

Speaker Name & Country :

IAA President Malcolm Campbell, Sweden

Topic:

The Role of the Actuary in the World and the Role of the Profession



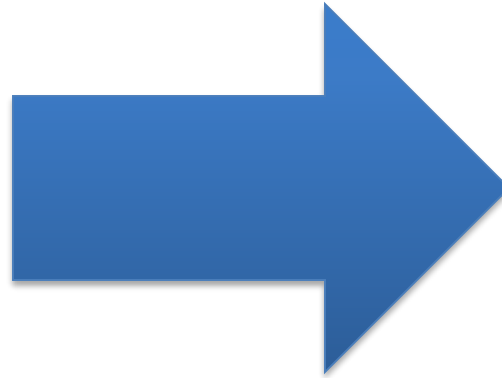
Change

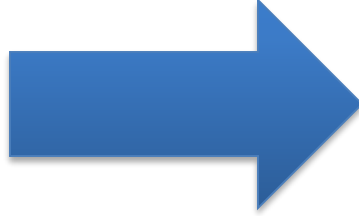
Supporting
members

IAA's role
in this
support

Change Drivers

- Technology
- Information
- Business complexity
- Globalization
- Regulation



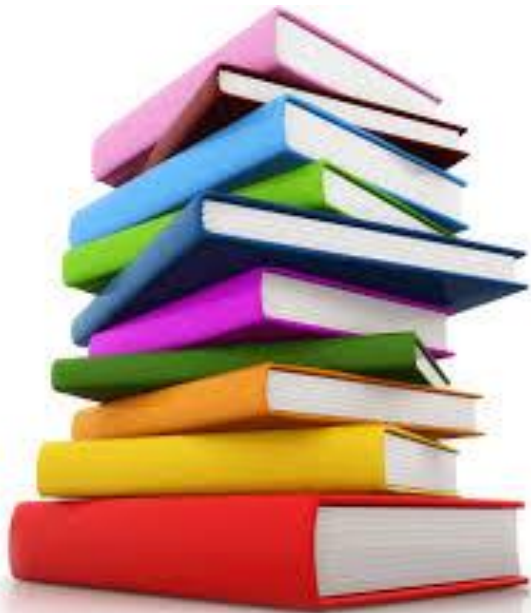


13-inch MacBook Air





Google







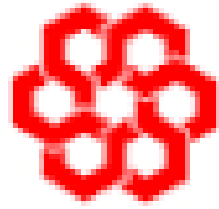
Complexity of the Business

- Shorter product life cycles
- Individualization of offering
- Multi-channel distribution
- Immediate customer service

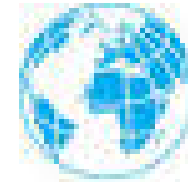
Globalization

- Freedom of establishment
- Globalization of financial markets
- Lower transaction cost
- Cross-border services

Globalization of Regulation



International
Accounting Standards
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IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS



Some Characteristics of Change

- Change is not linear – it is accelerating
- Greater and faster access to information
- Big data
- Impact of social media
- A different risk environment

- If it has changed so much historically, what does the future hold?

Some of the Challenges Facing the Actuarial Profession Today

- Solvency management in negative interest territory
- Global regulation and supervision
- Major world demographic/economic changes
- Rapid changes in the ways people do business
- Insurance products, distribution and processes will continue to be challenged
- Pensions schemes maybe more so
- Relationship to enterprise risk management (ERM)

Some of the Challenges Facing the Actuarial Profession Today

- Affinity groups
- Peer-to-peer insurance? (the new mutuals?)
- Customer information “mining”
- Business optimisations and risk management

Questions Individual Actuaries Can Ask

- How do others see me (my personal brand)?
- Am I acting professionally?
- What skills do I need to develop?
- How can I keep myself informed about the changing environment?
- Is my career path the correct one?
- What do I need to do to make myself attractive to potential clients?

What Skills are Employers Looking For?

