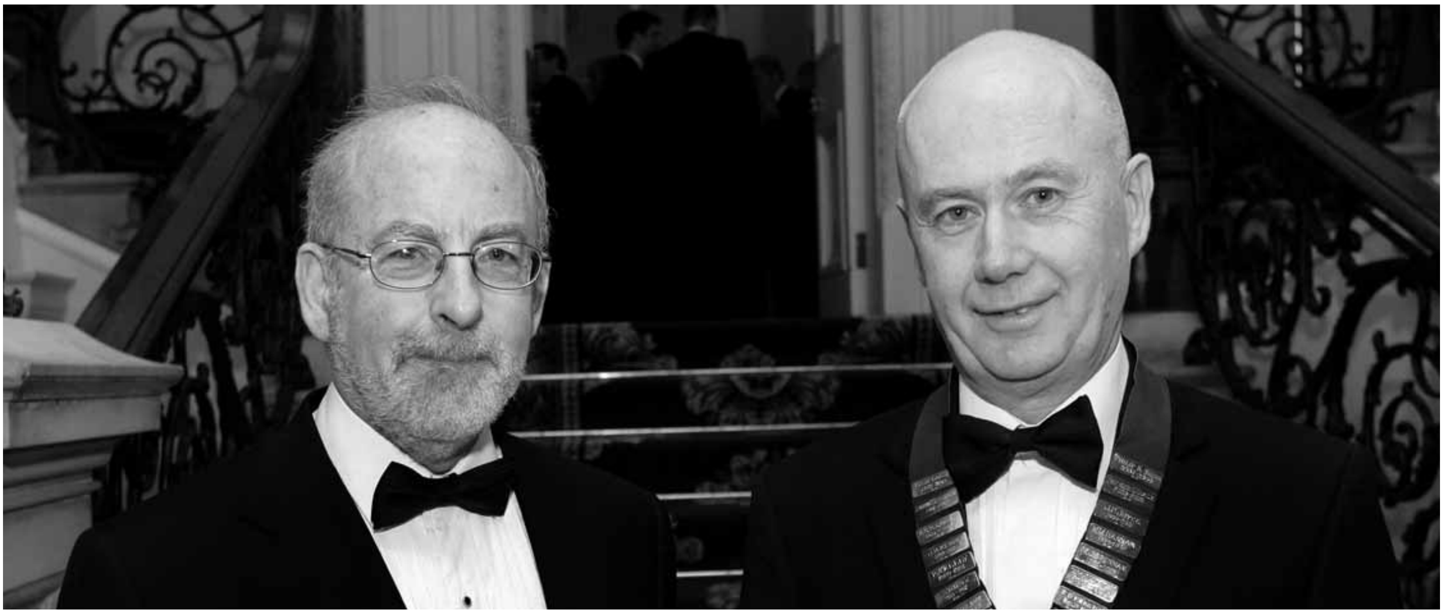
Newsletter
March 2011
The Society of Actuaries in Ireland

President's Biennial Dinner



Kevin Murphy, SAI President with Professor Patrick Honohan, Governor, Central Bank of Ireland

Contents:

The President's Biennial Dinner of the Society of Actuaries in Ireland took place on 10th February in the splendid surroundings of the Royal College of Physicians of Ireland. The President, Kevin Murphy, welcomed members and guests. In particular, he welcomed representatives of the Government, the Central Bank, and the members of other professions who work with the Society on a daily basis in handling the various issues that concern the actuarial profession. He thanked both actuaries and non-actuaries who have helped the profession during his term as president. He then addressed guests as follows:

(Tonight's event) gives me the opportunity to debate the two great mysteries of life in Ireland today.

Firstly, what exactly does an actuary do, and secondly and more importantly, which of the two lanes of the Stillorgan dual carriageway is the fast lane?

I debate the second issue every night as I drive home on the Stillorgan dual carriageway, but, the first issue is a more complex issue, as I am sure each of the 50 actuaries here can explain exactly what they do. Unfortunately, usually they give 50 different explanations.

In describing to people there are various approaches to describe what exactly you do, you can say where you work or what you do at work or the output of the work. For example, doctors could say they worked in hospitals, they could say they do operations, or they could say they cure people. Ultimately, I feel any profession should define themselves in terms of what exactly they do to help the end customer, because ultimately any profession which hopes to survive long term, needs to make sure its core activity adds value to its end customer.

Looking from that perspective the best summary of what actuaries do, is that they help people to manage the major financial issues in their lives.

Generally, there are two major financial risks in people's lives.

The first one is mortality. I am sure people here don't think a lot about their mortality given its somewhat depressing nature. Most people assume that whilst they recognise that such an event is certain they assume hopefully it will not occur too quickly. The main risk is that you may either live too short or of equal concern live too long. Ultimately actuaries help

continued

President's Biennial Dinner .... *continued*

people manage the financial consequences of dying too quickly through our various protection policies and the issue of living too long through savings contracts and especially through pension schemes.

Equally people have lots of financial risks associated with their possessions for example their car, their house, their workplace and these are essentially managed through the general insurance industry.

On working on these issues actuaries have two critical responsibilities. One to figure out how much people should be paying or setting aside for these risks and secondly to ensure that the institutions that are responsible for these risks are solvent.

Kevin Murphy, SAI President with Hugo MacNeill at the reception

In Ireland, given the environment today we are working hard on both of these issues. Whilst the financial crisis directly affects both the Government and banking finances, indirectly obviously it affects all domestic activities including those in the insurance and pensions industry.

On the life assurance and general insurance side, huge work is now being done by actuaries to ensure that these organisations are restructured and repriced back to the new economic realities of Ireland. Equally on pensions, much work has had to be done as this new environment is particularly stressful for pensions. Fortunately quite radical action is being taken both in the insurance and pensions industries to deal with these issues. Both are being resized and more cost effective insurance and pension schemes are going to emerge from this. From a longer term perspective, the major issue facing actuaries in the insurance profession is the preparation for Solvency II. This is a new methodology for assessing the solvency of insurance companies and huge work has been done in the actuarial profession to get ready for this. This is a significant development at EU level which mirrors the equivalent development of Basel II on the banking side.

Under Solvency II there is a big opportunity for actuaries to significantly step up their risk ability. Under proposed Solvency II each institution, life office, general insurance company, reinsurance company not alone will have an actuarial function but also have a risk manager who will look at all the risk of that operation and be responsible for both identifying the major risks and working at the business of managing them successfully.

This is a change point for the profession and enables actuaries to use their inherent skills to successfully become risk managers of major financial institutions.

I think this is a fantastic opportunity for actuaries because risk is a huge issue in the world and there is in practice very little understanding and knowledge on how best to manage the significant risks we have today. The reality is that many people understand the average outcomes, but, very few people can understand the whole concept of variation surrounding that outcome. I feel if actuaries become the profession that successfully manages variation then we will have a successful future as risk managers, not alone in our current organisations but in many organisations in the financial services area.

