CONFIGURATION GUIDE | PUBLIC
Document Version: 1.5 – 2019-12-13

Business Content: SAP Accounting for Insurance Contracts Release

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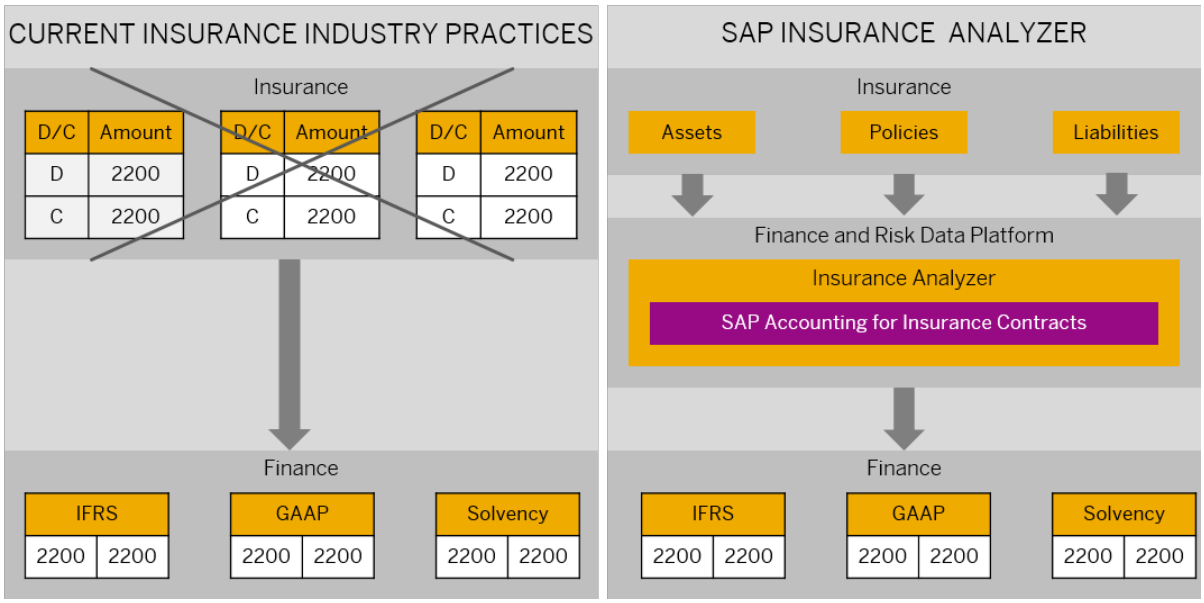
Content

1 Business Content: SAP Accounting for Insurance Contracts

SAP Accounting for Insurance Contracts is a technical subledger that provides a multi-GAAP-capable platform based on the unified Finance and Risk Data Platform (FRDP).

Over the past years and moving towards the future it is clear that insurance companies are faced with a multitude of both internal and external reporting requirements that many legacy landscapes are unable to handle with ease. Data quality continues to pose problems, and changing requirements lead to lengthy and expensive but isolated changes to the finance landscape.

The SAP Accounting for Insurance Contracts solution sits between various administration systems and the general ledger. It is also known as SAP Insurance Analyzer and its place in the finance landscape is depicted in the figure below:



SAP Accounting for Insurance Contracts

The solution comprises the preconfigured Finance and Risk Data Platform (FRDP) to ensure a single source of truth for financial data. Based on this centralized and unified data, multi-GAAP posting logic is applied and all results stored before they are transferred to a general ledger. Source and results data is versioned and traceable.

SAP Accounting for Insurance Contracts also contains preconfigured posting logic to help you meet the requirements of IFRS 17 (formerly known as IFRS 4 Phase 2). The posting logic supports the general measurement model, the premium allocation approach and the variable fee approach for life and non-life insurance and reinsurance contracts.

SAP Accounting for Insurance Contracts does not replace stochastic modelling that is typically used in the actuarial domain. Instead it focuses on providing complete and consistent data from the common Finance and Risk Data Platform (FRDP) to various actuarial tools. After cash flow projections are modelled by these tools,

the cash flow projections are imported back into SAP Accounting for Insurance Contracts, and from this point on all accounting valuations and calculations are performed.

As an add-on to SAP Bank Analyzer, SAP Accounting for Insurance Contracts also inherits all of its functions that help you meet the upcoming IFRS 9 requirements, as well as calculation methods for foreign currency translation and foreign currency valuation.

1.1 Data Load Layer

You can use the Data Load Layer (DLL) to load data from (non-SAP) products and actuarial systems. This is a Business Warehouse (BW)-based load framework, and is the recommended tool for loading data to SAP Accounting for Insurance Contracts.

For more information about the Data Load Layer, see Data Load Layer on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *Business Content Guide for Bank Analyzer 9.0*.

1.2 Reconciliation Hub

You can use the reconciliation hub (a BW based framework) to reconcile data.

For more information about the reconciliation hub, see SAP Library for Bank Analyzer on SAP Help Portal under *Technology Platform* > *SAP NetWeaver* > *SAP NetWeaver 7.0 EHP3* > *Bank Analyzer* > *Reconciliation Hub*

1.3 Source Data Layer

The operational data that is transferred to SAP Accounting for Insurance Contracts is stored in the Source Data Layer, based on the Finance and Risk Data Platform (FRDP) data model. The Source Data Layer contains a unified source data model to store different data types, like generic market data and primary objects such as the financial transactions insurance policy and treaty.

1.3.1 Data Modeling and Products in the Source Data Layer

For Business Content, the products are modeled on the basis of the primary objects defined in the Source Data Layer (SDL).

For more information about SDL primary objects, see Source Data Layer (SDL) on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *Business Content Guide for Bank Analyzer 9.0*.

1.3.1.1 Policy

A written contract between an insurance company and an individual or entity. The insured party receives financial protection or reimbursement against losses from an insurance company.

Product-Specific Field Values

- Insurance Policy Group `SI40PGROUP`
- Insurance Policy `SI40POLICY`
- Insurance Contract `SI40PCONTR`
- Insurance Coverage`SI40PCOVER`
- Insurance Coverage Option `SI40PCOPT`

Service Module	Field	Values	Description
Basic Data	`RISK_BASIS` (Classification for Risk Basis)	`DGRP`	`Group of Policy/ Treaty`
		`DPOL`	`Policy/Treaty`
	`CONTRACT_TYPE` (Business Transaction Type)	`DPOLI`	`Multiline Policy`
		`DPNL`	`Non-Life Policy`
		`DPLIF`	`Life Policy`

Cash Flow Generation

Cash flow generation is not relevant for policies.

Risk Basis

Description of Valuation Rule	Data Transfer	Valuation Control
Valuation rule for policies	Data is not transferred	market-to-market only

1.3.1.2 Treaty

A reinsurance agreement between a reinsurance company and a ceding company. The ceding company (the insurance company that purchases reinsurance) reinsures all risk falling in accordance with the treaty terms.

Product-Specific Field Values

- Reinsurance Treaty Group `SI40TGROUP`
- Reinsurance Treaty `SI40TREATY`
- Reinsurance Generation `SI40TGENTN`
- Reinsurance Section `SI40TSECTN`
- Reinsurance Section Item `SI40TSITEM`
- Reinsurance Participation `SI40TPARTP`

Service Module	Field	Values	Description
Basic Data	`RISK_BASIS` (Classification for Risk Basis)	`DGRP`	Group of Policy/Treaty
		`DPOL`	Policy/Treaty
	`CONTRACT_TYPE` (Business Transaction Type)	`DRINL`	Reinsurance Non-Life Policy
		`DRILF`	Reinsurance Life Policy

Cash Flow Generation

Cash flow generation is not relevant for treaties.

Risk Basis

Description of Valuation Rule	Data Transfer	Valuation Control
Valuation rule for treaties	Data is not transferred	market-to-market only

1.3.1.3 Contractual Service Margin (CSM) Group

A portfolio must be divided into a minimum of three groups, comprising a group of onerous contracts at initial recognition, a group of profitable contracts with no significant risk of becoming onerous at initial recognition and a group of remaining contracts in the portfolio. These groups have to be divided again into sub-groups so that contracts issued more than one year apart are not included in the same group. Two new group templates have been added to the corresponding Customizing activity to reflect the IFRS 17 level of aggregation requirement.

You can use the following templates:

- Group of Insurance Contracts `SI40PGROUP`
- Group of Reinsurance Contracts `SI40TGROUP`

The group templates contain three group-specific characteristics to identify the different sub-groups. The following new characteristics are available:

- Group of contracts classification
  To classify the single sub-group as one of the following:
  1. Group of onerous contracts at initial recognition
  2. Group of contracts not likely to be onerous at initial recognition
  3. Group of remaining contracts in the portfolio
- Group product ID
  For deriving the corresponding portfolio that includes contracts subject to similar risk and managed together, and for deriving the corresponding set of cash flows.
- Sub-Group Year
  For specifying the issue year of the contracts.

1.3.2 Generic Primary Objects

A generic primary object is a primary object in the Source Data Layer that is defined generally, rather than with reference to an individual product. For example, business transactions and business transaction classes.

1.3.2.1 Business Transactions and Business Transaction Classes

The Business Content contains the business transaction class *Standard Insurance Products SBT4 – Flow Transaction (Retail Product)*.

You can use this business transaction class to import all business transactions for insurance products. This is the standard way of entering business transactions for insurance products.

1.4 Processes and Methods Layer

The Processes and Methods layer comprises general methods and transformation processes for the functional processing of data, and the communication with external systems (for example, actuarial systems). Calculation and valuation processes for SAP Accounting for Insurance Contracts run in the Processes and Methods layer.

1.4.1 The Accounting Process

The IFRS Business Content delivered with SAP Accounting for Insurance Contracts 2.0 SP 2 is based on the insurance liability measurement approaches proposed by the IASB for IFRS 17. There are three approaches for measuring the insurance liability. These approaches follow the understanding that an entity should measure insurance contracts using all the available information that is consistent with observable market information.

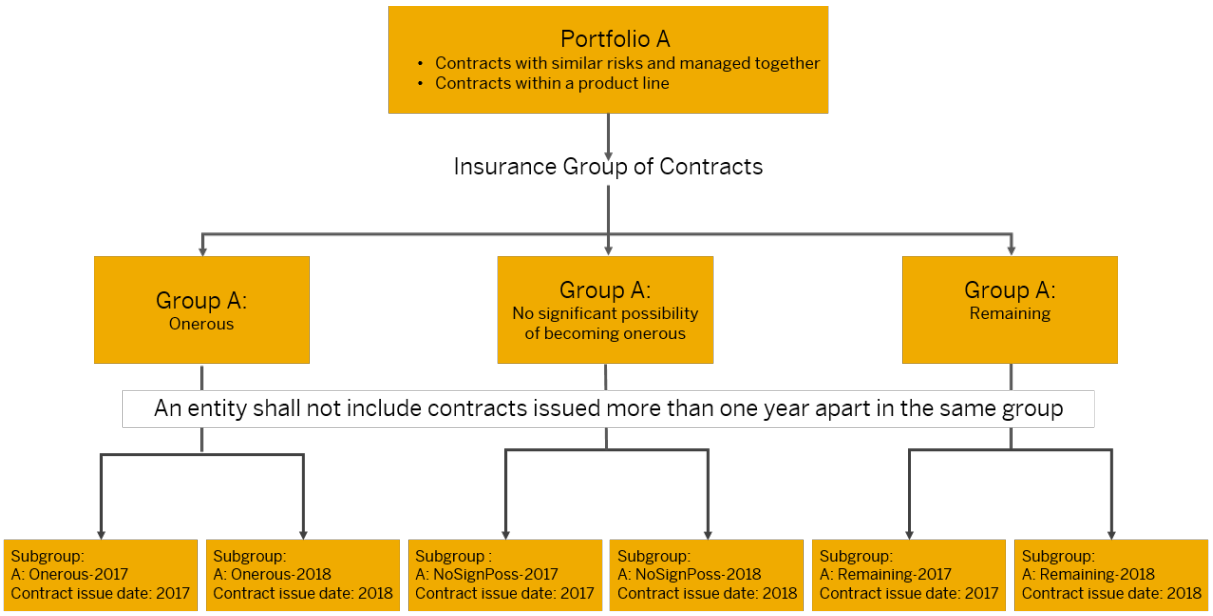
Level of Aggregation

Under IFRS 17, valuations are generally performed at group level. The aggregation of insurance contracts into groups is done prior to or at initial recognition for all the contracts in the scope of IFRS 17 and the groups are not re-assessed subsequently.

A portfolio comprises contracts subject to similar risks and managed together. An entity should divide a portfolio of insurance contracts issued into a minimum of:

1. A group of contracts that are onerous at initial recognition, if any.
2. A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any.
3. A group of remaining contracts in the portfolio, if any.

An entity should not include contracts issued more than one year apart in the same group.

