IFRS 17 Readiness Survey Report

2020

pwc

Introduction

For all insurance companies reporting under International Financial Reporting Standards (IFRS), the new IFRS 17 standard will fundamentally change their accounting and reporting practices. IFRS 17 is the most significant change to insurance accounting and the standard presents unprecedented challenges as well as opportunities.

If the following report communicates one key message, it is this: in East Africa, many insurers are at an early stage of the implementation process. Although the implementation date has been moved to 1 January 2023, the standard's complexity must not be underestimated. Time is running short.

The implementation journey requires alignment between stakeholders, directors, auditors and various internal functions. It requires upskilling and a review of staff capabilities and it can be a catalyst for broader digital transformation.

IFRS 17 presents opportunities to harness data more effectively, to improve the structure of finance and actuarial functions and to better inform decision-making within insurance companies. At the end of the day, IFRS 17 is about what story you want to tell about your company and you will benefit from taking full advantage of the opportunities that implementing the standard presents.

Throughout this report, our survey results and expert points of view demonstrate all of the many ways that IFRS 17 will impact the industry. Those insurance companies that begin the implementation journey in good time are more likely to reap the full benefits of the standard - and emerge stronger and more competitive as a result.

As PwC, we are here to help. We offer consultative, comprehensive services throughout the implementation process, from training and gap analyses to financial impact assessments to implementation support including model design and testing, all the way through to support with financial reporting and redefining KPIs.

We have deep technical expertise with the standard itself, as well as best practices derived from experiences with insurers in this region and worldwide. Drawing upon the collective strength of our global network, we can support you on this journey from beginning to end.

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Foreword

As we approach the end of 2020, it may seem as though we have a great deal of time to prepare for IFRS 17 ahead of the 1 January 2023 effective date. And yet, as our IFRS 17 Readiness Survey makes clear, nothing could be further from the truth.

We have just two years before the new standard comes into effect, a very short period considering the amount of preparation required and - for many insurers in this region - the relatively early stage of those preparations so far.

Our survey report is derived from over 50 survey responses in the East Africa region. Respondents include Board directors, senior management and key staff in the insurance industry in Kenya, Tanzania, Uganda, Rwanda, Zambia and Mauritius. Our survey shows that most insurance companies in East Africa are at an early stage of IFRS 17 implementation and a worrying percentage seem not to have begun the implementation journey at all. Contrast that state of affairs with the level of preparedness in more mature markets, where insurance companies generally started the implementation journey much earlier and are therefore now much further along.

Those insurance companies which have already progressed through the IFRS 17 implementation process know firsthand how complex a standard it is and how fundamentally it will change the way that they collect data and establish insurance reserves. For the rest, the implementation process poses a number of challenges and the sooner they start, the better.

Based on our experience with the recent implementation of IFRS 9 by financial institutions in the East Africa region, many of these institutions started the IFRS 9 implementation late and may have underestimated the effort that was required to compile or clean up the necessary data and establish the right policies and models. IFRS 17 is much more complex than IFRS 9 and will have a more substantial and pervasive impact on the industry. At a high level, IFRS 17 significantly changes the way that insurance contract liabilities are measured and disclosed and consequently it also has significant implications for insurance companies' systems, data and resources.

One of the key takeaways from our survey is that the implementation process needs to be led from the top, starting at the Board level. Leadership then needs to engage with various internal stakeholders and the company's auditors and knowledgeable external consultants.

Another message that comes through clearly from our survey is that the regulators in East Africa should come on board early and provide guidance in certain respects, such as by ensuring that there is alignment between the standard's requirements and regulator guidelines.

This publication features these and other insights from our survey as well as points of view from several of our senior IFRS 17 experts in the region:

- Bernice Kimacia and Kang'e Saiti discuss trends in the insurance industry in East Africa;
- Gauri Shah shares her views on how to ensure a successful implementation;
- Moses Nyabanda writes about the transformative potential of the standard implementation process;
- Patrick Kiambi comments on the key stakeholders that insurers need to bring on board;
- Bernice Kimacia provides additional insight on the role of regulators and
- Martin Bamukunde and Andrew Chibuye conclude with an assessment of the capabilities in the region that are needed to deliver the successful implementation of IFRS 17.

We hope that you find the survey results and analysis in this report useful and as always, we welcome your feedback. If you have any questions about IFRS 17, please contact me or any of the other PwC practitioners featured in this report.

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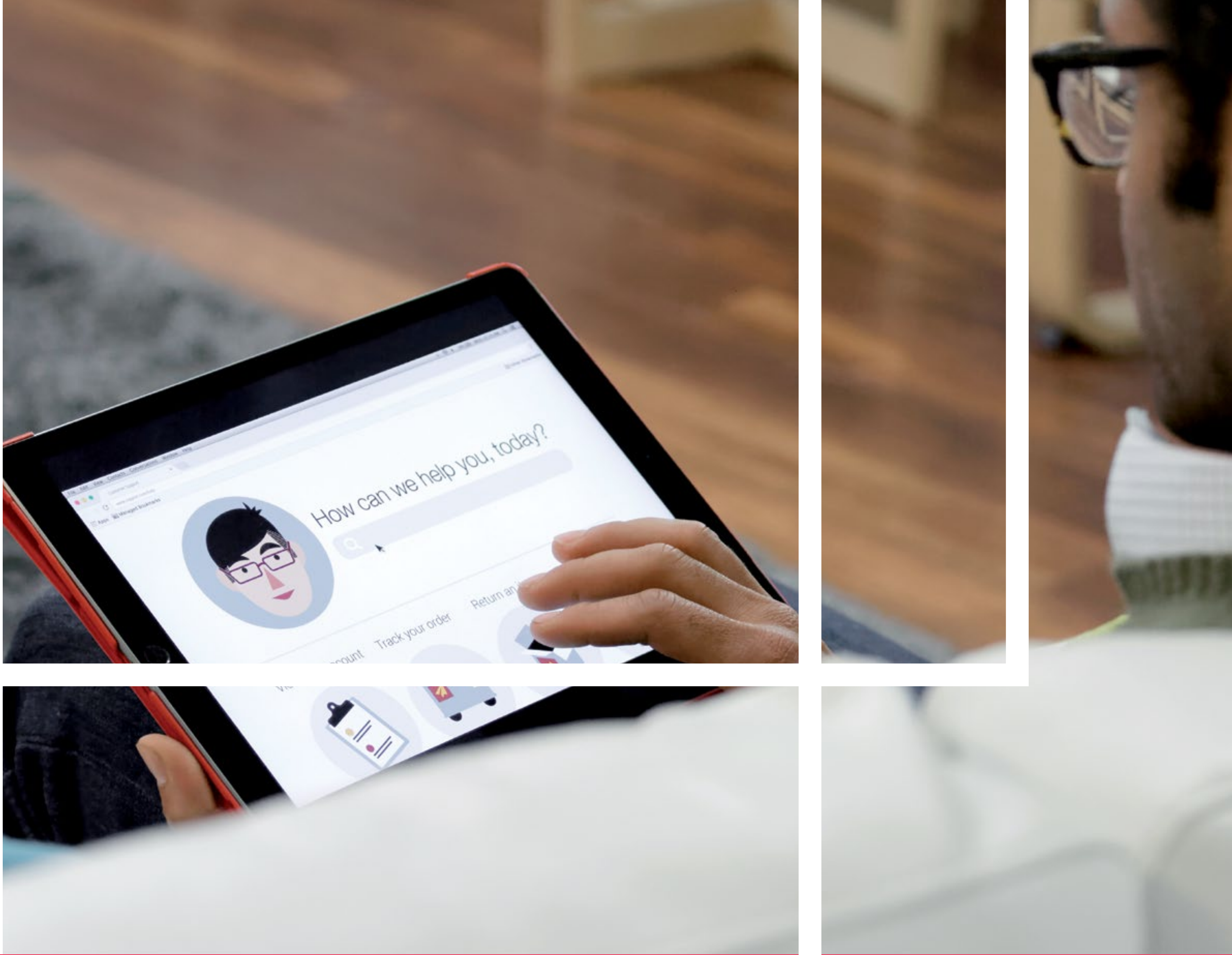

