



Moody's Analytics AXIS™ actuarial software helps meet the demands of current and new reporting standards, including VM-20, IFRS 17, and FASB Long Duration Targeted Improvements (LDTI). The AXIS software solution supports actuarial calculations for current period reporting for various frameworks. It helps clients address reporting standards and incorporate them into projected financials for pricing, business planning, and other common actuarial applications.

Actuarial software to help address new US GAAP requirements

The AXIS actuarial system, including the new AXIS US GAAP Link module, delivers improved enterprise-level control, auditability, scalability, reporting flexibility, and end-to-end automation as demanded by the new US GAAP standards, as well as other new frameworks. As your reporting requirements change, our solution lets you face the future with confidence.

Our actuarial software supports your current GAAP and statutory valuation requirements for most life products; fixed, indexed, and variable annuities; DI; and LTC products. Its flexibility, performance, and integrated governance features help meet the pending demands of new frameworks such as PBA VM-20, US GAAP with LDTI, and IFRS 17.

AXIS actuarial software is a robust, vendor-maintained system that is ready to use immediately. If you need changes, we are ready to make them. With more than 30 software releases per year, the AXIS solution is regularly enhanced to exploit new technology and meet evolving standards based on North American financial reporting and regulatory frameworks.

US GAAP Targeted Improvements for Long Duration Contracts

The changes to financial reporting under LDTI include some fundamental differences:

- » **Current assumptions requirement.** Assumptions used to measure the liability for traditional insurance contracts will be reviewed and updated at least annually.
- » **A prescribed approach to the discount rate.** The liability discount rate will be a standardized, market-observable discount rate with the effect of rate changes recorded in other comprehensive income.
- » **Consistent measurement of Market Risk benefits.** The two previous measurement models for Market Risk benefits have been reduced to one measurement model (fair value) applied across products.
- » **Simplified amortization of deferred acquisition costs.** These will be amortized on a constant basis over the expected life of the contract. The deferred amortization cost balances will not be subject to testing for recoverability but held as long as the related contracts remain in force.
- » **Enhanced disclosures.** Comprehensive new disclosures are required to accompany financial statements to reveal the reasons for the change in liability balances, as well as information about significant assumptions and the effects of changes in those assumptions.
- » **Reporting challenges.** These include multiple runs with different data models and assumptions, management of extensive cohort historic data, and post-run assembly of results for income and disclosures. Tight reporting deadlines place greater demands on system performance and require efficient processes.

How AXIS US GAAP Link can help

With the introduction of AXIS US GAAP Link modules, the AXIS actuarial solution has been enhanced to address the challenges of US GAAP LDTI in several ways:

- » Better model input—multiple runs with multiple serial data models and actuarial assumption sets.

- » Historical data management—management of extensive cohort historic data and the ability to store history in a centralized database.
- » Streamlined batch processing and reporting—specialized “current period reporting” batch is tailored to US GAAP requirements.
- » Improved run time governance, control, and efficiency.

The Moody's Analytics service model

Our commitment to keep the AXIS actuarial system current and responsive to your changing needs is just one component of a comprehensive service model. We want to be your partners for life. If you adopt the Moody's Analytics actuarial modeling solution, your next software conversion could be your last.

Talk to any of our over 5,000 users. For a demo or free trial, contact Robert Hrischenko at Robert.Hrischenko@moodys.com or David Moreno at David.Moreno@moodys.com.



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