So, longer term what actuaries do will widen from managing people's major financial issues and risks to doing the same job for institutions in society today.

Ireland is in a tough place at the moment but I have every confidence that we have the skills and the economic strength to successfully survive this crisis. The actuarial profession has a strong history of managing the institutions they have responsibility for and as this crisis has demonstrated we have managed to continue that despite considerable pressures in the system. In doing that clearly we do recognise the support of many people here tonight.

Following a most enjoyable dinner, Kevin introduced the guest of honour, Professor Patrick Honohan and invited him to address the guests. Professor Patrick Honohan, Governor of the Central Bank, told the audience how proud he was that his father was Ireland's first actuary and went on to discuss the challenges faced in managing the risks associated with servicing Ireland's debt into the future.

Kevin then concluded the evening by saying:
To finish up can I thank the Governor and all our guests for taking the time to join us this evening and to my colleagues on Council and other members of the Society for their support this evening and during my time of office. I would like to thank the Royal College of Physicians of Ireland for the use of this wonderful building and for an excellent meal. Finally, can I thank Mary Butler, our Director of Member Services, for all the work she has put in in making this evening a success.

In Search of Better Investment Products for Confused Customers

On Thursday 13th January, a large crowd attended the presentation given by John Lyons on the topic "In search of better Investment products for confused customers". John considered how well products have met customer needs in recent years and questioned whether we can do better in future. He reflected on the difficulties in achieving good investment returns for policyholders, reviewed recent literature on market behaviour and some of the latest products, and asked if we are effectively using all of the information available to us.

The Managed Fund

As an introduction, John discussed Managed Funds and the role they have played to date. For most of the 1980s and 1990s Managed Funds were seen as producing strong capital growth without carrying an undue level of risk. Nowadays, however, over 80% of the funds available to Irish policyholders, including virtually all Managed Funds, are categorised as high or very high risk. Very few of the investors in these funds would regard themselves as "high risk" investors.

The first part of John's presentation dealt with markets and what drives them.

What drives markets?

Firstly John considered Irish pension funds and how the typical asset allocation has changed over the years. In 1980, the allocation to equities was 35-40%. By 2007, this had risen to 66.3%. As a result of the financial crisis, the equity allocation of Irish pension funds fell to 52.3% in 2008, but has since risen again to over 60%. Life companies allocated 43.4% to equities in 2008, rising to 50.3% in 2009. John commented that this is surprisingly high given that much of the liabilities of insurance companies would be better matched by fixed interest investments.

A chart sourced from a book entitled "Wall Street Revalued", by Andrew Smithers, illustrated UK and US real equity minus real bond returns for a range of 15 year periods. The interesting point to take from the chart was that no equity risk premium was evident over a number of these 15 year periods. John went on to discuss how it could be helpful if we could make an informed assessment of current market levels, as there is no evidence that stocks will always outperform bonds over the long term. In fact, stocks underperformed bonds in the 10 years following the 1929 and 1966 peaks and in the 20 years following the 1901 peak. In the period 1926-96, real growth was as low as 4.3% p.a. in the US and only 0.8% p.a. in 39 other countries.

Methods for assessing market levels

John outlined a number of methods for assessing market levels, including the Q ratio and the Cyclically Adjusted Price Earnings (CAPE) ratio. In the past, these two measures have tended to move in line with each other and are often regarded as good methods for assessing market levels. The Barclays Capital Equity Gilt Study 2010 found that the CAPE ratio tends to move in line with demographics. As the number of people who are natural sellers of equities falls, the CAPE ratio falls and vice versa. Market levels fluctuate around a fundamental value and it should be possible, therefore, to identify times of significant over or under-valuation. Cycles are not regular, but driven by factors such as inflation and demographics.

The second part of John's presentation dealt with sensible investment strategies for the ordinary investor.

Intelligent investment

John began by pointing out that the average investor is interested in the return he/she earns, rather than how well the investment manager performs relative to a benchmark. Some ways in which the ordinary investor can invest intelligently include:

- looking after his/her own portfolio
- setting a demanding but achievable target return, while avoiding benchmarking
- reducing fees by trading online investing regularly
- looking for investments that are currently unpopular and ignoring those that already have future growth priced in
- diversifying by asset class and geography.

Industries that have cycles of their own should be considered. Emerging markets have begun to move in line with world markets. Currencies, hedge funds, commodities and credit are becoming more popular as alternative asset classes.

John focused on hedge funds as an asset class and recommended a paper entitled "What can we learn from hedge funds?" by Ibbotson, Chen and Zhu. He stressed that one needs to be careful when reviewing hedge fund data. Although hedge fund returns in the period 1995 to 2009 were significant, excluding back-filled data and dead funds reduces the returns significantly compared with those typically reported in the press. Hedge funds give positive returns most years and institutional interest remains strong. John believes that some hedge fund techniques could be useful for life companies.

Features of funds available in Ireland

Over 80% of Irish funds are now categorised as high or very high risk. Just over 10% are classed as low or very low risk, all of which are cash or bond funds. No one seems to make reference to the fact that the level of risk of a fund will vary depending on current market levels. All companies offering these funds offer a "lifestyle" option, some of which are quite sophisticated. There are a growing number of "diversified" funds, with at least three companies offering funds where the investment is spread evenly between equities, bonds, property/commodity with automatic rebalancing. Some companies also offer "absolute return" funds where the aim is to perform positively in any market situation. These funds take advantage of expertise in identifying attractive investments. Returns tend to vary across these funds, with little consistency. There is a wide range of specialist funds available but these often have high charges. Investment consultants are active in these areas.

Q&A

A number of questions and comments followed the presentation. It was noted that measures such as CAPE should be widely available. The consensus was that there is no one replacement for Managed Funds. One comment made was that in order to add value, life companies need to take more responsibility for decisions regarding percentage allocations between asset classes. In the past, Managed Funds used to quote 55-65% equities or similar, leaving the life company with little discretion. One fund is now quoting 0-40% equities, giving the company much more responsibility for asset allocation.

The podcast and a copy of the slides are available on the Society's website.

Linda Travers

General Insurance Forum

The Society's General Insurance Forum took place on the 26th November 2010 at the Gresham Hotel. It was a well-attended meeting with informative presentations on current issues for General Insurance actuaries. The meeting was chaired by Ger Bradley, Chairman of the General Insurance Committee, and the speakers for the morning were:

Paul Duffy:	Solvency II – The Role of The Actuary
Jim Kehoe:	Periodic Payments Orders
Julia Moore:	Update from the Financial Regulator

Solvency II – The Role of the Actuary

The first speaker was Paul Duffy, PWC Non-Life Consultancy. Paul gave an interesting presentation on the role of the actuary under Solvency II.

He began with some background on the Actuarial Function. There is a formal requirement, under Solvency II Directive, that each insurance entity has an Actuarial Function. Paul went on to summarise the roles and responsibilities of this function (as defined by CEIOPS (Article 48)) and pointed out there is no requirement that the holder of the function is an actuary.

