



The Society of Actuaries in Ireland

Strategy Plan

2011 - 2014

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Message from the President

Three years ago, the Society of Actuaries in Ireland developed a comprehensive and ambitious Strategy Plan. In that plan, we described our ***Vision for the actuarial profession in Ireland*** as follows:

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.

With this vision in mind, we described the Society's **Role** as having the following three dimensions:

- *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.*

I am very pleased that, over the last three years, through the efforts of members and staff, the Society has been successful in advancing a significant number of initiatives aimed at delivering on our vision for the actuarial profession in Ireland. We have reported on these at Annual Conventions and other member forums.

Now we look ahead to the next three years. I am delighted to present this Strategy Plan on behalf of Council. In this Plan, we set out:

- The Society's goals; and
- 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.

Each year, Council will decide on and publish the strategic priorities for the next year. We will work through Committees and Working Parties to ensure that these priorities are addressed in a comprehensive and timely manner. We will seek to harness and channel members' skills and energy so as to maximise the profession's contribution and influence in areas of unique expertise.

I do hope that you will actively support Council and the Committees and Working Parties in taking this work forward and achieving our goals and I look forward to working with you.

Paul O'Faherty
President

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 2011-2014 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

Role of Actuaries in a Solvency II World (see section 3.1)

- Remain an active and valuable contributor to the Groupe Consultatif, the Department of Finance and the Central Bank on Solvency II matters.
- The current Solvency II Roles & Structures Working Party to continue their work on exploring how actuaries can provide thought leadership to insurance entities on transitioning to and operating effectively in a Solvency II environment.
- Promote the qualifications and relevant experience of actuaries as risk managers. Use Society events and publications to promote expertise in this area.
- Provide training and facilitate networking for Independent Non-Executive Directors (INEDs), thus promoting actuaries in the INED role and promoting the Society to non-actuarial INEDs.
- Complete the work of the Practising Certificates Working Party (see Role 3).
- Clarify the roles of the Society's Committees to ensure efficient allocation and co-ordination of work. Review the structure of the Committees with a view to maximising effectiveness in a Solvency II world.

Retirement Provision: The Role of Actuaries (see section 3.2)

- Maintain active dialogue with Government to encourage initiatives aimed at supporting, incentivising and protecting private retirement provision. Explore the potential for joining with kindred organisations to promote ideas. .
- Increase the Society's profile and media presence with a view to raising awareness of the current threats to pension provision and the long-term implications.
- Revisit the issue of tax relief on pension contributions. Update previous work on the effects of changes in tax relief. Develop alternative proposals.
- Explore ways to contribute to educating the public on pensions matters – e.g. by proactively supporting the Pensions Board's awareness campaigns, developing a guide to individual pension planning (options, risks, etc), developing educational materials for transition year students, etc.
- Explore the role of actuary in retirement planning in the future. Identify the competencies that the pensions actuary of the future will need and support members in developing these competencies.

New Areas / Adjacencies (see section 3.3)

To “protect & defend” traditional core areas, “encroach & expand” into adjacent fields and expand into “Wider Fields”:

- Take on direct initiatives aimed at amplifying the profession’s visibility.
- Get engagement from various segments of the membership, from students through to newly-qualified actuaries, people who are at the middle of their career and very experienced actuaries. Initiatives might include developing networking and mentoring activities, with a particular aim of targeting senior members of the profession to provide leadership and guidance for younger members.
- Provide relevant CPD opportunities, including opportunities to enhance quantitative analytical skills and risk management skills, and source information for members on appropriate further education opportunities and providers.

Social Policy (see section 3.4)

- Include Social Policy on the Council agenda, instead of on the Health Care and Social Policy Committee agenda.
- Focus on the following social policy issues, nominate particular members as ‘topic champions’ and explore the possibility of partnering with other bodies to progress initiatives:
 - “Beyond the Financial Crisis” – develop a lecture series and possibly a 40th anniversary event;
 - TILDA (The Irish Longitudinal Ageing Study) – explore research possibilities;
 - The pensions demographic challenges and the long term impact of government policy in respect of private pension provision – facilitate informed debate;
 - Universal Health Insurance – provide informed review of Government proposals.
- Revisit the merits of a statutory role for actuaries in health care, in the context of a Universal Health Insurance model.

Image and public relations (see section 3.5)

- Strengthen links with other professional bodies and network with other professions.
- Increase awareness of the CERA (Chartered Enterprise Risk Actuary) qualification.
- Identify ‘topic champions’ within the membership who will partner with the PR committee and work to expand the Society’s PR reach. Build relationships with business journalists.
- Consider whether the Society’s visual identity needs updating.

