

Insurance industry

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AVIVA & HISCOX



(Aviva, 2021) (Hiscox, 2021)

Agenda

01 Introduction

- ✓ AVIVA
- ✓ HISCOX

02 CSR Report

- ✓ Purposes, Values & Strategies
- ✓ Environmental Responsibility
- ✓ Sustainability Responsibility.
- ✓ Ethical Responsibility
- ✓ Final comparison

03 Reporting Issues Reported by both Companies

05 Items reported differently in the accounts

04 The impact of COVID-19 on accounting policies

Introduction To AVIVA

With you today, for a better tomorrow

Purpose

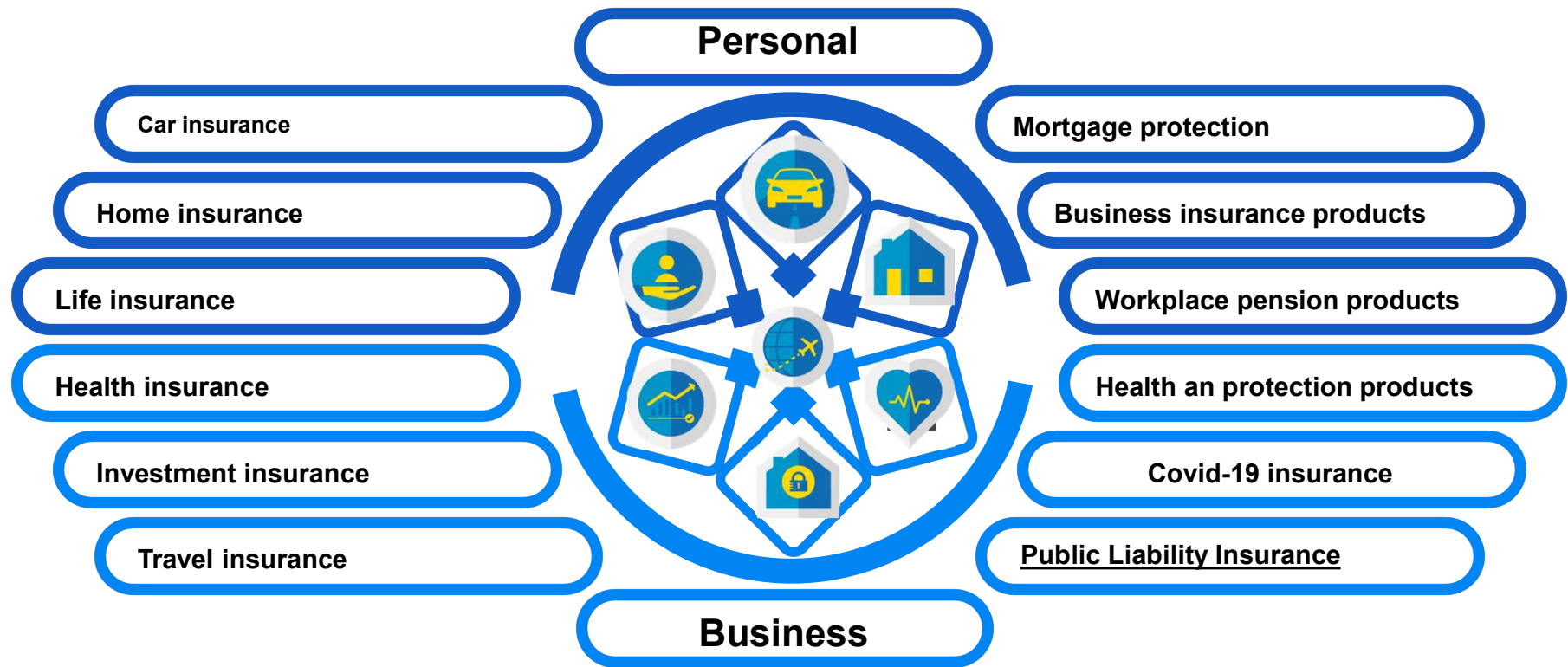
Locations

Values

Strategies



Introduction To AVIVA



Introduction To HISCOX



Introduction To HISCOX



(Hiscox, 2021)

Comparing CSR Reports

1

Purposes
Values
Strategies

2

Environmental &
Sustainability
Responsibility

Ethical & social
Responsibility

Helping the companies
position (customers,
investors,
regulators.....)

