



The Actuarial Profession

making financial sense of the future

The merger proposal

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The merger proposal

- The recent history
- The proposal
- Why I recommend you support it

The recent history - 2006

- Faculty celebrates 150th anniversary
- November: my Presidential Address
 - “If ever there is to be a “right time”.....”
 - “If we were starting with a clean sheet....”
- Faculty Council agrees to launch consultation with Faculty members

The recent history - 2007

- Faculty Council considers consultation response – majority in favour
 - Sets up Task Force to investigate issues including implications of a separate Scotland
- Task Force consults with, then reports to Council
- Council instructs office-bearers to
 - Talk to Institute, and
 - Come back with clear proposals
- Faculty members told of progress and emailed link to Task Force report with request for comment (4.10.07)

The recent history - 2008

- Office-bearers report back with merger proposal designed to address Faculty member concerns
- Faculty Council agrees by very large majority
- Institute Council agrees unanimously
- Proposal put to members with “in principle” vote planned for June
- Consultation period starts - meetings arranged
- Change Edinburgh meeting to accommodate the request by ten FFAs for an SGM to amend Council plans for a simple indicative vote

The merger proposal (1)

- Merge as soon as practical (July 2009?)
 - But detailed work only starts after members agree
- “Senate” replaces the two Councils
- Constituency structure for seats on Senate
 - Initially Scotland / rest of world
 - Member may choose either
- Scottish Council ensures vibrant actuarial activity in Scotland

The merger proposal (2)

- Scottish Council
 - Direct access to constituency
 - Chair is on Management Board
 - Agrees business plan with Senate
 - Annually in advance
 - Activities in Scotland
 - £500,000 additional (one-off) fund
- Resources in Scotland
 - Likely to increase

Why I recommend merger (1)

- Status quo is unsatisfactory
 - Accident, not design
 - Not fit for future purpose
- Councils already considered the alternatives:
- Creation of new third body (option 2)
 - “May add to, rather than reduce confusion”
- Contractual agreement (option 3)
 - “Could be a step towards full merger”
- Two parties involved
 - View of Institute Council (appendix 3) taken into account
- Separation (option 4)
 - Faculty could not afford to run professional regulatory activities alone

Why I recommend merger (2)

- The current proposal has been developed with the Faculty in the driving seat and represents a good deal for Faculty members
 - Checks and balances
 - Deals explicitly with concerns expressed
 - Best of our heritage
 - London – centricity
 - Professional activities in Scotland
- Flexibility / stability for the future
- Re-launch of our identity
 - What we are called is second order and further consultations with members will follow

Yes, let's respect the past, but focus on creating an improved future.

A strong unified professional body representing all UK actuaries with a single voice is the next logical step.

Let's have a simple, clean "in principle" vote

Vote for merger!