

# General Insurance Applications

Subject Syllabus 2026





## 1. Overview and aim

The General Insurance Applications subject applies the principles taught in the General and Health Insurance Valuations (GIHV) and Pricing and Portfolio Analytics (GIHPPA) subjects to an Australian General Insurance context.

The aim of this subject is to provide students with an understanding of how a general insurance company operates in Australia and the legal, regulatory and professional framework that governs the industry. This subject also aims to delve into some more specialised technical aspects of General Insurance, such as compulsory insurance schemes.

## 2. Student outcomes

After successful completion of this subject, students will be able to:

- describe the operation of a general insurance company in Australia as it balances the needs of its various stakeholders and understand the input that actuaries, and in particular the Appointed Actuary, have on the operation and success of a general insurer (20%);
- describe the commercial, legislative, regulatory and professional environments that apply to Australian general insurers and general insurance schemes with a focus on actuarial involvement in the prudential requirements of a general insurer operating in Australia (35%); and
- describe and apply the actuarial control cycle to valuations, reinsurance, capital and risk management for general insurers operating in Australia and understand how pricing, valuation, reinsurance, capital and risk management processes interact (45%).

The relative effort (shown in brackets after each bullet point above) indicates the amount of time required to study these aspects of the subject.



### 3. Prerequisites

Students will have studied (but not necessarily passed) the Valuation and Pricing and Portfolio Analytics subjects. It is assumed students have studied (but not necessarily passed) the Foundation and Actuary program subjects or their equivalents.

### 4. Assessment skill level

Assessment of this subject will test the following skill levels in the proportions shown in the brackets:

- Simple application (20%): Demonstration of a detailed knowledge and understanding of the topic.
- Application (50%): Demonstration of an ability to apply the principles underlying the topic within a given context.
- Higher Order (30%): Demonstration of an ability to perform deeper analysis and assessment of situations, including forming judgements, considering different points of view, comparing and contrasting situations, suggesting possible solutions and actions, and making recommendations.

### 5. Assessment method

The subject is assessed via a three-hour (plus 15-minute reading time) open-book examination worth 80% and an assignment worth 20%.



## 6. Learning objectives

### Topic: Commercial environment

- 1 Explain the significant components and trends within the Australian general insurance market. (Chapter 2)**
  - 1.1 Explain significant trends and recent issues in the Australian general insurance market.
  - 1.2 Describe the general insurance market in Australia and major players.
  - 1.3 Outline the range of organisational structures associated with Australian general insurers.
  - 1.4 Identify common types of general insurance products sold in Australia and their features, including profitability.
  - 1.5 Describe how products are sold in Australia.
  - 1.6 Discuss consumers of Australian general insurance products, including their needs and best interests.
  - 1.7 Analyse the relevant industry data available.
- 2 Explain the significant components and trends within the Australian injury compensation environment. (Chapter 14)**
  - 2.1 Explain the significant trends and recent issues in the Australian injury compensation environment.
  - 2.2 Describe the injury compensation environment in Australia and major players.
  - 2.3 Describe the common payment types within the Australian injury compensation environment.
  - 2.4 Analyse the relevant industry data available.



### Topic: Legislative environment

**3 Explain the legislative environment for general insurers in Australia and how this relates to the issues an actuary is expected to address. (Chapters 3 and 7)**

3.1 Examine the key aspects of the relevant legislation that applies to actuarial practice in general insurance.

3.2 State the principles of taxation in Australia as they apply to general insurance companies, shareholders and policyholders.

**4 Explain the legislative environment for injury compensation schemes in Australia and how this relates to the issues an actuary is expected to address. (Chapter 14)**

4.1 Examine the key requirements of the relevant legislation and their application to actuarial practice for injury compensation schemes.

4.2 State the principles of taxation in Australia as they apply to injury compensation schemes.

### Topic: Australian accounting standards and financial reports

**5 Apply the Australian Accounting and Financial Reporting Standards for general insurance in Australia and how these relate to actuarial valuation of policy liabilities and provision of advice. (Chapters 5, 7 and 12)**

5.1 Calculate and explain components of the Statement of Financial Performance and Statement of Financial Position for a general insurer.

5.2 Contrast financial and regulatory statements of general insurers in Australia.

5.3 Identify APRA General Insurance Reporting Forms in practice.



### Topic: Regulatory environment

**6 Consider the role of the regulators supervising general insurers and how their operations affect actuarial practice. (Chapters 4, 5 and 6)**

6.1 Examine APRA's standards and guidance as they apply to general insurers, such as those relating to:

- Actuarial advice;
- Insurance liability valuation;
- Financial statements;
- Capital adequacy;
- Governance; and
- Risk management.

