

21 September 2016

Mr. Pat Brennan  
General Manager – Policy Development  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

Dear Mr Brennan,

**Aioi Nissay Dowa Insurance Company Pty Ltd (ADICA)**  
**Response to APRA's proposed changes to the role of the Appointed Actuary and actuarial advice within insurers**

Thank you for giving ADICA the opportunity to comment on APRA's proposed changes to the role of the Appointed Actuary (AA) of insurers.

We have considered the proposed changes and conclude that that no material changes will need to be made in order for ADICA to comply with the proposed changes as our AA:

- Is a standing invitee of the Audit & Compliance and Risk Management Committees
- Meet with the Board independently of management
- Provides input to the Board and Management in relation to strategic decisions
- Provides actuarial advice on the areas contemplated in the discussion paper (e.g. insurance liabilities adequacy)
- Comments on the areas highlighted in the discussion paper in his Financial Condition Report of ADICA
- Was actively involved in the formulation of ADICA's risk management framework and ICAAP

The development of an Actuarial Advice Framework will formalise the actuarial advice currently provided to ADICA by its AA and provide clarity around issues such as managing any potential conflicts of interests (currently not applicable as the AA is an external consultant) and prescribing temporary delegations.

We look forward to receiving the results of the consultation in due course.

Yours sincerely



Anthony Durakovic

**Chief Executive Officer**