

April 2006

The Actuarial Profession

Strategy Review – The Way Forward

Dear Member

In September 2005, the Profession's Strategy and Policy Committee published a discussion paper entitled 'The Actuarial Profession – Strategy Review' as the basis for consultation on the future role and direction of the Professional Body, ie, the Institute and the Faculty. The catalyst for our strategic review was the report of the Morris Review, which recommended that our regulatory role should be overseen by the Financial Reporting Council and, significantly, that we should pass our guidance setting role to a new, independent Board for Actuarial Standards. As a debating device, the paper set out three possible scenarios to underpin our future strategy, which were described as: Co-regulator; UK Careers and Global Player.

We invited responses from members to these options and to a list of consultation questions. We received substantial feedback at consultation meetings, at our Conventions, by email and from postings on our web forum. We found that there was remarkable similarity between the views expressed by members and the views of Councils. The feedback indicated that a large majority would endorse a strategy for the Professional Body that **primarily focuses on supporting members throughout their careers so they have the skills, attributes and knowledge appropriate for the evolving needs of the UK financial sector, primarily as quantitative risk professionals.** We see this career support as essential in order to increase the value actuaries add for their employers and their clients. In addition, by providing an attractive and competitive qualification, we will increase the number and range of students choosing to enter the Profession. However, we will not turn our back on the needs of our members who are based overseas: we want to ensure that they think membership represents value for money for them. We will also maintain our commitment, in the public interest, to ensuring we are effective in our role as the primary professional regulator of members in the UK.

We are now embarking on the detailed planning and implementation phase and have initiated seven work streams, which will be managed as separate projects in a co-ordinated programme. This work will involve:

improving the range of services provided by the Profession which develop knowledge and share information by delivering timely research; varied learning and skills development events (CPD); careers support services; practice-based community activities; networking opportunities and easily accessed web-based information;

encouraging university provision of core technical subjects but this will not be the only route to qualification;

re-branding the two-tier actuarial qualifications (currently “Fellow” and “Associate”) in order to increase the supply of actuaries;

developing means by which we can work proactively with all regulators, in the UK and internationally, in their respective roles to enhance the image of actuaries and ensure that the services delivered by actuaries meet the standards expected by the public and demanded by the regulators and legislators;

reviewing the UK Profession’s existing services to overseas members and students. It is essential that the UK qualification continues to have wide international recognition.

In order to ensure that the above actions are affordable and have optimal delivery, we will review the funding of the Profession to **reduce cross subsidies** between categories of members in order to provide value for money (eg for overseas members); and **reorganise the structures of the professional body** (both the executive and volunteer groupings).

Each work stream will have a current or recent Council member as project leader, together with a member of the executive who will manage the project.

We will develop a page on the web where you can get more details of the work that is being undertaken and how you can contribute your ideas. There will also be a series of articles in *The Actuary* on the progress of this work.

This is a major programme of change for the Profession, and one which our successors as Presidents are keen to take forward. We are confident that over the next year, and beyond, you will see your Profession evolve and develop as an increasingly valuable resource for you, with your employer, in supporting you in your career.



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President, Institute of Actuaries



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President, Faculty of Actuaries