

Thriving on Change

16th

**General
Insurance
Seminar**



9-12th Nov 2008
Hyatt Regency Coolum



Institute of Actuaries of Australia

Refinement of PS300

Elaine Collins



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Agenda

- Unintended consequences
- Members invited to provide comments
- Issues Brief and response
- Four broad themes:
 - Scope and timing of application
 - Reliance on others
 - Valuations in advance of balance date/post-balance date events
 - Reconciliations and comparisons



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PS300 Refinement sub-committee

- Elaine Collins (Convenor)
- Nick Allsop
- Peter Hardy
- Andrew Houltram
- Blair Nicholls
- Adam Searle
- Bruce Watson
- Elaine Yang
- Anne Peters (Institute representative)



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Issues Brief

- Unintended consequences
- Members invited to provide comments
- Members' input formed the basis of the Issues Brief
- 17 questions posed
- Members submitted responses to Issues Brief



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Respondents

Initial comments

- APRA
- Taylor Fry
- Ernst & Young
- Finity
- Allianz
- KPMG
- PwC
- QBE
- Two individual members

Issues Brief

- QBE
- PwC
- Deloitte
- CBA
- QBE
- Munich Re
- McMahon Consulting
- KPMG
- Suncorp
- Finity



Four broad themes:

1. Scope and timing of application

2. Reliance on others



Refinements to wording

3. Valuations in advance of balance date/post-balance date events

4. Reconciliations and comparisons





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1. Scope and timing of application

- When a PS 300-compliant report is required
- Timing of a PS 300-compliant report
- Materiality



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2. Reliance on others

- Information controls and limitations
- Broad spectrum in both degree of reliance and range of skills
- Where a Member relies on the work of other persons (including other Members)...



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3. Valuations in advance of balance date/post-balance date events

- Valuation results appropriate to the valuation date
- Allow for changes in experience up to the valuation date (particularly if a roll forward process is used)
- Appropriately allow for changes in experience after the valuation date, the impact of which changes is extreme



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4. Reconciliations and comparisons of actual versus expected

- To be discussed in this seminar's concurrent session subsequent to this one
- Wording refinements will depend on the feedback



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Discussion and questions