



ACTUARIAL
 SOCIETY
OF SOUTH AFRICA

QUANTIFYING RISK, ENABLING OPPORTUNITY

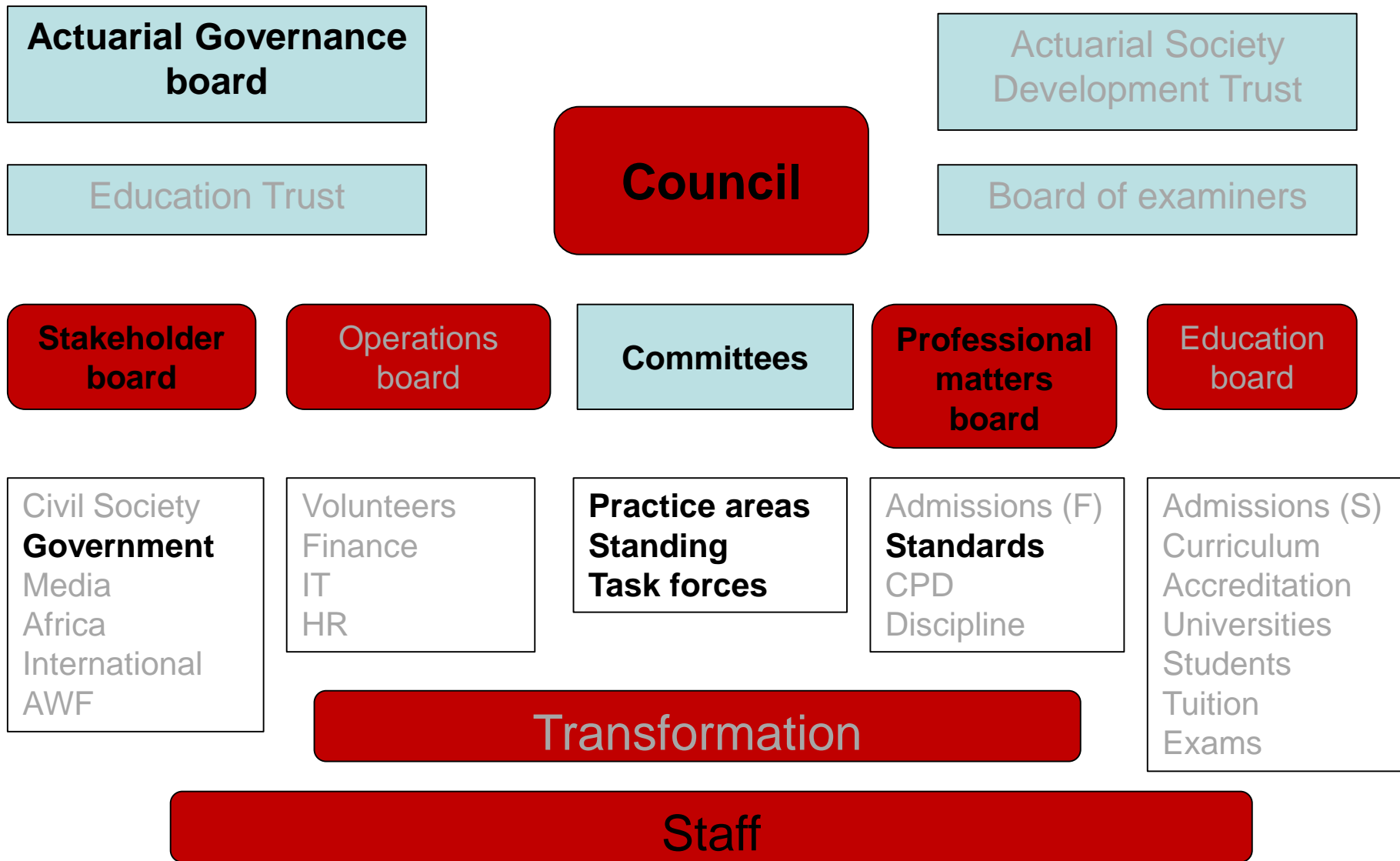
Standards Setting & Guidance

Actuarial Society of South Africa

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October 2017

Actuarial Society of South Africa

- Self regulated professional body
- 1 400 Fellow members
- 2 400 Student members
- Standard setting & examining body
- Volunteer led



Council

- Effectively the board of the Society
- Elected
- Final approval for all standards and guidance

Actuarial Governance Board

- Independent oversight of the profession
- Chaired by actuary
- Majority of members not actuaries
- Members appointed by:
 - Regulators
 - General Council of the Bar
 - Institute of Chartered accountants

Actuarial Governance Board

- Own disciplinary process
- Guidance over Code of Conduct
- Advice on areas for standards
- Advice on areas impacting the standing of the profession

Professional Matters Board

- Reports into Council
- Guidance and standards filter
- Ensures adherence to process
- Code of conduct & generic standards
- Scrutinises standards for
 - Consistency
 - Language
 - Proportionality
 - Integrity

Standards & Guidance

- Standards:
 - SAPs – Standards of Actuarial Practice
 - Effectively mandatory
- Guidance
 - APNs – Actuarial Practice Notes
 - Recommended best practice
 - Deviations must be noted
- Standards vs guidance
 - Legal requirement
 - Reserved work

Practice Area Committees

- Development of actuarial practice in different practice areas
- Development of standards and guidance
- Collaborative development

Practice Area Committees

| Committee | Guidance | Standards |
|------------------------|----------|-----------|
| Life | √ | √ |
| Retirement matters | √ | √ |
| Health | √ | √ |
| Short term insurance | √ | |
| Banking | | |
| Risk management | | |
| Microinsurance | | |
| Investments | | |
| Compensation & damages | √ | |

