

Date:	Thursday 12 September 2024
Time:	12:30 - 2:00pm AEDST
Location:	Microsoft Teams meeting
Committee members:	Adam Searle (AS), Brett Riley (BR), Brett Ward (BW), Christopher Armstrong (CA), David Jenkins (DJ), Francis Beens (FB), James Aclis (JA), John Jeaitani (JJ), Justin Portelli (JP), Mary Poon (MP), Matthew Webster (MW), Melissa Yan (MY), Mudit Gupta (MG), Scott Duncan (SD), Sting Fan (SF), Suzanne Patten (SP)
By invitation:	Clare Marshall (CM), Dimity Gartzionis (DG), Jacqui Reid (JR), Michael Callan (MC), Sinead Keane (SK)

Item
<p>1. Welcome and apologies</p> <p>In attendance were: BR, DJ, FB, JA, JJ, JP, MP, MW, MY, MG, SD, SF, SP, CM</p> <p>Apologies were received from AS, BW and CA.</p> <p>SP reminded GIPC to be cognisant of competition law requirements in discussions and in its work.</p> <p>SP asked if anyone has a conflict of interest in relation to an agenda item to declare this. None were raised.</p>
<p>2. Minutes of previous meeting</p> <p>The minutes of the previous meeting held on 8 August were approved.</p>
<p>3. Actions from last meeting</p> <p>An update on outstanding actions was given, as set out in the table at the end of these minutes.</p>
<p>4. Agenda discussion</p> <p>(a) APRA – DJ provided an update on APRA’s activities in August:</p> <ul style="list-style-type: none"> Released a letter on cyber control weaknesses Finalised new CPS001 (defined terms) (harmonised definitions standards across practice areas) Released 2024-25 corporate plan, including its priorities APRA’s internal restructure which consolidated its supervisory divisions from 5 to 2 and merged its financial and non financial risk teams together Released enhanced quarterly insurance statistics for GI <p>(b) Professional standards – JJ updated GIPC on upcoming changes to Professional Practice Documents</p>

(PPDs) and reported on his consideration on professional guidance in pricing:

- Professional guidance on materiality – wording is currently quite broad in what is defined as material. Change is to direct members to consider materiality based on whether an intended user's decision making will be reasonably expected to be altered by the matter. There is no hard and fast threshold for materiality. This has been approved and will be reflected in all professional standards in October
- Situations where members perform services that do not fully comply with professional standards – tightening of when this can occur (when it would cause a client significant loss and not materially impact the services provided). When this is invoked, any advice would need to have this clearly stated and provide reason for the departure
- Professional guidance in pricing – JJ shared his considerations on whether there should be professional guidance based on the work from the Working Group for Professional Support for Actuaries Working in GI Pricing. General view is that the paper isn't specifically focused on actuarial work and is more high level in its discussion of key principles and so differed from guidance offered under existing PPDs. There is a LMS project to collate resources on pricing and make it available to members and we are currently seeking volunteers for this

(c) Reserving working group – MW raised two areas relating to risk margins and led a discussion on whether there is appetite to continue work in these areas:

- Industry data for benchmarking – DJ noted that there is interest in getting industry data and APRA has been working on this in the background
- Risk margin methodology – it has been noted that 2008 risk margins task force paper was the last major paper on this, since then there has been little despite the introduction of IFRS17. JJ noted that this should be refreshed and turned into a technical paper. Several volunteers have already put their hand up to assist, MW has noted that any guidance from GIPC would be welcome. It was also suggested that this can be raised at the October AA forum

(d) Risk register – MY led a discussion on the top 3 risks for GIPC's risk register:

- Proposed top risks for 2024 are:
 - Risk of material decline in demand for actuaries (also top 3 in 2023)
 - This risk has strengthened and not gone away, with the advent of technology, AI, data and analytics, and with statisticians and data scientists also in the industry
 - Need to focus on our profession's domain knowledge that we can bring into the application of new technologies and techniques. This will also require us to upskill experienced practitioners to keep up
 - There is also a risk that this reduces training opportunities for less experienced practitioners as entry level roles with heavy data work shrink, yet they represent an important part of training
 - This also raises whether we need proper controls in place
 - Furthermore, this brings into light the suitability of the education program and whether it has been structured to meet changing needs
 - Risk of material decline in members (also top 3 in 2023)
 - There are differing views on whether as actuaries branch out into more non

traditional areas, there may or may not be enough actuaries practising in traditional areas