- Continue to invest in the website.
- Design and implement a structured programme of communications to external stakeholders, aimed at refreshing our image in the minds of key stakeholders and positioning the role of the actuary as more than just a technical expert in the business world.
- Present to second and third level students to make school leavers and graduates aware of the profession and what actuaries do in today's market.

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 (see section 4.1)

- Engage with the UK Actuarial Profession on delivering more education services in Ireland.
- Supplement the UK Actuarial Profession's exams with additional education services from the Society.
- Increase engagement with universities.

Professional Development (see section 4.2)

- Survey members on the effectiveness of the Society's CPD requirements and activities, in relation to both actuarial and non-actuarial skills. Prepare and implement a plan of action to address any significant issues arising.
- Explore the feasibility of partnering with an appropriate university or similar body to develop a comprehensive risk management training programme for actuaries who want to skill up quickly in this area.
- Include both recently qualified members and more experienced members on Working Parties and Committees.
- Increase the extent to which the Society collaborates with other bodies on CPD events.

Research (see section 4.3)

- Continue with SIDE initiative (Studies in Irish Demography Experience), subject to sufficient participation from life offices and pension consultancies.
- Identify a small number of other research topics that will benefit the actuarial profession, commit funding to these projects and invite tenders from within the membership and outside (e.g. universities).
 - Explore opportunities to collaborate with kindred organisations on research projects of mutual interest.
 - Explore opportunities to secure third party sponsorship of research projects.
- In order to encourage and promote research beyond funded initiatives, establish a Society award that is presented periodically as recognition of excellence in research.
- Expand research capacity by pro-actively targeting members who have not yet been involved in the Society's Committees and Working Parties to become involved.
- Establish processes for identifying relevant third party research and communicating it to members.

Fostering member engagement *(see section 4.4)*

- Adopt a “positive discrimination” approach to converting more of our younger members to “actively involved”.
- Greatly increase our investment in website development and maintaining the relevance of content.
- Conduct a baseline Member Engagement survey against which progress will be measured over the three year period of this Plan.
- Institute an “open talk” communications channel in which members at random are invited to contribute their views on the direction of the Society.
- Establish a cadre of actuaries who are willing to comment on national issues as actuaries and members of the Society, and provide appropriate supports.
- Establish a clear and transparent structure and process around the availability, allocation and management of committee and working party places.
- Develop a Society value proposition, establish KPIs and progress measures.

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 (see section 5.1)

- Remain actively engaged in the development of the Solvency II framework, by participating in the Groupe Consultatif Insurance Committee, Solvency II Project Team and Standards Project Team, as well as the Solvency II Working Group sponsored by the Department of An Taoiseach, and through regular pro-active engagement with the Central Bank.
- Engage with the Central Bank to agree a joint approach to communication to actuaries with respect to interpretation of professional standards and generally to discuss and reach a shared understanding of other professional issues.
- Pursue a decision from the Department of Social Protection on how public policy aspects of pensions ASPs will be decided and communicated.
- Consider whether to engage non-members in standard setting and other professional activities, e.g. through membership of the Professional Affairs Committee.
- Organise CPD events to deliver coaching on the Code of Professional Conduct to members. Explore what additional materials and other supports would be useful to members in interpreting and applying the Code of Professional Conduct and progress these.

Practising Certificates (see section 5.2)

- Examine:
 - The current role of practising certificates within the relevant regulatory frameworks and whether the Society's arrangements support that role effectively;
 - What the role of practising certificates, in their current or another form, might be in the future, particularly in the insurance/reinsurance area (in light of Solvency II), and the implications for the profession; and
 - Whether there is a need to support the practising certificates scheme with more extensive quality assurance processes than are in place at present.

Compliance Monitoring (see section 5.3)

- Once the Solvency II framework is largely decided, revisit the question of whether mandatory compliance monitoring should be extended beyond the pensions area and if so, how this should be achieved (e.g. whether on a legislative basis or otherwise).
- If the decision is not to extend mandatory compliance monitoring, consider what other steps might be taken to foster high quality in actuarial work.
- Carry out more extensive monitoring and review of CPD returns.

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 Role of Actuaries in a Solvency II World

Our objectives in relation to Solvency II are to contribute effectively to the development of the Solvency II regime, adapt our own regulatory processes as appropriate and support our members in preparing for the new environment so that they are in the best position to seize emerging opportunities and roles. We aim to be perceived by regulators and others as a key stakeholder in the new regime and one which contributes valuable, unbiased opinions. We also aim to have our members recognised as being committed to the highest standards of skill and professionalism and well equipped to take up both actuarial and risk management roles under Solvency II.

