



Institute of Actuaries of Australia

5th Financial Services Forum

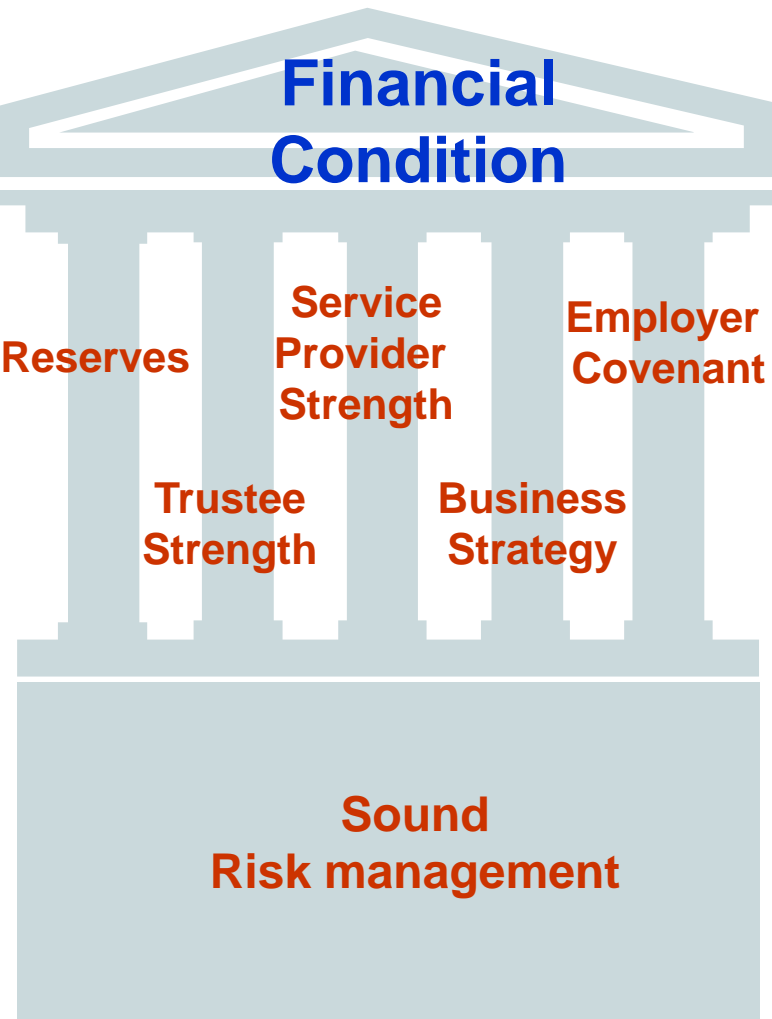
Renovating the Financial System

2010

13 and 14 May 2010 – SYDNEY

Financial Condition Reports for Super Funds

Darren Wickham

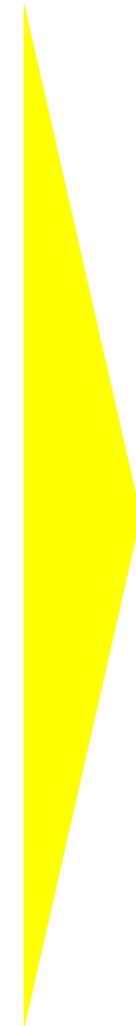


Assessment of Financial Condition

- Assess today & recent past
- Analysis of changes
- Projection into future (modelling assets, cash flows, membership)

Assessment of Material Risks

- Subjective review of Risk Management Framework
- Analysis of Risk Experience
- “Deep Dive” review of selected material risks



- Reserves adequate?
- Fees sustainable?
- Risk controls appropriate?

Value Proposition

- Sophisticated management report provides useful insights into operation of complex organisation
- Level of comfort about risks
- Insights into member behaviour
- Modelling useful for reserving, fee setting, strategy
- Due Diligence for Merger

Some Questions

- Do you agree
 - Definition of financial condition?
 - Items to included in report?
- The name - Financial Condition Report?
- Do actuaries currently have the right skills?
- Should we develop professional guidance?
- Way forward / next steps?