Contents

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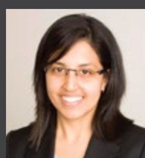

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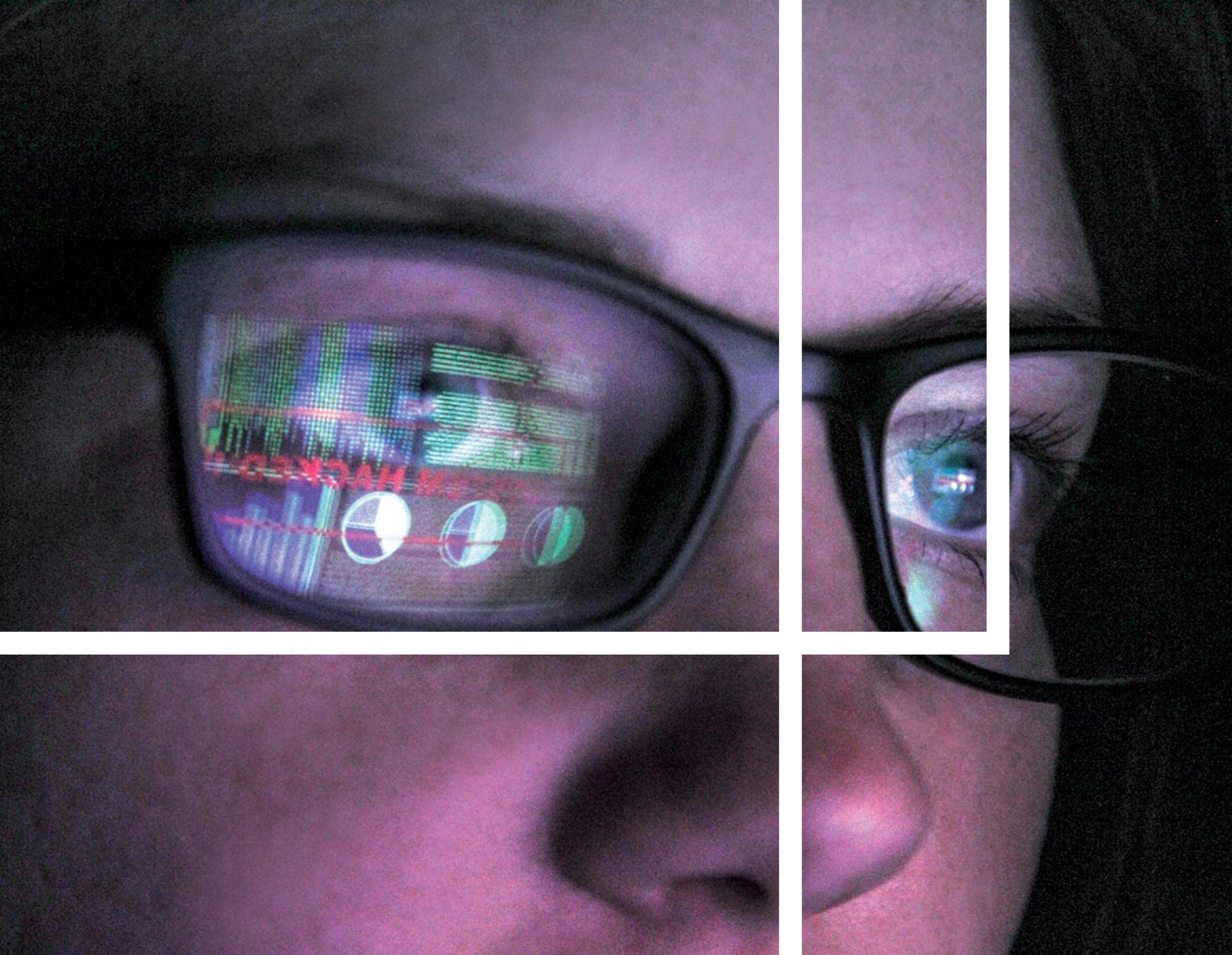

General industry trends

Insurance Industry Trends: Peering Around the Corner

IFRS 17 is a game-changer for the insurance industry, globally and in the East Africa region, primarily because all insurance companies will be required to capture and disclose their results in a consistent manner. For the first time, it will be possible to evaluate the real drivers of success for industry players. Consistency and comparability will provide a level playing field for insurers to compete and earn the trust of customers, investors, regulators and other stakeholders.

A significant amount of data must be collected and analysed appropriately in order to comply with the standard. These are useful data points not just for the sake of compliance, but also to inform better decision making for the business as a whole. Many insurers are on a digital transformation journey in response to competitive pressure and operational inefficiencies, and IFRS 17's requirements should complement and enhance that journey.

From the market's perspective, the nature of insurance as a business is likely to change. Historically, insurance was associated with form-filling, brokers and in-person advice and service. Product price competition has led to a 'race to the bottom' in some instances, contributing to concerns about the profitability of the industry.

More recently, however, the industry has commenced a shift to reflect a mobile, technology-driven marketplace. This shift already makes it easier to access self-serve insurance products and it is expected to improve the appeal of these products amongst younger generations.

Customer-centric and agile, responsive insurance industry players will also leverage technologies like predictive analytics to develop lifetime relationships with customers, whose insurance needs and expectations will also evolve over time.

The successful insurance company of the future will sell more policies more profitably by capturing information about their customers digitally, analysing data efficiently and making better decisions more readily. With mobile products and self-serve technologies, it will reach more potential customers in underserved regions.

It will invest in products that respond to the shifting social and cultural trends in regions like East Africa, reflecting the real risks that customers face, and evolve together with its customers as these needs and risks change. Crucially, it will also innovate and advise its customers ahead of emerging trends.

To achieve all of this, the successful insurance company of tomorrow will have built and maintained a high level of trust in the market and with customers. Adequately capitalised and with a strong balance sheet to support trust, and the comparability and transparency afforded by IFRS 17 compliance, the company will be able to demonstrate that it is headed in the right direction.

