General Measurement Model](#)
- [Variable Fee Approach](#)
- [Premium Allocation Approach](#)
- [Long Duration Contracts](#)
- [SubLedger](#)

3.1 Level of Aggregation

This section provides details about aggregating insurance contracts into groups.

To understand how Oracle Insurance Accounting Application features Level of Aggregation, see [Level of Aggregation](#).

3.1.1 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.

3.1.2 Identifying Portfolios of Insurance Contracts

To group the insurance contracts, as the first step the portfolios must be identified. 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.

3.1.3 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 a 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 above a specified amount, such as 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 is recognized at the beginning of the coverage period of the group.

3.1.3.1 Onerous Assessment

Onerous assessment includes multiple levels of processing. These include measuring an insurance contract or a set of insurance contracts at initial recognition. If they are found to be onerous, then they are marked as onerous at initial recognition. If not, the assessment to determine which of the following groups, should these contracts or 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 prices 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.

3.1.3.2 Onerous Classification

The insurance contracts or cohorts onerous classification is performed in the application by checking whether the contracts are net outflow at inception. If the contracts are profitable at inception, then the CSM is projected into the future by 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.

3.1.4 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.

3.1.5 Reinsurance Contracts Held

A reinsurance contract held cannot be considered onerous by 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. Applying the grouping requirements to reinsurance contracts held, at a minimum, a portfolio is divided into the following:

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

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

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

3.2 General Measurement Model

This section provides details about the General Measurement Model. IFRS 17 introduces the General Measurement Model that 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.

3.2.1 Overview

In IFRS, insurance contracts are grouped as profitable and onerous to make it easier for the insurers to evaluate their profit or 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 or loss.

NOTE

IFRS 17 requires financial institutions to update the fulfillment cash flows at each reporting date by using current estimates that are consistent with relevant market information.

3.2.2 Performing Initial Measurement

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

- Fulfillment cash flows are 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.
- The 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.

3.2.3 Performing Successive Measurements

After the initial asset or liability measurement at inception, subsequent measurements of ongoing group insurance contracts are also performed. The total liability of 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 or loss, other comprehensive income, or in some cases, the CSM is adjusted.

3.2.4 Reinsurance Contracts Held

3.2.4.1 Estimates of Future Cash Flows

The amount an entity pays for a reinsurance contract held consists of the 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 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.

3.2.4.2 Risk Adjustment for Non-financial Risk

The requirements in IFRS 17 for 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.

3.2.4.3 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.

3.3 Variable Fee Approach

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

3.3.1 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.

A variable fee is 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 and the net of a consideration charged for the contract.

This approach requires that changes to the estimate of the future fees an entity expects to earn from directly 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.

3.3.2 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.

3.4 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.

3.4.1 Overview

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

The first step to assess its use is to define the contract boundary and 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.

3.4.2 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.

3.5 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.

3.6 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 the application workflow of various modules. This chapter includes the following sections:

- [Level of Aggregation](#)
- [Calculation Preferences](#)
- [Liability Calculations](#)
- [SubLedger](#)
- [SubLedger Manual Adjustment](#)

4.1 Level of Aggregation

IFRS17 mandates insurance companies to recognize the group of insurance contracts that are managed together. All insurance products that share similar risks can be set together by using the Level of Aggregation function of the Oracle Financial Services Insurance Accounting Analyzer application. This helps you to set 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 possess a large portfolio of contracts that have to be managed and assessed for the net liabilities. The Level of Aggregation function enables insurance companies to identify and group similar insurance contracts. The aggregation of the contractual service margin and 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.

4.1.1 Access Level of Aggregation

You can access the Level of Aggregation section by clicking the Level of Aggregation element from the left-pane in the application. When you click this element, the Level of Aggregation section is displayed:

Name	Code	Folder	Legal Entity	Line of Business	Created By	Creation Date
New	12345	HANDPSEG	Life and Pensions Ltd	Life Insurance	HAVERST	09/29/2018 16:34:27
LOCN_insurance	1AB0E	HANDPSEG	IFBIS LP Insurance	Life Insurance	HAVERST	09/29/2018 14:45:44
LOCN_PC_3	1AB0PC	HANDPSEG	IFBIS LP Insurance	IFBIS LP	HAVERST	09/29/2018 14:33:51
LOCN_asea	1AB0ase	HANDPSEG	Canaan Marine Insurance Ltd	Marine Insurance	HAVERST	09/29/2018 14:34:10
LOCN_3	1AB03	HANDPSEG	Canaan Marine Insurance Ltd	Life Insurance	HAVERST	09/29/2018 14:33:51
LOCN_5	1AB05	HANDPSEG	Life and Pensions Ltd	Life Insurance	HAVERST	09/29/2018 17:58:28
LOCN_4	1AB04	HANDPSEG	Canaan Marine Insurance Ltd	Whole Life Insurance	HAVERST	09/29/2018 14:26:07
LOCN_2	1AB02	HANDPSEG	Life and Pensions Ltd	Life Insurance	HAVERST	09/29/2018 14:26:07
LOCN_11	1AB011	HANDPSEG	Avonites Ltd	Health reinsurance organizations	HAVERST	09/29/2018 15:27:21
LOCN_10	1AB010	HANDPSEG	Avonites Ltd	Health Insurance	HAVERST	09/29/2018 15:27:21
LOCN_1	1AB01	HANDPSEG	Life and Pensions Ltd	Whole Life Insurance	HAVERST	09/29/2018 15:26:54
LOCN_0	1AB00	HANDPSEG	Marine Insurance Ltd	Whole Life Insurance	HAVERST	09/29/2018 16:03:14
LC_asea	1AB0ase	HANDPSEG	Canaan Marine Insurance Ltd	Life Insurance	HAVERST	09/29/2018 14:50:55
Inter_Build_LOCN_3	1AB03	HANDPSEG	Avonites Ltd	Life Insurance	HAVERST	10/25/2018 12:30:44
Inter_Build_LOCN_2	1AB02	HANDPSEG	Avonites Ltd	Life Insurance	HAVERST	10/25/2018 12:30:51
Inter_Build_LOCN_1	1AB01	HANDPSEG	Life and Pensions Ltd	Life Insurance	HAVERST	10/25/2018 12:07:18

This page displays the existing level of aggregation definitions in the Aggregation Summary table. It also enables you to define a new level of aggregation, edit the existing definitions, and view the details of the existing definitions.

4.1.2 Search for Level of Aggregation Definitions

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

The list of level of aggregation definitions in the Aggregation Summary table is refreshed and the definitions that match your search criteria are displayed.

4.1.3 Create a New Level of Aggregation Definition

The Level of Aggregation feature enables you to create a new level of aggregation definition by using the following steps:

1. In the Aggregation Summary table, click **Add** to open the Aggregation Level window.

Aggregation Level

Name * Description Folder *

Legal Entity * Line of Business * Code *

Portfolio Dimensions

Geography

Currency *

Policy Term

Reinsurance Held







Product *

Coverage Type

Cohort Period *

2. Populate the Aggregation Level form as tabulated.

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
<i>Aggregation Level</i> pane	
Name	Enter a name for the Level of Aggregation definition.
Description	Enter a short description of the Level of Aggregation definition.
Folder	Select a folder from the drop-down list.

Field	Description
Legal Entity	Click the Hierarchy Selection  icon adjacent to this field. 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 this field. 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.
<i>Portfolio Dimensions pane</i>	
All the fields in this pane require you to enable or disable the fields using the enable or disable options.	
Geography	Click the  icon to enable this field. Click the Hierarchy Selection  icon adjacent to the text field. 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 this field. Select the required Legal Entity from the Hierarchy Selection window. For more information, see the Hierarchy Selection section.
Currency	Select the required currency from the drop-down list.
Coverage Type	Select the required coverage types from the drop-down list.
Policy Term	Select the policy term from the drop-down list.
Cohort Period	Select the cohort period from the drop-down list and. Available options are: <ul style="list-style-type: none"> • 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 one year are grouped. For example, if the financial year starts in April, then all the contracts commenced from April to March are grouped as a single cohort.
Reinsurance Held	Click the  icon to enable reinsurance for the aggregation level.

3. Click **Save**.

The saved definition is displayed in the Aggregation Summary table on the Level of Aggregation page.

The Audit Trail section at the bottom of the Level of Aggregation window displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The user comments section enables you to add additional information as a comment.

4.1.4 Edit Level of Aggregation Definition

The Level of Aggregation feature enables you to edit a level of aggregation definition by using the following steps:

1. From the Aggregation Summary table, select the checkbox adjacent to the level of aggregation definition that you want to edit.
2. Click **Edit**, to open the Aggregation Level window.
3. Update the required fields. For more information, see the [Create a New Level of Aggregation Definition](#) section.

NOTE You cannot modify definitions that are in *Approved* or *In Use* status.

4. Click **Save**.

The saved definition is displayed in the Aggregation Summary table 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. The user comments section enables you to add additional information as a comment.

4.1.5 View Level of Aggregation Definition

The Level of Aggregation feature enables you to view a new level of aggregation definition by using the following steps:

1. From the Aggregation Summary table, select the checkbox adjacent to the level of aggregation definition that you want to view.
2. Click **View**, to open the Aggregation Level window.

NOTE You cannot edit the fields in View mode.

4.2 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 statements. 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 insurance companies to define the required formulas to arrive at the contractual service margin, net liability, and loss components in their way, based on various parameters and variables. This provides the ability to implement the disclosure requirements according to the processes and assumptions. The application provides a default set of formulas as well.

4.2.1 Access Calculation Preferences

You can access the Calculation Preferences page by clicking the Calculation Preferences element from the left-hand side menu. When you click this element, the Calculation Preferences section is displayed:

Name	Folder	Method	Creation Date	Created By	Default	Reinsurance Held	Workflow status
VFA_DEFAULT_TEMPLATE	IIAROSEG	Variable Fee Approach	02/15/2019 00:00:00	SYSADMIN	Yes		Approved
VFA app_1	IIAROSEG	Variable Fee Approach	02/22/2019 07:27:51	IIAMASTER			Draft
PAA_DEFAULT_TEMPLATE	IIAROSEG	Premium Allocation Approach	02/15/2019 00:00:00	SYSADMIN	Yes		Approved
GMM_DEFAULT_TEMPLATE	IIAROSEG	General Measurement Model	02/15/2019 00:00:00	SYSADMIN	Yes		Approved
copy reins2	IIAROSEG	General Measurement Model	02/22/2019 04:50:47	IIAMASTER		Yes	Draft
CAL12_JUT	IIAROSEG	General Measurement Model	02/22/2019 04:49:35	IIAMASTER	Yes	Yes	Approved

This page displays the existing calculation preferences definitions in the Calculation Preferences Summary table. This page also enables you to define new calculation preferences, edit the existing definitions, and view the details of the existing definitions.

4.2.2 Search for a Calculation Preferences Definitions

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

The list of calculation preference definitions in the Calculation Preferences Summary table is refreshed and the definitions that match your search criteria are displayed.

4.2.3 Create a New Calculation Preferences Definition

The Calculation Preferences feature enables you to create a new calculation preference definition using the following steps:

NOTE You must complete mapping the financial element and transaction type to the cash flow type as part of the process for calculating the input variables. For more information, see the [Dimension Management](#) and [Batch Execution](#) sections.



3. In the Calculation Preference Summary window, click **Add** to open the **Calculation Preferences** window.






The Calculation Preference Summary Window

The screenshot shows the 'Calculation Preference Summary > Details' window. It has a title bar with 'Save', 'Submit', and 'Cancel' buttons. The main content is divided into two sections: 'Preference Details' and 'Output Parameters'.
 In the 'Preference Details' section, there are fields for 'Name *', 'Description', and 'Folder *'. Below these are 'Method *' (a dropdown menu), 'Reinsurance Held' (a slider), and 'Disaggregate insurance Finance Expense' (a slider). To the right, there are 'Default' and 'Transition' (both sliders).
 The 'Output Parameters' section has tabs for 'Movement Analysis' and 'Reconciliation'. Under 'Movement Analysis', there are three expandable items: 'Present Value Of Future Cash Flows (LFRIC)', 'Risk Adjustment (LFRIC)', and 'Present Value Of Future Cash Flows (LIC)'.

4. Populate the Preferences Details pane as described in the following table.

The Preference Details Pane

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
<i>Preference Details</i> pane	
Name	Enter a name for the Calculation Preference definition.
Description	Enter a short description of the Calculation Preference definition.
Folder	Select a folder from the drop-down list.
Reinsurance Held	Click the slider  to enable the Reinsurance Held feature. On enabling this option, the Reinsurance Type field is displayed.
Transition	Click the slider  to enable the Transition feature. On enabling this option, the Transition Method drop-down list is displayed.
Reinsurance Type	Select the type of reinsurance contract from the drop-down list. The following options are available: <ul style="list-style-type: none"> • Prospective • Retrospective Note: This field is displayed only if you have enabled the Reinsurance Held option.
Transition Method	Select the type of transition method from the drop-down list. The available options are: <ul style="list-style-type: none"> • Fair Value Approach Note: This field is displayed only if you have enabled the Transition option.

Field	Description
Method	Select a method from the drop-down list. The application supports the following methods: <ul style="list-style-type: none"> • General Measurement Model • Long Duration Contracts • Premium Allocation Approach • Variable Fee Approach Note: The Variable Fee Approach is not available if you have enabled the Reinsurance Held field.
Default	Click the slider  to mark the definitions as default. Note: For insurance contracts, ensure that there is one default definition present per folder and per method. In the case of reinsurance, this criterion is updated as per folder, per reinsurance type, and method.
Calculation for Onerous Contracts	If the calculation is for onerous contracts, then select the checkbox adjacent to this field.
Disaggregate insurance Finance Expense	Click the slider  if you want to disaggregate insurance finance expenses. When you enable this option, the Disaggregate Type field is enabled. Note: This field is available only if you have selected the GMM method.
Disaggregate Type	Select the Disaggregate Type from the drop-down list.
Include Risk Adjustment	Click the slider  to include the risk adjustment. Note: This field is available only if you have enabled the Disaggregate insurance Finance Expense field.
Limited Payment Contract	Click the slider  if you want to enable a limited payment contract. Note: This field is available only if you have selected Long-Duration Contracts from the Method drop-down list.
Disaggregate Insurance Finance Expense for Liability for Incurred Claims	Click the slider  to disaggregate insurance finance expenses for liability for incurred claims. When you enable this option, the Disaggregate Type field is enabled. Note: This field is only available if you have selected the Premium Allocation Approach from the Method drop-down list.
Disaggregate Type	Select the Disaggregate Type from the drop-down list.