To this end, we have a number of goals:

➤ *To enhance the standing of the Society with the Central Bank of Ireland*

Actuarial resourcing within the Central Bank has increased considerably over the last few years. This has helped us to develop good relationships with staff at the Central Bank.

However, structures and personnel have changed and we need to build new relationships accordingly, particularly at a senior level. In doing this, we need to highlight the independence of the Society from our members' employers.

Constructive dialogue with the Central Bank will help us to contribute effectively to the development of the regulatory regimes within which actuaries operate, which will enhance the profession's reputation and standing while also serving the public interest.

➤ *To enhance the standing and role of actuaries within insurance and reinsurance companies, and in particular, to enhance the standing of actuaries as risk managers*

Solvency II presents both challenges and opportunities. Actuaries will need to work at ensuring that the creation of a Solvency II actuarial function with prescribed responsibilities does not lead to a narrowing of actuarial responsibilities, with actuaries being seen only as supports and not as leaders in risk and finance. Actuaries will need to be able to articulate the relevance of their competencies to the role of Chief Risk Officer. Boards of Directors, faced with ever increasing responsibilities, will seek expert help; actuaries will need both up to date technical skills and good communication skills to rise to the challenge.

The Society is committed to supporting members in developing their potential to address the challenges and exploit the opportunities of Solvency II. We have established a Solvency II Roles & Structures Working Party to provide thought leadership on how actuaries and their firms can gainfully address the challenges and opportunities.

➤ *To enhance the perceived value of Society membership within insurance and reinsurance companies*

Under Solvency II, it will not be mandatory for actuarial function holders or risk management function holders to be members of a professional association. This may pose a threat to the Society, as might the new benefit-in-kind taxation of professional

subscriptions. However, we are committed to being ever-vigilant about adding value for members and their employers. We aim to ensure that the market perceives the outputs of the Society's work (such as professional standards and continuing professional development activities) as valuable and considers Society membership to be necessary for senior actuarial and risk management roles.

➤ *To ensure that the Society is prepared for a change in role and/or membership post Solvency II*

The Society's Solvency II Committee is now well established. The Society also has a number of other committees who are actively engaged in preparation for Solvency II, principally the Life, Life Reinsurance, General Insurance, Health Care, Enterprise Risk Management and Professional Affairs Committees, as well as the Solvency II Roles & Structures Working Party and the Practising Certificates Working Party. Together these Committees and Working Parties are addressing a myriad of Solvency II issues, from responding to EIOPA consultations on regulatory requirements to determining the implications for the Society in terms of our role in issuing practising certificates and setting actuarial standards.

Ultimately, Solvency II activities must become "business as usual" for the Society. Committee structures may need to change in order to facilitate an effective and efficient cross-practice and cross-Pillar¹ approach to regulatory requirements / issues.

Recommendations

In light of the above, we plan to pursue the following actions over the next three years:

- Remain an active and valuable contributor to the Groupe Consultatif, relevant Government departments and the Central Bank on Solvency II matters
 - Participate in the Groupe Consultatif Insurance Committee, Solvency II Project Team and Standards Project Team
 - Participate in the Solvency II Working Group of the Department of An Taoiseach
 - Strengthen relationships with the Central Bank. President / Council to establish and maintain regular contact at senior level. Meet Solvency II Project Team at least three times a year.
- The current Solvency II Roles & Structures Working Party to continue their work on exploring how actuaries can provide thought leadership to insurance entities on transitioning to and operating effectively in a Solvency II environment.
- Promote the qualifications and relevant experience of actuaries as risk managers. Use Society events and publications to promote expertise in this area.
- Provide training and facilitate networking for Independent Non-Executive Directors (INEDs), thus promoting actuaries in the INED role and promoting the Society to non-actuarial INEDs.
- Complete the work of the Practising Certificates Working Party (see Role 3).

¹ Under Solvency II, Pillar 1 relates to quantitative requirements (such as minimum capital), Pillar 2 relates to qualitative requirements (e.g. governance and risk management) and Pillar 3 relates to disclosure and transparency requirements.

- Clarify the roles of the Society's existing Committees to ensure efficient allocation and co-ordination of work. Review the structure of the Committees with a view to maximising effectiveness in a Solvency II world.

3.2 Retirement Provision: The Role of Actuaries

Encouraging people to make adequate provision for retirement and helping them to manage their retirement planning effectively are challenging goals. However, actuaries have the skills and knowledge necessary to make a positive contribution to this agenda.

Influencing Government Policy

Over the last few years, the Society has actively engaged with Government and the Pensions Board on the effects of the global financial crisis on defined benefit pension schemes, in particular. We have had some success in bringing about initiatives aimed at helping trustees and sponsoring employers to manage their schemes onto a stable financial footing. More remains to be done, however, to bring about a stable and robust system of private pension provision covering defined benefit and defined contribution arrangements. We are committed to supporting Government and the regulator in achieving this objective by contributing our ideas and expertise and by speaking out on threats to long-term savings, such as pension fund levies and reductions in tax relief.

