



Society of Actuaries in Ireland

Newsletter

MAY 2017

President's Biennial Dinner



Dervla Tomlin, SAI President & Brian Hayes MEP

The President's Biennial Dinner of the Society took place on 16th February 2017, hosted by Dervla Tomlin at the Royal College of Physicians in Ireland. Dervla was joined by many members of the Society as well as guests spanning a wide range of organisations associated with the profession and the Society. The guest of honour for the evening was Fine Gael Dublin MEP, Brian Hayes.

This occasion afforded Dervla the opportunity to extend a warm welcome to guests, especially those from Government, regulators, industry and other professions as well as the wider international actuarial community including Tom Terry, incoming President of the International Actuarial Association.

Dervla's speech touched on a range of current issues of particular relevance to the work of actuaries at present. She noted that the actuaries in the room, along with the many guests shared the privilege and responsibility of helping to secure people's financial futures – whether

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President's Biennial Dinner

directly or indirectly. Dervla observed that this responsibility was all the more pressing in the context of the low global growth rates and high level of geopolitical uncertainty along with the potential threat of Brexit to an open economy like ours.

Acknowledging that Mr Hayes would address these issues more fully in his speech, she instead turned her attention to a number of other long-standing challenges for the actuarial profession. These include the challenges arising from the current low-interest rate environment, in particular in relation to Defined Benefit pension schemes, along with underwriting challenges on the non-life side and the rising costs of motor insurance premiums. Dervla discussed a range of activities by the Society and its members in these areas over the last year.

Dervla welcomed the introduction of Solvency II and the role of Society members in improving the risk management and governance of insurers, while highlighting additional room for improvement, as evidenced by the recent CBI letter to actuaries and Boards on governance and ownership of the assumption setting process.

While pledging that the Society would support members in fulfilling their obligations, Dervla also called on actuaries to demonstrate the qualities that are needed to face the

challenges ahead. These include:

- Being open minded and accepting the need for change
- Communicating better
- Sharing knowledge and expertise
- Being open to challenge
- Earning the trust placed in us and being open to challenge others
- A willingness to make unpopular recommendations and difficult decisions.

Turning back to challenges like Defined Benefit pension schemes and rising motor insurance premiums, Dervla finished by expressing the hope that the energy and expertise that has been tied up in the implementation of Solvency II in recent years could now be addressed toward solving these challenges.

Brian Hayes, MEP, focussed his remarks on Brexit, and the implications for Ireland's wider role within the European Union. Opening with his strongly held view that leaving the EU or the Eurozone would be a mistake for Ireland, Mr Hayes cited the size of Ireland's exports to other EU countries, relative to our exports to the UK. He noted that 11.4% of Irish exports were to the UK compared with 39.6% to other EU countries, and noted that the recent trend suggested an increase in EU exports while the UK figures had remained static or even declined.

Citing further negative implications for Foreign Direct Investment in Ireland if we decided to leave the EU, he set out his view that the appropriate response to Brexit is to pivot toward Europe, developing deeper trade links with the rest of the EU, particularly newer EU members like Poland, without neglecting our relationship with the UK.

He singled out the agri-food sector, tourism and SMEs as sectors which are currently heavily dependent on UK markets and stressed the importance of providing support to these areas, through agencies such as Bord Bia, Tourism Ireland and Enterprise Ireland, to grow market share in mainland Europe.

While much of Mr Hayes's speech focused on the economic implications of our response to Brexit, he finished by highlighting the values that he saw as being at the heart of the EU. These included, he said, "democracy, freedom of the press, the rule of law, equality, workers' rights and above all respect for the dignity of individuals in all their variety." Focusing on the crucial role the EU has played in bringing peace and stability to Europe, against the backdrop of an estimated 80 million deaths in Europe due to violence in the first half of the last century, Mr Hayes closed with his view that "our future is with the EU – something we should proclaim openly and with pride."

[Photo Gallery on pages 8 & 9](#)



Fellowship Ceremony - March 2017

The President, Dervla Tomlin, welcomed 35 new qualifiers, together with their guests, to a Fellowship Ceremony and Reception in the Royal College of Physicians in Ireland on 2nd March 2017. The President again mentioned that these ceremonies are the most enjoyable tasks of her presidency. They provide a wonderful opportunity to meet with our new Fellows and their guests and to celebrate their success.



