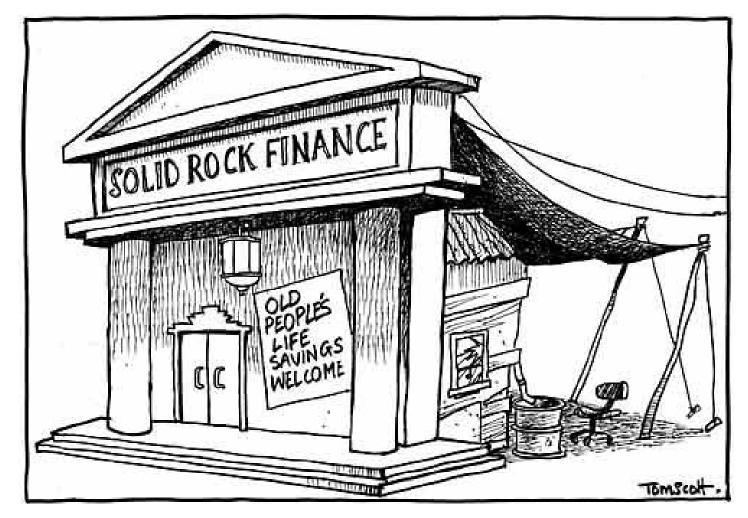
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Chief Actuary 360° Program
Growing the Next G of Chief Actuaries



The auditors view...





The auditors view

What...

Traditional relationship Valuation **Pricing Disclosures Emerging roles** Risk – particularly with increasing expectations of **APRA** Capital – especially post LAGIC and requirements for improvement in insurers stress testing Board advisor

Three lines of defence... challenges ahead

Board of Directors

First line of defence

Primary accountability for the day to day management, control and reporting of risk exposures in accordance with the risk appetite, strategies and policies set by the Board.

Monitors the overall risk profile (with the support of the second line) and ensures that adequate financial resources are maintained.

Chief Executive, Executive Committee, Business Unit management

Second line of defence

Assists the Board to formulate the firm's appetite for risk, risk and capital management strategies, policies and limit structures.

Leads development, implementation and maintenance of risk frameworks and objectively challenges execution of actuarial, risk and compliance strategies, approaches and related management information.

Risk, Compliance, Actuarial functions & Risk
Committees

Third line of defence

Provides independent assurance on the design and effectiveness of the overall system of internal control, including risk management and compliance.

Internal Audit is independent of the businesses, finance and actuarial functions and reports directly to the Audit Committee.

Internal Audit Audit Committee

Insurers struggle to articulate how oversight is apportioned between the risk management and actuarial.



The auditors view...

What...

Shared challenges

- Continuing focus of regulators on auditors and actuaries as part of the "risk framework" to protect policyholders
- Challenge of increased regulatory demands
- Increasing risk from changing business models
- Need to change the way we engage with stakeholders

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