Customers will trust it to deliver services as promised. But in a digital-first marketplace, trust can be destroyed in no time at all and so the successful insurance company of tomorrow manages its brand reputation rigorously and redresses grievances rapidly to stay a step ahead.

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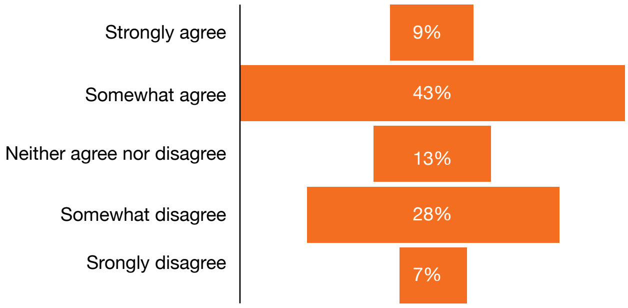
Survey Results and PwC Perspectives

Stakeholder Awareness

Are stakeholders clear on the IFRS 17 plans?



52%

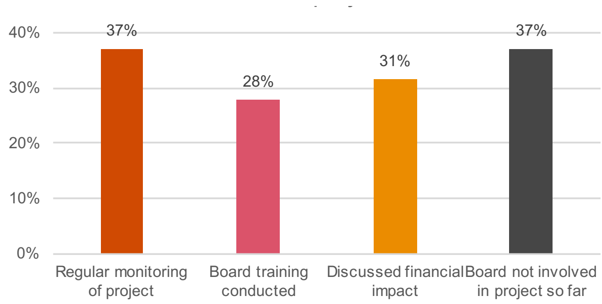
of our survey respondents believe that their organisation's stakeholders are clear on the IFRS 17 plans

52% of our survey respondents believe that their organisation's stakeholders are clear on the IFRS 17 plans. 37% of Boards are not yet involved in the IFRS 17 project with the remaining 63% involved in a combination of:

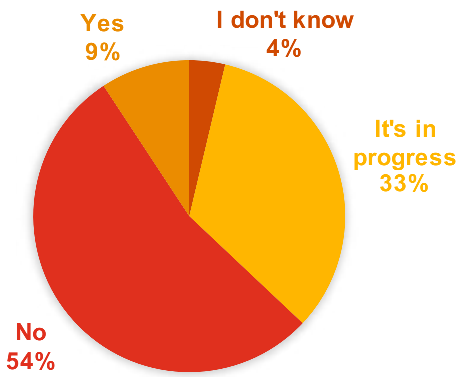
- Board IFRS 17 training
- Discussion of the IFRS 17 financial impact
- Regular monitoring of the IFRS 17 projects

Troublingly, only 8% of respondents have agreed on an IFRS 17 audit plan.

How is the Board of Directors involved in the IFRS 17 project?



Have you agreed to an IFRS 17 audit plan with your auditors?



PwC Observation

Our survey results indicate that a large proportion of insurers in the region have not fully engaged the major stakeholders in their IFR 17 projects. The adoption of IFRS 17 has far-reaching implications on insurers, it is paramount that all stakeholders are engaged early enough and made aware of the IFRS 17 plans.

Stakeholder Awareness: PwC Perspective

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Who are the key stakeholders you need to bring along on the IFRS 17 implementation journey?

A key responsibility of the Board of Directors is to provide leadership to an organisation with the view of delivering long term value to shareholders. IFRS 17 has the potential to significantly alter the financial performance and financial position of an insurance company depending on the type of insurance contracts written. In some instances, this may necessitate a relook of the business model. In addition, the Board of Directors bears ultimate responsibility for the integrity of financial reporting. The Board of Directors needs to be engaged throughout the implementation process. Given how far-reaching the changes resulting from IFRS 17 might be, it was unusual for survey respondents to indicate that the Boards of almost 40% of companies have not been involved in any aspect of the IFRS 17 implementation to date.

The implementation of IFRS 17 is sponsored and oversighted by members of the C-suite. This includes making decisions on the investments required (people, systems, processes, etc.) based on a careful consideration of extensive analyses prepared by management, often with the support of external consultants. Where business model considerations are necessary, the C-suite will be instrumental in shaping the evolving strategies to enable the achievement of the organisation's strategic objectives. The C-suite must provide high quality oversight throughout the IFRS 17 implementation process, including ensuring timeliness are met.

Insurance companies will need to work closely with insurance regulators to ensure appropriate linkages between IFRS 17 and prudential requirements. The primary responsibilities of insurance regulators are to protect holders of insurance contracts and ensure stability of the insurance industry. On the other hand, IFRS aims at providing useful information to users of general purpose financial statements. Challenges exist where IFRS 17 valuation approaches differ from those prescribed for prudential purposes. IFRS 17 may also impact on solvency and regulatory capital requirements. An industry approach is best suited for engagements with the insurance regulators.

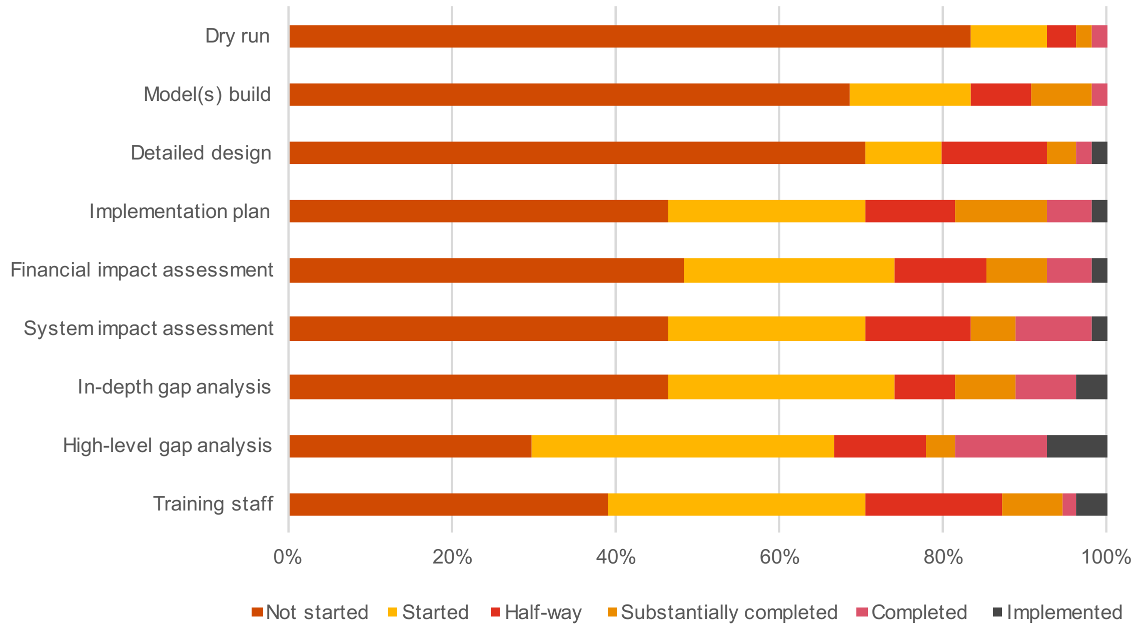
IFRS 17 has extensive business data requirements. This data is obtained at the front end, where the customers interface with the insurance companies. Interested stakeholders in the front to back end value chain who should be sufficiently involved in the IFRS 17 implementation include underwriting, actuarial, information systems, accounting and reporting personnel. It is highly likely that most, if not all, entities will need external support.