- There is a risk for actuaries working in areas which are less regulated whether this can pose a branding / reputation risk (e.g. in pricing)
 - Reduction in time to qualification meaning that newly qualified actuaries can be less experienced compared to the past cohorts (new risk)
 - This can impact the actuarial brand and reputation and require a resetting of expectations from both employers and employees (quality of skills may be different from the past, employers may need to train more, impact on remuneration, etc.). Members still need to be mindful of where they are sufficiently experienced to provide advice, but where they are not, what arrangements to put in place
- (e) Topical professional issues – MG shared an update on the proposed professionalism colloquy and his presentation at the Singapore Actuarial Society
- Colloquy – first session on fairness in pricing, likely to be held in November. JP and MG will work on logistics. There will be a series of these based on different topical areas with subsequent sessions to be held in 2025
 - Singapore Actuarial Society presentation – MG presented on the themes explored by the pricing working group. This is a new concept in overseas markets such as Singapore where there has been less attention on these themes
- (f) Natural perils – BR provided an update on a potential Insights session on cat model evaluation and the cat modelling technical paper refresh
- Potential Insights session based on Dr Joanna Aldridge's paper on cat model evaluation – although there is an Insights scheduled in October based on the natural perils reserving and pricing from the working group, it was agreed not to squeeze Dr Aldridge's paper into this, as it is targeted at a more specialist level. It was felt that there is still merit for sharing her paper/findings, and some options were suggested (e.g. interview, Actuaries Digital article, video)
 - Cat modelling technical paper refresh – paper has been drafted and will be tabled at the PPC on 17/10. JJ, SD, FB and BR will assist in providing a review of the paper on GIPC's behalf
- (g) Other updates
- AA forum – invitations have been set for the AA forum (to be held on 17/10). Planned topics for the session include IFRS post implementation, FAR, GIPC update, role of the AA and how the Institute can support, Swiss Re latest update on emerging risks, update from Reserving Working Group and Q&A
 - Summit – abstracts are due 17/10
 - ASTIN – a reminder to complete the IFRS17 survey, and also to share findings from the survey once completed
 - AI case studies for Institute's 2024 AI project – have gathered a small group of volunteers to work on this

The following action items were agreed:

- All to review the request list and add any past achievements (to enable tracking)
- MW to gather a group of volunteers to update risk margins paper

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<ul style="list-style-type: none"> All to find volunteers for risk margins paper refresh BR to speak to Joanna Aldridge on options for sharing her paper with members JJ/SD/FB/BR to review the cat modelling technical paper on GIPC's behalf
5. Any other business N/A

The meeting closed at 1:59pm.

Signed as a true and correct record of the meeting:

Chair: Suzanne Patten Dated: 10 October 2024

Committee outstanding actions					
Ref	Meeting (Item)	Who	Focus area	What	Done?
1	12.9.24 (3)	All	GIPC	All to review the request list and add any past achievements (to enable tracking)	
2	12.9.24 (4c)	All	Reserving	MW to gather a group of volunteers to update risk margins paper All to find volunteers for risk margins paper refresh	
3	12.9.24 (4f)	BR	Natural perils	BR to speak to Joanna Aldridge on options for sharing her paper with members	
4	12.9.24 (4f)	BR, JJ, FB, SD	Natural perils	JJ/SD/FB/BR to review the cat modelling technical paper on GIPC's behalf	
5	13.6.24 (4b)	MG	Pricing	MG to update colloquy proposal	Closed
6	13.6.24 (4b)	SL	Professional standards	SL to review recommended actions in MG's future considerations paper regarding need for professional guidance in pricing	Closed
7	08.8.24 (4b)	CM, DJ	Operational Risk	CM and DJ to recommend next steps with potential FAR sessions to provide guidance to actuaries in relation to the FAR	Closed
8	08.8.24 (4c)	SP, SF, CM	AI	SP to circulate the request on the AI case studies for the Institute's 2024 AI project. SF to work with CM on AI case study	Closed
9	08.8.24 (4d)	SD	Operational Risk	SD to share detailed feedback on the Treasury's Digital and Cyber Security Strategy	Closed

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Committee outstanding actions					
Ref	Meeting (Item)	Who	Focus area	What	Done?
10	08.8.24 (4e)	AS	Connections	Any suggestions for October AA Forum to be provided to AS	Closed