



SAI Annual Convention 18th May 2018

Descriptions of presentations

08:30 – 09:15

General Insurance and Life Assurance joint forum

This session will consist of an update from the Central Bank of Ireland on psychology and behaviour and bringing in some lessons learned from the bank.

'Risk Culture: Hidden in plain view'

Allan Kearns and Jenny Minogue

It's a well-known saying that "Culture eats strategy for breakfast". In the presentation, Dr. Allan Kearns and Jenny Minogue discuss culture and its relevance for risk management in a financial services context. The speakers seek to take the abstract concept of risk culture, and discuss more specifically its importance, how the topic can be broken down into constituent elements, and how supervisory authorities are beginning to think about culture in a regulatory context.

Pensions Forum

Tom Matthews, Jim Murray, Kevin Thompson, Jerry Moriarty, James Deeny

This session will consist of a Panel Discussion on auto-enrolment.

09:25 – 10:05

Practical Challenges of IFRS17 Implementation

Andrew Kay and John Bolger

Industry talks to date have focused on the theory of IFRS17 but now that companies have started their implementation projects this session will share some insights about practical issues and implementation challenges, including possible synergies with Solvency II.

IFRS 17 – A GI Perspective

Darren Shaughnessy and Joanne Lonergan

With the IFRS 17 implementation date fast approaching, it is time to get granular. In this talk, the speakers will focus on the specific features of IFRS 17 that will impact general insurers, including data requirements, level of aggregation, linkage to Solvency II, treatment of onerous contracts and proving eligibility for the Premium Allocation Approach.



Using your Tea, Milk and Mobile to get Health Cover: Challenges and Solutions to Make Micro Health Insurance Work

Willem Claasen

It is difficult to develop a micro insurance product in the Health Insurance space. The actuary faces a number of familiar and unfamiliar challenges, including:

- Anti-selection
- Lack of data
- The administrative cost of delivery

This presentation will discuss the challenges to develop a micro health product that is both sustainable and scalable to more than one location. A number of solutions to the challenges will then be suggested, by way of practical applications that Swiss Re has developed together with insurance and technology partners across particularly Africa and the Middle East.

Authorisations – it has been a busy year!

Panel Discussion

This panel discussion, chaired by Eric Brown, will provide an overview of activity in the market in Ireland.

The panel will set out views from their own perspective and will include an actuary who has gone through the process with a company, views from the legal perspective and finally the Central Bank of Ireland.

Running off Mature DB schemes

Michael Walsh

What practices and services are required across the industry to effectively run-off schemes in the maturing UK DB market, and what skills are required from practitioners within the industry including actuaries?

This presentation provides an introduction to the work of the Institute and Faculty of Actuaries “Running Off Mature Pension Schemes” working party. Whilst the Irish DB market faces its own unique challenges, there are a number of similarities with the UK market for which mature schemes are increasingly becoming the most significant category of defined benefit pension scheme. Mature schemes present different challenges to those facing open schemes across various areas such as funding, investment and risk management, operations and governance. How those schemes are managed to their end point will impact the retirement incomes of millions of individuals. The working party’s research provides insight into the approaches that are common in the UK market and proposed best practice from a group of actuaries with diverse backgrounds and experience.



Resilience

Shelley Crawford

This presentation will focus on building and sustaining resilience for challenging situations, where maintaining integrity, adhering to values and being authentic is crucial. The presentation will be interactive and will focus on certain resilience-building mechanisms (grounded in neuroscience and social sciences research), that we can harness to manage better, the cognitive, emotional, social and physical domains in our human system to positively maximise interactions with others.



10:15 – 10:55

The changing landscape of Distribution in Life and Pensions

Brian Grimes

This presentation will take a look at areas such as changing consumer behaviours (millenials), Big Data, AI, PSD2/GDPR , EIOPA's Product Life Cycle governance and the threats and opportunities they bring to all stages of the distribution process from sourcing customers, delivery of advice, fulfilment and after sales service.

Ersatz Model Tests

Andrew Smith

The authors describe how statistical methods can be tested on computer generated data. The speaker will explore bias and percentile tests in detail, illustrating these with examples based on insurance claims and financial time series.

Disrupt or Be Disrupted

Owen Lewis & Jean Rea

The presentation will focus on Robotic Process Automation (RPA), Machine Learning (ML) and Natural Language Processing (NLP). The speakers will take the audience through what these different advancements are, the expectation of their impact on insurance business models and give a glimpse of what the future could look like.



Drivers of Future Longevity - A Medical Perspective

Mariette Thulliez and Cillian Tierney

A Chief Medical Officer and Actuary debate the outlook for longevity and what the future drivers could be. What do changes in the cause of death tell us about potential areas for future improvement? What could developments in genomics and personalised medicine mean, and who will benefit from these? Will the likes of wearables actually make people healthier or are they already yesterday's news. Or are we on the road to nowhere? Perhaps headwinds from obesity, alcohol consumption, sedentary lifestyles and funding cuts mean longevity gains are a historic phenomenon.

