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Have questions or comments about any of the topics covered in this newsletter?

Email iworks.info@sungard.com.

For Product Support contact information for all iWorks Financials products, see the back page of this newsletter.

The Newest Members of the iWorks Financials Solution Offerings

SunGard iWorks Reinsurance, part of the iWorks product family, is a functionality-rich suite of products providing end-to-end enterprise reinsurance solutions designed specifically to address the needs of the global insurance / reinsurance marketplace. iWorks Reinsurance handles all types of complex reinsurance programs for both assumed and ceded reinsurance business allowing companies to:

- Maintain compliance while reducing overall compliance and reporting costs
- Accurately track risk exposure by ultimate risk bearer
- Increase speed of recoveries
- Identify all overdue balances to monitor bad debt
- Improve operational efficiencies by streamlining business processes
- Reduce overall expenses through automation
- Focus on analytics

The iWorks Schedule F Adjustment System:

- Offers a stand-alone solution that provides complete Schedule F reporting capabilities
- Integrates with internal and external systems
- Outputs files to SunGard iWorks Statutory and other annual statement packages
- Integrates with iWorks Reinsurance solutions to provide contract, reinsurer, Letter of Credit and financial information

For more information on the Reinsurance suite of products, contact Dave Morales at 914-273-7742 or email dave.morales@sungard.com.

Join Us in Orlando for iWorks Summit 2009

With the success of last year's conference in San Diego, we are pleased to be hosting this year's iWorks Summit in Orlando, Florida. We invite you to join us for this year's conference, exclusively for insurance clients, from September 13 – 16 at the Walt Disney World Swan Resort. Don't miss this opportunity to:

- Hear informative presentations about how other SunGard iWorks clients are utilizing iWorks solutions
- Interact with SunGard iWorks consultants and products managers one-on-one
- Network with SunGard iWorks users to exchange practical strategies and ideas



Kickoff Reception begins at 5:00 p.m. on Sunday, September 13, 2009. This annual SunGard event allows you to network with other clients, research vendor solutions at the exhibit hall and learn about upcoming regulation changes from industry experts. Then, at the end of the day, take some time to enjoy the resort!

Tuesday evening, join us as we head to Downtown Disney to see **Cirque du Soleil's La Nouba**. This

Industry News:

Spotlight on International Financial Reporting Standards

What is IFRS? Acronyms such as IFRS, IASB, and IAS will soon become common expressions.

International Financial Reporting Standards ("IFRS") are the standards being utilized by many companies around the world and IFRS is fast becoming the global accounting standard. The ultimate goal of IFRS is to put all companies on the same playing field when it comes to financial reporting. These standards will allow for the comparison of financial statements between companies, no matter in what country a company may be domiciled.

So when will IFRS be the accounting standard in the United States? In an effort to promote global integration of the financial markets, the Securities and Exchange Commission ("SEC") published a proposed roadmap regarding the potential requirement for U.S. financial statement issuers to fully implement IFRS. The roadmap was published on November 14, 2008, with the comment period ending on April 20, 2009.

The roadmap consists of the SEC evaluating seven milestones through the end of 2011. These milestones consist of:

1. Improving the current International Accounting Standards ("IAS")
2. Verifying the IASC Foundation is adequately funded and has proper accountability for setting standards
3. Improving the ability to utilize interactive data for IFRS reporting
4. Monitoring and evaluating the progress of IFRS education and training
5. Limited early use of IFRS where this would enhance comparability for U.S. investors
6. Anticipated timing of future rulemaking by the Commission
7. Implementation for the mandatory use of IFRS by U.S. issuers

Currently the SEC intends to make a decision in 2011 on whether to mandate the use of IFRS beginning in 2014. The mandate for filing under IFRS will require large accelerated filers to submit IFRS financial statements in 2014, accelerated filers in 2015 and non accelerated filers in 2016. IFRS requires three years of comparable financial statements to be reported. Therefore, if the first year of IFRS reporting is in 2014, the filer must begin to make use of IFRS requirements in 2012.

*Adopting IFRS is no small project! **Start early!***

One of the biggest challenges is the shortage of IFRS trained and experienced personnel. Early training of accounting and finance personnel will help smooth the transition to IFRS. Also, you will need to acknowledge that the accounting and finance departments are not the only departments affected by the implementation of IFRS. Information technology, taxes, human resources, treasury, internal controls and processes, management reporting and investor relations are just some of the additional areas of an organization that will be affected. Planning, early training of personnel, and effective communication with the entire organization regarding implementation of IFRS is the foundation of a successful adoption.



