



# **CBUAE INSURANCE REGULATORY REQUIREMENTS FOR THE YEAR 2023**

**NOTICE NO: CBUAE/BIS/2023/729**

**DD CONSULTING LLC**

**15 February 2023**

# KEY HIGHLIGHTS

Financial reporting for periods starting 1 January 2023 will be on the new IFRS17 basis; however, all regulatory reporting will remain as per the requirements of the Financial Regulations as usual.

Reconciliation between IFRS 17 and regulatory financials as per the eforms.

- The appointed actuary should provide detailed commentary on the reconciling items between IFRS17 and corresponding eforms insurance balances.
- There will be a **reconciliation template** provided by the CBUAE which is specifically focusing on reconciliation between IFRS 17 and eforms numbers

# SUBMISSIONS DEADLINES

Deliverable	Reference from CBUAE Regulation	Due Date
Preliminary Results of 2022	Appendix-F	15-Feb-23
Year-End UW Performance Review Reports	Appendix-E	01-Mar-23
Company Management Year-End Action Plan	Appendix-E	01-Apr-23
Year-End Reports	Appendix-A A.5	30-Apr-23
Business Plan	Appendix-F	
ICFR Assessment Report	Appendix-K	
Supervision & Control Fees	Appendix-B	
Qualification & Training Fees	Appendix-C	
Publish the Final Accounts	Appendix-D	10 Days after External Audit
Submit the Publication	Appendix-D	1 Week after Publication
Q1 Reports	Appendix-A B.3	15-May-23
Life Insurance FCR Reports	Appendix-A	30-Jun-23
Q2 Reports	Appendix-A B.4	15-Aug-23
Mid-Year Pricing Reports	Appendix-E	01-Sep-23
Company Management Mid-Year Pricing Action Plan	Appendix-E	01-Oct-23
Q3 Reports	Appendix-A B.5	15-Nov-23



KEY REQUIREMENTS AND ISSUES  
HIGHLIGHTED IN THE REGULATION

# APPENDIX J

## FCR Reports



- Highlight Audit Qualifications and impact on solvency position
- For Takaful Companies, an analysis by Lob comparing Wakala fees to the actual expenses being incurred should be shown

## Reserving Reports



- Detailed Methodology & Assumptions should be provided
- Run off or Back Testing for a min of 3 years should be included
- AA should explicitly certify Salvage & Subrogation
- Life Reports must use assumptions based on experience studies. Experience of parent company should not reflect in branch assumptions.

## UW & Pricing Reports



- Wakala Fees vs Actual Expense by LOB for Takaful should be included
- Data as at 30-June should be used

# APPENDIX J

## Actuarial Certificate



- Comments on technical provisions and solvency position movement b/w quarters and assumptions used
- Should include section on TP and solvency position related aspects of eForms
- Reconciliation b/w IFRS 17 and eForms

## Business Plan



- Income Statement. Actuals for 2020 - 2022. Plan for 2023
- Balance Sheet for 2023
- Cashflow Statement for 2023
- Projected Solvency Position for 2023