Investment Strategies under Solvency II

Eamon Comerford and Kevin Manning

While the immediate challenge of implementing Solvency II is now subsiding, it is a suitable time for insurers to look at the range of strategic questions, arising from the introduction of Solvency II. One such question for insurers is whether their existing investment strategy remains appropriate under Solvency II. The presentation will investigate the relative capital efficient returns of various asset classes in terms of potential return versus capital charge. They speakers will also analyse the current asset profiles for life insurers, non-life insurers, and reinsurers across Europe. They will highlight a number of alternative assets which may offer a relatively capital-efficient return and outline the implications of the Prudent Person Principle. Finally, the presentation will also consider a range of risk mitigation options which can help insurers improve the capital efficiency of their investments.

Chairing Effective Meetings

Lorcan Nyhan

Lorcan Nyhan, a consultant in the training division of the Communications Clinic, will present a session on Chairing Effective Meetings.

11:25 – 12:45

Year in Review

Maurice Whyms, President, Society of Actuaries in Ireland

The future and what to do about it

Mark Stevenson

Mark Stevenson, 'reluctant futurist' and award-winning author of the best-selling *An Optimist's Tour of the Future* and *We Do Things Differently* is expert on global trends and innovation. In this talk, he'll give us a whistle-stop tour of The Good, The Bad and The Ugly of the next 20 years and why 'business as usual' is a recipe for disaster. How is the landscape of society going to change in terms of technology, energy, governance, health and commerce? What questions should actuaries be asking themselves? And what does it take to innovate through constant change? We're in for a rocky ride, but future-literate organisations have a shot at greatness.



13:45 – 15:15

Might smoking rates go up in flames?

John Schoonbee

We have been faced with e-cigarettes for some time, but a new reduced risk tobacco product is beginning to take market share from traditional combustible cigarette smoking market. 3 big tobacco companies now have such a product, and one has committed to selling only this type of product by 2050. What does the evidence show are the (reduced) risks with these newer products? How likely are they to change the face of smoking? And what will it mean for life and health insurance?

Reserving in the pressure cooker

William Diffey, Laura Hobern and Asif John

Reserving processes are under pressure from all sides in companies. The focus is on faster close processes with no surprises along with “value add” MI. Recent financial years have benefited from prior period development in reserves supporting company P&Ls following 2010 – the absence of such development in future places additional strain on reserving processes.

Pressure on the reserving cycle, unexpected regulatory changes, the demands of tighter solvency 2 reporting timetables, IFRS projects, and consistency between reserving and reserve risk in capital modelling makes reserving as intricate as ever. Chief Reserving Actuaries must tread a careful path between the needs of Boards; CFOs; regulators and policyholders.

This presentation focuses on the timescales and pressures of the reserving cycle and ways of managing the resulting conflicts. It will look at automation techniques to relieve the perfect storm in reserving processes.

SII SF Model – All Change!

Maaz Mushir and Gerard Power

In November 2017, EIOPA published its second consultation paper on specific items in the Solvency II Delegated Regulation. In this talk, the speakers will outline the key changes to the standard formula and focus on the extent of the impact of these changes on both life and non-life insurers.

Resource & Environmental Issues: Insights from the UK Guide on Resource & Environment Issues for Pension Actuaries

Andrew Claringbold, FIA & Nick Spencer, FIA

Last May, the Institute and Faculty of Actuaries provided a Risk Alert stating that "Actuaries should ensure that they understand, and are clear in communicating, the extent to which they have taken account of climate-related risks in any relevant decisions, calculations or advice." In parallel with this, an IFoA working party has prepared a practical guide for pension actuaries on resource and environment issues, together with some more detailed papers. This session will summarise these papers and the discussions the working party have undertaken to consider what UK pensions actuaries are or should be doing in respect of resource and environment issues.

Andrew and Nick are members of the IFoA Resource and Environment Implications for Pensions Actuaries Working Party .



Section 13 Transfers: An introduction

Simon Sheaf, Derek Smith

A Section 13 transfer is a mechanism by which insurance liabilities (and the associated assets) can be transferred from one insurer to another. Under such a transfer, the permission of the policyholders is not required; what is required instead is approval by the Irish High Court. The application to the Irish High Court for the transfer of life insurance business must be accompanied by a report on the transfer by an Independent Actuary discussing whether any of the affected groups of policyholders could be materially adversely affected by the transfer. There is no equivalent requirement for transfers of non-life business but, in most cases, an independent Actuary tends to be appointed to fulfil the same function.

Brexit is expected to lead to an upturn in the number of Section 13 transfers as a result of Irish insurers seeking to move any UK business into a UK entity.

This session will discuss what Section 13 transfers are, how they work, the role of the Independent Actuary, the role of the CBI
And the role of the Irish High Court

Professionalism Session: Actuarial Interaction and Challenge

Sally Calder

The IFoA 2017/2018 theme for Professional Skills Training is “Actuarial Interaction and Challenge”.

The first session will focus on the “challenge” aspect of this theme. This will include a brief summary and update on the proposed IFoA Actuaries’ Code, focusing on the proposed new section entitled “speaking up”. This will be followed by an interactive discussion on whistleblowing and finally a video from the IFoA’s suite of Professional Skills videos entitled “Factor Fiction”.