We at SunGard recognize the importance of IFRS and the effect it may have on our clients. We are proactively analyzing IFRS and reviewing the changes that will be required to make sure our software is IFRS compliant. Stay posted for seminars and educational opportunities to help our clients meet these new challenges.

iWorks Summit 2009 - Continued from p. 1

show transforms the ordinary into the extraordinary, engaging the imagination from beginning to end with brilliant choreography, theatrical lighting and live music. Featuring mesmerizing high wire and flying trapeze, stunning acro-gymnastic performances and other dynamic displays of coordination and strength, La Nouba promises to surprise, excite and mystify.



Hotel reservations must be made directly with the hotel **prior to August 11, 2009** to ensure availability. SunGard iWorks has secured a preferred rate of \$219 per night for all attendees, so be certain to mention that you are attending the SunGard iWorks Summit.

Register before July 31st and receive the early bird rate of \$995 – a savings of \$100!

For more information, visit our website at www.sungard.com/iWorks and select the link to **iWorks Summit 2009** (available mid-April) from the **Events** section on the Home page.

Questions? Contact Kathy Hawes at kathy.hawes@sungard.com, or call 319-377-1306.

iWorks Statutory: 2009 Quarterly Statement Software

Effective with the 2008 Year-end Release, EFS (Enterprise Filing System) was Rebranded to iWorks Statutory.

The 2009 iWorks Statutory Quarterly Statement software was released on March 26. Many opportunities are available for software training (check out the article on SunGard iWorks 2009 training opportunities in this newsletter). The Quarterly software includes many valuable tools to streamline statement preparation. Be sure to take advantage of these features.

- **Transfer Prior-Period Data, File menu:** The Transfer Prior-Period Data option provides the ability to pull information from the prior-year annual statement and the prior-year quarterly statement. The data can be transferred from an installed system, a backup created by the program or the NAIC electronic filing.
- **Import SunGard Data, File menu:** Use the Import SunGard Data option to import your information from EAS and the iWorks Investments products.
- **Import Other Data, File menu:** The Import Other Data option provides the ability to import information from non-SunGard investment systems, Excel files and text files. To help with the import process, record layout information and Excel templates can be generated.
- **Show Formula, Data Entry:** You can use the Show Formula option to determine how a cell is calculated. The option is available on the toolbar or from the right-click menu.
- **Formula Hyperlinks:** All statement references within calculations and crosschecks are hyperlinks. During review of crosscheck errors or cell formulas, you can click a link and jump to the specific page, line and column in the statement.
- **Tolerance Level, Crosscheck menu:** The Tolerance Level option allows the company to disable the NAIC-defined tolerance and set a specific dollar amount. All crosschecks that are in error by an amount greater than what is specified will display on the crosscheck error report.
- **Audit Trail, Tools menu:** You can track statement changes using the Audit Trail option. The option provides the ability to track changes by schedule or by cell.

TECH NOTE:

iWorks Statutory currently does not support 64-bit processors. Testing has not been performed.

For more information, contact iWorks Statutory Product Support at 309-862-4300, or via email at iworks.statutorysupport@sungard.com.

Regulatory Update:

NAIC Winter Meeting Summary

by Dennis Lebar, CPA

The Spring NAIC meeting was held in sunny San Diego, California, March 14 - 17. As you might expect, the tone of the meetings was dominated by the on-going financial crisis in which we find ourselves.



The various Task Forces, Committees, and Working Groups of the NAIC discussed issues and considered proposals related to the present state of the economy and the future of insurance regulation. As always, however, there were also some more mundane issues and proposals to consider. The following is a summary of some of the items that affect invested assets of insurance companies.

The Blanks Working Group adopted the following items which affect 2009 year-end reporting:

- Guidance for year-end 2009 Schedule D, Part 1A. This guidance directs companies to adjust the prior year data sections and reclassify the values reported in 2008 for "Public Utilities", and "Banks, Trusts and Insurance Companies" into the same groups as they will be reported in 2009 on Schedule D, or DA Part 1. Please contact your Client Services representative for direction on how to do this within the iWorks Investments software systems.
- A clarification that "US" is to be reported as the state code for the "U.S. States, Territories and Possessions", "U.S. Political Subdivisions," and "Special Revenue and Special Assessment" reporting groups if the security is issued by a U.S. federal agency.
- A proposal clarifying that reverse mortgages are to be reported on Schedule BA. These are to be reported in the category of "Any Other Class of Assets."