The first set of roles deal with technical provisions and Article 48 is quite directive in this regard. Whilst the technical provision requirements would be seen to fall under the traditional actuarial role, other responsibilities mentioned may be seen as an extension of this role:

Opining on UW policy

- Opining on the adequacy of reinsurance arrangements;
- Links to the Risk Management Function, Risk Modelling, ORSA.

Paul set out what he viewed as the possible challenges and opportunities for actuaries, in relation to Risk Management in particular:

Challenges:

- The possible need for actuaries to educate / market themselves further in order to play a bigger role in the Solvency II world;
- The risk of being pigeon-holed in the pure technical provisions role because there are other bodies with risk management qualifications appropriate for the non-traditional aspects of Solvency II;
- Is there likely to be a move toward common actuarial standards / codes of practice / regulation of the profession / education across territories?

Opportunities:

- Greater involvement in decision-making process;
- Employment opportunities;
- Enhancement of the profession - risk management qualifications;
- Transfer of risk management skills to other sectors.

In finishing, Paul highlighted that the Actuarial Function is just one of the areas falling under the Solvency II Governance Framework and that there are considerable opportunities for General Insurance actuaries outside of what are viewed as the traditional actuarial roles.

Periodic Payments Orders

Paul handed over to Jim Kehoe, consultant actuary with Lane Clark and Peacock and Society representative on the Medical Negligence Committee, who gave an update on the Working Group Report on Medical Negligence and Periodic Payments.

The Working Group was established in February 2010 with representatives from groups involved in, or with an interest in, the compensation system for personal injury claims. One of the terms of reference was to consider whether certain categories of damages for catastrophic injuries could or should be awarded by way of Periodic Payments Orders (PPOs). Submissions were received from various interested parties, in addition to the Working Group's own research into compensation systems within other jurisdictions.

The Working Group identified the following shortcomings of the Lump Sum compensation system for catastrophic injuries:

Uncertainty derived from:

- life expectancy of plaintiff;
- the prospect of a further deterioration (or improvement) in the plaintiff's condition;
- the cost over time of medical care and treatment and of medical and assistive aids and appliances;
- plaintiff's future earning potential;
- tax rates on income;
- future inflation;
- rates of return on the compensation when invested.

There were also various concerns addressed to the Working Group in relation to PPOs, such as:

- The additional cost of funding and administering periodic payments;
- The manner in which such payments should be treated in the accounts of the party liable to pay them;
- The possibility of a party liable becoming insolvent in the future;
- The feasibility of a periodic payment order where a finding of contributory negligence has been made;
- The difficulty presented by a finding of multiple liability on the part of co-defendants;
- The need to distinguish between cases where the State is the defendant or insurer and those where a private insurer is involved (having regard to the continuing security of payments);
- The need for a specialised index separate from the Consumer Price Index in assessing long term care costs.

In the course of its research, the Working Group also looked to the UK system where there has been significant practical experience of periodic payments following the Courts Act 2003 provision for periodic payments on a non-consensual basis.

Jim then brought us through the recommendations of the Working Group, the primary recommendation being:

- Court empowered to make periodic payments orders … where the Court considers it appropriate in the best interests of that person …Mandatory periodic payments orders should only be made to compensate for a particular category of loss.

The subsequent recommendations expanded on this further, the main points being:

- Court empowered to make consensual and non-consensual periodic payments orders in respect of future treatment, care, provision of medical and assistive aids and appliances, after litigating parties have been …heard in full on the relevant issues;
- Court empowered to make periodic payments orders to compensate for future loss of earnings only with the consent of all parties to the relevant claim;
- Periodic Payments may supplement a lump sum award;
- There should be no express requirement that the Court must, in every personal injury case, consider awarding compensation by periodic payments;
- Court must be satisfied that continuity of payment made under a periodic payment order is reasonably secure;
- Variation of periodic payments to be permitted in certain circumstances;
- Adequate and appropriate indexation of periodic payments will be an indispensible requirement;

- Working Group considers that CSO is uniquely qualified.

Jim ended his presentation by highlighting some of the key challenges facing the general insurance industry, such as:

- The value of PPOs relative to Lump Sums;
- The indexation deemed appropriate for PPOs may have an impact on the discount rate for lump sum valuations;
- The fact that general insurers would be reserving for long term indexed liabilities;
- The indefinite timescale for reinsurance recoveries and the longer term default risk.

Update from the Financial Regulator

The final speaker of the morning was Julia Moore, actuary with the Central Bank of Ireland, who gave a Regulatory Update.

Julia started with an overview of the changes in structure of the Central Bank:

- The previously names Central Bank and Financial Regulator and the Financial Services Authority of Ireland have been rebranded under the Central Bank of Ireland;
- The Insurance Supervision Department has been split into Wholesale Insurance and Retail Insurance;
- Staff numbers have increased in preparation for Solvency II.

Solvency II & Pre-Application

- Julia went on to speak about Solvency II and the pre-application process;
- The regulator has received intentions from 51 companies to use an internal model under the Solvency II regime.

The stages for internal model companies are:

- Completion of Readiness Assessment Document (PRAP);
- Pre application process (process pre 1/1/2013);
- Formal application process (process beyond 1/1/2013).

Julia noted the aim is to communicate the findings with companies by the end of Nov 2011, but provided some general feedback on the PRAP submissions:

- Reinsurers were generally more advanced, as were companies who had carried out ICA work previously;
- Calibration: Consistent overall and in line with the Directive;
- Model Structure: Explained well in the documents;
- Legal Entity: The conversion to a legal entity basis is providing a challenge for a number of companies with pre Solvency II models;
- Use Test: This is an issue that has been identified, with particular regulatory interest in group companies where Ireland is not the lead;
- Documentation: Scored quite poorly, with an example given of a number of companies having no written data policies;
- Future Management Actions: Suggested further consideration given;
- Security and Governance: Scored poorly - little detail given on items such as version control and security of IT systems;
- Model Limitations: Not discussed fully although important from a Use Test perspective;
- Key Sensitivities: There was little detail given on the key sensitivities and a noted lack of independence between model development and model validation;
- Correlations: A lot of expert judgement in the choice of correlations, with little detail given on the decision making process or key sensitivities;
- P&L attribution: Poorly answered overall.

It was observed that, in the main, companies were working backwards from the implementation date and planning for submission in the second half of 2012. Julia pointed out if all companies submitted as planned, there will not be sufficient time to review all by 1/1/2013 deadline, so asked that companies possibly reassess their timelines.

Julia indicated that the pre-application process has started for some companies.

QIS5

Julia then spoke briefly on QIS 5 submissions.

They were still being reviewed at the time of the presentation but Julia did mention that the number of submissions was well in excess of expectations. Following the review, a country report will be submitted to CEIOPS and will be available early 2011. The regulator does not plan to discuss individual company's results until they have an overall view.

Actuarial Reports 2009

Julia next provided feedback on the 2009 Actuarial Reports for the SAOs for direct and reinsurance companies.