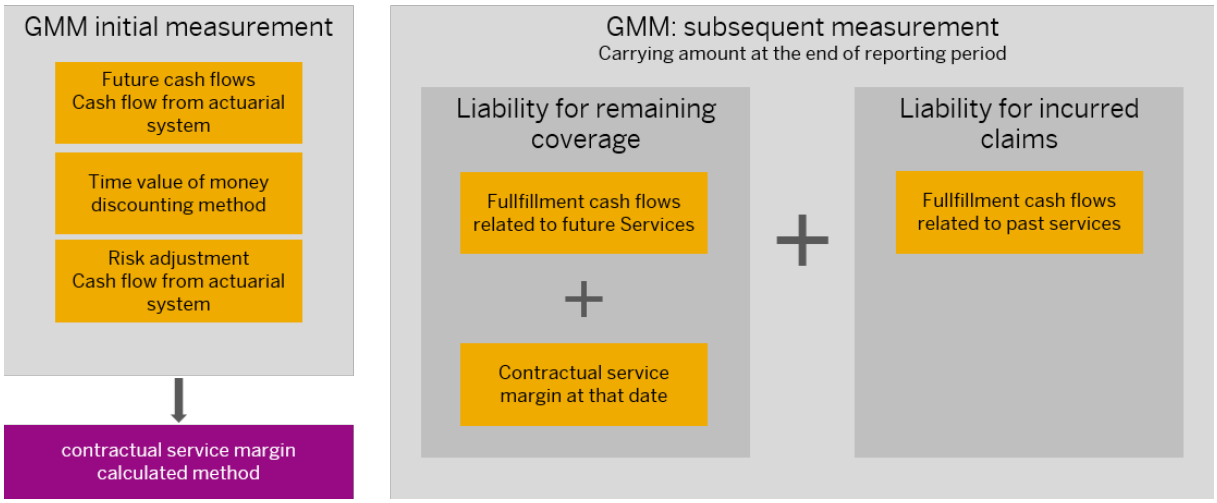


Level of Aggregation

The group product is assigned to a portfolio and the portfolio is matched to its measurement approach.

1.4.1.1 General Measurement Model (GMM)

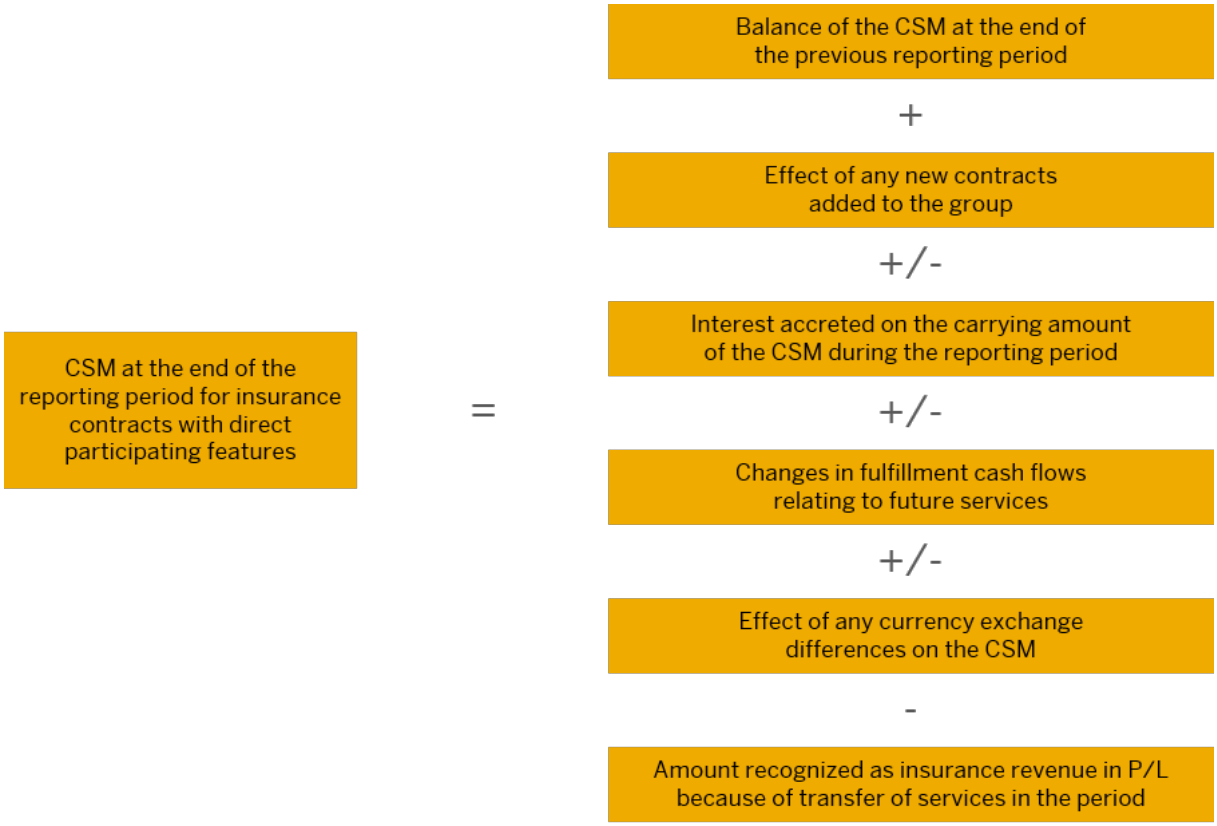
Measurement using the GMM is based on the present value of the fulfillment cash flows (the discounted probability-weighted average of expected future cash inflows and outflows), the risk adjustment and the contractual service margin. The contractual service margin is then amortized over the remaining coverage period.



General Measurement Model

In subsequent measurement, for insurance contracts without direct participating features, the contractual service margin at the end of the reporting period equals the contractual service margin at the start of the period adjusted for the following:

- Effect of new contracts added to the group
- Interest accreted on the carrying amount of the contractual service margin during that period
- Changes in fulfillment cash flows relating to future services
- Effect of currency exchange differences
- Amount recognized as insurance revenue in P/L because of the transfer of services in the period



Subsequent Measurement in General Measurement Model (GMM) of the CSM

The carrying amount at the end of the reporting period for the liability for remaining coverage is calculated as follows:

- New contracts: The change in fulfillment cash flows and contractual service margin due to the addition of new contracts is calculated. Afterwards, the onerous contract test is performed.
- Interest accreted on the present value of fulfillment cash flows and the contractual service margin during that period
- Change in estimates: New cash flows (if any) discounted and added to the present value of fulfilment cash flows and the contractual service margin. An onerous contract test is performed and the contractual service margin is adjusted if there is no loss component.
- Amount is recognized as insurance revenue in P/L because of the transfer of services in the period
- Discount rate change effect: The present value of fulfilment cash flows is calculated using new rates, compared with the present value based on the rates locked-in at initial recognition, and posted to finance income or expense or to other comprehensive income.

The liability for incurred claims calculation is performed in the same way as any other calculation of fulfilment cash flows (as described above) by discounting the estimated cash flows for claim payments (for claims already incurred, not the claim payment cash flows for future claims) using the interest rates valid on the contract start date.

1.4.1.2 Premium Allocation Approach

You can use the simplified premium allocation approach when the coverage period is equal to or less than one year or when it would result in a measurement similar to the general measurement model.

This approach measures the:

- Liability for remaining coverage, which measures an entity's obligation to provide coverage to the policyholder during the remaining coverage period.
- Liability for incurred claims, which measures an entity's obligation to investigate and pay claims for insured events that have already occurred, including incurred claims for events that have occurred but have not been reported.

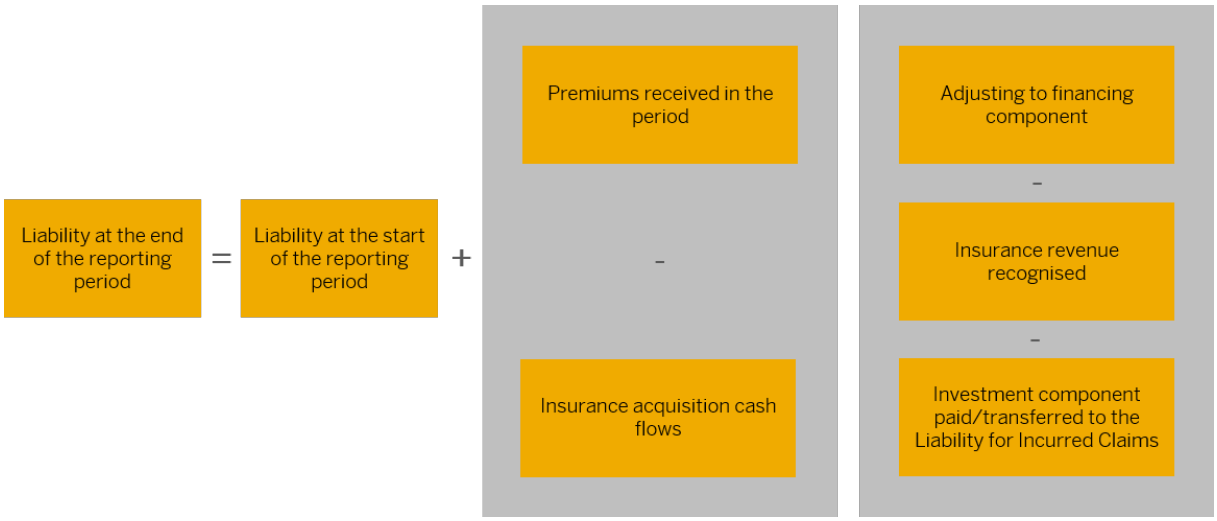
Initial Measurement

Initial Measurement, Liability for Remaining Coverage

The estimates for both premium and the direct acquisition costs are posted to the balance sheet. If no actuals are available on the intial recognition date, the liability on initial measurement is zero. If actuals are available, they are processed and give rise to the liability for remaining coverage. The onerous contract test is performed to check whether the liability on the present value of fulfillment cash flows is greater than the carrying amount of the liability for remaining coverage for PAA. If the liability is greater, the difference is posted as a loss.

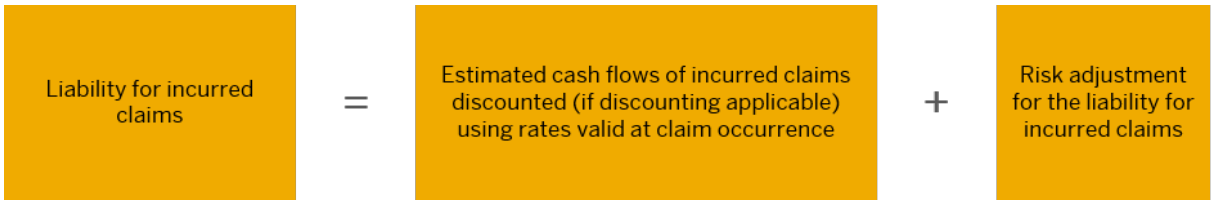
Cash flows relating to incurred claims are made up of both reported but not settled (RBNS) and incurred but not reported (IBNR) components. The liability for incurred claims is measured for the group of insurance contracts based on the fulfillment cash flows relating to incurred claims. However, future cash flows do not need to be adjusted for the time value of money and the effect of financial risks if the cash flows are expected to be paid or received within one year or less from the date the claims are incurred.

Subsequent Measurement



Subsequent Measurement, Liability for Remaining Coverage

As of SAP Insurance Analyzer 2.0 SP 4, you can apply the premium allocation approach (PAA) for groups of insurance contracts that have a significant financing component. Thus the carrying amount of the liability for remaining coverage is adjusted to reflect the time value of money using the discount rates at initial recognition. Consequently, interest accretion has to be calculated on the liability for remaining coverage. A significant financing component is applicable when the period between premium being due and provision of coverage is more than a year.



Subsequent Measurement, Liability for Incurred Claims

The liability for incurred claims calculation is performed in the same way as other calculations of fulfillment cash flows by discounting the estimated cash flows for claim payments (for claims already incurred, not the claim payment cash flows for future claims). However, instead of using only one set of interest rates (the yield curve valid on the contract start date), each cash flow has to be discounted with the yield curve valid on the date the corresponding claims occurred.

1.4.1.3 Variable Fee Approach

The variable fee approach is applied for insurance contracts with direct participating features. An insurance contract is a direct participating contract if it fulfills the following criteria:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items

- The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items
- The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items

Under this approach, the entity's obligation to pay to the policyholder is a net of the following:

1. The obligation to pay the policyholder an amount equal to the fair value of the underlying items
2. A variable fee, that the entity will deduct from (1.) in exchange for the future service provided by the insurance contract. This comprises the following:
    1. The entity's share of the fair value of the underlying items; less.
    2. Fulfilment cash flows that do not vary based on the returns on underlying items.