To that end, we will continue to seek the most effective way of making our ideas heard. This may include increased media presence and/or increased collaboration with like-minded organisations.

Our aim will be to influence Government policy such that the general public are well educated on the need to make provision for retirement and incentivised to do so.

Applying Actuaries' Unique Skills

We are conscious of concerns among members that the profession's image may have been tarnished by defined benefit funding problems. Furthermore, the decline in defined benefit schemes will have a material impact on the profession in the medium term and this is of concern to members practising in the pensions area.

Actuaries are faced with the challenge of maintaining their relevance and finding new ways of adding value in individual pensions planning. The Society can contribute by helping members to develop new skills and new ways of working. The Society can also help position actuaries as having unique skills in this area, for example by developing materials and guidance to assist individuals with defined contribution plans to assess the adequacy of their retirement provision. Developing good quality guidelines and benchmarks for individuals with defined contribution plans, providing information on pros and cons of different scheme types, pensions related taxes, tax relief etc, would serve to inform and encourage individual retirement planning and would raise the profile of the Society in this area.

Recommendations

Our proposed actions for the next three years are as follows:

- Maintain active dialogue with Government to encourage initiatives aimed at supporting, incentivising and protecting private retirement provision. Explore the potential for joining with kindred organisations to promote ideas.

- Increase the Society's profile and media presence with a view to raising awareness of the current threats to pension provision and the long term implications.
- Revisit the issue of tax relief on pension contributions. Update previous work on the effects of changes in tax relief. Develop alternative proposals.
- Explore ways to contribute to educating the public on pensions matters – e.g. by pro—actively supporting the Pensions Board's awareness campaigns, developing a guide to individual pension planning (options, risks, etc), developing educational materials for transition year students, etc.
- Explore the role of the actuary in retirement planning in the future. Identify the competencies that the pensions actuary of the future will need and support members in developing these competencies.

3.3 New Areas / Adjacencies

Our objective here 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 New Areas Committee has carried out work on identifying how members perceive their career prospects, how employers perceive actuaries' career prospects, and what opportunities exist for actuaries to grow their roles and influence within traditional and new areas.

They distilled their findings and ideas into three axes of activity for development of the profession:

- "Protect & Defend" our traditional core areas where we need to preserve our eminence;
- "Encroach & Expand" into adjacent fields that are readily accessible for members;
- "Wider Fields", that perhaps are not immediately obvious areas but where actuarial skills can add value.

Taking these objectives forward will require support from the Society, as well as individual initiative. Our view is that the Society's obligations to support members are greatest in respect of the "Protect and Defend" objective, with individual initiative becoming increasingly important as we move towards "Wider Fields".

We plan to advance these objectives over the next three years by:

- Taking on direct initiatives aimed at opening doors to other fields and amplifying the profession's visibility;
- Getting engagement from various segments of the membership, from students through to newly-qualified actuaries, people who are at the middle of their career and very experienced actuaries. Initiatives might include developing networking and mentoring activities, with a particular aim of targeting senior members of the profession to provide leadership and guidance for younger members; and
- Providing relevant CPD opportunities, including opportunities to enhance quantitative analytical skills and risk management skills, and sourcing information for members on appropriate further education opportunities and providers.

3.4 Social Policy

The Society has a role to play in providing thought leadership on social policy / public interest issues in circumstances where actuarial skills and experience can illuminate and inform consideration of policy issues, i.e. where policy considerations include demographic issues, long-term financial planning or insurance principles.

This is, however, challenging for several reasons:

- In carrying out our work, we are heavily reliant on volunteer input from members. However, members are typically at a remove from social policy considerations, as actuaries mainly work in private enterprise. It can be difficult to mobilise volunteer involvement in areas that do not relate directly to members' professional practice. Moreover, members are mindful that in exploring social policy issues through the Society, they may be faced with a legitimate conflict between the Society's view and their employer's. Any initiatives that we undertake in the social policy space need to be particularly focused and effective and need to respect members' legitimate duty to their employers.
- It is not always obvious, in relation to debate on particular social policy issues, whether it would be best to add balance and impartial, fact-based analysis to the debate, or whether the Society should take a position, even if that position is unpopular. Moreover, if we take a position, and particularly if this is on an emerging issue that requires a speedy response, it might not be feasible to consult widely with members in advance, to ensure that the position is representative of their views.
- It can be difficult to get access to policymakers, and this may restrict our endeavours.