The Blanks Working Group exposed for comment some significant proposals affecting invested assets and derivative instruments. As with other financial institutions, the investments of insurance companies are being heavily scrutinized not only by regulators, but investors, policy holders, rating agencies and other regulatory bodies. The NAIC therefore is attempting to provide regulation making the investments held by insurance companies more transparent. The items exposed for comment are as follows:

- A total revamping of Schedule DB. This proposal would cut down on the number of Parts within Schedule DB, but would require the reporting of more significant information on derivative instruments. For example, the proposal calls for reporting the hedge effectiveness of derivative instruments used as hedges. As it is proposed now, the new derivative reporting requirements would be effective for the 1st Quarter of 2010. Also, in regards to derivative instruments, the Valuation of Securities Task Force adopted the "Derivative Instruments Model Regulation". This regulation would require insurance companies to receive prior approval from the state insurance commission before engaging in derivative transactions used for hedging or replication. As a "model regulation", individual states need to adopt it in order for it to be effective in that state.
- Modifications on how to report "Method Used to Obtain Fair Value." Reporting the "Method Used to Obtain Fair Value" was a new requirement for 2008 Schedule D reporting. The proposed change would require that the name of the broker or custodian be reported, in addition to the identity of the pricing service or stock exchange. The proposal also separates the "Method Code" and the name/identity of the broker, exchange or pricing service into two separate "electronic capture-only" columns. If adopted, this would be effective for Annual 2009 reporting.
- An interrogatory to determine the availability of broker or custodian pricing policies and the reporting entity's process for determining the reliability of the pricing source. This also would be effective for Annual 2009 reporting.
- The addition of two new electronic data capture only columns on Schedule D, Part 1. These columns would report the collateral type for structured securities reported as Industrial and Miscellaneous. The second column would indicate if a security is non-U.S. municipal security. This is proposed to be effective for Annual 2009 reporting.

As with other financial institutions, there is a great deal of concern in regards to the reporting of Fair Value by insurance companies. Accordingly, the NAIC is keeping close tabs on the FASB, the SEC, and the International Accounting

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SunGard iWorks Financials 2009 Training

Empower Your Business for Success!

The 2009 Training schedule is full of opportunities to enhance your skills and knowledge to better utilize your iWorks product. Below is an overview of the courses being offered within the iWorks Financials groups. We can also provide personal, customized training at your location or in our corporate offices (or, in some cases, via the Internet) to meet the specific training and scheduling needs of your company. Programs can be designed to cover the topic(s) of your choice.

Upgrade Training

SunGard iWorks is deeply committed to enhancing our product capabilities and we are pleased to offer significant *product upgrades* for both **iWorks EAS** and **iWorks Investments**. At SunGard, we work closely with our clients to continually evaluate business and reporting needs. In this changing financial and regulatory market, we know that you are being asked to provide more business information from your software solutions. Plan for your upgrade to assure that you are working on current versions of SunGard software and that your teams have the knowledge and skills to take full advantage of your enhanced solutions. Select a product upgrade training to help you implement the new functionality and take advantage of the new features as quickly as possible. *For more on the EAS 10.0 upgrade, see the articles on page 5. For more on the upgrade from EPS/SDR to an iWorks Investments product, see the article on page 10.*



Regulatory Compliance and Annual Statement Filing Training

Under *iWorks Investments*, Internet-based courses are being offered on regulatory compliance. *Understanding Other than Temporary Impairment (OTTI) and Implementing FSP FAS 115-1 and FAS 124-1 and Implementing Fair Value Accounting, FAS 157 and FAS 159* are coming up immediately, so don't delay if you're interested in learning more on these topics.



Product training is available for *iWorks Statutory*, whether you're new to using the product or just need a refresher. Internet-based training sessions review the features and functionality of the Quarterly Statement software. An Internet-based session, *2009 Annual Statement Changes and System Implementation*, is also available that will discuss the regulatory changes for 2009 statutory reporting, including system implementation considerations for updating required iWorks Investments or EPS/SDR systems, as well as providing guidance on how to evaluate other workflows that could require additional changes.