- Overall purpose: The aim of the report is to be a useful document for the board. Suggested the report should therefore include a discussion of the risks, overview of the business and structure of the company;
- Documentation: It was found the requirements of guidance were not always documented in the report, e.g. very few reports discussed why one method is chosen over another when selecting reserves. This does not necessarily imply that the work was not done or the issue not considered – rather that it was not documented in the report. *[In the Q&A session following the presentation, Julia confirmed a general paragraph on methodologies would suffice, with comments supporting any deviations]*;
- Best estimate: A greater number of methodologies should be used for classes where there is greater uncertainty. When using a BF method, there should be some discussion around the prior loss ratio used;
- Quantification of uncertainty: Stress testing and scenario testing are equally useful in many cases where Bootstrapping and Mack methods are not appropriate. Qualitative discussion around uncertainty can also be very helpful. The report should also include a note on the limitations of the methodologies applied;
- Reliance on case reserving: Details of data checks on case reserves were not always included in the report;
- Unearned premium reserves: Although part of the opinion, this was not referenced in some reports. It was also noted that a loss ratio of 100% for the most recent accident year does not necessarily imply that there is no need for an additional reserve for unexpired risk;
- Key assumptions & sensitivity analysis: Generally not discussed in the reports.

Julia also recommended using the latest ASP when doing final checks on the reports to ensure all required areas are included.

Actuarial Function

Julia then concluded with additional comments on the Actuarial Function. As discussed in the Directive, the function needs to be carried out by persons who have knowledge of actuarial and financial mathematics commensurate with the nature, scale and complexity of the risk in the business. The Level 2 guidance provides more detail on this - Level 3 guidance is draft and is expected to be available mid 2011.

Noreen Collins

Diversified Growth Funds and

On Wednesday 2nd February, Joe O'Dea presented to the Society on "Diversified Growth Funds and the implications for actuarial assumptions". Joe began by explaining to the audience that the opinions expressed during the presentation were his own and not necessarily those of his employer. He addressed pensions actuaries in the main and pointed out that he intended his presentation to be challenging and provide constructive criticism. He believes that there are things that need to change and they will only change if we challenge them.

The presentation covered two main areas:

1. Actuarial assumption setting
2. Diversified growth funds

Actuarial Assumption Setting

The first part of the presentation discussed actuarial return and discount rate assumptions. Joe stressed that actuarial advice should be evidence based and should not necessarily follow past practice. Joe pointed out that the actuary should not take responsibility for setting the discount rate assumption. The valuation should be carried out on a range of different bases and an investment adviser should be asked how much return could be achieved given a range of possible contribution levels. For a scheme investing 50% in equities and 50% in bonds, the traditional actuarial methodology suggests that the expected return for the scheme is a simple average of the expected returns of equities and bonds. There is, however, a diversification benefit that is often ignored, but should be included for risk assessment.

There are three variables in funding a scheme:

1. Contribution rate
2. Likelihood of insolvency
3. Level of risk

Joe introduced an analogy with taking photographs, which also has three variables:

1. How wide the shutter opens
2. How long the shutter remains open
3. The sensitivity of the film to light

He compared this third variable with the amount of investment risk being taken by a scheme. Only if you start with a pre-assumed level of risk, can you balance the contribution rate and the likelihood of insolvency.

As a summary, Joe looked at two case studies. The first case study had 45% pensioners, 50% bonds and 50% equities. The actuarial margin for prudence meant that a 60% confidence level was used in setting the discount rate at 5.8%. However, Joe pointed out that this was actually the opposite of prudent as, if 50% confidence had been used, the equity allocation would reduce to 40%. This effectively means that the scheme cannot reduce risk i.e. equity allocation, as this would remove the margin for prudence required by the actuary.

The second case study considered a poorly funded plan with a weak sponsor covenant and a high probability of sponsor failure. The scheme needs a high return to improve the funding level and invests mainly in return-seeking assets. If instead, a large proportion of the assets were invested in matching assets for a number of years, there would be two possible outcomes:

1. The sponsor may recover after a number of years and be in a position to pay more. Risk could then be increased.
2. The sponsor may fold, resulting in the wind-up of the scheme. If this happens, the benefits will have been protected to a larger degree through the matching assets.

Diversified Growth Funds

Part 2 of the presentation considered Diversified Growth Funds (DGFs).

Joe began by speaking of the necessity to diversify return premia. At present, for pension funds, most of the return driver is from the equity risk premium. We need to equalise return drivers more so that each driver e.g. insurance, skill, inflation etc, all contribute more evenly to the return earned by a scheme. Each asset class offers different drivers. Active management should be adopted where it can be justified i.e. where the additional expected return exceeds any additional costs and is commensurate with the level of risk undertaken.

A beta-only strategy of a traditional balanced fund generally consists of equities and bonds. A typical multi asset fund, on the other hand, can contain a large number of different asset classes. Each multi asset product can have significantly different asset allocations. It is not possible to talk about a DGF without implicitly giving investment advice, as each DGF is often very different to others. If discussing a DGF, one is effectively discussing a particular manager and fund.

As evidence that there is no generic DGF, Joe plotted six different variables for a number of popular DGFs. The variables plotted were the spectrum of:

- Use of external management;
- Active management;
- Increasing percentage of alternatives;
- Access to illiquid investments;
- Fees;
- Tactical asset allocation.

The clear conclusion drawn from this chart was that each DGF is essentially totally different, as a huge variation could be seen across each of the funds plotted.

Joe then shared an example with the attendees. The scheme in question could cut its Value at Risk (VaR) by 50% without reducing its return expectation, by introducing full diversity and a 50% liability hedge. Joe pointed out that there is no point in simply diversifying; one needs to diversify into good investments. Joe gave the example that burning money on a fire will certainly reduce uncertainty about your return, but it won't do much for your actual return.

Fees can vary significantly across DGFs. Active management can be very worthwhile, but too many managers charge too much. Performance fees often make it worse. Paying too much in fees can outstrip the value of investing in a DGF.

Conclusions

Finally Joe addressed all scheme actuaries and the Society. He suggested we need to restructure how we think and behave. We should not inhibit risk reduction through inflexible and outdated methodologies. Actuarial expertise is in valuation, not in deciding how much return a scheme should seek. Risk and investment strategy should be dealt with separately.

Implications for Actuarial Assumptions

Discussion

A Q&A session followed the presentation. There were many interesting questions and comments raised. Some of the discussions centred around:

- the proportion of a scheme's assets to invest in DGFs and how this will vary depending on liquidity constraints, your beliefs and your ability to govern this type of structure;
- a comparison of DGFs against hedge funds, in relation to diversification and the level of fees applied;
- whether liquidity constraints of DGFs are a major issue for pension schemes;
- whether it is appropriate that actuarial valuation advice and investment advice might come from the same organisation;
- how we can prevent trustees making poor investment decisions and who should be providing the investment advice on which trustees base their decisions.

The podcast and a copy of the slides are available on the Society's website.

