Professional Standard 300
- Key impacts –

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Overview

• Background
• Submissions from members
• Issues raised and response
• Consultation
• Key impacts
• Final comments
Background

• Redrafting of Institute Professional Standards
• PS300 Sub-committee
• Discussion Draft distributed to members in February 2006
• Horizons discussions / submissions in March 2006
Submissions from members

- Relationship to APRA Prudential Standards
- Relationship to PS100, PS305
- Verbal discussion at Horizons
- 15 written submissions from members
- Comprehensive commentary
Issues raised in submissions and response

- Removed focus on APRA requirements
- Generalised reporting requirements
- Clarification of commencement date
- Need to dispense with certain requirements
- Repetition of items
- Variability and uncertainty
- Reconciliation
Consultation

- Statutory requirements only
- One professional standard for general insurance valuations
- Opportunity for feedback from PSC, GIPC, APRA
- Exposure Draft distributed to members in September 2006
- Submissions strictly by 6 October 2006
Key impacts

• Wording of “must” rather than “should”
• Actual versus expected experience
• Documentation of assumptions
• Commentary on controls around application of valuation methods
• Communication of uncertainty
• Analysis of change of valuation estimate
Final comments

• Application to general insurers and self insurers where valuation mandated
• Issue of removal of APRA Attachment A to GPS 310
• Intended implementation date from 31 December 2006 valuations
• Does PS300 encompass practice requirements by which we would expect our members to abide?
Thank you

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