Lastly, the auditor will issue an audit opinion regarding the proper preparation of financial statements in accordance with the requirements of International Financial Reporting Standards. Insurance companies are highly encouraged to involve the auditor throughout the IFRS 17 implementation journey.

IFRS 17 Readiness

How far along in the IFRS 17 journey are insurers in the region?

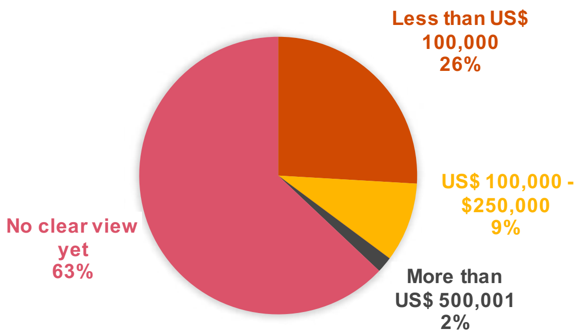
IFRS 17 projects status



30% of our survey respondents have not embarked on their IFRS 17 projects. Organisations that have already started on the projects are at different stages. As expected, most companies have begun work on the initial stages: training staff (61% started) and high-level gap analysis (70% started). Less than a third of respondents have commenced on the more complex stages of implementation: detailed design (30% started), model build (31% started) and dry run (17% started).

Only 37% of respondents have budgeted for their IFRS 17 projects with the majority (26%) expecting to spend less than US$ 100,000.

Budget for compliance



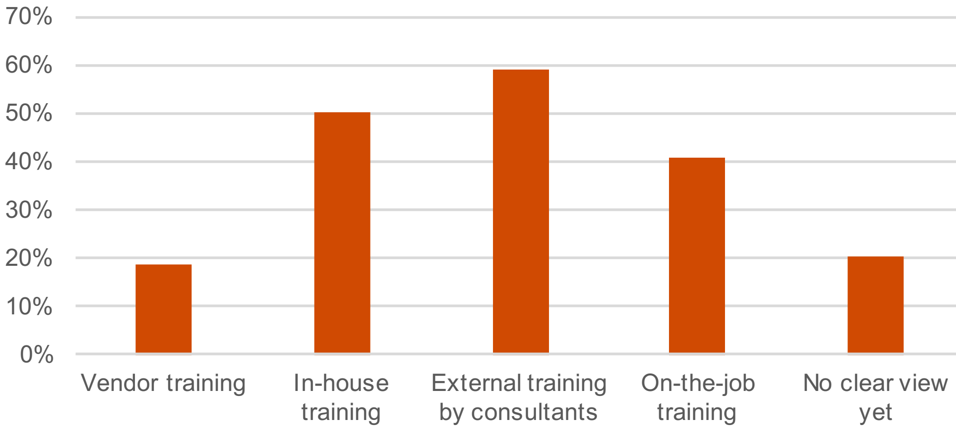
PwC Observation

Most insurers in the region have only just begun their IFR 17 projects and have no clear view of their project budgets. With just over two years left before the IFRS 17 effective date, companies need to fast track their implementation projects.

In addition, once you allow for the potential IFRS 17 tool cost and resource cost (whether those resources are internal in origin or external consultants) and the potential implications on other systems (data and finance systems in particular), then the modal project budget of USD 100,000 seems very much on the low end.

Getting your staff ready for IFRS 17

How is your organisation planning to educate staff?

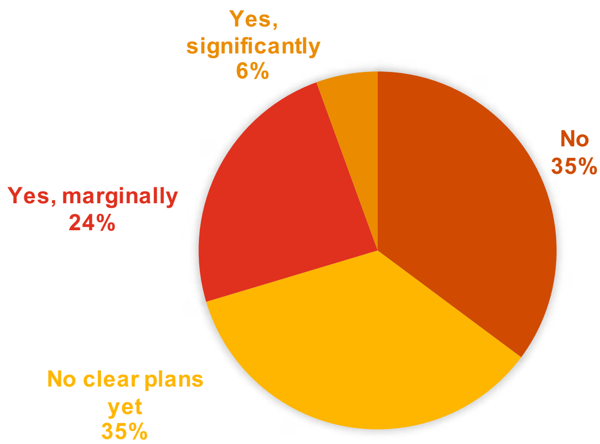


One of the major considerations for insurers as they gear up for IFRS 17 implementation is how to upskill staff. Insurers in the region intend to use a combination of approaches to do this; the majority of survey respondents will rely on external training by consultants (59%).

Respondents will also couple this with in-house training (50%), on-the-job training (40%), vendor training (18%).

30% of insurers in the region are also planning to increase headcount with 6% expecting a significant increase and 24% expecting a marginal increase. 35% of respondents don't expect to increase headcount and a further 35% are still unclear on their plans.

Is your organisation planning to increase headcount?



35%

of respondents don't expect to increase headcount and a further 35% are still unclear on their plans

PwC Observation

Staff capability will play an important role in the successful execution of IFRS 17 projects. Companies need to think critically about how they will get their staff ready for IFRS 17. It is encouraging to see that most insurers in the region have begun planning on staff training.

In addition, the actuarial skillset is instrumental for implementation of IFRS 17 and companies need to consider how they will develop this internally. Finally, it is really important that training is firm-wide and not restricted to actuarial and finance.

IFRS 17 Readiness: PwC Perspective

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Delivering a successful IFRS 17 Implementation in the East Africa Region

Globally, many organisations are prioritising broader finance changes to help resolve IFRS 17 challenges. In fact, a comprehensive and holistic approach to IFRS 17 implementation is the most effective. Many different functions within an organisation need to adapt, upskill and work together in order to comply with the standard. The key to a successful IFRS 17 implementation is not a particular system or supplier. The key is actually to approach implementation as a transformative catalyst that breaks down information and operational silos and delivers long-lasting value.

For IFRS 17 implementation to succeed, there are a number of critical factors. First and foremost, organisations need dedicated, senior-level resources working internally and hand-in-hand with external consultants and software providers. Implementation needs to be spearheaded by someone who has sufficient clout within the organisation and understands the business implications. Choosing the right implementation consultant and the right software is important, but internal coordination and leadership are equally, if not more, important.

In line with the right resources and leadership, another critical success factor is to dedicate multidisciplinary teams to the implementation project.

Most organisations will start with a finance person and perhaps an actuary, but successful organisations will also dedicate front office and back office resources and involve their auditor in the journey. Since an audit test of compliance is typically more stringent than a regulator test, it's very important that organisations involve their auditor from the word 'go'.

Finally, IFRS 17 implementation is more likely to be successful if organisations start early. We know that the pool of resources is small, both human resources and appropriate, fit-for-purpose software resources (as well as financial resources).