Linda Travers

Risk Management – is VaR the right measure?

As part of the series of talks on Enterprise Risk Management, Deirdre Henn and Padraic O'Malley gave a thought-provoking presentation on 24 January entitled "Risk Management – is VaR the right measure?"

It's easy for those of us involved in the details of measuring risk to "miss the wood for the trees"and forget what we're actually measuring; Deirdre and Padraic's presentation provided an excellent elevation from which to view one of the most central parts of risk management: the measuring of risk.

The presentation began with a discussion of the 2 main risk measures available: VaR, which measures the worst loss that might be expected with a particular confidence level, and tail VaR, which measures the expected loss given that a particular confidence level is breached.
The advantages and limitations of each method were described, followed by a description of the uses of these measures, including for Risk Management, Risk Appetites and ORSA purposes.
Next was a section on the time horizon of risk measures, posing the question of whether both 1-year and longer time horizons should be considered. This was linked in to Solvency II, in which the option of considering alternative time horizons for internal management is available, and so is a particularly pertinent question for those entities currently defining their ORSA processes.

The measuring approach taken by the various regulatory regimes (Solvency II, Basel II, US & Swiss solvency) were described and were seen to range from the conventional to the esoteric, demonstrating that even if actuaries can agree on solvency measures, there is still some way to go before regulators do.

Perhaps the most eye-opening part of the talk was the final section where failures of VaR measures were linked to the most recent banking and economic crisis. Despite these shortcomings however, the presentation finished with the conclusion that VaR models are useful, although care must be taken in interpreting their results and these should never be followed blindly.

I would like to thank the presenters and urge anyone who couldn't attend the talk, particularly those who have an interest in Solvency II, other regulatory risk measures or risk management in general to listen to the podcast, which is available on the Society's website.

Simeon Rimmer

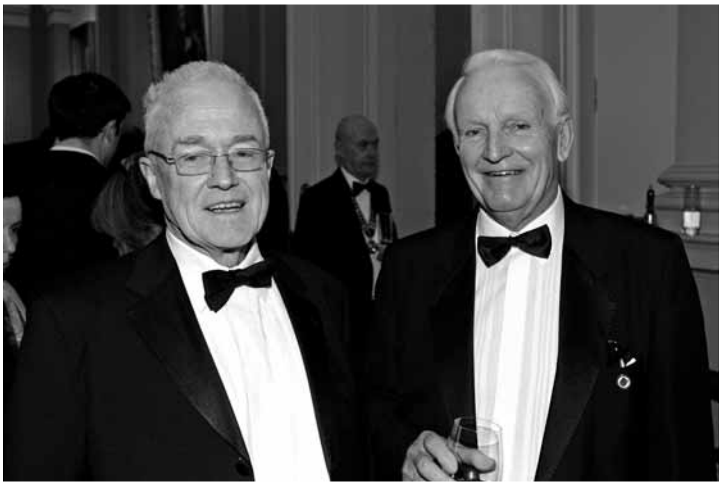
President's Biennial Dinner

L to R: Michael Brennan, Brid Horan

L to R: James Maher, Niamh Brennan (Chairman, the Society's Committee on Professional Conduct)

L to R: Pat Curtin, Derek Popkes, Aidan Burke, Kevin O'Regan

L to R: Aisling Kennedy, Frank Downey, Marie Collins (Chairman, IAPF)



L to R: Michael O'Mahony, Bob Willis

L to R: Tony Hession (Group Head of HR & Organisation Development, Irish Life & Permanent), Gerry Hassett (Chief Executive, Irish Life), David Kingston

L to R: Tom Ross (Member of the Society's Committee on Professional Conduct), Jane Curtis (President Elect, Institute & Faculty of Actuaries), Kevin Murphy, Colm Fagan, Pat Ryan

L to R: John O'Connor (Representing the Law Society of Ireland on the Society's Disciplinary Panel), Gerry O'Hanlon (Director General, Central Statistics Office Ireland)

L to R: Tom Barry, Jim Murphy, Liam O'Keeffe

L to R: Brian Duncan, Pat Healy

L to R: Aidan Punch (Assistant Director General, Central Statistics Office Ireland), Bill Hannan, Pat Ryan, Philip Boland

L to R: Colin Manley, Gareth Colgan, Chand Kohli

Longevity Risk Management

On 20 January 2011 Martin Bird and Matt Wilmington of AON Hewitt in the UK presented to the Society on longevity risk management.

The aim of the presentation was to outline developments in life expectancy modelling, for Martin and Matt to share their experiences of the rapidly developing market for de-risking solutions in the UK, and to give their expectations for the Irish market over the short to medium term.

Martin began the presentation with a brief discussion on how life expectancy modelling has evolved in the UK. As pension plans have matured, so too has life expectancy modelling. Developments over the years have ranged from the initial use of standard tables, to the emergence of the cohort effect in the 1990's to the current methodology of "post code" analysis. The latter method involves the assessment of life expectancy on a per member basis. Post code analysis has become very prevalent in the UK, both in the setting of life expectancy assumptions for pension scheme valuations and by providers in pricing longevity risk.

Martin explained a fundamental difference in longevity risk compared to economic risk. He noted that while the "funnel of doubt" for economic risks expands at a lower rate into the future, the opposite is true of longevity risk. For example, in the long term, risky assets are expected to outperform. Longevity, while predictable over the short term, can have a snowball effect in the long term - once it moves against you the probability is that it will continue to do so in the long term! This leads many schemes to consider what options are available to mitigate or remove longevity risk.

As different hedging transactions deal with different types of longevity risk, it is important to first understand the key components of longevity risk. Having gained an understanding of these risks, a decision can then be made as to which risks are to be retained and which are to be removed. The three key components are as follows.

- Trend risk – changes in general longevity for a large population e.g. on a national basis;
- Basis risk – scheme specific longevity e.g. how it compares to the general population;
- Idiosyncratic or "concentration" risk – the gearing effect caused by having a disproportionate amount of liability concentrated on a small number of members.

Martin then handed over to his colleague Matt who, through the use of heat maps, identified the key trends in UK mortality in the past and projections for the future. He also covered Irish experience, which historically has been poor relative to countries of similar economic standing but has seen a very significant change in recent years with rapid improvements in life expectancy. The outlook for Ireland is that there is scope for further improvements in life expectancy based on data from other European countries.

Having set the context regarding developments in thinking on life expectancy, Martin moved on to the second half of the presentation which covered the options available in managing pension liability risks. The spectrum of options broadly ranges from traditional pension scheme investment strategies, to longevity hedges and finally to buy-ins and buy-outs. Longevity hedging has only recently come on stream in the UK, prior to which schemes that wanted to hedge longevity risks only had the option of a buy in or buy out. This involved large upfront premium payments which many pension schemes could not afford. In addition, schemes have sought to remove longevity risk while retaining asset risk which in turn has fuelled the demand for longevity hedges and in particular the longevity swap. As a longevity swap essentially converts a stream of payments for an uncertain period of time into a series of payments for a fixed time period, hedging the asset risk becomes more straightforward. This is because the fund's investment strategy can be built around hedging a series of payments of a fixed rather than an unknown term.

