

# **Oracle Insurance Accounting Analyzer**

**Release Notes**

**Release 8.1.0.1.0**

**October 2020**

**ORACLE**  
Financial Services

## Oracle Insurance Accounting Analyzer Release Notes

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# Document Control

Table 1: Document Version Control

| Version Number | Revision Date | Change Log                                       |
|----------------|---------------|--|
| 1              | October 2020  | Created the release notes for Release 8.1.0.1.0. |

# Table of Contents

- 1 About the Guide ..... 5**
  - 1.1 Intended Audience..... 5
  - 1.2 Access to Oracle Support ..... 5
  - 1.3 Related Information Sources..... 5
  - 1.4 Introduction to Oracle Insurance Accounting Analyzer Application Pack ..... 6
  - 1.5 Why Oracle Insurance Accounting Analyzer? ..... 6
    - 1.5.1 *What is New in this Release* ..... 7
    - 1.5.2 *Installing this Minor Level Release*..... 9
- 2 Oracle Insurance Accounting Analyzer Release 8.1.0.1.0 ..... 10**
  - 2.1 Bugs Fixed in this Release..... 10
  - 2.2 Known Issues or Limitations ..... 11
- 3 Oracle Financial Services Analytical Applications Infrastructure..... 12**
- 4 Hardware and Software Tech Stack Details..... 13**
- 5 Licensing Information ..... 14**

# 1 About the Guide

This section provides release information for the Oracle Insurance Accounting Analyzer Application Pack and includes the following topics:

- [Intended Audience](#)
- [Access to Oracle Support](#)
- [Related Information Sources](#)

## 1.1 Intended Audience

This document is intended for users of Oracle Insurance Accounting Analyzer Application Pack.

## 1.2 Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> Or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

## 1.3 Related Information Sources

You can access the following online documents from the Oracle Help Center (OHC) Documentation Library for [Oracle Insurance Accounting Analyzer Application Pack](#):

- [Oracle Insurance Accounting Analyzer Release Notes](#)
- [Oracle Insurance Accounting Analyzer Installation Guide](#)
- [Oracle Insurance Accounting Analyzer User Guide](#)

You can access the OFS AAI documentation online from the OHC Documentation Library for [OFS AAI](#):

- [OFS Advanced Analytical Applications Infrastructure \(OFS AAAI\) Application Pack Installation and Configuration Guide](#)
- [OFS Analytical Applications Infrastructure User Guide](#)

The additional documents are:

- [OFSAA Licensing User Manual, Release](#)
- [OFS Analytical Applications Infrastructure Security Guide](#)
- [OFSAAI FAQ Document](#)
- [OFS Analytical Applications Technology Matrix](#)
- [Oracle Insurance Accounting Analyzer Technical Documents](#)

## 1.4 Introduction to Oracle Insurance Accounting Analyzer Application Pack

IFRS 17 and LDTI are new accounting standards that supersede the current existing practice. The new standards provide the users of financial statements with a new perspective of the financial accounts of insurance companies.

Insurance companies must 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.

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

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

Amendments in LDTI apply to all insurance entities that issue long-duration contracts and emphasizes on the following:

- Improves the timeliness of recognizing changes in the liability for future policy benefits and modify the rate used to discount future cash flows.
- Simplifies and improves the accounting for certain market-based options or guarantees associated with deposit (or account balance) contracts.
- Simplify the amortization of deferred acquisition costs.
- Improve the effectiveness of the required disclosures.

## 1.5 Why Oracle Insurance Accounting Analyzer?

Oracle Insurance Accounting Analyzer application enables compliance to accounting standards for insurance contracts issued by FASB and IASB. The solutions help them adhere to the disclosure requirements as proposed under these standards. IFRS 17 requires insurance companies to have consistent accounting standards for the insurance contracts which ensures timely recognition of losses in the book of accounts. Insurance companies are required to identify and report the Fulfillment Cash Flows and Contractual Service Margin at every reporting date, based on the current market conditions. Oracle Insurance Accounting Analyzer application helps the organizations to conclude the insurance obligations (insurance contract liabilities reported on the balance sheet), using different methodologies for a set of portfolios, by assessing the net liability for every insurance contract.

