



Society of Actuaries in Ireland

President's Speech to the Biennial Dinner

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Good evening, everyone. It is my great pleasure on behalf of the Society of Actuaries in Ireland to welcome you to our Biennial Dinner.

As its name would suggest, this dinner is normally held every second year, but it's now 4 years since our last Biennial Dinner. That's not a reflection on actuaries' ability to count! Unfortunately, we were ambushed by the Covid pandemic. As I come to the end of my term as President, I am delighted that we can re-group and that I can thank in person the many people who have helped the Society over the last several years.

This dinner falls as we approach the end of our 50th anniversary year. The growth of the Society of Actuaries over those 50 years owes much to foreign direct investment and the development of a large international financial services sector in Ireland. So, I am particularly pleased that Michael Lohan, who has recently assumed the role of CEO of IDA Ireland, has been able to join us as our guest of honour this evening. Michael will address us after our main course.

I welcome the representatives of government departments, regulators, state bodies, members of industry and other professions and educational bodies who work with us regularly on issues of common concern. Thank you all for your support in recent years.

I would also like to welcome our guests from overseas, Clifford Friend and Ben Kemp from the UK, representing the Institute and Faculty of Actuaries and Mária Kamenárová from Slovakia, representing the Actuarial Association of Europe. Thank you for travelling to join us here this evening.

In addition, I would like to thank the many members of the Society here this evening. Many of you have volunteered on committees or working groups, served on Government and regulatory bodies, or contributed to the profession at European and international levels. The Society really appreciates all of this input and support.

Economic environment

In preparing for this evening, I reviewed, as one does, some previous Presidents' Biennial Dinner speeches. A consistent theme throughout the last decade was the impact of a prolonged low-interest rate environment.

These low interest rates impacted many of the areas in which actuaries work. Indeed, they had become so embedded that they were a major challenge to the provision of long term guarantees in life insurance and the sustainability of pension schemes. Low interest rates also impacted the cost of general insurance, for example by increasing the cost of insuring against catastrophic injuries.



And yet here we are, just a few years later, following a dramatic increase in interest rates over the past year.

Pension schemes and long-term guarantees will have gained some breathing space in the current higher interest rate environment. But it is important not to simply bank this as one of the benefits of a return to more normal financial conditions. We must also ensure that we become more resilient to future shocks.

For me this underlines the importance of not assuming that the status quo or the recent past is always a good guide to the future. It underlines too the importance of overlaying data analysis and trends with a healthy dose of human judgement and insight.

Artificial Intelligence

No doubt many of you will, like me, have tried your hand with ChatGPT, the latest incarnation of the development of artificial intelligence. If you haven't done so yet, I strongly encourage you to give it a go.

On first encounter, it is at the same time fascinating and mind-boggling, but also somewhat intimidating and perhaps even a little scary.

In my still limited experience, it appears to be dramatically good at certain things, such as producing a plausible essay on a theme in a Shakespearian play, or translating a piece of code from one computer language to another in seconds. However, it can just as easily produce output that is patently false or misleading. And it doesn't seem to know, or care, that it has sometimes simply made things up!

I can certainly see that AI and chatbots will drive efficiencies and change in the way we all do our work. But it will still be just a tool, albeit a very powerful one. And so, I believe we are likely to continue to need human intervention to add a layer of review, judgement and, dare I say, ethics and professionalism.

Climate Change

A topic that didn't make the agenda of pre-pandemic Biennial Dinners is climate change. However, there is no doubt it will become a regular feature in the future.

Actuaries are well positioned to help with the challenges posed by climate change because of our expertise in risk management and modelling. In our recent public statement, the Society affirmed its commitment to interdisciplinary



learning, cooperation and action, with a view to helping to secure a sustainable future for everyone.

As part of our work in this area we are represented on the Central Bank sponsored Climate Forum, which aims to build a shared approach to the understanding and management of the risks and opportunities posed by climate change to the financial system.

I also note the recent publication of the Central Bank's guidance for insurers on Climate Change Risk. Actuaries will play a key role in embedding consideration of climate change risk across the insurers and reinsurers in which they work, or to which they provide consultancy services.

Public interest role

I would like to touch briefly this evening on one of the strands of the Society's mission: to serve the public interest by contributing as an independent voice on matters where an actuarial perspective can add value. There are two examples I would like to mention.

Firstly, there is the right to be forgotten for cancer survivors. This is an initiative whereby former cancer patients who have overcome their illness would not be required to disclose their prior diagnosis of cancer when applying for life insurance. The Society was delighted to be able to contribute to the public debate on this important issue, by producing a report analysing the implications of the initiative for cancer survivors and other stakeholders.

The Society welcomes the introduction of the auto-enrolment system as a significant step in improving pensions adequacy in Ireland. We acknowledge that it will be some years before there are significant levels of drawdown from the scheme, and that consideration will be given to developing a set of drawdown options to be made available via the Central Processing Authority. We would welcome an early opportunity to support and assist with the development of these drawdown options, as savers would have greater confidence in contributing to the system if there is clarity about the form of benefits that they will get at retirement.



The future

One of the great pleasures of my year as President has been attending the Society's Fellowship ceremonies and graduation programmes. Indeed, because of the backlog caused by the pandemic, I got to attend more than my fair share in a twelve-month period.

In doing so, I was consistently struck by the talent and potential of our pipeline of young actuaries, and by their open-minded attitude to contributing to solving problems for our employers and clients and for wider society. We can be confident that the future is in good hands!

As I draw to a close, may I thank again Michael Lohan and all our guests for taking the time to join us this evening, and thank my colleagues on Council and other members of the Society for their support this evening and during my term of office.

I would like to thank the Westin Hotel for the use of this wonderful venue for what I am sure will be an excellent meal.

Thank you also to the Society staff, and particularly Sophie Beradze, Sheila Normanly and Simeone Golden for all the work they have put in to making this evening a success.

Before I finish: I mentioned that we are approaching the end of our 50th anniversary year. Sadly, 8 of our 17 founding members have passed away, and they and their loved ones are in our thoughts tonight. In particular we remember Paddy Maher who left us just last November. Paddy's wife Anne is here with us tonight.

Of the other 9 surviving founders, I am delighted that 5 are with us this evening. We are indebted to our founding members for their foresight and initiative in establishing the Society of Actuaries in Ireland.

I now invite our founding members to stand and accept a small token of our appreciation. They are Adrian Daly, Brian Duncan, David Kingston, John White and Michael O'Mahony.

Finally, thank you for your attention and may I ask all my fellow actuaries to please stand with me while I propose a toast of welcome to our guests.



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