



Institute  
and Faculty  
of Actuaries

## Professional Skills 2014

by the Professionalism Content  
Development Working Group

Malcolm Slee (Chairman)  
Patrick Cleary, Fiona Goddard  
Kes Govender, Neil Hilary, Malcolm Lee  
Mairi MacIntyre, Richard Winter



## Contents



1. New Requirements
2. The Actuaries' Code
3. Interactive exercise
4. Supplementary Material
5. Video Links
6. Conclusion



Institute  
and Faculty  
of Actuaries



Institute  
and Faculty  
of Actuaries

# 1. New Requirements



## 1. New Requirements

### Why is Professional Skills Training important?

- As professionals, our members have a duty to act in the public interest and to ensure public confidence in the profession by maintaining its good standing in the public eye.
- The Institute and Faculty's regulatory framework of the Bye-laws, the Rules and Regulations and the Actuaries' Code is applicable to all members.
- Relevant training assists members to understand and fulfil their obligations as professionals.
- There are 3 stages to the regime.



Institute  
and Faculty  
of Actuaries

# 1. New Requirements (cont'd)

## Stage 1: Online Professional Awareness Test (OPAT)

### Who is required to sit the OPAT?

- If you joined the Institute and Faculty of Actuaries (IFoA) on or after 1 March 2012, you need to apply to sit the OPAT and pass before you are able to apply to take subject CT9 Business awareness

## Stage 2: Professional Skills Course (PSC)

### Who is required to take the PSC?

- You need to do the PSC
  - Before you can apply to transfer to the category of Associate
  - Between the 4<sup>th</sup> and 6<sup>th</sup> anniversary of your admission to the IFoA, if you joined on or after 1 July 2006, or
  - Within a year of qualifying as a Fellow (i.e. Transferring to the category of Fellow)



Institute  
and Faculty  
of Actuaries

# 1. New Requirements (cont'd)

## Stage 3: Professionalism for Experienced Members



### Professional Skills for Experienced Members applies to:

- Associates and Fellows (including partially regulated members);
- Students who have completed Stage 2 of the IFoA's Professional Skills Training; and
- Students who joined before 1 July 2006.
- Applies from 1 July 2013.
- Details of the requirements are specified in the [Professional Skills Training Handbook](#).
- The final stage of the Professional Skill Training regime is an annual requirement to complete two hours of Professional Skills Training. The two hours may be acquired either online, at face-to-face events, or via a combination of both, either from the IFoA, or from another provider.



Institute  
and Faculty  
of Actuaries

# 1. New Requirements (cont'd)

## Stage 3: Professionalism for Experienced Members

- Professional Skills Training should achieve one or more of the following:
  - Enhance understanding of an actuary's professional obligations;
  - Enhance understanding of principles of ethical behaviour and how to apply these in making professional judgements;
  - Enhance understanding of what it means to act in the public interest;
  - Equip actuaries to make reasoned and justifiable decisions in resolving ethical dilemmas;
  - Assist actuaries to demonstrate ethical behaviour in conducting their professional life; and
  - Enable actuaries to recognise ethical dilemmas and take appropriate action.



Institute  
and Faculty  
of Actuaries

# 1. CPD Requirements

## Category 1

- Must complete no less than 30 hours of CPD
- Of this 30 hours, 20 must relate to technical issues
- Of these 20 hours, 10 must be obtained at *external events*
- A minimum of 2 hours must be the *professional skills* requirement
- A further 4 hours in additional professional and/or business skills

## Category 2

- Must complete a minimum of between 15 and 20 hours of CPD
- Must comprise of learning on a mixture of skills which are technically and/or professionally relevant to their role
- Some of the events element must take the form of attendance at one or more *external events*
- Must include *professional skills training* which is applicable to their membership



Institute  
and Faculty  
of Actuaries



Institute  
and Faculty  
of Actuaries

## 2. The Actuaries' Code



### The Actuaries' Code



Institute  
and Faculty  
of Actuaries



Institute  
and Faculty  
of Actuaries

### 3. Interactive Exercise



### 3. Videos

- There are 2 scenarios.
- We will show each video then ask you to consider what the issues are and what steps you would take.
- Don't focus too much on whether the exact circumstances would actually happen – but reflect on the overall pitfalls.
- Think about the tensions and conflicts
- What could/should have been done?