IFRS 17 standard also requires the entities to perform initial recognition of insurance contracts and execute periodical reassessment 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.

The Oracle Insurance Accounting Analyzer with the LDTI solution provides the capability to execute the calculations of disaggregated liability estimates with calculation logic easily configured for different product types. The calculations can be executed at the granularity chosen by the user based on the business needs. The solution also supports the calculation of the net premium and the retrospective calculations based on the standard requirements. The solution also comes with multiple out of box reports to adhere to the standard enhancement.

## 1.5.1 What is New in this Release

This section lists the new features and changes in the Oracle Insurance Accounting Analyzer Application Pack Release 8.1.0.1.0.

### Topics:

- [New Features](#)
- [Deprecated Features](#)
- [Desupported Features](#)

### 1.5.1.1 New Features

Oracle Insurance Accounting Analyzer bundles the following new features in version 8.1.0.1.0. For detailed information about the usage of the listed features see the respective product User Guides on [OHC Documentation Library](#).

- Enhanced formula view in the **Calculation Preference** screen.
- Inclusion of the current report date for what-if analysis.
- Ability to add conditions to a sub-ledger accounting attribute. The **Accounting Rules Criteria** tab has been introduced in the **Sub ledger Process** screen to support this enhancement.
- Introduction of the following new operators in the **Calculation Preference** screen:
  - ABS
  - MOD
  - FLOOR
- Introduction of the following new dimensions in the **Level of Aggregation** screen:
  - Fund Type
  - Premium Frequency
  - Distribution Channel

- Business Unit
- Industry Sector
- Increased size for the template formula to make it unlimited.
- Addition of a new assumption **Premium Recognition Pattern** in liability run for the PAA method.
- Now, any input variable that is not a part of the calculation template is not added to the final result table.
- Addition of the following transition approaches:
  - Modified Retrospective Approach
  - Fully Retrospective Approach
- Ability to validate total debits and credits in a Sub ledger definition to ensure that only balanced journal entries pass.
- Ability to consume data at the following granularities:
  - Discounted values as input directly
  - Actuals from the transaction tables
  - Actuals from the cohort actuals table
  - Assumption /Run based data
- Ability to link an input variable to multiple assumptions for a single expression. The Assumptions drop-down has been introduced to support this enhancement and contains the following assumptions:
  - Opening position
  - New Business
  - Non-Economic Experience
  - Economic Experience
  - Non-Economic Assumptions
  - Economic Assumptions
  - Closing Position
- Generation of the automatic Evaluation sequence in the **Calculation Preference** screen.
- Changes to the reports dashboard:
  - All disclosure reports for GMM, VFA, PAA, Reinsurance, and Transition have been enhanced.
  - The Drill-down of specific reports is now supported.
- Enhanced all calculation templates for GMM, VFA, PAA, Reinsurance including transition.
- Ability to enable reinsurance for the aggregation level irrespective of the dimensions in the LOA screen.
- Added a new dimension **Event Date about** in the variable Maintenance screen.



- A calculation preference definition template can now contain reinsurance, transition, and a transition method.
- Enhanced **Application Preference** UI.
- Changed the projection configuration in the liability calculation feature to a run-time parameter.
- Ability to provide locked-in rates as an input at the granularity of the cohort.

### **1.5.1.2 Deprecated Features**

There are no deprecated features in this release.

### **1.5.1.3 De-supported Features**

There are no de-supported features in this release.

## **1.5.2 Installing this Minor Level Release**

For detailed instructions to install this Minor Level Release, see the [Oracle Insurance Accounting Analyzer Installation Guide Release 8.1.0.1.0](#).

## 2 Oracle Insurance Accounting Analyzer Release 8.1.0.1.0

Oracle Insurance Accounting Analyzer Release 8.1.0.1.0 is a separately licensed product.