Employee/Customer
engagements &
satisfaction

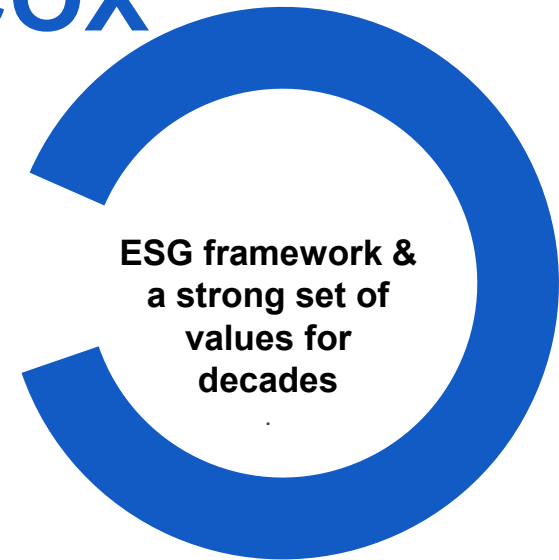
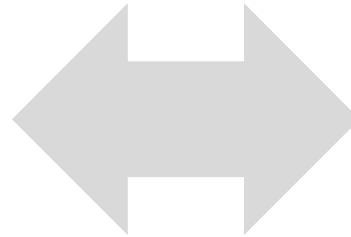


Purposes, Values & Strategies

AVIVA



HISCOX



Environmental & Sustainability Responsibility



AVIVA

ranked 21 globally for our environmental voting track

- ❖ 76% Reduction in CO2e in our operations since 2010
- ❖ Aviva invested £11.7 billion in green assets
- ❖ The Aviva Scotland Solar Project
- ❖ invest responsibly with Environmental, Social and Governance (ESG) considerations



Hiscox

- ❖ Current carbon reduction targets met and new targets in development
- ❖ Exposure reduction commitments to support move to low-carbon economy
- ❖ Embedding rhythm and accountability in approach to climate change
- ❖ Strengthening internal expertise and focus on climate change



Ethical & Social Responsibility



A

- Suppliers
- Customers
- People (employees, women, prejudice or discrimination...)
- Ethics code

H

- provide employees with a work environment in which they can flourish
- 83% said employees are treated fairly
- 77% said they felt proud to work for Hiscox

A

- Our UK claims service is ranked world class
- Targeting £10 billion of investments into UK infrastructure and real estate projects

H

- Supporting ethnic diversity and social justice
- active members of Insuring Women's Futures
- 86% of employees felt supported
- 43,000 training hours completed in 2020