Custom Reporting Solutions Training

Both *iWorks EAS* and *iWorks Investments* offer custom reporting solutions and the training to help you take advantage of these tools. Scheduled trainings in Atlanta and Denver offer hands-on training in Basic and Intermediate Crystal Reports for EAS. Private training in custom reporting for either product gives you the opportunity to create a class that allows you to work with a training consultant on your specific needs and reporting requirements.

Basic System and EAS A/P Training

If you've had changes in your staff, private trainings on *iWorks EAS* or *iWorks Investments* can help bring someone up to speed who is new to using the system. A two-day, presentation-style group class is being offered in Atlanta, designed for first-time users of EAS. Attendees will learn basic skills, and topics covered include security, setup, accounting, batch processing and configuration. A similar course is being offered for first-time users of EAS Accounts Payable, covering basic skills and topics such as security, setup, accounting, batch processing and configuration.

These courses can be set up as private training, at your location or the SunGard office. You can also request a customized, perhaps more advanced, version of these and other iWorks Financials product and related topic trainings.

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SunGard iWorks Financials 2009 Training - Continued from p. 5

SunGard iWorks continues to develop training programs that assist you in making the best use of your product, which includes keeping up with the industry and regulatory changes that propel the evolution of our software. CPE credit is available for many of the courses offered, also helping you to keep up with your professional educational needs.

Where Can I Find the Full Education Catalog and Registration Information?

To learn more about these and other SunGard iWorks Financials training programs available, please visit www.sungardinsurance.com and click the **EDUCATION** link.

For more information on any of the training programs offered:

EAS or Statutory Products: Contact your National Accounts Manager at 319-550-0768

Investments Products: Contact your National Account Manager at 303-689-1705

iWorks Premium Billing:

Expanding Premium Billing Web Services

Coming Soon: iWorks Premium Billing Announces Additional Web Services for Agency and Consumer Self Service!

SunGard iWorks Premium Billing already provides access to direct bill accounts using our web services. We are pleased to announce that we are expanding our library of web services to include access to group billing and agency statement billing, allowing you to provide your agents/insureds access to the appropriate data elements.

Using your company's web portal and Premium Billing web services is a great way to empower your agents and insureds. By providing access to your agents, you improve their ability to provide timely and accurate information to your insureds. This offers the added benefit of freeing up your customer service department. This capability allows you to provide:

- Current minimum due and due date
- Future payment schedule
- Agent statement balance
- Commission details
- Agent open items reconciliation
- On-line payment application
- Access to change the pay plan mid term

The additional web services allow you to deploy and control only the data that you want accessible to your agents or insureds. Premium Billing includes a fully functional sample (C#, ASP.net) web service consumer, which can be used by our customers as a template/guideline for your individual requirements.

For more information on iWorks Premium Billing, please contact Greg Ford at 770-552-0525, or email greg.ford@sungard.com.

*iWorks EAS:***Upgrade to SunGard iWorks EAS Release 10.0***Timing is Key!*

First quarter deliverables will soon be behind you and the timing will be ideal to upgrade to EAS Release 10.0.

Upgrading to Release 10.0 will allow you to:

- Keep current with business, technological and compliance upgrades and requirements
- Stay current with supported releases
- Take advantage of enhancements that will save you time

Highlights of Release 10.0 include:

- Accounts Payable and Maintenance in .Net functionality
 - Gives you the ability to sort, find, copy/paste, export and print all grid-oriented screens
 - Enables you to attach notes/attachments to AP invoices
 - Provides a scalable technology platform
- Full audit capability for Accounts Payable and Maintenance
- Ability to alter the business units on generated entry details
- Ability to view all related journal entries/transactions for an invoice from the Enter AP Transactions screen

First Come – First Served!

Because of the significant functionality enhancements and workflow changes included in EAS Release 10.0, it is important to us that you receive the level of support required when implementing this release. To assure SunGard has adequate resources available to support all clients as they transition to EAS 10.0, we have made the decision to roll this release out in a controlled fashion. Giving consideration to resource capacity, SunGard iWorks will be limiting the number of clients who can upgrade in any given month and will be requesting clients to work with us to schedule their upgrade.

SunGard is offering a selection of upgrade packages to deploy Release 10.0 as efficiently and effectively as possible. For more information on these packages, and to schedule your upgrade, please contact your National Accounts Manager.

EAS Release 10.0 -- New Features and a New Look

Entry Generation has changed and is better than ever!

EAS entry generation allows you to automatically create new journal entry details based on a "match key" consisting of a user-defined combination of source, company, accounting basis, and business unit. Entry generation has been a powerful tool since the early releases of EAS, allowing you to create associated, offsetting, reversal, intercompany and pooling entries based on a set of "rules" that you establish.