Variable Fee for Service

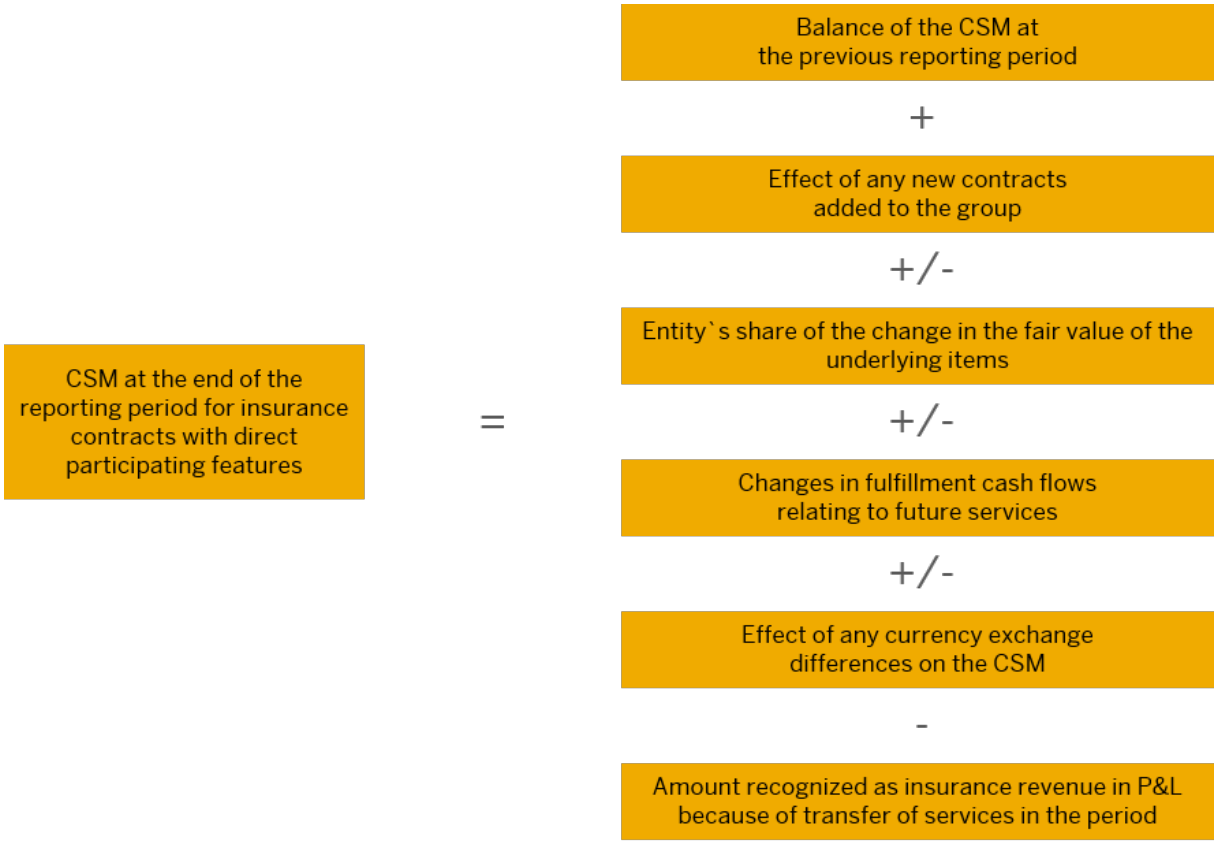
Initial Measurement

This is the same as in the general measurement model.

Subsequent Measurement

The adjustments to the contractual service margin (CSM) for insurance contracts with direct participation features (variable fee approach) follow an order similar to the one for the adjustments to the contractual service margin for insurance contracts without direct participation features. The only difference is that interest is accreted according to the entity's share of the change in the fair value of the underlying items in the following cases:

1. A decrease in the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss
2. An increase in the fair value of the underlying items reverse the amount in (a.)



Subsequent Measurement, Variable Fee Approach

The main difference between the general measurement model and the variable fee approach is the unlocking of the CSM for interest rate changes. The service fee (the increase of the CSM every year) is usually (for the GMM) calculated based on the interest rates at inception, but if an interest rate change occurs and the entity has to apply the variable fee approach, the CSM is unlocked for changes. In this case, the service fee is calculated using the current interest rates and no changes are recognized in P&L or OCI.

The following table shows the deviation of the variable fee approach from the general measurement model under different categories for insurance contracts with direct participating features.

Deviation of the Variable Fee Approach from the General Measurement Model

Contract Category	Non-Participating	Indirect Participating	Direct Participating
Approach	General Model (Building Block Approach)		Variable Fee Approach
Initial Measurement	General Model (Building Block Approach)		
	CSM		
	Risk margin		
	Time value of money		
	Expected future net-cashflows		

Contract Category	Non-Participating	Indirect Participating	Direct Participating
Subsequent Measurement	CSM adjustment for changes in estimates		
Changes in estimates regarding non-financial assumptions	• Changes in estimates for cash flows and risk margins that refer to future services → CSM • Deferral of the risk margins for past and current services → P&L • Changes in cashflows which refer to past or current services → P&L		
Changes in estimates regarding financial assumptions	Recognition in statement of comprehensive income dependent on chosen approach (P&L or (P&L / OCI))		Adjustment of the CSM: Exception: Embedded guarantees secured by FVPL derivates (P&L)
Accumulation CSM	Discount rate inception (lock-in)		Current rates (unlocking CSM)
Registration CSM	Deferral of the CSM according to earning patterns (coverage units)		

1.4.2 Allocation of the Loss Component

A loss component of the liability for remaining coverage for an onerous group has to be established. The loss component determines the amounts that are presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from the determination of insurance revenue.

When an entity recognizes loss on an onerous group of insurance contracts, it needs to systematically allocate certain subsequent changes in the fulfillment cash flows of the liability for remaining coverage between the loss component of the liability for remaining coverage and the liability for remaining coverage excluding the loss component.

For the premium allocation approach, whenever facts and circumstances indicate that a group of insurance contracts is onerous, the entity calculates the fulfillment cash flows according to the General Measurement Model and increases the liability for remaining coverage to the extent that fulfillment cash flows exceed its carrying amount. This excess is established as the loss component of the liability for remaining coverage and a loss is recognized in profit or loss. The amount of the loss component should be amortized based on the passage of time over the remaining coverage period of the group of contracts.

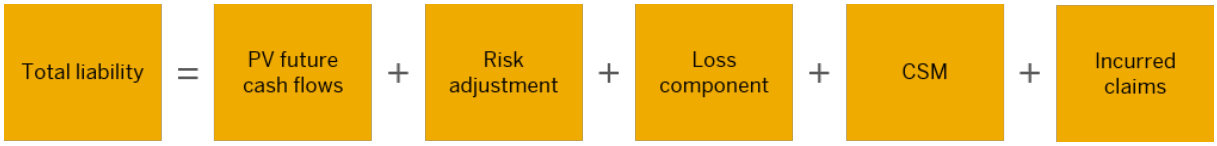
Current Method Implemented

When a group of contracts is onerous (in other words, when a loss is posted to profit and loss during subsequent measurement), the system systematically allocates certain changes to the fulfillment cash flows between the loss component and the liability for remaining coverage excluding the loss component. The changes to the fulfillment cash flows are as follows:

- Expected claims and expenses released from the liability for remaining coverage

- Changes in the risk adjustment due to the release from risk
- Insurance finance expenses

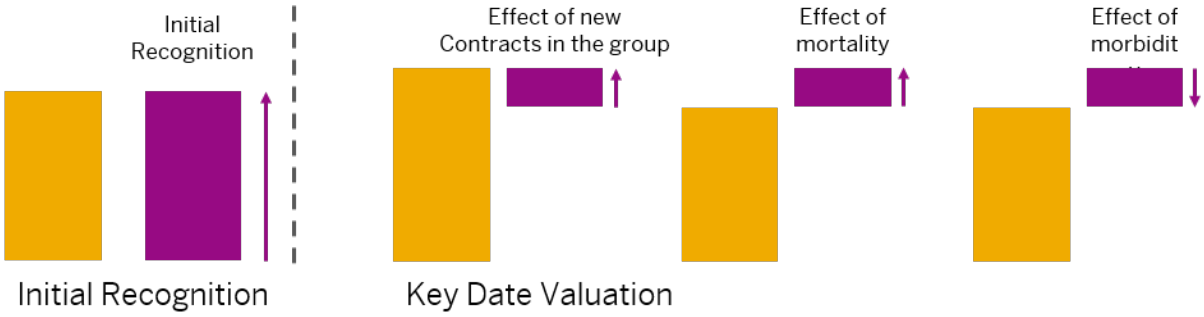
In the Business Content, the allocation is based on the percentage of the amount of the loss component relative to the total carrying amount of the liability for remaining coverage.



Insurance Contract Liability

1.4.3 Calculation of Effects of Change Drivers in Cash Flow Estimates

The following diagram depicts the full amount approach, where the bars in yellow represent the current total balance of the present value of fulfilment cash flows, and the bars in blue represent the individual effect of each movement.



Full Amount Approach

To enable the system to calculate the deltas, you need to assign the movement types to calculation steps. The system comes with the following calculation steps as sample content, with each step representing a different *Movement Type*.

Edit Calculation Steps

Assign Calculation Methods

Calculation Step	Cat.	Calculation Step Cat.	CalMeth	Calculation Method	Calculation Step
DL01	DP55	IS Effect of New Contracts	DP65	IS Component Valuation	IS Eff. New Con.
DM02	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Eff. Mortality
DM03	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Eff. Morbidity
DM04	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Eff. Lapse

In a new configuration step, the following details are defined:

- The IDs of the different movement types the system receives
- The order in which the calculation is carried out

The following movement types are provided as business content, each one assigned to its relevant calculation step. Completely new or additional movement types can be configured in this table.

Edit Movement Calculation Sequence

Edit Calculation Sequence

AcctgBasis	Acc.System	Calc.Prc	Calc. Step	Mov. Type	NC - MT
Subledger Scenario	S_IAS	DP51	DP65	IR	
Subledger Scenario	S_IAS	DPV1	DL01	NC	X
Subledger Scenario	S_IAS	DPV1	DM02	MO	
Subledger Scenario	S_IAS	DPV1	DM03	MR	
Subledger Scenario	S_IAS	DPV1	DM04	LA	
Subledger Scenario	S_IAS	DPV3	DL01	NC	X
Subledger Scenario	S_IAS	DPV3	DM02	MO	
Subledger Scenario	S_IAS	DPV3	DM03	MR	
Subledger Scenario	S_IAS	DPV3	DM04	LA	

You can use the movement type function with the *General Measurement Model* and the *Variable Fee Approach*.

The movement type function also applies to the liability for incurred claims with the *General Measurement Model* and the *Premium Allocation Approach*.

The following calculation steps are provided as sample content, each representing different movement types for the liability for incurred claims.

Assign Calculation Methods

Calculation Step	Cat.	Calculation Step Cat.	CalMeth	Calculation Method	Calculation Step	Medium Text
DP6G	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Eff. IBNR	IS Effect of Change in IBNR
DP6J	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Eff. Provision	IS Effect of Change inLarge Loss Prov.
DP6M	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Eff. Claim Freq.	IS Effect of Change inClaim Frequency

Calculation Step	Cat.	Calculation Step Cat.	CalMeth	Calculation Method	Calculation Step	Medium Text
DP6P	DP65	IS Component Valuation	DP65	IS Component Valuation	IS Last Correction.	IS Effect of Last Minute Correction

In the customizing activity *Assign Movement Types to Calculation Steps*, you can enter the IDs of the required movement types for the liability for incurred claims. You can also configure new movement types in this table. The system performs the calculations in the sequence in which the movement IDs have been entered in this configuration table. The following movement types are provided as business content for the liability for incurred claims:

Accounting Basis	Accounting System	Calculation Procedure	Calculation Step	Movement Type	New Contract – Movement Type	Experience Adjustment - Movement Type
Subledger Scenario	S_IAS	DPV1	DP7B	IR		
Subledger Scenario	S_IAS	DPV1	DP6G	IB	-	-
Subledger Scenario	S_IAS	DPV1	DP6J	LP	-	-
Subledger Scenario	S_IAS	DPV1	DP6M	CF	-	-
Subledger Scenario	S_IAS	DPV1	DP6P	LC	-	-
Subledger Scenario	S_IAS	DPV2	DP6G	IB	-	-
Subledger Scenario	S_IAS	DPV2	DP6J	LP	-	-
Subledger Scenario	S_IAS	DPV2	DP6M	CF	-	-
Subledger Scenario	S_IAS	DPV2	DP6P	LC	-	-

The entries in the column Movement Types represent the following cash flow estimates:

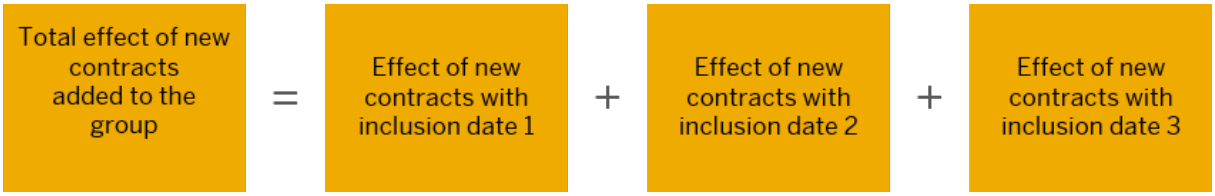
- IR: cash flow estimates at initial recognition
- IB: cash flow estimates due to a change in IBNR
- LP: cash flow estimates for changes in large loss provision
- CF: cash flow estimates due to changes in claim frequency

1.4.3.1 Calculation of Effect of New Contracts

For the calculation of the effect of new contracts for each inclusion date, the characteristic `/BA1/C55POSDA` in the Results Data Layer SIA/SICAFL is now considered the“ inclusion date”. This is the date on which the new

contracts are included in the group. With this new characteristic, you can deliver the new contract cash flows (identified by the movement “NC” in the characteristic `/1FB/MOVE_TYPE`) with different inclusion dates. The system considers the full amounts of cash flows and uses this information to calculate the deltas. The total sum of the deltas between the cash flows of new contracts with different inclusion dates is the total effect of new contracts added to the group.

