East Asian Actuarial Conference
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Wider Fields - a UK Perspective
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Wider Fields - a UK Perspective

• Does it matter?
• What are the Wider Fields?
• What have we done?
• How are we making it happen?
• An example: RAMP
Wider Fields - does it matter?

External pressures, for example:

• Convergence of banking and insurance
  – threat or opportunity?

• Ascendancy of financial economics
  – we need to be at the cutting edge
Wider Fields - does it matter?

- We need to attract the best students
  - not lose them to the investment banks
- We need to avoid being marginalised
  - the world around is is moving fast eg GARP, AIMR
  - can't stay as we are
Wider Fields - what are they?

• Areas outside the traditional mainstream where actuaries can add value, for example
  – investment
  – banking
  – health
  – construction
  – nuclear decommissioning
Wider Fields - what have we done?

• Created a Wider Fields Board initially
  • then split it into Finance and Investment
    – investment, corporate finance, banking
  • and Social Policy
    – health, genetics, personal finance, social security
Wider Fields - some tactics

- Enthusiastic leaders
- Research and publications
- Joint work with bankers, engineers etc
- Affiliate membership for non actuaries
- Broadening the education syllabus
- Promoting our Vision of a much broader profession
Wider Fields - an example

RAMP

*Risk Analysis and Management for Projects*

- A joint project with the Institution of Civil Engineers
- Report published as a book
- General application beyond the original focus
The Need for RAMP - Shortcomings of Current Methods

• Inadequate follow through to control stage
• Not enough attention paid to post-construction risks
• Too much focus on easily quantifiable risks
• Too little attention to changing risk exposures as life cycle proceeds
• No satisfactory method for combining risks
• Lack of consistency
The RAMP Concept

• Think through at outset
• Identify and analyse risks
• Decide on risk mitigation
• Control residual risks
The RAMP Process

1. Process Launch (at outset)

2. Risk Review

3. Risk Management (construction and operation)

4. Process close-down (when project ends)

Investment Model
Possible Applications of RAMP

- Project appraisal
- PFI
- Decisions on lending/investment
- Purchase of a business
- Launch of a new product
- Reducing risks in an ongoing business
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