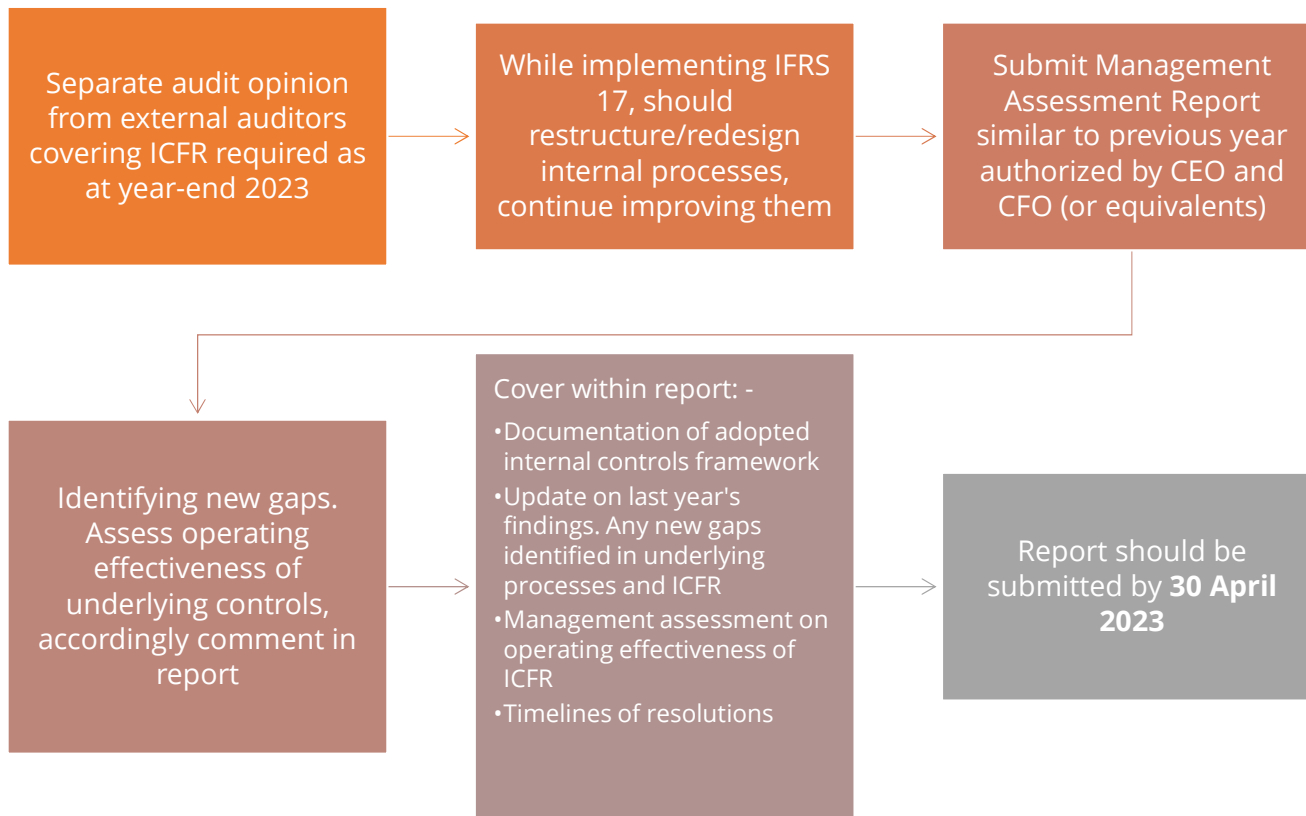
## Agreed Upon Procedures



- Ensure ageing of the insurance/reinsurance receivables is accurate in eforms
- Gross and Net Written Premiums are accurate in eForms
- Tracing non insurance related balances in eForms to corresponding IFRS 17 balance sheet items.
- Decision on if impact of audit qualifications on IFRS 17 are to be included in eForms

# APPENDIX K

## INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)



# APPENDIX L

## AUDITING ISSUES

### Format of the Financial Statements:

- Ensure format of the financial statements is line with Appendix I of the Financial Regulations

### Ownership of Assets

- The Auditors must ensure that the assets are actually in the company's name; and are not held by any related party or any third party

### Related Party Transactions

- The Auditors must review these transactions very carefully and ensure that all the necessary approvals and controls are being followed by the management

### Modified Audit Opinion

- If any Auditor is providing a modified opinion (Qualified/Adverse/Disclaimer), the audit report should clearly describe the issue



# APPENDIX L

## AUDITING ISSUES

### Misstatement of Insurance and Reinsurance receivables and payables

- The Auditors must ensure that the insurance and reinsurance receivables are not misstated and overstated

### Treatment of Qard Hassan Loan (for Takaful Companies only)

- The eForms should accurately present the actual position of the loans in all the relevant sheets (mainly FS-1, FS-2 and TAKF sheets)
- Qard Hasan loan outstanding for a period of 3 years is written off

### Common issues in eForms

- Reinsurance recoverable within “REINS-3” and “REINS-4” sheets should be consistent with each other.
- Balances related to Insurance receivables (FS-8) and Reinsurance receivables (REINS-2) should not include any negative balances
- With respect to tab PRM-4 section part 2 to be filled on a quarterly basis.