> **Example**
>
> If three sets of new contract cash flows are delivered with three different inclusion dates, the total effect is the sum of the effect of new contracts on each inclusion date.



Calculation of Effect of New Contracts

1.4.4 OCI/P&L Option

IFRS 17 allows an entity to include insurance finance income or expense in *Profit and Loss* or in *Other Comprehensive Income*.

An analytical attribute in Insurance Analyzer allows the entity to use this option.

This attribute has one of the following values:

- 1 - Reported in Equity Balance Sheet Item (OCI)
- 2 - Reported in Profit and Loss Statement (P&L)

Insurance finance income or

expense is posted either to Profit and Loss or to Other Comprehensive Income, based on the value selected in this field.

1.4.5 CSM Group Determination

According to IFRS 17 §16, an entity has to divide a portfolio into groups of contracts based on the following criteria :

- A group of contracts that are onerous at initial recognition, if there are any
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if there are any
- A group of the remaining contracts in the portfolio, if there are any

SAP Insurance Analyzer 2.0 calculates the CSM for groups of contracts as defined in the FRDP data model (see Contractual Service Margin (CSM) Group [page 7]) and posts it to the subledger.

SAP Insurance Analyzer also allows you to persist the classification according to the CSM calculation at initial recognition in the FRDP. To achieve this, a separate CVPM process `/NXC/CSM_CVPM` is available. The

transaction NXC/CSM_CVPM with step sequence CSM can be run after initial recognition (PEBT and USBT, see The Technical Accounting Process [page 22]) with a selection of financial positions (which correspond to "group of contracts" objects in the SDL), for example for each legal entity and posting date. For each financial position, the process reads the CSM balance and, based on this information, classifies the corresponding group of contracts as onerous or not. Accordingly, it determines the following classification:

- 1 = Onerous at Initial Recognition
- 3 = Remaining contracts in the portfolio

This information is persisted in the FRDP result type SICSMGRP in the results data area SIA if one of the following conditions is met:

- The characteristic field /1BA/_BA5C_CLGRP in the corresponding SDL object is initial.
- The CVPM process is run with the *Force Update* flag.

> **i Note**
>
> In the FRDP data model, /1BA/_BA5C_CLGRP is a mandatory field and therefore never initial. In the Business Content, you must run the process with the *Force Update* flag to persist the determined classification.

The selected financial positions are delivered to the process by the primary data source DIA_FPO_FOR_CSM_GRP.

1.4.6 Enhanced Asset-Liability Determination

The standard SAP Insurance Analyzer Asset-Liability Determination (ALD) function is called by the key date valuation (KDV) type VV and considers the book value of each financial position (FP). If the ALD function detects a change of sign in the book value, it moves the financial position from Liability to Assets or vice versa by using a reclassification calculation procedure to create the appropriate postings.

In the Business Content, there is one FP per group of contracts for the liability for remaining coverage in the group. There is also one FP for each additional liability for incurred claims of the period. This means usually one per month or quarter.

The Asset-Liability Determination function has to consider the aggregated book value of all these financial positions relating to one group of contracts. To achieve this, there is KDV type VA which runs the same calculation procedure as KDV type VV, but does not execute the Asset-LiabilityDetermination function at the end. There is also KDV type AL that runs the calculation procedure described in the following paragraph and then executes the ALD function.

To ensure that for each FP the ALD function considersthe book value of the FP and the other related FPs together , the calculation procedure DPAL (calculation step DP99) retrieves the book value of all FPs relating to the group of contracts (except the one currently being processed) and posts this amount to a specific PKF. This means that the book value of all FPOs is each time set to the book value of all the related FPOs together, which allows the ALD function to determine the correct overall A/L status.

Posting rules ensure that the postings on the additional PKF are not delivered to the G/L.

1.4.7 Deferral of Acquisition Costs and Risk Adjustment

According to the IFRS 17 standard, acquisition costs need to be deferred over time.

Paragraph b125 : “An entity shall determine insurance revenue related to insurance acquisition cash flows by allocating the porting of the premium that relate to recovering those cash flows to each reporting period in a systematic way on the basis of the passage of time. Any entity shall recognize the same amount as insurance service expenses.”

The amortization of acquisition costs under the GMM valuation approach requires that you build the asset of direct acquisition costs and release it in each subsequent valuation period.

To do so, you can use calculation step DP38, which releases the costs accordingly for the GMM approach (DPV1).

A G/L derivation is available to recognize the asset build of the direct acquisition costs.

The following two key figures are available, one for the analytical and one for the operational part:

DIBDADA	IS Ba: Direct Acquisition Cost Deferral GMM
DIBDADO	IS Ba: Direct Acquisition Cost GMM oper.

1.4.8 Experience Adjustments for Premiums and Direct Acquisition Costs

According to IFRS 17, §B96(a) and §B113(a), experience adjustments arising from premiums received in the period that relate to future services as well as related cash flows (such as insurance acquisition costs) require an adjustment to the contractual service margin. This requirement applies to the *General Measurement Model* and *Variable Fee Approach*.

According to IFRS 17, Appendix A, experience adjustment is calculated as the delta between the following cash flow sets:

1. The actual cash flows in the period that are delivered with movement ID “EA”.
2. The estimates at the beginning of the period. These estimates constitutethe cash flow set with the immediate predecessor movement ID delivered to the system. The predecessor movement cash flow set can either be the latest new contract cash flow set delivered with the same key date, or the last cash flow set delivered with any other movement ID on previous key dates.

The system posts the calculated delta to adjust the contractual service margin.

In SAP Insurance Analyzer 2.0, the characteristic `/1FB/MOVE_TYPE` in the results data area `SIA/SICAFL` can help you to fulfill the IFRS 17 requirement. The actual cash flows in the period are delivered to the system with movement ID “EA” with the current key date. The system requires the full amount of cash flows to be delivered.

To perform the delta calculation, you have to do the following:

- In Customzing, define the movement ID and the corresponding calculation step that performs the experience adjustment calculation: *SAP Customizing* > *Financial Services* > *Insurance Analyzer* > *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position*

Processes > *Processing of Internal Business Transactions* > *Key Date Valuation* > *Accounting Processes* > *Insurance Valuation Components* > *Assign Movement Types to Calculation Steps* .

- Select the *EA-MT* checkbox for the following two entries:

AcctgBasis	Acc. System	Calc. Prc	Calc. Step	Mov. Type	NC - MT	EA - MT
Subledger Scenario	S_IAS	DPV1	DL05	EA		Checked
Subledger Scenario	S_IAS	DPV3	DL05	EA		Checked

1.4.9 Non-Distinct Investment Component

According to IFRS17 Amendments to Appendix A, the term "investment component" represents the amounts that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether or not an insured event (a claim) occurred.

When the investment component is distinct, it has to be separated from the host insurance contract and according to IFRS9 (§IFRS17,11), its cash flows have to be accounted for.

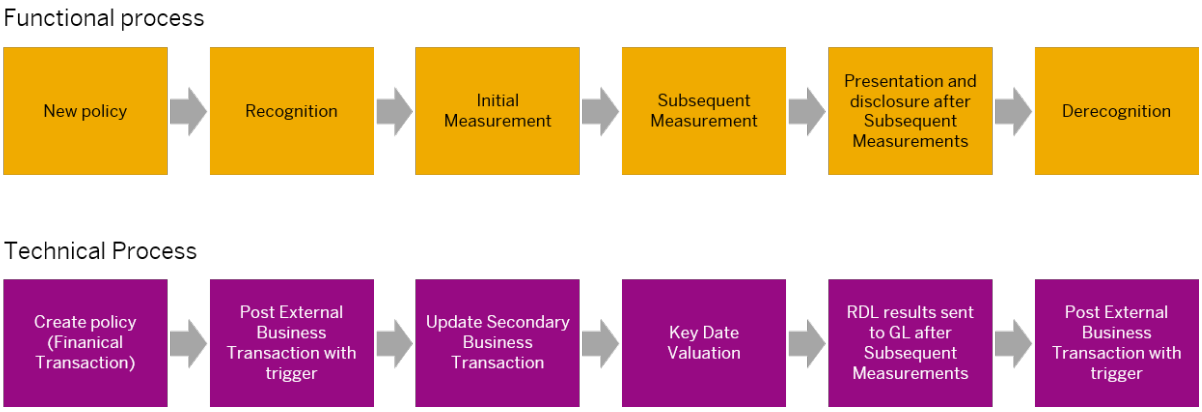
If the investment component is not distinct, it is highly interrelated with the insurance component (§IFRS17,B32) and according to IFRS17, its cash flows have to be accounted for. However insurance revenue and insurance service expenses presented in P&L shall exclude any investment components (§IFRS17, 84, 85,B120, B123,B124, B126). In other words, according to IFRS-17 the effects related to the investment components shall not be included in the Profit & Loss Statement, thus it shall be excluded from insurance revenue and incurred claims by reducing the insurance revenue (§IFRS17, BC33, BC61).

The solution is applicable to non-distinct investment component with regards to GMM and PAA. Two new flow types are introduced to represent non-distinct investment components, one for liability for remaining coverage cash flows (LRC CF) and one for Liability for incurred claims cash flows (LIC CF):

For LRC CF	DIINC	Insurance Investment Component	Insurance Non-Distinct Investment Component
For LIC CF	DIINI	Insurance Investment Comp. LIC	Insurance Non-Distinct Investment Component LIC

1.4.10 The Technical Accounting Process

The technical accounting process is the set of functions available in SAP Accounting for Insurance Contracts and covers the valuation approaches.



Functional and Technical Processes:

Business transactions in Business Content are defined according to the definition of the financial position classes. This means that an understandable set of business transactions is provided for each financial position type (for example, policy and reinsurance contract), allowing you to model the complete life cycle of each product.

External business transactions associated with the insurance contract, both operational and event-driven, are posted to the subledger using the *Post External Business Transactions* process. This includes the *Zero Value* business transaction for initial recognition, which triggers further calculations.

Internal or secondary business transactions are generated when the system processes one or more Business Content-related calculations. These calculations are triggered when different transactions are executed, namely the *Update Secondary Business Transaction* process and the *Key Data Valuation* .

1.4.10.1 Post External Business Transaction

The `Post External Business Transactions` process posts both operational and event-driven business transactions. For Business Content, this transaction posts business transactions received from operational systems that have or do not have monetary value, such as premium receivable, claims payable and initial recognition. When the system posts an external business transaction, it creates a financial position object (if it has not done so previously).

You can find Business Content for calculation procedures in the customizing activity *Display Calculation Procedures*.

Calculation Procedure

See the Customizing activity *Display Calculation Procedures* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Processing of Internal Business Transactions* > *Basic Settings* > *Calculation Procedures* .

Calc. Proc. Template	Calc. Step Category	Processing Sequence	CP Description	CS Description
DP01	DP5C	60	IS Initial Recognition	IS Operational Amount Release
DP11	DP5A	30	IS Derecognition	IS Operational Amount Interest Accretion
DP11	DP5C	40	IS Derecognition	IS Operational Amount Release

1.4.10.1.1 Financial Position

Financial Position Object

For more information about financial position objects, see Financial Position Object on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *banking services from SAP (FSAPPL 500)* > *Bank Analyzer (FS-BA)* > *Processes & Methods (FS-BA-PM)* > *Accounting for Financial Products* > *Accounting Processes (Subledger Scenario)*.

Financial Position Class

See the Customizing activity *Display Calculation Procedures* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *Before Generation* > *Financial Positions* > *Define Financial Position Classes*.

FP Class	Short Description	Medium Description	Long Description	Product Category
DCOV	Cont./Cov./Sect.Item	Contract/Coverage/ Section Item	Policy Contract/Policy Coverage/Treaty Section Item	Fin. Trans.
DGRP	Group w. Claim Month	Group	Group	Fin. Trans.

Financial Position Types

See the Customizing activity *Define Financial Types* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *Before Generation* > *Financial Positions*.

FTP Type	FP Class	Level	Description
DCOV	DCOV	Coverage	Policy Contract / Policy Coverage /Treaty Section Item
DCON	DCOV	Contract	Policy Contract / Policy Coverage /Treaty Section Item
DSIT	DCOV	Section Item	Policy Contract / Policy Coverage /Treaty Section Item
DGRP	DGRP	Group Policy	Group w. Claim Month
DGRT	DGRP	Group Treaty	Group w. Claim Month

1.4.10.1.2 Business Transaction

The following Business Content configuration data is available for posting operational and event business transactions.

