

## ***THE APPLICATION OF PROFESSIONAL JUDGEMENT BY ACTUARIES***

Definition: Professional judgement is the judgement of the actuary, based on actuarial (or other relevant) training and experience<sup>1</sup>, bound by the Standards and Code of Conduct of the profession.

The field of work for actuaries has been broadening over the past years. In departure from their traditional roles in insurance and pensions, actuaries nowadays are professionals in high demand in all industries as experts in risk assessment and management. Obviously, **professional judgement** is a key factor in risk management, data science and artificial intelligence. The Actuarial Association of Europe has worked out the distinguishing features of the professional judgement performed by a fully qualified actuary.

Professional judgement of an actuary is based not only on expert knowledge but also on standards of professionalism and on the Code of Conduct of the profession. Compliance with these standards increases the value of the professional judgement provided by an actuary compared to an expert without this requirement. The professional standards demand besides this expert knowledge ethical behaviour and accountability.

In order to illustrate the relevance of these standards, the paper contains a set of key questions on several issues in connection with professional judgement.

These questions are dealing with the different areas of application of professional judgement. They can serve as a checklist supporting the work of an actuary providing this judgement.