



**Actuaries
Institute**



Actuaries Institute Insights Session

Appointed Actuary Role

Ian Laughlin
Deputy Chairman
APRA

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Background

- **Some history**
 - LI
 - GI
- **Recent experience**
 - Life Industry
 - AA turnover
- **Delegation of duties**

Possible causes



- APRA
- The industry

Possible causes



- APRA
 - The industry
- 00000000000-----
- The profession
 - The individuals

Words



- Objective
- Expert
- Professional

Words



- Objective
- Expert
- Professional

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- Conflict
- Incentives
- Title

Looking forward



- Need for change
- APRA open to change
- APRA holistic review started
- Outcomes for industry
- Outcomes for profession

Insights – The Appointed Actuary Role

Estelle Pearson
President
Actuaries Institute



Purpose

- The purpose of the Appointed Actuary (AA) role is to give expert and objective advice to the Board and senior management regarding the most important aspects of the current and future financial condition of the insurer and to provide their expert insights on risk.
- The AA role is a role required by the respective health, general and life insurance laws and subject to Board appointment. The statutory AA role ensures that the Boards and senior management of all insurance companies receive a minimum level of actuarial advice.

Scope

- Reflecting the different natures of the business and risks written, the scope and activities of the statutory AA role can vary considerably across health, general and life insurance sectors.
- The Life Appointed Actuaries task force report provided our views on the current scope and activities for the Life AA role.
- The insurer must make arrangements to enable the AA to undertake the role including the provision of access to information and people and reporting lines to the Board and Board Committees.

Lines of Defence

- *The Actuaries Institute believes the designation of the AA role as 1st or 2nd line of defence limits the effectiveness and value of the AA role and would advocate that the individual circumstances or particular nature of the insurer is instead taken into account.*

Insights – The Appointed Actuary Role

Presented by President Estelle Pearson,
Ian Laughlin, Brett Ward, Jamie Reid
and Hoa Bui