For more information about business transactions, see Business Transaction on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *banking services from SAP (FSAPPL 500)* > *Bank Analyzer (FS-BA)* > *Processes & Methods (FS-BA-PM)* > *Accounting for Financial Products* > *Accounting Processes (Subledger Scenario)* > *Financial Position Processes*.

Transaction Form

See the Customizing activity *Create Transaction Forms* in Customizing for Insurance Analyzer under *Processes and Methods* > *General Calculation and Valuation Methods* > *Cash Flow Refinement* > *SDL Connection*.

Transaction Form	Description
DCOV	Coverage / Treaty Section item
DGRP	Group Policy and Treaty
DPOL	Policy and Treaty

Business Transaction Types

See the Customizing activity *Edit Business Transaction Types* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Processes* > *Basic Settings* > *Business Transaction Types and Item Types*.

BT Type	Description
DD01	IS Benefit/Claim Reserve
DD03	IS Guar. Benefit/Claim Rec./Pay.
DD04	IS non-distinct Investment Component Receivable/Payable
DD05	IS Claims Handling Payment
DD06	IS Other Payment
DD14	IS Investment Income Underlying Items FVTPL
DD16	IS Investment Income Underlying Items FVOCI
DD18	IS Investment Income Underlying Items AC
DD20	IS OCI Movement Underlying items
DD51	IS Benefit/Claim Reserve A
DDD1	IS Premium Rec./Pay.
DDD7	IS Direct Acq. Costs Rec./Pay.
DP01	IS Initial Recognition
DP04	IS Portfolio Transfer In
DP05	IS Business Combination
DP06	IS Derecognition
DP51	IS Initial Recognition A
DP57	IS Portfolio Transfer In A
DP59	IS Business Combination A
DP61	IS Derecognition A
DPAL	IS A/L Determination
DPV1	IS Building Blocks Measurement

BT Type	Description
DPV2	IS Premium Alloc. Measurement
DPV3	IS Variable Fee Approach

1.4.10.1.3 Risk Mappers

See the Customizing activity *Assign Mappers* in Customizing for Insurance Analyzer under *Processes and Methods* > *General Calculation and Valuation Methods* > *Cash Flow Refinement* > *SDL Connection* >.

Template	Risk Basis	Mapper	Transaction Form
SI40PCONTR		GENSTR	DPOL
SI40PCONTR	DPOL	GENSTR	DPOL
SI40PCOPT			
SI40PCOPT	DPOL		
SI40PCOVER		GENINT	DCOV
SI40PCOVER	DPOL	GENINT	DCOV
SI40PGROUP		GENINT	DGRP
SI40PGROUP	DGRP	GENINT	DGRP
SI40POLICY		GENSTR	DPOL
SI40POLICY	DPOL	GENSTR	DPOL
SI40TGENTN		GENSTR	DPOL
SI40TGENTN	DPOL	GENSTR	DPOL
SI40TGROUP		GENINT	DGRP
SI40TGROUP	DGRP	GENINT	DGRP
SI40TPARTP			DCOV
SI40TPARTP	DPOL		DCOV
SI40TREATY		GENSTR	DPOL
SI40TREATY	DPOL	GENSTR	DPOL

Template	Risk Basis	Mapper	Transaction Form
SI40TSECTN		GENSTR	DCOV
SI40TSECTN	DPOL	GENSTR	DCOV
SI40TSITEM		GENINT	DCOV
SI40TSITEM	DPOL	GENINT	DCOV

1.4.10.1.4 Item Types

See the Customizing activity *Create Item Types* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Basic Settings* > *Business Transaction Types and Item Types*.

Item Type	Description
D00A	IS Purch Debt Instruments (Cr)
DD10	IS Guaranteed Benefit/Claim Incoming Payment
DD11	IS Guaranteed Benefit/Claim Payable
DD12	IS Guaranteed Benefit/Claim Outgoing Payment
DD14	IS Income/Expenses FVTPL (Cr)
DD15	IS Income/Expenses FVTPL (Dr)
DD16	IS Income/Expenses FVOCI (Cr)
DD17	IS Income/Expenses FVOCI (Dr)
DD18	IS Income/Expenses AC (Cr)
DD19	IS Income/Expenses AC (Dr)
DD20	IS OCI Movement Underlying Items (Dr)
DD21	IS OCI Movement Underlying Items (Cr)
DD26	IS Cash Outflow Incoming Payment
DD28	IS Cash Outflow Outgoing Payment
DD29	IS Direct Acquisition Costs Receivable

Item Type	Description
DD30	IS Direct Acquisition Costs Incoming Payment
DD31	IS Direct Acquisition Costs Payable
DD32	IS Direct Acquisition Costs Outgoing Payment
DD34	IS Direct Acquisition Costs Receivable PAA
DD35	IS Direct Acquisition Costs Incoming Payment PAA
DD36	IS Direct Acquisition Costs Payable PAA
DD37	IS Direct Acquisition Costs Outgoing Payment PAA
DD38	IS Direct Acquisition Costs Receivable GMM
DD39	IS Direct Acquisition Costs Incoming Payment GMM
DD40	IS Direct Acquisition Costs Payable GMM
DD41	IS Direct Acquisition Costs Outgoing Payment GMM
DD42	IS Component Release DAC (Dr)
DD43	IS Component Release DAC (Cr)
DD59	IS Claims Handling Incoming Payment
DD5E	IS Operational Amount Reserve (Dr)
DD5F	IS Operational Amount Reserve (Cr)
DD60	IS Claims Handling Outgoing Payment
DD61	IS Component Interest Accretion (Dr)
DD62	IS Component Interest Accretion (Cr)
DD63	IS Component Release (Dr)
DD64	IS Component Release (Cr)
DD65	IS Component Valuation (Dr)
DD66	IS Component Valuation (Cr)
DD69	IS PAA Component Valuation (Dr)
DD6A	IS Contractual S. Margin Valuation (Dr)
DD6B	IS Contractual S. Margin Valuation (Cr)

Item Type	Description
DD6E	IS Discount Rate Change (Dr)
DD6F	IS Discount Rate Change (Cr)
DD6S	IS Changes in Estimates, Unwind of Loss (Dr)
DD6T	IS Changes in Estimates, Unwind of Loss (Cr)
DD70	IS PAA Component Valuation (Cr)
DD71	IS Component Release (Dr) PAA
DD72	IS Component Release (Cr) PAA
DD73	IS Component Var Fee for Service (Dr)
DD74	IS Component Var Fee for Service (Cr)
DD7A	IS Onerous Contract Test (Dr) PAA
DD7B	IS Onerous Contract Test (Cr) PAA
DD7C	IS Liability for Incurred Claims (Dr)
DD7D	IS Liability for Incurred Claims (Cr)
DD81	IS Component Interest Accretion Loss Component (Dr)
DD82	IS Component Interest Accretion Loss Component (Cr)
DD83	IS Component Release Loss Component(Dr)
DD84	IS Component Release Loss Component(Cr)
DD85	IS Currency Effects CSM (Dr)
DD86	IS Currency Effects CSM (Cr)
DD8A	IS Derecognition A (Dr)
DD8B	IS Derecognition A (Cr)
DD90	IS Non-Distinct Investment Component PAA Operational (Credit)
DD91	IS Non-Distinct Investment Component PAA EA (Debit)
DD93	IS Non-Distinct Investment Component GMM EA (Debit)
DD94	IS Non-Distinct Investment Component GMM InTransit (Credit)

Item Type	Description
DD98	IS Balance of Other Positions in Contract Group (Dr)
DD99	IS Balance of Other Positions in Contract Group (Cr)
DDC1	IS Guar. Benefit/Claim Reserve Incr.
DDC2	IS Guaranteed Benefit/Claim Reserve Decrease
DDD1	IS Premium Receivable
DDD2	IS Premium Incoming Payment
DDD3	IS Premium Payable
DDD4	IS Premium Outgoing Payment
DDD5	IS Premium Payable PAA
DDD6	IS Premium Outgoing Payment PAA
DDD7	IS Premium Receivable PAA
DDD8	IS Premium Incoming Payment PAA
DDD9	IS Guaranteed Benefit/Claim Receivable
DDP1	IS Initial Recognition
DDP2	IS Derecognition
DM1A	IS New Contracts in the Group (Dr)
DM1B	IS New Contracts in the Group (Cr)
DM2A	IS Effect of Mortality (Dr)
DM2B	IS Effect of Mortality (Cr)
DM3A	IS Effect of Morbidity (Dr)
DM3B	IS Effect of Morbidity (Cr)
DM4A	IS Effect of Lapse (Dr)
DM4B	IS Effect of Lapse (Cr)
DM5A	IS Exp. Adj. (Dr)
DM5B	IS Exp. Adj. (Cr)
DM6A	IS Effect of IBNR (Dr)

Item Type	Description
DM6B	IS Effect of IBNR (Cr)
DM7A	IS Effect of Large Loss Provision (Dr)
DM7B	IS Effect of Large Loss Provision (Cr)
DM8A	IS Effect of Claim Frequency (Dr)
DM8B	IS Effect of Claim Frequency (Cr)
DM9A	IS Effect of Last Minute Correction (Dr)
DM9B	IS Effect of Last Minute Correction (Cr)

1.4.10.1.5 Item Template

See the Customizing activity *Assign Item Template to Item Types* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Basic Settings* > *Business Transaction Types and Item Types* .

Item Template	Description
D00A	IS Purch. Debt (Dr)
DC01	IS GB/CI Res.Inc.
DC02	IS GB/CI Res.Dec.
DD01	IS PR Receivable
DD02	IS PR In Paym.
DD03	IS PR Payable
DD04	IS PR Out Paym.
DD09	IS GB/CI Receiv.
DD10	IS GB/CI In Paym.
DD11	IS GB/CI Payable
DD12	IS GB/CI Out Paym.
DD14	IS Expense/Inco (Cr)

Item Template	Description
DD15	IS Expense/Inco (Dr)
DD16	IS Expense/Inco (Cr)
DD17	IS Expense/Inco (Dr)
DD18	IS Expense/Inco (Cr)
DD19	IS Expense/Inco (Dr)
DD20	IS OCI UI(Cr)
DD21	IS OCI UI(Dr)
DD26	IS CO In Paym.
DD28	IS CO Out Paym.
DD29	IS DA Receiv.
DD30	IS DA In Paym.
DD31	IS DA Payable
DD32	IS DA Out Paym.
DD59	IS CH In Paym.
DD60	IS CH Out Paym.
DD90	IS N-D Inv.Comp (Cr)
DD91	IS N-D Inv.Comp (Dr)
DD93	IS N-D Inv.Comp (Dr)
DD94	IS N-D Inv.Comp (Cr)
DM1A	IS Effect NC (Dr)
DM1B	IS Effect NC (Cr)
DP01	IS Ini. Recog.
DP02	IS Derecog.
DP38	IS DA Payable
DP39	IS DA Out Paym.
DP42	IS Comp. Rel. (Dr)

Item Template	Description
DP43	IS Comp. Rel. (Cr)
DP5E	IS Oper.Am. Res (Dr)
DP5F	IS Oper.Am. Res (Cr)
DP61	IS Comp. Acc (Dr)
DP62	IS Comp. Acc (Cr)
DP63	IS Comp. Rel. (Dr)
DP64	IS Comp. Rel. (Cr)
DP65	IS Comp. Val (Dr)
DP66	IS Comp. Val (Cr)
DP69	IS Comp.Val. (Dr)PAA
DP6A	IS CSM Val. (Dr)
DP6B	IS CSM Val. (Cr)
DP6E	IS DR Change (Dr)
DP6F	IS DR Change (Cr)
DP6S	IS UW Loss (Dr)
DP6T	IS UW Loss (Cr)
DP70	IS Comp. Val (Cr) PA
DP71	IS Comp.Rel. (Dr)PAA
DP72	IS Comp.Rel. (Cr)PAA
DP73	IS Comp. VFfS (Dr)
DP74	IS Comp. VFfS (Cr)
DP7A	IS OCT PAA (Dr)
DP7B	IS OCT PAA (Cr)
DP8A	IS Derec. A (Dr)
DP8B	IS Derec. A (Cr)
DP81	IS Comp.Accr. Lo(Dr)

Item Template	Description
DP82	IS Comp.Accr. Lo(Cr)
DP83	IS Comp.Rel. LoC(Dr)
DP84	IS Comp.Rel. LoC(Cr)
DP98	IS Bal Oth Pos (Dr)
DP99	IS Bal Oth Pos (Cr)

For more information about post external business transactions, see Post External Business Transactions (Subledger Scenario) on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *banking services from SAP (FSAPPL 500)* > *Bank Analyzer (FS-BA)* > *Processes & Methods (FS-BA-PM)* > *Accounting for Financial Products* > *Accounting Processes (Subledger Scenario)* > *Financial Position Processes* > *Business Transactions*.

