

# The Actuarial Profession and Beyond

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# The Actuarial Profession and Beyond

1

**The profession** and where it is going

2

**The IAA, AAE and CERA** : past, present and future

3

What does it mean for us?

# Change Drivers

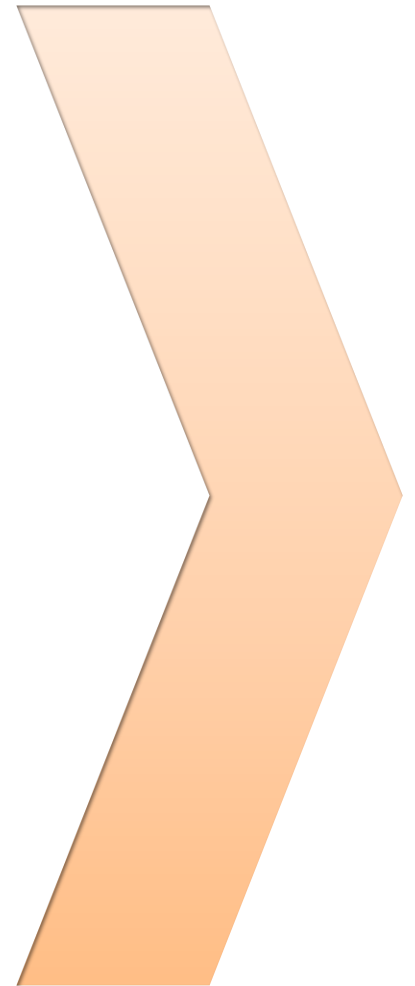
Technology

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



Low transaction cost



Cross border services

# Characteristics of change



Change is not linear – its accelerating



Greater and faster access to information



Big data



Social media



Need to think differently

# Some of the Challenges Facing the Actuarial Profession Today

Negative interest rates

Major world demographic/economic changes

Products, distribution and processes challenges

Customer information 'mining' and "big data"

Global regulation and supervision

Rapid changes in the ways people do business

Affinity groups

Business optimisations and risk management

# A Vision for the Profession

Actuaries apply unique skills and a professional approach to solving complex problems, advising on future risks, opportunities and options, across diverse fields and industries



# Unique Underlying Skills

Evaluate and manage risk and opportunity

Apply analytical, statistical and mathematical skills to financial and business problems

Solve complex problems using mathematics, probability and the time value of money

Perform in depth economic and financial analysis

Understand and communicate intricate financial concepts

Ability to think strategically

# Where can these skills be used?

Insurance, and pension

Investment and Fund management

Banking

Infrastructure businesses

Property

And what else?