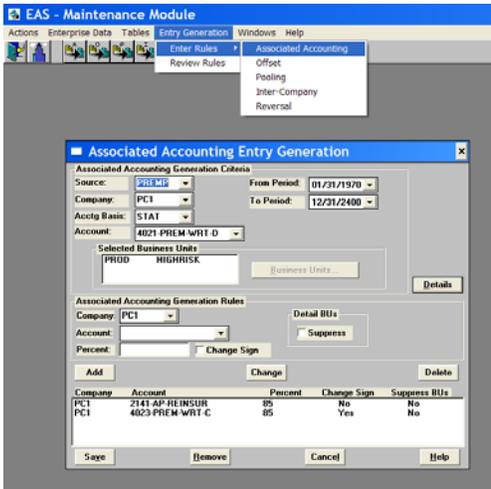
In EAS 8.2 we enhanced Entry Generation to allow you to build better Associated Entry Gen rules, the ability to generate details to different companies and to choose whether to copy or to suppress the Business Units (BUs) from the original details to the generated details.

In EAS 10.0 we've made even more enhancements to Associated Entry Generation. You can now "alter" the BUs on the generated details. You can also "append" new BUs to the generated details. You can even add BUs onto the generated details when there were no BUs on the original details. With this enhanced functionality in EAS 10.0, you can build Associated Entry Generation rules that allow you to do "front end" allocations in EAS. For example, you can enter an AP Invoice for printing supplies in Company 01 with a Service Center BU code of "Overhead" and, based on Associated rules, generate details that spread this expense to Companies 02 and 03 and allocate it to Department codes, as desired.

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EAS 10.0 -- New Features and a New Look - Continued from p. 7

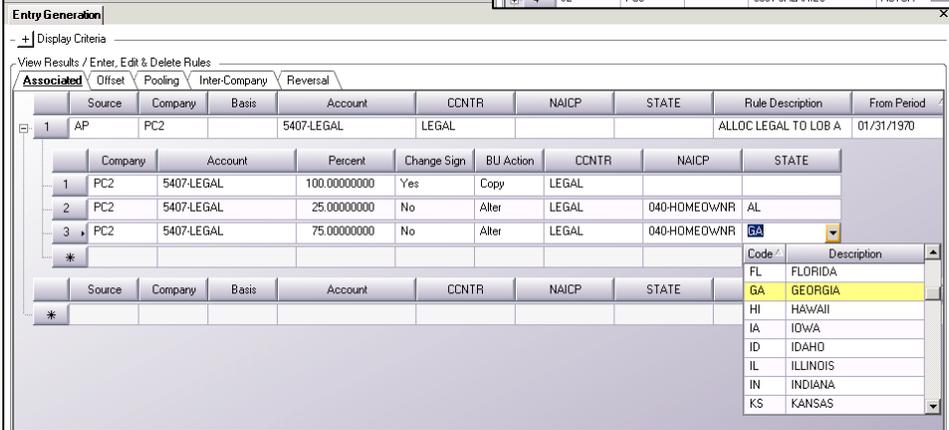
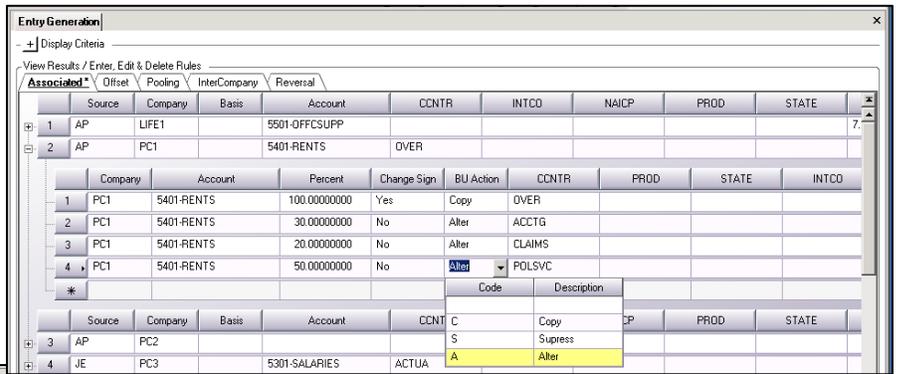
Online screen presentation of the rules is also improved in EAS 10.0:



Old look of the Associated Entry Generation rules screen in EAS 9.0:

Example 1:
Associated rule that changes BU codes

New look of Entry Generation (Associated rules tab) in EAS 10.0:



Example 2:
Associated rule that appends new BUs

In addition to the enhancements to Associated rules, loading your Entry Gen rules into EAS 10.0 is much easier. You can build an import file using our delivered templates to load in totally new rules, or build an export spreadsheet of existing rules to be edited for re-loading.

