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
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
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?
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.
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 IAIS 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

*FMAs can either adopt, adapt, recognize model ISAPs as consistent with their own, or ignore them*
The IAA Sections

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<td>Publications</td>
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<td>Promotion of research</td>
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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:**
- 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