# New Skill Sets?

Risk Management

Analysis of big data

Communication

Financial mathematics

Artificial Intelligence

Marketing

# 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

# The IAA



# History of the IAA

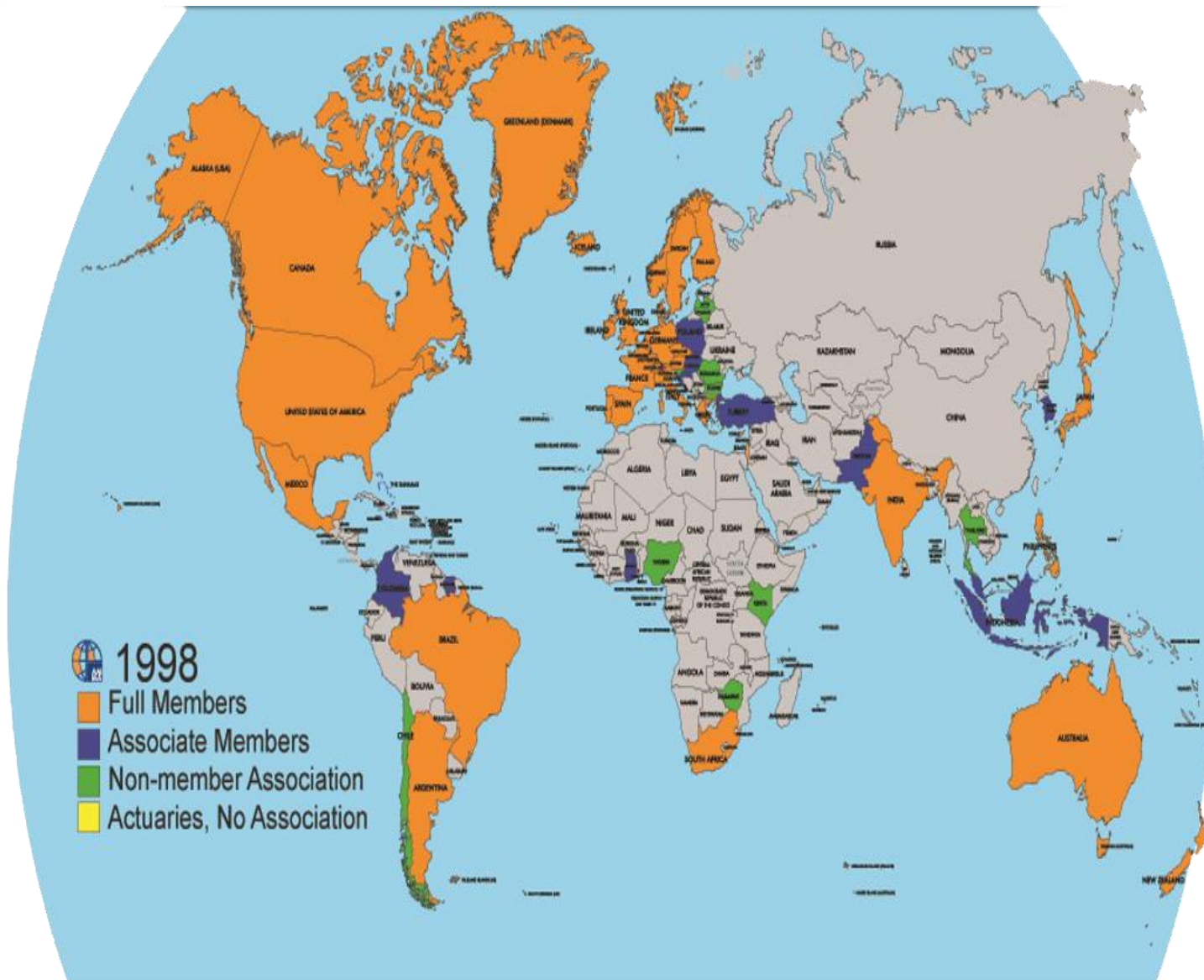


Founded in **1895** as continuation of the  
Comité Permanent des Congrès d'Actuaires