5. The **Output Parameters** pane displays the output parameters for the method that you selected in the **Preference Details** section. In this example, we are using the General


Measurement Model method with the **Present Value of Future Cash Flows** section in the **Movement Analysis** tab as an example:

- a. The **Present Value of Future Cash Flows** section contains the following Output Parameters:

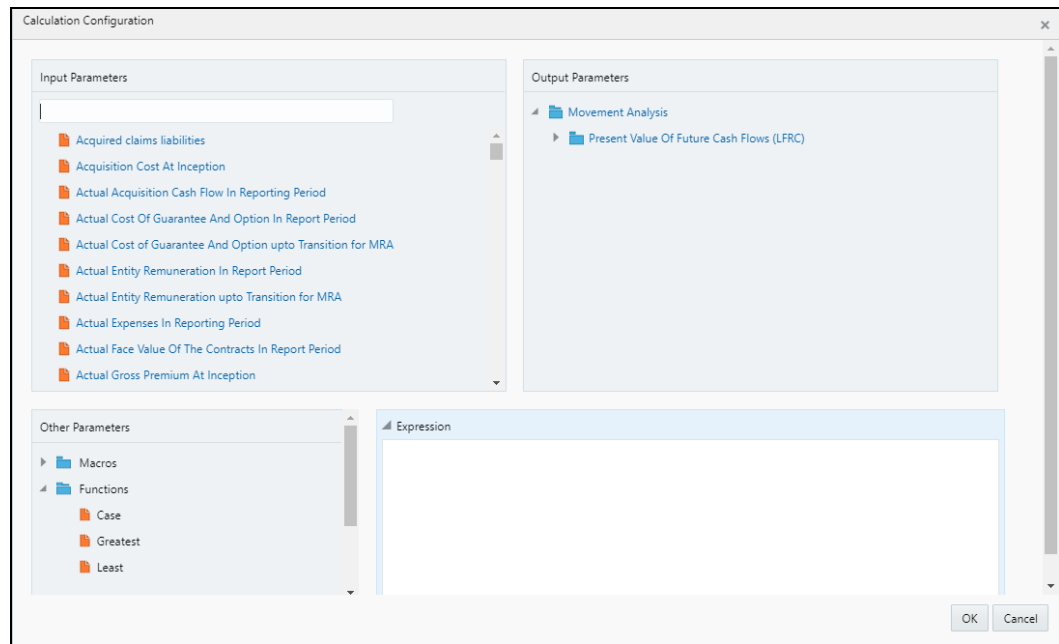
The Present Value of Future Cash Flows Section


Present Value Of Future Cash Flows (LFRIC)	
Opening Balance	Closing balance of the previous reporting date
Future Service Value/New Contracts	
Change Related To Future Services	
Cash Inflow	
Interest Accretion	
Insurance Finance Expense Due To Changes In Interest Rate	
Changes Related To Current Service	
Acquisition Cost Paid	
Cash Outflow	
Change Related to Future Service Others	
Closing Balance	[Movement Analysis->Present Value Of Future Cash Flows (LFRIC)->Opening Balance]+([Movement Analysis->Present Value Of Future Cash Flows (LFRIC)->Future Service Value/New Contracts)-([Movement Analysis->Present Value Of Future Cash Flows (LFRIC)->Change Related To Future Services)+([Movement Analysis->Present Value Of Future

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Change Related to Future Services: New Contracts
- Change Related to Future Services
- Cash Inflow
- Interest Accretion
- Insurance Finance Expense Due To Changes In Interest Rate
- Changes Related To Current Service
- Cash Outflow
- Closing Balance

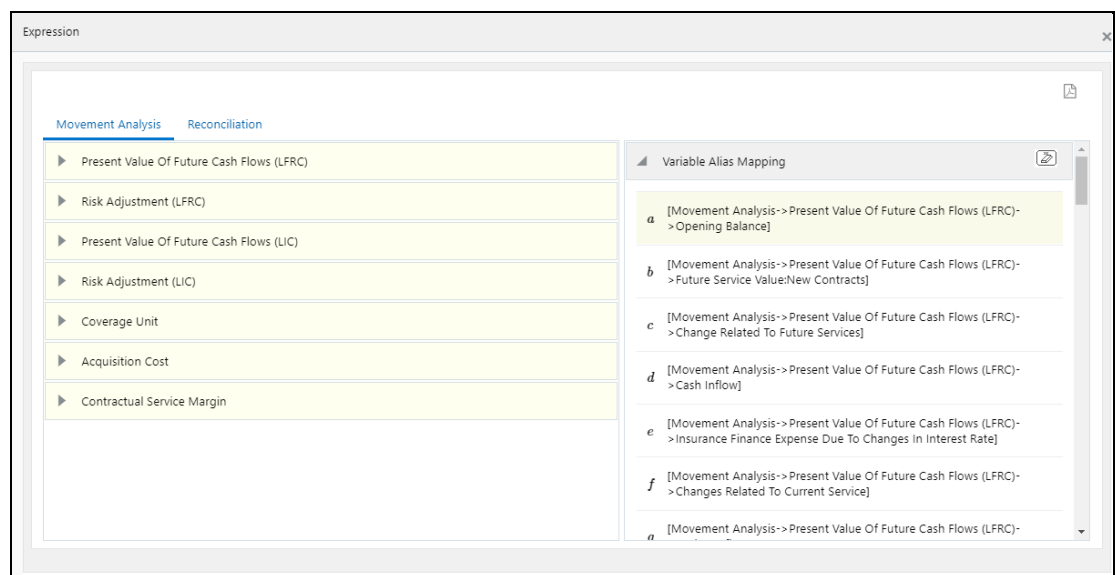
- b. Click **Expression Builder**  adjacent to the Output Parameters to open the **Calculation Configuration** window.

The Calculation Configuration Window






- c. In the **Input Parameters** section, select the required input parameters from the list to populate the **Expression** section.
 - d. In the **Output Parameters** section, select the required input parameters from the list to populate the **Expression** section.
 - e. In the **Other Parameters** section, select the required macros and functions.
 - f. After you have built your Expression, click **OK**.
- The expression appears in the text field of the Output Parameter.
6. In the Output Parameters section, click **View**  to open the **Expression** window.

The Expression Window



7. In the **Expression** window, you can perform the following actions:
 - View the expressions in the **Movement Analysis and Reconciliation** tabs in the form of a mathematical formula.

- Select an expression, and then click **Show Formula for this Section**  to view the formula for the expression.
 - The **Variable Alias Mapping** section displays the full value for each character and symbol. You can click **Clear Filter**  to clear the filter.
 - In the upper-right corner of this window, you can click **Download**  to download all the expressions in this window in a PDF format to your local system.
8. Perform steps 3, 4, and 5 for the other Output Parameters.
- [General Measurement Mode](#)
 - [Long Duration Contracts](#)
 - [Premium Allocation Approach](#)
 - [Variable Fee Approach](#)

General Measurement Model

The **Movement Analysis** tab contains the following panes and the respective Output parameters:

- **Risk Adjustment (LFRC)**

The Risk Adjustment (LFRC) Pane

Risk Adjustment (LFRC)	
Opening Balance	Closing balance of the previous reporting date
Future Service Value/New Contracts	
Change Related To Future Services	
Interest Accretion	
Insurance Finance Expense Due To Changes In Interest Rate	
Changes Related To Current Service	
Cash Outflow	
Change Related to Future Service Others	
Closing Balance	[Movement Analysis->Risk Adjustment (LFRC)->Opening Balance]-[Movement Analysis->Risk Adjustment (LFRC)->Future Service Value/New Contracts]-[Movement Analysis->Risk Adjustment (LFRC)->Change Related To Future Services]-[Movement Analysis->Risk Adjustment (LFRC)->Insurance Finance Expense Due To Changes In Interest Rate]-[Movement Analysis->Risk Adjustment (LFRC)->Changes Related To Current Service]-[Movement Analysis->Risk Adjustment (LFRC)->Cash Outflow]-[Movement Analysis->Risk Adjustment (LFRC)->Change Related to Future Service Others]

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
 - Change Related to Future Services: New Contracts
 - Change Related to Future Services
 - Interest Accretion
 - Insurance Finance Expense Due To Changes In Interest Rate
 - Changes Related To Current Service
 - Cash Outflow
 - Insurance Finance Expense Others
 - Closing Balance
- **Present Value Of Future Cash Flows (LIC)**

The Present Value Of Future Cash Flows (LIC) Pane

Present Value Of Future Cash Flows (LIC)		
Opening Balance	Closing balance of the previous reporting date	
Change Related To Future Services		WB
Change In Future Estimates of Prior Claims		WB
Interest Accretion		WB
Insurance finance expense due to changes in interest rate		WB
Changes Related To Current Service		WB
Cash Outflow		WB
Change Related to Future Service Others		WB
Closing Balance	$[Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Opening\ Balance] + [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Change\ Related\ To\ Future\ Services] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Change\ In\ Future\ Estimates\ of\ Prior\ Claims] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Interest\ Accretion] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Insurance\ finance\ expense\ due\ to\ changes\ in\ interest\ rate] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Changes\ Related\ To\ Current\ Service] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Cash\ Outflow] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Change\ Related\ to\ Future\ Service\ Others]$	WB

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
 - Change Related to Future Services
 - Change In Future Estimates of Prior Claims
 - Interest Accretion
 - Insurance finance expense due to changes in interest rate
 - Changes Related To Current Service
 - Cash Outflow
 - Insurance Finance Expense Others
 - Closing Balance
- **Present Value Of Future Cash Flows (LIC)**

The Present Value Of Future Cash Flows (LIC) Pane

Present Value Of Future Cash Flows (LIC)		
Opening Balance	Closing balance of the previous reporting date	
Change Related To Future Services		WB
Change In Future Estimates of Prior Claims		WB
Interest Accretion		WB
Insurance finance expense due to changes in interest rate		WB
Changes Related To Current Service		WB
Cash Outflow		WB
Change Related to Future Service Others		WB
Closing Balance	$[Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Opening\ Balance] + [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Change\ Related\ To\ Future\ Services] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Change\ In\ Future\ Estimates\ of\ Prior\ Claims] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Interest\ Accretion] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Insurance\ finance\ expense\ due\ to\ changes\ in\ interest\ rate] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Changes\ Related\ To\ Current\ Service] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Cash\ Outflow] - [Movement\ Analysis \rightarrow Present\ Value\ Of\ Future\ Cash\ Flows\ (LIC) \rightarrow Change\ Related\ to\ Future\ Service\ Others]$	WB

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Change Related to Future Services
- Change In Future Estimates of Prior Claims
- Interest Accretion
- Insurance finance expense due to changes in interest rate

- Changes Related To Current Service
- Cash Outflow
- Insurance Finance Expense Others
- Closing Balance
- **Risk Adjustment (LIC)**

The Risk Adjustment (LIC) Pane

Risk Adjustment (LIC)		
Opening Balance	Closing balance of the previous reporting date	
Change Related To Future Services		⊞
Change In Future Estimates of Prior Claims		⊞
Interest Accretion		⊞
Insurance finance expense due to changes in interest rate		⊞
Changes Related To Current Service		⊞
Cash Outflow		⊞
Change Related to Future Service Others		⊞
Closing Balance	[Movement Analysis->Risk Adjustment (LIC)->Opening Balance]+[Movement Analysis->Risk Adjustment (LIC)->Change Related To Future Services]+[Movement Analysis->Risk Adjustment (LIC)->Change In Future Estimates of Prior Claims]+[Movement Analysis->Risk Adjustment (LIC)->Interest Accretion]+[Movement Analysis->Risk Adjustment (LIC)->Insurance finance expense due to changes in interest rate]+[Movement Analysis->Risk Adjustment (LIC)->Changes Related To Current Service]+[Movement Analysis->Risk Adjustment (LIC)->Cash Outflow]+[Movement Analysis->Risk Adjustment (LIC)->Change Related to Future Service Others]	⊞

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Change Related to Future Services
- Change In Future Estimates of Prior Claims
- Interest Accretion
- Insurance finance expense due to changes in interest rate
- Changes Related To Current Service
- Cash Outflow
- Insurance Finance Expense Others
- Closing Balance
- **Coverage Unit**

The Coverage Unit Pane

Coverage Unit		
Opening Balance	Closing balance of the previous reporting date	
Coverage Unit- Inception		⊞
Change Related to Future Service		⊞
Release		⊞
Change Related to Current Service		⊞
Closing Balance	[Movement Analysis->Coverage Unit->Opening Balance]+[Movement Analysis->Coverage Unit->Coverage Unit- Inception]+[Movement Analysis->Coverage Unit->Change Related to Future Service]+[Movement Analysis->Coverage Unit->Release]+[Movement Analysis->Coverage Unit->Change Related to Current Service]	⊞

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Coverage Unit – Inception

- Changes Related to Future Service
- Release
- Change Related to Current Service
- Closing Balance
- Change In Future Estimates of Prior Claims
- **Acquisition Cost**

The Acquisition Cost Pane

Acquisition Cost		
Opening Balance	Closing balance of the previous reporting date	
Opening Balance Net Of Amortization	Closing Balance Net Of Amortization	
Acquisition CashFlow:New Contracts		⌵
Acquisition CashFlow:Ongoing Business		⌵
Amortization		⌵
Insurance Finance Expense		⌵
Changes Related To Current Service		⌵
Closing Balance Net Of Amortization		⌵
Closing Balance	$[Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Opening\ Balance] + [Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Opening\ Balance\ Net\ Of\ Amortization] - [Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Acquisition\ CashFlow:New\ Contracts] - [Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Acquisition\ CashFlow:Ongoing\ Business] - [Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Amortization] - [Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Insurance\ Finance\ Expense] - [Movement\ Analysis \rightarrow Acquisition\ Cost \rightarrow Changes\ Related\ To\ Current\ Service]$	⌵

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Opening Balance Net Of Amortization
- Acquisition CashFlow:New Contracts
- Acquisition CashFlow:Ongoing Business
- Amortization
- Insurance Finance Expense
- Changes Related To Current Service
- Closing Balance Net Of Amortization
- Closing Balance
- Contractual Service Margin

The Contractual Service Margin Pane

Contractual Service Margin	
Opening Balance	Closing balance of the previous reporting date
Future Service Value/New Contracts	
Change Related To Future Services	
Insurance Finance Expense	
Changes Related To Current Service	
Closing Balance	$[\text{Movement Analysis} \rightarrow \text{Contractual Service Margin} \rightarrow \text{Opening Balance}] + [\text{Movement Analysis} \rightarrow \text{Contractual Service Margin} \rightarrow \text{Future Service Value/New Contracts}] + [\text{Movement Analysis} \rightarrow \text{Contractual Service Margin} \rightarrow \text{Change Related To Future Services}] + [\text{Movement Analysis} \rightarrow \text{Contractual Service Margin} \rightarrow \text{Insurance Finance Expense}] - [\text{Movement Analysis} \rightarrow \text{Contractual Service Margin} \rightarrow \text{Changes Related To Current Service}]$

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Change Related To Future Services:New Contracts
- Changes Related to Future Service
- Interest Accretion
- Release For Current Period
- Closing Balance

The **Reconciliation** tab contains the following panes and the respective Output parameters:

- **Liability For Remaining Coverage**

The Liability for Remaining Coverage Pane

Liability For Remaining Coverage	
Opening Balance	Closing balance of the previous reporting date
Cash Inflow	
Insurance Revenue	
Insurance Acquisition Cashflow	
Insurance Service Expenses/Incurred Expenses	
Investment Component	
Insurance Finance Expense	
Cash Outflows	
Closing Balance	$[\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Opening Balance}] - [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Cash Inflow}] - [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Insurance Revenue}] + [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Insurance Acquisition Cashflow}] - [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses/Incurred Expenses}] - [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Investment Component}] - [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Insurance Finance Expense}] - [\text{Reconciliation} \rightarrow \text{Liability For Remaining Coverage} \rightarrow \text{Cash Outflows}]$

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Cash Inflow
- Insurance Revenue
- Insurance Acquisition Cashflow
- Insurance Service Expenses:Incurred Expenses
- Investment Component
- Insurance Finance Expense
- Cash Outflows

- Closing Balance
- **Liability For Incurred Claims**

The Liability For Incurred Claims Pane

Liability For Incurred Claims	
Opening Balance	Closing balance of the previous reporting date
Incurred Claims and Expenses	
Risk Adjustment for Incurred Claims	
Claim Settlement	
Risk Adjustment Release	
Interest Accretion	
Change in future Estimates for Prior Claims	
Change in Risk Adjustment for Prior Claims	
Investment Component	
Insurance Finance Expense	
Cash Outflows	
Closing Balance	$[Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Opening \text{ Balance}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Interest \text{ Accretion}] + [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Investment \text{ Component}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Insurance \text{ Finance Expense}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Cash \text{ Outflows}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Risk \text{ Adjustment for Incurred Claims}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Risk \text{ Adjustment Release}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Change \text{ in future Estimates for Prior Claims}] - [Reconciliation \rightarrow Liability \text{ For Incurred Claims} \rightarrow Change \text{ in Risk Adjustment for Prior Claims}]$

