



Life Insurance Intermediate Course Overview

The FSAA Education Programme, “*Life Insurance intermediate course*” caters for participants who have been involved in accounting for life insurance businesses for a period of time but want to further their knowledge in this specialised field.

The course consists of the 6 modules outlined below, presented over 2 days. Participants are involved in a mix of presentations, group discussions and practical exercises to reinforce and apply their learning.

Module	Summary of Contents
Module 1: Prudential Management and Governance	<ul style="list-style-type: none"> • Prudential Management of a Life Company including: <ul style="list-style-type: none"> ○ Capital requirements within and outside statutory funds. ○ Minimum surrender and paid up values. ○ Cost of performance guarantees • Good Governance framework in a Life Company including: <ul style="list-style-type: none"> ○ Roles and responsibilities of key positions. ○ Roles and responsibilities of various committees. ○ Risk Management. ○ Remuneration policy. ○ Business continuity management. ○ Outsourcing activities.
Module 2: Valuation and Classification of Assets and Liabilities	<ul style="list-style-type: none"> • Concepts in valuation and classification of assets and liabilities including: <ul style="list-style-type: none"> ○ Definition and categories of financial instruments. • Valuation and classification of financial assets • Hedge accounting • Valuation and classification of financial liabilities including policy liabilities. • Introduction to the proposed new accounting model for insurance contracts.
Module 3: Taxation	<ul style="list-style-type: none"> • Overview of tax legislation applicable to a life insurer including the requirement for different classes of business. • Comparison of tax treatment of a life company to a non-life company. • Taxable income of a life company including the tax accounting requirement of each class of business. • Tax models. • Tax payments and franking. • Indirect taxes.
Module 4: Accounting and Reporting for Superannuation Funds	<ul style="list-style-type: none"> • Legislation applicable to Superannuation funds. • Introduction to key concepts unique to Superannuation funds. • Accounting for Superannuation funds including: <ul style="list-style-type: none"> ○ Contributions. ○ Superannuation benefits. ○ Investments. ○ Measurement of assets and liabilities. ○ Taxation. • Superannuation fund reporting including: <ul style="list-style-type: none"> ○ Statutory and regulatory requirements. ○ Accounting standards’ requirements. ○ Proposed new reporting requirements. • Preparing statutory and regulatory reports for Superannuation funds including: <ul style="list-style-type: none"> ○ Apra statements. ○ Financial statements.



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Module 5: Management Reporting	<ul style="list-style-type: none">• The objectives of management reporting for a Life Company including internal and external management reports.• Performance indicators for a Life Company including:<ul style="list-style-type: none">○ Financial and non-financial indicators.○ Capital management.• Business use of management reporting information including:<ul style="list-style-type: none">○ Presentation and commentary.○ Comparative analysis of actual results.○ Drill down on performance.
Module 6: Corporate Management	<ul style="list-style-type: none">• Structure of distribution channels for life insurance products including:<ul style="list-style-type: none">○ Definition of distribution channels○ Customer needs and channels.○ Distribution channels and methods.○ Regulatory control of distribution of life insurance products.• Expense management including:<ul style="list-style-type: none">○ Why does management focus on expense?○ Statutory and regulatory requirements.○ Impact on product pricing.○ Impact on profitability.○ Expense apportionment.• Mergers and acquisition including:<ul style="list-style-type: none">○ Distinction between mergers and acquisitions.○ Types of mergers and acquisitions.○ Regulatory requirements.○ The mergers and acquisition process including the role of the Finance team in:<ul style="list-style-type: none">• Deal structuring.• Valuation.• Due diligence.• Integration.