



Review of the role of the Appointed Actuary

Peter Kohlhagen, October 2017



← - - - - - OUR ROLE FOR THE AUSTRALIAN COMMUNITY - - - - - →

PROMOTE FINANCIAL SYSTEM STABILITY

FINANCIAL SAFETY

BALANCED WITH EFFICIENCY, COMPETITION, CONTESTABILITY
AND COMPETITIVE NEUTRALITY

← - - - - - ACHIEVED THROUGH OUR CORE FUNCTIONS - - - - - →

SUPERVISION

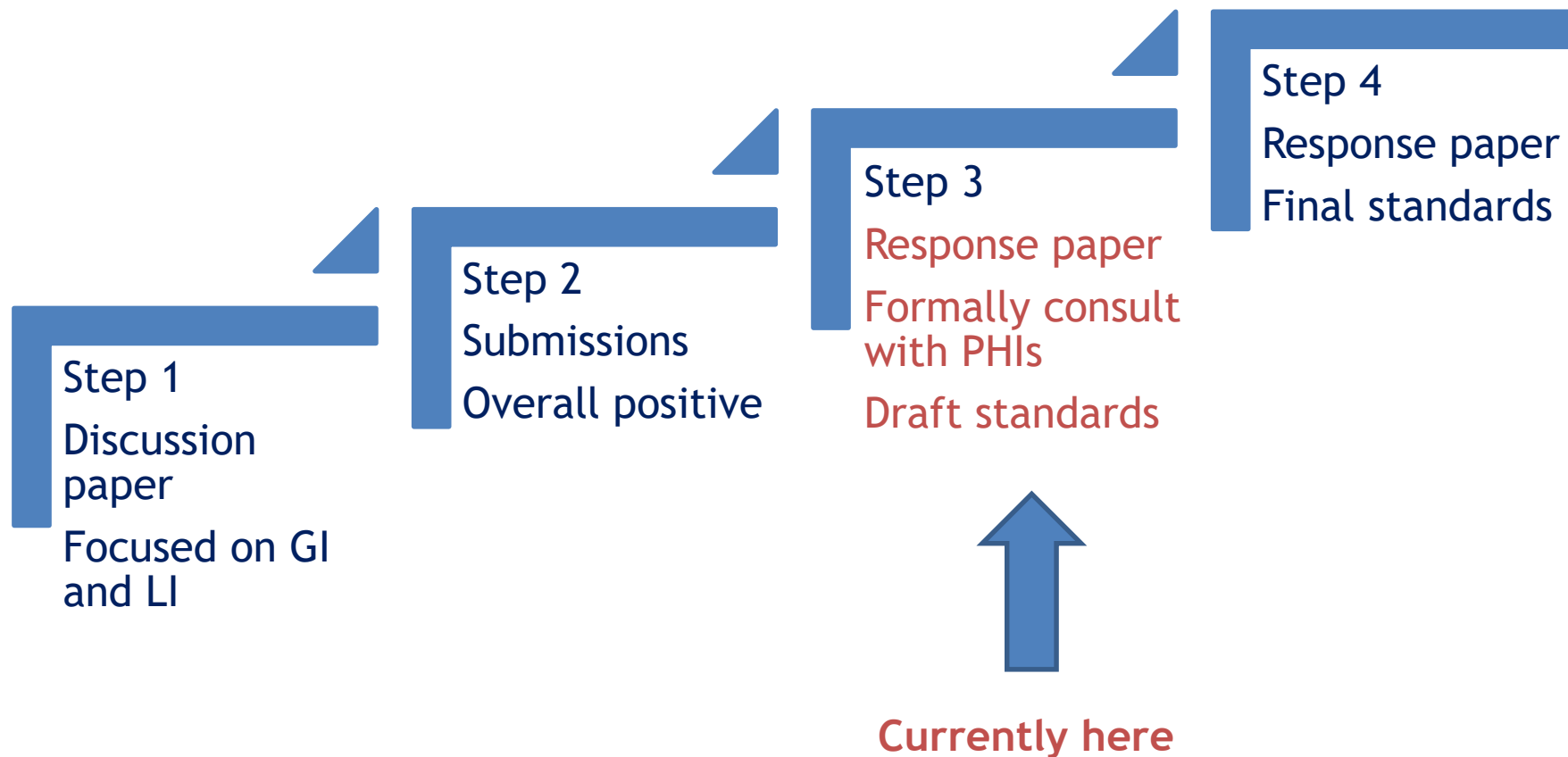
POLICY

RESOLUTION



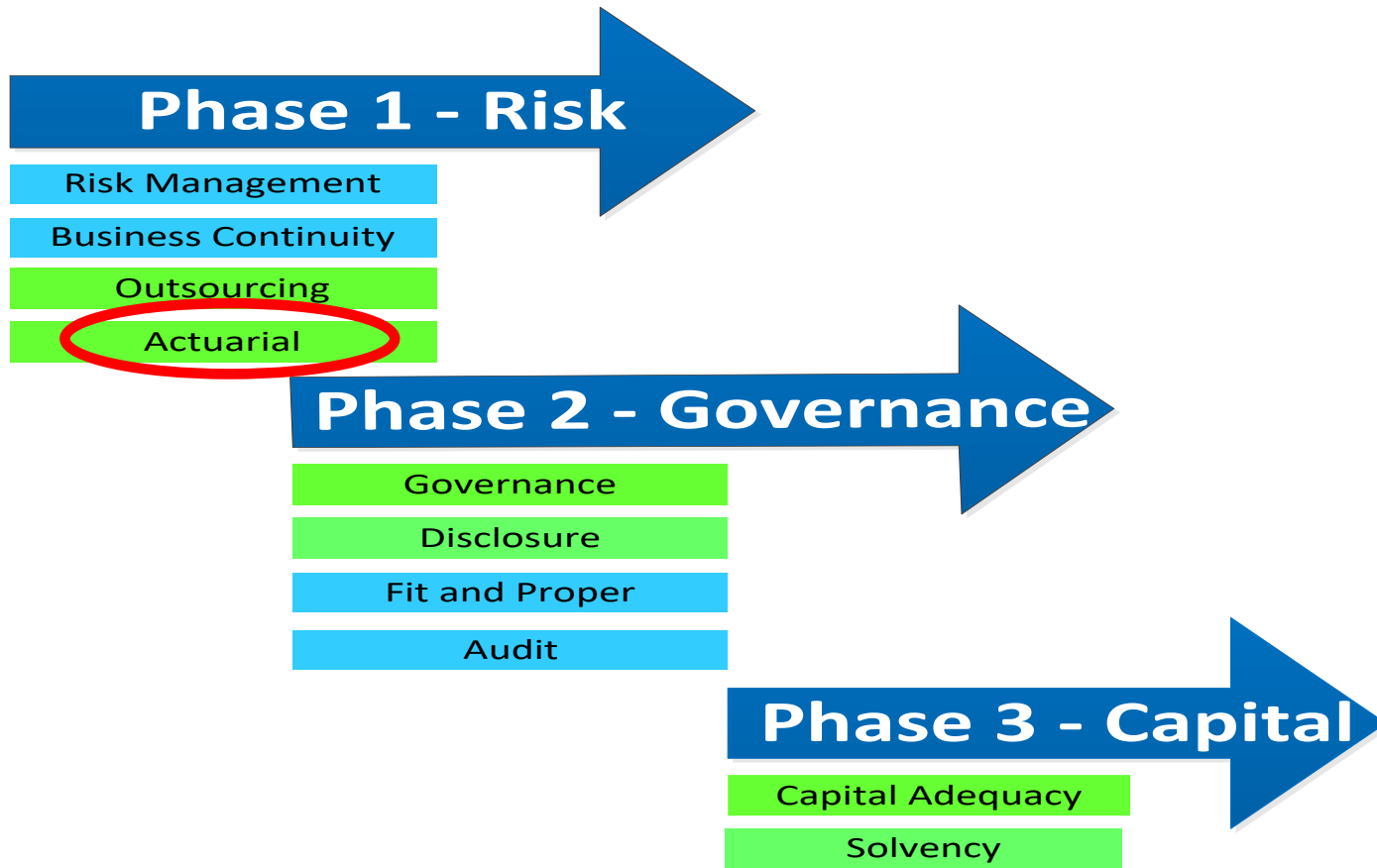
PRIMARY OBJECTIVES	
Financial safety ↑	Financial system stability ↔
Marginally enhanced	Unchanged
OTHER CONSIDERATIONS	
Efficiency ↑	Enhanced
Competition ↔	Unchanged
Contestability ↑	Marginally enhanced
Competitive Neutrality ↑	Marginally enhanced