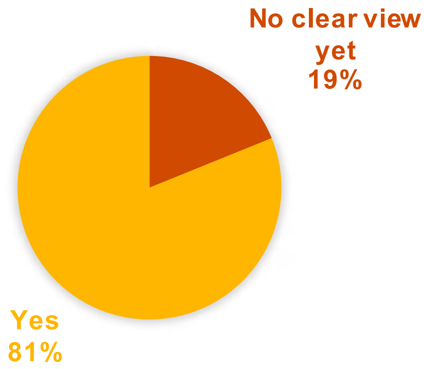
The longer organisations wait, the harder (and more expensive) it is to access the right resources. Waiting too long can result in compliance costs without the business benefits - not a very good result, and certainly not a sustainable one.

As complex as IFRS 17 is, organisations can reap substantial benefits from starting early and deploying the right teams and systems. There is plenty of room for practical, straightforward solutions that will address other business challenges in the process of gearing up for IFRS 17 compliance. The standard has the potential to catalyse transformational and beneficial change, if only organisations will harness it.

IFRS 17 Implementation

Is IFRS 17 a catalyst for digital transformation?

Do you expect an increase in digital transformation?

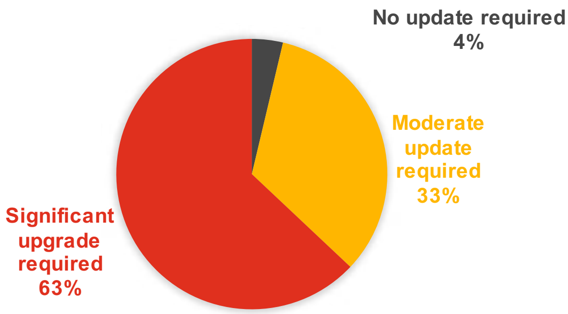


81% of respondents believe IFRS 17 will be a catalyst for digital transformation. In addition, 96% of respondents think that current systems need to be upgraded.

The largest portion of insurers in the region (39%) intend to obtain the required technology using a combination of:

- Enhancing existing technology
- Buying from external vendors
- Developing new-in house solutions
- 19% of respondents do not have a clear plan of how they will obtain the required technology.

To what extent do current systems need to be changed?



PwC Observation

IFRS 17 implementation will require significant system upgrades for most insurers. Companies need to start planning for how they will obtain the required technology.

Insurers in the region should also consider using IFRS 17 implementation as a catalyst for digital transformation.

81%

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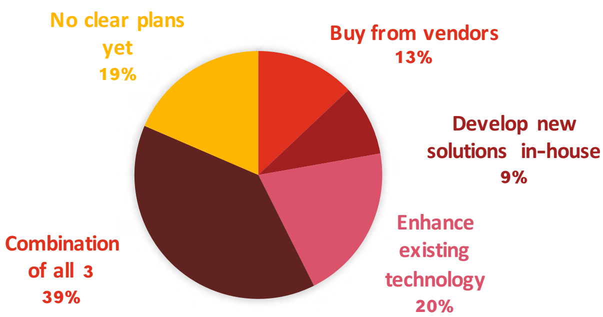
How is your organisation planning to obtain the required technology?



IFRS 17 Implementation: PwC Perspective

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Is IFRS 17 going to be a catalyst for wider transformation?

IFRS 17 is much more than a financial reporting standard. Whereas it can be tempting to view the standard through the lens of compliance, the process of implementing the standard brings many aspects of business operations into sharp focus. That level of granular clarity can instigate and support transformational change across an insurance business.

Clarity emerges partly as a result of the standard's substantial data requirements and the need for various parts of the business to regularly engage with each other more deeply. Long before an insurance business can even begin to comply with the standard, it will need to have implemented a digital strategy that delivers data integrated from appropriate and reliable sources. The process of collecting and analysing this data can provide a deep level of insight about the fundamental health of the business, as well as support c-suite and Board-level decision-making. These benefits are intentional; the standard is designed to require data and analysis that supports sustainable, transparent assumptions and decisions.

Complying with the standard also requires cross-functional collaboration within insurance businesses. Again, even before compliance begins, most will need to integrate different functions that may have operated in silos such as the claims function and the finance function. These and other functions will need to contribute to a seamless flow of data and communication even in their day-to-day operations, breaking down any silos between them as they adjust to the new requirements. The benefit of this new way of working is insight.

For this to work, many staff will need training and their organisations may also need to hire people with the right skills into the business. Inasmuch as an insurance business may already employ actuaries involved in deep analysis, for example, staff in underwriting, claims management and reinsurance will need a very good understanding of the standard in order to contribute to compliance. At a functional level all the way to Board level, the standard requires digitally fit, upskilled staff and leadership. Now is the time to invest in those skills and to proactively engage in the process of developing those skills such as through partnerships with universities. By proactively engaging in that process, organisations will help to grow the skills that they will need tomorrow - skills that are not widely available at the present time.

IFRS 17 has been postponed twice, which indicates the complexity of the standard and the challenges expected. It will be unfortunate if organisations don't take advantage of this opportunity to implement a full-fledged implementation plan around the standard. With other new standards like IFRS 9, the benefits have extended far beyond just compliance and reporting. An insurance business can and should learn from this experience and use the next two years as a breathing space to implement IFRS 17 in such a way that the business emerges stronger and more agile.

Although the next two years affords enough time for implementation, organisations need to take action this year to plan such that in 2021, they have data to analyse for any gaps indicating that it was not collected in accordance with IFRS 17's requirements. By 2022, organisations should have an operational prototype that delivers data collection in compliance with the standard's requirements and the ability to carry out parallel runs. For East Africa region insurers, the two years can be used wisely to make adjustments and to assess the transformational impact of implementing the standard - otherwise the true benefits of the standard will not be realised with a rushed implementation.

Finally, everyone needs to come to the table. Group-level implementation still requires local-level input, and local subsidiaries need to be embedded in the group implementation plan. In fact, group-level leadership should promote even more efficiency amongst subsidiaries to ensure a smoother implementation process. Each subsidiary should plan for implementation in a local context and make policy choices accordingly. There is no one-size-fits-all solution; each business operates differently in a different local context.

IFRS 17 is much more than a financial reporting standard. In this region and elsewhere, there has been a tendency to focus on compliance itself but the standard's complexity effectively requires change across the business. IFRS 17 certainly requires investment in skills, technology systems and consultants. But it would be a mistake to view IFRS 17 in such a piecemeal fashion. By taking full advantage of all it has to offer, IFRS 17 implementation is a catalyst for wider business transformation.

IFRS 17 Implementation

What aspects of IFRS 17 are the most challenging?

