



The Society of Actuaries in Ireland

Strategic Plan

2008 - 2011

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Message from the President

I am delighted to present this Strategic Plan to members and stakeholders of the Society of Actuaries in Ireland. By implementing this plan, the Society will harness and channel the profession's skills and energy to ensure that we maximise our contribution and influence in our areas of expertise.

Council began the work on this Plan by considering our vision for the actuarial profession in Ireland – what kind of profession do we want to be, what do we want to represent and how do we want to be perceived? We then considered the Society's role – what is our purpose, and what are we doing to achieve our vision? We consulted with members at the Society's Annual Convention in May 2008 and took on board the many thoughts and ideas expressed.

Resulting from this work, we propose the following ***Vision for the actuarial profession in Ireland:***

Actuaries are recognised by our clients and policymakers as the leading profession in the use of financial modelling and risk management skills to enhance the long-term financial position of individuals and institutions.

We believe that the ***Role of the Society of Actuaries in Ireland*** is:

- *To develop the role and standing of the actuarial profession in Ireland and enhance its reputation.*
- *To support actuaries throughout their career so that they have the skills, attributes and knowledge appropriate to both current and future needs of actuarial practice.*
- *To develop, maintain and enforce actuarial standards that require actuaries to advise their clients with integrity, professionalism and objectivity.*

In this Strategic Plan, we build on these thoughts by setting out:

- The Society's goals;
- A summary of the actions that we propose to take over the next three years to advance all three elements of the role of the Society listed above and thereby achieve our goals and our vision for the profession;
- The priority actions that will be addressed in 2008/2009.

Each year, the incoming Council will set its plans for the next year, having regard to the long-term aims set out in this Strategic Plan. This Plan itself will also be kept under review, with the aim of having a new Plan written by July 2011 to cover the next three-year period.

I hope that members and stakeholders will actively support Council and the Committees of the Society in taking this Strategic Plan forward and realising our goals.



Philip Shier
President
Society of Actuaries in Ireland

Section 1 - Vision, Role & Goals

1.1 Vision for the actuarial profession in Ireland

Actuaries are recognised by our clients and policymakers as the leading profession in the use of financial modelling and risk management skills to enhance the long-term financial position of individuals and institutions.

1.2 Role of the Society of Actuaries in Ireland

- To develop the role and standing of the actuarial profession in Ireland and enhance its reputation.
- To support actuaries throughout their career so that they have the skills, attributes and knowledge appropriate to both current and future needs of actuarial practice.
- To develop, maintain and enforce actuarial standards that require actuaries to advise their clients with integrity, professionalism and objectivity.

1.3 Goals of the Society of Actuaries in Ireland

The goals of the Society of Actuaries in Ireland are to:

- Enable the profession to grow rapidly and attract high quality people;
- Position the profession such that it is held in high regard by clients and policymakers and has a leadership role in the measurement and management of risk in the financial world;
- Position the profession as a dynamic profession with the skills and competencies to move on to new areas;
- Enable the profession to sustain strong regulatory positions;
- Add value for members;
- Support members in keeping actuarial and business skills relevant and up to date;
- Enable the profession to play a full role in the global actuarial profession;
- Successfully input on behalf of the profession on public policy and wider business issues.

Section 2 - Strategic Actions in 2008-2011 to deliver on the Society's Role & Goals

2.1 ACTIONS ON ROLE 1 - To develop the role and standing of the actuarial profession in Ireland and enhance its reputation

Current Areas of Work

- Ensure that actuarial services are delivered to the highest standards of integrity, professionalism and competence (see Role 2 and Role 3 actions).
- Decide a strategy for dealing with Solvency 2 and engage with the Financial Regulator.
- Ensure that the Continuing Professional Development (CPD) programme is well balanced and has regard to the needs of members in both statutory and non-statutory roles.
- Examine how best to position actuaries to play new roles within the pensions arena in the future, given the decline of defined benefit schemes.
- Explore whether there would be merit in advocating statutory roles for actuaries in healthcare insurance.

