



GENERAL INSURANCE PRACTICE COMMITTEE

Notice to Members: External peer review of insurance liability valuations

December 2015

Professional Standard 315 (External Peer Review of General Insurance Liability Valuations) (PS 315) applies to external peer reviews that are required by APRA's General Prudential Standard GPS 320 (Actuarial and Related Matters) (GPS 320).

Effective 31 December 2015, APRA amended GPS 320 to remove the mandatory requirement for an external peer review. However, GPS 320 still allows for APRA to request a review. Many companies have already commissioned an external peer review for their 31 December 2015 balance dates.

Members are advised that:

1. PS 315 only applies to external peer reviews **required** under GP S320;
2. while PS 315 does not apply if the peer review is not required under GPS 320, it is considered good practice to follow the standard nonetheless;
3. PS 315 will be updated in 2016 to reflect the new arrangements and correct any outdated references to GPS 320 (for example, in clause 1.5.1 of PS 315). The General Insurance Practice Committee (GIPC) will be seeking volunteers for this task and Member input – via the exposure draft process – will be sought; and
4. guidance for external peer reviews not required under GPS 320 will be provided next year, likely in the form of a Practice Guideline. Again, Member input will be sought on the content of such guidance.

If Members have any queries, or wish to assist in the redrafting of PS 315 and/or drafting of new professional guidance, please contact Susan Ley (sley@munichre.com)

END OF NOTICE TO MEMBERS