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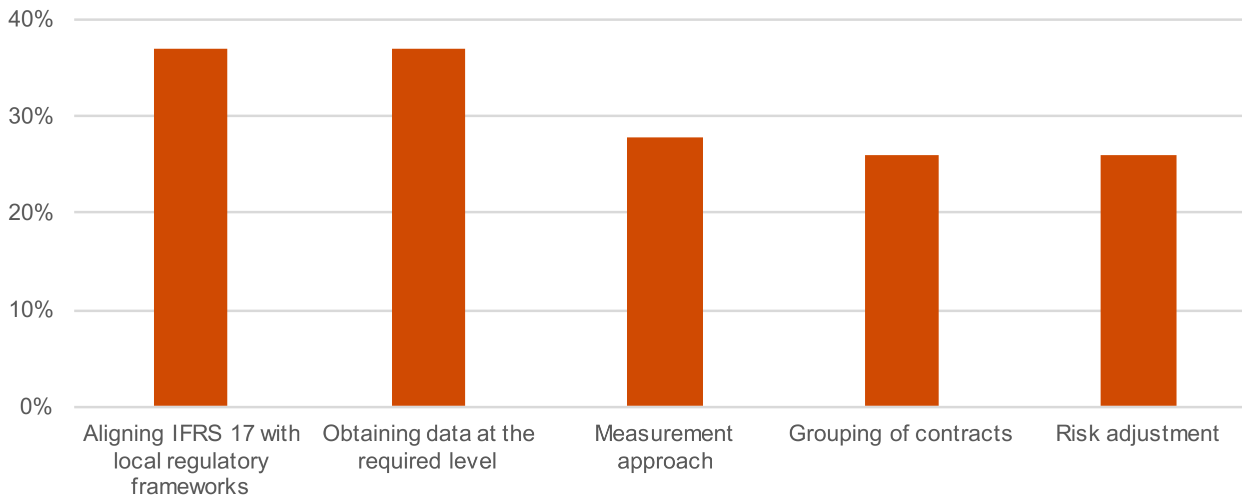
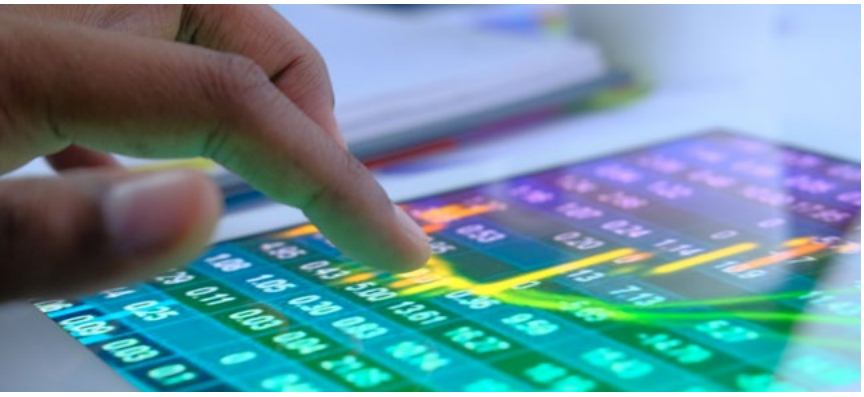


Our respondents identified aligning IFRS 17 with local regulatory requirements (37%) and obtaining data at the required level (37%) as the most challenging aspects of IFRS 17 implementation.

Technical valuation elements such as the measurement approach (28%), grouping of contracts (26%) and the risk adjustment (26%) also featured high on the list of challenging implementation areas.



PwC Observation

Insurance companies face many challenges in their implementation journeys. The major issues highlighted particularly on alignment with local regulatory requirements and obtaining data should be a call to action for both regulators and insurers. Regulators need to give clear direction on IFRS 17 implementation and insurers need to think critically about how they will obtain the required data.

Additionally, insurance companies will also need to consider the potential operational impact of IFRS 17 and the IFRS 17 tax implications. Insurers should also ensure that change management is well thought through.

IFRS 17 Implementation: PwC Perspective

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Implementing IFRS 17: The role of the industry regulator?

IFRS 17 introduces new ways of reporting performance. Industry regulators must first recognise that insurance companies reporting under IFRS 17 need to comply with the standard. This role requires regulators to understand the standard well enough themselves.

Previously, some regulators have layered different requirements over and above international financial reporting standards, causing degrees of uncertainty and inconsistency.

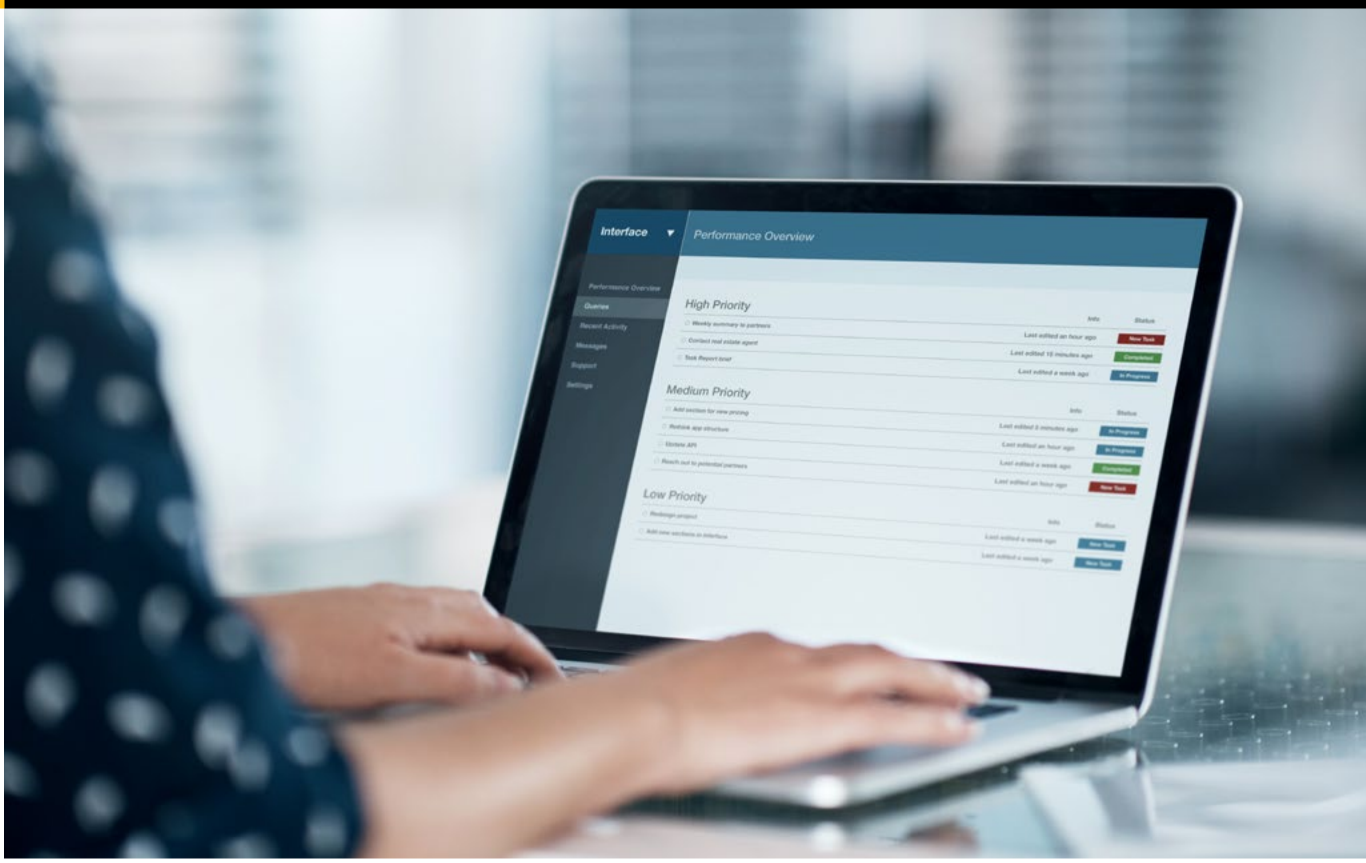
Regulatory indicators inform regulators' supervision of the industry and consequently, they will also need to provide local guidance in areas like capital solvency and risk-based capital models. Inputs for these calculations and models will come from information that is reported in compliance with IFRS 17. The new standard is expected to deliver more robust and comparable information but regulators will need to adapt since the information will be derived, calculated and reported differently.