From back to front & left to right: Shane Barrett, Leeren Naiker, Sarah Kavanagh, Ibrahim Younis, Owen Fennell, Cian O'Toole, Daniel McWhinney, Cillian Ryan, Craig Keane, Elaine Pearson, Niamh Carey, Georoid Moran, Brendan Murphy, Robert Murphy, Aoife McGrath, Declan Moore, Gavin Coen, Aisling Smith, Orla Ward, Connor Cush, Andrew Dowd, Joanne Lonergan, Andrew Farrelly, Alexander Smillie, Rory Coffey, David Callinan, Jack Mahon, Mark Laffan, Leah Cooney, Sabab Asfaque, Maria Gormally, Declan Costello, Aoife Flynn, Dervla Tomlin, Michelle McMahon, Gareth Simons

Raising an Awareness of Diversity

The Diversity Working Group was formed last year through the Member Engagement Committee. The Working Group aims to raise awareness and support our members in fostering diversity and inclusion across our membership and our workplaces.

We held our inaugural awareness session in December ("Diversity – Why Bother?") and received valuable input from members through a survey completed afterwards which has fed into our objectives. We have summarised our four key objectives below and provided a sample of the items we are working on to give you a flavour of what each objective entails:

1. Raise awareness of latest thinking on Diversity and Inclusion

We held workshops on Diversity at the Graduation Programme in March - the Society's professionalism course for new qualifiers. A session was also included in the Society's Professionalism Event for Senior Members in May. A session on unconscious bias will be held at the Annual Convention in June.

2. Develop and support our membership

The Society joined the 30% Club and on the back of this, we were able to roll out the chance to win a fully sponsored (by the 30% Club) MBA to our members.

We are working on establishing a pilot network which you will hear more about in the coming months.

We worked with the Member Engagement Committee to ensure all members have access to mentors throughout their career. We focused particularly on members returning from career breaks.

3. Thought Leadership

We completed significant analysis last year on the pipeline for students coming through to study Maths in college and potentially pursue an actuarial career. We will liaise with the Irish Maths Teachers' Association to ensure students know what an actuarial career is and have the information they need to make an informed decision on their future careers.

4. Collaborate with other professional bodies

We have liaised with other professional bodies on their activities in the area of Diversity & Inclusion. In particular, we have had helpful engagement with Insurance Ireland and Engineers Ireland to understand their approach to this topic. Engineers Ireland's work, particularly in relation to encouraging young women to join their profession, provides valuable insights into potential activity for the Society. Insurance Ireland's focus on the year of diversity, which includes gender diversity, LGBT issues, age, disability and ethnicity, as well as the areas where these issues intersect, points to common priorities with the Society. The Society looks forward to working to gether with Insurance Ireland on these areas of common interest for our members.

