

**NAB Wealth**  
105-153 Miller St  
North Sydney NSW 2060



20 September 2016

**Mr Pat Brennan**  
General Manager  
Policy Development  
Australian Prudential Regulation Authority  
1 Martin Place, Sydney, NSW 2000

Dear Pat

### **Role of the Appointed Actuary**

Thank you for the opportunity to provide feedback on the discussion of the role of the Appointed Actuary within life and general insurance companies. The discussion has implications for the long-term security of the life insurance industry and the policyholders it represents, and we take the matter seriously.

The importance of the Appointed Actuary to MLC is demonstrated in our organisational structure. Within MLC the Appointed Actuary reports to the EGM, Insurance and following the successful 80% sale of MLC to Nippon Life will report to the CEO of MLC. This structure has allowed the Appointed Actuary to significantly participate in and contribute to the company's strategy development and other aspects of the sound financial management of the company in a timely and meaningful way.

We would commend this approach to APRA and recommend that the Appointed Actuary be a direct report to the CEO (or equivalent). We suggest that it be the default position, so that if an insurer concluded that the Appointed Actuary was not a direct report to the CEO, that position should be explained to APRA. In particular the company should demonstrate that the Appointed Actuary has the necessary authority and adequate support to ensure their views are considered seriously by the board.

The key elements of the proposal include increased flexibility, streamlined requirements and greater clarity over the role the Appointed Actuary plays. MLC is supportive of the intent and proposed implementation of these changes. Within the proposed Purpose Statement, APRA includes "... and they are able to make a significant contribution to the debate of strategic issues at the executive levels." MLC strongly endorses the position that the AA should provide advice to not only the Board but also to the executive levels of management.

Please do not hesitate to contact myself or Debra Neill to discuss this issue. Email: [Debra.Neill@nab.com.au](mailto:Debra.Neill@nab.com.au) or telephone: 0472826709.

Yours sincerely

David Hackett  
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