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Incurred Claims and Expenses
- Risk Adjustment for Incurred Claims
- Claim Settlement
- Risk Adjustment Release
- Interest Accretion
- Change in future Estimates for Prior Claims
- Change in Risk Adjustment for Prior Claims
- Investment Component
- Insurance Finance Expense
- Cash Outflows
- Closing Balance
- **Loss Component Of The Liability For Remaining Coverage**

The Loss Component of The Liability For Remaining Coverage Pane

Loss Component Of The Liability For Remaining Coverage	
Opening Balance	Closing balance of the previous reporting date
Insurance Service Expenses:Loss On New Contract	
Insurance Service Expenses:Loss On Ongoing Contract	
Insurance Service Expenses:Incurred Expenses	
Investment Component	
Insurance Finance Expense	
Insurance Service Expenses:Reversal Of Loss On Onerous Contract	
Cash Outflows	
Closing Balance	$[\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Opening Balance}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Loss On New Contract}] + [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Loss On Ongoing Contract}] + [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Incurred Expenses}] + [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Investment Component}] + [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Finance Expense}] + [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Reversal Of Loss On Onerous Contract}] + [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Cash Outflows}]$

- Opening Balance - This expression is populated by default and contains information on the closing balance of the previous reporting date.
- Insurance Service Expenses:Loss On New Contract
- Insurance Service Expenses:Loss On Ongoing Contract
- Insurance Service Expenses:Incurred Expenses
- Investment Component
- Insurance Finance Expense
- Insurance Service Expenses:Reversal Of Loss On Onerous Contract
- Cash Outflows
- Closing Balance

Long Duration Contracts

The **Movement Analysis** tab contains the following panes and the respective Output parameters:

- **Present Value of Net Premiums**

The Present Value of Net Premiums Pane

Present Value of Expected Net Premiums	
Opening Balance	Closing balance of the previous reporting date
Opening Balance At Original Discount Rate	Closing balance of the previous reporting date At Original Discount Rate
Effect of changes in cash flow assumptions	
Effect of changes from model updates	
Effect of actual variances from expected experience	
Adjusted beginning of year balance At Original Discount Rate	
Opening Balance For New Business	
Net premium Received	
Interest Accretion	
Unattributed Change	
Closing balance at original discount rate	
Effect Of Changes in Discount Rate Assumptions	
Closing Balance	$[\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Opening Balance}] - [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Opening Balance At Original Discount Rate}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Effect of changes in cash flow assumptions}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Effect of changes from model updates}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Effect of actual variances from expected experience}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Adjusted beginning of year balance At Original Discount Rate}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Opening Balance For New Business}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Net premium Received}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Interest Accretion}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Unattributed Change}] + [\text{Movement Analysis} \rightarrow \text{Present Value of Expected Net Premiums} \rightarrow \text{Effect Of Changes in Discount Rate Assumptions}]$

- Opening Balance At Current Discount Rate
- Opening Balance At Original Discount Rate

- Effect of changes in cash flow assumptions
 - Mortality assumptions
 - Mortality
 - Mortality improvement
 - Persistency assumptions
 - Lapse or surrender
 - Premium persistency
 - Health assumptions
 - Morbidity
 - Premium rate increases
 - Other assumptions
 - Expenses
 - Inflation
 - Effect of changes from model updates
 - Corrections
 - Refinements
 - System Conversions
 - Accounting Policy or Regulatory Changes
 - Other Known Adjustments
 - Effect of actual variances from expected experience
 - Mortality
 - Morbidity
 - Adjusted beginning of year balance At Original Discount Rate
 - Opening Balance For New Business
 - Net premium Received
 - Interest Accretion
 - Unattributed Change
 - Closing balance at original discount rate
 - Effect Of Changes In Discount Rate Assumptions
 - Closing Balance
- **Present Value of Expected Future Policy Benefits**

The Present Value of Expected Future Policy Benefits Pane

Present Value of Expected Future Policy Benefits	
Opening Balance	Closing balance of the previous reporting date
Opening Balance At Original Discount Rate	Closing balance of the previous reporting date At Original Discount Rate
Effect of changes in cash flow assumptions	
Effect of changes from model updates	
Effect of actual variances from expected experience	
Adjusted beginning of year balance At Original Discount Rate	
Opening Balance For New Business	
Benefit Payouts	
Interest Accretion	
Unattributed Change	
Closing balance at original discount rate	
Effect Of Changes in Discount Rate Assumptions	
Closing Balance	
Reinsurance Recoverable	
Closing Balance Net Of Reinsurance Recoverable	

- Opening Balance At Current Discount Rate
- Opening Balance At Original Discount Rate
- Effect of changes in cash flow assumptions
 - Mortality assumptions
 - Mortality improvement
 - Mortality
 - Persistency assumptions
 - Lapse or surrender
 - Premium persistency
 - Health assumptions
 - Premium rate increases
 - Morbidity
 - Other assumptions
 - Expenses
 - Inflation
- Effect of changes from model updates
 - Corrections
 - Refinements
 - System Conversions
 - Accounting Policy or Regulatory Changes
 - Other Known Adjustments
- Effect of actual variances from expected experience
 - Mortality
 - Morbidity

- Adjusted beginning of year balance At Original Discount Rate
 - Opening Balance For New Business
 - Benefit Payouts
 - Interest Accretion
 - Unattributed Change
 - Closing balance at original discount rate
 - Effect Of Changes In Discount Rate Assumptions
 - Closing Balance
 - Reinsurance Recoverable
 - Closing Balance Net Of Reinsurance Recoverable
- **Deferred Acquisition Cost Commission**

The Deferred Acquisition Cost Commission Pane

Deferred Acquisition Cost Commission	
Opening Balance	Closing balance of the previous reporting date
Opening Balance For New Business	
Capitalized Costs	
Amortization Of Acquisition Cost	
Mortality	
Lapse / surrender	
Experience Adjustment	
Unattributed Change	
Closing Balance	$[\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Opening Balance}] - [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Opening Balance For New Business}] - [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Capitalized Costs}] + [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Amortization Of Acquisition Cost}] - [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Mortality}] - [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Lapse / surrender}] - [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Experience Adjustment}] + [\text{Movement Analysis} \rightarrow \text{Deferred Acquisition Cost Commission} \rightarrow \text{Unattributed Change}]$

- Opening Balance
 - Opening Balance For New Business
 - Capitalized Costs
 - Amortization Of Acquisition Cost
 - Mortality
 - Lapse or surrender
 - Experience Adjustment
 - Unattributed Change
 - Closing Balance
- **Deferred Acquisition Cost Expense**

The Deferred Acquisition Cost Expense Pane

Deferred Acquisition Cost Expense		
Opening Balance	Closing balance of the previous reporting date	
Opening Balance For New Business		0
Capitalized Costs		0
Amortization Of Acquisition Cost		0
Mortality		0
Lapse / surrender		0
Experience Adjustment		0
Unattributed Change		0
Closing Balance	[Movement Analysis->Deferred Acquisition Cost Expense->Opening Balance]+[Movement Analysis->Deferred Acquisition Cost Expense->Opening Balance For New Business]-[Movement Analysis->Deferred Acquisition Cost Expense->Capitalized Costs]+[Movement Analysis->Deferred Acquisition Cost Expense->Amortization Of Acquisition Cost]-[Movement Analysis->Deferred Acquisition Cost Expense->Mortality]-[Movement Analysis->Deferred Acquisition Cost Expense->Lapse / surrender]-[Movement Analysis->Deferred Acquisition Cost Expense->Experience Adjustment]-[Movement Analysis->Deferred Acquisition Cost Expense->Unattributed Change]	0

- Opening Balance
 - Opening Balance For New Business
 - Capitalized Costs
 - Amortization Of Acquisition Cost
 - Mortality
 - Lapse or surrender
 - Experience Adjustment
 - Unattributed Change
 - Closing Balance
- **Policy Holder Account Balance**

The Policy Holder Account Balance Pane

Policy Holder Account Balance		
Opening Balance	Closing balance of the previous reporting date	
Issuance		0
Premium received		0
Policy charges		0
Surrenders and withdrawals		0
Benefit payments		0
Net transfers from (to) separate account		0
Interest credited		0
Other		0
Closing Balance	[Movement Analysis->Policy Holder Account Balance->Opening Balance]+[Movement Analysis->Policy Holder Account Balance->Issuance]+[Movement Analysis->Policy Holder Account Balance->Premium received]-[Movement Analysis->Policy Holder Account Balance->Policy charges]-[Movement Analysis->Policy Holder Account Balance->Surrenders and withdrawals]-[Movement Analysis->Policy Holder Account Balance->Benefit payments]-[Movement Analysis->Policy Holder Account Balance->Net transfers from (to) separate account]+[Movement Analysis->Policy Holder Account Balance->Interest credited]+[Movement Analysis->Policy Holder Account Balance->Other]	0

- Opening Balance
- Issuance
- Premium received

- Policy charges
- Surrenders and withdrawals
- Benefit payments
- Net transfers from (to) separate account
- Interest credited
- Other
- Closing Balance
- **Market Risk Benefit**

The Market Risk Benefit Pane

Market Risk Benefit	
Opening Balance	Closing balance of the previous reporting date
Opening Balance before effect of changes in the instrument-specific credit risk	
Issuances	
Interest accrual	
Attributed fees collected	
Benefit payments	
Effect of changes in interest rates	
Effect of changes in equity markets	
Effect of changes in equity index volatility	
Actual policyholder behavior different from expected behavior	
Effect of changes in future expected policyholder behavior	
Effect of changes in other future expected assumptions	
Closing Balance before effect of changes in the instrument-specific credit risk	
Effect of changes in the instrument-specific credit risk	
Closing Balance	$[\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Opening Balance}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Opening Balance before effect of changes in the instrument-specific credit risk}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Issuances}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Interest accrual}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Attributed fees collected}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Benefit payments}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Effect of changes in interest rates}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Effect of changes in equity markets}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Effect of changes in equity index volatility}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Actual policyholder behavior different from expected behavior}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Effect of changes in future expected policyholder behavior}] - [\text{Movement Analysis} \rightarrow \text{Market Risk Benefit} \rightarrow \text{Effect of changes in other future expected assumptions}]$

- Opening Balance
- Opening Balance before effect of changes in the instrument-specific credit risk
- Issuances
- Interest accrual
- Attributed fees collected
- Benefit payments
- Effect of changes in interest rates
- Effect of changes in equity markets
- Effect of changes in equity index volatility
- Actual policyholder behavior different from expected behavior
- Effect of changes in future expected policyholder behavior
- Effect of changes in other future expected assumptions
- Closing Balance before effect of changes in the instrument-specific credit risk
- Effect of changes in the instrument-specific credit risk

- Closing Balance
- Reinsurance recoverable, end of year
- Closing Balance net of reinsurance
- **Asset Type**

The Asset Type Window

Asset Type	Value	Unit
U.S. Treasury securities and obligations of U.S. government corporations and agencies	0	
Obligations of states of the United States and political subdivisions of the states		100
Corporate debt securities:		100
Investment grade		100
Non investment grade		100
Foreign debt securities		100
Mortgage-backed securities		100
Equity securities (including mutual funds)		100
Real estate		100
Mortgage loans		100
Derivative financial instruments		100
Cash and cash equivalents		100
Total	[Movement Analysis->Asset Type->U.S. Treasury securities and obligations of U.S. government corporations and agencies]+[Movement Analysis->Asset Type->Obligations of states of the United States and political subdivisions of the states]+[Movement Analysis->Asset Type->Corporate debt securities]+[Movement Analysis->Asset Type->Investment grade]+[Movement Analysis->Asset Type->Non investment grade]+[Movement Analysis->Asset Type->Foreign debt securities]+[Movement Analysis->Asset Type->Mortgage-backed securities]+[Movement Analysis->Asset Type->Equity securities (including mutual funds)]+ [Movement Analysis->Asset Type->Real estate]+[Movement Analysis->Asset Type->Mortgage loans]+[Movement Analysis->Asset Type->Derivative financial instruments]+[Movement Analysis->Asset Type->Cash and cash equivalents]	

- U.S. Treasury securities and obligations of U.S. government corporations and agencies
- Obligations of states of the United States and political subdivisions of the states
- Corporate debt securities:
- Investment grade
- Non investment grade
- Foreign debt securities
- Mortgage-backed securities
- Equity securities (including mutual funds)
- Real estate
- Mortgage loans
- Derivative financial instruments
- Cash and cash equivalents
- Total
- **Separate Account Liability**

The Separate Account Liability Pane

Separate Account Liability	
Opening Balance	Closing balance of the previous reporting date
Cumulative Adjustment to Benefit Expense	
Assessment For Current Period	
Interest Accrual	
Excess Payment	
Other charges	
Closing Balance	[Movement Analysis->Separate Account Liability->Opening Balance]+[Movement Analysis->Separate Account Liability->Cumulative Adjustment to Benefit Expense]+[Movement Analysis->Separate Account Liability->Assessment For Current Period]+[Movement Analysis->Separate Account Liability->Interest Accrual]+[Movement Analysis->Separate Account Liability->Excess Payment]+[Movement Analysis->Separate Account Liability->Other charges]

- Opening Balance
- Cumulative Adjustment to Benefit Expense
- Assessment For Current Period
- Interest Accrual
- Excess Payment
- Other charges
- Closing Balance

Premium Allocation Approach

The **Movement Analysis** tab contains the following panes and the respective Output parameters:

- **Present Value Of Future Cash Flows (LIC)**

The Present Value of Future Cash Flows (LIC) Pane

Present Value Of Future Cash Flows (LIC)	
Opening Balance	Closing balance of the previous reporting date
Change Related To Future Services	
Change In Future Estimates of Prior Claims	
Interest Accretion	
Insurance finance expense due to changes in interest rate	
Changes Related To Current Service	
Cash Outflow	
Change Related to Future Service Others	
Closing Balance	[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Opening Balance]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Change Related To Future Services]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Change In Future Estimates of Prior Claims]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Interest Accretion]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Insurance finance expense due to changes in interest rate]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Changes Related To Current Service]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Cash Outflow]-[Movement Analysis->Present Value Of Future Cash Flows (LIC)->Change Related to Future Service Others]

- Opening Balance
- Change Related To Future Services
- Change In Future Estimates of Prior Claims
- Interest Accretion

- Insurance finance expense due to changes in interest rate
- Changes Related To Current Service
- Cash Outflow
- Change Related to Future Service Others
- Closing Balance
- **Present Value Of Future Cash Flows (LFRC)**

NOTE This output parameter only appears if you have enabled the **Reinsurance Held** option.

The Present Value of Future Cash Flows (LFRC) Pane

Variables	Expression	View
Opening Balance	Closing balance of the previous reporting date	
Change Related To Future Services:New Contracts		⊞
Change Related To Future Services		⊞
Cash Inflow		⊞
Interest Accretion		⊞
Insurance Finance Expense Due To Changes In Interest Rate		⊞
Changes Related To Current Service		⊞
Cash Outflow		⊞
Insurance Finance Expense Others		⊞
Closing Balance		⊞

- Opening Balance
- Change Related To Future Services
- Change In Future Estimates of Prior Claims
- Interest Accretion
- Insurance finance expense due to changes in interest rate
- Changes Related To Current Service
- Cash Outflow
- Change Related to Future Service Others
- Closing Balance
- **Risk Adjustment (LIC)**

The Risk Adjustment (LIC) Pane

Variable	Expression	View
Opening Balance	Closing balance of the previous reporting date	
Change Related To Future Services		WB
Change In Future Estimates of Prior Claims		WB
Interest Accretion		WB
Insurance finance expense due to changes in interest rate		WB
Changes Related To Current Service		WB
Cash Outflow		WB
Change Related to Future Service Others		WB
Closing Balance	[Movement Analysis->Risk Adjustment (LIC)->Opening Balance]-[Movement Analysis->Risk Adjustment (LIC)->Change Related To Future Services]+[Movement Analysis->Risk Adjustment (LIC)->Change In Future Estimates of Prior Claims]-[Movement Analysis->Risk Adjustment (LIC)->Interest Accretion]+[Movement Analysis->Risk Adjustment (LIC)->Insurance finance expense due to changes in interest rate]-[Movement Analysis->Risk Adjustment (LIC)->Cash Outflow]+[Movement Analysis->Risk Adjustment (LIC)->Change Related to Future Service Others]	WB

- Opening Balance
 - Change Related To Future Services
 - Change In Future Estimates of Prior Claims
 - Interest Accretion
 - Insurance Finance Expense Due To Changes In Interest Rate
 - Changes Related To Current Service
 - Cash Outflow
 - Change Related to Future Service Others
 - Closing Balance
- **Risk Adjustment (LFRC)**

NOTE

This output parameter only appears if you have enabled the **Reinsurance Held** option.

