

CASE STUDY

Fast-Track to Compliance: Streamlining PSAK 74 Implementation with Robust Actuarial Models

CLIENT

Leading Indonesian life insurance company with more than 45 years' experience, providing a wide range of insurance products and services for life, accident, health, credit life insurance and retirement planning.

CHALLENGES

- PSAK 74 (IFRS 17) adoption required by Indonesian insurance market by 2025, fundamentally changing accounting practices for all entities that issue contracts within scope of the standard.
- Client required a full Prophet actuarial model migration to the latest FIS Prophet library version (including the consolidation of multiple workspaces into a unified and easily manageable workspace) and PSAK 74 model build for over 300 products.
- Project sensitive to both time and budget constraints.

APPROACH

Discovery

- Full model review/workspace analysis for all master products. Workshops with client SMEs to discuss the migration and PSAK 74 model design.

Build

- Master products integrated into the latest Prophet libraries ensuring adherence to best coding practices. This not only enhanced the overall efficiency of the system but also optimised the model runtime for significantly improved performance.
- Full testing for the migration and PSAK 74 model build.
- Full documentation of the model review and product migration including rationale behind the changes to assumption tables and model point files.

Handover

- Facilitating workshops with client SMEs to guide them through the new models, providing a detailed understanding of how the model operates.
- Provided comprehensive step-by-step guidance on producing PSAK 74 disclosures, encompassing everything from generating model points and changes to assumption tables to identifying the essential variables required for the disclosures.

RESULTS & DELIVERABLES

- Delivered Prophet Professional workspace for the migrated products and PSAK 74 (IFRS 17) models - multiple workspaces generating regulatory and PSAK 74 (IFRS 17) numbers (for different products), were streamlined and consolidated for all operations into a single, unified model.
- Produced a highly rationalised process for the creation of the data files to run the PSAK 74 library.
- Model review document for each of the master products. Model change report that documents all the changes made for this development including changes made to the models, data and assumption tables.
- Model walkthrough/handover workshop covering the findings and changes made during the build.
- Project was completed on budget and within the client's anticipated project timelines.

AT A GLANCE

Challenges

- Requirement to adopt PSAK 74 by 2025.
- Full Prophet actuarial model migration, multiple workspace consolidation and PSAK 74 (IFRS 17) model build.
- Significant time and budget constraints.

Outcomes

- Multiple workspaces streamlined and consolidated into a single Prophet Professional workspace.
- PSAK 74 (IFRS 17) model build for 300+ products.
- Rationalised data file creation process for PSAK 74 library.
- Complete model review and change report documentation covering all products.
- Projected completed on time and within budget.



We had the pleasure of working with MBE Consulting, and I must say it has been an incredibly positive experience. Their professionalism, effective communication and commitment to delivering high-quality work have truly set them apart in our industry. We are not only impressed with the project result, but also with their positive and great attitude.



Head of Actuarial