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Life Conference 2022: Bringing your IFRS 17 results to life

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#LifeConf



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Background



GREAT-WEST LIFECO INC.

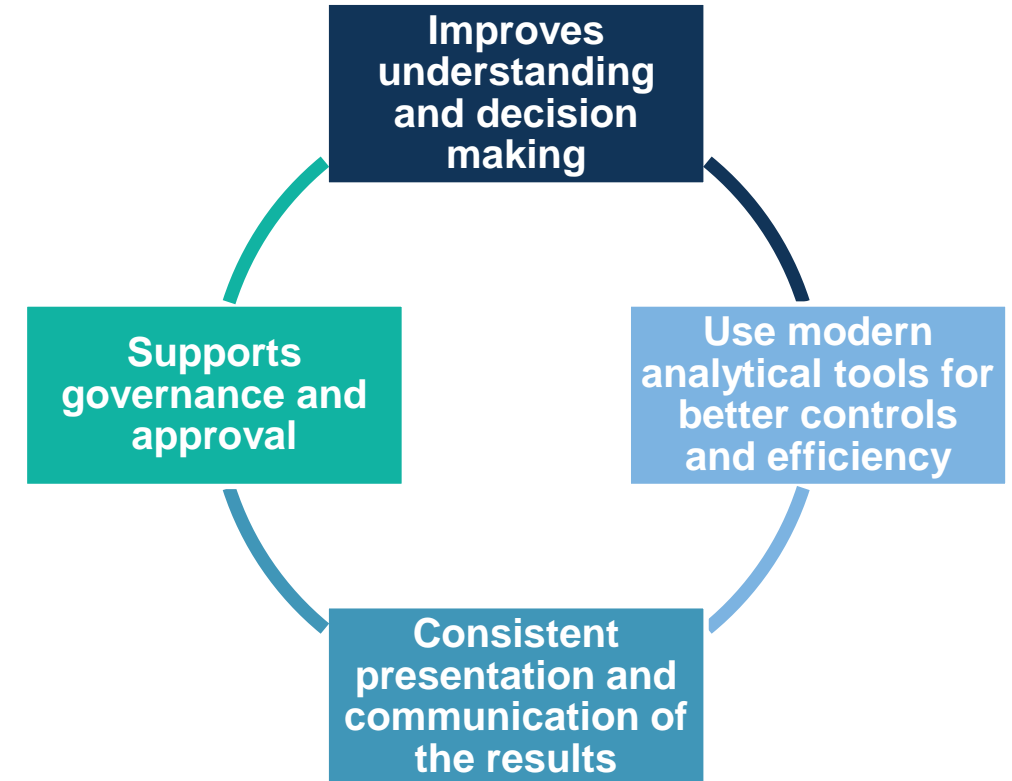
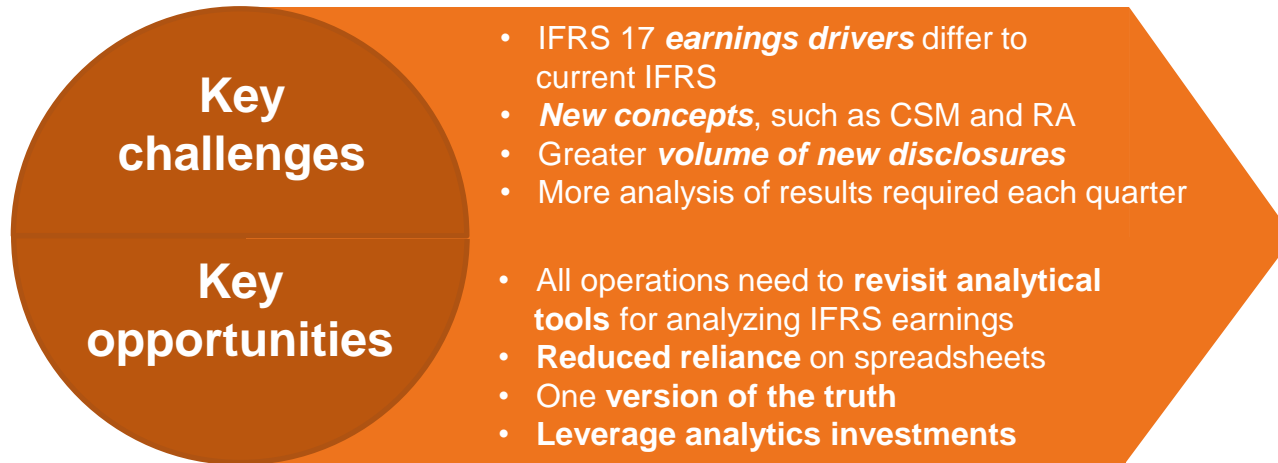
- Operations in Canada, Europe and US
- Primarily life business
- Focus on IFRS for group-wide reporting (Canadian regulatory regime is based on the IFRS balance sheet)
- Quarterly reporting externally
- Invested in central repositories (including a central sub-ledger) as part of the IFRS 17 implementation



