

Case Study

IFRS-17 compliance solution



Need for IFRS

IFRS-17 replaces IFRS 4 (International Finance Report Standard) accounting framework 2023 onwards. It establishes principles for the measurement, recognition, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with a discretionary participation feature as an entity issue. Also, it provides consistent accounting for all insurance contracts. IFRS-17 standardizes and increases transparency to customers and investors, thereby affecting all entities that issue insurance contracts. The organization in the case was interested in getting a solution that could help in complete compliance with IFRS-17 standards.

What iSmile Technologies did?

iSmile Technologies framed a unique IFRS 17 compliance solution, also known as the IFRS-17 compliance box. The solution involved creating interim accounting and journal entries from the calculations. It involved applying 3 different approaches to process the group of contracts. Then the IFRS compliance box processes the calculations and other functionalities necessary to meet the IFRS17 standards. The output of the calculations is updated on the company's overall ledger. Also, this output is fed into a system that generates the financial reports of the company. The product aggregates information and produces the required reports and has an interactive dashboard visualizing different reports. The solution workflow involved identifying group insurance contracts, data collection and transformation, using our IFRS-17 calculating engine for IFRS calculations, including an analytical and reporting layer along with implementing the IFRS-17 accounting engine for accounting calculations.

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Technologies used

Power BI, Tableau, Automated Accounting Technology, Stream analytics, NoSQL databases.

Outcome

Using the IFRS-17 compliance box, the client could have a true reflection of profit along with global consistency for all insurance contracts of the company. They could ensure better collaboration between actuaries and accountants, along with having greater protection for policyholders. This massively improved investor confidence in the organization.

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