

Global insurance company ensures future regulations compliance and business growth in China

Recent deregulation has turned China into a growing market for investments coming from private life-insurance companies.

BearingPoint supported a global insurance company to position itself for business growth in the Chinese market, while ensuring compliance with local requirements and future global regulatory demands, by leveraging an SAP ERP solution.



Client business challenges

China has embarked on a policy of deregulation, which is a marked shift in direction from the country's past centrally planned economy and state-owned social service. This new trend offers great opportunities for foreign companies, especially in the life-insurance sector.

Our client, a global insurance company, wanted to grow in the Chinese market and needed to comply with complex local requirements and the global [IFRS17](#) standard that is coming into effect in January 2023. The client's operating entities in China were facing outdated IT systems and unsynchronized accounting processes that prevented their financial teams from collaborating efficiently. Manually processing of a vast volume of data on a daily basis was also time-consuming and subject to a high risk of incurring human error.

Further challenges like working in different time zones, cultural and language barriers, and Chinese-specific legal demands, were also in the client's way when setting up its business practices properly.

BearingPoint's contribution

Although the project initially required on-site travel, the team quickly adapted to the Covid-19 restrictions and performed the tasks entirely remotely. To do this, BearingPoint mobilized experts in its local offices to engage with each client location in China and Europe, set up a virtual, collaborative platform, to host online meetings and store data for capturing results, and trained and onboarded the participant teams quickly. They then helped all parties to understand the requirements coming from the client's local and global entities, international insurance regulations, and the Chinese authorities.

BearingPoint analyzed the client's pain points and helped to define the concepts to be integrated into a new SAP ERP solution. These covered IT specifications, local legal aspects, global insurance standards, and accounting regulation rules. Around fifty local legal requirements had to be analyzed, processed, and integrated together with the SAP solution. This was then connected to a large SAP data warehouse, hosting all the legal requirements needed for the Chinese market.

A specific data management tool was developed to process the vast volume of daily accounting data automatically. BearingPoint then guided the client's staff to prepare the document templates needed for the data to be imported to the SAP system. The team also localized the User Manual documentation as an ongoing practice reference.

Client business outcomes

The global insurance company has successfully positioned for growth in the Chinese market, ensuring compliance with the IFRS17 standards, and all local and global insurance regulations. The client's entities are empowered to operate independently in China, having an integrated finance system and the adapted operational model to facilitate future business development.

The global SAP solution is operated from the client's headquarter in Europe, while being adapted to the local legal requirements in China. This contributes to lowering the maintenance effort and reducing the associated costs. Automating the data-checking and processing tasks significantly improved efficiency and productivity, while minimizing the risk of human error.

The solution also offers the digital foundation that allows for the improvement of other service areas, such as digital customer relationship management and customer journeys.

Contact

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