

Client Spotlight: Insular Life Assurance Company

Background

Insular Life Assurance Company

The Insular Life (InLife) Assurance Company, Ltd. was established on November 25, 1910 in Manila. It is the first and largest Filipino life insurance company and the only mutual life insurance company in the Philippines. InLife celebrates its 110th anniversary in 2020. The company offers an array of individual life insurance products, both traditional and unit-linked. They also offer group insurance products covering employees of several clients.

The Requirements

The IFRS 17 accounting standard represents a notable change for insurers in more than 100 countries across the globe. IFRS 17 creates significant changes to the reporting, data, and accounting systems across an insurer's organization—so selecting and implementing the right tools to deal with these changes is critical. The local regulator in the Philippines, the Insurance Commission, has stated that the implementation of IFRS 17 for life and non-life insurance industries has been deferred by two years to 2025 after international adoption.

While preparing to meet the requirements of this new and continually evolving accounting standard, InLife launched their vendor selection for the development of their IFRS 17 system. The team was in search of a vendor not only to collaborate with, but one that also offered the necessary tools to support their IFRS 17 requirements.

The main InLife requirements for the solution were:

- » A reputable solution vendor: reliable, with a strong support and customer services team
- » Flexibility: a solution that did not require changing their pre-existing actuarial software and accounting system
- » Security: a stable and secured infrastructure
- » Effective deployment methodology: a deployment method that was in line with and would complement the existing method used internally for bigger projects

The Solution

The selection of the RiskIntegrity™ for IFRS 17 solution by Insular Life was a result of "Standing out against InLife's evaluation criteria," says Jesselyn Ocampo, FVP & Chief Actuary. The flexibility of the solution was another key factor. "I am also echoing the positive reviews of the overall lead of our IFRS17 project," Maria Edita Elicano, EVP and Head of the Administrative Operations Group. "We didn't need to change our actuarial software or accounting system. During the POC stage, we saw that Moody's Analytics IFRS 17 team aligned perfectly with how we wanted to run our IFRS 17 implementation project."

A global vendor with local delivery

Moody's Analytics offers InLife an award-winning solution and access to our global team of insurance specialists. The team is made up of researchers, actuaries, accountants, and quantitative analysts who continually scrutinize the IFRS 17 standard and industry discourse to design a solution that is able to accommodate various interpretations of the standard. The team is complemented by the local delivery team, which assists, advises, and resolves customer issues. The team are experts in the field and were able to help the IFRS 17 project team at InLife understand how the standards are applied in the RiskIntegrity for IFRS 17 solution.

The software-as-a-service (SaaS) solution driving project momentum

The RiskIntegrity for IFRS 17 solution is delivered as a software-as-a-service (SaaS) that integrates with InLife's existing infrastructure, connecting data, models, systems, and processes between actuarial and finance functions. As a SaaS solution, it has the highest security standards and enables Moody's Analytics to deliver continuous regulatory updates, quick deployment, and support. The SaaS-enabled solution has been recognized as one of the contributing success factors that enabled the project to move forward and not lose momentum, even during the COVID-19 pandemic.

De-risking a project with an award-winning configured solution

The IT, Business Transformation, Finance, and Actuarial teams at InLife were already involved in various projects geared toward making the insurer the most digitally connected insurance company. Hence, building an in-house solution to meet the IFRS 17 requirements was not an option. The team at InLife opted to implement the best solution available, to allow the team to focus on aligning the company's data and processes to the new reporting requirement. InLife also applied the native data management features of the RiskIntegrity for IFRS 17 solution.

The Implementation Journey

The Moody's Analytics and InLife project team followed an agile methodology for IFRS 17 implementation. As the team ventured on the implementation journey, the biggest challenges identified and addressed were:

- » Preparing data in the granularity needed for IFRS 17
- » Interpreting the standard for all three methodologies PAA, GMM, and VFA
- » Aligning existing processes to those required by IFRS 17

The InLife team is currently running parallel tests with system and process flow enhancements. The granularity of data has been set up and processes aligned. The driving factors that helped InLife reach this stage of implementation efficiently and quickly was the upgrade of the major administration system. This allowed data granularity and the adoption of an agile methodology for deployment. The agile methodology of implementation helped the team achieve the key milestones set on the project roadmap and enabled immediate problem resolution.

As parallel tests continue, the teams at InLife learn more about emerging developments of IFRS 17, with continued support on interpreting the standard from the Moody's Analytics team. Testing will be done in tandem with the rollout of updated versions of the RiskIntegrity for IFRS 17 solution.

The IASB® delay gives the team more time to refine the implementation as the final wording of the standard is interpreted, with some provisions still incomplete or unclear. The additional time will also be used to finalize and run simulations to better understand the impact on financials, and to address issues that arise.

To learn more about Moody's Analytics RiskIntegrity™ for IFRS 17, request a [demo today](#) or contact [Moody's Client Services & Support](#).

Americas Client Desk
+1.212.553.1653
clientservices@moody.com

Europe Sales Queries
+44.20.7772.5454
clientservices@moody.com

Asia Client Services Desk
+852.3551.3077
clientservices@moody.com

Japan Client Services Desk
+81.3.5408.4100
clientservices@moody.com