Nevertheless, we consider that contribution to debate on social policy issues is an important professional responsibility. We propose to pursue this agenda by focusing on a small number of key areas, as set out below. We will garner members' views on the issues through brainstorming sessions, think-tank groups, consultations on proposed positions and other means. We will encourage individual actuaries to express their views in the public domain.

Recommended actions over the next three years are as follows:

- Include Social Policy on the Council agenda, instead of on the Health Care and Social Policy Committee agenda – reconstitute that Committee such that it focuses on Health Care.
- Focus on the following social policy issues, nominate particular members as 'topic champions' and explore the possibility of partnering with other bodies to progress initiatives:
 - "Beyond the Financial Crisis": Currently, virtually all public debate is focused on short-term issues. There is therefore perhaps unprecedented opportunity for the Society to carve out a space in the social policy domain by acting as sponsor of a longer-term view across a range of social policy issues.

We envisage putting together a lecture series over the next two years or so (and/or a key public event, perhaps to coincide with the Society's 40th anniversary), with invited experts on topics such as longevity and health trends, intergenerational exchanges, tackling disadvantage, the impact of technology, climate change, cultural change, lifetime financial needs. This may be accompanied by a series of briefing papers.

This initiative will also provide an opportunity to build relationships with other relevant bodies such as the Adelaide Hospital Society, ESRI, Health Research Board, Statistical and Social Inquiry Society of Ireland (SSISI), The Irish Longitudinal Study on Ageing (TILDA) and the International Health Economics Association.

- TILDA: This is the most detailed study on ageing ever undertaken in Ireland. It provides a wealth of data that can be analysed to inform policymaking and the planning of future public service provision. We aim to participate actively in the exploration and discussion of this data.
- The pensions demographic challenges and the long term impact of government policy in respect of private pension provision: comment on the issues, facilitate informed debate, propose solutions, encourage individual actuaries to express their views, provide informative materials.
- Universal Health Insurance: Establish a working party to review the proposed Universal Health Insurance model and to identify and address potential issues, including long-term cost implications. Provide input to and informed comment on Government proposals.
- Revisit the merits of a statutory role for actuaries in health care, in the context of a Universal Health Insurance model. Explore the lessons learnt in other countries where such a role has developed (e.g. the role of the Chief Actuary in the U.S. Medicare system). Progress any findings as appropriate.

3.5 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, over the last three years:

- We made a number of submissions to Government on pensions issues, including funding defined benefit pension schemes and the effects of tax relief on pension contributions, and we had active dialogue with Government and the Pensions Board on our proposals;
- We also responded to Central Bank consultations on a wide range of issues, including corporate governance requirements, minimum competency requirements, reserving for investment guarantees, the Consumer Protection Code and disclosure of information to life assurance policyholders;
- We responded to Health Insurance Authority consultations on risk equalisation and minimum benefit regulations;
- We made submissions to European authorities on insurance guarantee schemes and managing variable annuity business.

In addition:

- We have an active process of engagement with the Pensions Board;

- Our representatives on the Groupe Consultatif Solvency II Project Team 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.

Recommendations

Proposed actions over the next 3 years are as follows:

- Strengthen links with other professional bodies and network with other professions.
- Increase awareness of the CERA (Chartered Enterprise Risk Actuary) qualification.
- Identify 'topic champions' within the membership who will partner with the PR committee and work to expand the Society's PR reach. Build relationships with business journalists.
- Consider whether the Society's visual identity needs updating.
- Continue to invest in the website.
- Design and implement a structured programme of communications to external stakeholders, aimed at refreshing our image in the minds of key stakeholders and positioning the role of the actuary as more than just a technical expert in the business world.
- Present to second and third level students to make school leavers and graduates aware of the profession and what actuaries do in today's market.

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

The Society's approach to pre-qualification education relies heavily on the UK Actuarial Profession's education syllabus and activities, except for professionalism training. The Society engages with the UK Profession to ensure Irish-based students are supported as fully as possible in pursuing the Profession's exams.

The UK Actuarial Profession's education system is well established, globally recognised and highly regarded. We recognise, however, that the syllabus, particularly for later exams, is quite UK specific. Also, there is limited access to tutorials and courses in Ireland and no local exam counselling. In addition, the "work based skills" requirements suffer from a lack of support and tend to be completed at the eleventh hour. The recommendations below include a number of suggestions aimed at addressing these issues.

There are several high quality actuarial degree programmes available from Irish universities. Employers have also successfully recruited a number of graduates from other disciplines, such as maths and engineering. The Society has relationships with the universities and facilitates dialogue between them on advancing actuarial education. There is scope to increase the amount of engagement, with a view to promoting the profession and influencing the content of degree programmes. The recommendations below include suggestions in this regard.