Contact your EAS National Accounts Manager to find out how you can schedule your upgrade to EAS 10.0 Entry Generation, or request an EAS Consultant to help you take advantage of the new tool in EAS Entry Generation.

iWorks Reinsurance

The Investment in Reinsurance Automation

Understanding the risks and solutions surrounding the decision to automate reinsurance in your organization

Throughout the years in providing Reinsurance Software Solutions, there have been numerous drivers behind a company's investment in reinsurance automation. The most common statements we hear include:

"I need a repeatable & auditable process"

While many organizations have relied on spreadsheets to calculate their reinsurance, this process is time consuming, error prone and becoming highly scrutinized among auditors. We have seen many situations where manual calculations that were generated and reported could not be substantiated during an audit due to missing supporting information. This type of situation causes angst among CFO's and triggers auditors to dig deeper to understand how widespread the issue may be.

"My expert is retiring and I need help"

Many companies have a heavy reliance on key individuals to handle their reinsurance. While the wealth of knowledge contained within these key team members is enormous, much of the history is not well documented, which leaves the companies very exposed should these key members leave the organization. We have seen too many situations where organizations wait too long to begin transitioning information from people's brains to a central repository. Then before you know it, they're not available. Don't let this happen to you!

"I need to know how my programs are performing"

It has become imperative that organizations be able to quickly understand the profitability and exposure within their reinsurance arrangements so they can make informed decisions. It is no longer acceptable to wait weeks or even days for accurate loss recoverable reports or exposure analysis of a financially questionable business partner. In order to maintain agility in this market, companies need accurate information faster.

"I am sure there have been calculation errors but I don't have time to go back and check"

In our 20+ years of implementing reinsurance software solutions, we have been able to help companies identify, bill and collect otherwise missed recoverables, in addition to identifying situations where too much premium was being ceded. Both of these 'recoveries' more than paid for the overall investment in automation. Once a company has moved from manual to automatic processing, identification of historical issues falls out during the implementation and significantly reduces the possibility of perpetuating issues in the future.

"I have too many systems which are costing me an arm and a leg to maintain"

Many organizations are spending inordinate amounts of IT dollars to maintain antiquated systems which are difficult to modify and report from. In addition, there are many instances where companies have multiple, disparate systems in place to process their reinsurance. On top of that, the ancillary costs of maintaining multiple coding structures, translation tables and various interfaces, along with the resources who understand all of the nuances, can be staggering.

And last, but not least,

"What about Regulatory Compliance?"

In the current state of the economy, coupled with the results of historical financial failures, compliance has become, and will continue to be, of paramount importance. Further scrutiny of not only the accuracy, but security of companies' financial data will become more and more important. The days of being able to handle reinsurance on spreadsheets are coming to an end.

So, what will automation really do for you?

Reduce complexity – Automation allows you to streamline the process of administering your reinsurance. More time should be spent analyzing results and making adjustments to your programs to improve profitability and less time on the actual administration of the process.

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Investing in Reinsurance Automation - Continued from p. 9

Significantly reduce / eliminate the potential of missed recoveries and over-cessions – Reinsurance is becoming more and more complex and the potential for error in manual processing is growing. It is crucial to have an automated process in place to handle the complex reinsurance arrangements ensuring proper reinsurance identification and timely and accurate payments and collections. One of our customers actually justified the investment in our reinsurance solution by making the case that the collection time of the reinsurance recoverables would decrease. The faster the money comes in, the sooner it can earn interest (at least that is the theory) and in their case, was absolutely accurate.

Improved accounting – Having the ability to know what your payable / recoverable balance is at any point in time, for any given arrangement, for any given business partner, provides you with a huge advantage in your decision making ability when negotiating settlements and / or renewals. You don't want to find out after the fact that you are already over-placed with a business partner who is a slow payer, or has just been down-graded.