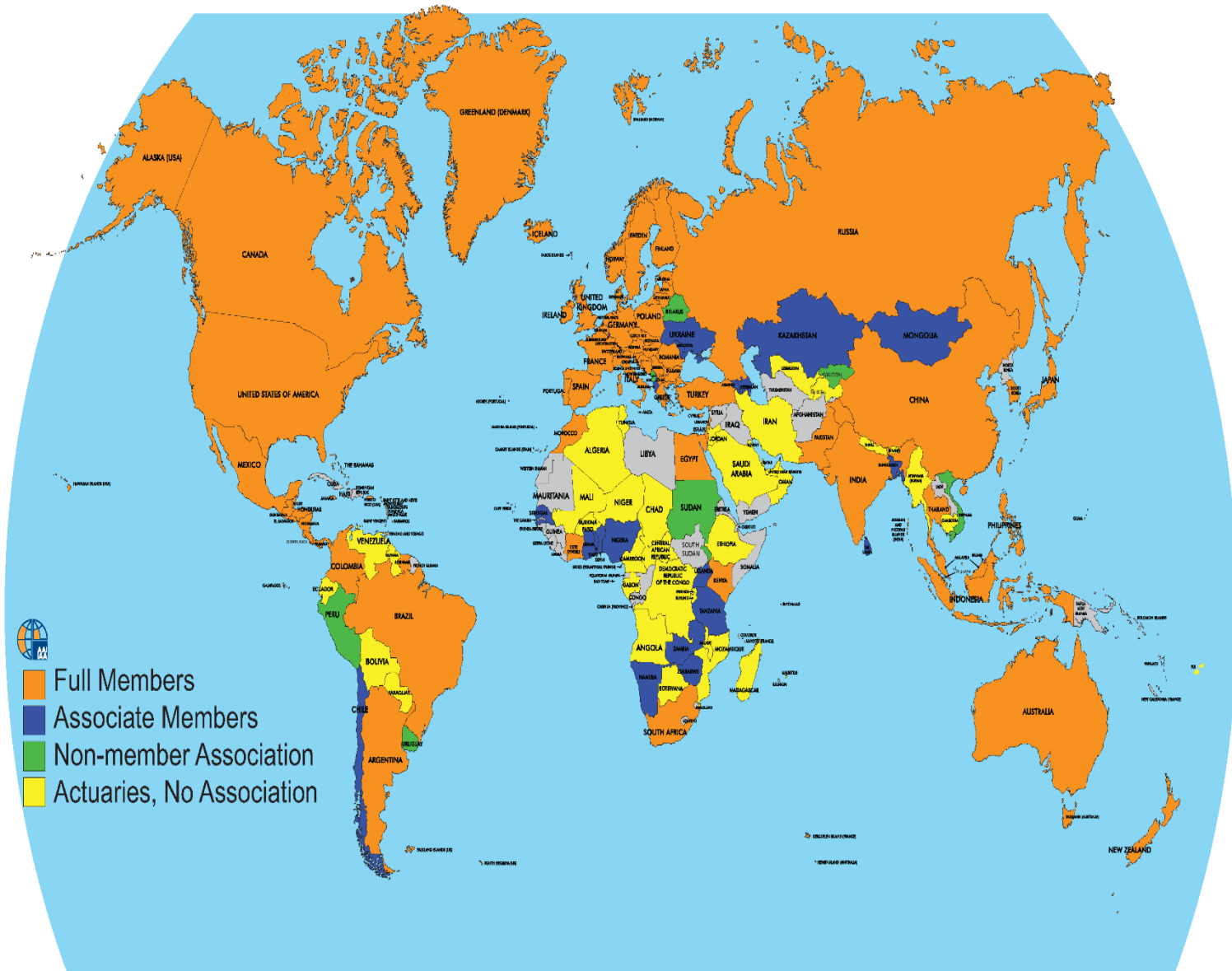
Renamed IAA in **1968**

Restructured in **1998** – creating a single, stronger unified  
framework ensuring unity of direction and efficient  
coordination with respect to issues of a world-wide nature

# The IAA's Membership in 1998



# The IAA's Membership in 2017





# The IAA: An Association of Associations



Represents **60,000+**  
actuaries in  
**108+** countries

Encourages the  
**development of a  
global profession**



**7 Sections**  
**5,000+** Section  
members

Formed in **Switzerland**  
Based in **Canada**



**800+** volunteers

Newest members:  
**Turkey; Central  
America**



# IAA Vision



# IAA Mission

Be recognized worldwide as a major player in the decision-making process within the financial services industry...

Represent the actuarial profession and promote its role, reputation and recognition...

Contribute to the well-being of society as a whole

Promote professionalism, develop education standards and encourage research...