Recommendations

- Engage with the UK Actuarial Profession on delivering more education services in Ireland.
- Supplement the UK Actuarial Profession's exams with additional education services from the Society – e.g.:
 - Consider introducing Irish practice modules (possibly as an alternative to the UK practice modules) on a phased basis;
 - Alternatively, explore the potential to provide newly qualified actuaries with the resources and support needed to address differences between UK-focused education materials and the Irish working environment;
 - Organise coaching events for Students aimed at helping them to fulfil the work-based skills requirements;
 - Consider extending the Professionalism Course into a mini convention for recently qualified actuaries, similar to the "Momentum" conference in the UK;
 - See if the Business Awareness Module and Communications Course could include more Irish content;
 - In conjunction with the Student Society, provide introductory-level CPD events that will appeal to working students and university students;
 - Explore the possibility of facilitating/mentoring study groups.

- Increase engagement with universities – possibilities include:
 - Reach out to third level (actuarial and other) students who may be interested in an actuarial career – make them aware of the profession and the Society at an early stage of their studies;
 - Positively influence the content of relevant degree programmes;
 - Co-ordinate and facilitate ties between universities and industry to promote jobs, research and further education.

4.2 Professional Development

One of the Society's objectives is 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 this end, we invest heavily in delivering a wide-ranging CPD programme each year. We intend to survey members before the end of this year to get feedback on the effectiveness of the CPD activities. Topics for consideration include:

- Whether the various requirements of ASP PA-1, Continuing Professional Development, are relevant and appropriate;
- Whether we should put a greater emphasis on non-technical training (communication and presentation skills, influencing skills, leadership skills etc), both in the requirements and in the events organised directly by us;
- Whether the CPD programme adequately addresses the needs of different segments of the membership – e.g. members with varying levels of experience / different practice areas / different parts of the financial services industry / members in small firms / etc;
- Whether there is demand for support in skilling up to change practice area or specialty within practice area and if so, how the Society might assist;
- Whether there is demand for technical but non-actuarial CPD events, such as CPD on on accounting and economics topics.

The emphasis of the Society's CPD programme will always be on technical skills. However, there may be value in the Society offering more CPD events on non-technical skills than heretofore, probably in partnership with experts in the relevant areas. Some actuaries receive such training through their firms, but not all. Non-technical skills encompass areas such as communication and presentation skills, influencing skills and leadership skills. Developing these skills benefits individual careers and improves the image of the profession as a whole. As well as helping actuaries to work effectively in the multi-disciplinary teams that lead most organisations, these skills are sometimes called into play when handling professional dilemmas, e.g. when an actuary is subjected to undue influence to vary reserving or pricing assumptions for commercial reasons.

Another area that is becoming increasingly important for actuaries is risk management, including the management of risks beyond financial risks. We have already delivered a number of CPD events aimed at improving members' knowledge and understanding of risk management concepts and skills and this will remain an important area of focus.

The Society also supports professional development, and facilitates networking within the profession, by creating opportunities for actuaries from different organisations to work together on current issues and research topics. The number of recently-qualified members is growing steadily and one of our goals is to increase their participation in Working Parties and Committees. This will give recently qualified actuaries opportunities to learn from the experience of other members, while contributing their knowledge of actuarial techniques that have been added to the education syllabus in recent years.

We also believe that there would be merit in collaborating more extensively with other bodies on CPD activities. This would raise the profile of the actuarial profession, give members insights into a wider range of perspectives on topical issues and create opportunities for members to network outside the profession.

Recommendations

- Survey members on the effectiveness of the Society's CPD requirements and activities, in relation to both actuarial and non-actuarial skills. Prepare and implement a plan of action to address any significant issues arising.
- Explore the feasibility of partnering with an appropriate university or similar body to develop a comprehensive risk management training programme for actuaries who want to skill up quickly in this area.
- Include both recently qualified members and more experienced members on Working Parties and Committees.
- Increase the extent to which the Society collaborates with other bodies on CPD events.

4.3 Research

Our objective here is to be recognised as a learned society, extending actuarial knowledge by developing our own research, working on research topics in collaboration with other bodies and communicating relevant third party research to our members.

Currently, working parties of volunteer members carry out research and develop knowledge in key areas identified by the Society. In addition, some members choose and pursue their own research topics. This means that research is completed on a wide variety of topics and by actuaries with a natural interest in the area chosen. Papers are presented at Society evening meetings, which are recorded as podcasts. The Society's website houses a library of papers, presentations and podcasts, with the result that more research is reaching more members and other interested parties.