Project overview

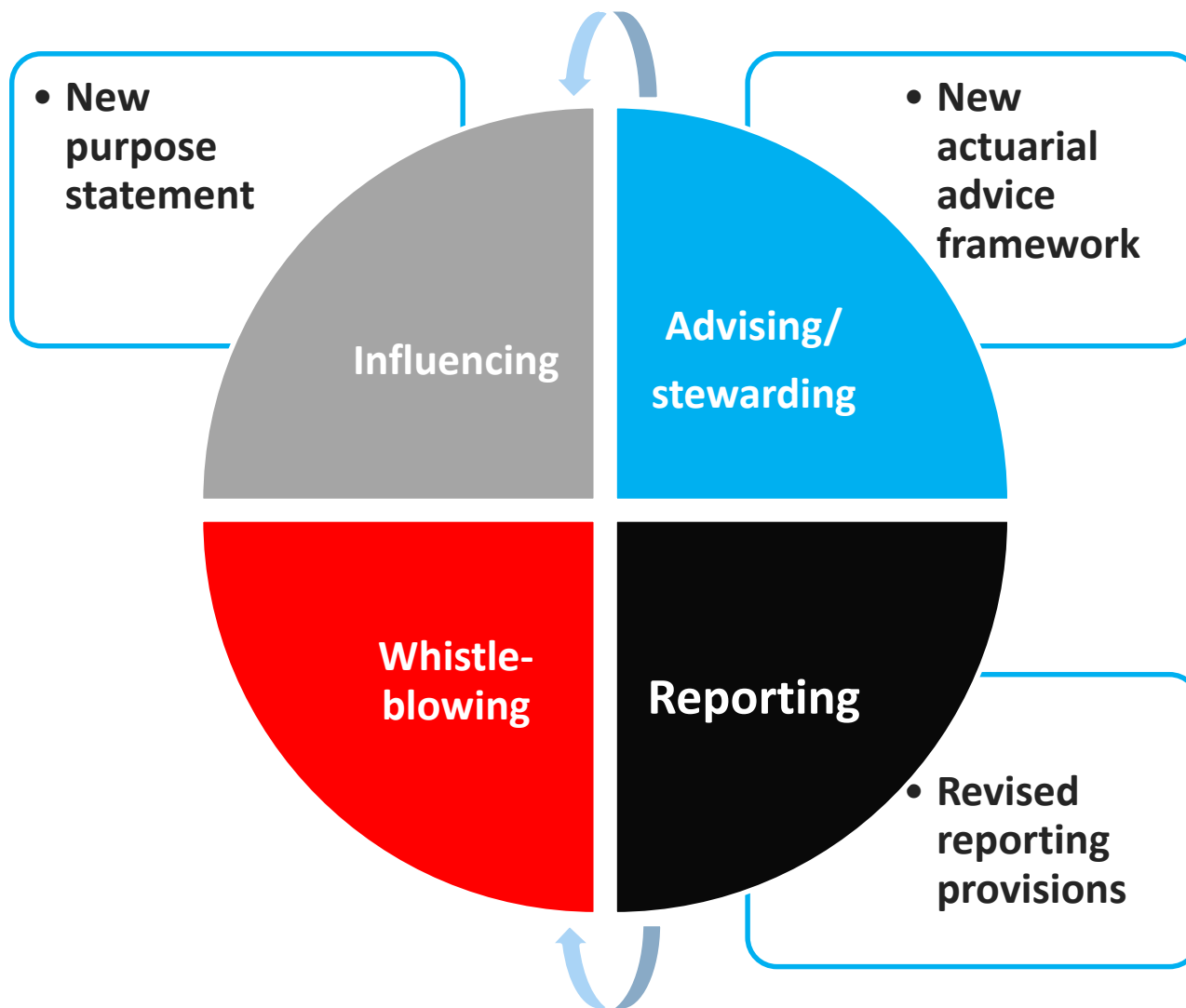




For PHI – part of the policy roadmap



What's new at a glance?



Proposed purpose statement



“The purpose of the Appointed Actuary role is to ensure that the board and senior management have **unfettered access to expert, impartial actuarial advice** and review, to **assist with the sound and prudent management** of an insurer and to ensure that the insurer gives appropriate consideration to the **protection of policyholder interests**.

The Appointed Actuary must have the necessary **authority, seniority and support to contribute to the debate of strategic issues** at a senior management level and provide advice that is considered seriously by the board. The Appointed Actuary plays a **key role** in, and **provides effective challenge** to, the activities and decisions that may **materially affect the insurer’s financial condition**, as well as **policyholder interests**.”

Proposed actuarial advice framework



NO ACTUARIAL ADVICE

Matter is immaterial
and does not require
advice.