New Areas of Work

- Identify areas of work where members of the profession can add value and be recognised and remunerated for that work.
- To enable transition into these areas:
 - Organise networking opportunities;
 - Lobby the UK Actuarial Profession to include sufficient relevant content in the core examinations syllabus;
 - Source information for members on appropriate education opportunities and providers;
 - Ensure that the CPD programme includes relevant events.
- Promote relevant new areas of work to the membership and to employer organisations.
- Establish a New Areas Committee to drive the above activities forward.

Image and public relations

- Recruit or contract a marketing resource.
- Develop a new brand image for the Society, including a new logo and a strong visual identity.
- Design a fresh, modern website that incorporates the new visual identity and has more upfront content that is regularly updated.
- Design and implement a structured programme of communications to external stakeholders, aimed at repositioning the role of the actuary as more than just a technical expert in the business world.
- Design and implement an ongoing marketing campaign that continuously refreshes our image in the minds of key stakeholders, using techniques that are tailored to the various audiences.
- Identify 'topic champions' within the membership who will partner with the Public Relations Committee and work to expand the Society's PR reach.

2.2 ACTIONS ON ROLE 2 - To support actuaries throughout their career so that they have the skills, attributes and knowledge appropriate to both current and future needs of actuarial practice

Pre-qualification Education

- Continue to encourage universities to invest resources in actuarial and financial mathematics.
- Lobby the UK Actuarial Profession and universities to upgrade the level of financial mathematics in the current examinations syllabus / actuarial courses.
- Deliver industry investment in the actuarial faculties to encourage research and ultimately to make the actuarial faculty a valuable component to the universities to invest and foster.
- Consider development of Irish practice module exams.

Continuing Professional Development

- Establish a full-time CPD committee.
- Consider whether we should have a full-time training officer.
- Ensure we have a systematic process to ensure coverage of all aspects of skills and information required so that, over a two to three year period, an attendee – whether working in a reserved or non-reserved role - gets broad coverage and insight on the skills needed to maintain his or her skill-set, through a range of CPD activities.
- Engage with recently-qualified actuaries by designing targeted CPD activities.
- Over time increase the level of CPD delivered as the volume of skill and information to be maintained is growing and that needs to be matched by a high quality CPD offering and a high volume of attendance.

Research

- Set up a project to build an Irish mortality table for life assurance or pensioners over the next three years.
- Build collaborative research relationships with universities and other organisations / professional bodies.

Member Services

- Website: Redesign the website to provide
 - Online payment of subscriptions and other charges;
 - Self-service tools, e.g. facility for members to update their membership details on the website;
 - Improved functionality for CPD returns;
 - Functionality to streamline processing of practising certificate applications;
 - A more effective platform for communications, with a fresh, modern image.
- Greater engagement with new and recent qualifiers
 - Better communication about how the Society operates and how they can become involved;
 - Targeted seminars / other CPD activities;
 - Social events.
- Recruitment Services: Actively engage with agencies to market services.

2.3 ACTIONS ON ROLE 3 - To develop, maintain and enforce actuarial standards that require actuaries to advise their clients with integrity, professionalism and objectivity

Standard-setting

- Conclude current discussions with government and regulators on independent oversight. If there is a lack of willingness from government and regulators to provide funding and/or participate, decide whether or not there would nevertheless be merit in the Society establishing an independent advisory committee or otherwise engaging non-members in the standard-setting process.
- Assess any gaps in current guidance, including any requirements to update current guidance, and schedule this work. Consider whether outsourcing of work is required in order to ensure that Standards are comprehensive and up to date.
- Decide a strategy for dealing with Solvency 2 and engage with the Financial Regulator. (See Role 1 – Current Areas of Work).
- Engage with the Pensions Board to have public policy principles set down in regulation or Pensions Board guidance, rather than in the Society's ASPs.
- Update the Professional Conduct Standards and relaunch them to members.

Compliance monitoring

- Conclude the work of the Compliance Monitoring Working Party, which has been asked by Council to debate, and make proposals regarding, the profession's responsibilities in this area and how they might be addressed.
- Carry out a review of the effectiveness of the pensions compliance monitoring regime and make recommendations regarding any weaknesses identified.