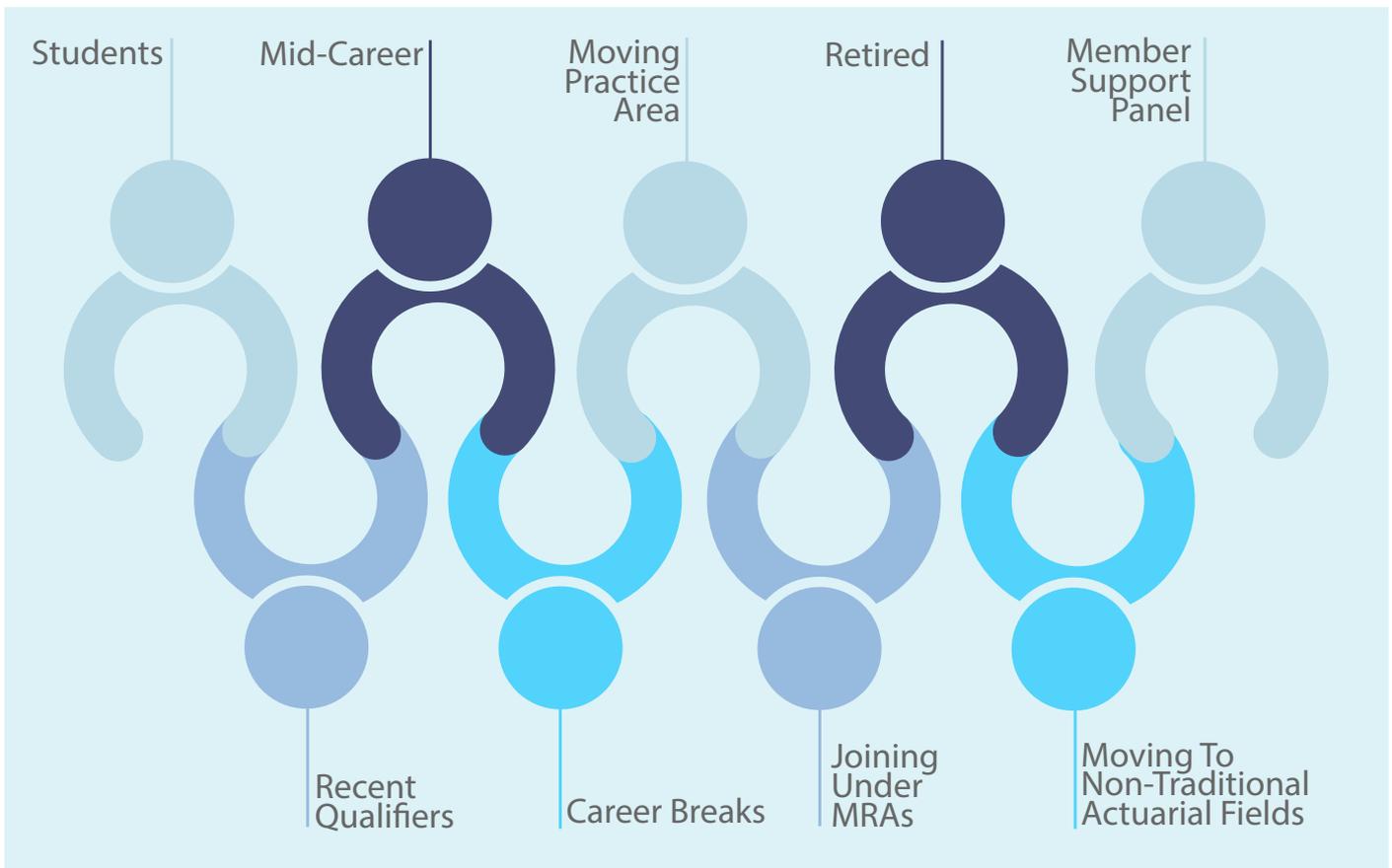
We welcome any members who wish to join the Working Group or, if you don't have time to join, we would love to hear your suggestions.

Annual Convention – 8th June 2017 Convention Centre Dublin

Thanks to a huge response from members and guests to present at our Annual Convention this year, this full-day event will include:

- General Insurance, Life and Pensions Forums;
- Professionalism Skills session;
- 23 sessions to choose from, including 2 Soft Skills sessions i.e. '*Communications in the Workplace*' and '*Unconscious Bias- what is it, how does it impact us and what can we do about it*', both of which are accredited for the purposes of the IFoA's Professionalism Skills Training; and
- A Plenary session including:
 - Review of the Year;
 - Presentation of the SAI Award for outstanding contribution to the Society; and
 - A presentation from Donal Casey, CEO of Rory McIlroy Inc on 'Wider Fairways – not as far away as it appears'

Society of Actuaries in Ireland launches Member Support Service



In March of this year, the Society launched the Member Support Service.

There are two main facets to this service:

1. Providing mentoring to members at all stages of their careers.
2. Providing support and guidance to members faced with ethical or professional dilemmas via the Member Support Panel.

