



THE SOCIETY OF ACTUARIES IN IRELAND

eNews

Dear Member,

eNews includes a recap on any emails sent by the Society to the membership since the last eNews regarding Actuarial Standards of Practice or any significant issues in relation to the Society. All eNews bulletins can be accessed on the Society's website at <https://web.actuaries.ie/enews> - member log in required.

This bulletin covers the following topics:

- Member Consultations on Actuarial Standards of Practice
- Professionalism Course and Event
- Society responds to consultation on EU-wide legislative framework for IORPs
- ActEd Tutorials
- Review of SAI brand and image
- Review of CPD Scheme
- Enterprise Risk Management Training Survey
- Groupe Consultatif position paper - Use of age & disability as rating factors in insurance
- European Congress of Actuaries
- European Commission guidelines on Gender Directive
- CPD events
- Other news.

Member consultations on Actuarial Standards of Practice

Thank you to all members who contributed to the recent consultations on proposed changes to the above ASPs.

ASP LA-1, ASP LA-2, ASP LA-3 and ASP LA-11

The new versions of ASP LA-1, ASP LA-2, ASP LA-3 and ASP LA-11 came into effect from 30th December 2011. Final versions are available on the Society's website at <https://web.actuaries.ie/standards/asp>.

ASP's LA-8, PRSA-2 and PEN-12

Following consideration of member feedback received during the consultation process, wording of the above ASPs has been finalised by the relevant committees and approved by Council for implementation with effect from 1st March 2012. Final versions are now available on the Society's website at <https://web.actuaries.ie/standards/asp>.

With respect to the pension levy, in the interim period until the new version of the ASPs comes into effect, discretion is allowed on how to disclose the pension levy. In this context, members are reminded that the provision of product information should be fair, clear and not misleading.

Professionalism Course and Event

The Actuarial Profession has announced some changes to its professionalism training framework. Details of these changes can be viewed on the Actuarial Profession's website [link](#).

Council has considered these changes, the implications for the Society and for those members who are also members of the Actuarial Profession.

SAI requirements for Professionalism Training

- a) Students of the Society who wish to transfer to Associate or Fellow category must attend the Society's 2-day Professionalism Course, or another professionalism course approved by the Society;
- b) Experienced Actuaries must, at least once every 10 years, attend a Professionalism Event organised or approved by the Society.

Up to now, we accredited the Actuarial Profession's Associate Course and New Fellows Course (as applicable) for the purposes of a) and their Professionalism Event for the purposes of b).

The following is a summary of the SAI requirements for 2012

Recent Qualifiers

The Society will hold a 2-day Professionalism Course on 8th & 9th March 2012 for new qualifiers and details are available on the Society's website at <https://web.actuaries.ie/events>. Attendance at this course will be accredited by the Actuarial Profession and will therefore discharge your obligations to both bodies. The Society's Course had been designed with the specific needs of actuaries working and practising in Ireland in mind. SAI members are strongly encouraged to attend this Course.

If members are unable to attend the Society's course in March 2012, the Society will accept attendance at the Actuarial Profession's 1-day Professional Skills Course as an alternative to attendance at our Professionalism Course.

The Society will not accept completion of the Actuarial Profession's web-based Professional Skills Course as an alternative to attendance at our Professionalism Course.

Experienced Actuaries

Under ASP PA-1, there is a requirement for SAI members to attend a 1-day Professionalism Event every ten years. There were transitional arrangements in place until 2011 to facilitate the attendance of all members at this Event.

We have now scheduled a Professionalism Event for 10th May 2012, for members who qualified in 2002 and any other experienced actuaries who wish to attend. Details of this Event are available on the Society's website at <https://web.actuaries.ie/events>.

For members who qualified in 2002, in exceptional circumstances, if they are unable to attend the May 2012 Event, the Society will allow members to postpone attendance until 2013 or to attend instead a package of CPD events that include professionalism training, the events to be proposed by the member and approved by the Director of Professional Affairs. Members who need to avail of the latter option should contact the Director of Professional Affairs to discuss it more fully.

Online reservation facility for the Society's Professionalism Course on 8th & 9th March 2012 and the Society's Professionalism Event on 10th May 2012 are available at <https://web.actuaries.ie/events>.

If you require any further clarification on the above, please contact the Society at info@actuaries.ie or by telephoning 01 634 0020.

Society responds to consultation on EU-wide legislative framework for IORPs

In April 2011, the European Commission asked EIOPA for advice on the EU-wide legislative framework for IORPs (Institutions for Occupational Retirement Provision).

The Commission sought advice on the scope of the IORP directive, on certain cross-border aspects and on three other areas. Firstly, what quantitative requirements should apply to IORPs and how should these be measured? Secondly, what should be the qualitative requirements, particularly in respect of the governance of IORPs? Thirdly, what information should be provided in respect of IORPs to members and beneficiaries, and to supervisory authorities?

The Commission also sought advice on the extent to which the legislative framework for IORPs should be similar to that for other financial institutions and products, in particular the Solvency II framework for insurance and the UCITS IV Key Investor Information Document.

In October 2011, EIOPA published a consultation document on its response to the Call for Advice. The Society has responded to the consultation. In the response, we note that some elements of the Solvency II framework could have relevance to IORPs, but we also highlight the differences between insurance contracts and IORPs and point out many issues that would require careful consideration if a Solvency II-type framework was to be introduced for IORPs. We note the heterogeneity of pension systems across Europe and we express the opinion that maximum harmonisation in relation to pension scheme governance is not possible.

Read the Society's response to the consultation at http://bit.ly/SAI_Response_IORP.