1.4.10.2 Update Secondary Business Transaction

The *Update Secondary Business Transactions* process processes the secondary business transactions derived from the appropriate business transaction type. As a result, the system performs initial measurement for the insurance contract.

The market value of the fulfillment cash flows is calculated by discounting all future expected cash flows with the relevant discount rate. The applicable interest rates are determined using the market data scenario derivation rule. Also, at this point, all present value postings related to the respective flows are posted against the contractual service margin posting key figure. In this way, the system determines the balance of the contractual service margin.

The *Update Secondary Business Transactions* process also performs the calculations required for contract liability derecognition. The derecognition calculation is not triggered until an external business transaction with the respective business transaction type for derecognition has been posted.

1.4.10.2.1 Calculation Procedure

See the Customizing activity *Display Calculation Procedures* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Processing of Internal Business Transactions* > *Basic Settings* > *Calculation Procedures*.

Calculation Procedure Template	Calc. Proc. Template Description	Calculation Step Category	Calc. Step. Cat. Description
DP51	IS Initial Recognition A	DP61	IS Component Interest Accretion
DP51	IS Initial Recognition A	DP63	IS Component Release
DP51	IS Initial Recognition A	DP65	IS Component Valuation
DP51	IS Initial Recognition A	DP6A	IS Onerous Contract Test
DP51	IS Initial Recognition A	DP69	IS Component Valuation PAA
DP51	IS Initial Recognition A	DP7A	IS Onerous Contract Test PAA
DP61	IS Derecognition A	DP61	IS Component Interest Accretion
DP61	IS Derecognition A	DP63	IS Component Release
DP61	IS Derecognition A	DP71	IS Component Release PAA
DP61	IS Derecognition A	DP65	IS Component Valuation
DP61	IS Derecognition A	DP69	IS Component Valuation PAA
DP61	IS Derecognition A	DP8A	IS Derecognition Analytical

For more information about *Update Secondary Business Transactions*, see Update Secondary Business Transaction on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *banking services from SAP (FSAPPL 500)* > *Bank Analyzer (FS-BA)* > *Processes & Methods (FS-BA-PM)* > *Accounting for Financial Products* > *Accounting Processes (Subledger Scenario)* > *Financial Position Processes* > *Business Transactions*.

1.4.10.2.2 Flow Type

See the Customizing activity *Edit Flow Types for Flow* in Customizing for Insurance Analyzer under *Processes and Methods* > *General Calculation and Valuation Methods* > *Cash Flow Generation*.

Flow Type	Generation
DICH	Insurance Claims Handling
DICI	Insurance Other Cash Inflow

Flow Type	Generation
DICO	Insurance Expense and Other CO
DICSM	Insurance Contractual Service Margin
DIDA	Insurance Direct Acq. Cost
DIDB	Insurance Discret. Benefit
DIGB	Insurance Guar.Benefit / Claim
DIGO	Insurance Guar. Obligation
DIIC	Insurance Incurred Claims PAA
DIINC	Insurance Non-Distinct Investment Component
DIINI	Insurance Non-Distinct Investment Component LIC
DINP	Non-Performance Risk of Issuer
DIOCT	Insurance Onerous Contract Test
DIOP	Insurance Options
DIPC	Pre-coverage Cash Flow
DIPR	Insurance Premium
DIPTB	Insurance PT / BC Price
DIRA	Insurance Risk Adjustment
DIRI	Insurance Risk Adjustment PAA
DIROR	Derecognition of OCI reserve

1.4.10.3 Key Date Valuation

The *Key Date Valuation* transaction performs the subsequent measurement of the insurance liability. Business Content provides the following calculations for the key date valuation:

Interest Accretion

At initial recognition, the cash flows are discounted to calculate the market value at inception. The accrual method is used to accrete back the interest to the liability to take into account the passage of time.

Change in Estimates

The relevant method calculates the difference in the market value arising from the change in the cash flow estimates between valuation periods. In Insurance Analyzer, this step calculates the effects of each change driver identified in the cash flows estimates.

Onerous Contract Test

At the required point in time, the onerous contract test checks whether the contract is still profitable. If the contract becomes onerous, the valuation of the liability results in an expense being posted.

Release

The release calculation method is used for releasing the liability based on the passage of time. For example, the system posts the release of the contractual service margin (CSM).

Discount Rate Change

To account for changes in discount rates, SAP Accounting for Insurance Contracts calculates the difference in the value of the liability due to the difference between the current discount rate and the discount rate used at initial recognition.

For more information about `Key Date Valuation`, see Key Date Valuation on SAP Help Portal under *Financial Management* > *Banking Services from SAP* > *banking services from SAP* > *banking services from SAP (FSAPPL 500)* > *Bank Analyzer (FS-BA)* > *Processes & Methods (FS-BA-PM)* > *Accounting for Financial Products* > *Accounting Processes (Subledger Scenario)* > *Financial Position Processes*.

1.4.10.3.1 Calculation Procedure

See the Customizing activity *Display Calculation Procedures* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Processing of Internal Business Transactions* > *Basic Settings* > *Calculation Procedures*.

Calculation Procedure Template	Calc. Proc. Template Description	Calculation Step Category	Calc. Step Cat. Description	Calculation Step	Calculation Step Description
DPV1	IS General Model Measurement	DP55	IS Effect of New Contracts	DL01	IS Effect of New Contracts
DPV1	IS General Model Measurement	DP56	IS OCT for New Contracts	DP59	IS Onerous Contract Test for New Contracts
DPV1	IS General Model Measurement	DP61	IS Component Interest Accretion	DP61	IS Component Interest Accretion

Calculation Procedure Template	Calc. Proc. Template Description	Calculation Step Category	Calc. Step Cat. Description	Calculation Step	Calculation Step Description
DPV1	IS General Model Measurement	DP81	IS Component Interest Accretion Loss Component	DP81	IS Component Interest Accretion Loss Component
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DL05	IS Experience Adjustment
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DM02	IS Effect of Mortality
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DM03	IS Effect of Morbidity
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DM04	IS Effect of Lapse
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DP65	IS Component Valuation
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DP6G	IS Effect of Change in IBNR
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DP6J	IS Effect of Change in Large Loss Provision
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DP6M	IS Effect of Change in Claim Frequency
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DP6P	IS Effect of Last Minute Correction
DPV1	IS General Model Measurement	DP65	IS Component Valuation	DP7B	IS Liability for Incurred Claims Valuation
DPV1	IS General Model Measurement	DP6A	IS Onerous Contract Test	DP6A	IS Onerous Contract Test
DPV1	IS General Model Measurement	DP85	IS Currency Effects CSM	DP85	IS Currency Effects CSM
DPV1	IS General Model Measurement	DP63	IS Component Release	DP63	IS Component Release
DPV1	IS General Model Measurement	DP83	IS Component Release Loss Component	DP83	IS Component Release Loss Component

Calculation Procedure Template	Calc. Proc. Template Description	Calculation Step Category	Calc. Step Cat. Description	Calculation Step	Calculation Step Description
DPV1	IS General Model Measurement	DP38	IS Deferral of Acquisition Cost	DP38	IS Component Release
DPV1	IS General Model Measurement	DP6E	IS Discount Rate Change	DP6E	IS Discount Rate Change
DPV2	IS Premium Allocation Measurement	DP61	IS Component Interest Accretion	DP61	IS Component Interest Accretion
DPV2	IS Premium Allocation Measurement	DP69	IS Component Valuation PAA	DP69	IS Component Valuation PAA
DPV2	IS Premium Allocation Measurement	DP65	IS Component Valuation	DP6G	IS Effect of Change in IBNR
DPV2	IS Premium Allocation Measurement	DP65	IS Component Valuation	DP6J	IS Effect of Change in Large Loss Provision
DPV2	IS Premium Allocation Measurement	DP65	IS Component Valuation	DP6M	IS Effect of Change in Claim Frequency
DPV2	IS Premium Allocation Measurement	DP65	IS Component Valuation	DP6P	IS Effect of Last Minute Correction
DPV2	IS Premium Allocation Measurement	DP65	IS Component Valuation	DP7B	IS Liability for Incurred Claims Valuation
DPV2	IS Premium Allocation Measurement	DP7A	IS Onerous Contract Test PAA	DP7A	IS Onerous Contract Test Valuation PAA
DPV2	IS Premium Allocation Measurement	DP71	IS Component Release PAA	DP71	IS Component Release PAA
DPV2	IS Premium Allocation Measurement	DP6E	IS Discount Rate Change	DP6E	IS Discount Rate Change
DPV3	IS Variable Fee Approach	DP55	IS Effect of New Contracts	DM01	IS Effect of New Contracts

Calculation Procedure Template	Calc. Proc. Template Description	Calculation Step Category	Calc. Step Cat. Description	Calculation Step	Calculation Step Description
DPV3	IS Variable Fee Approach	DP56	IS OCT for new Contracts	DP59	IS Onerous Contract Test for New Contracts
DPV3	IS Variable Fee Approach	DP73	IS Component Variable Fee for Service	DP73	IS Component Variable Fee for Service
DPV3	IS Variable Fee Approach	DP61	IS Component Interest Accretion	DP61	IS Component Interest Accretion
DPV3	IS Variable Fee Approach	DP81	IS Component Interest Accretion Loss Component	DP81	IS Component Interest Accretion Loss Component
DPV3	IS Variable Fee Approach	DP65	IS Component Valuation	DL05	IS Experience Adjustment
DPV3	IS Variable Fee Approach	DP65	IS Component Valuation	DM02	IS Effect of Mortality
DPV3	IS Variable Fee Approach	DP65	IS Component Valuation	DM03	IS Effect of Morbidity
DPV3	IS Variable Fee Approach	DP65	IS Component Valuation	DM04	IS Effect of Lapse
DPV3	IS Variable Fee Approach	DP65	IS Component Valuation	DP65	IS Component Valuation
DPV3	IS Variable Fee Approach	DP6A	IS Onerous Contract Test	DP6A	IS Onerous Contract Test
DPV3	IS Variable Fee Approach	DP85	IS Currency Effects CSM	DP85	IS Currency Effects CSM
DPV3	IS Variable Fee Approach	DP63	IS Component Release	DP63	IS Component Release
DPV3	IS Variable Fee Approach	DP83	IS Component Release Loss Component	DP83	IS Component Release Loss Component
DPV3	IS Variable Fee Approach	DP6E	IS Discount Rate Change	DP6E	IS Discount Rate Change

Calculation Procedure Template	Calc. Proc. Template Description	Calculation Step Category	Calc. Step Cat. Description	Calculation Step	Calculation Step Description
DPAL	IS A/L Determination	DP99	IS Balance Other Positions in Contract Group	DP99	IS Balance Other Pos. Contract Grp

1.4.10.3.2 Business Content Key Date Valuation Variant

See the Customizing activity *Define Key Date Valuation Type* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Processing of Internal Business Transactions* > *Key Data Valuation* > *Accounting Processes*.

KDV Type	Accrual Run	Remaining Valuation Items	Product Valuation Run	Foreign Currency Revaluation	Foreign Currency Revaluation	Foreign Currency Revaluation	KDV Type
VV			X	X	X	X	X

1.4.10.4 Subledger Postings

Postings to the subledger arise from external postings or internal calculations. The system derives the appropriate posting key figures using the business transaction type, business transaction item, currency, and calculation step, for example.

To check the derivations of the posting key figure and G/L accounts, see the Customizing activity *Edit Derivation Steps* in Customizing for Insurance Analyzer under *Infrastructure* > *Communication and Worklist Services* > *Data Sources* > *General Derivations*.

Derivation Module

Application	Derivation Environment	Derivation Module	Description
GLOB	DIPOSTRULE	DIACCKF	IS Posting Rules: Derivation of Posting Key Figures
GLOB	DIPOSTRULE	DIAGLACC	IS Posting Rules: G/L Account Derivations

1.4.10.4.1 Posting Key Figures

See the Customizing activity *Assign Key Figures to Processing Categories* in Customizing for Insurance Analyzer under *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Process* > *Basic Settings* > *Processing Categories*.

