

Oracle Insurance Accounting Analyzer

Release Notes

Release 8.1.1.1.0

May 2021

ORACLE
Financial Services

Oracle Insurance Accounting Analyzer Release Notes

Copyright © 2021 Oracle and/or its affiliates. All rights reserved.

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish, or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

If this is software or related documentation that is delivered to the U.S. Government or anyone licensing it on behalf of the U.S. Government, then the following notice is applicable:

U.S. GOVERNMENT END USERS: Oracle programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, delivered to U.S. Government end users are “commercial computer software” pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, use, duplication, disclosure, modification, and adaptation of the programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, shall be subject to license terms and license restrictions applicable to the programs. No other rights are granted to the U.S. Government.

This software or hardware is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications that may create a risk of personal injury. If you use this software or hardware in dangerous applications, then you shall be responsible to take all appropriate fail-safe, backup, redundancy, and other measures to ensure its safe use. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software or hardware in dangerous applications.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

Intel and Intel Xeon are trademarks or registered trademarks of Intel Corporation. All SPARC trademarks are used under license and are trademarks or registered trademarks of SPARC International, Inc. AMD, Opteron, the AMD logo, and the AMD Opteron logo are trademarks or registered trademarks of Advanced Micro Devices. UNIX is a registered trademark of The Open Group.

This software or hardware and documentation may provide access to or information about content, products, and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services unless otherwise set forth in an applicable agreement between you and Oracle. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services, except as set forth in an applicable agreement between you and Oracle.

For information on third party licenses, click [here](#).

Document Control

Table 1: Document Version Control

Version Number	Revision Date	Change Log
1	May 2021	Created the release notes for Release 8.1.1.1.0.

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	<i>What is New in this Release</i>	7
1.5.2	<i>Installing this Minor Level Release</i>	8
2	Oracle Insurance Accounting Analyzer Release 8.1.1.1.0	9
2.1	Bugs Fixed in this Release.....	9
2.2	Known Issues or Limitations	9
3	Oracle Financial Services Analytical Applications Infrastructure	11
4	Hardware and Software Tech Stack Details	12
5	Licensing Information	13

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 the 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 \(OFS AAI\) 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 FAO 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 gives 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 the following:

- Improves the timeliness of recognizing changes in the liability for future policy benefits and modifies 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 liabilities of the groups of contracts. This primarily involves showcasing the insurance and finance results separately per insurance group.

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 8.1.1.1.0.

Topics:

- [New Features](#)
- [Deprecated Features](#)
- [De-supported Features](#)

1.5.1.1 New Features

Oracle Insurance Accounting Analyzer bundles the following new features in version 8.1.1.1.0. For detailed information about the usage of the listed features, see the respective product User Guides on [OHC Documentation Library](#).

- Exchange Rate – Supports the ability to convert the foreign currency expected cash flows or actual transactions into the functional currency by using one of the spot exchange rates supported by the application. The application also allows the user to view the IFRS17 results in different reporting currency configured per legal entity. The subledger feature also supports accounting in different currencies, as required.
- Acquired Contracts – The application supports multiple approaches to handle the solo and consolidated execution of IFRS17 results per legal entity. The solution also provides out-of-box templates to support the IFRS17 computation for acquired contracts.
- Inclusion of selecting Long-Duration Contracts (LDTI) or IFRS17 or both from the Application Preference screen. The application user interface has been enhanced to support separate configurations for IFRS17 and LDTI users, respectively. Depending on the selection, only methods based on this selection appear in the application.

- A Business Unit can now be selected by using the Hierarchy Management method.
- Enhancement of the disclosure reports for Premium Allocation Approach (PAA) and General Measurement Model (GMM).
- Enhancement of the PAA templates and the addition of the GMM GI reinsurance template.
- Enhanced the load run ID to refer to the default load Run ID from the Setup Master table.
- The subledger standard definitions are updated to incorporate all the relevant changes introduced as part of the release.
- Changes to the reports dashboard.
 - Enhanced the LDTI reports for improved coverage for reconciliation and movement analysis.
 - Introduced comparison reports for IFRS17 and LDTI by FIC_MIS_DATE, Scenario, and Product.
 - Enhanced the GMM vs PAA comparison report by introducing a graphical representation for comparing the *Total Liabilities* and *Liability For Remaining Coverage* between GMM and PAA for all the projection years.
 - General Ledger (GL) Hierarchy report enables the presentation of GL closing balances in a hierarchical structure.
 - The GL closing report can now be viewed at the cohort level.
 - Subledger Reports now support currency conversion.

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 8.1.1.1.0](#).

2 Oracle Insurance Accounting Analyzer Release 8.1.1.1.0

Oracle Insurance Accounting Analyzer Release 8.1.1.1.0 is a separately licensed product.

32895545 - OFS IAA Pack Release 8.1.1.1.0 includes all enhancements and bug fixes that are done since the 8.1.1.0.0 release.

This chapter includes the following topics:

- [Bugs fixed in this Release](#)
- [Known Issues or 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 8.1.1.1.0

Bug Number	Bug Description	Change Description
32906518	VFA Report Issue	This issue has been fixed.
32850159	Disaggregate Finance Expense Button is not Available When VFA Template is Selected	This issue has been fixed.
32831122	New Attributes and Modified Attributes for 81110 Across Acquired Contract and Other Methods	This issue has been fixed.
32729089	Able to Finalize the Subledger Definition Without Approving it	A Subledger definition can now be finalized after approval.
32844471	Reports Drilldown Should Have Rows for Each Exchange Rate Code	The reports drill-down now contains rows that correspond to each exchange rate code.
32506338	Enhancement: Deleting a Version In Calc Pref (Deleting In Draft Version)	This issue has been fixed.
32872360	Use N_TENOR =0 to get the Spot Exchange Rates From FSI_EXCHANGE_RATES	This issue has been fixed.

2.2 Known Issues or Limitations

The following are the Limitations in Release 8.1.1.1.0:

- LDTI Retrospective Reinsurance and Transition Reinsurance are not supported.
- Reinsurance for VFA is not supported
- Currency Conversion in an environment where the OFS PFTI application is installed is not supported.
- New Output variables that are introduced for this release are limited only at the Template level and not for Reports where the **Disaggregate insurance Finance**

Expense feature is enabled and the **Disaggregate Type** is either *Proportional* or *Based on Inception Discount Rate*.

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.

4 Hardware and Software Tech Stack Details

The hardware and software combinations required for OFS AAI 8.1.0.0.0 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.

Send Us Your Comments

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.

- Did you find any errors?
- 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 Oracle Support.

Before sending us your comments, you might like to ensure that you have the latest version of the document wherein any of your concerns have already been addressed. You can access My Oracle Support site that has all the revised/recently released documents.