# IAA Objectives

1

Develop **Relationships** with key international audiences

4

Support the profession's **development, organization, and promotion**

2

**Expand the scientific knowledge** and skills of the actuarial profession

5

Provide a **forum for discussion**

3

Encourage sound **practice and education** standards

6

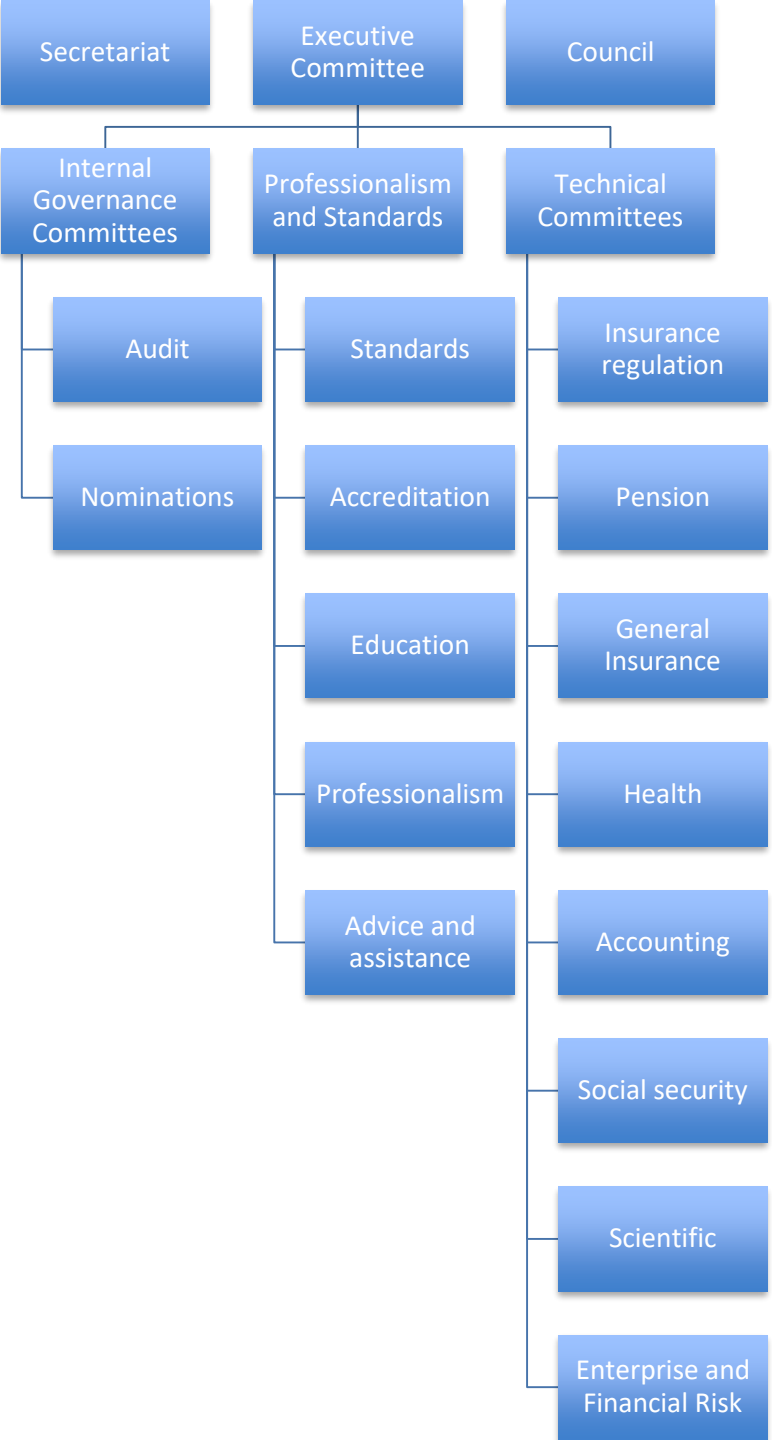
Improve recognition of the actuarial profession (**branding**)

