DOWNLOAD PDF INSURERS AND INSURANCE ACCOUNTING

Chapter 1 : Accounting Standards for Self-Insured Companies | www.nxgvision.com

Insurers are likely to face major changes as they implement FASB's new standard on long-duration insurance contracts issued in August The new standard, ASU , Targeted Improvements to the Accounting for Long-Duration Contracts, is effective for calendar year-end public business entities (PBEs) on January 1, ; all other entities have an additional year.

Insurance companies have different financial transactions than most other businesses that buy supplies and then make sales or offer services. Insurance companies may pay claims up front and then try to collect a reimbursement on the claim from the person responsible for the accident or injury. Other times, they pay a portion of a claim and share responsibility with another insurer. Additionally, the insurance company collects premiums from customers who never file a claim. Statutory Accounting Statutory accounting principles, or SAP, are accounting procedures used in the insurance industry. This is a more conservative value, as a company cannot include revenue that has not been invoiced. For example, when an insurance company pays a claim, it invoices any coinsurer for partial reimbursement. The insurance company must report the full amount it paid on the claim, without credit for future reimbursement. Unlike statutory accounting, GAAP assumes that a company will continue to do business rather than liquidate; all potential revenue is calculated as part of the annual statement, including accounts receivable not yet invoiced. For example, a business with a fiscal year ending on March 31 may stop invoicing on March Sales made from March 28 until the end of the month are invoiced in April. This method, known as accrual accounting, assumes that a company shall continue doing business into the new fiscal year. All other industries use GAAP. A normal operation for other industries involves selling a product or service, rarely having to refund the customer more that the original amount paid. The insurance industry is different in that it plays the odds when selling policies. The insurance companies know they will have to pay out on some of the policies, as doctors make mistakes just like everyone else, but they are betting the amount awarded by juries will not be more than anticipated. If the juries do award significantly higher amounts, the insurance company might deplete its financial reserves, with the possibility of filing bankruptcy. Therefore, they must file annual reports that reflect the health of the company on the last day of the fiscal year. Additional Accounting Requirements The individual states have regulatory authority over insurance companies. They might require SAP for quarterly filings as well as the annual report. If the insurance company is a stock corporation, as most are, then the accountants file GAAP with the Securities and Exchange Commission.

Chapter 2 : Statutory Accounting Vs. GAAP for Insurance Companies | www.nxgvision.com

An Introduction to Insurance Accounting Basic-level Module 5. Identify events that may require insurers to notify insurance supervisors 6. Describe the.

Chapter 3 : SASÂ® helps insurers meet IFRS 17 compliance head-on | SAS

Many insurers and reinsurers are facing some earnings volatility in due to a change in accounting requirements for equity securities, Fitch Ratings said in new market commentary.

Chapter 4 : Insurersâ€™ Earnings Volatility Tied to Equities Accounting Change

iii Foreword February 12, To our clients and colleagues in the insurance sector: We are pleased to announce our eighth annual accounting and financial reporting update.

Chapter 5 : PRO Financial Accounting Systems for Insurers | StoneRiver, Inc., a SAPIENS company

1 Financial Management, Accounting and Reporting for Insurers Staying Ahead of Change Navigate change and grow *your business with FIS Today, insurers around the world face a common challenge.*

Chapter 6 : EU and UK insurers raise â€œsignificant concernsâ€• about IFRS 17 - Accounting Weekly

IFRS 17 represents the most significant change to insurance accounting requirements in over 20 years - it demands a complete overhaul of insurers' financial statements. This major change program to implement IFRS 17 will extend beyond the finance and actuarial.

Chapter 7 : Global Insurers Face High Compliance Costs with New Accounting Rules

Insurers in over countries face a "once in a lifetime" accounting change from January with the introduction of a uniform international book-keeping standard, details of which will be.

Chapter 8 : Accounting for property damage and related insurance recoveries

The Financial Accounting Standards Board (FASB) has completed new accounting rules that could give the public a better idea about what's really going on inside life insurance companies, and.