

The Actuarial Profession

making financial sense of the future

Actuarial Standards Board

By Harvie Brown

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Agenda

Introduction

Fundamentals

Next Steps

Scope of Act SB

Rationale

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Introduction

Tom Ross mentioned in his Presidential Address

Life Board and Professional Affairs Board considered in 2002

FIMC set up a Task Force to investigate

Presidents' Group recommended to FIMC

Concept been discussed since 2001

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## Rationale

Maintain and build public confidence

Public perception that highest standards are being achieved

Unconflicted accountability

Formal standard setting process

Consistency

- Wide range of options
- "Professional judgement"
- Commercial investments
- Innovative thinking

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## Fundamentals

Independent Act SB

Case for Self - Regulation

Accountability of Act SB

- Authority ceded by Councils
- Clearly stated objectives
- Constitution of operation
- Renewable agreement
- Independent appointment process (see Disciplinary Scheme)
- Duty to report to Council/Members

Structure

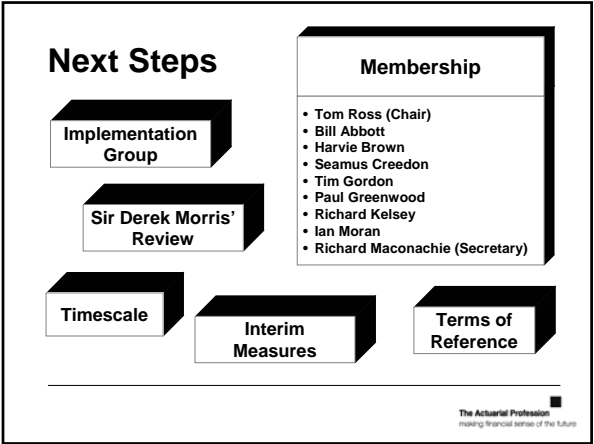
- Small number of members (probably 6)
- At least half non-actuaries
- Chairman to be non-actuary
- Part-time Chief Executive

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## Scope for Act SB

- Both technical and behavioural/ethical dimensions
- Mandatory
- Need for new standards
- Revising existing standards
- Draw on expertise of Boards and Committees to draft standard
- Wide consultation on draft standards
- **NOT** monitoring of compliance with standards

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