- Commercial and softer skills
 - Communication
 - Stakeholder management + teamwork
 - Consulting
 - Project management
 - Delivery
 - New business
 - Innovation
 - Leadership + influence + people
- Personal attributes
 - Professionalism
 - Appetite to continue to develop
 - Energy
 - Persistency

Intellectual Capital Development

- Make “soft skills” hard skills
 - Communication
 - Influencing
 - “Pay attention to tension”
 - Management
- Business awareness
 - Legal
 - Finance
 - Accounting
 - Product design
 - Marketing
 - Sales

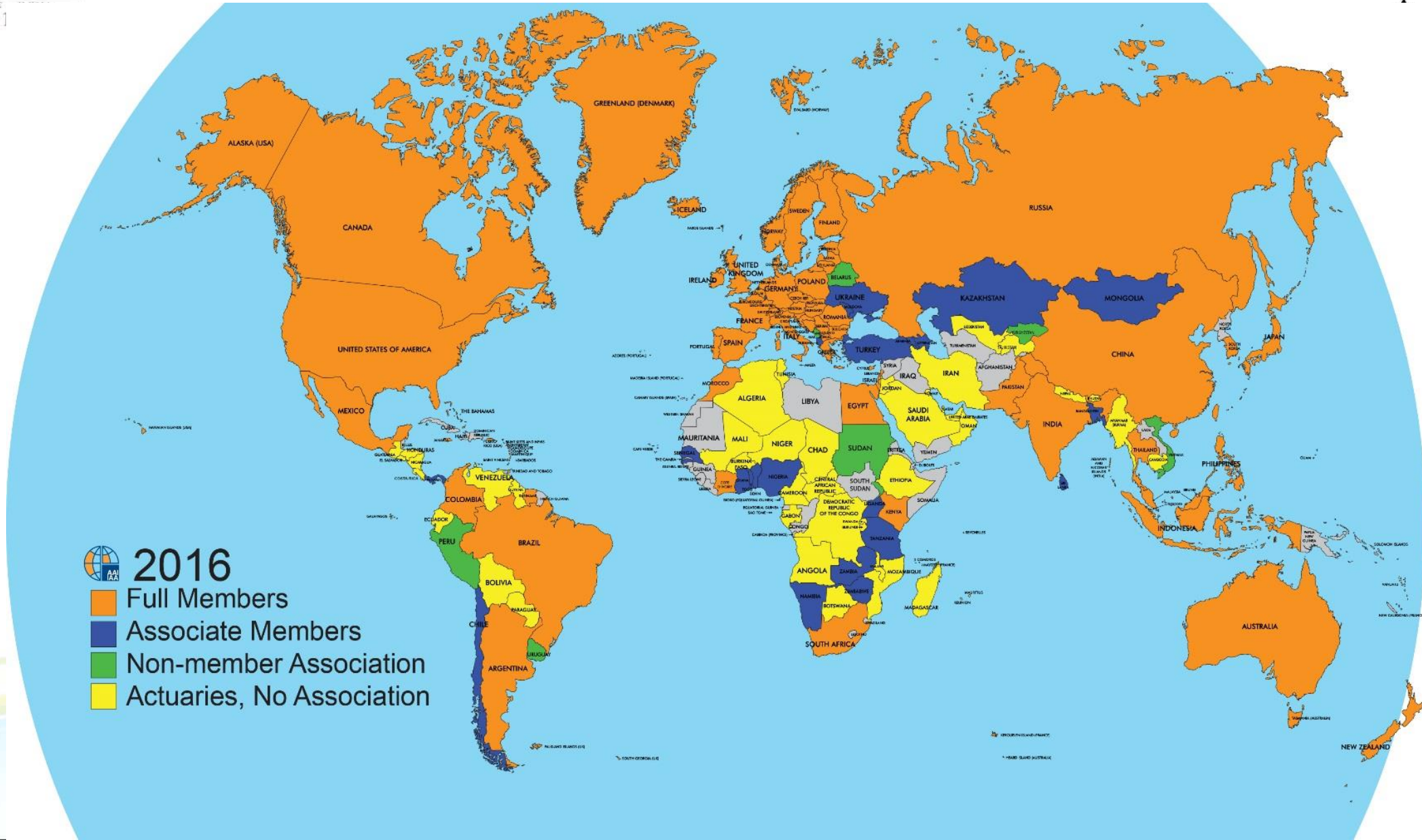
Intellectual Capital Development

- New technical skills
 - Risk management
 - Big data analysis
- New business opportunities
 - Banking
 - Investment
 - Fund management
 - Utilities
 - And what else?
- Professional awareness
 - What does it mean to act professionally?

What can an Association do to Support its Members?

- Influence change
 - Supervisors
 - Politicians
 - Public
- Inform about change
 - Multi-channel
- Educate for change
 - Basic education
 - Continual professional development (CPD)
- Branding
 - What do we offer?
 - How do we distinguish ourselves from others?