Another Professionalism Session facilitated by Sally Calder will take place at 14.35 and will cover a different theme. Members can attend both of these sessions but must book separately for each.



14:35 – 15:15

Wider Fields update & introduction to Banking and Aviation Financing

Mike Frazer and Bryan O’Connor

This session will begin with a quick update from the Wider Fields Committee on the activities of the Committee to date and future events and activities planned. This will be followed by an introduction to the Banking and Aviation Financing industries, and opportunities for Actuaries within these extremely dynamic and extensive industries.

The speakers will look for feedback from Members to understand how the Committee can best serve Members’ interests in the areas of wider fields and promotion of the Society and Actuaries in Ireland to non-traditional industries and potential employers.



Supervisory analytics: generation of insights from regulatory reporting

Eoin Haugh

The introduction of Solvency II in 2016 brought about a step-change in the depth and breadth of regulatory reporting, both qualitative and quantitative, submitted by insurance and reinsurance undertakings to the Central Bank of Ireland. High quality supervisory reporting enables analysis that provide valuable insights on micro- and macro-prudential issues. Increasingly, the Central Bank uses these data to inform evidence-based decision-making and to improve supervisory outcomes.

This presentation will cover a number of examples of practical uses of regulatory reporting to analyse risks and monitor industry trends, including a discussion of the tools and techniques used.

Measuring the cost of the State's pension promises

Joanne Roche

This presentation will provide an overview of the most recent assessment of the state's obligations in respect of both social security and publicsector pension obligations.

The review will cover:

- insights gleaned at the recent actuarial review of the Social Insurance Fund published in 2017
- the social insurance related aspects of the Pension roadmap including planned actions to address indexation of the state pension and sustainability
- an overview of the recently published public sector pension liability valuation performed by DPER for Eurostat reporting purposes
- observations from the International Actuarial Association on how best to present social security obligations such as Ireland's which are financed on a "pay as you go basis"

The fast-moving world of Insurance Telematics

Brian Foley and Andy Goldby

What is happening in the fast-changing world of Insurance Telematics? What can we learn from the activity of cutting edge insurance organizations in other parts of the world?

The speakers will explore key issues and approaches with big data, usage-based insurance, car sharing, driver performance monitoring and more. They will briefly review activity in the telematics area in Ireland.



Pricing of Demographic Risk

Derek Ryan

This session discusses how insurers can better manage some of their ‘internal levers’ – in particular pricing, product design, and reinsurance. The speaker will look at how advanced analytics can improve the understanding and pricing of demographic risk, including policyholder behaviour; how policyholder behaviour itself can be used for better pricing; and how firms can re-examine their reinsurance needs to ensure they are maximising value from their reinsurance programs.

Professionalism Session: Actuarial Interaction and Challenge

Sally Calder

The IFoA 2017/2018 theme for Professional Skills Training is “Actuarial Interaction and Challenge”.

This session will focus on the “interaction” aspect of the theme. This will include a number of short case studies ending with a video from the IFoA’s suite of Professional Skills videos entitled “*Corporate Excess*”.

Another Professionalism Session facilitated by Sally Calder will take place at 13.45 and will cover a different theme. Members can attend both of these sessions but must book separately for each.



15:25 – 16:05

Mortality Research Update

Sinead Carty, Dr. Mary Hall, Caroline Twomey

Accurate models of mortality are required in order to manage mortality and longevity risk for insurance companies and pension providers. This presentation will give an overview of recent trends in Irish and UK mortality improvements and will provide an update on international mortality developments. The presentation will outline recent research on mortality and longevity in Irish universities and discuss possible future areas of research.

Digital Finance –Blockchain beyond the hype

Paula Butler

“Not since the web itself has a technology promised broader and more fundamental revolution than blockchain technology.” – Hyperledger project

The speaker will demystify blockchain how it works and where it can be applied. She will highlight the impact blockchain is having on the insurance industry and asset management space, as well as potential use cases across the industries value chain.



Embedding wearable health tech into insurance

Lisa Altmann-Richer

This session will explore the potential for physical activity trackers and other wearable health technologies to become embedded into the insurance industry. It will draw on the evidence of the effectiveness of wearables to consider challenges such as improving device accuracy, incentivising uptake and ensuring adequate data protection. It will also explore potential opportunities for insurers to use this technology as part of premium rating and to incentivise behavioural change among policyholders.

How are insurers getting most value from their capital modelling?

Tom Durkin

The session will draw on work and discussions with insurers from the last 12 months, to explore how firms are getting the most value from their modelling. It will bring together the latest views from the market and propose practical examples of how to address the key challenges and get the best from your capital modelling team.

Beyond the Hype: The Hard Work Behind Analytics Success

Maeve Fleming and Markus Senn

Drawing more information out of your data gives you material competitive advantage — but what do you actually need to have in place to do this effectively? This talk will describe how PartnerRe set up their analytics team, the infrastructure they use to support them (hint: it's all free software), and how this same infrastructure is also adding value to our pricing and reserving teams.