Ease regulatory compliance – Auditors want to know who did what, when and how. Having the ability to show an auditable, transparent, repeatable process in a timely manner is a key step in achieving compliance. Companies can spend weeks or even months preparing for an audit when the key information resides in disparate systems, paper files or worse yet, somebody's memory. The audit process is stressful enough without having to jump through multiple hoops to produce the required information.

Preserve knowledge – Your business is too important to rely on what someone may or may not remember. Safeguard your information by keeping your critical information in a single, secure repository.

Feedback we have received from our customers as to the biggest benefits of implementing a reinsurance solution indicates that companies have seen a significant improvement in both the security and quality of the data contained within the solution. The information available for reporting and analytics — whether it be to support contract negotiations, trend analysis, "what if" type scenarios, collections or commutations — has proven to be very beneficial and certainly a time-saver.

Everybody wants information faster, so removing many of the manual processes that existed in not only the calculation and billing of reinsurance but the dreaded Schedule F as well, have allowed organizations to focus much more on analytics and improving overall performance and less time manually creating (or re-creating) the wheel.

For more information, please contact Dave Morales at 914-273-7742, or email dave.morales@sungard.com.

2009 Trade Show Schedule

Stop by the SunGard iWorks booth to see us at these upcoming tradeshow during the first part of 2009. We will be happy to show you our latest product solutions to meet your business needs.

Event	Date(s)	Location
Midwest Regional IASA	4/29 - 5/1	Kansas City
LOMA ACORD	5/17 - 5/19	Orlando
IASA	6/7 - 6/9	Orlando

iWorks Investments:

Accommodating 2009 Regulatory Changes

How Do I Handle the 2009 Regulatory Changes in My EPS or iWorks Investments System?

The NAIC has made significant changes for 2009. Many of these changes require action on your part. You will need to make some decisions regarding how best to handle these changes in your SunGard iWorks system.

NAIC Group

The NAIC has decided to discontinue using "Public Utilities" and "Banks, Trusts, and Insurance Companies" as reporting groups on the Schedule D and DA. This means that if you have securities with an NAIC Group of 50 or 60 in your EPS, SDR, or iWorks Investments system, you will need to decide to which NAIC Group they should be reclassified.

- Determine the issuers for any securities you have classified with an NAIC Group of 50 or 60. This will help you decide where they should be reclassified
 - For example, if the security was issued by a state, city or municipality, you may want to change the NAIC Group to 40 (Special Revenue & Assessments)
 - If the security was issued by a corporation, you may want to change the NAIC Group to 70 (Industrial & Miscellaneous)
- For our Q1 release, we have added NAIC Group to Edit | Global Data Table. For EPS, Investment Accounting and Investment Management clients, this allows you the ability to change the NAIC Group for many securities at the same time
- For all clients, you may change the NAIC Group for individual lots via Edit | Security Info (EPS,SDR) or Edit | Company Group (iWorks Investments)
- The NAIC recommends (but does not require) that you re-allocate your prior year values on Part 1A to reflect your reclassification to a new NAIC Group.
 - This can be done through Settings|Regulatory Prior Year on the Part 1A Col 8 tab
 - For example, if you reclassified several bonds from an NAIC Group of 50 (Public Utilities) to a 70 (Industrial & Miscellaneous), you would need to scroll down to the section for Public Utilities and make a negative Col 8 Adjustment to zero out this value
 - Then scroll to the section for Industrial & Miscellaneous and make a Col 8 Adjustment to increase the subtotal by the same amount
 - To assist you in reconciling this, run the Reconciliation Report in the system, choosing to report "Statement Value" and grouping by "Schedule D"
 - The first column on this report is prior year Statement Value (Book/Adjusted Carrying Value)
 - The subtotals for each NAIC Group in this column should tie to your prior year column on the Part 1A, once you have made adjustments in Settings | Regulatory Prior Year

Hybrids

For 2009, the NAIC requires that Hybrids are reported on Schedule D, Part 1 (if long-term), Schedule DA, Part 1 (if short-term), or Schedule E, Part 2 (if a cash equivalent). You will need to determine on which schedule your Hybrids should be reported. In addition, Hybrids will now appear in their own section on these schedules.