# IAA Partners, Observers, and other relationships

Formal

Informal





# How the IAA Communicates

Distribution lists, conference calls, webinars

Annual Report and Newsletters

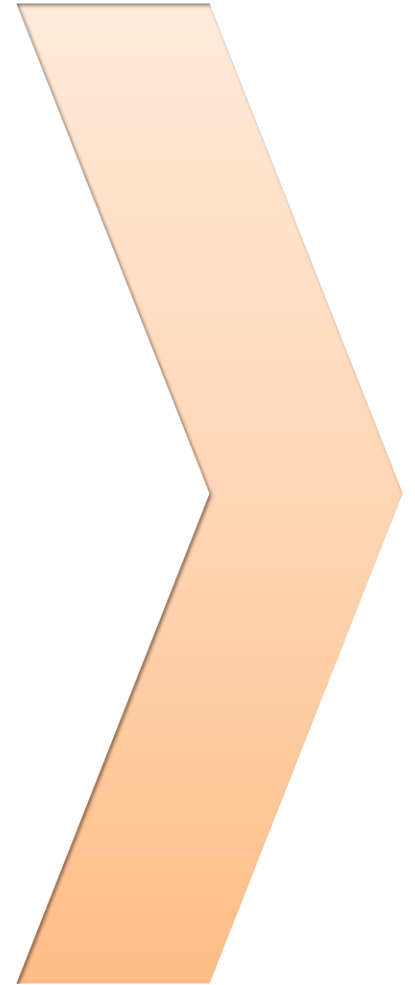
News Releases: to inform external audiences of important IAA initiatives

Social Media:



IAA Members' Website contains:

