

Oracle Insurance Accounting Analyzer

Release Notes

Release 8.1.1.0.0

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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	February 2021	Created the release notes for Release 8.1.1.0.0.

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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 8.1.1.0.0.

Topics:

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

1.5.1.1 New Features

Oracle Insurance Accounting Analyzer bundles the following new features in version 8.1.1.0.0. For detailed information about the usage of the listed features, see the respective product User Guides on [OHC Documentation Library](#).

- Enhanced the existing Long-Duration Contracts (LDTI) templates to increase the coverage of roll forward requirements by the standard.
- Inclusion of new LDTI transition templates to support the Full Retrospective and Modified Retrospective transition approach.
- Inclusion of new LDTI default templates – LDTI_Mar_Link_Template and LDTI_Conventional_Template.
- Ability to create different versions of the calculation preferences templates and the liability calculation.
- Support of annual forward rates given as an input for discounting and interest accretion.
- On selecting the **Inbox** feature, the task ID redirects you to the approval page.

- Addition of the following macros:

Table 2: The New Macros

Name	Description
Adjustment Amount 1	This macro is similar to the <i>Adjustment Factor</i> macro but can store amounts.
Adjustment Amount 2	Same as above.
Adjustment Amount 3	Same as above.
Adjustment Factor 1	This macro can be linked to the calculation template. The value of the macro for prospective and retrospective can be configured in the liability run.
Adjustment Factor 2	Same as above.
Adjustment Factor 3	Same as above.
Adjustment Factor 4	Same as above.
Adjustment Factor 5	Same as above.
Total Loss component Opening Balance In Underlying Contracts	This macro fetches the total loss component opening balance of all underlying cohorts or contracts mapped to the reinsurance cohort.
Total Loss amount of underlying Existing insurance Contracts	This aggregation macro fetches the total of all the underlying insurance cohorts or contracts linked to the reinsurance cohort or contract.

- **Subledger**
 - Subledger Attribute is a new feature that enables you to enter new or edit or delete existing accounting attribute mappings into the system. This feature provides an exhaustive list of input and output variables to choose from and create formulae with the two. For detailed information on using this feature, see the [Oracle Insurance Accounting Analyzer User Guide](#).
 - The Subledger feature is enhanced to list the CSM or Liability Calculation runs that have been executed depending on factors such as the Legal Entity, Line of Business, Calculation Method, Run Type. The **Source Run** tab is introduced in the Subledger Process screen to support this enhancement. This new enhancement allows the users to execute the same subledger definition for two different CSM runs for the same cohorts.
 - A comparison report has been introduced to view the ledger closing balances for two different subledger executions.
 - A subledger definition is now finalized only after approval from the approver.
 - A new profit and loss statement has been introduced as part of the subledger report.
 - Users will be able to see the Manual Adjustment entries in the subledger journal entry report.
- Addition of new filters:

- **Application Type** – This filer is added to the **Variable Maintenance** screen. Depending on the selection, *IFRS17* or *LDTI*, the relevant input variables are available.
- **Calculation Method** - This filer is added in the **Subledger Attributes** screen. Depending on the selection, *IFRS17* or *LDTI*, the relevant attributes are available.
- Changes to the reports dashboard
 - Enhanced the LDTI reports for improved coverage.
 - Introduced the following new reports:
 - Subledger Reports
 - Statement of Profit or Loss
 - Ledger Closing Balances (Comparison)Market Linked Balances-Reconciliation
 - Reconciliation Policy Holder Account Balance
 - Reconciliation Separate Account Balance

1.5.1.2 Depreciated 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 Maintenance Level Release

For detailed instructions to install this Minor Level Release, see the [Oracle Insurance Accounting Analyzer Installation Guide Release 8.1.1.0.0](#).

2 Oracle Insurance Accounting Analyzer Release 8.1.1.0.0

Oracle Insurance Accounting Analyzer Release 8.1.1.0.0 is a separately licensed product.

32506459 - OFS IIA Pack Release 8.1.1.0.0 includes all enhancements and bug fixes that are done since the 8.1.0.1.0 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 3: The List of Fixed Bugs in Release 8.1.1.0.0

Bug Number	Bug Description	Change Description
32400231	CASHFLOW LOADER FAILING IN 8.1 IFRS17	Previously, while executing the cash flow loader batch, the batch failed to populate data from the stg_ins_cohort_actuals table to the fsi_ins_group_cash_flows table. This issue has been resolved by allowing the batch to match the fic_mis_date present in the fsi_csm_group_dimension_map table.
32163354	PROJECTION YEARS AND LIABILITY ANALYSIS CREATING ISSUE.	The projection years was creating errors in the PR_FCT_DEP_DRILLDOWN_LOAD and PR_FCT_REP_DRILLDOWN_LOAD functions. This issue was resolved by updating the output variable code value to 47 in the DIM_INS_ACST_REP_LINE table.
32239353	RULE CONDITION IS NOT GETTING APPLIED TO ACCOUNTING ATTRIBUTES	In the subledger feature, the rule condition was not applied to the accounting attributes regardless if the condition was <i>True</i> or <i>False</i> . This issue has been resolved by considering the <i>IFRS17</i> and <i>LDTI</i> related source table when consuming the rule criteria that is defined by <i>IFRS17</i> and <i>LDTI</i> .
32141928	SOME OF THE OUTPUT VARIABLE ARE MISSING IN ACCOUNTING RULES CRITERIA	A few output variables were missing in the accounting rules criteria. This issue is resolved.

Bug Number	Bug Description	Change Description
32264020	REINSURANCE VARIABLES MAPPED TO DIRECT INSURANCE, ARE NOT LOADING TO SUBLEDGER FCT TABLE FROM CSM OUTPUT TABLE	Previously, the reinsurance variables that were mapped to the direct insurance were not being loaded into the subledger fct table from the csm output table. This issue has been resolved. The mappings must be populated correctly to the fsi_csm_group_dimension_map table for direct insurance and direct insurance with reinsurance cohorts.
32489961	ERROR WHILE PUTTING OR FETCHING UNIQUE DIMENSION SKEY IN FSI_INS_ACCOUNTING_DIM_MAP TO PROCESS FURTHER. ON AGGREGATING LOB	Previously, while adding or fetching a unique dimension SKey in the fsi_ins_accounting_dim_map , if only the Line of Business was selected as the aggregation, then an error would occur.

2.2 Known Issues or Limitations

The following are the Limitations in Release 8.1.1.0.0:

- 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.

4 **Hardware and Software Tech Stack Details**

The hardware and software combinations required for OFS AAI 8.1.1.0.0 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.

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

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