Key Figure	Description	Processing Category	Description
DIBCHV	IS Ba: IC Claims Handling	2BF_DEF	[A] Valuation Remnants To Be Released
DIBCIO	IS Ba: Other Cash Inflow Operational	1BF_DEF	[O] Deferrals
DIBCIR	IS Ba: Other Cash Inflow Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBCIRE	IS Ba: Other Cash Inflow Receivable	1BF_RECPAY	[O] Receivable/Payable
DIBCIV	IS Ba: Other Cash Inflow	2BF_DEF	[A] Valuation Remnants To Be Released
DIBCOO	IS Ba: Expense Oth. Cash-Outfl. Operational	1BF_RECPAY	[O] Receivable/Payable
DIBCOR	IS Ba: Expense Oth. Cash-Outfl. Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBCOV	IS Ba: Other Cash Outflow	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDADA	IS Ba: DA Def. GMM	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDADO	IS Ba: DA GMM oper.	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDAO	IS Ba: Direct Acquisition Cost Operational	1BF_RECPAY	[O] Receivable/Payable
DIBDAPA	IS Ba: Direct Acquisition Cost Payable	1BF_RECPAY	[O] Receivable/Payable
DIBDAPD	IS Ba: Direct Acquisition Cost Payable	1BF_DEF	[O] Deferrals
DIBDAPO	IS Ba: Direct Acquisition Cost Operational PAA	2BF_DEF	[A] Valuation Remnants To Be Released

Key Figure	Description	Processing Category	Description
DIBDAPV	IS Ba: Direct Acquisition Cost PAA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDAR	IS Ba: Direct Acqusiition Cost Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBDARE	IS Ba: Direct Acquisition Cost Receivable	1BF_RECPAY	[O] Receivable/Payable
DIBDAV	IS Ba: Direct Acquisition Cost	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDBO	IS Ba: Discretionary Benefit Operational	1BF_RECPAY	[O] Receivable/Payable
DIBDBR	IS Ba: Discretionary Benefit Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBDBV	IS Ba: Discretionary Benefit	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDPU	IS Ba: Debt Instruments	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDROR	IS OCI: Discount Rate Change	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDRRN	IS OCI: OCI Reserve	2BF_DEF	[A] Valuation Remnants To Be Released
DIBDRV	IS Ba: Discount Rate Change	2BF_VALFV	[A] Fair Value Adjustment
DIBFAC	IS Ba: Investment Income UI AC	2BF_DEF	[A] Valuation Remnants To Be Released
DIBFCFV	IS Ba: PV of Future Cash Flows	2BF_DEF	[A] Valuation Remnants To Be Released
DIBFVO	IS Ba: Investment Income UI FVOCI	2BF_DEF	[A] Valuation Remnants To Be Released
DIBFVP	IS Ba: Investment Income UI FVTPL	2BF_DEF	[A] Valuation Remnants To Be Released
DIBGBO	IS Ba: Guaranteed Benefit/ Claim Operational	2BF_DEF	[A] Valuation Remnants To Be Released
DIBGBOO	IS Ba: Guaranteed Benefit/ Claim Operational	1BF_RECPAY	[O] Receivable/Payable

Key Figure	Description	Processing Category	Description
DIBGBPA	IS Ba: Guaranteed Benefit/ Claim Payable	1BF_RECPAY	[O] Receivable/Payable
DIBGBR	IS Ba: Guaranteed Benefit/ Claim Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBGBV	IS Ba: Guaranteed Benefit/ Claim	2BF_DEF	[A] Valuation Remnants To Be Released
DIBGDWL	IS Ba: Goodwill	2BF_DEF	[A] Valuation Remnants To Be Released
DIBGOO	IS Ba: Guaranteed Obligation Operational	1BF_RECPAY	[O] Receivable/Payable
DIBGOR	IS Ba: Guaranteed Obligation Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBGOV	IS Ba: Guaranteed Obligation	2BF_DEF	[A] Valuation Remnants To Be Released
DIBICV	IS Ba: IC Incurred Claims	2BF_DEF	[A] Valuation Remnants To Be Released
DIBINCPV	IS Ba: Inv Comp PAA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBINCV	IS Bal: Inv Comp	2BF_DEF	[A] Valuation Remnants To Be Released
DIBINIOR	IS Ba: InvComp Op. R	2BF_DEF	[A] Valuation Remnants To Be Released
DIBINIV	IS Bal: InvComp (IC)	2BF_DEF	[A] Valuation Remnants To Be Released
DIBINIVO	IS Ba: InvCo(IC) Op.	2BF_DEF	[A] Valuation Remnants To Be Released
DIBMGA	IS Ba: Contractual Service Margin Interest Accretion	1BF_ACCR	[O] Accruals
DIBMGV	IS Ba: Contractual Service Margin	2BF_DEF	[A] Valuation Remnants To Be Released
DIBNAO	IS Ba: Non-Direct Acquisition Cost Operational	1BF_RECPAY	[O] Receivable/Payable

Key Figure	Description	Processing Category	Description
DIBNAPA	IS Ba: Non-Direct Acquisition Cost Payable	1BF_RECPAY	[O] Receivable/Payable
DIBNAR	IS Ba: Non-Direct Acquisition Cost Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBNAV	IS Ba: Non-Direct Acquisition Cost Payable	2BF_DEF	[A] Valuation Remnants To Be Released
DIBNPV	IS Ba: Non-Performance Risk Issuer	2BF_DEF	[A] Valuation Remnants To Be Released
DIBNSO	IS Ba: Nominal Sum Operational	1BF_RECPAY	[O] Receivable/Payable
DIBOCI	IS OCI: OCI Movement (Underlying Items)	2BF_DEF	[A] Valuation Remnants To Be Released
DIBOCM	IS OCI: OCI Movement (Underlying Items)	2BF_DEF	[A] Valuation Remnants To Be Released
DIBOCV	IS Ba: Onerous Contract (OCT)	2BF_DEF	[A] Valuation Remnants To Be Released
DIBOPO	IS Ba: Option Operational	1BF_RECPAY	[O] Receivable/Payable
DIBOPR	IS Ba: Option Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBOPV	IS Ba: Option	2BF_DEF	[A] Valuation Remnants To Be Released
DIBOTHP	Bal. oth. pos. group	2BF_VALFV	[A] Fair Value Adjustment
DIBPCPO	IS Ba: Pre-coverage Cashflow Operational PAA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPCPV	IS Ba: Pre-coverage Cashflow PAA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPCV	IS Ba: Pre-coverage Cashflow	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPPU	IS Ba: Debt Instruments - Investment Income	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPRC	IS BA: Indirect Acquisition Cost Reserve	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPRO	IS Ba: Premium sum Operational	1BF_RECPAY	[O] Receivable/Payable

Key Figure	Description	Processing Category	Description
DIBPRPD	IS Ba: Premium	1BF_DEF	[O] Deferrals
DIBPRPO	IS Ba: Premium Operational PAA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPRPV	IS Ba: Premium PAA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBPRR	IS Ba: Premium Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBPRRE	IS Ba: Premium Receivable	1BF_RECPAY	[O] Receivable/Payable
DIBPRV	IS Ba: Premium	2BF_DEF	[A] Valuation Remnants To Be Released
DIBRAPV	IS Ba: RA	2BF_DEF	[A] Valuation Remnants To Be Released
DIBRAR	IS Ba: Risk Adjustment Reserve	1BF_EQUITY	[O] Equity (Product-Specific)
DIBRAV	IS Ba: Risk Adjustment	2BF_DEF	[A] Valuation Remnants To Be Released
DIBRIV	IS Ba: IC Risk Adjustment	2BF_DEF	[A] Valuation Remnants To Be Released
DIBSOFP	IS Ba: Op. Suspense Financial Processing	1BF_SUSP	[O] Suspense Accounts (Product-Specific)
DIBTAFP	IS Ba: An. In-Transit Financial Processing	2BG_TRANS	[A] In-Transit Accounts (Anonymous)
DIBTOFP	IS Ba: Op. In-Transit Financial Processing	1BF_TRANS	[O] In-Transit Account (Product-Based)
DIBUWL	IS Ba: Liability For Remaining Coverage (imm. P&L)	2BF_DEF	[A] Valuation Remnants To Be Released
DIPCBI	IS PL: Guaranteed Benefit/ Claim Incurred	2IX_PL	[A] Profit/Loss
DIPCHD	IS PL: IC Expense Claims Handling Release	2IX_PL	[A] Profit/Loss
DIPCHE	IS PL: Insurance Service Expenses (IC Claims Handling)	1IX_PL	[O] Profit/Loss
DIPCID	IS PL: Other Cash Inflow Release	2IX_PL	[A] Profit/Loss

Key Figure	Description	Processing Category	Description
DIPCIO	IS PL: Other Cash Inflow Operational	1IX_PL	[O] Profit/Loss
DIPCIOD	IS PL: Other Cash Inflow Operational Release	1IX_PL	[O] Profit/Loss
DIPCL	IS PL: General Clearing	2IX_PL	[A] Profit/Loss
DIPCOD	IS PL: Insurance Service Expenses (Oth. Cash Outflows)	2IX_PL	[A] Profit/Loss
DIPCOO	IS PL: Expense Oth. Cash Outflow Operational	1IX_PL	[O] Profit/Loss
DIPCOOD	IS PL: Expense Oth. Cash Outflow Operational Release	1IX_PL	[O] Profit/Loss
DIPCR	IS PL: Insurance Contract Revenue	2IX_PL	[A] Profit/Loss
DIPCS	IS PL: Credit Standing	2IX_PL	[A] Profit/Loss
DIPDAD	IS PL: Insurance Revenue (Direct Acquisition Costs)	2IX_PL	[A] Profit/Loss
DIPDAO	IS PL: Direct Acquisition Cost Operational	1IX_PL	[O] Profit/Loss
DIPDAOD	IS PL: Direct Acquisition Cost Operational Release	1IX_PL	[O] Profit/Loss
DIPDAPD	IS PL: Insurance Service Expenses (Direct Acquisition Costs)	2IX_PL	[A] Profit/Loss
DIPDBD	IS PL: Insurance Service Expenses (Discretionary Benefit)	2IX_PL	[A] Profit/Loss
DIPDBO	IS PL: Discretionary Benefit Operational	1IX_PL	[O] Profit/Loss
DIPDBOD	IS PL: Discretionary Benefit Operational Deferral	1IX_PL	[O] Profit/Loss
DIPDERL	IS PL: Changes in Estimate	2IX_PL	[A] Profit/Loss
DIPDRRN	IS PL: Discount Rate OCI Remnant	2IX_PL	[A] Profit/Loss

Key Figure	Description	Processing Category	Description
DIPEA	IS PL: Experience Adjustment	2IX_PL	[A] Profit/Loss
DIPFAC	IS PL: Investment Income Underlying Items (AC)	2BF_DEF	[A] Valuation Remnants To Be Released
DIPFVO	IS PL: Investment Income Underlying Items (FVOCI)	2BF_DEF	[A] Valuation Remnants To Be Released
DIPFVP	IS PL: Investment Income Underlying Items (FVTPL)	2BF_DEF	[A] Valuation Remnants To Be Released
DIPGBD	IS PL: Insurance Service Expenses (Guaranteed Benefit/ Claim)	2IX_PL	[A] Profit/Loss
DIPGBO	IS PL: Guaranteed Benefit/ Claim Operational	1IX_PL	[O] Profit/Loss
DIPGBOD	IS PL: Guaranteed Benefit/ Claim Operational Deferral	1IX_PL	[O] Profit/Loss
DIPGBPA	IS PL: Changes in Estimate	2IX_PL	[A] Profit/Loss
DIPGOD	IS PL: Insurance Service Expenses (Guaranteed Obligation)	2IX_PL	[A] Profit/Loss
DIPGOO	IS PL: Guaranteed Obligation Operational	1IX_PL	[O] Profit/Loss
DIPGOOD	IS PL: Guaranteed Obligation Operational Release	1IX_PL	[O] Profit/Loss
DIPGOV	IS PL: Guaranteed Obligation Valuation	2IX_PL	[A] Profit/Loss
DIPICD	IS PL: Experience Adjustments (Incurred Claims)	2IX_PL	[A] Profit/Loss
DIPICE	IS PL: Insurance Service Expenses (Incurred Claims)	1IX_PL	[O] Profit/Loss
DIPINC	IS PL: Inv Comp	2IX_PL	[A] Profit/Loss
DIPINCI	IS PL:Inv Comp(I.CI)	2IX_PL	[A] Profit/Loss
DIPIND	IS: EA (Inv Comp)	2IX_PL	[A] Profit/Loss
DIPINL	IS PL: Result Initial Loss	2IX_PL	[A] Profit/Loss

Key Figure	Description	Processing Category	Description
DIPIVET	IS PL: IC Claim Handling Expenses	2IX_PL	[A] Profit/Loss
DIPIVIC	IS PL: Insurance Finance Income	2IX_PL	[A] Profit/Loss
DIPIVIT	IS PL: Insurance Finance Expenses	2IX_PL	[A] Profit/Loss
DIPMGA	IS PL: Contractual Service Margin Interest Accretion	1IX_PL	[O] Profit/Loss
DIPMGD	IS PL: Insurance Revenue (Contractual Service Margin)	2IX_PL	[A] Profit/Loss
DIPMGN	IS PL: Loss/Gain on Onerous Contract/Group	2IX_PL	[A] Profit/Loss
DIPNAD	IS PL: Non-Direct Acquisition Cost Release	2IX_PL	[A] Profit/Loss
DIPNAO	IS PL: Non-Direct Acquisition Cost Operational	1IX_PL	[O] Profit/Loss
DIPNAOD	IS PL: Non-Direct Acquisition Cost Operational Release	1IX_PL	[O] Profit/Loss
DIPNPD	IS PL: Insurance Service Expenses (Non-Perform. Risk Issuer)	2IX_PL	[A] Profit/Loss
DIPOFS	IS Off: Statistic Offset	2IX_PL	[A] Profit/Loss
DIPOPD	IS PL: Insurance Service Expenses (Option and Guarantees)	2IX_PL	[A] Profit/Loss
DIPOPO	IS PL: Option Operational	1IX_PL	[O] Profit/Loss
DIPOPOD	IS PL: Option Operational Release	1IX_PL	[O] Profit/Loss
DIPOPV	IS PL: Option Valuation	2IX_PL	[A] Profit/Loss
DIPPAL	IS PL: PAA Loss Onerous	2IX_PL	[A] Profit/Loss
DIPPCD	IS PL: Insurance Service Expenses (Pre Coverage Cashflow)	2IX_PL	[A] Profit/Loss