The Risk Adjustment (LIC) Pane

Variables	Expression	View
Opening Balance	Closing balance of the previous reporting date	
Change Related To Future Services		WB
Change In Future Estimates of Prior Claims		WB
Interest Accretion		WB
Insurance finance expense due to changes in interest rate		WB
Changes Related To Current Service		WB
Cash Outflow		WB
Change Related to Future Service Others		WB
Closing Balance	[Movement Analysis->Risk Adjustment (LIC)->Opening Balance]+[Movement Analysis->Risk Adjustment (LIC)->Change Related To Future Services]+[Movement Analysis->Risk Adjustment (LIC)->Change In Future Estimates of Prior Claims]+[Movement Analysis->Risk Adjustment (LIC)->Interest Accretion]+[Movement Analysis->Risk Adjustment (LIC)->Insurance finance expense due to changes in interest rate]-[Movement Analysis->Risk Adjustment (LIC)->Cash Outflow]+[Movement Analysis->Risk Adjustment (LIC)->Change Related to Future Service Others]	WB

- Opening Balance
- Change Related To Future Services
- Change In Future Estimates of Prior Claims
- Interest Accretion

- Insurance Finance Expense Due To Changes In Interest Rate
- Changes Related To Current Service
- Cash Outflow
- Change Related to Future Service Others
- Closing Balance

- **Acquisition Cost**

NOTE This output parameter only appears if you have not enabled the **Reinsurance Held** option.

The Acquisition Cost Pane

Acquisition Cost	
Opening Balance	Closing balance of the previous reporting date
Acquisition CashFlow:New Contracts	
Acquisition CashFlow:Ongoing Business	
Acquisition Cash Flow	
Amortization	
Insurance Finance Expense	
Change In Estimate Of Future Claim value	
Change In Risk Adjustment For Non Financial Risk	
Closing Balance	$[\text{Movement Analysis} \rightarrow \text{Acquisition Cost} \rightarrow \text{Acquisition Cash Flow}] - [\text{Movement Analysis} \rightarrow \text{Acquisition Cost} \rightarrow \text{Change In Estimate Of Future Claim value}] - [\text{Movement Analysis} \rightarrow \text{Acquisition Cost} \rightarrow \text{Change In Risk Adjustment For Non Financial Risk}] - [\text{Movement Analysis} \rightarrow \text{Acquisition Cost} \rightarrow \text{Opening Balance}]$

- Opening Balance
- Acquisition CashFlow:New Contracts
- Acquisition CashFlow:Ongoing Business
- Acquisition Cash Flow
- Amortization
- Insurance Finance Expense
- Change In Estimate Of Future Claim value
- Change In Risk Adjustment For Non Financial Risk
- Closing Balance

- **Cash InFlow**

The Cash InFlow Pane

Cash InFlow	
Opening Balance	Closing balance of the previous reporting date
Cash Inflow For New Business	
Cash Inflow For Ongoing Business	
Insurance Revenue	
Interest Accretion	
Cash Outflow	
Closing Balance	[Movement Analysis->Cash InFlow->Opening Balance]-[Movement Analysis->Cash InFlow->Cash Inflow For New Business]-[Movement Analysis->Cash InFlow->Cash Inflow For Ongoing Business]-[Movement Analysis->Cash InFlow->Insurance Revenue]-[Movement Analysis->Cash InFlow->Cash Outflow]-[Movement Analysis->Cash Inflow->Interest Accretion]

- Opening Balance
- Cash Inflow For New Business
- Cash Inflow For Ongoing Business
- Insurance Revenue
- Interest Accretion
- Cash Outflow
- Closing Balance

The **Liability Analysis** tab contains the following panes and the respective Output parameters:

- **Liability For Remaining Coverage**

The Liability for Remaining Coverage Pane

Liability For Remaining Coverage	
Opening Balance	Closing balance of the previous reporting date
Opening Balance Net Of Acquisition Cost	Closing Balance Net Of Acquisition Cost of the previous reporting date
Cash Inflow For New Business	
Cash Inflow For Ongoing Business	
Acquisition Cash Flow	
Amortization Of Acquisition Cash Flow	
Insurance Revenue	
Cash Outflow	
Investment Component Outgo	
Insurance Finance Expense	
Closing Balance	[Liability Analysis->Liability For Remaining Coverage->Opening Balance]-[Liability Analysis->Liability For Remaining Coverage->Cash Inflow For New Business]-[Liability Analysis->Liability For Remaining Coverage->Cash Inflow For Ongoing Business]-[Liability Analysis->Liability For Remaining Coverage->Insurance Revenue]-[Liability Analysis->Liability For Remaining Coverage->Cash Outflow]-[Liability Analysis->Liability For Remaining Coverage->Investment Component Outgo]-[Liability Analysis->Liability For Remaining Coverage->Insurance Finance Expense]
Closing Balance Net Of Acquisition Cost	[Liability Analysis->Liability For Remaining Coverage->Opening Balance Net Of Acquisition Cost]-[Liability Analysis->Liability For Remaining Coverage->Cash Inflow For New Business]-[Liability Analysis->Liability For Remaining Coverage->Cash Inflow For Ongoing Business]-[Liability Analysis->Liability For Remaining Coverage->Insurance Revenue]-[Liability Analysis->Liability For Remaining Coverage->Cash Outflow]-[Liability Analysis->Liability For Remaining Coverage->Investment Component Outgo]-[Liability Analysis->Liability For Remaining Coverage->Insurance Finance Expense]

- Opening Balance*
- Opening Balance Net Of Acquisition Cost
- Cash Inflow For New Business
- Cash Inflow For Ongoing Business
- Acquisition Cash Flow
- Amortization Of Acquisition Cash Flow

- Insurance Revenue **
- Cash Outflow
- Investment Component Outgo
- Insurance Finance Expense
- Closing Balance*
- Closing Balance Net Of Acquisition Cost

NOTE *These output variables are not being used in the calculation and will be removed in the next release

**It is assumed that the Premium is being received at the beginning of the day of inception and all reporting occurs at the end of the day

- **Liability For Incurred Claims**

The Liability for Incurred Claims Pane

Liability For Incurred Claims	
Opening Balance	Closing balance of the previous reporting date
Incurred Claims and Expenses	
Risk Adjustment for Incurred Claims	
Claim Settlement	
Risk Adjustment Release	
Interest Accretion	
Change in Future Estimates for Prior Claims	
Change in Risk Adjustment for Prior Claims	
Investment Component	
Insurance Finance Expense	
Closing Balance	$[\text{Liability Analysis} \rightarrow \text{Liability For Incurred Claims} \rightarrow \text{Opening Balance}] - [\text{Liability Analysis} \rightarrow \text{Liability For Incurred Claims} \rightarrow \text{Investment Component}] - [\text{Liability Analysis} \rightarrow \text{Liability For Incurred Claims} \rightarrow \text{Insurance Finance Expense}] - [\text{Liability Analysis} \rightarrow \text{Liability For Incurred Claims} \rightarrow \text{Cash Outflows}] - [\text{Liability Analysis} \rightarrow \text{Liability For Incurred Claims} \rightarrow \text{Incurred Claims and Expenses}]$

- Opening Balance
- Incurred Claims and Expenses
- Risk Adjustment for Incurred Claims
- Claim Settlement
- Risk Adjustment Release
- Interest Accretion
- Change in future Estimates for Prior Claims
- Change in Risk Adjustment for Prior Claims
- Investment Component
- Insurance Finance Expense
- Closing Balance
- **The expected recoveries for remaining coverage**

NOTE This output parameter only appears if you have enabled the **Reinsurance Held** option.

The Expected Recoveries for Remaining Coverage Pane

Variables	Expression	View
Opening Balance	Closing balance of the previous reporting date	
Reinsurance Recoveries		WB
Risk Adjustment		WB
Insurance Finance Expense		WB
Claim Recovered		WB
Risk Adjustment Release		WB
Change in Risk of Reinsurer Performance		WB
Closing Balance	$[\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Change in Risk of Reinsurer Performance}] - [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Opening Balance}] - [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Reinsurance Recoveries}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Risk Adjustment}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Insurance Finance Expense}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Claim Recovered}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Risk Adjustment Release}]$	WB

- Opening Balance
 - Reinsurance Recoveries
 - Reinsurance Premium Allocation
 - Insurance Service: Incurred Expenses
 - Investment Component
 - Insurance Finance Expense
 - Change in Estimate of Future Claim Recoverable
 - Change in Risk Adjustment For Claim Recoverable Non Financial Risk
 - Cash Outflow
 - Closing Balance
- **The expected recoveries for incurred claims**

NOTE This output parameter only appears if you have enabled the **Reinsurance Held** option.

The Expected Recoveries for incurred claims Pane

Variables	Expression	View
Opening Balance	Closing balance of the previous reporting date	
Reinsurance Recoveries		WB
Risk Adjustment		WB
Insurance Finance Expense		WB
Claim Recovered		WB
Risk Adjustment Release		WB
Change in Risk of Reinsurer Performance		WB
Closing Balance	$[\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Change in Risk of Reinsurer Performance}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Opening Balance}] - [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Reinsurance Recoveries}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Risk Adjustment}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Insurance Finance Expense}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Claim Recovered}] + [\text{Liability Analysis} \rightarrow \text{The expected recoveries for incurred claims} \rightarrow \text{Risk Adjustment Release}]$	WB

- Opening Balance
- Reinsurance Recoveries
- Risk Adjustment
- Insurance Finance Expense

- Claim Recovered
- Risk Adjustment Release
- Change in Risk of Reinsurer Performance
- Closing Balance

Variable Fee Approach

The **Movement Analysis** tab contains the following panes and the respective Output parameters:

- **Variable Fee**

The Variable Fee Pane

Variable Fee	
Opening Balance	Closing balance of the previous reporting date
Change Related To Future Services:New Contracts	
Change Related To Future Services	
Cash Inflow	
Share Of Fair Value	
Change In Future Service due to changes in interest rate	
Changes Related To Current Service	
Cash Outflow	
Closing Balance	[Movement Analysis->Variable Fee->Opening Balance]+[Movement Analysis->Variable Fee->Change Related To Future Services:New Contracts]-[Movement Analysis->Variable Fee->Change Related To Future Services]-[Movement Analysis->Variable Fee->Cash Inflow]-[Movement Analysis->Variable Fee->Share Of Fair Value]+[Movement Analysis->Variable Fee->Change Related To Current Service]+[Movement Analysis->Variable Fee->Cash Outflow]

- Opening Balance
 - Change Related to Future Services: New Contracts
 - Change Related to Future Services
 - Cash Inflow
 - Share Of Fair Value
 - Change In Future Service due to changes in interest rate
 - Changes Related To Current Service
 - Cash Outflow
 - Closing Balance
- **Present Value Of Future Cash Flows (LFRC)**

The Present Value of Future Cash Flows (LFRC) Pane

Present Value Of Future Cash Flows (LFRC)		
Opening Balance	Closing balance of the previous reporting date	
Future Service Value:New Contracts		⊞
Change Related To Future Services		⊞
Cash Inflow		⊞
Interest Accretion		⊞
Insurance finance expense due to changes in interest rate		⊞
Changes Related To Current Service		⊞
Acquisition Cost Paid		⊞
Cash Outflow		⊞
Change Related to Future Service Others		⊞
Closing Balance	[Movement Analysis->Present Value Of Future Cash Flows (LFRC)->Opening Balance]-[Movement Analysis->Present Value Of Future Cash Flows (LFRC)->Future Service Value:New Contracts]+[Movement Analysis->Present Value Of Future Cash Flows (LFRC)->Change Related To Future Services]-[Movement Analysis->Present Value Of Future Cash	⊞

- Opening Balance
- Future Service Value:New Contracts
- Change Related To Future Services
- Cash Inflow
- Interest Accretion
- Insurance finance expense due to changes in interest rate
- Changes Related To Current Service
- Acquisition Cost Paid
- Cash Outflow
- Change Related to Future Service Others
- Closing Balance
- **Risk Adjustment (LFRC)**

The Risk Adjustment (LFRC) Pane.

Risk Adjustment (LFRC)		
Opening Balance	Closing balance of the previous reporting date	
Future Service Value:New Contracts		⊞
Change Related To Future Services		⊞
Interest Accretion		⊞
Insurance finance expense due to changes in interest rate		⊞
Changes Related To Current Service		⊞
Cash Outflow		⊞
Change Related to Future Service Others		⊞
Closing Balance	[Movement Analysis->Risk Adjustment (LFRC)->Opening Balance]-[Movement Analysis->Risk Adjustment (LFRC)->Future Service Value:New Contracts]-[Movement Analysis->Risk Adjustment (LFRC)->Change Related To Future Services]-[Movement Analysis->Risk Adjustment (LFRC)->Change Related To Current Service]-[Movement Analysis->Risk Adjustment (LFRC)->Cash Outflow]-[Movement Analysis->Risk Adjustment	⊞

- Opening Balance
- Future Service Value:New Contracts

- Change Related To Future Services
- Interest Accretion
- Insurance finance expense due to changes in interest rate
- Changes Related To Current Service
- Cash Outflow
- Change Related to Future Service Others
- Closing Balance

• **Time Value Of Option And Guarantee**

The Time Value of Option And Guarantee Pane

Time Value Of Option And Guarantee	
Opening Balance	Closing balance of the previous reporting date
Change Related To Future Services: New Contracts	
Change Related To Future Services	
Interest Accretion	
Insurance finance expense due to changes in interest rate	
Changes Related To Current Service	
Cash Outflow	
Insurance Finance Expense Others	
Closing Balance	[Movement Analysis->Time Value Of Option And Guarantee->Opening Balance]+[Movement Analysis->Time Value Of Option And Guarantee->Change Related To Future Services: New Contracts]-[Movement Analysis->Time Value Of Option And Guarantee->Change Related To Future Services]-[Movement Analysis->Time Value Of Option And Guarantee->Insurance Finance Expense due to changes in interest rate]-[Movement Analysis->Time Value Of Option And Guarantee->Changes Related To Current Service]-[Movement Analysis->Time Value Of Option And Guarantee->Cash Outflow]-[Movement Analysis->Time Value Of Option And Guarantee->Insurance Finance Expense Others]

- Opening Balance
- Change Related To Future Services: New Contracts
- Change Related To Future Services
- Interest Accretion
- Insurance finance expense due to changes in interest rate
- Changes Related To Current Service
- Cash Outflow
- Insurance Finance Expense Others
- Closing Balance

• **Coverage Unit**

The Coverage Unit Pane

Coverage Unit	
Opening Balance	Closing balance of the previous reporting date
Coverage Unit- Inception	
Change Related to Future Service	
Release	
Change Related to Current Service	
Closing Balance	[Movement Analysis->Coverage Unit->Opening Balance]+[Movement Analysis->Coverage Unit->Coverage Unit- Inception]-[Movement Analysis->Coverage Unit->Change Related to Future Service]-[Movement Analysis->Coverage Unit->Release]-[Movement Analysis->Coverage Unit->Change Related to Current Service]