While longevity swaps are straightforward in theory, Martin outlined a problematic detail which has arisen as contracts have been put in place. As a swap evolves and counterparty credit risk emerges, the need for collateral arises. The longevity swap market is currently illiquid and unlike an interest or inflation swap, there are no traded prices to calculate the collateral required under a contract. As a result, many longevity swap contracts now document in advance how the movement in life experience will be modelled and on this basis create a collateral formula to put in the contract.

Providers of longevity hedging products are investment banks offering derivate based solutions or insurers offering insurance contracts. While the mechanics are fundamentally the same, there are some subtle differences as follows.

- Banks can provide bundled solutions covering interest, inflation and longevity hedging;
- Banks distribute the risk to reinsurers and capital markets, some insurers hold the risk while the majority reinsure;
- Bank derivatives traded against life expectancy cannot run whole of life and are typically for a fixed term of 50 years;
- Different regulatory regime, banks subject to solvency capital requirements while insurers in the UK subject to FSA reserving requirements.

The provider of a longevity swap will generally seek to distribute some or all of the risk. Reinsurers generally hold mortality, morbidity and catastrophic risks which are directionally opposite to longevity risk. Reinsurers are required to hold reserves in respect of these risks. While not a perfectly opposite correlation, bringing longevity risk into the mix gives them some form of a capital efficiency release and diversification benefits which are attractive. Secondly, pension funds are prepared to pay a risk premium on top of their best estimate of life expectancy which brings profit expectations to providers.

Capital relief relies on there being a block of reinsurers who want the diversification benefits of taking the longevity risk, however there is not an infinite supply of capacity. A mismatch between capacity available and the demand for longevity hedging has resulted in intermediary providers looking for capital market investors.

Martin advised that the longevity contracts set up to date have mainly used reinsurers as their intermediary but a number of transactions in the UK are currently being structured through a combination of reinsurers and capital markets. Capital market investors are generally not interested in the complexity of pension scheme benefit structures but can provide additional capacity to reinsurers who are prepared to take on these benefit structure complexities. While capital market investors do not hold mortality and morbidity risks they do have an appetite to run risk portfolios. Hence longevity risk, being very different to asset risk, also brings diversification benefits which can enable capital market investors to earn the same rate of return for a lower level of risk.

Martin outlined the steps that need to be worked through to transact a longevity hedge and advised that there can be numerous different advisers and parties to the process. Initially, work is required to analyse the types of the longevity risks which the scheme faces, which are to be hedged and at what price. Collateral mechanisms also need to be agreed. There is a huge emphasis on data to ensure that the current data and death experience is clean and accurate so as to get the best possible price for the transaction. There is significant work required to agree the terms of the legal contract. Finally, education is very important as failure to understand complex transactions can cause nervousness amongst trustees and members.
Matt brought the presentation to a close by discussing how the UK market is expected to develop and the expectations for the Irish market. He advised that the UK market at present only deals with hedges for current pensioners. There are difficulties in entering into hedges for future pensioners as there are many unknowns, such as retirement dates and future salary inflation. Indexed solutions, which act like a scheme asset, will not give the near perfect hedge that a bespoke longevity swap may provide but do give a directional hedge, which may be appropriate for future pensioners. Generally, a pension scheme would need to hold pensioner liabilities of €200m plus for a longevity hedge to be worthwhile while only €10-€20m of liability would be required for indexed solutions.

The Irish market is attractive to providers as it is similar to the UK market, with comparable benefit structures and corporate/trustee relationships. The smaller size of pension schemes in Ireland may be prohibitive to bespoke longevity swaps and a market for indexed solutions in Ireland may be more likely. From a pension scheme's perspective, schemes and providers are close to agreeing on best estimate life expectancy which makes pricing more attractive to schemes. However, pension schemes may be more focused on overall funding at present or longevity risk may need to be more closely measured and understood before they will consider entering into longevity hedging.

The President thanked Martin and Matt for their informative presentation. The podcast and the slides from the presentation are available on the Society's website.

Maura Doherty

Congratulations

Eamon Comerford receiving his award from Paul O'Faherty, Vice President of the Society of Actuaries in Ireland. Eamonn performed best in 2010 in the final year actuarial subjects in the Bachelor of Financial & Actuarial Studies Degree Programme in UCD and was awarded the Society's prize for this achievement.

Previous winners of the Society's prize at UCD

1994	Ronan O'Lideadha	1999	James Creedon	2005	Adrian O'Hagan
1995	Eoghan Burns	2000	John Groarke	2006	Ruairi Coy
1996	Jonathan Daly	2002	John Thornton	2007	Stephen Scully
1997	Donald Salisbury	2003	Mairead Coleman	2008	Niall Quinn
1998	Linda Kerrigan	2004	Emer Casey	2009	Mary Majella McDonnell

SAI Practice Committee Updates

The Practice Committees have briefly outlined below their main areas of focus at present. The minutes of each of the Practice Committee meetings are readily available on the website and provide further more in-depth details of discussions and actions arising.

Please note that the following is merely a brief summary of the activities of the committees:

Enterprise Risk Management (ERM)

- The committee is continuing its series of evening meetings based on the ST9 syllabus. Padraic O'Malley and Deirdre Henn presented "Risk Measurement – Is VAR the right measure" on 24th January and Elliot Varnell is due to present on "Risk Aggregation"on 5th April.
- The committee has set up a working party looking at the topic of risk appetite and is working on a draft for publication soon to assist in meeting the Central Bank's June deadline for companies to have defined and articulated their risk appetite.
- The committee is compiling a list of actuaries with responsibility for risk management within their organisations and would be interested in hearing from any such actuaries.
- The committee participated in a working party that responded to CP49 issued by the Central Bank, "Consultation on Impact Metrics for the Risk Based Supervision of Financial firms by the Central Bank and on Impact Levies".

Finance and Investment Committee

- Two evening meetings took place since Christmas. These were (i) "Longevity Risk Management", 20th January 2011 presented by Martin Bird & Matt Wilmington and (ii) "Diversified Growth Funds", 2nd February presented by Joe O'Dea.
- Evening meetings in the pipeline at present include: (i) Property Investment, (ii) Risk Management for DC and (iii) Economic Update and discussion on impacts of Quantitative Easing.
- Council gave approval for the undertaking of a research program for the development of an Actuarial Database. The aim is that this will form the basis for future economic and investment related assumption setting.
- Developing a Finance & Investment Professional Interest Area on the Society's website.

Life Committee

Gender Directive: The Society is currently considering the implication for guidance due to the insurance exemptions to the Gender Directive being overruled by the European Court of Justice. An evening meeting will be held in March 2011 to discuss the issues.

Variable Annuities: Clarification has been received from the Central Bank on the December 2010 paper on reserving and risk governance requirements for VA business. A copy of this letter has been circulated to members.