However, funding for research is limited and so the Society is limited in the research undertaken and generally only pursues projects that can be completed by a volunteer group within a reasonably short timescale. Papers are seldom published in recognised journals such as the *Annals of Actuarial Science*. The Society does not have a systematic process for identifying and communicating relevant research by other bodies to members.

Recommendations

- Continue with SIDE initiative (Studies in Irish Demography Experience), subject to sufficient participation from life offices and pension consultancies.

- Identify a small number of other research topics that will benefit the actuarial profession, commit funding to these projects and invite tenders from within the membership and outside (e.g. universities).
 - Explore opportunities to collaborate with kindred organisations on research projects of mutual interest.
 - Explore opportunities to secure third party sponsorship of research projects.
- In order to encourage and promote research beyond funded initiatives, establish a Society award that is presented periodically as recognition of excellence in research.
- Expand research capacity by pro-actively targeting members who have not yet been involved in the Society's Committees and Working Parties to become involved.
- Establish processes for identifying relevant third party research and communicating it to members.

4.4 Fostering member engagement

An “engaged member” is one who is actively involved in the Society’s work, or at least is enthusiastic for its aims, and sees the Society as the fulcrum of an Irish actuarial community with which he or she is proud to be associated. An engaged member might not always agree with the Society’s policy positions but he or she at least participates in the debate.

Our objectives in relation to fostering member engagement are as follows:

- *Encourage wider active participation in the life of the Society (particularly outside the “usual suspects”).*

Of qualified members, 55% participated in the 2010 Communications Survey. Of these, 58% declared themselves to be or have been “actively involved” in the Society. That is, they have participated in committees, working parties, focus groups, delivery of CPD events, etc.

Participation rates are highest among mid career actuaries. However, the number of recently qualified actuaries is growing steadily, and one of our prime objectives is to make it easy for more of these members to get actively involved. This will increase the Society’s capacity to deliver new initiatives, while also contributing to members’ professional development and networking opportunities (see section 4.2).

- *Enhance ways for members to interact with the Society and use and benefit from their membership.*

We consider that the website should be our primary channel of communication with members and that it is likely to be the highest source of return on investment in engagement. However, only 52% of members are regular visitors to the website. Feedback from users is positive, but only a small minority of members participate in the online discussion forum. We would like to see more active online debate so that we know members’ views and they have a say in the Society’s positions and policy direction. We are currently reviewing technology options to make the forum more accessible and user friendly. We will also continue to invest in the website with a view to making it an increasingly valuable resource for members.

Active participation in committees, working parties and focus groups is also a very effective way of interacting with and benefiting from the Society. We will continue to explore ways of making these structures ever more accessible and beneficial to members.

- *Be relevant to the real-world, everyday issues our members face in their working lives.*

For students, a very important aspect of their working lives is making progress in their exams. In section 4.2, we outlined how we aim to support students in their pre-qualification education.

Passing the exams in the first step in the process of lifelong learning that underpins any successful career. We are committed to supporting members in developing the skills and knowledge that they need to be successful in their working lives, both now and in the future. In this regard, we outlined our aspirations in relation to professional development activities in section 4.3.

We also aim to help members to anticipate and equip themselves for new opportunities for actuaries. Our near-term plans in this regard are set out in section 3.3. These include initiatives aimed at promoting the profession and expanding its reach.

- *Be relevant to the major problems facing this country.*

Over the last few years, we have dedicated a significant amount of time and effort on putting proposals to Government and the Pensions Board on initiatives aimed at mitigating the effects of the global financial crisis on defined benefit pension schemes.

We will continue our efforts in this area. We will also expand our work to include other areas, such as the issues facing defined contribution schemes and the development of a new Universal Health Insurance model.

Whereas we have, up to now, concentrated on “behind the scenes” efforts, we will explore opportunities to be more vocal in public media, where this might help advance our objectives. We will also encourage individual actuaries to participate in public debate, identifying themselves as actuaries and members of the Society.

See also section 3.5.

- *Enhance the value that members place on their membership of the Society, both in general and within discrete segments (for example, newly qualified, mid-career, late career and students). Maintain member confidence in the leadership and structures of the profession.*

This Strategy Plan sets out a wide range of activities that the Society will pursue over the coming years. Through these activities, we aim to serve members individually and collectively. We will survey members to ensure that they are satisfied that we are doing the right things and doing them well, and we will address any shortcomings revealed to the best of our ability.

Recommendations

In addition to recommendations set out elsewhere in this Plan, we plan to:

- Adopt a “positive discrimination” approach to converting more of our younger members to “actively involved”;

- Greatly increase our investment in website development and maintaining the relevance of content;
- Conduct a baseline Member Engagement survey against which progress will be measured over the three year period of this Plan;
- Institute an “open talk” communications channel in which members at random are invited to contribute their views on the direction of the Society;
- Establish a cadre of actuaries who are willing to comment on national issues as actuaries and members of the Society, and provide appropriate supports;
- Establish a clear and transparent structure and process around the availability, allocation and management of committee and working party places;
- Develop a Society value proposition, establish KPIs and progress measures.