- Actuarial E-Library
- International Events Calendar



# Sections

## **AFIR**

Actuarial  
Approach for  
Financial Risks

## **ASTIN**

Actuarial Studies  
in Non-Life  
Insurance

## **AWB**

Actuaries  
Without Borders

## **IAAHS**

Health

## **IAALS**

Life

## **IACA**

International  
Association of  
Consulting  
Actuaries

## **PBSS**

Pensions,  
Benefits, and  
Social Security

# The IAA Sections' Activities

## Colloquia

- Meetings to discuss research and its application

- Shorter events focused on topics of current interest

## Webinars

## Other events

- Lectures and smaller meetings

- ASTIN Bulletin
- Other research papers

## Publications

## Promotion of research

- Prizes
- Networking/ discussion groups

- E- based access to knowledge database
- Virtual learning

## Knowledge systems



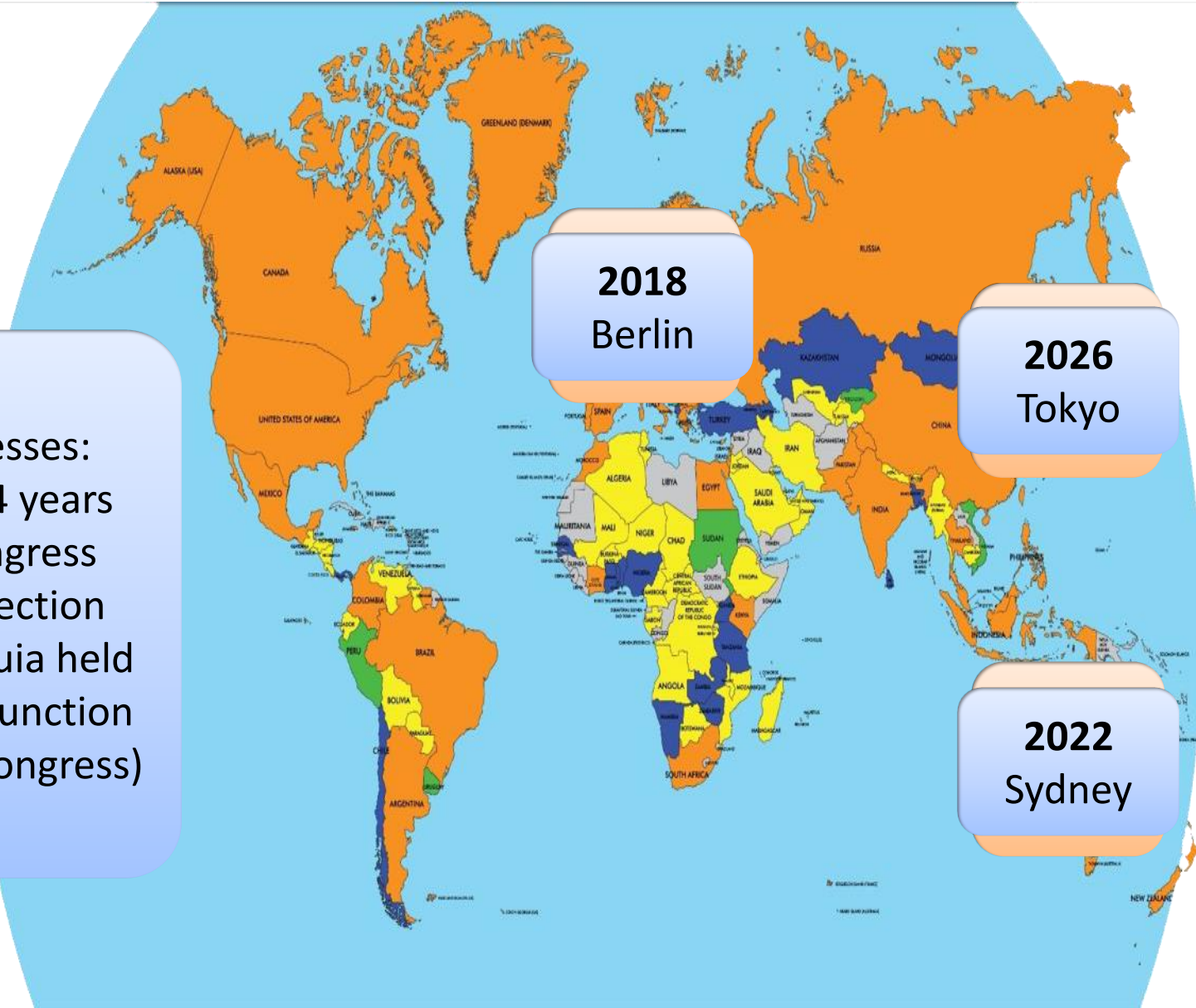
# Congresses

Congresses:  
every 4 years  
(in Congress  
year, Section  
Colloquia held  
in conjunction  
with Congress)

**2018**  
Berlin

**2026**  
Tokyo

**2022**  
Sydney



# Actuarial Association of Europe



**aae**  
actuarial association of europe



# History of the AAE



Established in 1978, originally as the Groupe Consultatif Actuariel Européen, to represent actuarial associations in Europe

Renamed AAE in **2012**

36 member associations in 35 countries, both within the EU and elsewhere in Europe