- Opening Balance
- Coverage Unit- Inception
- Change Related To Future Services
- Release
- Change Related to Current Service
- Closing Balance

- **Acquisition Cost**

The Acquisition Cost Pane

Acquisition Cost	
Opening Balance	Closing balance of the previous reporting date
Opening Balance Net Of Amortization	Closing Balance Net Of Amortization
Acquisition CashFlow:New Contracts	
Acquisition CashFlow:Ongoing Business	
Amortization	
Insurance Finance Expense	
Changes Related To Current Service	
Closing Balance Net Of Amortization	
Closing Balance	[Movement Analysis->Acquisition Cost->Opening Balance]-[Movement Analysis->Acquisition Cost->Opening Balance Net Of Amortization]-[Movement Analysis->Acquisition Cost->Acquisition CashFlow:New Contracts]+[Movement Analysis->Acquisition Cost->Acquisition CashFlow:Ongoing Business]-[Movement Analysis->Acquisition Cost->Amortization]-[Movement Analysis->Acquisition Cost->Insurance Finance Expense]-[Movement Analysis->Acquisition Cost->Changes Related To Current Service]

- Opening Balance
- Opening Balance Net Of Amortization
- Acquisition CashFlow:New Contracts
- Acquisition CashFlow:Ongoing Business
- Amortization
- Insurance Finance Expense
- Changes Related To Current Service

- Closing Balance Net Of Amortization
- Closing Balance
- **Contractual Service Margin**

The Contractual Service Margin Pane

Contractual Service Margin	
Opening Balance	Closing balance of the previous reporting date
Future Service Value:New Contracts	
Change Related To Future Services	
Share Of Fair Value	
Changes Related To Current Service	
Closing Balance	[Movement Analysis->Contractual Service Margin->Opening Balance]-[Movement Analysis->Contractual Service Margin->Future Service Value:New Contracts]+[Movement Analysis->Contractual Service Margin->Change Related To Future Services]-[Movement Analysis->Contractual Service Margin->Share Of Fair Value]

- Opening Balance
- Future Service Value:New Contracts
- Change Related To Future Services
- Share Of Fair Value
- Insurance Finance Expense
- Changes Related To Current Service
- Closing Balance

The **Reconciliation** tab contains the following panes and the respective Output parameters:

- **Liability For Remaining Coverage**

The Liability for Remaining Coverage Pane

Liability For Remaining Coverage	
Opening Balance	Closing balance of the previous reporting date
Cash Inflow	
Insurance Revenue	
Insurance Acquisition Cashflow	
Insurance Service Expenses:Incurred Expenses	
Investment Component	
Insurance Finance Expense	
Cash Outflows	
Closing Balance	[Reconciliation->Liability For Remaining Coverage->Opening Balance]+[Reconciliation->Liability For Remaining Coverage->Cash Inflow]+[Reconciliation->Liability For Remaining Coverage->Insurance Revenue]+[Reconciliation->Liability For Remaining Coverage->Insurance Acquisition Cashflow]-[Reconciliation->Liability For Remaining Coverage->Insurance Service Expenses:Incurred Expenses]-[Reconciliation->Liability For Remaining Coverage->Investment Component]-[Reconciliation->Liability For Remaining Coverage->Insurance Finance Expense]

- Opening Balance
- Cash Inflow
- Insurance Revenue
- Insurance Acquisition Cashflow

- Insurance Service Expenses:Incurred Expenses
- Investment Component
- Insurance Finance Expense
- Cash Outflows
- Closing Balance
- **Liability For Incurred Claims**

The Liability for Incurred Claims Pane

Liability for Incurred Claims	
Opening Balance	Closing balance of the previous reporting date
Incurred Claims and Expenses	
Risk Adjustment for Incurred Claims	
Claim Settlement	
Risk Adjustment Release	
Interest Accretion	
Change in future Estimates for Prior Claims	
Change in Risk Adjustment for Prior Claims	
Investment Component	
Insurance Finance Expense	
Cash Outflows	
Closing Balance	$[\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Opening Balance}] + [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Interest Accretion}] + [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Investment Component}] - [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Insurance Finance Expense}] - [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Cash Outflows}] - [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Claim Settlement}] - [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Risk Adjustment Release}] - [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Change in future Estimates for Prior Claims}] - [\text{Reconciliation} \rightarrow \text{Liability for Incurred Claims} \rightarrow \text{Change in Risk Adjustment for Prior Claims}]$

- Opening Balance
- Incurred Claims and Expenses
- Risk Adjustment for Incurred Claims
- Claim Settlement
- Risk Adjustment Release
- Interest Accretion
- Change in future Estimates for Prior Claims
- Change in Risk Adjustment for Prior Claims
- Investment Component
- Insurance Finance Expense
- Cash Outflows
- Closing Balance
- **Loss Component Of The Liability For Remaining Coverage**

The Loss Component Of The Liability For Remaining Coverage Pane

Loss Component Of The Liability For Remaining Coverage		
Opening Balance	Closing balance of the previous reporting date	
Insurance Service Expenses:Loss On New Contract		0
Insurance Service Expenses:Loss On Ongoing Contract		0
Insurance Service Expenses:Incurred Expenses		0
Investment Component		0
Insurance Finance Expense		0
Insurance Service Expenses:Reversal Of Loss On Onerous Contract		0
Cash Outflows		0
Closing Balance	$[\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Opening Balance}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Loss On New Contract}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Loss On Ongoing Contract}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Incurred Expenses}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Investment Component}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Finance Expense}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Insurance Service Expenses:Reversal Of Loss On Onerous Contract}] - [\text{Reconciliation} \rightarrow \text{Loss Component Of The Liability For Remaining Coverage} \rightarrow \text{Cash Outflows}]$	0

- Opening Balance
- Insurance Service Expenses:Loss On New Contract
- Insurance Service Expenses:Loss On Ongoing Contract
- Insurance Service Expenses:Incurred Expenses
- Investment Component
- Insurance Finance Expense
- Insurance Service Expenses:Reversal Of Loss On Onerous Contract
- Cash Outflows
- Closing Balance

9. Click **Save**.

The saved definition is displayed in the Calculation Preferences Summary table on the **Calculation Preferences** page.

10. Click **Submit**.

The **Audit Trail** pane at the bottom of the **Level of Aggregation** window displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The **User Comments** pane enables you to add additional information as a comment.

4.2.4 Edit a Calculation Preferences Definition

The Calculation Preferences feature enables you to edit a calculation preference definition using the following steps:

1. In the Calculation Preference Summary table, select the checkbox adjacent to the calculation preference definition that you want to edit.
2. Click **Edit**, to open the Calculation Preference Edit window.
3. Update the required fields. For more information, see Create a New Calculation Preferences Definition section.

NOTE

You cannot modify the definitions which are in an *Approved* or *In Use* status.

4. Click **Save**.

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

The Audit Trail section displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The user comments section enables you to add additional information as a comment.

4.2.5 View a Calculation Preferences Definition

The Calculation Preferences feature enables you to create a new calculation preference definition using the following steps:

1. From the Calculation Preferences Summary table, select the checkbox adjacent to the calculation preference definition you want to view.
2. Click **View**, to open the Calculation Preference window.

NOTE You cannot edit any of the fields in View mode.

4.2.6 Copy a Calculation Preferences Definition

The Calculation Preferences feature enables you to copy a calculation preference definition by using the following steps:

1. In the Calculation Preference Summary table, select the checkbox adjacent to the calculation preference definition that you want to copy.
2. Click **Copy**, to open the Save As window.
3. Enter values in the Name, Description, and Folder fields.
4. Click **Save**.

The saved definition is displayed in the Calculation Preferences Summary table on the Calculation Preferences page.

You can further edit the definition and submit it for approval.

The Audit Trail section displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The user comments section enables you to add additional information as a comment.

4.2.7 Retire Calculation Preferences Definition

The Calculation Preferences feature enables you to disable unwanted calculation preference definition by using the following steps:

1. In the Calculation Preference Summary table, select the checkbox adjacent to the Calculation Preference definition you want to retire.
2. Click **Retire**, to open the Calculation Preference Summary Details window.
3. Update the required Output Parameters.

4. Click **Retire**.

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

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

The Audit Trail section displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The user comments section enables you to add additional information as a comment.

4.3 Liability Calculations

The liability arising from insurance contracts under IFRS 17 has to be considered in the books of accounts. The net liability is calculated by 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 that 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, the assumption set per level of aggregation, and calculation preference, you can execute the calculation for all the selected levels of aggregations selected per calculation method. The liability calculation is triggered and the output is generated and then 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 in 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.

4.3.1 Access Liability Calculations

You can access the Liability Calculations section by clicking the Liability Calculations element from the left-hand side menu. When you click this element, the Liability Calculations section is displayed:

Name	Folder	Method	Legal Entity	Line of Business	Creation Date	Created By	Workflow status	Reinsurance Held	Status
VFA_TEMPLATE_CHANGE	IIA808SEG	Variable Fee Approach	Life and Pensions Ltd	Universal Life Insurance	07/05/2019 05:56:31	IIATEST	Approved	No	Success
VFA_DEFAULT	IIA808SEG	Variable Fee Approach	Life and Pensions Ltd	Universal Life Insurance	07/05/2019 06:55:02	IIATEST	Approved	No	Failed
VFA_DEFAULT	IIA808SEG	Variable Fee Approach	Life and Pensions Ltd	Universal Life Insurance	07/05/2019 06:55:02	IIATEST	Approved	No	Success
test_ic	IIA808SEG	General Measurement Model	Life and Pensions Ltd	Universal Life Insurance	06/27/2019 14:12:01	IIATEST	Approved	No	Success
TEST_GMM_DEFAULT_RE	IIA808SEG	General Measurement Model	Life and Pensions Ltd	Universal Life Insurance	06/28/2019 11:26:38	IIATEST	Approved	Yes	Success
PAA_TEMPLATE_CHANGE_1	IIA808SEG	Premium Allocation Approach	Life and Pensions Ltd	Universal Life Insurance	07/05/2019 03:22:20	IIATEST	Approved	No	Success
PAA_TEMPLATE_CHANGE	IIA808SEG	Premium Allocation Approach	Life and Pensions Ltd	Universal Life Insurance	07/04/2019 04:33:15	IIATEST	Approved	No	Success
PAA_REINS_DEFAULT	IIA808SEG	Premium Allocation Approach	Life and Pensions Ltd	Whole Life Insurance	07/04/2019 02:06:05	IIATEST	Approved	Yes	Success

This page displays the existing liability calculation definitions in the Liability Calculations Summary table. This page also enables you to define new liability calculations, edit the existing definitions, and view the details of the existing definitions.

4.3.2 Search for Liability Calculation Definitions

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




The list of liability calculation definitions in the Liability Calculations Summary table is refreshed and the definitions that match your search criteria are displayed.



4.3.3 Create New Liability Calculation Definition



The Liability Calculations feature enables you to create a new liability calculation definition by using the following steps:

1. In the Liability Calculations Summary table, click **Add** to open the Liability Calculation Definition window.

2. Populate the Liability Calculation Definition form as tabulated.

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Name	Enter a name for the Liability Calculation definition.
Description	Enter a short description of the Liability Calculation definition.
Folder	Select a folder from the drop-down list.
Legal Entity	Click the Hierarchy Selection  icon adjacent to this field. 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 this field. Select the required Legal Entity from the Hierarchy Selection window. For more information, see the Hierarchy Selection section.
Run Type	Select a run type from the drop-down list.
Reinsurance Held	Click the  icon to enable the Reinsurance Held feature. When enabled, the reinsurance methods and reinsurance calculation preferences fields are displayed.

Field	Description
Insurance Contract Calculation Method	<p>Select a method from the drop-down list. The available methods are:</p> <ul style="list-style-type: none"> • General Measurement Model • Long Duration Contracts • Premium Allocation Approach • Variable Fee Approach <p>Note: Depending on the method that you select in this field, the Transition Calculation Method field is populated with the required values.</p>
Transition	<p>Click the  icon to enable the Transition feature.</p> <p>On enabling this option, the Transition Method and Transition Calculation Preference drop-down lists are displayed.</p>
Transition Method	<p>Select the type of transition method from the drop-down list. The available options are:</p> <ul style="list-style-type: none"> • Fair Value Approach <p>Note: This field is displayed only if you have enabled the Transition option.</p>
Transition Calculation Preference	<p>Depending on the method that you selected in the Insurance Contract Calculation Method field, the Transition Calculation Method field is populated with the required values.</p> <p>Select the type of transition calculation preference from the drop-down list.</p> <p>Note: This field is displayed only if you have enabled the Transition option.</p>
Insurance Calculation Preference	<p>Select a calculation method from the drop-down list.</p>
Prospective Reinsurance method	<p>Select a method from the drop-down. The available methods are:</p> <ul style="list-style-type: none"> • General Measurement Model • Premium Allocation Approach <p>Note: This field is only available if you enabled the Reinsurance Held field.</p>
Prospective Reinsurance calculation preference	<p>Select a calculation method from the drop-down list.</p> <p>Note: This field is only available if you enabled the Reinsurance Held field.</p>
Non-Proportional Reinsurance method	<p>Select a calculation method from the drop-down list.</p>
Projection In Years	<p>Enter the number of years for which the data has to be projected.</p>
Use for Reporting	<p>Click the  icon to use this liability calculation definition for reporting.</p> <p>Note: This indicator must be enabled only once for a 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 journal entries for a given line of business and legal entity.</p>

Field	Description
Projection Frequency	Select the Projection Frequency from the drop-down list. The available values are: <ul style="list-style-type: none"> • Annually • Half Yearly • Quarterly • Monthly
Calculate Input Variable	Click the  icon to calculate the input variable for the level of aggregation.
Assumptions	Click the Hierarchy Selection  icon adjacent to this field. Configure the level of aggregation rate tables in the LOA Rates window for the following fields: <ul style="list-style-type: none"> • Interest Rate Curve: Select an interest rate curve from the drop-down list. • Amortization Rate: Select an amortization rate from the drop-down list. • Risk Factor: Select a risk factor from the drop-down list.

3. In the Level of Aggregation table, click **Add** and select the required level of aggregation definitions from the Level of Aggregation list. For more information, see the [Level of Aggregation](#) section.

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

4. Click **Save**.

The saved definition is displayed in the Aggregation Summary table on the Level of Aggregation page.

5. Click **Submit**.

The Audit Trail section at the bottom of the Level of Aggregation window displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The user comments section enables you to add additional information as a comment.

4.3.4 Edit Liability Calculation Definition

The Liability Calculations feature enables you to edit a liability calculation definition by using the following steps:

1. In the Liability Calculations Summary table, select the checkbox adjacent to the liability calculation definition you want to edit.
2. Click **Edit**, to open the Liability Calculations Edit window.
3. Update the required fields. For more information, see the [Create New Liability Calculation Definition](#) section.
4. Click **Save**.

The saved definition is displayed in the Liability Calculations Summary table 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. The user comments section enables you to add additional information as a comment.

4.3.5 View Liability Calculation Definition

The Liability Calculations feature enables you to view liability calculation definitions by using the following steps:

1. In the Liability Calculations Summary table, select the checkbox adjacent to the Liability Calculation definition you want to view.
2. Click **View**, to open the Liability Calculations window.

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

4.3.6 Run Liability Calculation Definition

The Liability Calculations feature enables you to run liability calculation definition by using the following steps:

NOTE You can run only Approved definitions.

1. In the Liability Calculations Summary table, select the checkbox adjacent to the Liability Calculation definition that you want to run.
2. In the Date Selection window, use the calendar icon to select the required date in the Date field.
3. In the Liability Calculation - View window, 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.

4.3.7 Copy Liability Calculation Definition

The Liability Calculations feature enables you to use an existing definition to create a new liability calculation definition by using the following steps:

1. In the Liability Calculation Summary table, select the checkbox adjacent to the liability calculation definition that you want to copy.
2. Click **Copy** to open the Save As window.