ActEd Tutorials

Following a number of enquiries from members recently, we have been in touch with ActEd about the possibility of running more tutorials for the April exams in Dublin. ActEd are open to this suggestion, subject to sufficient demand. Therefore, if you are interested in attending an ActEd tutorial, please state your interest on ActEd's website at: http://www.acted.co.uk/estore/estore_tutorial_request.fwx.

Review of SAI brand and image

In anticipation of events to mark our 40th anniversary, the Society of Actuaries in Ireland is undertaking a review of its internal and external brand and image to ensure that this is modern and consistent with the aims and objectives of the Society. The Communications Committee is looking at how the Society portrays itself and how this is received by members and the external audience. Work will firstly be undertaken to review how the Society's image is reflected in our internal and external communications media – web-site, other electronic communications, and print media.

We anticipate a high level of engagement with members of the Society throughout this process. A workshop for members who volunteered to participate in this review is scheduled for mid-January. A firm of image consultants has been engaged to provide support, analysis and ideas as we progress through our review.

Review of CPD Scheme

One of the priority actions for the Society in 2012 is to perform a review of the CPD scheme as defined in ASP PA-1 Continuing Professional Development. As part of this review members will be surveyed on the effectiveness of the Society's CPD requirements relating to both actuarial and non-actuarial skills.

We invited members to participate in a working party that will perform this review and make recommendations to Council. The first meeting of this working party was held in early January. Further updates will be circulated over the coming months.

Enterprise Risk Management Training Survey

Thank you to all members who responded to the Enterprise Risk Management Training Survey.

A key objective of the Society of Actuaries in Ireland 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.

To this end, the Society's strategic priorities, as set out in the Strategy Plan 2011-2014, include:

- Promoting the qualifications and relevant experience of actuaries as risk managers; 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.

The Enterprise Risk Management Committee is currently analysing the survey responses in order to help achieve these goals.

Groupe Consultatif position paper - Use of age & disability as rating factors in insurance

The Groupe Consultatif's position paper, released on 5 December, points out that insurance serves an important social need which can be provided through public social security systems or through private insurance markets. Where private insurance operates on a voluntary basis - meaning that consumers can choose whether to purchase insurance cover and/or choose the level of cover - differentiation between different groups of risks is necessary in order for the insurance market to function effectively. Age in particular is a key risk factor that cannot be substituted by alternative risk factors for many types of insurance in achieving the goal of providing affordable and accessible insurance. Disability is also an important risk factor for some types of insurance.

If insurers were not allowed to use age or disability as risk factors, there would be profound consequences for the availability of some types of insurance on a private voluntary basis. For example, if insurers were not allowed to offer different annuity rates for different ages then the cost of annuities in a private voluntary market would increase enormously and conceivably private insurers would withdraw entirely from providing annuities. In this case, national Governments might need to fill the gap left by the closure of private voluntary insurance markets. Similar outcomes would arise for some other types of insurance.

The position paper by the Groupe Consultatif outlines the reasons why it believes the outcomes indicated above would be a real possibility if age and disability were not allowed as rating factors in insurance.

The paper is available at

http://www.gcactuaries.org/documents/GC_Age_Disability_Underwriting_Paper_051211.pdf

European Congress of Actuaries

The Groupe Consultatif's first European Congress of Actuaries - ECA 2012 - will take place in Brussels on 7/8 June 2012. The theme is The Future European Actuary. This Congress aims to attract actuaries working in industry, consulting and academia, as well as other financial professionals, politicians and others interested in the future of risk management in Europe. The programme will include speakers from the European Parliament and Commission, supervisory authorities, rating agencies, and other fields. The format offers a number of parallel sessions, with presentations, discussion groups and keynote speakers. For further details and registration, visit the dedicated Congress web site at www.eca2012.org.

European Commission guidelines on Gender Directive

The European Commission has published guidelines on the application of the Council Directive 2004/113/EC (the "Gender Directive") to insurance, in the light of last year's judgment of the Court of Justice of the European Union in Case C-236/09 (Test-Achats).

Article 5(1) of the Gender Directive provides that, for new insurance and other financial services contracts concluded after 21st December 2007, the use of gender as an actuarial factor in the calculation of premiums and benefits must not result in differences in individuals' premiums and benefits.

Article 5(2) provides for derogation from this rule by allowing Member States to maintain proportionate differences in individuals' premiums and benefits where the use of gender is a determining factor in the assessment of risk based on relevant and accurate actuarial and statistical data.

However, in a judgment delivered on 1st March 2011, the Court of Justice of the European Union declared Article 5(2) invalid with effect from 21st December 2012.

The guidelines aim to facilitate compliance with this ruling at national level. The guidelines are available at http://ec.europa.eu/justice/gender-equality/files/c_2011_9497_en.pdf.

CPD Events

There is a full calendar of upcoming Society events posted to our website at: <https://web.actuaries.ie/events>.

In addition, the following facilities are available under "My Reservations" (www.actuaries.ie – **member login required**):

- You can make an online reservation for all Society events.
- If you are subsequently unable to attend, please cancel your reservation online, by clicking on 'Cancel' after the title of the event.
- You can check what events you have booked to attend.
- After the event, you can update your CPD record by clicking on "Create Return".

The "External Events" section of the website (<https://web.actuaries.ie/events/external>) includes details of events organised by other bodies that may be of interest to members for CPD purposes.

Other news

Other recent news stories, including news from other bodies, are available on the News section of the Society's website at <http://www.actuaries.ie>.

**End of eNews bulletin
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