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Need for a dashboard and key objectives

IFRS 17 presents several challenges and opportunities



Overview of earnings presentation under IFRS 17

Drivers of Earnings

Risk Adjustment Release

CSM Amortization

Earnings on other insurance business (e.g. PAA)

Impact of New Insurance Business (onerous contracts)

Experience Gains / Losses

Insurance assumption changes that flow directly through income

Net Insurance Service Result

Expected Investment Earnings

Market Experience Gains / Losses

Economic assumption changes that flow directly through income

Earnings on Surplus

Net Investment Result

Asset Management

Other Fee Income

Non-directly attributable and other expenses

Tax, income attributed to non-controlling interests and participating policyholders

Net Income

Source: <https://www.greatwestlifeco.com/content/dam/gwlco/documents/events/2022/ifrs-17-presentation.pdf>



Key design principles

User experience

Single dashboard to cater for a range of end users

Drill-down functionality to quickly break down results

Ability to review Group-wide results in different ways

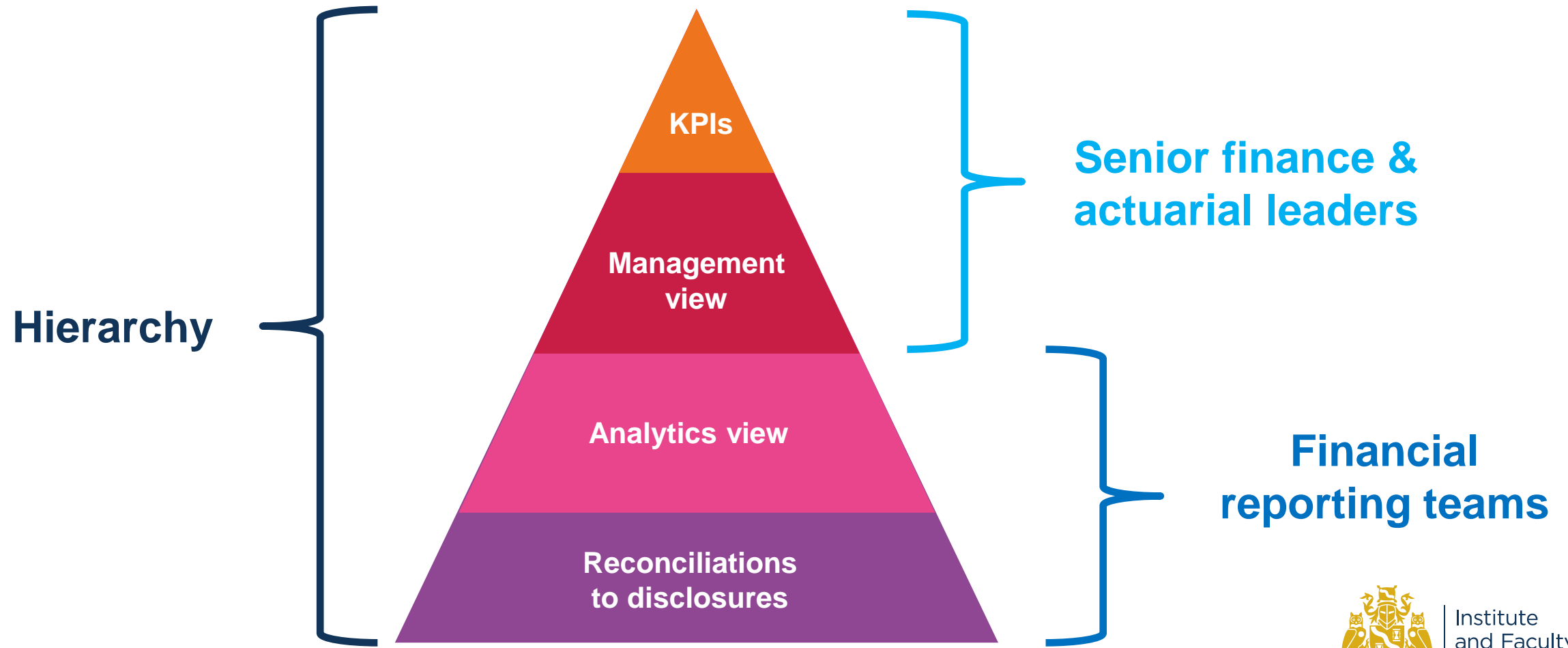
One 'true view' of the results

Governance and controls

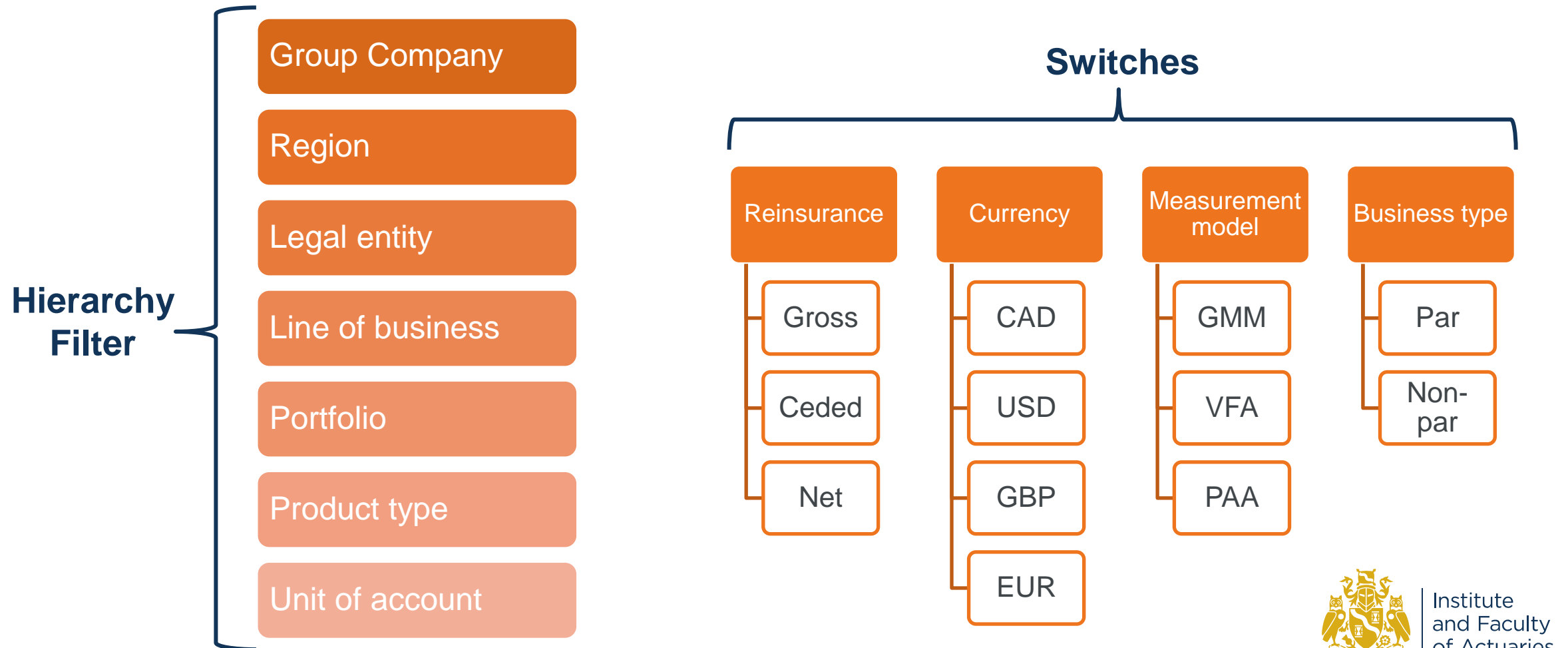
Consistency



High-level structure

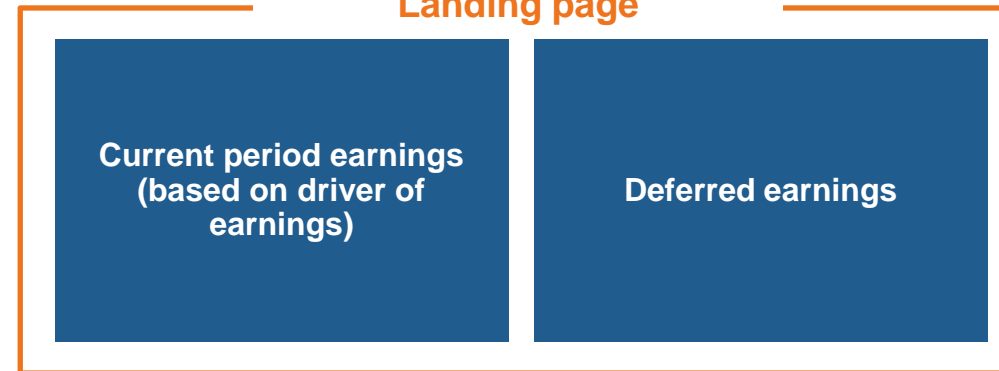


Interactive functionality for end users

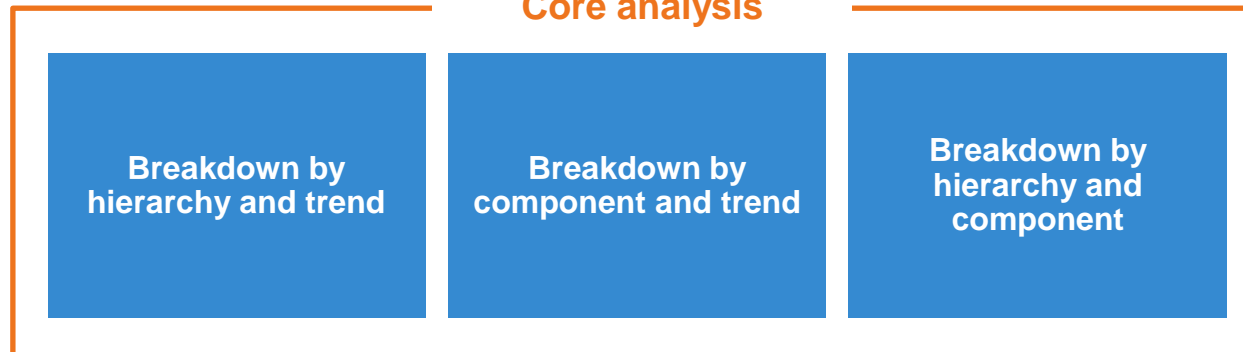


Management view

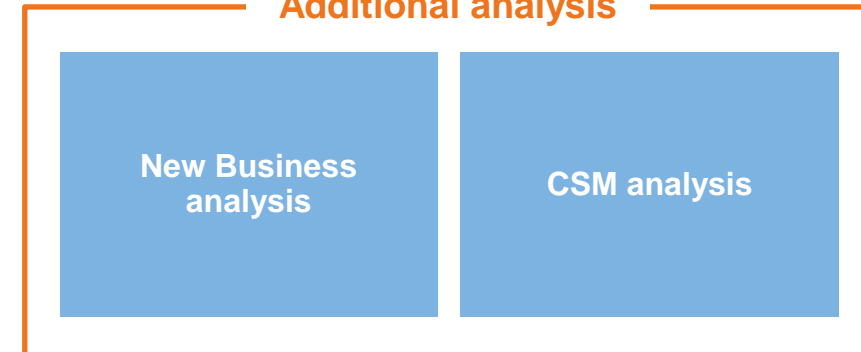
Landing page



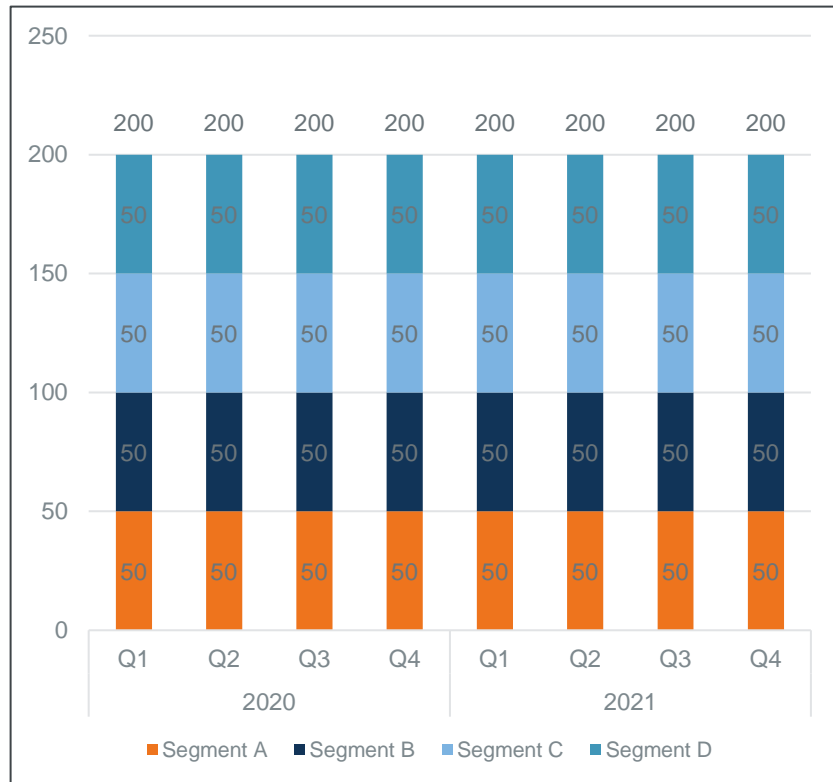
Core analysis



Additional analysis



