

Oracle Insurance Accounting Analyzer

Release Notes

Release 8.1.2.1.0

April 2022

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	January 2022	Created the release notes for Release 8.1.2.1.0.

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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 on 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 emphasize 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 with 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 8.1.2.1.0.

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 8.1.2.1.0. For detailed information about the usage of the listed features, see the respective product User Guides on [OHC Documentation Library](#).

- **PAA Simplified templates:** A new set of PAA Direct Insurance Calculation Templates, that simplify the calculations for the Loss Component of the Liability for Remaining Coverage, are added. These templates make use of the Combined Loss Ratios (given as inputs) for the Loss Component Computation.
- **Changes to PAA Reinsurance-held templates:** The Formula has been modified for the computation of changes to the Reinsurer's Non-Performance Risk under the Liability for Incurred Claims. The new formula requires the start of Period and End of Report Period Reinsurer's Non-Performance risk that is given as inputs.
- **7 new Macros** are added to support the Loss Component computations within the new PAA Simplified Templates and **2 new macros** have been added to support the computation of changes to the Reinsurer's Non-Performance Risk within the PAA Reinsurance-Held Templates. Details about these macros can be found in the Macros Feature document on [MOS](#).
- Enhanced the Subledger P&L Report for PAA approach.
- Enhanced the OOB Accounting Rules Templates to align with the CSM calculation Templates and with the Reinsurance Transition calculations.

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 Maintenance Level Release

For detailed instructions to install this Maintenance Level Release, see the [Oracle Insurance Accounting Analyzer Installation Guide Release 8.1.2.1.0](#).

2 Oracle Insurance Accounting Analyzer Release 8.1.2.1.0

Oracle Insurance Accounting Analyzer Release 8.1.2.1.0 is a separately licensed product.

33966562 - OFS IAA Pack Release 8.1.2.1.0 includes all enhancements and bug fixes that are done since the 8.1.2.0.0 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 8.1.2.1.0

Sl. No.	Bug Number	Bug Description
1	33683722	ERROR WHILE ADDING MORE THAN 15 VARIABLES IN THE EXPRESSION FOR DEBIT/CREDIT SOURCE NAME UNDER SUBLEDGER
2	33639588	FSI_TXN_AH_HEADER_MAP IS NOT PART OF IFRS17 DATA MODEL
3	33908851	TRANSITION BALANCE UNDER OCI IS NON-EDITABLE IN CALCULATION PREFERENCES SCREEN
4	33889628	INSURANCE FINANCE INCOME OR EXPENSE NOT AVAILABLE FOR GMM TRANSITION
5	33718206	DATATYPE DISCREPANCY - INPUT VARIABLE COLUMNS
6	33556156	MISSING DQ GROUP FOR STG_GEOGRAPHY_MASTER
7	33500722	DQ GROUP NOT PRESENT FOR THE TABLE STG_HEALTH_INS_CONTRACTS
8	33894227	ISSUE WITH REINSURANCE MACROS IN 8.1.2
9	33880252	ISSUE FACED WHILE MIGRATING METADATA OBJECT FROM DEV1 TO SIT2 ENVIRONMENT
10	33693005	LAST TASK OF AGGREGATION IN SUBLEDGER BATCH SHOULD START ONLY AFTER ALL THE ATTRIBUTE TASKS COMPLETE
11	33358065	SUBLEDGER REPORT ENHANCEMENT: P&L REPORT TO ALSO BE ADDED TO THE COMPARISON REPORT
12	33793919	GMM RI FRA RUN - CHANGE IN RISK ADJUSTMENT FOR THE REPORT PERIOD
13	33875663	IAA - 812 - P&L LINE ITEM FOR REINSURANCE BUSINESS
14	33930348	REQUESEST FOR GL'S LINE ITEMS
15	33964558	ACTUAL CF DOESN'T ADD OTH ACTUARIAL ASSUMPTION IF OTH ACTUARIAL IS NOT PRESENT IN ASSUMED CF DATA
16	33894279	DISCLOSURE ISSUES FOR GMM REINSURANCE IN 8.1.2
17	33892955	IAA 812 - ISSUE IN VFA DISCLOSURE REPORT

18	33875663	IAA - 812 - P&L LINE ITEM FOR REINSURANCE BUSINESS
19	33793919	GMM RI FRA RUN - CHANGE IN RISK ADJUSTMENT FOR THE REPORT PERIOD
20	33938615	PAA_DEFAULT_TEMPLATE_CHANGES AND RE-PRO-PAA_DEFAULT_TEMP_CHANGES - RECOMMENDED EXPRESSION CHANGES ARE NOT DONE AS PART OF IAA 8.1.2

2.2 Known Issues or Limitations

The following are the Limitations in Release 8.1.2.1.0:

- IFRS17 Reinsurance Transition method (MRA for GMM and PAA) is not supported.
- Exporting Subledger Accounting Rules in *View Mode* is not supported.
- Macros are not supported when Onerous Classification Code is given as **OTH** (*Others*) or **MSG** (*Missing*) in the Stage Group Dimension Map Table.
- Two DQ rules, **DQINSCONTRACT683** and **DQINSCONTRACT663** are failing for the positive scenario in the **stg_health_ins_contracts** Table.

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, a 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.

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- 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?

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