

I am writing in relation to the Discussion Paper on the Role of the Appointed Actuary

These are my own views rather than the views of my employer.

The main comment I wanted to offer is in relation to the CRO role relative to the AA. If I look at the words APRA is offering in relation to the AA role -

“The purpose of the Appointed Actuary role is to ensure that the board has unfettered access to expert and impartial actuarial advice and review, to assist with the sound and prudent management of an insurer and that the insurer gives adequate consideration to the protection of policyholder interests. The Appointed Actuary must have the necessary authority, seniority and adequate support to ensure their views are considered seriously by the board and they are able to make a significant contribution to the debate of strategic issues at the executive level. The Appointed Actuary plays a key role in, and provides effective challenge to, the activities and decisions that may materially affect the insurer’s financial condition as well as its treatment of policyholders.”

And contrast them with the key statement in relation to the CRO role *“The CRO must have a direct reporting line to the CEO, and have regular and unfettered access to the Board and the Board Risk Committee.”*

I note in the discussion paper APRA says *“stakeholders suggest that the introduction of the CRO is inadvertently reducing the stature/seniority of the Appointed Actuary”*. I fully agree that this is happening now, and will continue to happen. However this can I believe be addressed by APRA making a clear statement in respect of the AA role similar to what they have done for the CRO - that the role must have a direct reporting line to the CEO. In the absence of such a statement I feel that many people will conclude that APRA's view is that the CRO **must** be in the CEO's management team, whereas the AA need not be.

On a different note, I welcome the move to remove some of the less critical parts of the AA role to allow a better focus on strategic issues. However I submit that the requirement for actuarial advice on reporting under the FSCODA could also be removed. Since its introduction I have struggled to see a lot of value in this, and I also cannot see for some of the forms, why the actuarial function is best placed to provide this advice.

Thanks for considering my submission

Martin Considine