



The Actuarial Profession

making financial sense of the future

Actuarial Standards Board

By Harvie Brown

Agenda

Introduction

Fundamentals

Next Steps

Scope of Act SB

Rationale

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**

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**

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

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

Next Steps

**Implementation
Group**

**Sir Derek Morris'
Review**

Timescale

**Interim
Measures**

**Terms of
Reference**

Membership

- Tom Ross (Chair)
- Bill Abbott
- Harvie Brown
- Seamus Creedon
- Tim Gordon
- Paul Greenwood
- Richard Kelsey
- Ian Moran
- Richard Maconachie (Secretary)