# The AAE: An Association of Associations



Represents **21,000+**  
actuaries in  
**35** countries

Gives advice to  
European Institutions



Develops consistent  
**standards of education  
and practice**

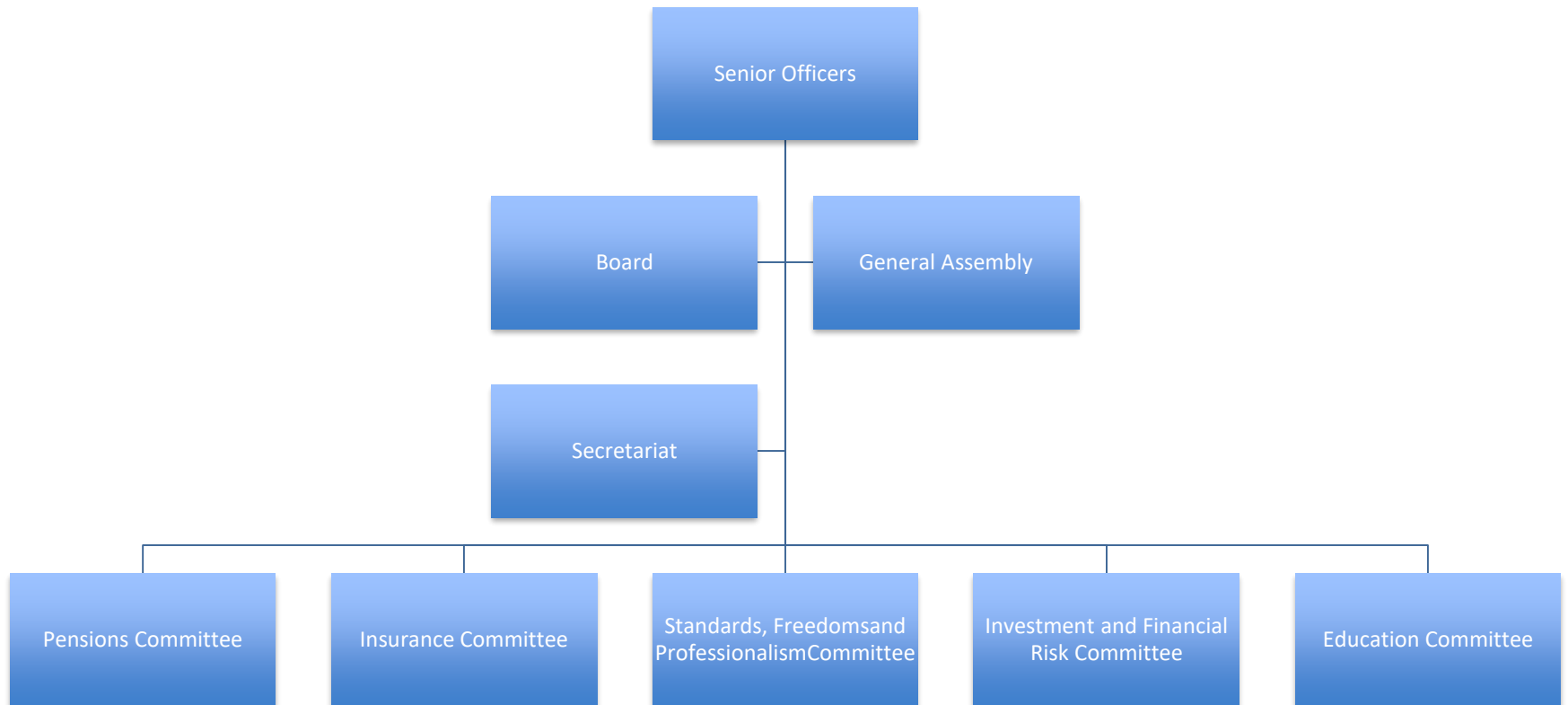
Formed in **Switzerland**  
Based in **Brussels**



Supports a **mutual  
recognition agreement**

36 member associations







# Some Key Stakeholders

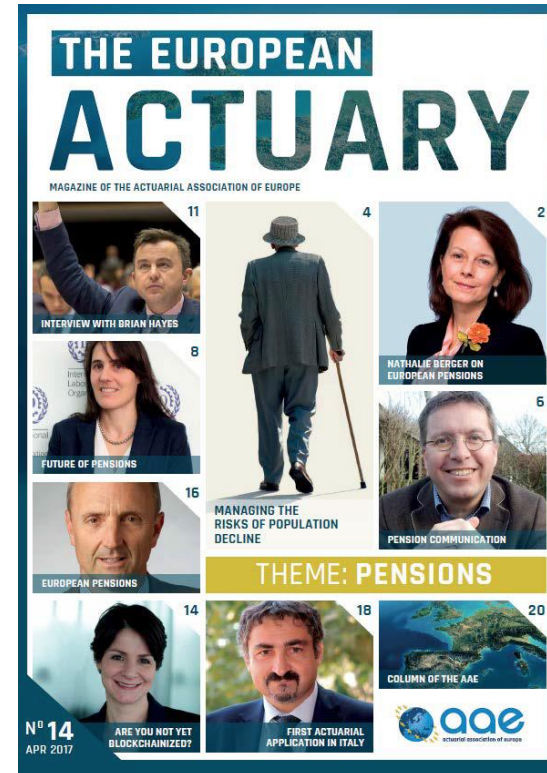


# Communication

- CPD
- Publications
- News from Associations
- The European Actuary magazine
- Members Only
- External Links
- Contact Us



December 20, 2016  
**Attack in Berlin**  
 Following the terrorist attack in Berlin on 19 December, AAE Chairman Knut Peter Bork sent a message of support to our  
 December 20, 2016  
**AAE paper 'highly'**  
 Commended in Savary Investor Awards 2016  
 The AAE paper 'The ageing of the EU – implications for pensions' was shortlisted in the 'Best Pensions Paper' category.  
 November 8, 2016  
**European News**  
 EIORA updated technical methodology documentation for SFR term structures for Solvency II  
 EIORA has today published an update of the technical documentation of the methodology to derive the short-term interest rate term.  
 December 12, 2016  
 EIORA Disclosure of information on use of transitional measures in calculation of technical provisions  
 EIORA has published today the options on disclosure of ...