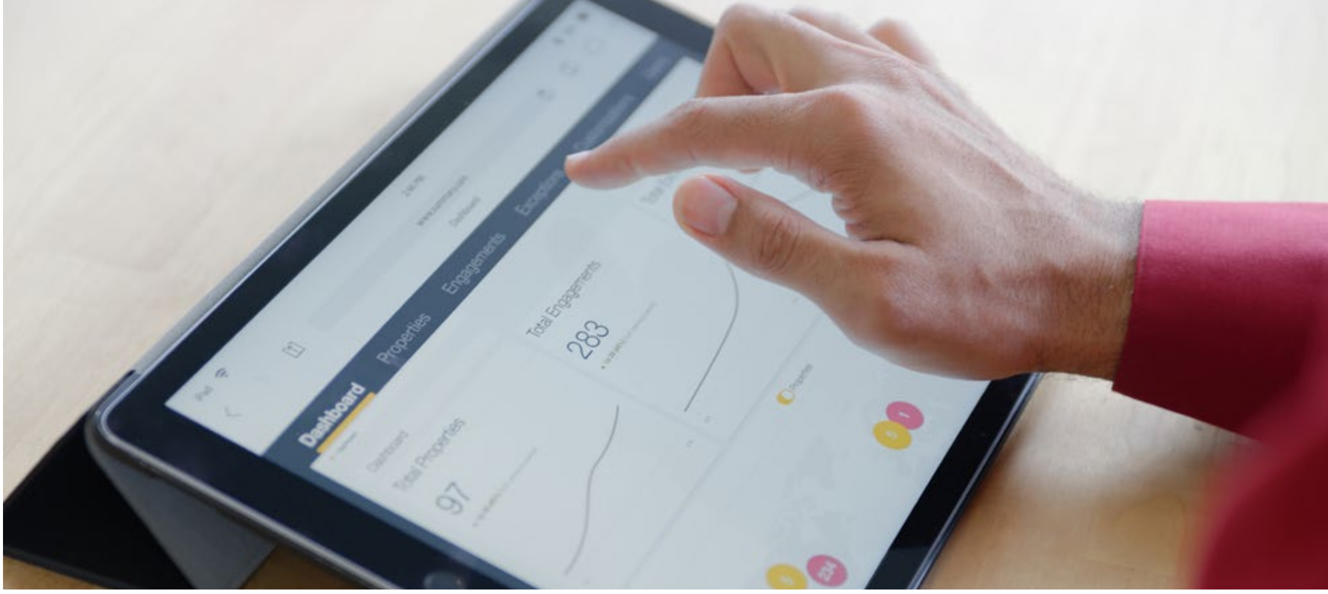
Given the expected impact of these and other factors, regulators need to understand the implications of the new standard as soon as possible. Simulations can provide regulators with a better sense of what to expect in the year of adoption and thereafter.

We know that balance sheets will change, in response to compliance with the standard. To understand what balance sheets will look like, regulators should work alongside insurance companies to observe these simulations and prepare for any volatility in their balance sheets.

Finally, insurance companies will need to upskill and seek external advice to prepare for IFRS 17 and so will regulators. Regulators can also engage with other regulators around the world and institutes of public accountants to understand the impact of the standard, with the overarching objective of staying close to developments.

IFRS 17 is a fundamental policy change and staying close to the industry and developments will help regulators to adapt and adjust in good time.

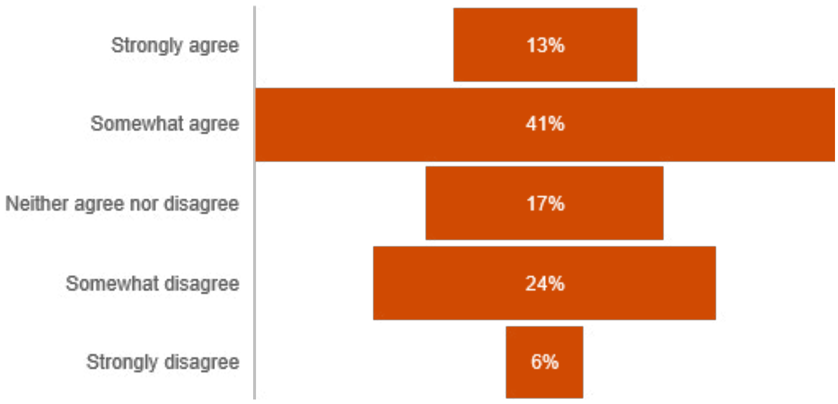




IFRS 17 Implementation

How long do companies think their IFRS 17 projects will take?

Our organisation has enough time to implement IFRS 17



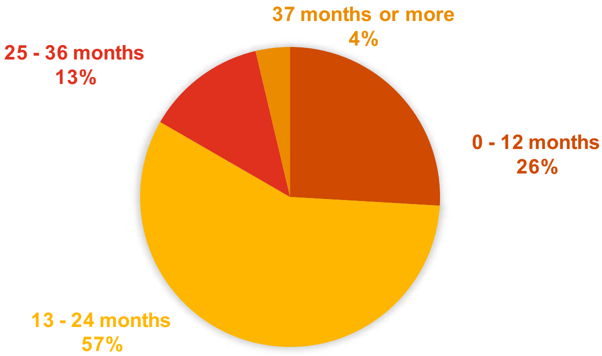
54%

of respondents believe they have enough time to implement IFRS 17

54% of respondents believe they have enough time to implement IFRS 17.

57% of respondents expect their implementation projects to take 13 – 24 months, 26% think it will take less than 12 months while 13% and 4% think it will take 25 – 36 months and 37 or more months respectively.

Expected project duration



PwC Observation

The deferral of IFRS 17 to 1 January 2023 gives insurers just over 2 years to complete their implementation projects. If expected project durations will be met and if insurers embark on these projects immediately then many of our respondents expect to be ready by the IFRS 17 effective date.

It is worth noting that most of our respondents are at the initial stages of their projects and expected timelines are likely to change as they get deeper into implementation.

Capacity and Capability in the Region: PwC Perspective

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The issuance of IFRS 17: Insurance Contracts is the most significant change in insurance accounting in more than 20 years. Because IFRS 17 is more than an accounting standard, the significance of this change, particularly in our region, cannot be overemphasised. Beyond implications on profitability and alignment of key performance indicators, insurers will experience unprecedented challenges in implementing the standard from an operational and systems perspective.