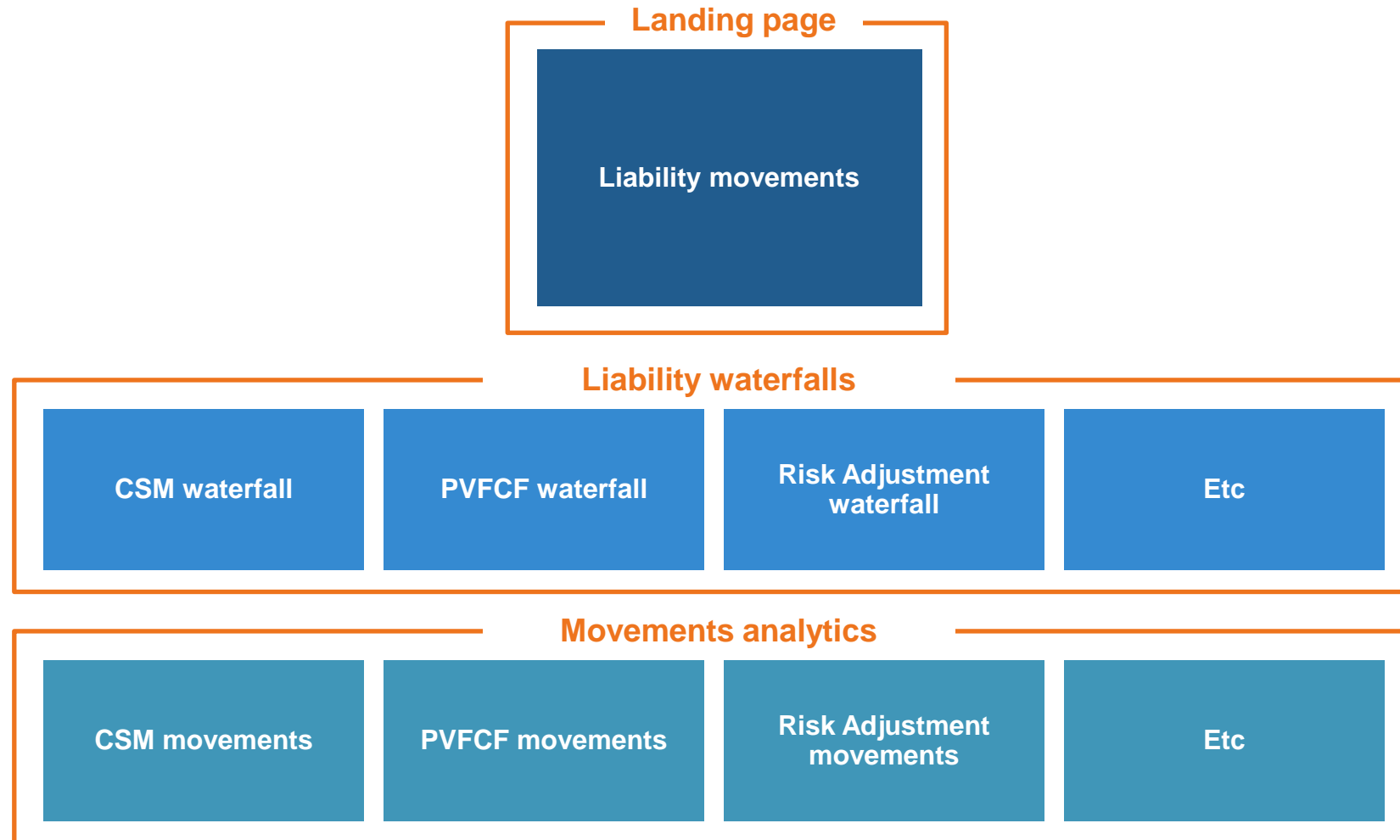
Management view – illustrative analysis



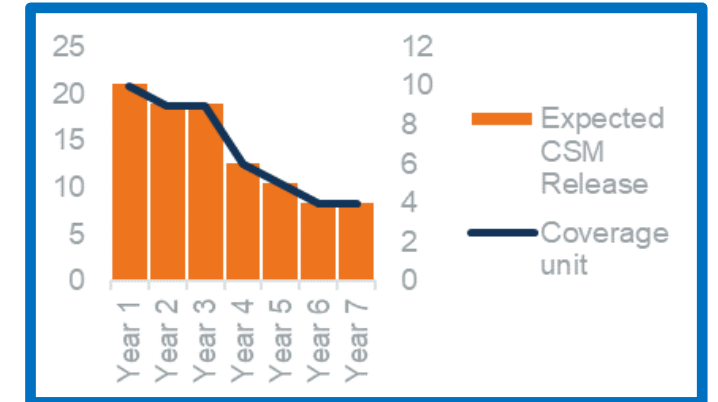
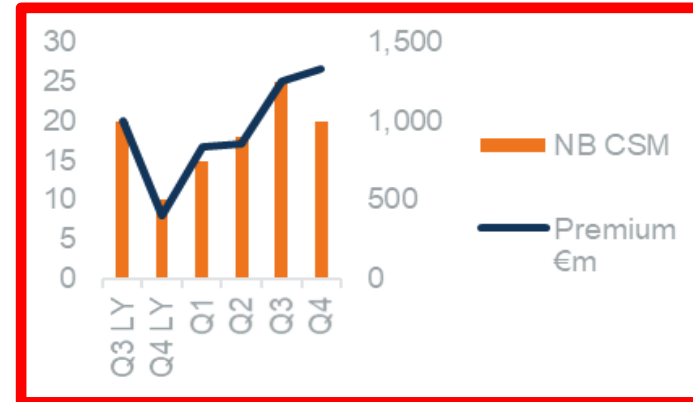
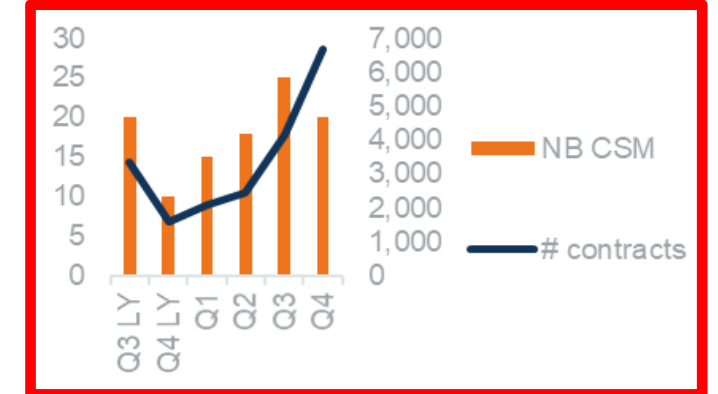
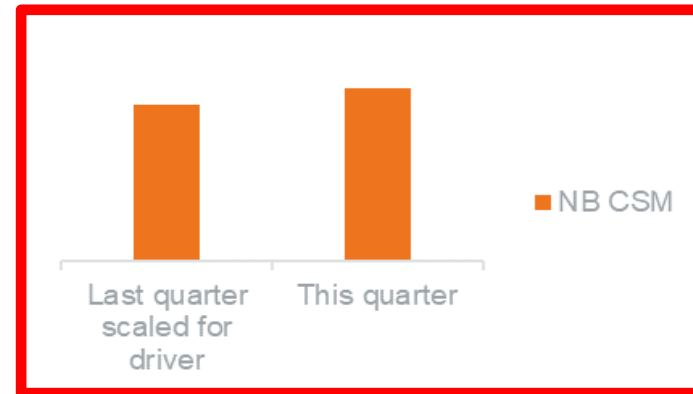
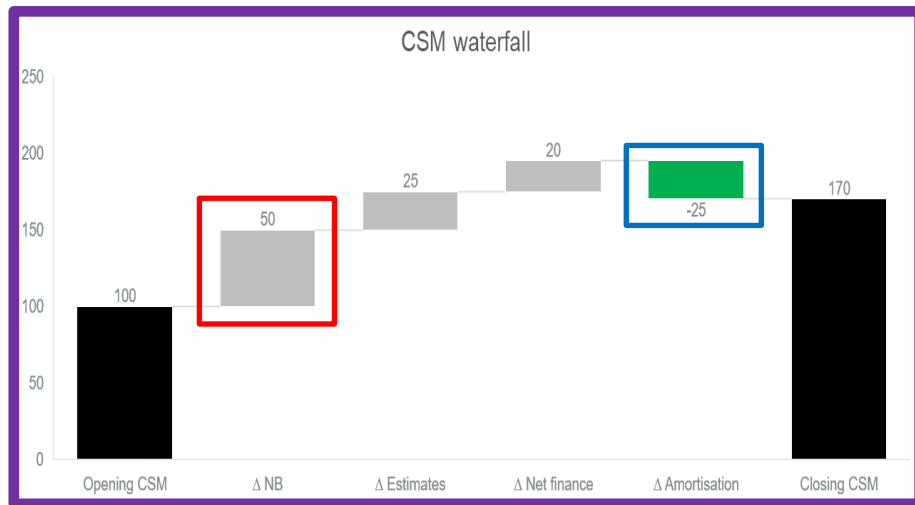
	2020				2021					Budget var	Budget var %	QoQ Var (%)	QoQ Var	Q vs PY Q Var (%)	Q vs PY Q Var
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4 Budget						
Segment A	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment B	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment C	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment D	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Base earnings	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment A	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment B	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment C	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Segment D	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Non-base earnings	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx



Analytics view



Analytics view – illustrative analysis



Commentaries

Key principles to promote consistency

Focus on key points rather than lots of detail

Mandatory commentary

Same process as current process

Integrated technology solution so commentaries appear alongside analytics

Dashboard guides extent of commentary required



Project status and next steps

Progress to date

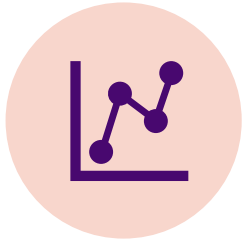
- Construction of central data repositories
- Mapping of actuarial and finance data
- Control / validation checks on data in the central repositories
- Development of an Analytics Hub, with core reports
- Trial of reports through comparative period
- Design of the dashboard & business engagement
- Confirmation of the IT technology solution, including prototyping

Next steps

- IT development of the dashboard
- Roll-out of the dashboard
- Additional phases post “go live”

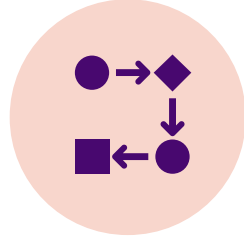


Key learnings so far



Significant effort to establish a central repository:

- Data mapping is time consuming
- Ensure early engagement on defining hierarchy and product dimensions



Testing performance issues in a full production environment is a critical milestone



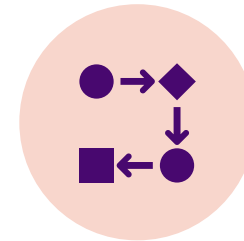
Business engagement is key to meeting user needs



Cultural change – use of analytical tools and common platform



Analysis – assessing the appropriate level, in the context of the overall control environment



Iterative development approach – can refine as system is populated with results, and as users provide feedback



Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenters, and not the companies they represent.





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Thank you

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