3. Enter values in the Name and Description fields.
4. Click **Save**.

The saved definition is displayed in the Liability Calculation Summary table on the Liability Calculation page. You can further edit the definition and submit it for approval.

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. The user comments section enables you to add additional information as a comment.

4.3.8 Retire Liability Calculation Definition

The Liability Calculations feature enables you to disable unwanted liability calculation definitions by using the following steps:

1. In the Liability Calculations Summary table, select the checkbox adjacent to the Liability Calculation definition that you want to retire.

NOTE You cannot retire the definitions in *Success* or *Failed* statuses.

2. Click **Retire**, to open the Liability Calculations Summary Details window.
3. Update the required level of aggregation details.
4. Click **Retire**.

The retired definition is displayed in the Liability Calculations Summary table on 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. The user comments section enables you to add additional information as a comment.

4.4 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 that are needed for the formula are defined. However, new variables can be created by using the Variable Maintenance section for different financial elements.

NOTE The out of the box variables cannot be modified or deleted. Only unused newly created variables can be deleted.

4.4.1 Access Variable Maintenance

You can access the Variable Maintenance section by clicking the Variable Maintenance element from the left-hand side menu. When you click this element, the Variable Maintenance section is displayed:

Code	Calculation Moment	Action Type	Discount Rate	Cash Flow	Cash Flow Boundary	Calculation
<input type="checkbox"/> N_ACQ_CLMS_LIABILITIES	Transition Date	Sum Of Actual CashFlow	Transition Rate	Initial Recognition (MRA) Date	Initial Recognition (MRA) to Transition	At Transition

This page displays the existing variables in the Variables table. The variables are listed in the ascending order of their code values. This page also enables you to create new variables.

4.4.2 Search for a Variable

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

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

NOTE You can create variables only from the first page.

4.4.3 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:

- For direct insurance variables, add the corresponding variable column into the following tables:
 - FSI_INS_CONTRACT_INPUT_DETAIL
 - FSI_INS_GROUP_INPUT_DETAIL
 - FCT_IFRS17_CONTRACT_OUTPUT
 - FCT_IFRS17_COHORT_OUTPUT
- For re-insurance input variables, add the corresponding variable column into the following tables:
 - FSI_RI_CONTRACT_INPUT_DETAIL
 - FSI_RI_GROUP_INPUT_DETAIL
 - FCT_IFRS17_RI_CONTRACT_OUTPUT
 - FCT_IFRS17_RI_COHORT_OUTPUT
- Upload the Erwin Data Model.

The Variables feature enables you to create new variables by using the following steps:

1. In the Variables table, click **Add** to open the New Variable window.

▲ Input Variable

<p>* Code <input style="width: 100%;" type="text"/></p> <p>Calculation Moment <input style="width: 100%;" type="text"/></p> <p>Cash Flow <input style="width: 100%;" type="text"/></p> <p>Discount Rate <input style="width: 100%;" type="text"/></p> <p>Action Type <input style="width: 100%;" type="text"/></p>	<p>* Name <input style="width: 100%;" type="text"/></p> <p>Calculation Frequency <input style="width: 100%;" type="text"/></p> <p>Cash Flow Boundary <input style="width: 100%;" type="text"/></p> <p>Risk Type <input style="width: 100%;" type="text"/></p> <p>Reinsurance Held <input style="width: 100%;" type="text"/></p>
--	---

▲ Financial Element Type


<p>Actual Incurred Claim Expenses</p> <input type="checkbox"/>	<p>Actual Incurred Claims</p> <input type="checkbox"/>	<p>Actual Incurred Claims Expenses Prior Period</p> <input type="checkbox"/>	<p>Actual Incurred Claims Prior Period</p> <input type="checkbox"/>
<p>Annuity Payout</p> <input type="checkbox"/>	<p>Bonus</p> <input type="checkbox"/>	<p>CSM</p> <input type="checkbox"/>	<p>Claim Related Expenses</p> <input type="checkbox"/>

2. Populate the Input Variable form as tabulated.

Field	Description
Code	Enter a code for the variable. The code must be alphanumeric and must begin with an alphabet.
Name	Enter a name for the variable.
Calculation Moment	<p>Select a calculation moment from the drop-down list. The available options are:</p> <ul style="list-style-type: none"> End Of Report Period* Inception Date Initial Recognition (MRA) Ongoing Basis Start of Report Period* Transition Date
Cash Flow	<p>Select a cash flow from the drop-down list. The available options are:</p> <ul style="list-style-type: none"> Current Report Date Inception Date Initial Recognition (MRA) Date Start of Report Period Transition Date
Calculation Frequency	<p>Select a calculation frequency from the drop-down list. The available options are:</p> <ul style="list-style-type: none"> At Inception At Transition Ongoing Basis

Field	Description				
Discount Rate	Select a discount rate from the drop-down list. The available options are: <ul style="list-style-type: none"> • At Current Report Date • At Start of Report Date • Current Report Date Onwards • Inception Date Onwards • Inception Date to Current Report Date • Inception Date to Start of Report Period • Initial Recognition (MRA) to Transition • On and Before Inception Date • Start of Report Period Onwards • Start of Report Period to Current Report Date • Transition Date Onwards 				
Cash Flow Boundary	Select a cash flow boundary from the drop-down list. The available options are: <ul style="list-style-type: none"> • Current Report Date Onwards • Inception Date Onwards • Inception Date to Current Report Date • Inception Date to Current Report Date • Inception Date to Start Of Report Period • Initial Recognition (MRA) to Transition • On and Before Inception Date • Start of Report Period Onwards • Start of Report Period to Current Report Date • Report Date • Transition Date Onwards 				
Action Type	Select an action type from the drop-down list. The available options are: <ul style="list-style-type: none"> • Fair Value • PV of Actual Cash Flow* • PV of Assumed Cash Flow* • Sum of Actual Cash Flow • Sum of Assumed Cash Flow 				
Risk Type	Select a risk type from the drop-down list. The available options are: <ul style="list-style-type: none"> • Expired • Unexpired 				
Reinsurance Held	Select yes or no from the drop-down list. When you select Yes, the Reinsurance Held filed is enabled in your definition.				
*Note the following conditions for the disallowed cash-flow boundaries for the following calculation moments and action types:					
Calculation Moment	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Action Type</th> <th style="width: 67%;">Disallowed cash-flow boundaries</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Action Type	Disallowed cash-flow boundaries		
Action Type	Disallowed cash-flow boundaries				

Field	Description	
Start Of Report Period	PV Of Actual CashFlow	<ul style="list-style-type: none"> • Inception Date Onwards • Inception Date to Start Of Report Period
End Of Report Period	PV Of Assumed CashFlow	<ul style="list-style-type: none"> • Inception Date to Current Report Date • Start Of Report Period Onwards (Only if the value in the Calculation Moment is <i>End Of Report Period</i>) • Start Of Report Period to Current Report Date (Only if the value in the • Calculation Moment is <i>End Of Report Period</i>) • On and Before Inception

3. Under the Financial Element Type pane, click the  icon to enable the required cash flow types.

The screenshot shows a window titled "Financial Element Type" with a grid of 40 variables. Each variable has a toggle switch next to it. The variables are arranged in a 10x4 grid:

Actual Incurred Claim Expenses	Actual Incurred Claims	Actual Incurred Claims Expenses Prior Period	Actual Incurred Claims Prior Period
Annuity Payout	Bonus	CSM	Claim Related Expenses
Contractual Face Value	Coverage Unit	Entity Remuneration	Fair Value
Finance Expense	Finance Income	General Claim Payout	General Claims
Gross Premium	Incurred Claims Current Period	Incurred Claims Expenses Current Period	Incurred Claims Expenses Prior Period
Incurred Claims Prior Period	Initial Expense	Investment Income	Investment Linked Payout
Maintenance And Fixed Expense	Maturity Payout	Morbidity Claim Payout	Mortality Claim Payout
Net Premium	Option and Guarantee Cost	Policy Cancellation	Profit Sharing
Recoveries	Reinsurance Ceding Commission	Reinsurance Claim Recoverable	Reinsurance Credit Risk
Reinsurance Expense	Reinsurance Premium	Reinsurance Profit Commission	Reinsurance Recovery Prior Period
Reinsurance Risk Adjustment	Reinsurance Risk Adjustment For Incurred Claims	Reserve	Risk Adjustment
Risk Adjustment For Incurred Claims	Risk Margin	Risk Margin For Incurred Claims	Shareholder Remuneration
Surrender Payouts	Tax Payable	Top Up Premium	Unit Fund Return

At the bottom right of the window, there are "Save" and "Cancel" buttons.

4. Click **Save**.

The saved definition is displayed in the Variables table on the Variable Maintenance page.

4.4.4 Edit a Variable

The Variables feature enables you to edit variables by using the following steps:

1. In the Variables table, select the checkbox adjacent to the Variable that you want to edit.
2. Click **Edit**, to open the Variable window.
3. Update the required fields. For more information, see [Create a New Variable](#) section.
4. Click **Save**.

The saved definition is displayed in the Variables table of the SubLedger Definition Summary page.

4.4.5 View a Variable

The Variables feature enables you to view variables by using the following steps:

1. In the Variables table, select the checkbox adjacent to the variable that you want to view.
2. Click **View**, to open the Variables window.

4.5 SubLedger

The subledger can generate calculations for CSM computations. The granular level of data stored in the subledger can be used to generate the accounting entries. It uses data along with implied allocations from expenses, taxes, investment income, and so on. The 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. Note that the application only picks up data from runs that are marked for reporting. The application also picks up more than one set of data per LOA for sub-ledger processing. This allows for GL consolidation, cloud migration, and provides the accuracy and suitability of ledger data.

4.5.1 Access SubLedger

You can access the SubLedger section by clicking the SubLedger element from the left-hand side menu. When you click this element, the SubLedger section is displayed:

Selected	Legal Entity	Line of Business	GAAP Code	Consolidation	Accounting Currency	Latest Version	Latest Version Status	Version Details
<input type="checkbox"/>	Motor Insurance Ltd	Bike Insurance	Netherlands GAAP	Solo	USD	1	Draft	View
<input type="checkbox"/>	IFRS17 Insurance	IFRS17	US Virgin Islands GAAP	Consolidated	USD	1	Draft	View
<input type="checkbox"/>	Life and Pensions Ltd	Universal Life Insurance	Turks and Caicos Islands GAAP	Solo	USD	1	Approved	View
<input type="checkbox"/>	Life and Pensions Ltd	Re-Insurance	Liechtenstein GAAP	Solo	USD	1	Draft	View

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

4.5.2 Search for SubLedger Definitions

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

The list of subledger definitions in the SubLedger Definition table is refreshed and the definitions that match your search criteria are displayed.

4.5.3 Create New SubLedger Definition

The Sub-Ledger feature enables you to create new subledger definitions by using the following steps:

NOTE

If you want to import definitions created by you, then see the Object Migration section in [OFSAAI User Guide](#).

1. In the Sub-Ledger Definition pane, click **Add** to open the Sub-Ledger Process window.

Subledger Process

Definition Details Accounting Rules Aggregation Logic

Subledger Definition

Hierarchy Folder* IIA0312SEG

Legal Entity*

GAAP Code* Afghanistan GAAP

LOB Hierarchy Folder* IIA0312SEG

Line Of Business*

Calculation Method* General Measurement Mo...

Status Draft

Run Type Solo

Reporting Currency* US Dollar

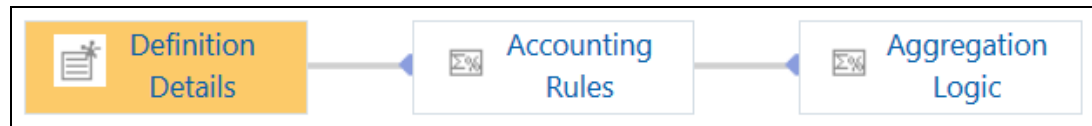
Version 0

Effective From Date* 05/07/2020



Select General Ledger Accounts


Save Submit Cancel

The SubLedger Process window displays the SubLedger Definition pane. The definition contains a three-step process:



2. Populate the Subledger Definition pane in the Definition Details tab as tabulated.

Field	Description
Fields marked with asterisks (*) in the window are mandatory.	
Hierarchy Folder	Select a folder from the drop-down list.
Legal Entity	Click the Hierarchy Selection  icon adjacent to this field. Select the required Legal Entity from the Hierarchy Selection window. For more information, see the Hierarchy Selection section.
GAAP Code	Select a GAAP Code from the drop-down list.
LOB Hierarchy Folder	Select a folder from the drop-down list.
Line of Business	Click the Hierarchy Selection  icon adjacent to this field. Select the required Legal Entity from the Hierarchy Selection window. For more information, see the Hierarchy Selection section.
Calculation Method	Select a calculation method from the drop-down list. The available methods are: <ul style="list-style-type: none"> • General Measurement Model • Long Duration Contracts • Premium Allocation Approach • Variable Fee Approach
Status	This field is not editable and contains the <i>Draft</i> status.
Run Type	Select either Solo or Consolidated from the drop-down list.
Reporting Currency	Select a currency from the drop-down list.
Version	When creating a definition, the version is set to 0. You cannot change this value.
Effective From Date	Select an effective date from the calendar icon. Note: The effective date should be on or before the current date.

Field	Description
Select General Ledger Accounts	<p>Click the Hierarchy Selection  icon to select a value from the following fields:</p> <p>Note: You must create the members and hierarchies in the Member and Hierarchy Maintenance page so that data can be populated in this field. For more information, refer to the OFS AAI User Guide.</p> <ul style="list-style-type: none"> • Hierarchy Folder: Select a hierarchy folder from the drop-down. • Hierarchy: Select a hierarchy from the drop-down. • Members: Add or remove members from the Selected Members section. By default, all accounts will appear in this list.


3. Click **Save**.
4. Select the Accounting Rules tab.
5. In the Copy Accounting Rules pane, select the drop-down arrow to expand the table.

Subledger Process ?

Definition Details Accounting Rules Aggregation Logic

Accounting Rules

Copy Accounting Rules

 Search:

Positive Signage					
	Accounting Attributes	Debit Account	Debit Source Column	Credit Account	Credit Source
1	First Premium Receipt	Premium Received	Cash Inflow At Inception	Cash	Cash Inflow
2	Insurance Contract Initial Recognition	Insurance Contract Liabilities - BEL	PV Of Gross Premium At Inception	Insurance Contract Liabilities - RA	Risk Adjustr
3				Insurance Contract Liabilities - CSM	Formula of
4					

Showing page 1 of 1 entries

Workflow Comments(Maker) Workflow Comments(Checker)

Save Submit Cancel

6. Populate the **Accounting Rules** pane as tabulated.

Field	Description
Accounting Attributes	Select an attribute from the drop-down list.
Debit Account	Select a debit account from the drop-down list.
Debit Source Account	Select a credit account from the drop-down list.
Credit Account	Select a debit account from the drop-down list.
Credit Source Account	Select a credit account from the drop-down list.
Modify Accounts for Opposite Signage	Select this checkbox if you want to modify accounts for opposite signage.

Field	Description
Journal Comments	Enter the required journal comments for the sub-ledger.
Workflow Comments	Enter the required workflow comments for the sub-ledger.

NOTE

The value in the Debit and Credit Source Columns must always be mapped correctly to the value in the Accounting Attributes column. If the mapping between the accounting attribute and the columns are incorrect, then an error message appears when you attempt to save this pane.

To avoid duplication of entries, the name of the accounting attribute must be unique.