**31982753** - OFS IIA Pack Release 8.1.0.1.0 includes all enhancements and bug fixes that are done since the 8.1.0.0.0 release.

This chapter includes the following topics:

- [List of Bugs Fixed](#)
- [Known Issues / Limitations](#)

### 2.1 Bugs Fixed in this Release

The following bugs are fixed in this release:

**Table 2: The List of Fixed Bugs in Release 8.1.0.1.0**

| Bug Number | Bug Description   | Change Description  |
|------------|---|---|
| 31743933   | CSM PACKAGE AND ONEROUS DT IS GETTING FAILED IN IFRS17                                  | Previously, the execution of the formulae in the CSM and onerous data tables were failing due to the formulae exceeding 32000 characters. This issue was resolved by increasing the character limit to 200,000 characters.                                  |
| 31574892   | REINSURANCE RISK EXPIRY STATUS CODE COLUMN IS MISSING IN POLICY LEVEL TXN TABLES        | The risk expiry status code column was missing in the policy level transaction tables. This issue has been resolved by introducing the <b>v_risk_expiry_status_code</b> column in the <b>STG_REINSURANCE_HELD_TXNS</b> and <b>STG_CLAIM_DETAILS</b> tables. |
| 31576632   | RE-INSURANCE TEMPLATE DOES NOT HAVE EXPRESSIONS FOR EXPECTED RECOVERY OF INCURRED CLAIM | All the templates have been enhanced to resolve these issues.   |
| 31574868   | REINSURANCE TEMPLATE DOES NOT CATER TO DEFAULT RISK OF REINSURER                        |   |
| 31571163   | RE-INSURANCE TEMPLATE DOES NOT CATER TO ALL SCENARIOS                                   |   |
| 31570894   | REINSURANCE MACROS UNAVAILABLE TO FETCH UNDERLYING DIRECT INSURANCE DATA FOR 1:1 MAP    |   |
| 31570483   | INTEREST ACCRETION MACRO IN GMM TEMPLATE REQUIRES POLICY CFS                            |   |

| Bug Number | Bug Description  | Change Description  |
|------------|--|---|
| 31570448   | RE-INSURANCE DOES NOT SUPPORT 1:N, N:1, M: N MAPPINGS              |   |
| 31508333   | EXPORT TEMPLATE FORMAT FOR IAA CALCULATION PREFERENCE NOT READABLE |   |
| 31570551   | RE-INSURANCE TASK NAMING INCORRECT                                 | The DT names in the <b>IIA_CALCULATION</b> batch for reinsurance were incorrect. This issue has been resolved by adding the names: Prospective and Retrospective.   |
| 31446428   | ACCOUNTING DATA HANDLING AT DIFFERENT GRANULARITY/TABLES           | The application now consumes data at the following granularities: <ul style="list-style-type: none"> <li>• Discounted values as input directly</li> <li>• Actual transactions from the policy or cohort actual tables</li> <li>• Assumption based data</li> </ul> |

## 2.2 Known Issues or Limitations

The following are the limitations in Release 8.1.0.1.0:

- LDTI Retrospective Reinsurance is not supported.
- Transition Reinsurance for VFA and LDTI templates is not supported.

### 3 **Oracle Financial Services Analytical Applications Infrastructure**

See the [Oracle Financial Services Advanced Analytical Applications Infrastructure Application Pack Release Notes](#) for the details on the New Features, List of Bugs Fixed, and Known Issues and Limitations.

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## 4 **Hardware and Software Tech Stack Details**

The hardware and software combinations required for OFS AAI 8.1.0.0 are available at [OFS Analytical Applications Technology Matrix](#).

## 5 **Licensing Information**

For details on the third party software tool used, see the [OFSAA Licensing Information User Manual Release 8.1.0.0.0](#).

## **OFSAA Support**

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

## OFSAA Support

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



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- Is the information clearly presented?
- Do you need more information? If so, where?
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