

Oracle® Insurance Accounting Analyzer Release Notes



Release 8.1.2.3.0

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The Oracle logo, consisting of a solid red square with the word "ORACLE" in white, uppercase, sans-serif font centered within it.

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Oracle Insurance Accounting Analyzer Release Notes, Release 8.1.2.3.0

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About the Guide

This section provides release information for the Oracle Insurance Accounting Analyzer Application Pack.

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> 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](#)
- [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 8.1.2.3.0.

- Liability projections are supported for Full Retrospective transition calculation runs
- Liability projections are supported for Year-to-date calculation runs
- Inheritance is applied to the **Line of Business** (LOB) field on the **Liability Calculation** definition screen. If the selected LOB has a hierarchy, then all the Level of Aggregations (LOA) belonging to all the LOBs from the LOB hierarchy will be made available on the Liability Calculation (LC) definition screen for selection.
- Multi-select is supported on the **Line of Business** field on the **Liability Calculation** definition screen. If multiple LOBs are selected, then the LOAs belonging to all the selected LOBs (including LOBs within LOB hierarchies) will be made available on the **Liability Calculation** definition screen for selection.
- Multiple interest rate curves, each per scenario, can be added per LOA on the **Liability Calculation** definition screen.
- Multiple risk adjustment factors, each per scenario, can be added per LOA on the **Liability Calculation** definition screen.
- The *Point of incurrence* computation is supported for input variables. The added variable dimensions are:
 - **Point of Incurrence Calculation Moment:** The application takes the *Occurrence Date* given in the **Stg_Ins_Occurrence_Details** table and defaults the last day of the month as the point of incurrence. For example, if *15th Jan 2020* is given as the occurrence date, then the application defaults to *31st Jan 2020* as the point of incurrence
 - **Point of Incurrence Cash Flow:** The application picks up the cash flows given as of the point of incurrence date (*31st Jan 2020* in the above example).
 - **Point of Incurrence Discount Rate:** The application picks up the discount rate curve given as of the point of incurrence date (*31st Jan 2020* in the above example).

- **Point of Incurrence Onwards Cash Flow Boundary:** The application picks up the cash flows given as of the point of incurrence date (*31st Jan 2020* in the above example) and the cash flow dates starting from the point of incurrence date onwards.
- **Point of Incurrence to Current Report Date Cash Flow Boundary:** The application picks up the cash flows given as of the point of incurrence date (*31st Jan 2020* in the example above) and the cash flow dates starting from the point of incurrence date till the current report date.
- **Reports**
 - A new **Sensitivity Analysis** report, that discloses the impact of shock scenarios on liabilities, CSM, and profit/loss, is added.

1.5.1.1 Deprecated Features

There are no deprecated features in this release.

1.5.1.2 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 8.1.2.2.0](#).

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Oracle Insurance Accounting Analyzer Release 8.1.2.3.0

Oracle Insurance Accounting Analyzer Release 8.1.2.3.0 is a separately licensed product.

35389842- OFS IAA Pack Release 8.1.2.3.0 includes all enhancements and bug fixes that are done since the 8.1.2.2.0 release.

2.1 Bugs Fixed in this Release

The following bugs are fixed in this release:

Table 2-1 The List of Fixed Bugs in Release 8.1.2.3.0

Bug Number	Bug Description
35060844	ISSUE DISCLOSURE REPORT LIABILITY ANALYSIS - PREMIUM ALLOCATION APPROACH - FINANCE EXPENSES
34736820	UNABLE TO USE DEGREE OF PARALLELISM IN IFRS17
33046470	UNABLE TO EXPORT/IMPORT SUBLEDGER ACCOUNTING ATTRIBUTES THROUGH OBJECT MIGRATION
34219516	MIGRATION OF CALCULATION PREFERENCES - VARIABLE CODE MISMATCH
35429366	FORWARD PORT FOR ISSUE IN DISCLOSURE REPORT ARE NOT FOUND IN ORACLE ANALYTICS
35615799	COHORT FILTER IN DASHBOARD DOES NOT FILTER BY EXTRACTION DATE
34987319	DIRECT INSURANCE: CSM RECOGNITION PER TIME BAND - INSURANCE CONTRACTS, REPORT NOT SHOWING ANY DATA. YTD PROJECTIONS NOT LOADING

2.2 Known Issues or Limitations

The following are the Limitations in Release 8.1.2.3.0:

- 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.

- After installing the Oracle Insurance Accounting Analyzer release v8.1.2.3.0 application, if the Oracle Insurance Data Foundation release v8.1.2.3.0 application is installed, then the column **STG_PROP_CASUALTY_CONTRACTS_V**, related to **SCD-224**, overwrites the view in the column **V_DIRECT_INDIRECT**. This issue is being tracked with the Bug **35620070**.
- The formula for **Reconciliation->Liability For Remaining Coverage->Closing balance** needs to be corrected by removing the **[Reconciliation->Loss Component Of The Liability For Remaining Coverage->Insurance Service Expenses: Incurred Expenses]** output variable from the formula, without which the closing balance figure of the **Reconciliation->Liability For Remaining Coverage** report will show incorrect value. This is being tracked with Bug **35615203**.
- When the Retrospective Reinsurance run is executed, it is not picking up the Transition Template. This issue is being tracked with Bug **35629249**.

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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.

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Hardware and Software Tech Stack Details

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

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Licensing Information

For details on the third-party software tool used, see the [OFSAALicensing Information User Manual Release 8.1.2.0.0](#).