Final Comparison



Investing

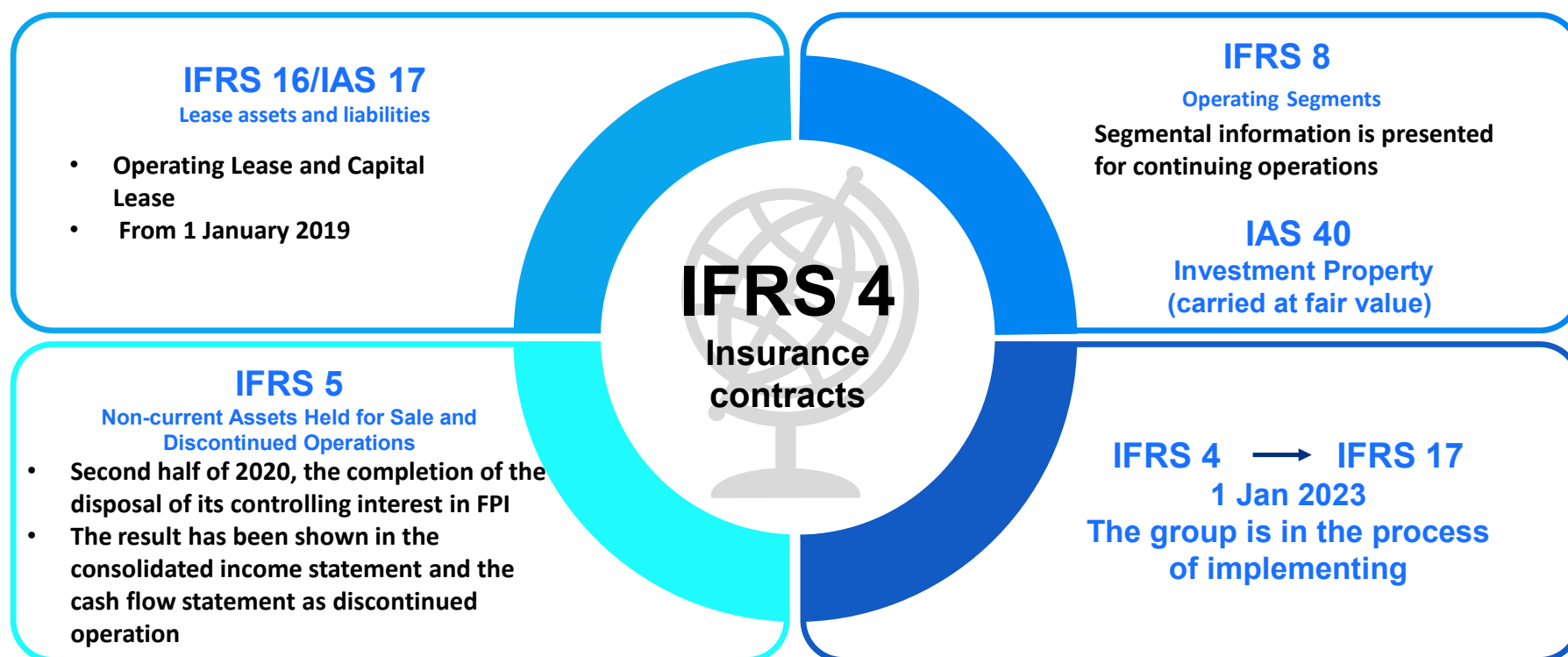
Awards

Strategies
and goals

Number
of
activities

Quality &
quantity of
Reports

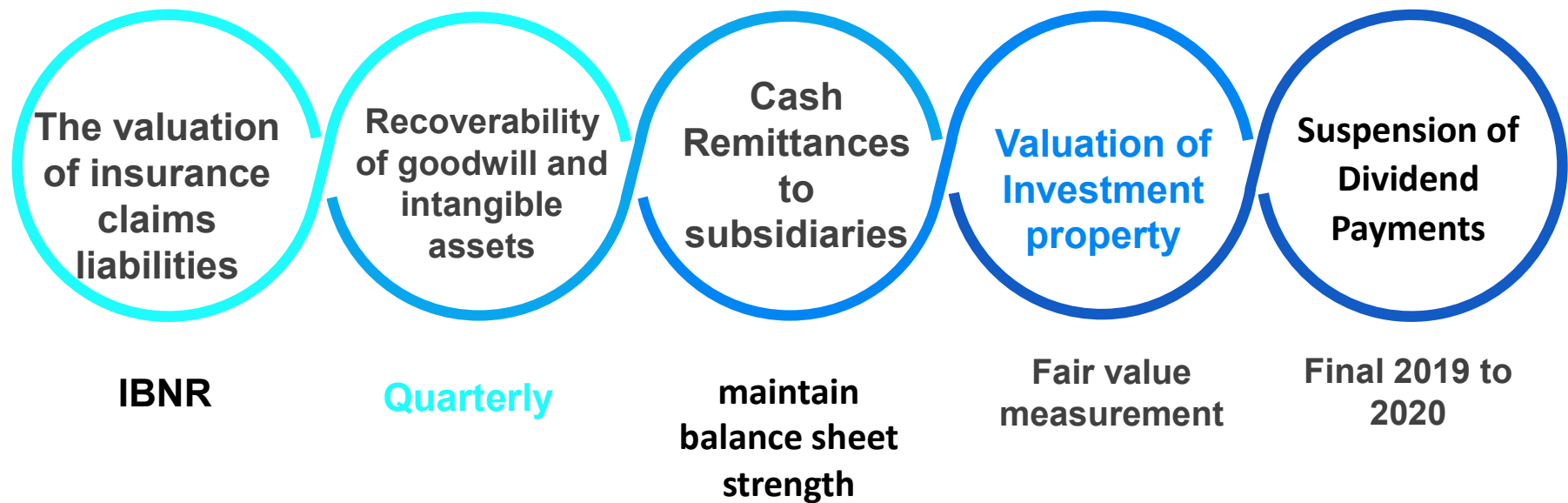
Reporting issues AVIVA



Reporting issues HISCOX

IFRS 4	IAS 1 and IAS 8	Fair value	finite lived intangible assets'
Insurance contracts <ul style="list-style-type: none">The Group continues to apply the existing accounting policies <div>New: IFRS 17</div>	Definition of Material <ul style="list-style-type: none">omitting, misstating or obscuringDecision of primary userGeneral purposes1 January 2020 <div>Amendments</div>	Borrowings Financial assets <p>All borrowings are initially recognized at fair value.</p> <div></div>	assessment of the carrying value of certain finite lived intangible assets <div></div>

Evaluation the impact of COVID-19 on Accounting Policies AVIVA



Evaluation the impact of COVID-19 on Accounting Policies HISCOX

Impairment Testing

The impairment assumptions were reviewed and updated where required for the potential impact of, and uncertainties related to, Covid-19. impairment testing on intangible assets and goodwill

Reviewing the method of Estimates

claims/ reserves/ Premium income



Insurance claim liabilities

Reinsurance asset

Liquidity

The share issuance in 2020, to increase liquidity for claims

Valuation of Investment Property

Fair value measurement

Suspension of Dividend Payments

Items that the companies have reported differently

01

02

03

04

IAS 16

Property, Plant, Equipment	Depreciation	Premium recognition from insurance contracts	Fair value of financial instruments and investment
