Statement of Intent (SOI) for IAA Activities on Future Actuary – Risk & Opportunity Radar

Ratified by Council on 8 April 2022

1. **Background**

What will be the domain knowledge and the skillset required by actuaries in the future? Rapidly evolving technologies like artificial intelligence (AI), machine learning, and automation create a new future of work. New threats, and in parallel opportunities will continue to arise with emerging risks such as demographic and economic changes, climate-related risk, and pandemics. In addition, global and local regulatory requirements such as Environmental, Social & Governance (ESG) are continuously evolving. The range of actuarial skillset that is the core of the profession should enable actuaries to grow. The actuarial profession must ensure that it takes on dynamic business and advisory roles, while maintaining the professional approach to all actuarial services.

The vision of the International Actuarial Association (IAA) is that “the actuarial profession is globally recognized as leading experts in risk and financial security, contributing to the well-being of society”. One of the IAA strategic objectives is to support the development of the actuarial profession worldwide and promote appropriate professional/education standards through Member Associations.

The IAA must support the development of the actuarial profession and the associations to maintain the relevance of the actuary. The approach should be strategic rather than reactive.

2. **Purpose of the Proposed IAA Activities**

In order to take a strategic approach, the activity would be to identify the risks and opportunities to the actuarial profession. This would be achieved by a collating the work done by the IAA’s member associations.

Following the vision and the strategic objectives of the IAA, the purpose of the proposed activity is to:

- Facilitate the global profession, including the IAA’s member associations, to effectively and proactively cope with both the threats and opportunities in the future, considering evolving technologies in fields such as AI, data analytics and broader enterprise risk management (this would include supporting the development of appropriate education, skills, professionalism and practice standards).

The impact that we want to achieve is, assist FMAs with information that can allow them to:

- Inspire younger, new generation of actuaries and support them to keep the profession relevant
- Coordinate and facilitate the development of appropriate actuarial education, skills, professionalism and practice standards, thus adding value to the linked efforts of our member associations.

3. **Scope, Content, Action Plan and Timeline**

This SOI proposes that Future Actuary taskforce creates a Risk & Opportunity Radar. This would be a repository of information that would be collected across the IAA’s members and collated for member’s use.
Output

Risk & Opportunity Radar
Format to be a report, with supporting infographic.
The report:
• Is for IAA’s members, with breakdown of regional differences and similarities.
• Would include recommendations of what to do with the information and next possible steps.

Timeline

12 months

Resources

4–5-person task force plus 1 IAA Secretarial support

Actions

• Engage with members to determine what work has already been done. Gather and collate this information.
• Analyze information for local, regional and global trends.
• Create the report.

Outcome

Greater understanding of threats and opportunities to the actuarial profession with the goal of making it more resilient.

6. **What should the IAA do with this information?**

   It is the vision of this task force that a cycle would be created by taking the risk & opportunity radar information, and the IAA and its members could then do a gap analysis, determine what skills are needed, and in turn promote demand for the profession and develop supply. This task force, however, will focus on the Risk & Opportunity Radar.

7. **Next Steps**

   In order to perform the activities described above, the Future Actuary Task Force should be created by the Executive Committee with a new mandate to create the Risk & Opportunity Radar.