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# Actuarial Interaction and Challenge

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# Actuarial Interaction and Challenge

## Agenda

- 1 Introduction
- 2 The Actuaries' Code consultation
- 3 Factor Fiction
- 4 Vignettes 1-2
- 5 Brave New World
- 6 Vignettes 3- 4
- 7 Corporate Excess
- 8 Finale



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## Introduction

Who we are

Why we are here



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## Consultation: Proposals for changes to the Actuaries' Code

- ❖ Launched: **3 October 2017**
- ❖ Deadline for responses: **17 January 2018**
- ❖ Consultation meetings:
  - **30 October 17 at 1700 GMT – London**
  - **7 November 17 at 1700 GMT – Edinburgh**
- ❖ See [website](#) for more details
- ❖ Contact us: [code@actuaries.org.uk](mailto:code@actuaries.org.uk)



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## The Actuaries' Code Consultation

### In essence

- Clearer structure
- Simplification of language
- Members' obligations clarified using 'must' and 'should'
- New stand-alone 'Speaking Up' principle
- Removal of more prescriptive and process based requirements
- New supporting Guide



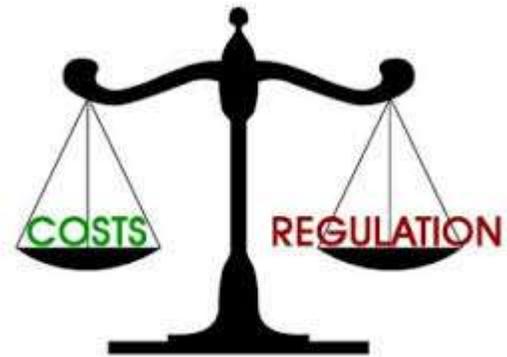
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## Professional Skills Training

How do you balance being professional with the cost to your users?

Do they know why you do what you do on a regulatory and compliance aspect?

Do they care?



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## Professional Skills Training

Consider servicing your gas fire – which would you choose?



Local handy man £20



Gas safe registered man £50



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## Factor Fiction

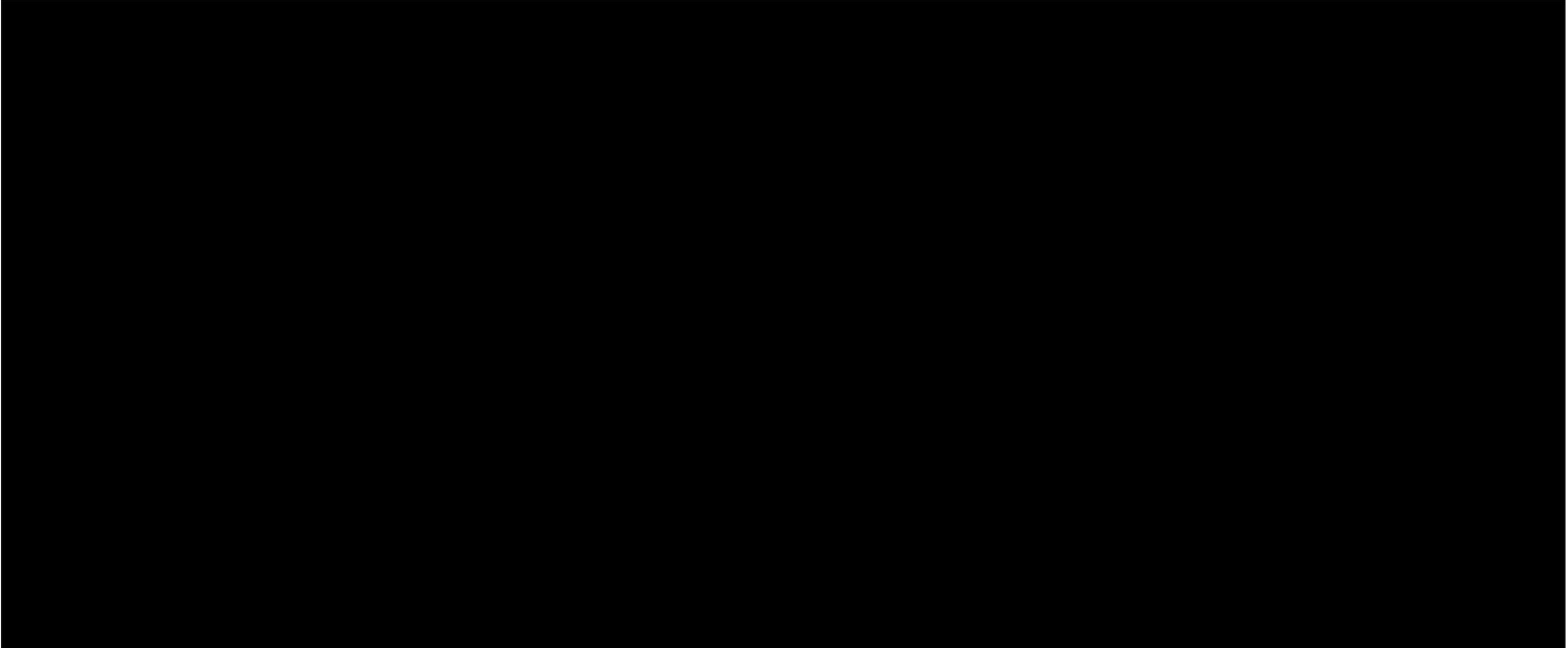
The “Widgets-R-Us” Pension Scheme, closed to new employees last year, whilst still fragile, continues to pay benefits to members reaching 65.

