



# INTERNATIONAL ACTUARIAL ASSOCIATION

## Feedback of International Association of Consulting Actuaries and IAA Public Policy Task Force Webinar– October 2017

The International Association of Consulting Actuaries, in conjunction with the IAA Public Task Force hosted a webinar on the 24<sup>th</sup> of October 2017 entitled “The Role of Actuaries in Public Policy”. Tim Vieyra (Comotion Business Solutions) facilitated the webinar with a panel consisting several actuaries who have been actively engaged with public policy matters throughout their careers. The panelists were Bob Beuerlein (American Academy of Actuaries), David Fairs (KPMG) and Niel Fourie (ASSA).

The webinar attracted a record 270 registrations and 168 attendees on the day. The attendees were from 31 different countries across 6 continents.

Tim began the webinar by providing the definition of public policy and discussing what it means for actuaries to work for the public good. In the feedback, several younger attendees expressed relief due to the fact that the panelists clearly explained what it means for actuaries to work in the public’s interest. This includes, but is not limited to, influencing policy-making for public good, maintaining a disciplinary system and whistle blowing within the financial sector and maintaining technical actuarial standards and code of ethics. The discussion also discussed the scope to expand the activities of actuaries in developing public policy.

Tim pointed out that national actuarial bodies are well positioned to provide clarity to debates by applying their technical expertise in providing rigorous and independent analysis. We strive to operate in an objective, unbiased, non-partisan way. All of the panelists stressed the role of actuaries as enablers for well-informed decision-making.

The attendees asked a range of questions, including how best to navigate the political landscape, the role of the IAA for individual member associations and how best to encourage participation by individuals and employers, whilst avoiding the conflict of interest.

### Communication and Navigating Politics

A key feature throughout the webinar was the need to communicate the issues to the various stakeholders, including the broader public. Additionally, it is important to create spaces for academia, industry and the government to engage one another on policy that is tabled.

The webinar also addressed the challenges for actuaries striving to make an impact in developing public policy. This includes navigating the increasingly polarized political views of our time.

Several of the panelists described their interactions at ministerial levels and the role of communication to ensure that the different factors are carefully articulated without raising political biases.

The panelists also gave insight into their interactions at different levels of government and how the political agendas can affect the pace and cycles of actuarial work. It is important to be resilient and patient due to the changing political agendas. Understanding the agenda and the interests of the different political figures is essential to work strategically and effectively in the political arena.

The panelists indicated a desire to transition from a reactive to a more proactive approach when dealing with public policy. They suggested that we build relationships with those who understand the public policy landscape (and politics in general) and engage them earlier in the process as opposed to only when comments are requested from the public. This can start by identifying the brewing issues to politicians before they become a public crisis. Over time, this assists in developing the image of being trusted advisors. There are many discussions that need to be had behind closed doors which may be necessary to maintain trust with politicians. As actuarial bodies, driving a public debate on public policy initiatives may not always be helpful to drive change and ensure that the profession continues to have a voice in policy discussions. Having said this, there are perhaps situations where it makes sense to take public positions, though governance of the message is critical.

Actuaries working with public policy should develop strong, trusting relationships with media to ensure that the research is well-communicated. The role of social media in communicating the information from public policy actuaries has been effective in the USA.

### Governance

The panelists stressed that the governance process is critical within the actuarial organization to maintain this trust. Structured processes are required. In addition to the requisite technical skills, we must work with key leadership, media and PR individuals to support these engagements. When sensitive feedback is required, a stricter governance approach, including those at top leadership of the actuarial organization is required. Within the IAA, there is also a strong governance approach to ensure that the feedback provided has been supported with adequate knowledge and skills, without political bias. It often takes some time to follow the governance issues. There are times when a quick review is required. However, if an issue is sensitive, a response should not be rushed.

The actuaries should explore the different options and provide the consequences (including the unintended ones) of all options to the stakeholders.

Seeking peer reviews, obtaining several perspectives and engaging with seasoned politicians assists to provide the broader understanding required. This should be a part of the governance process as well.

Additionally, it may be helpful to work with appointed officials as opposed to elected officials to ensure a more apolitical view and to ensure continuity of the decision-making process regardless of regime change.

### Funding and Volunteering

The funding models to ensure that this work can be done was discussed. The different organisations represented gave insight into their approaches and their experiences in ensuring there are sufficient (human and financial) resources to work in the public policy space.

A key source of financial resources is the member contributions. Employers and individuals often volunteer their time. This shows that it is essential to have the support of the members (in conducting these activities) so that they can give of their personal time and are confident that their dues are being utilized optimally.

The panelists mentioned that there is value in pooling resources amongst actuarial organisations (and other professional bodies) to tackle issues that have a global impact. This has been achieved successfully in the past.

Volunteering for public policy initiatives allows individuals to grow and to skill themselves up. In fact, some clients actually expect that their consultants have the ear of policy-makers and are actively involved. Additionally, participating in these opportunities drives fulfillment by giving back.

The panelists all stressed that it is essential not to be swayed by the source of funding. Additionally, it is always critical not to take the stance of the employer when volunteering for public policy roles. When a significant amount of work needs to be done, offering to pay for the work to be done on behalf of the member association may assist to avert this problem. This can be done by issuing a request for proposals to all organisations and awarding the work to the most capable and best suited organization.

The role of actuarial academia was also presented as an option to further public policy initiatives by the profession.

### Role of IAA

One of the attendees asked about the role of the IAA in shaping public policy. A suggestion from the panel was for the IAA to develop a toolkit for member associations to use in their specific countries, and not to necessarily comment on country-specific policies. This is partly due to the differing concerns across the globe. The focus should be to empower member associations with strong governance approaches. Bob, who leads the IAA Public Policy Task Force, indicated that they are currently discussing an approach but will likely not make statements to individual countries. He echoed the need for a toolkit. The IAA could also play a role in sharing information of the matters different countries are facing.

The webinar closed with the panelists describing the public policy as a journey. We have historically been shy to express our interests and could play a more active role to ensure

better-decision making for the public good. Progress has definitely been made, evidenced by the increased requests for our views, research, opinions and advice from media and policy makers.

The link to the webinar recording, including slides, is on the following IACA page under “The Role of Actuaries in Public Policy - 24 October 2017” -

<http://www.actuaries.org/index.cfm?DSP=IACA&ACT=WEBCASTS&LANG=EN>

This webinar was the first in a series of webinars to unpack public policy for actuaries. Future webinars will focus on specific practice areas. Thank you for your support and we look forward to hosting you in the future.

*“We need to be more focused on the key societal challenges and provide our actuarial expertise and voice on big issues.”- Mark J. Freedman, The Actuary Magazine  
February/March 2014*