Mentoring

Following the success of the mentoring programme for recent qualifiers, which has been in existence for the past number of years, the Society decided to open up the option to receive mentoring to a wider audience. The aim of the service is to match any member interested in receiving mentoring and career advice with another member with relevant experience. Both parties could then meet to discuss topics of interest. The mentoring service is intended to be an informal service where members meet with their mentors at a time and location convenient to both parties. Some members may only require a single meeting, whilst others might benefit from a longer-term relationship with their mentors.

The service is open to all members at various stages of their careers, including the following:

- Students

may benefit from the support of a recent qualifier in finding a balance between work and study commitments. In particular, students in smaller companies without the support of other actuaries or students entering the profession from non-actuarial degrees may not have the same support network as others. They may therefore find it useful to have a mentor to discuss issues with.

- Recent Qualifiers

may be beginning to look at their next career step post-qualification – be it moving job or seeking to progress within their organisation. These members might find it difficult to discuss these types of issues with colleagues. Mid-career actuaries who have experience in considering these options may be able to offer useful, impartial advice.

- Mid-career actuaries

like recent qualifiers, may be considering their next steps either within their firm, within their industry or outside it, albeit with a view to finding more senior roles. It can be difficult

sometimes to get unbiased information to make an assessment of the various options available. Mentoring would be provided by senior actuaries who have experience in weighing up various options.

- Retired members

may seek to speak with other retired members to discuss the adjustment in moving from full time employment into retirement or to discuss part time opportunities such as directorships.

- Members returning to work following maternity leave or a career break

may look for support from other members who have been in similar situations, to discuss attaining a work-life balance, re-adjusting to a working environment and getting up to speed on recent developments on their return to work.

- Members considering moving to a new practice area

may seek to speak with a member who has made such a move to discuss the various benefits and issues involved. The same may apply for **members considering moving to non-traditional fields.**

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- Members joining the Society under Mutual Recognition Agreements

might benefit from the experience of someone who is familiar with Irish Regulatory requirements and with the standards of the Society.

Member Support Panel

Sometimes a member may be faced with a problem where a second opinion would be appreciated. Often, if the matter is sensitive, the member may not wish to discuss it with a colleague - or indeed some members may not have colleagues or contacts with the impartiality or experience required to offer measured and informed advice. The Member Support Panel is a panel of experienced members sourced from each of the main actuarial practice areas. It has been created

to provide members with access to impartial guidance in relation to professional or ethical issues that they may be facing.

In order to ensure objectivity, the Society and the members involved will seek to avoid any possible conflicts of interest. Once the Society has paired the member seeking guidance with a member of the Panel, it will have no further involvement. Any opinion or guidance provided by the Member Support Panel member will be his or her own personal view, and will not necessarily represent the opinion of the Society, the Council, or any of the Society's staff.

The Society and the Panel member offering guidance will seek to ensure confidentiality for those accessing this service. Other than

making an initial introduction, the Society will not seek further information on the issue or the outcome (unless one or both parties has a professional or legal obligation to escalate the matter). Members considering using this service should note that the Society's Code of Professional Conduct will apply. In particular, members should be aware of Section 4 of the Code, which covers whistleblowing and other reporting requirements. They should also be aware of any statutory or regulatory requirements in relation to whistleblowing.

For more information on these services or to join the panel of mentors please visit <https://web.actuaries.ie/member-support-service>

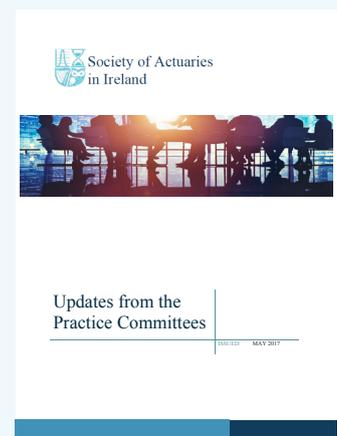
Gareth McQuillan and Eoin King

Updates from the Practice Committees

In an attempt to ensure that members are kept up to date with the work of the Practice Committees, the Member Engagement Committee has decided to issue occasional Updates from the Committees. The first of these Updates was issued in February, followed by the 2nd issue in May. These Updates are available here: <https://web.actuaries.ie/press-publications/updates-practice-committees>

The General Insurance Committee also issues occasional Newsletters and the most recent issue was in March 2017 and is available here: <https://web.actuaries.ie/pia/newsletter>

We would love to hear from you as to whether you find these communications of benefit to you.



