



1996



Ted Rudge

MA, FIA, ASA, FIAA

Awarded to Ted Rudge for his pioneering work in the demutualisation of National Mutual Life

### Citation

The following item appeared on the cover of the March 1996 issue of *Actuary Australia*:

#### **Pioneering work paving way for life company demutualisation wins award**

Ted Rudge, Group Chief Actuary of National Mutual, received The Institute of Actuaries of Australia's (IAA) first 'Practitioner's Award' created to recognise actuarial work and problem solving in areas where there are no precedents. He spearheaded the actuarial effort on ground-breaking work for National Mutual Life which helped to prepare the company for demutualisation.

The pioneering work by Ted, which was recognised with the special award this week, paved the way for demutualisation of mutual life insurance groups.

It also may assist in the emergence of more 'bancassurance' groups, or mergers between life companies and other financial services groups, in Australia.

Announcing the award, IAA President, Geoff Burgess, said Ted's work will have a significant impact not only on NML's policyholders but also on other mutual life offices which are considering de-mutualising. It is believed that the AMP Society and Colonial are also examining demutualisation.

"There was no precedent in Australia for a demutualisation of the kind proposed, so Ted's achievement certainly deserves the award", Mr Burgess said.

The actuarial effort included an assessment of the value of the organisation, how much of that value could be released to policyholders, the means by which this could be done and the rights of the individuals involved.

"De-mutualising an institution with a 126 year history is no easy task, and there are complex issues to determine ahead of it happening", Mr Rudge said.

The NML actuarial team had to take account of the impending changes to the Life Insurance Act and new capital adequacy requirements.

The IAA has been at the forefront of development of changes in these areas designed to create common and up to date standards of capital adequacy, ensuring long term financial strength of life insurance and superannuation groups that are entrusted with managing large amounts of Australians' investments.