Solvency II: The Central Bank QIS5 submission to EOIPA has been completed, with a high level of participation with around 220 company submissions. The Society is also planning to establish groups to examine Best Estimate Assumptions and the ORSA.

Sovereign Yields: A working party has been set up to look at the issue of credit risk on Irish Government bonds and the appropriate level of interest rates to be used for valuation purposes.

Pensions Committee

Pensions Board meetings: Members of the Pensions Committee have met with the Pensions Board to discuss key current issues. These discussions included the National Pensions Framework, the deferral of Funding Proposal deadlines and Sovereign Annuities.

Sovereign Annuities: Enabling Sovereign Annuity legislation was published in December. Detail regarding the structure of these annuities and how they will impact the Funding Standard is not yet available. Briefing Statements on Sovereign Annuities and Minister O'Cuív's announcement on a new defined benefit model have been issued by the Society.

Review of Pensions ASPs: ASP PEN-13, Conflicts of Interests – Pensions Actuaries was introduced from 1st April 2010. A focus group is to be formed to discuss investment related conflicts and how they are to be dealt with by this ASP. A working party will consider the feedback from the focus group and prepare proposals on this issue. Revised versions of ASP PEN-3 (Actuarial Funding Certificates and actuarial statements under the Pensions Act 1990) and ASP PEN-4 (Funding Proposals under the Pensions Act) have been issued to members for consultation.

Funding Standard Working Group: This group has completed their review, which was presented to members at the Pensions Forum along with presentations on Sovereign Annuities and other pension structure/review issues.

Standard Transfer Value Basis: A review of ASP PEN-2 (Retirement Benefit Schemes transfer values) has been completed and the Society has written to the Department of Social Protection outlining its recommendations. The only proposed change to the transfer value basis is a reduction in the pre-retirement discount rate from 7.5% p.a. to 7.25% p.a. The Society is currently also considering a broader review of the Standard Transfer Value basis.

Accounting Survey: A survey among pensions consulting firms to identify proposed accounting assumptions and methodologies as at 31st December 2010 was completed in January and is available on the website.

Pensions Article: Pension Committee has contributed an article to Pensions Ireland. The article is titled 'Now that we have a new government, what pension issue(s) do you believe they must prioritise?'

New sub committee: A sub committee has been set up to consider alternative options to the tax relief changes on employee contributions outlined in the recent budget.

Solvency II Committee

- The ORSA working group presented a paper at an evening meeting on November 23rd. Members with an interest in Solvency II are encouraged to read and review the paper which can be found on the Society's website and which forms the basis of a valuable resource. It is intended that this group reconvenes to review the published guidance.
- The Solvency II Committee continues to work closely with its stakeholders, including the Central Bank and the Department of Finance with whom quarterly meetings are held.
- Feedback was provided to the Group Consultatif in respect of the Level 2 implementing measures consultation.

- A rota and panels are being developed for the purpose of inputting into the Group Consultatif's Level 3 consultation process in an efficient and timely manner.
- The Group Consultatif has established a new Standards Project Team and the Committee will provide input through its nominated representative.
- A cross practice working group will be established to pro-actively consider the operation of the actuarial and risk management functions, with a view to promoting the profession and to influencing the role of both functions so that they evolve into key management functions as well as key areas of governance.

Any member who is interested in participating in the Committee's work including the cross practice working group and Level 3 consultation panels is strongly encouraged to do so. Please contact any Committee member if you would like to participate or find out more.

Note: Minutes of all the Practice Committees are available on the Society's website: (member login is required)

Appointment

Emily O'Gara joined the Society of Actuaries in Ireland as the Manager of Professional Affairs in January.

Before joining the Society Emily was part of the Financial Products Group at AIB Capital Markets. She worked predominantly on capital markets products with mortality or longevity exposure and on a number of Credit Risk projects. Prior to this Emily spent five years with the Life Actuarial Practice of Ernst & Young working with domestic, IFSC and UK companies through secondments, audit and due diligence roles. She also worked with Prudential Europe for two years.

Emily qualified in 2005. She has an MSc in IT and spent two years working as a systems developer for EDS early in her career.

The other members of the Society's secretariat are: Yvonne Lynch, Director of Professional Affairs; Mary Butler, Director of Member Services and Catherine McBride, Administrator.

Question Time with Mark Forsyth

We started by asking Mark some questions about himself, before enquiring how he combines his role as an Actuary and also as a Minister in the Methodist Church.

So Mark, some of our members will remember you from when you started out as an Actuarial Trainee – can you remind us when that was?

It was 1986 and I started in Irish Life with some others, including David Harney, Aidan O'Donnell & Bryan O'Connor.

Had you any thoughts of going 'for the church' at that stage?

Absolutely none!

So how did your change of direction come about?

I had always been a member of the Methodist Church and attended fairly regularly. After I qualified as an Actuary in 1992, I took a year out in Australia and got involved in a church over there through a relative, who encouraged me to go along. Being in a different church environment than what I was used to challenged me to think more seriously about matters of faith. I left Australia with a firm commitment to seek God's will for my life, whatever that might be. I returned to the Methodist Church in Dun Laoghaire and got stuck in there, helping out with Youth Work, Bible Studies, Prayer Meetings and other activities.

Did you take part in the weekly services in any way?

I did a few things like lead prayers, and read the lesson, but after a couple of years, I felt called to start a two year course in lay preaching, which I completed. I then started leading full services about once a month.

I understand that you went part-time with your actuarial work at one point.

Yes, I was becoming more and more involved in church activities and I was then asked if I would consider supervising the church Youth Work. I realised that something had to give, so I went part-time in order to give more time to the church.

So when did you decide to go full time into the ministry and how did that come about?

Around the summer of 2000, I felt a sense of 'call'. I was praying about it and I attended a mid-week Christian meeting in Red Cross, Co. Wicklow. During the evening, there was an open prayer time and the Rector who was leading the meeting (who I had never met) came up to me and said 'I believe God is telling me that He has placed a call on your life and you won't be satisfied until you fulfil it'. I was pretty blown away by that, and coupled with some other affirmations, I decided to apply to be a Methodist Minister.

What did this involve?

I had to train in Edgehill College, Belfast (associated with Queen's University) for 3 years, and then I was sent to Carlow & Kilkenny for 6 years.

And now you're back in Dublin doing half and half?

Well almost – I live in Dunboyne, Co. Meath. There are no Methodist churches in the whole of Co. Meath, and so I volunteered to try and start something new in that area. Realising that church finances are tight, I offered to work part-time to pay my own way. This is often called a 'tent-making' ministry, after St. Paul, who sometimes had to revert to his tent-making profession to support himself when setting up the early church.

So how do you attract newcomers – are you knocking on doors?

Not quite! There is a Methodist Church in Blanchardstown and I help out there. Some people in that congregation are from Meath, and I have a mid-week bible study for them at the moment. We plan to grow this mid-week group until there are enough people to start a small church. It's hard to attract new people, given that those who are interested are already involved in their own church, and those who are fed-up with religion can be quite anti-church. At the same time, there is a high level of spirituality in Ireland, and I believe that the Methodist Church has a certain amount of credibility, compared to brand new independent churches with no history.