Enterprise Risk Management Forum

With ORSA and Brexit on the agenda, the Society's recent Enterprise Risk Management forum focused on topics currently very relevant to Irish based insurers. In this blog post, we summarise the key themes.

A 12 page ORSA

The Own Risk & Solvency Assessment (ORSA) is viewed by many as one of the most beneficial aspects of the Solvency II regime – particularly for the Board – bringing together the outputs from several risk and capital processes to provide an overall picture of the insurer's solvency and key risks. But how good are we, as risk professionals, at distilling all this information into one user friendly document and is the ORSA report, in its current guise, really fit for purpose? **Paul Harwood**, having spent some time at the Central Bank of Ireland reviewing multiple ORSAs, is of the view that there is a lot done but more to do. He presented his paper on the '12 page ORSA', a 25 step ORSA approach resulting in three outputs – the ORSA record, a 12 page ORSA report and the "Risk Book". Focusing specifically on the directive requirements, Paul's presentation highlighted the distinction between the results of the process and the process itself, including the various risk assessments undertaken along the way. He suggests that this documentation of process, as well as documentation of compliance with the requirements, can be removed from the main ORSA report and instead documented in the "Risk Book". This would allow the ORSA report, and therefore the Board's attention, to focus on the ORSA results.

A novel idea, but what did the attendees think? In a change to last year's format, this year's forum was held in round table format, with each table allocated time to discuss various aspects of the presentation and then feeding back to the room.

Overall the views were wide ranging, with many agreeing that they could certainly see a need for greater organisation and structure around the ORSA reporting process but with differing views as to whether splitting the document into two component documents would be a step in the right direction or if indeed a 12 page ORSA would really ever be sufficient for regulatory or internal purposes. Where a 12 page ORSA was viewed positively it was also noted that it is unlikely that

the ORSA would be submitted to the regulator without its companion "Risk Book", at least not initially. Others felt that the ORSA as it currently stands, while it may be long, is already a useful tool for the Board providing a go-to document that brings all the company's risk and solvency information to one place.

Although we are only in our 2nd year of Solvency II the differing views demonstrated that the Own Risk and Solvency Assessment reports are already succeeding in being just that - owned by each company and adapted according to the needs of each Board as required. What was apparent is that now that the new regulation has been implemented, developing and ensuring its usefulness to the company is high on the agenda suggesting that these reports will continue to evolve and improve over time.

Brexit

It is fair to say that Brexit has been the buzzword in the industry for over a year but now that the votes are in and article 50 has been triggered are we really any wiser as to what this could mean for our companies, for us as a profession or indeed for us as individuals? The forum's second presentation shed some light. The forum's chair, **Eric Brown (EY)**, introduced the topic, outlining the current state of play and the timeline for Britain to leave the European Union highlighting key milestones along the way. It is clear the clock is ticking.

Gareth McQuillan (Aegon Ireland), David Costello (Independent Actuarial / Risk Consultant) and Aidan Holton (Scor Global Life Reinsurance Ireland) then presented the forum with the perspective of three different types of insurance companies - an international life company, a domestic non-life company and a reinsurer. It was clear that the potential impact was vastly different.

For an international life company selling business into the UK there are a number of significant challenges, both short and long term, with market volatility driven by political and economic uncertainty impacting short term returns and the specifics of the Brexit negotiation itself impacting the company's ability to continue to trade as they do today. Not surprisingly Brexit is top of the risk list.

At the opposite end of the spectrum for a non-life domestic insurer with no exposure to Northern Ireland it is business as usual, and while current levels of uncertainty are generally unwelcome, impacts of Brexit are likely to be second order. The reinsurance world sits somewhere in between. While challenges with current structures and business flows may arise under various Brexit scenarios reinsurance is a truly international business, with business transacted in all parts of the world under a wide variety of regulatory regimes. Potential challenges are therefore not viewed as insurmountable.

The discussion around the table following the presentations echoed the views of the three speakers - Brexit, although a large scale external event, affects each company in a unique way depending on its profile.