The form allows you to perform the following actions:

- Insert a new row before
 - Insert a new row after
 - Delete selected rows
 - Copy
 - Export the entries into an Excel spreadsheet that is automatically downloaded into your system.
7. Additionally, depending on the Calculation Method that you selected in the **Definition Details** tab, you can copy the data from the [Accounting Rules Excel](#) for the GMM, VFA, and PAA calculation methods:
- g. Open the [Accounting Rules Excel](#) for the Calculation Method that you selected in the **Definition Details** tab.
 - h. Copy the required data under the following columns:
 - Accounting Attributes
 - Debit Account
 - Debit Source Account
 - Credit Account
 - Credit Source Account
 - Modify Accounts for Opposite Signage
 - Journal Comments
 - Workflow Comments
 - i. Paste this data into the **Copy Accounting Rules** pane.

NOTE

You must ensure the following:

- The data in the columns in the application must exactly match the data as per the columns in the Accounting Rules Excel. If the rules data was not added correctly, then the system will give you a validation error and you must add the rules data correctly in the corresponding columns in the application.
- Your system must contain the same GL entries as per the entries in the Debit Account column in the Accounting Rules Excel. If you copy and paste a GL entry that your system does not contain from the Excel into the Debit Account column in the application, then the system will not validate it.

8. You can also create a new accounting attribute or introduce a new input or output variable via the atomic schema by using the following steps

To create a new accounting attribute:

- a. Insert a new row into **FSI_SUB_LED_ACCOUNTING_ATT_CD**.
- b. Insert a new row into **FSI_SUB_LED_ACCOUNTING_ATT_MLS**. Ensure that you do not change the fixed column value **MLS_CD = 'US'**.

To add a new input or output variable into the Source column list within the accounting-rules screen:

- c. Insert a new row into **FSI_SUB_LED_SRC_COL_CD**. Enter a unique sequence number that is greater than 5001.
- d. Insert a new row into **FSI_SUB_LED_SRC_COL_MLS**. Ensure that you do not change the value **MLS_CD = 'US'**.
- e. Insert a new row into **FSI_SUB_LED_ACC_ATTRS_SRC**.
 - You must ensure that you do not change the following fixed column values:
 - **MAP_ID = 3**
 - **SUB_DOMAIN_ID = 2**
 - **dSOURCE_TBL_NM = 'FCT_IFRS17_COHORT_OUTPUT' or 'FCT_IFRS17_RI_COHORT_OUTPUT'**
 - **SOURCE_TBL_JOIN_QRY = NULL**
 - **SOURCE_LCY_COL_NM = 'V_ISO_CURRENCY_CD'**
 - **OP_CONTRACT_TBL_NM = 'FCT_INS_GROUP_ACCT_EVENT_DTLS'**
 - **OP_AGGR_TBL_NM = 'FCT_AGGR_INS_JOURNAL_ENTRIES'**
 - **OP_AGGR_MANUAL_ADJ_TBL_NM = 'FSI_INS_AGGR_ADJ_ENTRIES'**
 - **METHOD_ID = 1**
 - In the **ACC_ATTR_ID** column, enter the ID that is present in **FSI_SUB_LED_ACCOUNTING_ATT_CD**.
 - If you want the input or output variable to be Non-formula or Single column-based, then:

- i. In the **SOURCE_COL_NM** column enter the name of the Input or variable column from either the **FCT_IFRS17_COHORT_OUTPUT** table or **FCT_IFRS17_RI_COHORT_OUTPUT** table as mentioned in **SOURCE_TBL_NM** column.
- ii. In the **SRC_COL_ID** column, enter a unique sequence number that is within range of 1 to 5000.
- If you want the input or output variable to be formula-based, then:
 - iii. In the **SOURCE_COL_NM** column, enter a valid SQL formula containing one or more input or variable column from either **FCT_IFRS17_COHORT_OUTPUT** table or **FCT_IFRS17_RI_COHORT_OUTPUT** table.
 - iv. In the **SRC_COL_ID** column, enter the ID that is used in the **FSI_SUB_LED_SRC_COL_CD** table.
9. If you want to view the information about the GL accounts and account attributes, in the upper-right corner of the table, click the Excel icon to download the Excel file.
10. Click **Save**.
11. Click the **Aggregation Logic** tab.

The Aggregation Attributes tab is displayed and contains the Cohort, Coverage type, Inception year, Level of aggregation, Line of business, Location, Onerous classification, and Products attributes.

This tab allows you to aggregate the results and pass journal entries at a chosen consolidated level. Consolidated entries might give added insights into the impact of changes on the chosen grouping.

Definition Details		Accounting Rules		Aggregation Logic	
▲ Aggregation Attributes					
<input type="checkbox"/> Cohort	<input type="checkbox"/> Coverage type	<input type="checkbox"/> Inception year	<input type="checkbox"/> Level of aggregation		
<input type="checkbox"/> Line of business	<input type="checkbox"/> Location	<input type="checkbox"/> Onerous classification	<input checked="" type="checkbox"/> Products		
<input type="button" value="Cancel"/>					

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

13. Click **Save** and then click **Submit**.

The Audit Trail section at the bottom of the Subledger Process Window displays the Created By, Creation Date, Last Modified By, and Last Modification Date details. The user comments section enables you to add additional information as a comment.

4.5.4 Edit a SubLedger Definition

The SubLedger feature enables you to edit subledger definitions by using the following steps:

1. In the SubLedger Definition table, select the checkbox adjacent to the subledger definition that you want to edit.
2. Click **Edit**, to open the SubLedger Process window.

3. Update the required fields. For more information, see the [Create a New SubLedger Definition](#) section.
4. Click **Save**.

The saved definition is displayed in the SubLedger Definition table on 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. The user comments section enables you to add additional information as a comment.

4.5.5 View a SubLedger Definition

The SubLedger feature enables you to view subledger definitions by using the following steps:

1. In the SubLedger Definition table, select the checkbox adjacent to the SubLedger definition that you want to view.
2. Click **View**, to open the SubLedger Process Window.

4.5.6 Execute a SubLedger Definition

The SubLedger feature enables you to execute subledger definitions by using the following steps:

1. In the SubLedger Definition table, select the checkbox adjacent to the subledger definition that you want to run.
2. Click **Run**.
3. In the Date Selection window, click the Calendar icon and select a date.
4. In the Version no field, enter a version of the definition that you want to execute.
5. In the Execution Description field, enter a description.
6. In the Date field, use the Calendar icon to select the required date.
7. Click **Execute**.

The selected SubLedger definition is marked for execution.

4.5.7 Finalize a SubLedger Run

Finalizing a subledger run enables you to conclude the journal entries of the associated base run and manual adjustment run. You can finalize base subledger 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. To finalize a SubLedger run from the SubLedger Definition Summary page, perform the following steps:

1. In the SubLedger Definition table, select the subledger definition that you want to finalize.

SubLedger Definition Summary

Search 🔍

Hierarchy Folder Hierarchy

SubLedger Definition Page 1 of 1 (1-4 of 4 items)

Selected	Legal Entity	Line of Business	GAAP Code	Consolidation	Accounting Currency	Latest Version	Latest Version Status	Version Details
<input type="checkbox"/>	Motor Insurance Ltd	Bike Insurance	Netherlands GAAP	Solo	USD	1	Draft	View
<input type="checkbox"/>	IFRS17 Insurance	IFRS17	US Virgin Islands GAAP	Consolidated	USD	1	Draft	View
<input type="checkbox"/>	Life and Pensions Ltd	Universal Life Insurance	Turks and Caicos Islands GAAP	Solo	USD	1	Approved	View
<input type="checkbox"/>	Life and Pensions Ltd	Re-Insurance	Liechtenstein GAAP	Solo	USD	1	Draft	View

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

Version Details

Legal Entity: Life and Pensions Ltd Run Type: Consolidated

Line Of Business: Universal Life Insurance GAAP Code: Anguilla GAAP

Page 1 of 1 (1 of 1 items)

Version Number	Effective From	Effective To	Status	Created By	Created Date	Approved By	Approved Date	Number of Executions	View / Modify
1	01-Apr-2017	01-Jan-9999	Draft	IAATEST	10-Sep-2019			2	View / Edit

- In the Number of Executions column, select the value.

Finalize

Execution ID	Description	Execution Time	Finalize
OFSINFODOM_SLAcc_1_200520_20170425_1	OFSINFODOM_SLAcc_1_200520_20170425	13-Sep-2019	<input type="radio"/>
OFSINFODOM_SLAcc_1_200520_20170425_2	OFSINFODOM_SLAcc_1_200520_20170425	13-Sep-2019	<input checked="" type="radio"/>
OFSINFODOM_SLAcc_1_200520_20170425_3	OFSINFODOM_SLAcc_1_200520_20170425	13-Sep-2019	<input type="radio"/>

Page 1 of 1 (1-3 of 3 items)

Finalize close

- 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.

4.5.8 Create a New Version of the SubLedger Definition

The SubLedger feature enables you to create a new version of an existing subledger definition by using the following steps:

- In the SubLedger Definition table, select the checkbox adjacent to the subledger definition that you want to edit.
- Click **New Version**, to open the SubLedger Process window.

NOTE

You can create new versions only for the Approved definitions.

- Update the required fields. For more information, see the [Create New SubLedger Definition](#) section.

4. Click **Save**.

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

4.6 SubLedger Manual Adjustment

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

4.6.1 Access SubLedger Manual Adjustment

You can access the SubLedger Manual Adjustment section by clicking the SubLedger Manual Adjustment element from the left-hand side menu. When you click this element, the Manual Adjustment Summary section is displayed:

Selected	Batch ID	Batch Description
<input type="checkbox"/>	IIAINFODOM_SLAcc_1_200090_20170425_11	IIAINFODOM_SLAcc_1_200090_20170425
<input checked="" type="checkbox"/>	IIAINFODOM_SLAcc_1_200090_20170425_17	IIAINFODOM_SLAcc_1_200090_20170425
<input type="checkbox"/>	IIAINFODOM_SLAcc_1_200090_20170425_18	IIAINFODOM_SLAcc_1_200090_20170425
<input type="checkbox"/>	IIAINFODOM_SLAcc_1_200090_20170425_14	IIAINFODOM_SLAcc_1_200090_20170425
<input type="checkbox"/>	IIAINFODOM_SLAcc_1_200090_20170425_15	IIAINFODOM_SLAcc_1_200090_20170425

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

4.6.2 Search for SubLedger Manual Adjustment Definitions

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

The list of subledger manual adjustment definitions in the Batch Details table is refreshed and the definitions that match your search criteria are displayed.

4.6.3 Create New SubLedger Manual Adjustment Definition

The SubLedger Manual Adjustment feature enables you to create new subledger manual adjustment definitions by using the following steps:

1. In the SubLedger Manual Adjustment table, click **Add**, to open the SubLedger Manual Adjustment window.

Subledger Manual Adjustment

Subledger Definition Details

Hierarchy Folder^{*} IIA080SEG

LOS Hierarchy Folder^{*} IIA080SEG

GAAP Code^{*} Afghanistan GAAP



Legal Entity^{*}

Line Of Business^{*}

Run Type^{*} Solo

Calculation Method^{*} General Measurement...

2. Populate the SubLedger Definition Details pane as tabulated.

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	Select a folder from the drop-down list.
Legal Entity	Click the Hierarchy Selection  icon adjacent to this field. Select the required Legal Entity from the Hierarchy Selection window. For more information, see the Hierarchy Selection section.
LOB Hierarchy Folder	Select a folder from the drop-down list.
Line of Business	Click the Hierarchy Selection  icon adjacent to this field. Select the required Legal Entity 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. The available methods are: <ul style="list-style-type: none"> • General Measurement Model • Long Duration Contracts • Premium Allocation Approach • Variable Fee Approach
Run Type	Click the drop-down list adjacent to this field and select the option either as Solo or Consolidated.

3. Click **Search**.
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 dropdown.

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

8. Click **Submit**.
9. Click **Save**.

4.6.4 Edit a SubLedger Manual Adjustment Definition

The SubLedger Manual Adjustment feature enables you to edit subledger manual adjustment definitions by using the following steps:

1. From the Batch Details table, select the checkbox adjacent to the SubLedger Manual Adjustment definition you want to edit.
2. Click **Edit**. To open the SubLedger Manual Adjustment window.
3. Update the required fields. For more information, see [Create a New SubLedger Manual Adjustment Definition](#) section.
4. Click **Save**.

The saved definition is displayed in the Batch Details table on the Manual Adjustment Summary page.

4.6.5 View a SubLedger Manual Adjustment Definition

The SubLedger Manual Adjustment feature enables you to view subledger manual adjustment definitions by using the following steps::

1. In the Batch Details table, select the checkbox adjacent to the subLedger manual adjustment definition that you want to view.
2. Click **View** to open the SubLedger Manual Adjustment window.

This window displays the aggregation attributes and accounting rules details as well.

4.6.6 Run SubLedger Manual Adjustment Definition

The SubLedger Manual Adjustment feature enables you to run subledger manual adjustment definitions by using the following steps:

1. In the Batch Details table, select the checkbox adjacent to the SubLedger Manual Adjustment.
2. Click **Run**.
3. In the Execution window, enter the start date in the Start Date field.
4. In the Execution Description field, enter a description.
5. Click **Execute**.

The selected subledger manual adjustment definition is marked for execution.

5 Oracle Insurance Accounting Analyzer Reports

Oracle Insurance Accounting 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](#)
- [List of Long-Duration Contracts](#)

5.1 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.

5.2 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.

5.3 Analytical Reports and Trend Reports

The Analytical and Trend Reports helps in identifying the Onerous or 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.

5.4 List of IFRS 17 Reports

The following are the reports available as part of Oracle Insurance IFRS 17 Analyzer version 8.0.9.0.0.

5.4.1 Disclosure Reports

5.4.1.1 GMM Liability Analysis

5.4.1.1.1 Movement Analysis

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

5.4.1.2 Reconciliation Report

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

5.4.1.2.1 Insurance Revenue Details

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

5.4.1.2.2 Statement of Profit or Loss

This report displays the profit and losses that are generated by insurance services and investments for a selected reporting period.

5.4.1.3 VFA Liability Analysis

5.4.1.3.1 Movement Analysis

This report provides a detailed analysis of changes or movements in insurance liabilities, during the coverage period of contracts under Variable Fee Model

5.4.1.3.2 Reconciliation Report

This report helps in reconciling the data derived from the calculation of liability under VFA.

5.4.1.3.3 Statement of Profit or Loss

This report displays the profit and losses that are generated by insurance services and investments for a selected reporting period.

5.4.1.4 PAA Liability Analysis

5.4.1.4.1 Movement Analysis

This report provides a detailed analysis of changes or movements in insurance liabilities, during the coverage period of contracts under the Premium Allocation Approach.

5.4.1.4.2 Liability Analysis

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

5.4.1.4.3 Liability For Incurred Claims

This report provides details on the liability for incurred claims under the Premium Allocation Approach.

5.4.1.4.4 Statement of Profit or Loss

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

5.4.1.5 CSM Projection Trend**5.4.1.5.1 CSM Projection**

This report displays the reports CSM or Loss Projection for the future period in tabular as well as graphical format.

5.4.1.6 PAA & GMM Comparison**5.4.1.6.1 Movement Analysis**

This report provides a detailed comparison of changes or movements in insurance liabilities, during the coverage period of contracts under the Premium Allocation Approach and General Measurement Model.

5.4.1.7 Reconciliation Report

This report helps in reconciling the data derived from the calculation of CSM or net liability under the Premium Allocation Approach and General Measurement Model.

5.4.1.7.1 Insurance Revenue Details

This report helps in reconciling the data derived from the calculation of CSM or net liability under the Premium Allocation Approach and General Measurement Model.

5.4.1.7.2 Statement of Profit or Loss

This report displays the profit and losses that are generated by insurance services and investments for a selected reporting period under the Premium Allocation Approach and General Measurement Model.

5.4.1.8 Reinsurance GMM Liability Analysis**5.4.1.8.1 Reinsurance Movement Analysis**

This report gives a detailed analysis of the present value of future cash flows, risk adjustment, contractual service margin, and reinsurance net flow.