Map of the IAA in 2016



Strategic Plan – Voice of the Profession

1

Relationships with key supranational audiences

Strategic Plan – Brand and Quality

3

Establish and promote education standards and principles of professional conduct; promote issuance of standards in Full Members' jurisdictions, and standards' global convergence

4

Support the development, organization, and promotion of the actuarial profession

6

Improve recognition of the actuarial profession (branding)

Strategic Plan – Competence Development

2

Expansion of scientific knowledge to wider fields to enhance the scope, quality, and availability of actuarial services

5

Provide a forum for discussion

IAA External Relations

Partners: important institutions that particularly concern themselves at the international level with matters of concern to actuaries (*formerly referred to as Institutional Members*)

The IAA has engaged in a memorandum of understanding (MoU) with most of these organizations



International Association
of Insurance Supervisors



INTERNATIONAL ORGANISATION
OF PENSION SUPERVISORS



Additional Ongoing Relationships



Communication and Tools for Members

- Exchange lists, conference calls, webinars
- Annual report and newsletters
- News releases: to inform external audiences of important IAA initiatives
- IAA members' website contains:
 - Actuarial E-library
 - International Events Calendar

Model International Standards of Actuarial Practice

ISAP 1—General Actuarial Practice

- Since IAA adoption in 2012, Actuarial Association of Europe adopted it as its general standard

ISAP 2—Financial Analysis of Social Security Programs

- Adopted by the IAA in 2013

ISAP 3—IAS 19 Employee Benefits

- Adopted unanimously by the IAA in April 2015. A successful webcast was held on 24 June, 2015, to introduce ISAP 3.

ISAP 4—IFRS X Insurance Contracts

- Statement of intent (SOI) approved by Council on September 13; expect completion in 2019

Model Standards *cont'd*

ISAP 5—Insurer Enterprise Risk Models

- SOI approved by Council on September 13, 2015; exposure draft published for consultation – comments by 31 March, 2016; expect completion in 2016

ISAP 6—Insurer ERM practices intended to comply with regulations consistent with ICP 8 or ICP 16

- SOI approved by Council on September 13 2015; expect completion in 2017

ISAP 7—“Current estimates” and other matters in relation to the IAS capital standards

- Statement of intent approved by Council in 2015; expect completion in 2018

ISAP [1A]—Governance of Models

- Statement of intent approved by Council in 2015; exposure draft published for consultation – comments due by 31 March, 2016; expect completion in 2016

FMA's can either adopt, adapt, recognize model ISAPs as consistent with their own, or ignore them

The IAA Sections

Colloquia

- Meetings to discuss research and its application

Webinars

- Shorter events focused on topics of current interest

Other events

- Lectures and smaller meetings

Publications

- ASTIN Bulletin
- Other research papers

Promotion of research

- Prizes
- Networking/discussion groups

Knowledge systems

- E-based access to knowledge database
- Virtual learning

Working Towards New IAA Education Syllabus

October 2013

- Task force created by Education Committee

April 2015

- Education Committee and Education Syllabus Seminar in Zürich; presentation of initial syllabus structure; suggestions received from member associations

October 2015

- Detailed syllabus requirements finalized and discussed by Education Committee at Vancouver meetings

2016

- Syllabus to be approved by Council at the Cape Town meetings

2016 to 2019

- Transition period for member associations to comply with new syllabus

New and Upcoming Publications

New:

- *Actuarial Aspects of ERM for Insurance Companies* — Enterprise and Financial Risk Committee
- *Role of Actuarial Calculations and Reviews in Pension Supervision* — produced by experts on the Pensions and Employee Benefits Committee in co-operation with the International Organisation of Pension Supervisors
- *Determination of Retirement and Eligibility Ages: Actuarial, Social and Economic Impacts* — Population Issues Working Group
- Risk book to be completed in several phases — chapters 1 to 16 have been published; and six more are under development

Access these [*papers*](#) on the Publications page of the IAA website

Upcoming:

- Educational Monograph: Risk Adjustments for Financial Reporting of Insurance Contracts – Exposure draft release; comments due by Feb 5, 2017
- Monograph on Pension Funding
- Paper on Long-Term Care

Looking Forward

We need to:

- **Influence change**
- **Look for new areas to apply our skills**
- **Further develop the intellectual capital of the profession**
- **Further develop our brand image**

Thank you



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Moving the profession forward internationally