Disciplinary Scheme

- Carry out a review of the Scheme and implement approved recommendations.
- Establish processes to deal with complaints that are not expected to lead to disciplinary sanction.

Section 3 - Background to Role 1 Strategic Actions

ROLE 1: To develop the role and standing of the actuarial profession in Ireland and enhance its reputation

3.1 Current Areas of Work

Our objectives in relation to core areas of work are to grow our reputation and influence and our membership numbers.

The profession's core practice areas are life assurance, pensions, non-life insurance and healthcare insurance. Reinsurance is a sub-set of life and non-life insurance. Investments is a supporting activity to the core areas. "Risk management" in its widest sense is not a core area, though within the practice areas, the profession is regarded as expert in financial risk management and this is a component of current statutory roles.

In relation to statutory roles, we need to decide a strategy for dealing with Solvency 2 (e.g. should we proactively lobby for certified roles for actuaries in the new regime?). We should then engage with the Financial Regulator to influence how Solvency 2 will be implemented in Ireland. This will enable us to anticipate and deal with the implications for actuarial roles, actuarial standard-setting, etc.

We also need to ensure that the Society supports and delivers value to members who are in non-statutory business roles. Providing relevant, meaningful Continuing Professional Development activities, together with networking opportunities, will be important. The CPD programme should include business-centric topics, as well as seminars that appeal to a business audience (within and outside the profession) and that help to position actuaries as business leaders as well as technical experts.

We should also explore opportunities to expand the remit of the profession. Given the decline in defined benefit pension schemes, we should examine how best to position actuaries to play new roles within the pensions arena in the future. We should also explore whether there would be merit in advocating statutory roles for actuaries within healthcare insurance.

Recommended actions over the next 3 years are as follows:

- Ensure that actuarial services are delivered to the highest standards of integrity, professionalism and competence (see Role 2 and Role 3 actions).
- Decide a strategy for dealing with Solvency 2 and engage with the Financial Regulator.
- Ensure that the CPD programme is well balanced and has regard to the needs of members in both statutory and non-statutory roles.
- Examine how best to position actuaries to play new roles within the pensions arena in the future, given the decline of defined benefit schemes.
- Explore whether there would be merit in advocating statutory roles for actuaries in healthcare insurance.

3.2 New Areas of Work

Our objective is to enable the membership to reach out into new areas of work, and in particular to broaden the profession's reach within the financial services industry.

The current state of play is reasonably healthy in so far as the market place is ensuring that new areas of work are attracting membership through opportunity and remuneration.

A particular skill set that could deliver real added value is the ability to structure financial deals that have regard to the characteristics and requirements of the particular business and exploit the solutions that can be created through modern investment instruments and techniques. Actuaries, with their ability to knit technical and commercial skills, could be very effective in this space but probably need to develop a higher level of quantitative analytical skills first. We see clear opportunities for actuaries with an understanding of and competence in quantitative skills in the structured product, alternative asset, investment banking and reinsurance world.

Currently, a lot of the work in these areas is overseas. However, as actuaries build up their skills and influence in their area, they, and the Society, will be in a position to lobby employers to base more deal activity in Ireland.

The recommended actions over the next three years are as follows:

- Identify areas of work where members of the profession can add value and be recognised and remunerated for that work.
- To enable transition into these areas:
 - Organise networking opportunities;
 - Lobby the UK Actuarial Profession to include sufficient relevant content in the core examinations syllabus;
 - Source information for members on appropriate education opportunities and providers;
 - Ensure that the CPD programme includes relevant events.
- Promote relevant new areas of work to the membership and to employer organisations.
- Establish a New Areas Committee to drive the above activities forward.

3.3 Image and public relations

Our objective in this area is to position actuaries as the leading profession in the use of financial modelling and risk management skills to enhance the long-term financial position of individuals and institutions.