The Chairman of the Trustees and Financial Director, George explains an option within the Scheme which enables retiring members to convert part of their pension into cash, to the CEO, Bridget.

Sophie the Scheme Actuary is put in a difficult position at a members’ strategy meeting later that day, when George enthusiastically invites her to present the benefits of commuting their pensions.



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## Factor Fiction

Do you go against the client?

Risk making them look foolish?

Risk them taking their business elsewhere?



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## 1 Staff Perks

Your company provides 20% staff discount on car insurance which makes it the cheapest you can get.

You move to a different company and at the next renewal the quote from your existing insurer still has the 20% staff discount so still the cheapest.

You accept the renewal on those terms.

Fair enough?

2😊%



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## 2 Conference Highs and Lows

You have just done a highly successful presentation at the Actuarial Conference.



That night, still high on adrenalin, you celebrate a bit too much, get seriously drunk.

You punch someone and get arrested.



What does that do to your Actuarial career?



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## The way ahead

### Who said?

Actuaries face the challenge of changing their focus to one that is less concerned with analysis of data, but more focused on the insights to be gained from that data.

Our skills give us a natural edge – an ability to understand and interpret the interactions of complex changes.

So the value and insight that actuaries can bring is needed now more than ever before.



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## The way ahead

### Marjorie Ngwenya

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## Brave New World

Mac and Keevi have set up a start-up app-based insurance company

What do they need to bear in mind?



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## Brave New World

Do they understand the risks?

Will their customers be happy with what they are doing?



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## 3 Busy Busy

You are a senior actuary in your organisation.

The trainee says will you sign off his WBS skills log so he can become a Fellow.

You haven't time to go through in detail, you know he is a good worker, so you have a very quick browse, write a couple of comments and sign it.

Is that ok?



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## 4 Bad form

While working on a pension scheme, you notice what you think is a mistake in a proforma relating to the scheme. As a result of the mistake, you believe that some pensioners may have been overpaid pensions for the last decade.

You bring this to the attention of the scheme actuary, but after looking into the problem, she concludes that it is not worth following up. She says that the likely overpayment is quite small, and only affects a small number of pensioners.

However, if the pensioners are advised of the error and asked to repay the overpaid amounts, they may have grounds for a complaint against the scheme. Overall, it will be simpler just to adjust the payouts going forward and leave it at that.

Is that transparent, fair to other members, who should be told?



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## Corporate Excess

Bill has been to a key corporate hospitality event, and has committed the firm to a big new piece of work.

Matt hears of this and assumes that he will be given the job to do – but for cost reasons Bill decides that giving the job to Sue would be a better idea, although it is a bit risky because she has less experience



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## Corporate Excess

Are you sure you have got it right?



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Life is full of challenges

It is all about how we meet them

Which doesn't mean always taking the easy way out



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So as we always say



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# Questions

# Comments

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