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 of practice through our Actuarial Standards of Practice (ASPs), which address technical matters, particularly in relation to regulatory work, and our Code of Professional Conduct, which addresses professional and ethical issues.

Solvency II is likely to change the role of the Society in relation to standard setting. It is expected that actuarial standards will be set at a European level, by the Groupe Consultatif or EIOPA (with the Groupe Consultatif providing input) or both. It is now yet known whether there will also be local regulatory standards. It will be some time before it becomes clear whether there will be a need for the Society to set standards that address Irish matters, and if so, what the nature and form of those standards might be. Our thoughts on this subject will also be influenced by the output from our Solvency II Roles & Structures Working Party.

In the meantime, the Society's ASPs are a key element of the current regulatory framework for insurance. There is therefore a need for good communication between the Society, the Central Bank and practising actuaries on the interpretation and implementation of ASPs.

On the pensions side, we have had discussions with the Department of Social Protection and the Pensions Board regarding the issue that the public policy principles underpinning technical standards should be determined by Government or the Pensions Board, not by the Society. We are awaiting a decision from the Department on how this should be addressed.

The Code of Professional Conduct was launched last year, replacing the Professional Conduct Standards. Members who attended professionalism training since then have received coaching on interpreting and applying the Code.

Recommendations

- Remain actively engaged in the development of the Solvency II framework, by participating in the Groupe Consultatif Insurance Committee, Solvency II Project Team and Standards Project Team, as well as the Solvency II Working Group sponsored by the Department of An Taoiseach, and through regular pro-active engagement with the Central Bank.
- Engage with the Central Bank to agree a joint approach to communication to actuaries with respect to interpretation of professional standards and generally to discuss and reach a shared understanding of other professional issues.
- Pursue a decision from the Department of Social Protection on how public policy aspects of pensions ASPs will be decided and communicated.
- Consider whether to engage non-members in standard setting and other professional activities, e.g. through membership of the Professional Affairs Committee.
- Organise CPD events to deliver coaching on the Code of Professional Conduct to members. Explore what additional materials and other supports would be useful to members in interpreting and applying the Code of Professional Conduct and progress these.

5.2 Practising Certificates

At present, actuaries in statutory roles (Appointed Actuary, Signing Actuary, Scheme Actuary and PRSA Actuary) are obliged to hold a practising certificate issued by the Society. An applicant for a practising certificate must demonstrate that he or she has sufficient relevant and up-to-date experience to be competent to meet the responsibilities of the role. The applicant must also have kept his or her knowledge and skills up to date by carrying out appropriate continuing professional development activities and professionalism training.

The practising certificates scheme was introduced in 1996 and the last substantive review was in 2005.

Solvency II may have impacts for the practising certificates regime, given that it will not be mandatory for actuarial function holders to be actuaries or members of an actuarial association (though it is widely expected that most will be).

Recommendations

- Examine:
 - The current role of practising certificates within the relevant regulatory frameworks and whether the Society's arrangements support that role effectively;
 - What the role of practising certificates, in their current or another form, might be in the future, particularly in the insurance/reinsurance area (in light of Solvency II), and the implications for the profession; and
 - Whether there is a need to support the practising certificates scheme with more extensive quality assurance processes than are in place at present.

5.3 Compliance monitoring

To protect the integrity and reputation of the profession, it is important that high standards are achieved through compliance with our ASPs and Code of Professional Conduct.

A compliance monitoring regime, with statutory underpinning, is in place for Scheme Actuaries, and anecdotal evidence suggests that it has led to improvements in processes and documentation. In the life assurance field, some companies have adopted peer review of actuarial work on a voluntary basis.

In 2009, Council established a Working Party to consider whether mandatory compliance monitoring requirements should be extended beyond the pensions area. However, their work was put on hold pending greater clarity about the Solvency II framework.

All practising actuaries are obliged to comply with ASP PA-1, Continuing Professional Development. Compliance is monitored by the Society, to varying degrees depending on the member's category of work (with practising certificate holders' CPD being monitored most closely).

Recommendations

- Once the Solvency II framework is largely decided, revisit the question of whether mandatory compliance monitoring should be extended beyond the pensions area and if so, how this should be achieved (e.g. whether on a legislative basis or otherwise).

- If the decision is not to extend mandatory compliance monitoring, consider what other steps might be taken to foster high quality in actuarial work.
- Carry out more extensive monitoring and review of CPD returns.

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