

# IAA PBSS/Life/IACA Sections Colloquium

## *The Future of the Actuarial Profession*

*( “Wherever Money meets Maths ...” )*

*Fred Rowley, IAA President*

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# The way forward?

What do we do now, and what will we do?

Defining features of actuarial work?

Competitive strengths?

Challenges?

Areas we can make an impact?

Talents we will need? Education?

Impact on the profession? Globalisation? IAA?



# What we do now

- Insurance (life, health, general)
- Pensions & welfare (public & private)
- Investments & Synthetics
- Banking, Treasury & Corporate Finance/M&A
- Enterprise Risk Management
- Financial planning (businesses & individuals)
- Data Analytics & Optimisations



# It's all risk/value management!

... based on:

- Understanding the work context (big picture)
- Doing the 'right thing' (ethics and governance)
- Understanding the issues (insight)
- Working in teams (collaboration)
- Getting to a valid answer/solution (tech/practical)
- Communicating the message (written/spoken)
- Influencing the right outcome (action!)
- Monitoring and reviewing (control cycle)



# Extra Dimensions

- Social Accountability
  - Financial Institutions
  - Public & Private Benefit Schemes
  - Businesses and Consumers
- Equity
  - Individuals
  - Intergenerational
- Professionalism (incl. Ethics)



# Current Challenges

- Solvency management in negative IR territory
- International regulation & 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
- ERM – **competition or native territory?**



# New Challenges

- Individual underwriting: continuous over time
- Internet direct – on-screen behavioural tools
- Telematics
- Affinity groups
- Peer-to-peer insurance? (the new mutuals?)
- Customer information ‘mining’
- Business optimisations & risk management
- **What will keep all this in the profession?**



# Contribution to Public Policy (national and supra-national)

- As a profession, we are well equipped to contribute in many dimensions to:
  - Insurance
  - Pensions (public & private)
  - Consumer issues (now dealing as individuals)
  - Regulation & Financial Stability
  - Healthcare funding
  - Environmental economics
  - Poverty relief & development (microfinance)





# Our Position

- The profession has a strong base in its 'official' roles and good prospects in many adjacent areas – this needs balance, but 'alive & well'
- We have this because of our brand attributes
- We have many competitive advantages
- The strategy for the profession is the sum of its members' strategies
- The IAA was created to serve that strategy, aiming to globalise the profession



# Globalisation

- Globalisation will take skill and patience
- Globalisation of the science can happen first, if sufficiently general (by geography, industry)
- Global ‘initial’ education is already real and moving towards broader generalisation
- CPD can focus on specific professional topics
- Global regulation is advancing, but slowly
- Global standards of practice are coming: convergence may take some time



# Change & Education

- The rapid changes in our traditional and new practice sectors are more important in the near term: the strategy and the science of the profession must keep up with this expansion and evolution of the business world.
- So must our selection and education processes. The IAA Syllabus is under active review for both coverage and depth. Initial education is not enough: CPD is also under serious review.



# What does Jack think?

Like all vital institutions, the profession needs to continually adapt and develop to meet these challenges

**“If the rate of change on the outside exceeds the rate of change on the inside, the end is near.”**

— [Jack Welch](#)



# The IAA & its Sections

- The IAA and its Sections exist to support change – and to promote the expansion, evolution and development of the global profession, and individual actuaries, in current fields and beyond.
- This Section Colloquium has made a major contribution to all our goals.
- Congratulations & Thank you!