Currently, we actively engage with government and regulators to develop public policy and regulation – for example:

- We made a submission earlier this year on the Green Paper on Pensions and we continue to have active dialogue with government on our proposals;
- We also made submissions to a review of waiting periods for healthcare insurance and to the review of taxation policy carried out by the Commission on Taxation;
- We have an active process of engagement with the Pensions Board;
- Our representatives on the Groupe Consultatif Solvency 2 Committee have contributed extensively to the Groupe's submissions on this emerging framework.

We have an active PR committee that identifies media opportunities, such as opportunities to provide relevant commentary on events in the news or media opportunities arising out of research activities.

Proposed actions over the next 3 years are as follows:

- Recruit or contract a marketing resource.
- Develop a new brand image for the Society, including a new logo and a strong visual identity.
- Design a fresh, modern website that incorporates the new visual identity and fresh eye-catching imagery and has more upfront content that is regularly updated.
- Design and implement a structured programme of communications to external stakeholders, aimed at repositioning the role of the actuary as more than just a technical expert in the business world.
- Design and implement an ongoing marketing campaign that continuously refreshes our image in the minds of key stakeholders, using techniques that are tailored to the various audiences.
- Identify 'topic champions' within the membership who will partner with the PR committee and work to expand the Society's PR reach.

Section 4 - Background to Role 2 Strategic Actions

Role 2: To support actuaries throughout their career so that they have the skills, attributes and knowledge appropriate to both current and future needs of actuarial practice

4.1 Pre-qualification Education

Our objectives here are as follows:

- To target the brightest quality graduates as intake to the profession;
- To ensure sufficient intake into the profession to meet demand;
- To ensure the qualification is relevant, containing the appropriate skills that are required by the market;
- Given that education and research have to co-exist, to encourage and fund more research activities in universities.

Our current position is quite positive. We do attract very high quality graduates and we have influenced the building of a very successful university system which generates a high volume of high quality graduates. Both UCD and DCU, and now Queen's University Belfast, have full courses at both an undergraduate and post-graduate level and, in addition, Galway and Cork have courses which offer five to six exemptions.

The Society should continue to “outsource” education to the UK Actuarial Profession and not become a stand-alone examining body in Ireland. However, the Society should consider taking responsibility for some local exams – starting with an Irish-specific practice module for Life, Pensions and potentially General Insurance (i.e. similar scope as statutory roles for actuaries in Ireland).

The content of the examinations syllabus is under continuous review by the UK Actuarial Profession. There is a concern that fundamental financial economic skills are still weak relative to the demands of the market. Also, the route to qualification involves specialising earlier in one's career than in the past – only two “practice area” exams are required for qualification as a Fellow. We need to pressurise the UK Actuarial Profession to upgrade both financial economics and this early specialism in the current examinations syllabus. We could also encourage universities in this direction, irrespective of changes to the examinations syllabus.

A further concern is that, whilst universities are interested in financial mathematics, actuarial mathematics is somewhat of a sideshow and we need to balance it out by investing in more research and ultimately funding more actuarial programmes. The location of actuarial science within business faculties rather than mathematical faculties of universities seems to give a higher profile to actuarial courses.

Against that background, we therefore recommend the following actions over the next three years:

- Continue to encourage universities to invest resources in actuarial and financial mathematics.
- Lobby the UK Actuarial Profession and universities to upgrade the level of financial mathematics in the current examinations syllabus / actuarial courses.

- Deliver industry investment in the actuarial faculties to encourage research and ultimately to make the actuarial faculty a valuable component to the universities to invest and foster.
- Consider development of Irish practice module exams.

4.2 Continuing Professional Development

The aim of our CPD is to ensure our members are sufficiently skilled both for their reserved and non-reserved roles over their career. In addition, we should ensure that we give members the opportunity to widen their knowledge and move to new careers, if they so wish.

The widening of mandatory CPD has been accompanied by a welcome increase in attendance at evening meetings. These meetings cover a wide range of topics and are generally well attended. There are, however, concerns on whether we are systematically covering all areas with an aim to cover all aspects of any particular practice area over a two to three year period.

Given the increasing importance of CPD, widening the range of speakers, accessing/crediting other professions' CPD opportunities and widening the range of delivery methods (e.g. breakfast/lunchtime meetings, online conferences, workshops, joint meetings with other organisations, etc) should all be considered.

