



KPMG Integrated Business Accelerator for Insurers



Insurers need to respond to a changing world. But navigating complex challenges and staying ahead requires a new approach. Many insurers struggle to access financial information efficiently or effectively. Current reporting and forecasting processes can be slow and siloed. Data can be fragmented, incomplete, or out of date. Processes and systems can often be neither scalable nor future ready.

On top of these challenges, IFRS 17[®] represents a significant change in the calculation and presentation of insurers' financials, and it has a direct impact on data, systems and processes, and consequently, profitability.

The urgent need to prepare for IFRS 17 provides insurers with the rare opportunity to address some long-standing business challenges. Regulatory change is usually perceived as a burden, but by requiring a more integrated process, IFRS 17 can instead help insurers lay the foundation for achieving an important, long-term competitive advantage.

To help companies address these business challenges including adapting to an IFRS 17 world, KPMG has developed the Integrated Business Accelerator for Insurers, a dynamic intelligence capability that is designed to help speed smart and predictive financial analysis, forecasting, performance management and controlling.

KPMG Integrated Business Accelerator for Insurers: a business enabler, not just a compliance tool

KPMG's Integrated Business Accelerator for Insurers can offer companies an accelerated and integrated access to their forecasts, strategic key performance indicators

(KPIs), risk and capital information and actual performance. Powered by modern technologies, this capability is designed to enable insurers to manage their business efficiently and effectively.

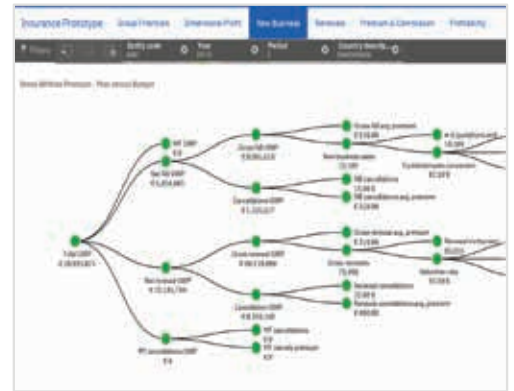
KPMG's Integrated Business Accelerator for Insurers:

- facilitates self-service by C-levels and senior management, allowing for swift analysis and avoiding labor-intensive use of spreadsheets
- strengthens the links between finance, commercial, and operational teams by enabling them to connect business drivers, actuals and KPIs — thereby building trust through transparency
- integrates key IFRS 17 financials, risk and capital metrics and KPIs into one holistic dashboard, enabling insurers to understand the effects of multiple metrics and their interrelationships
- makes detailed visualizations of forecasts and actual results available at a glance.

KPMG Integrated Business Accelerator for Insurers: Key financials at your finger tips

Watch all KPIs structured in one compact dashboard

- All **actuals** at a glance
- KPIs are broken down to **drivers** to allow for root-cause analyses
- **Mobile access**



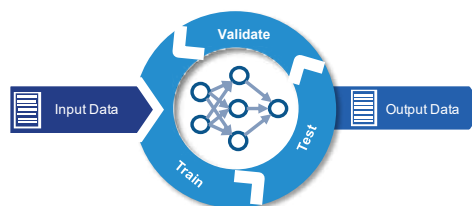
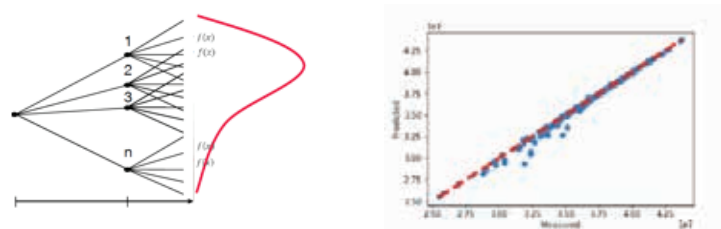
Use forecast functionality to estimate year-end results

- **Forecast** of actuals till year-end on a best-estimate basis
- **Compare** forecast to budget
- Take **countermeasures** on time



Play with the assumptions in real time using AI proxies

- **What-if-analyses** for main KPIs
- Automated **calibration** process
- Comprehensive **validations**



Source: KPMG Integrated Business Accelerator for Insurers, KPMG International 2020.

How it works

Three important capabilities work together to empower a more holistic approach to performance management and forecasting.

1. The KPMG Integrated Business Accelerator for Insurers is delivered through a technology agnostic dashboard, powered by company data and specifications, bringing together KPIs, current performance and potential future scenarios in a unified 'big-picture' view across multiple metrics.

The dashboard provides visualizations of KPIs across multiple reporting bases, showing their interrelationships and enabling business-wide drill down and root-cause analysis. As a result, users can understand what's influencing current performance across multiple financial and non-financial metrics, including IFRS 17.

2. Its integrated forecasting functionality, based on value driver trees, updates plan values while taking current actuals into account, projecting the insurer's KPIs over the remaining periods till year-end.

The value driver trees support users in understanding the dependencies of different profit sources. A structured approach to assembling and analyzing the data builds trust through transparency as users can see the interrelationships between multiple components and metrics.

3. It enables timely and cost-effective what-if analysis, which allows users to investigate how results, KPIs, and capital respond in various circumstances. Users can, for example, analyze complex, non-linear risk and capital calculations at pace by means of AI-powered proxy modelling, aligned with the insurer's risk and capital models.

Based on these projections, users can assess quickly and efficiently whether the business remains within plan as well as the origin of any deviations, enabling real-time business steering.

Taken together, the capabilities of the KPMG Integrated Business Accelerator for Insurers provides a 360-degree view of the business across multiple metrics, showing the impact of different scenarios and enabling highly informed decision making. It all adds up to enhanced performance across the enterprise.

Why KPMG?

It's time to drive value and growth across the board. KPMG firms are positioned to lead this change, with deep sector knowledge, and models and templates that are easily integrated and quick to deploy. Our reference models, already populated for an IFRS 17 world, help custom fit solutions to meet your information needs.

Global reach

KPMG's Integrated Business Accelerator for Insurers is available for deployment by KPMG member firms around the world. It is the result of significant investment by KPMG to develop an intelligent approach to performance management and forecasting custom-fitted to the challenges currently facing many insurers.

About KPMG

At KPMG, we have a top down and business-focused approach to IFRS 17 implementation to help you accelerate progress towards your goals confidently and securely. This approach is tailored to help answer the questions that are important to clients, while building on the knowledge of KPMG professionals who:

- Have a hypothesis-driven approach, starting top down rather than bottom up with a gap analysis. This can enable design decisions to be taken earlier, reducing demands on resources.

- Bring deep market insights from advising leading insurers on IFRS 17 and IFRS 9 and bring the experience from this work to help accelerate thinking in complex aspects of new requirements.
- Understand that one size does not fit all, enabling clear communication of the issues that matter to you.
- Leverage proprietary tools and accelerators for your impact assessment, tailoring our approach to meet your needs and

aspirations, whether quick wins, cost savings, efficient financial and regulatory reporting as well as improved teamwork and other benefits.

- Experienced teams bring you insights actively promoting knowledge transfer to your people from the outset, so that you have a sound base of expertise to deliver new ways of working.

To learn more about how KPMG member firms can help unlock value from your IFRS 17 program, please do not hesitate to contact us.

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