CERA

A global risk management qualification for the future

CERA

CERA

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CERA



# Hyderabad Treaty !



# CERA Global Association - objectives

## Creating A Global Credential:

- Standardisation of 'ERM toolkit'
- Standardisation of education
- Rapid spread of ERM skills for actuaries
- International mobility
- International recognition
- Globalisation of the risk profession



# A global risk management qualification

- The CERA qualification encompasses a world-class curriculum that combines actuarial science with the theoretical, practical and professional principles of ERM
- Recognised and transferable internationally
- Consistent with modern, effective methodologies
- Applies both qualitative and quantitative insight to ERM
- Instills the highest professional standards, with an impeccable code of ethics and rigorous educational requirements
- Equips risk management professionals to empower better business decisions.

# What value do CERAs bring?

- CERAs make confident decisions related to complex financial challenges affecting business by applying qualitative and quantitative insights to risk management
- CERAs add value to enterprise risk management through their rigorous training, making them the best equipped to provide a 360-degree view of an organisation's risk profile
- As actuaries, CERAs are bound by a code of professional conduct to act with integrity, care and competence
- CERAs are trained through a rigorous multi-year examination process to identify, measure, and manage risks and opportunities within complex enterprises
- CERAs are equipped to develop models which reflect the real world and can inform strategic decisions.

# Opportunities for risk professionals

- A CERA, because of their training and experience, can assess and manage the entire risk spectrum of an organisation, including financial, operational and strategic risk
- CERAs are well-qualified for more strategic risk management positions such as risk analyst, risk manager, chief risk officer, and are contributing in a broad range of fields, including:

**Life insurance; General insurance; Banking;  
Asset management; Pension funds; Other financial services;  
Technology; Consulting; Energy; Transportation;  
Healthcare.....**

# Looking Forward

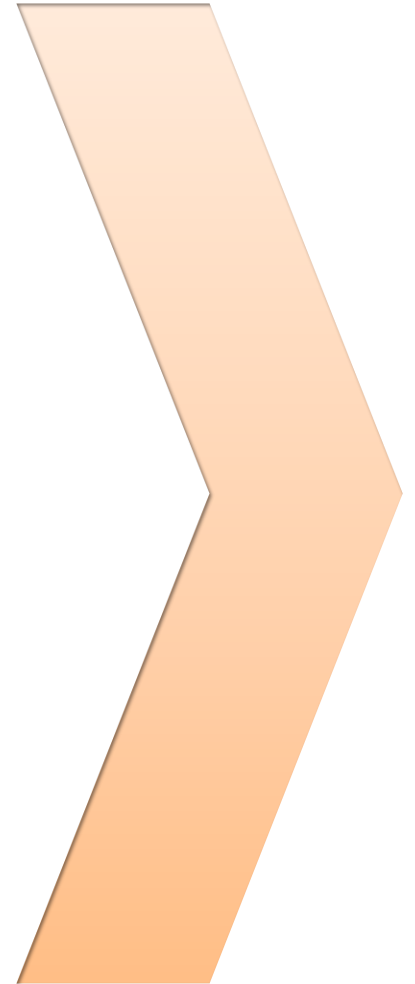
## We need to:

Influence change

Look for new areas to apply our skills

Further develop the intellectual capital  
of the profession

Further develop our brand image



# What does this mean for us personally?

Develop competence (CPD), in particular “softer skills”

Seek new areas to apply skills

Keep informed

Be seen to be professional

Think of how one communicates well

# What does this mean for us personally?



Engage



Thank You