AVIVA: has reported the PPE according to revaluation model.	AVIVA: Less Depreciation Years	AVIVA: Premiums on long-term & investment insurance contracts as income= when received Investment-linked premiums=liabilities recognized Single premium business= the date policy is effective regular premium contracts= due date	Aviva: market prices are not available, valuation techniques broker quotes and models using both observable and unobservable market inputs
HISCOX: Property, plant and equipment are stated at historical cost .	HISCOX: More Depreciation years Motor vehicle : 3 years in both companies	HISCOX: Premiums are recognized as revenue=premiums earned	HISCOX: market Price

(Aviva, 2021) (Hiscox, 2021)

Why do you think the companies have adopted different accounting policies for the same item?

PPE:

Market value:

- Provide accurate and up-to-date information
- Make better decisions for selling or keeping the PPE
- Considering other investment decision

Cost model:

- Avoiding high Depreciation expenses

Depreciation:

More years:

- Distributing the Depreciation expenses over years
- Providing a better value of assets

Less years:

- For tax purposes

Premium Recognition:

- Recognize more Revenue (Aviva)
- Paying less Tax (Hiscox)



**Which policy do you think
gives a better picture of
economic reality?**

- ❖ PPE: Assessment according to market base evidence
- ❖ Considering less Depreciation years for Tax purposes
- ❖ AVIVA is much more accurate and recognizes more premiums.



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THANK YOU