Within the Society, CPD is somewhat homeless in terms of organisation. Currently, the Practice Committees provide ideas, speakers, content etc, and this activity is coordinated by the secretariat. However, we need a more systematic and organised process to ensure that an effective CPD programme is designed and delivered.

So, the recommended actions are as follows:

- Establish a full-time CPD committee.
- Consider whether we should have a full-time training officer.
- Ensure we have a systematic process to ensure coverage of all aspects of skills and information required so that, over a two to three year period, an attendee – whether working in a reserved or non-reserved role - gets broad coverage and insight on the skills needed to maintain his or her skill-set, through a range of CPD activities.
- Engage with recently-qualified actuaries by designing targeted CPD activities.
- Over time, increase the level of CPD delivered as the volume of skill and information to be maintained is growing and that needs to be matched by a high quality CPD offering and a high level of attendance.

4.3 Research

Currently, many of our papers are of research quality. However, they tend to be done predominantly by actuaries in practice and to be very focused on current issues rather than the underlying science and technique. Most of our research is done through working parties which have very high skills but it is done on a volunteer basis with little resources or support.

Broadly, our aim here is to recognise that we are also a learned Society and even though we are quite small, we should invest sufficient resources to continue to develop the scientific base of the Society of Actuaries in Ireland. To do this successfully, we need to build up the foundation of research based on a quality set of data. This will require funding from industry, both to develop robust databases and to encourage researchers in universities to research these in order to keep our information base relevant and up to date.

So, fundamentally, we need to ensure that we begin to build local mortality and morbidity tables for Ireland (i.e. "CMI Ireland"). This will require some funding from industry but, given the influence members of the Society have, we feel that this should be achievable. Once such databases are built, then there will be a flow-back of information as the research capability of universities will be catalysed by the existence of these databases.

In summary, then, our core recommendation here is for an initial project to build an Irish mortality table for life assurance or pensioners over the next three years.

We should also examine ways of building collaborative research relationships with universities and with other organisations / professional bodies.

4.4 Member services

Our objective is to have an effective regime in place to deliver services to members in a professional manner.

This will be achieved by implementing a medium-term strategy of continuous improvement through:

- Reviewing the services currently provided to members and the methods of delivering and providing them;
- Streamlining of administration by greater use of and development of technology.

The main actions proposed for the next three years are:

- Website: Redesign the website to provide
 - Online payment of subscriptions and other charges;
 - Self-service tools, e.g. facility for members to update their membership details on the website;
 - Improved functionality for CPD returns;
 - Functionality to streamline processing of practising certificate applications;
 - A more effective platform for communications, with a fresh, modern image.
- Greater engagement with new and recent qualifiers
 - Better communication about how the Society operates and how they can become involved
 - Targeted seminars / other CPD activities
 - Social events.
- Recruitment Services: Actively engage with agencies to market services.

Section 5 - Background to Role 3 Strategic Actions

Role 3: To develop, maintain and enforce actuarial standards that require actuaries to advise their clients with integrity, professionalism and objectives

5.1 Standard-setting

Our objective is to set high standards through our Actuarial Standards of Practice, which address technical matters, particularly in relation to regulatory work, and our Professional Conduct Standards, which address professional and ethical issues.

The Society has developed a considerable body of high-quality Standards, mainly through the work of the Practice Committees, Professional Affairs Committee and Director of Professional Affairs.

However, there are some weaknesses in the current standard-setting structures:

- The current approach lacks independent oversight and input.
- There is a heavy reliance on pro bono work by members. We struggle to keep pace with changes in practice and regulation and with the increasing complexity of financial services.
- We do not have any plan in place for anticipating and dealing with the implications of Solvency 2 on standard-setting.
- Current pensions ASPs include guidance on a number of matters that are really a matter of public policy and as such should be set out instead in regulation or Pensions Board guidance.
- There are indications that there is a low level of awareness of the Professional Conduct Standards among members and that the content needs to be updated.