The current standard, IFRS 4: Insurance Contracts, does not prescribe insurance contract valuation methods and as a consequence, insurers have applied in-country regulatory requirements. Inevitably, as demonstrated in the table below, this has led to inconsistency across different countries and across life and non-life segments.

Country	Life	Non-life
Kenya	Actuarial valuation required; Gross Premium Valuation method used.	Actuarial valuation required; Actuarial valuation techniques prescribed
Tanzania	Actuarial valuation required; method unspecified.	No actuarial valuation required: Non-statistical approach prescribed.
Uganda	Actuarial valuation required; method unspecified.	No actuarial valuation required: Non-statistical approach prescribed.
Zambia	Actuarial valuation required; method unspecified.	No actuarial valuation required.
Rwanda	Actuarial valuation required; method unspecified.	No actuarial valuation required: Non-statistical approach prescribed.
Mauritius	Actuarial valuation required; Gross Premium Valuation method used.	Actuarial valuation required; Prescribed actuarial approaches provided.

Considering that different insurers currently apply different valuation methods, the significance of the change, the level of investment and effort will not be uniform. Insurers that are currently applying more complex, robust valuation methods, such as the gross premium valuation method, are likely to experience a relatively less onerous process in comparison to their counterparts applying less complex methods. However, this should be contextualised as a relative assessment because the transition to IFRS 17 will be significant, irrespective of the valuation method currently applied.

Further, insurers that are part of multinational group structures are likely to benefit from centralised implementation strategies and as a result, capacity and capabilities across the region will vary.

The adoption of IFRS 17 also brings to the fore the role of actuaries and their continuous involvement in the implementation of an accounting standard. This is unprecedented.

Therefore, companies that do not have existing actuarial capabilities are likely to experience more difficulty implementing the standard in comparison to those that do. Given that actuarial skills are more available in certain countries, specifically Kenya and South Africa, implementation of the standard for local insurers operating in other parts of the region needs to be more carefully planned and executed.

Consequently, the level of difficulty in implementing the standard will depend on the specific circumstances of each insurer at the time of implementation. From our experience, there a several elements essential to successful implementation including:

- A multi-disciplinary approach between key functions – Risk, Finance, IT
- Ability of existing systems and processes to provide high quality data
- Stakeholder awareness and buy-in of expected changes in measurement and reporting under IFRS 17
- Stakeholder awareness of the new performance measures

To overcome challenges arising from a general shortage of the requisite skills and insufficient capacity, insurers within the region need to involve specialists and start the implementation process now.

Adoption of new accounting standards typically commences with a gap analysis which entails a review of the current policies, procedures, models, data and infrastructure, and an identification of deficiencies between current practices and IFRS 17 requirements. The results of such an analysis are critical in the development of an entity-specific IFRS 17 implementation roadmap.

Considering the significance of the change, there is value in industry-wide collaboration involving insurers, actuaries, regulators and accountants to elevate the level of understanding of the requirements of the standard, share lessons learnt, harmonise views on key areas of judgement, ensure consistent application and where applicable, adapt the standard to reflect the realities of the market in which the insurers operate.

About the Survey

Our East Africa IFRS 17 Readiness Survey was conducted in September 2020 amongst Chief Executive Officers, Chief Financial Officers, Chief Actuaries and other senior representatives of insurers in Kenya, Uganda, Tanzania, Rwanda, Mauritius and Zambia.

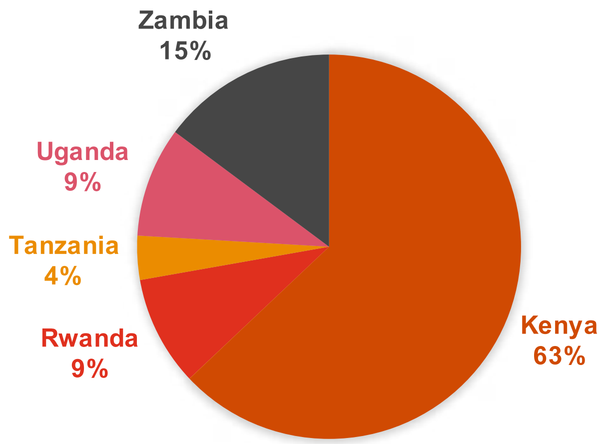
63% of the respondents operate in Kenya, 15% in Zambia, 9% in Uganda and Rwanda and 4% in Tanzania. 43% of are non-life insurers, 24% life insurers, 22% composite insurers, 7% reinsurers and 4% health insurers.

Majority of the respondents are from finance functions (58%), with the remainder comprising of a mix from actuarial (21%), risk (6%) and other functions (15%).

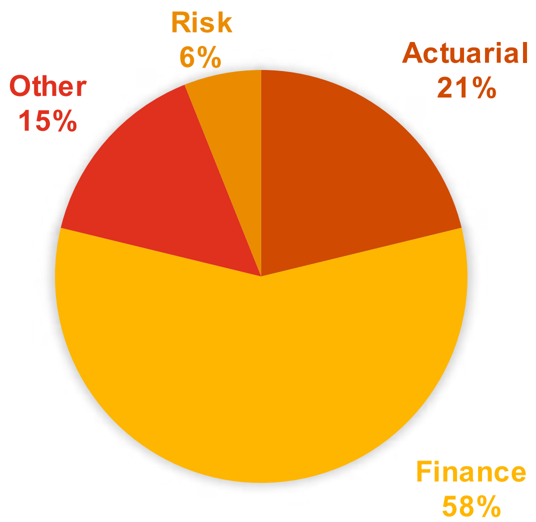
43%

of respondents are non-life insurers

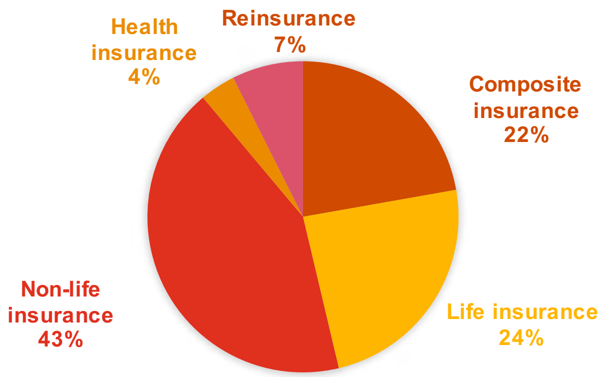
Country of operation



Company function



Type of insurer



Conclusion

IFRS 17 will bring about fundamental change in insurance business across the globe. The standard's reporting requirements will severely impact many functions within an insurance organisation.

To prepare themselves for this transition and to reap maximum benefits from the IFRS 17 implementation process, insurers in the region need to carefully develop an implementation strategy in good time.

Our survey makes it clear that majority of the insurers in the region are still in the initial stages of their IFRS 17 projects and brings to light what they are worried about and the major considerations they need to be making.

We hope that this publication has been thought provoking as you consider your IFRS 17 implementation plan.

We would also like to thank all our survey respondents for taking the time to complete the survey. Their responses remain confidential.

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