Much like the ORSA, the impact of Brexit is specific to each company and each company must tailor its approach to its own needs, assess its specific risk to the external event and plan actions accordingly.

Want to know more? Check out the Society of Actuaries website for the slides from the ERM forum: <https://web.actuaries.ie/events/2017/03/sai-erm-forum>

The views of this article do not necessarily reflect the views of the Society of Actuaries in Ireland, the Enterprise Risk Management Committee, or the author's employer. The article was edited by the Communications Subgroup of the Enterprise Risk Management Committee.

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Jonathan Goold, Colm Fagan, Jacqui McCrum



Grace Sweeney, Padraic O'Malley, Dick Tulloch



Dervla Tomlin, Tom Ross, Joe Brosnan



Tom Terry, Clifford Friend, Dervla Tomlin



Evelyn Bourke, David Kingston, Colm Fagan, Seamus Creedon



Tom Terry, Tom Ross, Bryan O'Connor, Monika Smatralova

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Sheelagh Malin, Michael Brennan,
Yvonne Lynch



Patsy Carr, Dervla Tomlin,
Colm O'Reardon



Viviana Pascoletti, Tom Donlon



Brian Hayes, Donal de Buitleur,
Maurice Whymys, Padraic O'Connor



Pamela Farrell, Jacqui McCrum,
Sarah Kelly



Dermot Corry, Evelyn Bourke



Paddy Maher, Patrick Honohan



David Kingston, Dervla Tomlin,
Brian Duncan



Pat Healy, Roy Keenan

2017 Golf Calendar



I have the honour of being your Captain this year having taken the baton from Brendan Lynch, who brought us a great day in Glen of the Downs for his day, and followed that up with hosting a very successful visit of the Faculty Golf Society in September. The Piers Segrave Daly Matchplay Competition is now underway.

*A very special treat awaits all those who will be participating in the **Annual SAI Golf Captain's Day**, which this year takes place in Roganstown Golf & Country Club in North County*

*Dublin on Thursday, 24th August, 2017. All those South Dublin actuaries without Passports need not worry – the immigration restrictions for South Dubliners crossing the Liffey on that day will be eased and special visas will be issued.
I look forward to what I hope will be a great summer of golf.*

The Golf Newsletter is available here <https://web.actuaries.ie/events/sai-golf-society>

Ciaran Long

BAFS Award 2017



Dervla Tomlin presented Darragh Murphy with the Society's Medal for being the best performing student in the 2016 final year actuarial subjects in the Bachelor of Actuarial and Financial Studies in UCD.

They are joined by Shane Whelan, UCD.

On the Move

Fellows:

Deirdre Lawless moved from Irish Life to **IPSI**
Andrea Marelli moved from Metlife to **Allianz Global Life**
Tony O'Riordan moved from PwC to **New Ireland Assurance**
Paul Regan moved from Capita to **SCOR**
John A O'Neill moved to **Axis Re**
Thomas Heduan moved from Central Bank to **AIG**
Eoin Feeney moved from AXA to **Zurich**
Bernard Lee moved from Metlife to **Central Bank of Ireland**
Niall Quinn moved from Irish Life to **Aegon**
Aoife Power moved from Hawthorn to **Allianz Global Life**
David Murray moved from CACI Dublin to **FBD**
Viviana Pascoletti moved from Berkshire Hathaway to **Royal London**
Cian O'Toole moved from PwC to **CNP Santander Insurance**

Students:

Pdraig Flynn moved from Canada Life Reinsurance to **Unipol Re DAC**
Timothy Hyland moved from Deloitte to **Allianz**
Eilish Bouse moved from AWC to **Allstate Northern Ireland**
Anna Kerrisk moved from Mercer to **SCOR**
Donnchadh Irish moved to **Central Bank of Ireland**
Jenifer Black moved from Mercer to **AXA Life Invest**
Svilena Dimitrova moved from AXA to **Friends First**
Sinead McCann moved from Aviva to **AXA Life Invest**
Alan Smyth moved from Aegon to **Irish Life**
Gavin Dunne moved from AWC to **AXA Life Invest**



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