6.2 Describe ASIC's regulatory guides that are relevant to actuarial practice within a general insurance company.

6.3 Evaluate the professional standards that relate to the general insurance industry.

**7 Calculate an appropriate risk margin for APRA and accounting purposes for a general insurer (Chapter 12)**

### Topic: Actuarial management cycles

**8 Apply the Actuarial Advice Framework (AAF) for a general insurer in Australia. (Chapter 11)**

#### Valuation process

**9 Consider and apply the actuarial control cycle to the valuation of policy liabilities for a general insurance company operating in Australia in order to prepare components of key inputs and outputs and to evaluate the outcomes from this process. (Chapters 7 and 12)**

9.1 Consider the objectives of the valuation process and key inputs and outputs.

9.2 Justify experience analysis and assumption setting for the valuation of policy liabilities.

9.3 Prepare the valuation of policy liabilities in accordance with prudential and professional requirements.



- 9.4 Describe the relationship between the valuation process and the determination of regulatory capital, including the capital base and prescribed capital amount, in accordance with prudential and professional requirements.
- 9.5 Describe the analysis of profit in practice.
- 9.6 Prepare an Actuarial Valuation Report in accordance with prudential and professional requirements.

### Risk management cycle

- 10 **Describe and apply the actuarial control cycle to risk management for a general insurance company operating in Australia in order to prepare components of key inputs and outputs and to evaluate the outcomes from this process.**  
**(Chapter 8)**
  - 10.1 Analyse the objectives of the risk management cycle and explain the key inputs and outputs.
  - 10.2 Describe the key stakeholders involved in risk management and their role.
  - 10.3 Apply the risk management framework in practice.

### Topic: Capital modelling & management

- 11 **Construct appropriate capital targets for a general insurer including the calculation of regulatory capital requirements and describe the linkages between capital management and an institution's risk management framework.**  
**(Chapters 4, 8, 9, 10 and 14)**
  - 11.1 Describe the considerations to be taken into account when setting capital targets.
  - 11.2 Demonstrate how an institution may internally assess its capital needs including the linkage between capital and risk management frameworks.
  - 11.3 Describe the reporting requirements relating to an ICAAP including the ICAAP Summary Statement and ICAAP report.
  - 11.4 Assess the principles underlying the Prescribed Capital Requirement for a general insurer.



11.5 Evaluate alternative options for capital efficiency including but not limited to:

- Analyse reinsurance structures and apply useful metrics to evaluate alternatives; and
- Outline investment strategies and their impact on risk and capital.

11.6 Explain the use of capital models to general insurance companies and explain their common limitations.

11.7 Explain the key sources of risk to a general insurer (including operational risk) and discuss common methods to measure and manage them.

11.8 Discuss the regulatory requirements of a Regulatory Capital Model.

11.9 Outline the key capital considerations for injury schemes including different funding options.

### Topic: Reinsurance management

**12 Describe and apply the process of reinsurance management for a general insurance company operating in Australia. (Chapter 10)**

12.1 Apply the process of reinsurance management.

12.2 Describe the application of the actuarial control cycle to reinsurance management.

12.3 Contrast the needs and concerns of insurers and reinsurers.

### Topic: Financial advice

**13 Describe general insurance actuarial management techniques used to create appropriate and comprehensive reporting on financial condition. (Chapters 8 and 13)**

13.1 Outline the requirements of a Financial Condition Report and how these fit into a broader financial condition reporting framework.

13.2 Describe how to assess the suitability and adequacy of risk management frameworks.



### Topic: Professional environment

**14** **Evaluate the various roles and responsibilities of the actuary within a general insurance company. (Chapters 4 and 6)**

- 14.1 Explain the role, requirements, and legal and professional responsibilities of the Appointed Actuary.
- 14.2 Evaluate the Actuaries Institute's professional standards and guidance.
- 14.3 State the role of the Auditor and/or Actuarial Auditor.



# Actuaries Institute.

## About the Actuaries Institute and Profession

As the peak professional body for actuaries in Australia, the Actuaries Institute represents the profession to government, business and the community. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

Actuaries use data for good by harnessing the evidence to navigate into the future and make a positive impact. They think deeply about the issue at hand, whether it's advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing interests of stakeholders, clients and communities. They're called upon to give insight on complex problems and they'll look at the full picture. Actuaries analyse the data and model scenarios to form robust and outcome-centred advice.

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