Key Figure	Description	Processing Category	Description
DIPPRD	IS PL: Experience Adjustment (Premium)	2IX_PL	[A] Profit/Loss
DIPPRO	IS PL: Premium Operational	1IX_PL	[O] Profit/Loss
DIPPROD	IS PL: Premium Operational Release	1IX_PL	[O] Profit/Loss
DIPPRPD	IS PL: Insurance Revenue (Premium)	2IX_PL	[A] Profit/Loss
DIPRAD	IS PL: Insurance Revenue (Risk Adjustment)	2IX_PL	[A] Profit/Loss
DIPRAOD	IS PL: Risk Adjustment Operational Release	1IX_PL	[O] Profit/Loss
DIPRAPA	IS PL: Changes in Estimate	2IX_PL	[A] Profit/Loss
DIPRID	IS PL: IC Risk Adjustment Release	2IX_PL	[A] Profit/Loss
DIPRIE	IS PL: Insurance Service Expenses (IC Risk Adjustment)	1IX_PL	[O] Profit/Loss
DIPUWL	IS PL: Unwind of Gains and Losses	2IX_PL	[A] Profit/Loss
DIPUWLX	IS PL: excluding changes ED. 56 with ED.B88	2IX_PL	[A] Profit/Loss
DISOTHC	Bal. oth pos grp Cle	4PG_BUCKET	[PA] Statistical Clearing

1.4.10.4.2 General Ledger Account

To view the general ledger accounts:

- Call up transaction **rsd1**.
- Enter the InfoObject **0GL_ACCOUNT**.
- Enter **Maintain**.

General Ledger Account	Description
D111031	IS Ba A: Other Assets

General Ledger Account	Description
D111032	IS Ba A: Receivables
D120111	IS Ba A: Insurance Contracts
D120211	IS Ba A: Reinsurance Contracts
D210231	IS: In-Transit Account: Items in the Process of Payment
D220111	IS Ba L: Insurance Contracts
D220141	IS Ba L: Liability for Remaining Coverage (PV FCF)
D220142	IS Ba L: Liability for Incurred Claims (RA)
D220151	IS Ba L: Liability for Remaining Coverage (CSM)
D220161	IS Ba L: Liability for Remaining Coverage (RA)
D220171	IS Ba L: Liability for Incurred Claims (PV FCF)
D220241	IS Ba A: Ceded Reinsurance (PV FCF)
D220251	IS Ba A: Ceded Reinsurance (CSM)
D220261	IS Ba A: Ceded Reinsurance (Risk Adjustment)
D220271	IS Ba A: Ceded Incurred Claims (PV FCF)
D220281	IS Ba A: Assets for Reinsurance Contracts (PAA)
D220311	IS OCI: Other Comprehensive Income
D220321	IS Ba L: Reserve for Onerous Contracts
D220322	IS Ba L: Reserve for Onerous Contracts Ceded Reinsurance
D220331	IS Ba L: Direct Acquisition Costs Reserve (Rel.)
D220332	IS Ba L: Direct Acquisition Costs Reserve (Rel.) Ced. Reins.
D220333	IS Ba L: Direct Acquisition Costs Reserve
D220341	IS Ba L: Liability for Remaining Coverage (PAA)
D220342	IS Ba A: Ceded Reinsurance (PAA LRC)
D250621	IS Ba L: Other Payables (With Agreed Notice Period)
D252121	IS Ba L: Payables
D310331	IS Ba L: Reserves (Including Retained Earnings)

General Ledger Account	Description
D470111	IS PL R: Insurance Revenue
D470112	IS PL R: Insurance Revenue Ceded Reinsurance
D470151	IS PL: Change in Credit Default Risk of Reinsurer
D470211	IS PL E: Insurance Service Expenses
D470212	IS PL I: Insurance Service Income
D470221	IS PL E: Expenses
D470222	IS PL E: Expected Expenses Ceded Reinsurance
D470231	IS PL: Amortization expected Acquisition Costs
D470421	IS PL: Loss from Reinsurance Contracts held (PAA)
D470512	IS PL: Risk Adjustment Changes Ceded Reinsurance
D470611	IS PL: Release of Contractual Service Margin
D470809	IS Ba L: Loss Component LRC (PAA)
D470810	IS PL: Loss/Gain on Onerous Contract/Group
D470811	IS PL E: Experience Adjustments (Premiums)
D470812	IS PL E: Experience Adjustments Ceded Reinsurance (Premiums)
D470814	IS PL E: Experience Adjustments (Cash Inflows)
D470816	IS PL E: Experience Adjustments Ceded Reinsurance (Cash Inf)
D470821	IS PL E: Insurance Finance Expenses Ceded Reinsurance
D470911	IS PL: Changes in Carrying Amnt Onerous Contr.
D470912	IS PL: Changes in Carrying Amnt Onerous Contr. Ceded Reins
D471011	IS PL: Changes in Credit Default Risk of Reinsurer
D471111	IS PL E: Insurance Finance Expenses
D471112	IS PL I: Insurance Finance Income
D471122	IS PL I: Insurance Finance Income Ceded Reinsurance

General Ledger Account	Description
D471211	IS PL: Gain or Loss from Derecognition
D471212	IS PL: Gain or Loss from Derecognition Ceded Reinsurance
D471721	IS PL E: Amortization Acquisition Costs
D471722	IS PL E: Amortization Acquisition Costs Ceded Reinsurance
D471731	IS PL: Amortization for Reinsurance Contracts
D471811	IS PL E: Incurred Claims and Benefit
D471812	IS PL E: Incurred Claims and Benefit Ceded Reinsurance
D471821	IS PL E: Expected Claims and Benefit
D471822	IS PL: Inv Comp IS PL: Investment Component (excl. from revenue/service expen.)
D471823	IS: Experience Adjustments (Investment Component)
D471911	IS OCI: Other Comprehensive Income / Expense
D471912	IS PL I: Investment Income
D471913	IS Ba A: Other Receivables
D471922	IS PL I: Interest Income
D520211	IS Ba A: Assets for Reinsurance Contracts (PAA)
D570221	IS Ba L: Expected Claims Handling Expenses
D570222	IS Ba A: Ceded Incurred Claims (RA)
D570811	IS PL E: Experience Adjustments Incurred Claims
D570812	IS PL E: Experience Adjustments Incurred Claims Reinsurance
D910031	IS: Suspense Account (Subledger)

1.4.10.5 Insurance Analyzer-Specific Customizing Activities

Edit Basic Settings for Accounting System

SAP Customizing > *Financial Services* > *Insurance Analyzer* > *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Edit Basic Settings for Accounting System*

This is a customizing activity for assigning IFRS 17-specific reference key figures, business transaction types and calculation steps to an accounting system. These trigger different calculations in the calculation methods.

Field	Description
`Acc.System`	A self-contained set of calculations characterized by an accounting regulation, currency and division into periods. For IFRS 17-specific calculations, you enter the value **`S_IAS`** in this field.
`CSM Reference Key Figure`	Identifies which reference key figure is used for posting to the contractual service margin (CSM) for insurance or reinsurance contracts measured in the general measurement model (GMM) during the accounting processes *Update Secondary Business Transactions* (USBT) and *Key Data Valuation* (KDV).
`LoC - PAA`	Identifies which reference key figure is used for posting the increase in liability for remaining coverage due to a loss posting to profit and loss (relevant only for the loss component when you measure insurance or reinsurance groups using the premium allocation approach (PAA)).
`DER BT Type`	Identifies the business transaction type used to trigger the clearing of remaining balances at derecognition of insurance or reinsurance contracts during the Update Secondary Business Transaction process.
`LOC RKF`	Identifies which reference key figure is used for posting the loss to profit and loss when a loss component is calculated in the general measurement model (GMM) and the variable fee approach (VFA).
`LoC CS Ac`	Identifies the calculation step relevant for allocating a part of the accrual amount to the loss component for the general measurement model (GMM) and the variable fee approach (VFA).

Field	Description
LoC CS Re	Identifies the calculation step relevant for allocating a part of the release amount to the loss component for the general measurement model (GMM) and the variable fee approach (VFA).
LIC Calc Step	Identifies the calculation step relevant for calculating the liability for incurred claims for the general measurement model (GMM) and the premium allocation approach (PAA).
Use MoType	Identifies the different movement cash flow sets
Flow T	Indicates the flow type in order to identify the risk adjustment cash flows used in conjunction with a pattern
CS DAC Def	Identifies the calculation step used for the pattern or linear deferral of the direct acquisition costs for the general measurement model

Edit Key Figure Calculation Rules

SAP Customizing > *Financial Services* > *Insurance Analyzer* > *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Processes* > *Processing of Internal Business Transactions* > *Key Date Valuation* > *Accounting Processes* > *Insurance Valuation Components* > *Edit Key Figure Calculation Rules*

In this customizing activity, you can specify whether the combination of accounting system, calculation step and reference key figure triggers different calculations in the calculation methods.

Field	Description
Acc. System	A self-contained set of calculations characterized by an accounting regulation, currency and division into periods. For IFRS 17-specific calculations, you enter the value **S_IAS** in this field.
Calc. Step	In this field, you specify the calculation step. A calculation procedure is made up of individual calculation steps.
RefKeyFig	Contains the posting key figure for transfer posting in case of a foreign currency transfer posting. This posting key figure is used as a selection criteria during the derivation of the posting key figures.

Field	Description
Flow T	You use the insurance flow type field to specify if the combination of accounting system, calculation step and reference key figure is relevant for the processing of a specific flow type.
GMM Rel.	You use the *Insurance General Measurement Model Relevant* field to specify if the combination of accounting system, calculation step and reference key figure triggers a general measurement model calculation.
PAA Rel.	You use the *Insurance Premium Allocation Approach Relevant* field to specify if the combination of accounting system, calculation step and reference key figure triggers a premium allocation approach calculation.
VFA Rel.	You use the*Insurance Variable Fee Approach Relevant* field to specify if the combination of accounting system, calculation step and reference key figure triggers a variable fee approach calculation.
VFA UI	You use the *Insurance Variable Fee Approach Underlying Items* field to specify whether the combination of accounting system, calculation step and reference key figure triggers a calculation for underlying items in the variable fee approach.
GMM No Dis	You can use the *Insurance GMM No Discounting* indicator to specify if the combination of accounting system, calculation step and reference key figure triggers discounting calculations for the general measurement model.
PAA No Dis	You can use the *Insurance PAA No Discounting* indicator to specify if the combination of accounting system, calculation step and reference key figure triggers discounting calculations for the premium allocation approach.
VFA No Disc	You can use the *Insurance VFA No Discounting* indicator to specify if the combination of accounting system, calculation step and reference key figure triggers discounting calculations for the variable fee approach.
LRC PAA LC	You use the *Insurance Liability for Remaining Coverage Loss Component* field to specify which key figures' balances are used to create the liability for remaining coverage in the premium allocation approach. Note: This only applies to loss component determination.

Field	Description
LoC Alloc	You use the *Insurance Loss Component Allocation* field to specify if the combination of accounting system, calculation step and reference key figure is relevant for calculating and posting the effects of changes to the fulfillment cashflows to the loss component.

Assign Movement Types to Calculation Steps

SAP Customizing > *Financial Services* > *Insurance Analyzer* > *Processes and Methods* > *Accounting for Financial Products* > *After Generation* > *Financial Position Processes* > *Processing of Internal Business Transactions* > *Key Date Valuation* > *Accounting Processes* > *Insurance Valuation Components* > *Assign Movement Types to Calculation Steps*

In this customizing activity, you can assign the IDs of the movement types you expect to deliver as actuarial cash flows in SICAFL to the relevant calculation steps. You can also specify the order in which you want the calculations to be performed. The assignment has to be made by calculation procedure. The order of calculation and postings is determined alphabetically by calculation step ID.

Field	Description
AcctgBasis	Contains the accounting basis for calculation (Subledger Scenario)
Acc. System	A self-contained set of calculations characterized by an accounting regulation, currency and division into periods. For IFRS 17-specific calculations, you enter the value **S_IAS** in this field.
Calc. Prc	In this field, you specify the calculation procedure.
Calc. Step	In this field, you specify the calculation step. A calculation procedure is made up of individual calculation steps.
Mov. Type	In this field, you specify the movement type. Each of these is assigned to the relevant calculation step.
NC-MT	You check this field if the movement type entered in the Mov. Type field is “New Contracts”.
EA-MT	You check this field if you have entered the movement type “Experience Adjustment”.

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