5.4.1.8.2 Reinsurance Reconciliation Report

This report gives a detailed analysis of the liability for remaining coverage, expected recoveries for incurred claims, and reinsurance contract held total for the reinsurance reconciliation reports.

5.4.1.8.3 Reinsurance Financial Statement

This report gives a detailed analysis of the reinsurance financial statements.

5.4.1.9 Reinsurance PAA Liability Analysis**5.4.1.9.1 Reinsurance Held Liability Analysis**

This report gives a detailed analysis of the liability for remaining coverage.

5.4.1.9.2 Reinsurance Held Liability Analysis Incurred Claims

This report gives a detailed analysis of the expected recoveries for incurred claims.

5.4.1.9.3 Reinsurance Financial Statement

This report gives a detailed analysis of the reinsurance financial statement.

5.4.1.10 Comparison**5.4.1.10.1 Movement Analysis**

This report compares the movement analysis of the corresponding direct insurance estimates for a selected method.

5.4.1.10.2 Reinsurance Movement Analysis

This report compares the liability analysis of the reinsurance held liability analysis with the corresponding direct insurance estimates for a selected method.

5.4.1.10.3 Reconciliation Report

This report compares the reconciliation of movement analysis of the direct insurance liability analysis with the corresponding reinsurance held estimates for a selected method.

5.4.1.10.4 Statement of Net Profit and Loss

This report compares the statement of net profit and loss of the direct insurance liability analysis with the corresponding reinsurance held estimates for a selected method.

5.4.1.11 CSM Projection Trends

This report displays a detailed analysis of the CSM projection trend.

5.4.2 Sub Ledger Reports**5.4.2.1 Ledger Closing Balances**

This report displays the Debit Value and Credit Value for the GL Accounts like Cash, Deferred Acquisition Cost, Insurance Contract Liabilities (BEL, CSM, and RA), etc.

5.4.2.2 Journals - Event View

5.5 List of Long Duration Contracts Reports

5.5.1 Disclosure Reports

5.5.1.1 Roll Forward – Premium and Benefits

5.5.1.1.1 Disclosure of Information about the Liability for Future Policy Benefits LFPB RF

This report provides a detailed analysis of the present value of the expected net premiums, expected future policy benefits, and the net liability for future policy benefits during the coverage period for long-duration contracts.

5.5.1.2 Roll Forward – Commission and Expenses

5.5.1.2.1 Balance of and Changes in Deferred Acquisition Costs DAC RF

This report provides a detailed analysis of the deferred acquisition cost of commissions and expenses during the coverage period for long-duration contracts.

5.5.1.3 Ledger Balances

5.5.1.3.1 Present Value of Expected Net Premium

This report provides a detailed analysis of the debit and credit values of the GL account for a specific event during the coverage period for long-duration contracts.

5.5.1.3.2 Ledger Closing Balances

This report provides a detailed analysis of the debit and credit values of the GL account during the coverage period for long-duration contracts.

5.5.1.4 Ledger Balances by Event

5.5.1.4.1 Present Value of Expected Net Premium

This report provides a detailed analysis of the various value of the net premiums of the GL accounts for a specific event during the coverage period for long-duration contracts.

5.5.1.5 Adjustments and Allocations

5.5.1.5.1 Cohort Adjustment

This report provides a detailed analysis of the cohort adjustment for a LOB during the coverage period for long-duration contracts.

6 References






This section covers the following topics:

- [Hierarchy Selection](#)
- [Setting Up the Setup Master Table](#)




6.1 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. From the drop-down list, select the required Dimension.
2. From the drop-down list, select the associated Hierarchy. In the Hierarchy More window. You can click More to search for a specific Hierarchy.
3. Select any combination of rollup points and leaf (last descendant child) values.
4. In the New - Filter Details window you can perform the following:

Field	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.

5. Use the following buttons to select or deselect the members:

Field	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.

Field	Description
	Deselect all the selected members.

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

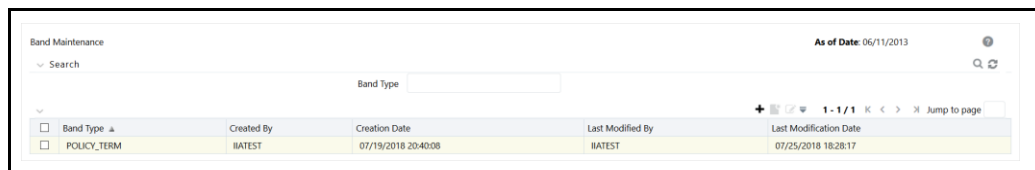
7 Band Maintenance

This section covers the following topics:

- Access Band Maintenance
- Search for Band Definitions
- Create a New Band Definition
- Edit Band Definition
- View Band Definition

7.1 Access Band Maintenance

You can access the Band Maintenance section by clicking the Band Maintenance element under the Common Object Maintenance section from the left-hand side menu. When you click this element, the Band Maintenance section is displayed:



Band Type	Created By	Creation Date	Last Modified By	Last Modification Date
<input type="checkbox"/> POLICY_TERM	IIATEST	07/19/2018 20:40:08	IIATEST	07/25/2018 18:28:17

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 table. This page also enables you to define new Band Definition, edit the existing definitions, and view the details of the existing definitions.

7.2 Search for Band Definitions

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

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

You can also make use of the pagination options as detailed in the [Pagination Options](#) section.

7.3 Create a New Band Definition

The Band Type page enables you to create new definitions. To create a new Band definition, perform the following steps:

1. From the Band Type table Click **Add**,
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 **Add** in Band Range Details table.
4. 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.

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

The saved definition is displayed in the Band Maintenance table 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. The user comments section enables you to add additional information as a comment.

7.4 Edit Band Definition

You can edit the Band definitions from the Band Maintenance page. To edit an existing Band definition, perform the following steps:

1. Select the check-box adjacent to the Band definition you want to edit, from the Band Maintenance table.
2. Click **Edit**.

The Band Maintenance window is displayed.

3. Update the required fields. For more information, see [Create a New Band Definition](#) section.
4. Click Save.

The saved definition is displayed in the Band Maintenance table 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. The user comments section enables you to add additional information as a comment.

7.5 View Band Definition

You can view the Band definition details from the Band Maintenance page. To view an existing Band definition, perform the following steps:

1. Select the checkbox adjacent to the Band definition you want to view, from the Band Maintenance table.
2. Click **View**.

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

NOTE

You cannot edit any of the fields in View mode.

8 Dimension Management

Dimension Management within the Infrastructure system facilitates you to categorize data into a single object as a Member; define levels and aggregate data to form the Hierarchy, and distinguish each member by defining the required Attributes. For detailed information on dimension management, refer to the section on Dimension Management in the [OFS AAI User Guide](#). This section covers the following topics:

- Access Dimension Management
- Map the Financial Element or Transaction Type to the Cash Flow Type

8.1 Access Dimension Management

You can access the Dimension Management section by selecting it under the Common Object Maintenance section from the left pane of the application.

8.2 Adding a Member Definition

You can add a member to a dimension by providing it with either a numeric or an alphanumeric code. If you are providing an alphanumeric code, then refer to the Adding Member Definition section in the [OFS AAI User Guide](#).

8.3 Map the Financial Element/Transaction Type to the Cash Flow Type

Mapping the Financial Element or the Transaction Type to the Cash Flow Type is a pre-requisite task before you can execute the Data Loader batch to move assumed cash flows and actual transaction data of policies or cohorts to the processing tables.

You can either use the pre-configured dimension member of the Cash Flow type or create your own. For detailed information on dimension management, refer to the section on Dimension Management in the OFS AAI User Guide.

8.3.1 Map the Financial Element to the Cash Flow Type

The Dimension member Financial Element is used for the assumed cash flows, at the policy and cohort levels. To map the financial element to the cash flow type:

1. Navigate to Common Object Maintenance> Dimension Management> Member.
2. Click Add.
3. In the Dimension drop-down, select Financial Element.
4. Enter values in the Alphanumeric Code, Numeric Code, and Name fields. Additionally, you can also select the Generate Code icon to automatically generate a unique numeric code.
5. In the Member Attributes field, in the Cash flow type drop-down, select the required member attribute.
6. Click Save.

8.3.2 Map the Transaction Type to the Cash Flow Type

The Dimension member Transaction Type is used for the actual cash flows, at the policy and cohort levels. To map the transaction type to the cash flow type:

1. Navigate to Common Object Maintenance> Dimension Management> 'Member.
2. Click Add.
3. In the Dimension drop-down, select Transaction Type.
4. Enter values in the Alphanumeric Code, Numeric Code, and Name fields.
Additionally, you can also select the Generate Code icon to automatically generate a unique numeric code. For more information, refer to the [OFS AAI User Guide](#).
5. In the Member Attributes field, in the Cash flow type drop-down, select the required member attribute.
6. Click Save.

9 Batch Execution

Batch Execution refers to the process of initiating a Batch for current processing. When a Batch is submitted for execution, a series of commands are sent to the database concerning the defined component parameters. This, in turn, returns an array of update counts (required value definitions) when the commands are executed successfully. For detailed information on batch executions, refer to the section on batch execution in the [OFS AAI User Guide](#).

This chapter contains information on how to run or execute the batches required in the Oracle Insurance Accounting Analyzer application.

9.1 Access Batch Execution

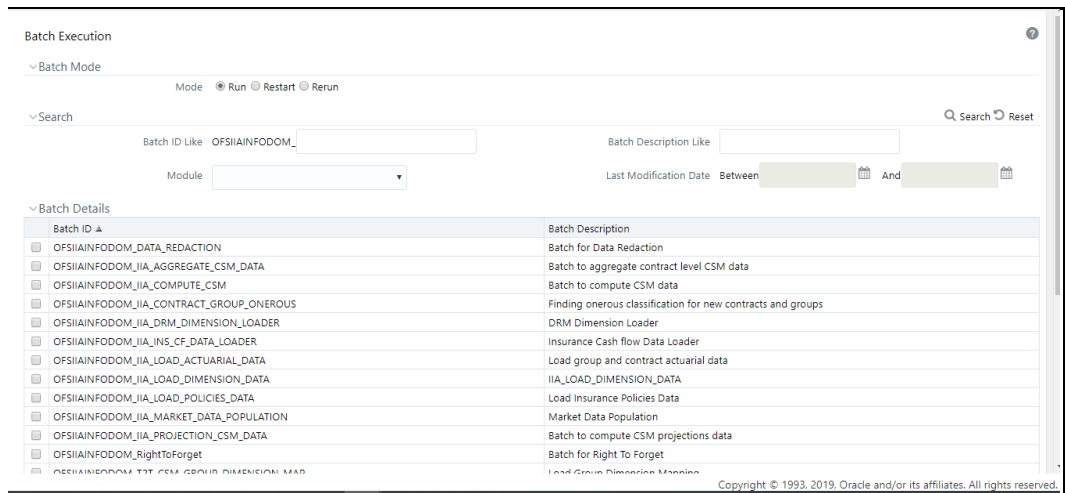
You can access the Batch Execution page by navigating to Common Object Maintenance>Operations>Batch Execution from the left- pane of the Oracle Insurance Accounting Analyzer application

9.2 Run or Execute the Batches

To execute a batch in the Batch Execution window:

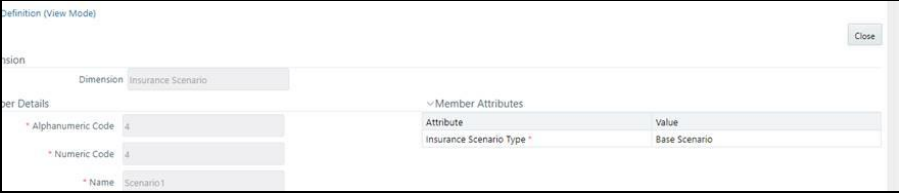
1. In the Batch Mode section, select Run.

The list of batches scheduled for execution is displayed in the Batch Details section.



2. Select the checkbox adjacent to the Batch ID which has to be executed. You must execute the following batches in the sequence specified in the following table:

Execution Order	Run Name/Batch Id
1	<INFODOM>_IIA_DRM_DIMENSION_LOADER

Execution Order	Run Name/Batch Id
2	<p><INFODOM>_IIA_LOAD_DIMENSION_DATA</p> <p>After you load this batch, to map the insurance scenario number used in your STG table to the required insurance scenario type, you must perform the following steps:</p> <ol style="list-style-type: none"> 1. Navigate to Common Object Maintenance > Dimension Management > Member. 2. In the Dimension drop-down, select Insurance Scenario and then click Edit. <p style="text-align: center;">Example of the Insurance Scenario dimension screen</p>  <p>The screenshot shows a 'Definition (View Mode)' window for the 'Insurance Scenario' dimension. It includes fields for 'Alphanumeric Code', 'Numeric Code', and 'Name'. The 'Member Attributes' section shows 'Insurance Scenario Type' mapped to 'Base Scenario'.</p> <ol style="list-style-type: none"> 3. Map the insurance scenario with the required insurance scenario type attribute. 4. Click Save. <p>The Insurance scenario is mapped with the insurance scenario type attribute. After you complete the above steps, continue executing the below batches.</p>
3	<INFODOM>_T2T_CSM_GROUP_DIMENSION_MAP
4	<INFODOM>_IIA_INS_CF_DATA_LOADER
5	<INFODOM>_IIA_LOAD_POLICIES_DATA
6	<INFODOM>_IIA_MARKET_DATA_POPULATION
7	<INFODOM>_INPUT_VARIABLE_CALC_<LIABILITY_CALCULATION_ID>
8	<INFODOM>_IIA_CALCULATION_<LIABILITY_CALCULATION_ID>

NOTE

If your template contains multiple FIC_MIS_DATES, then the batches <INFODOM>_INPUT_VARIABLE_CALC_<LIABILITY_CALCULATION_ID> and <INFODOM>_IIA_CALCULATION_<LIABILITY_CALCULATION_ID> must be executed in the below sequence:

- For the first FIC_MIS_DATE, execute the <INFODOM>_INPUT_VARIABLE_CALC_<LIABILITY_CALCULATION_ID> batch and then the corresponding FIC_MIS_DATE <INFODOM>_IIA_CALCULATION_<LIABILITY_CALCULATION_ID> batch.
- For the second FIC_MIS_DATE, execute the second FIC_MIS_DATE's <INFODOM>_INPUT_VARIABLE_CALC_<LIABILITY_CALCULATION_ID> batch and then execute corresponding second FIC_MIS_DATE's <INFODOM>_IIA_CALCULATION_<LIABILITY_CALCULATION_ID> batch.

3. In the Batch Details toolbar, click Schedule Batch to define a new batch or modify a pre-defined Batch Schedule. For more information, see the Batch Scheduler section in the [OFS AAI User Guide](#).
4. In the Task Details toolbar, click Exclude or Include to exclude or include a task, or click Hold or Release to hold or release a task before executing the batch. For more information, see the Modify Task Definitions of a Batch section in the [OFS AAI User Guide](#).

5. Specify the Information Date (mandatory) by clicking the calendar icon. The specified date is recorded for reference.

NOTE

You can also modify the required task parameters of the selected Batch and include the changes during the Batch rerun. For more information, see the Specify Task Details in the [OFS AAI User Guide](#).

6. Click Execute Batch and then select OK to confirm the batch execution.

An information dialog is displayed indicating that the batch execution was triggered successfully. Repeat steps 2 to 6 for all the batches mentioned in step 2.

OFSAA Support

Raise a Service Request (SR) in [My Oracle Support \(MOS\)](#) for queries related to OFSAA applications.

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Oracle welcomes your comments and suggestions on the quality and usefulness of this publication. Your input is an important part of the information used for revision.

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- Is the information clearly presented?
- Do you need more information? If so, where?
- Are the examples correct? Do you need more examples?
- What features did you like most about this manual?

If you find any errors or have any other suggestions for improvement, indicate the title and part number of the documentation along with the chapter/section/page number (if available) and contact the Oracle Support.

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