

Task Force Roles of the Actuaries

Way forward

It has been difficult to organize a new meeting (call) for our task force. This illustrates that we have to reconsider the way the task force is functioning.

First question we can ask ourselves : do we still agree with the ToR ?

- Co-ordinate efforts in the context of roles of actuaries in insurance, pensions, health care, banking and any other domains where actuaries are active
- Assure consistent approach when position of actuary is promoted
- Assure proactive approach ... create awareness about the contribution of the actuarial profession
- Give input to standard setting process
- Assure sufficient exchange of information
- Follow up on developments in external stakeholders
- Assess the impact on the organization and references of AAE implied by different roles
- Take into account the work of the IAA in this area
- The TF reports to Officers and makes recommendations to SPFC

The environment is changing and expectations have never been as high. The profession has been able to position itself in different domains and at different places and has therefore created a momentum. At the same time other stakeholders are looking at us with a critical eye.

The actuarial profession is evolving but not always at the same speed as its environment.

It is therefore necessary that the reflection and the approach are triggered.

Conclusion

That is why we can say there is room for a group of persons generating the debate and creating the messages for the environment.

Second question is how we can achieve this ?

The Task Force Roles of the Actuaries has been able to contribute to the objective in some domains :

- Memo's to on the Role of the Actuary under SII and the lack of harmonization, Role of the Actuary in Risk Management under SII
- Mini survey and survey on the Roles of Actuaries under SII and the presentation of the results to the AAE committees and at several conferences
- Position paper on the Independent Review under SII and the discussion of it with FEE

The TFRoA nevertheless has not been able to have a real input in the other domains such as pensions and independence.

The plans seem to be too ambitious, resources are too limited and the Task Force is not effective in those fields.

Proposition

Instead of aiming to produce in depth position papers based on research, surveys, ... and requiring a significant investment in time, we can consider to formulate ideas and points of view with the purpose to trigger the debate in our organization or to draw the attention of stakeholders. These memo's, papers, ... can be shorter and express ideas that can be picked up in the committees or discussion forums of the AAE or if appropriate in another context.

Such documents can be prepared by all members of the TFRoA at the same time with more leading roles in function of the subject. Input can be asked on an ad hoc basis to experts/colleagues, depending on the subject.

Conclusion

The approach and planning is adapted in function of the above explained approach.

Third question : what should the priorities be today ?

When we look at the issues that are eminent today than we can come back to the following.

Finalize the conclusions of the survey of the Roles of the Actuary under SII. The quality of the replies on the survey cannot be considered as sufficient to draw “scientific” and hard conclusions. The results can therefore only be presented as observations and trends. We therefore will prepare an article in The European Actuary (recently transformed into an AAE magazine) on the subject so that the messages can be conveyed and the context can be made clear.

Actuaries and Risk Management for Insurance : we observe that about 70% of CRO’s are actuaries, that about 25% of actuaries working in/for insurance are doing this in the context of Risk Management. Taking into account the necessary reservation, this could mean that up to 2000 and more of our individual members are CRO of an insurance company, that up to 4000 and more of our individual members are working in Risk Management.

The profession has to prepare an appropriate framework (see standards in preparation), the corresponding issues have to be discussed amongst colleagues (see orientation IFR ?), we have a say in the external debate,

The TFRoA can create evidence and trigger the minds so that the professional organizations adapt faster than today.

Actuaries and Risk Management for IORP : pillar 1 of IORP has been abandoned, pillar 2 and 3 nevertheless will be introduced. Next to the role of the Actuarial Function, for which there is still work to do to make sure that it is integrated appropriately in legislation, there is the issue of implementing risk management in IORP.

We need to make sure that our members and the rest of the world are made aware of our possible contribution in this area which is not the case today.

Independence for actuaries : the subject is delicate and causes a lot of discussion and divergent opinions in the actuarial world. There is a need for objective thinking as reference. Legislation hesitates to allocate roles to actuaries because of the fact this item is not solved and there is insufficient guarantee.

The TFRoA could produce a short memo with consideration of the different aspects and possible ways to go forward.

We would welcome your ideas and suggestions so that we can all agree on the next steps and propose those to the officers. As the SFPC and Insurance Committee are meeting in Nicosia on 10 and 11 March, it would be preferable to have an agreed proposal to be presented.

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