ADVICE FROM ACTUARIES

Matter is material and
requires actuarial
advice

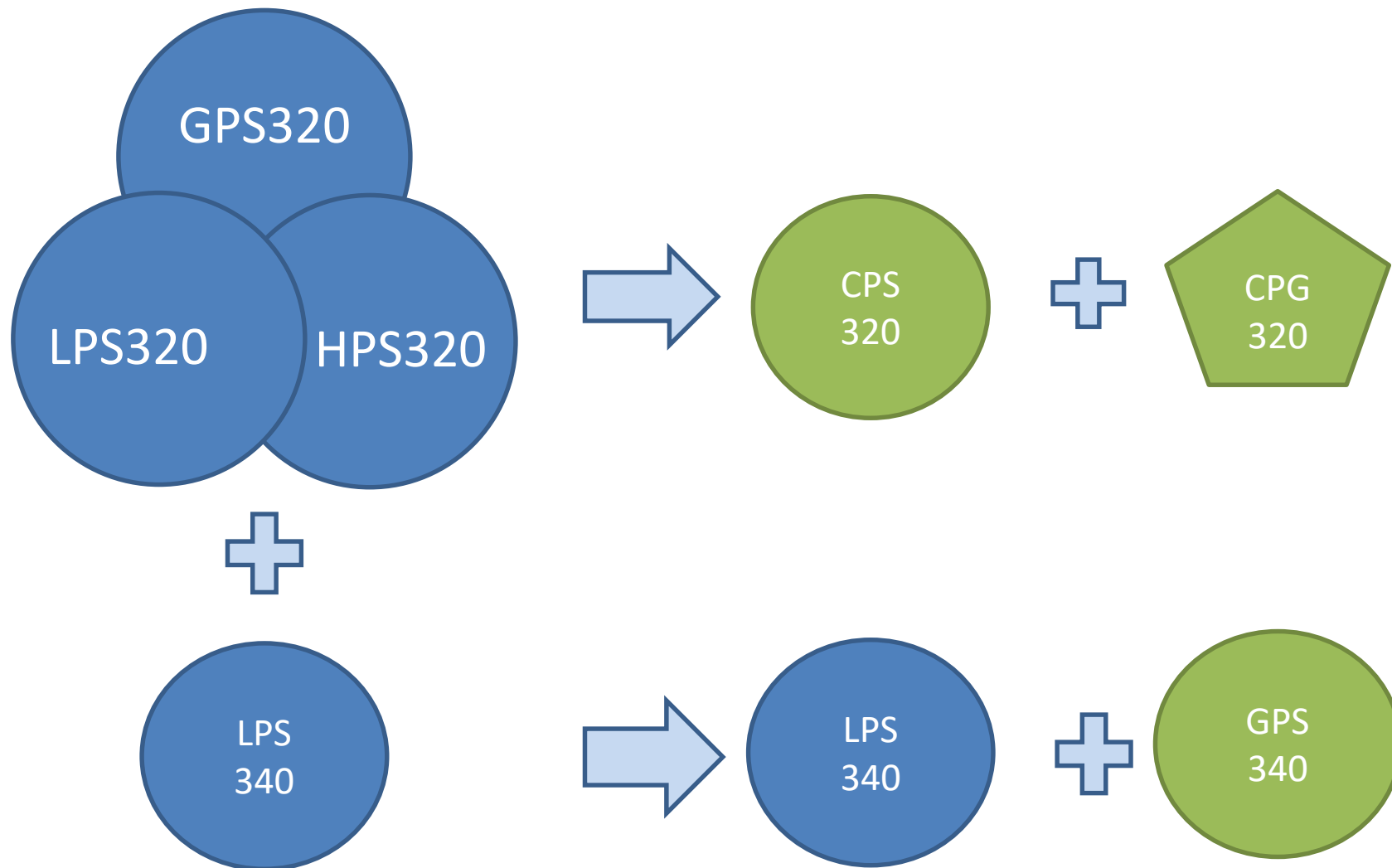


ADVICE FROM APPOINTED ACTUARY

Matter is most
material and requires
advice from Appointed
Actuary

Materiality is to be assessed under the insurer's Actuarial Advice Framework.
In all cases, the insurer and Appointed Actuary must comply with any obligations specifically
imposed under CPS 320 or the Acts

Simplify prudential standards





Questions?



If you have further questions or comments, please contact Iain Bulcraig – IBULCRAIG@scor.com