- During the Q1 upgrade, any security that currently has the Hybrid checkbox checked will have the NAIC Group field changed to HY (this assures the security will appear in the separate Hybrid section) and will have the Reporting Security Type field changed to Bond (which places the security on Schedule D, Part 1)
 - If you own a Hybrid security which should appear on Schedule DA or E, you will need to edit Reporting Security Type accordingly, after you have upgraded your system
- In addition, the Hybrid checkbox will be removed during the upgrade, as it is no longer necessary -- the new NAIC Group of HY will now be what identifies a security as a Hybrid

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Foreign Code

There are two new Foreign Codes in 2009, "A" (CN securities issued in CN, denominated in US\$) and "R" (Foreign securities issued in the US, denominated in US\$). Previously, the system determined the correct Foreign Code by how you set the following three fields: Country, Currency and Where Issued. With the Q1 upgrade, the system will contain a new field, FC Code to determine which code should be shown in the "Foreign" column for securities.

- During the Q1 upgrade, the new FC Code field will be populated automatically, based on your current choices in the Country, Currency and Where Issued fields
- Going forward, with each new foreign security purchased, you will need to set the FC Code field appropriately.
- This field can be edited in Edit | Security Info for EPS and SDR, or in Edit | Company Group for iWorks Investments
- The field will also be added to Edit | Global Data Table in order to allow changing the entry for multiple securities at once. This functionality is available to EPS, Investment Accounting and Investment Management clients

Income on Foreign Securities

The NAIC has changed how income received on foreign securities is to be reported for 2009. Income reported on regulatory schedules is now to be reported net of foreign taxes.

- There are no system changes regarding this, but please be aware that your income postings for 2009 must be net of tax for foreign securities
- Note: The system will calculate expected income before taxes

It is important to review the NAIC changes for 2009 and determine the decisions and corresponding system changes that are necessary on your part. If you have any questions, please call your Product Support team.

For more information on this or other topics, contact Product Support at 303-689-1706 (Investments) or 303-689-1701 (EPS/SDR), or via email at sis.investprodsupport@sungard.com.

Upgrading to an iWorks Investments Product

Now is the time to look at scheduling your upgrade from EPS/SDR to iWorks Investments in 2009!

In 2008, SunGard iWorks rolled out the upgrade program for the **iWorks Investments** group of products: Investment Management, Investment Accounting and Investment Regulatory. Each product offers a different level of functionality and available features to meet the varied business needs of our clients. Many EPS and SDR clients have already implemented the new software -- most choosing to implement on the same tier (EPS to Investment Accounting, SDR to Investment Regulatory), but many taking advantage of a product upgrade that offers even more new and enhanced functionality than the same-tier upgrade.

SunGard iWorks is offering a selection of upgrade packages to help you make the transition as efficiently as possible. Upgrade packages include training, data analysis and conversion support as well as optional data reconciliation services. We are offering multiple upgrade training sessions throughout 2009 to help accommodate the best time for you to schedule your upgrade and attend training. You can choose to complete the required two-day training with a hands-on program in Denver, a presentation-style program in a city near you, or private training at your location or ours. For a schedule of upcoming upgrade training classes, please see the link included with the article on SunGard iWorks 2009 Training in this newsletter.

For more information on upgrading from EPS/SDR to an iWorks Investments product, contact your National Account Manager at 303-689-1705, or email iworks.info@sungard.com to request a call.

www.sungard.com/iworks

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Standards Board (IASB). On March 16, the FASB, responding to pressure from Congress, released two new FSPs dealing with Fair Value and Other Than Temporary Impairments. While the NAIC just recently adopted new accounting requirements for Other Than Temporary Impairments of securities (SAPs 98 & 99), the Statutory Accounting Principles Working Group (SAPWG) established the Fair Value Subgroup to study these new pronouncements and make recommendations to the SAPWG. It is very likely, therefore, that new guidance will be forthcoming for determining and reporting of fair value and when to recognize impairments as "Other Than Temporary." The regulatory experts at SunGard iWorks Financials will closely monitor these new pronouncements and keep the staff and clients updated on the status of not only the statutory guidance, but that of FASB, the SEC and the IASB.

Overall, I believe that the NAIC will work at a feverish pace to review, adopt and enforce new guidance and pronouncements in light of the current economic crisis and pressure from other regulatory bodies. Pressure from the U.S. Congress will play a large role in shaping insurance regulation – both directly and indirectly. It is imperative now more than ever that people responsible for accounting and regulatory compliance keep up on what is happening within the insurance regulatory environment, as well as with regulatory bodies outside the insurance industry.

Attend a FREE Regulatory Update Webinar, presented by Dennis Lebar, on Thursday, April 9, 2009. Go to the Events page at www.sungard.com/iworks for a link to register for this and other informative sessions.

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