The recommended actions over the next 3 years are:

- Conclude current discussions with government and regulators on independent oversight. If there is a lack of willingness from government and regulators to provide funding and/or participate, decide whether or not there would nevertheless be merit in the Society establishing an independent advisory committee or otherwise engaging non-members in the standard-setting process.
- Assess any gaps in current guidance, including any requirements to update current guidance, and schedule this work. Consider whether outsourcing of work is required in order to ensure that Standards are comprehensive and up to date.
- Decide a strategy for dealing with Solvency 2 and engage with the Financial Regulator. (See Role 1 – Current Areas of Work).
- Engage with the Pensions Board to have public policy principles set down in regulation or Pensions Board guidance, rather than in the Society's ASPs.
- Update the Professional Conduct Standards and relaunch them to members.

5.2 Compliance monitoring

Our objective is to ensure that high standards are achieved through compliance with our Actuarial Standards of Practice and our Professional Conduct Standards.

Most of our ASPs relate to statutory work. A Practising Certificate issued by the Society is required by Appointed Actuaries in life assurance companies, Signing Actuaries in non-life insurance companies and in life and non-life reinsurance companies, Scheme Actuaries and PRSA Actuaries. The Practising Certificates Committee assesses whether applicants' qualifications and practical experience are appropriate and relevant to the role for which a Practising Certificate is required. However, the process does not include assessment of the quality of work completed by applicants and whether or not it is compliant with relevant Standards.

A compliance monitoring regime, with statutory underpinning, has recently come into effect for Scheme Actuaries. In addition, some life companies have adopted peer review on a voluntary basis.

In relation to non-life and reinsurance Statements of Actuarial Opinion, there are indications of a low level of engagement from the regulator and from clients, which is a concern.

The recommended actions over the next 3 years in relation to compliance monitoring are:

- Conclude the work of the Compliance Monitoring Working Party, which has been asked by Council to debate, and make proposals regarding, the profession's responsibilities in this area and how they might be addressed.
- Carry out a review of the effectiveness of the pensions compliance monitoring regime and make recommendations regarding any weaknesses identified.

5.3 Disciplinary Scheme

Our objective is to ensure that breaches of compliance with the Society's Standards are dealt with, and are seen to be dealt with, through the Disciplinary Scheme.

The current Disciplinary Scheme was introduced in 2006. Investigations are carried out independently of the Society, with non-member involvement at all stages. Oversight is carried out by the Committee on Professional Conduct, which also operates independently of the Society.

Some weaknesses have been identified:

- Investigation of a complaint is a slow process and may require a high degree of legal involvement.
- Some complaints cannot be effectively investigated because of confidentiality of client reports.
- There is no process in place for "smaller" complaints.

The recommended actions over the next 3 years are:

- Carry out a review of the Scheme and implement approved recommendations.
- Establish processes to deal with complaints that are not expected to lead to disciplinary sanction.

Section 6 - Priority Actions in 2008-2009

To develop the role and standing of the actuarial profession in Ireland and enhance its reputation

- Devise strategy for Solvency II. (Life and General Insurance Committees)
- Set up New Areas Committee. (New)
- Investigate new roles for pension actuaries. (Pensions Committee)
- Explore merits of lobbying for healthcare role. (Healthcare & Social Policy Committee)
- Prepare proposals on modernising web-site. (Secretariat)

To support actuaries throughout their career so that they have the skills, attributes and knowledge appropriate to both current and future needs of actuarial practice

- Establish a full-time CPD Committee. (New)
- Building Irish mortality tables: decide what table(s) would be useful to actuaries and start building data. (Demography Committee)
- Improve engagement of new qualifiers. (Secretariat)
- Investigate persuading employers to invest in actuarial faculty. (Education Committee)

To develop, maintain and enforce actuarial standards that require actuaries to advise their clients with integrity, professionalism and objectivity

- Finalise discussions with government on independent oversight of standard-setting. (Honorary Secretary)
- Conclude work of Compliance Monitoring Working Party. (New)
- Review disciplinary scheme. (Professional Affairs Committee, in consultation with Committee on Professional Conduct)

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