Other Guidance & Standards

| Committee | Guidance | Standards |
|--------------------------------------|----------|-----------|
| Epidemiology & Demography | √ | |
| Social Security | √ | |
| Data Science | | |
| Continuing statistical investigation | | |
| Market conduct | | |
| Research | | |
| Alternative Investments | | |
| Professional matters | √ | |

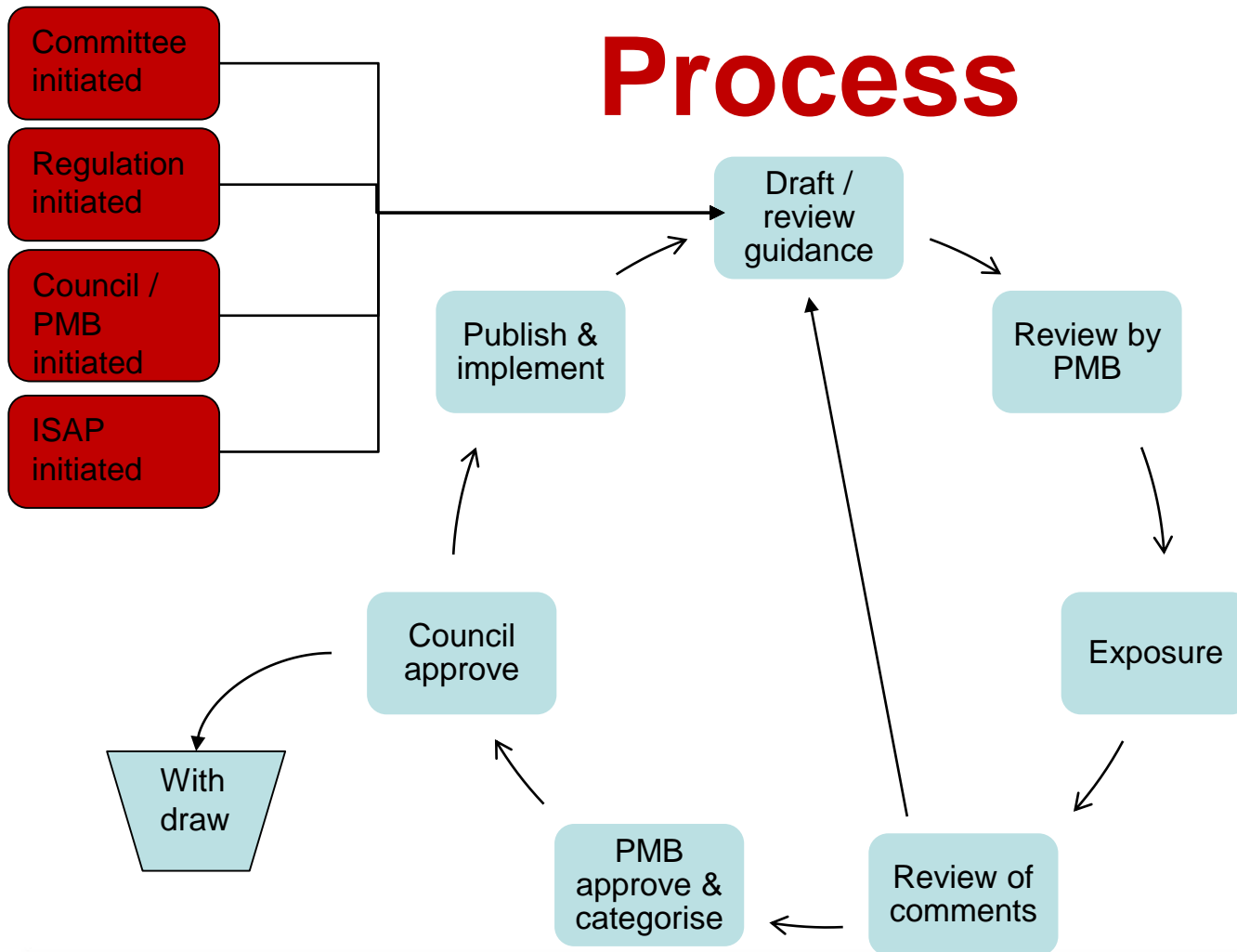
Regulatory Structure

- Being changed!
- Until now:
 - Financial Services Board
 - Reserve Bank
 - Council for Medical Schemes
- Changes in process
 - Market conduct regulator (previously FSB)
 - Financial soundness regulator (previously Reserve Bank)
 - Council for Medical Schemes

Collaborative engagement

- Guidance drafted in practice area (sub) committees
- Inclusive development
 - Actuaries from industry
 - Actuaries from regulator
 - Other relevant professionals

Process



Principles

- Professional case for guidance
- Standing of profession
- Impact on actuaries
- Consistency between practice areas
- No more than necessary, no less than needed
- Supplements or supports regulation – doesn't duplicate it

Guidance series

| Series | Practice area | Standards | Guidance | Withdrawn |
|--------|-------------------------|-----------|----------|-----------|
| 100 | Life offices | 1 | 7 | 2 |
| 200 | Retirement funds | 3 | 3 | 1 |
| 300 | Health care | 1 | 3 | 0 |
| 400 | Short term | 0 | 1 | 0 |
| 500 | AIDS | 0 | 1 | 0 |
| 600 | Social security | 0 | 1 | 0 |
| 700 | Delictual & other legal | 0 | 1 | 0 |
| 900 | General | 1 | 3 | 0 |

Discussion & Questions