### Consistency and Reasonability checks

- It was identified that consistency was missing between the actuarial reports, eForms and financial statements.

A low-angle photograph of a modern building's facade, showing a grid of panels and a window. The image is overlaid with a gradient from blue on the left to orange on the right. The text "ABOUT OUR COMPANY" is centered in white.

# ABOUT OUR COMPANY

# ABOUT OUR COMPANY

## VISION & MISSION



### **VISION**

To become a global actuarial consulting firm known for its highest quality standards.



### **MISSION**

Our mission is to offer actuarial and analytics consulting services of the highest standards by working with our clients as collaboration partners.

## OUR SERVICES

**Appointed Actuary**



**IFRS 17**

**Peer-Review Actuary**



**Business Planning, Solvency Projections & Stress Testing**

**Motor & Medial Pricing**



**Product Pricing for Individual Life products**

**Actuarial & Accounting Staff  
Secondment  
(Short/Long term basis)**



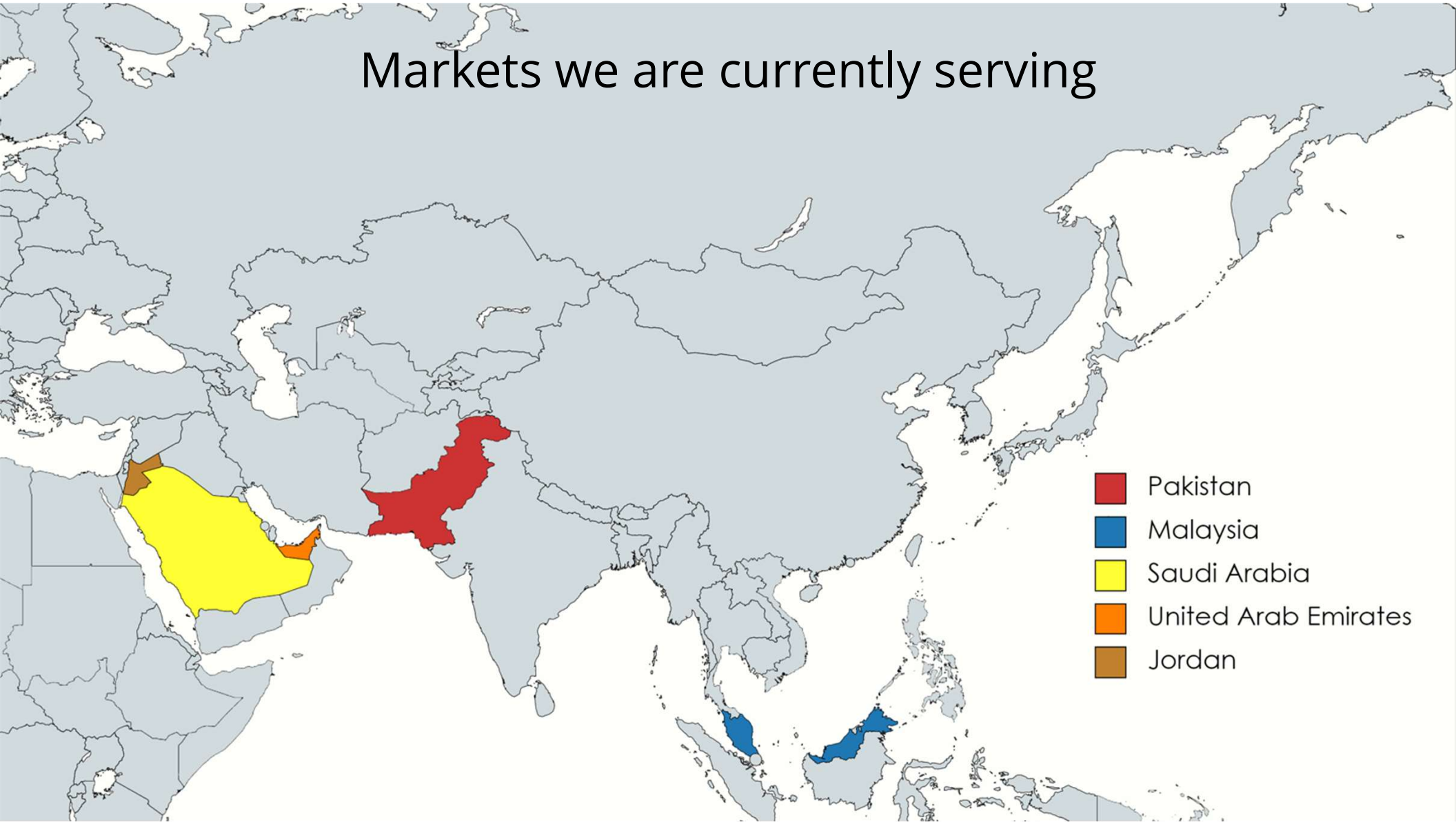
**Actuarial Expert for Audit Firms**

**IFRS 9**



**Dashboards & Qlik Implementation**

# Markets we are currently serving



A top-down view of a wooden table where several people's hands are stacked together in a circle, symbolizing teamwork. The hands are of various skin tones and are wearing different colored sleeves: brown, purple, dark brown, and grey. Scattered around the hands are business-related items: a tablet on the left showing a chart, an open spiral notebook, several sheets of paper with charts and graphs, and a laptop on the right with a blue screen displaying a world map. The text 'KEY TEAM MEMBERS' is overlaid in white on the left side of the image.