So how do you combine your role as an Actuary and as a Methodist Minister?

When I was a full-time Minister, I missed the interaction with people in the office, and in many ways, you can become disconnected from the real world, so I'm glad to be back in Irish Life, where I know lots of people. In a traditional church, there is also a sense in which 'the Minister' is expected to do everything (because that's what they're paid for!), so I hope in my new set-up, that I can encourage everyone to be involved from the outset, so the ministry is shared. In Peter's epistle, he talks about 'the priesthood of all believers' where every member of the church plays their part – and I believe this is the way forward.

And finally, am I right in saying you will be on television in the near future?

Yes, the Blanchardstown congregation will be leading a church service in the RTÉ studios on the morning of Sunday 27th March, and I'll be doing the sermon, so please tune in!

European Court of Justice Ruling - profound implications for insurance industry and consumers

The Society issued the following press release following the European Court of Justice's ruling on the Gender Directive:

Press Release from the Society of Actuaries in Ireland 01 March 2011

European Court of Justice ruling - profound implications for insurance industry and consumers

The European Court of Justice (ECJ) has ruled that Article 5(2) of the Gender Directive 2004/113/EC breaches European Union gender discrimination laws. Article 5(2) currently permits individual member states to differentiate between men and women when pricing insurance where statistical evidence shows gender is a determining risk factor. The ECJ has ruled that this derogation is invalid from 21st December 2012.

The Society of Actuaries in Ireland considers that this ruling will have profound implications for the insurance industry, the pensions industry and Irish consumers.

Significant actuarial and statistical evidence exists that demonstrates marked gender differences in mortality, morbidity (sickness) and motor accident experience – and these differences are a key factor in the accurate pricing and efficient operation of the insurance industry and the pensions industry.

On average, women live longer than men, but have higher sickness rates. Women tend to have fewer and smaller motor insurance claims than men, especially at young ages. So, currently, women can avail of cheaper life cover and motor insurance than men, whereas they pay more for serious illness cover, income protection / disability cover and pensions. The Society supports the view that this differentiation validly reflects underlying risk profiles, and that, in this context, differentiation is not discrimination.

Requiring insurers to charge unisex premium rates means that they will need to make an assumption about the mix of male and female customers. They will need to allow for the uncertainty involved and for the risk of a potentially unfavourable mix. They will seek to guard against the moral hazard that, if the premium represents an average cost, people in higher risk categories may buy more insurance while those in lower risk categories may buy less or none.

For these reasons, unisex premiums are likely to be higher than the weighted average of equivalent male and female premiums. Overall costs are likely to rise, and this increase will ultimately be borne by the consumer.

Furthermore, the additional uncertainty may cause insurers to restrict the range of products that they offer, or even withdraw from the market.

The annuity (pensions) market is likely to be distorted by selective purchasing on the part of defined benefit pension schemes. Trustees may choose to buy annuities for women and pay pensions for men from the pension scheme. This would lead insurers to base annuity prices more on the life expectancy of women than that of men, leading to increases in annuity costs (i.e. a reduction in annual benefits per euro of premium) for men but little or no reduction in costs (/increase in benefits) for women.

- Overall, unisex insurance pricing is likely to result in higher prices and less choice for the consumer.

- The ruling may have other social implications too. For example, unisex rates for motor insurance could lead to an increased number of road traffic accidents, since insurance may become more affordable for young male drivers and insuring more powerful cars may come within their reach.

In conclusion, the different claims patterns and life expectancy of men and women will continue to be a reality and will continue to impact on the insurance and pensions market. The implications of the ECJ ruling will therefore present considerable challenges for the insurance industry and pensions industry and will have real consequences for consumers.

ENDS

This ruling will have implications for the insurance industry, the pensions industry and consumers – and the Society will need to consider the implications for its ASPs. With this in mind, as the newsletter goes to press, a meeting is being planned for 15th March.

At this meeting, it is proposed that Dermot Corry will examine the implications from a life assurance perspective, Ger Bradley will speak about non-life issues arising and Keith Burns will consider the implications for pension schemes. Dermot, Ger and Keith chair the Society's Life, General Insurance and Pensions Committees respectively.

We will include a report of this meeting in our next issue.

Diary Dates

Reception for New Qualifiers – Thursday 24th March

A reception to celebrate the success of our recent qualifiers will take place in the Royal College of Physicians of Ireland on Thursday 24th March. Qualifiers from the September 2010 exams and any other members who qualified in the intervening period since our last reception are invited to attend along with their guests. If you wish to attend, please contact the Society.

Professionalism Event for Senior Actuaries – Thursday 12th May

The Society's CPD Scheme includes a requirement to attend a Professionalism Event every 10 years. This requirement reflects the importance attached by the Society to members maintaining and developing their professional competence. If you qualified in 2001 or between 1992-1996 inclusive, you are required to attend a Professionalism Event by 30 June 2011. If you wish to attend the May 2011 event, please book online at: www.actuaries.ie/events

SAI's Annual Convention – Friday 27th May

The date for this event has been changed to FRIDAY 27th MAY 2011.

Venue: Alexander Hotel, Dublin 2

Times:
08:00 Registration
08:30 Convention commences
13:00 Lunch

DID YOU KNOW?

When you are logged on to / My Profile, you can check and update your contact details. Please check that your profile details are correct and amend if necessary or contact the Society.

DID YOU KNOW?

You can check to see what events you have booked to attend by clicking on "My Reservations" on the website (www.actuaries.ie – member login required). After the event, you can click on "Create Return" in the CPD column of the "My Reservations" page to set up your online CPD record quickly.

On the Move

Fellows:

Liam O'Keeffe has moved from Hansard to **Generali Pan Europe**
Edward Lynch has moved from Irish Life to **AEGON Ireland**
Paula Iencean has moved from Zurich to **VHI Healthcare**
Dermot O'Hara has moved from AXA Ireland to **FBD Insurance**
Cian O'Muircheartaigh has moved from the Hartford to **Standard Life**
Gerry Jordan has moved from Canada Life to **Hansard Europe Ltd**
Jean Rea has moved from Zurich to **KPMG**

Students:

Matthew Brophy has moved from Irish Life to **Allianz**
Brian O'Connor has moved from IPSI to **Aviva**
Maurice Speer has moved from PwC to **Mercer (Belfast)**
Brian Fitzgerald has moved from Mercer to **CACI Life & CACI Non Life Ltd**
Marija Sapkovaite has moved from Generali Pan Europe to **Aviva**
Kate Faughnan has moved from PwC to **Standard Life**

Society of Actuaries in Ireland
102 Pembroke Road, Dublin 4. Telephone: +353 1 660 3064 Fax: +353 1 660 3074 E-mail: info@actuaries.ie Web site: www.actuaries.ie