**KEY TEAM MEMBERS**

# OUR FOUNDER

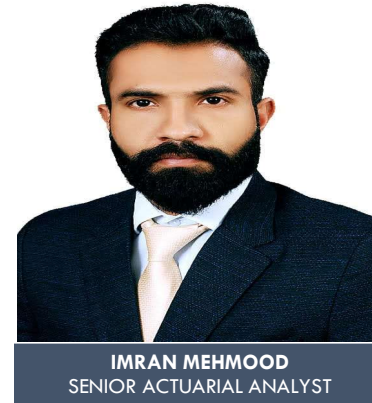


<b>Total Experience:</b>	<b>20 Years plus</b>
<b>Areas of Business:</b>	Life & Non-Life Insurance
<b>Assignments:</b>	Reserving, Periodic Valuation, IFRS-17, Risk Management, Product Development, Pricing, Profit Testing, ALM, and Embedded Value

Husain has worked for several markets including Malaysia, UAE, Saudi Arabia, Pakistan etc. His previous companies included an actuarial consulting firm, a European financial institution and a Life Insurance Corporation. His achievements includes working on a privatization project of a life insurance corporation, introducing risk based pricing structure for motor line of business and designing several innovative individual life insurance products. He has worked on several projects of actuarial valuations, product development, financing agreements, M&A deals etc.

He has presented in several conferences and takes keen interest in writing articles.

# ACTUARIAL TEAM





# CONTACT US



[husain.feroz@digitzdata.com](mailto:husain.feroz@digitzdata.com)



DD Consulting



[www.digitzdata.com](http://www.digitzdata.com)

## FOR CONSULTING SERVICES

Actuarial Consulting

IAS 19 Valuation

Business Planning  
& Financial Projections

Actuarial Secondment Services

Actuarial Expert for Audit Firms

IFRS 17



# DD CONSULTING LLC