Institute  
and Faculty  
of Actuaries

# Let's be Realistic Here

The Finance Director meets the Reporting Actuary



# Let's be Realistic Here



## Let's be Realistic - code

- Integrity:
- Competence and Care:
- Impartiality:
- Compliance:
- Communication:



## Let's be Realistic Here -challenges

If you believe your stance is the correct one and right for policyholders, what happens when you are asked to take a different approach?

What do you think of her performance?

What could she have done differently?

What about her personal conflicts?





# Unknown Unknowns

The Finance Director meets the Development Actuary



# Unknown Unknowns



## Unknown unknowns - code

- Integrity:
- Competence and Care:
- Impartiality:
- Compliance:
- Communication:



## Unknown Unknowns - challenges

You have a responsibility to ensure the information you present is understandable and can be trusted and is fit for purpose.

What did you think of his performance?

Who demonstrated professionalism?

What would you have done?

What should the company do?



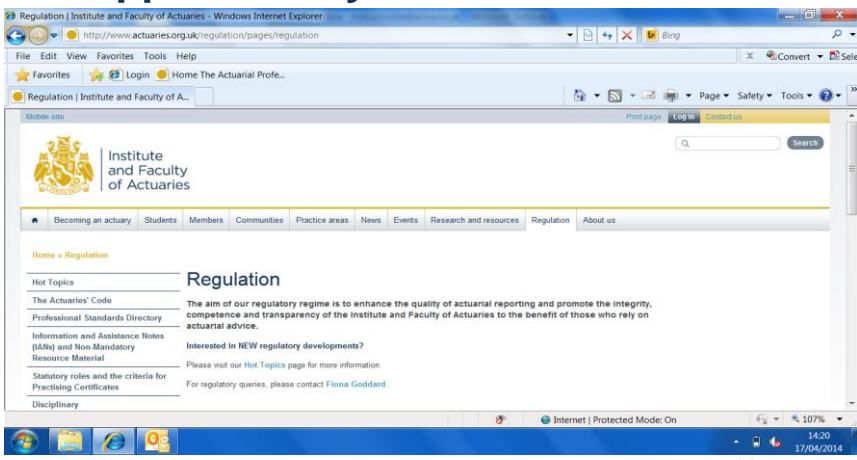


Institute  
and Faculty  
of Actuaries

## 4. Supplementary Material



## 4. Supplementary Material



Institute  
and Faculty  
of Actuaries



Institute  
and Faculty  
of Actuaries

<p><b>ACTUARIES' CODE</b></p> <ul style="list-style-type: none"><li>❖ Refer to the Actuaries' Code</li><li>❖ Determine which provisions apply to your given situation</li><li>❖ For each potential action, determine whether it is in breach of the code or consistent with behaviour required by the Code</li><li>❖ Consider other laws/regulations or professional duties that you are bound by</li></ul>	<p><b>CLIENT</b></p> <ul style="list-style-type: none"><li>❖ Identify all relevant clients (current, former, future), and your relationship with them</li><li>❖ Set out in writing potential actions you can take in the given situation with reasons</li><li>❖ Think of the repercussions of potential actions on your relationship with each client</li><li>❖ Discuss how these actions create conflicts with each client</li></ul>
<p><b>CONSULT</b></p> <ul style="list-style-type: none"><li>❖ Consult with a trusted and independent colleague for a fresh perspective</li><li>❖ Consult with legal counsel if in doubt to establish the relevant legal position</li><li>❖ Consult your conscience: the "tabloid" test – how would this look if it was reported on the front page of a national newspaper?</li><li>❖ Adjust your actions if needed but refer back to the Code to ensure consistency</li></ul>	<p><b>CONCLUDE</b></p> <ul style="list-style-type: none"><li>❖ Based on steps 1-3, set out a proposed course of action</li><li>❖ Remember to consult with others – you don't know everything and can consult with colleagues, seniors, other professionals as necessary</li><li>❖ Determine the media by which you will relay the decision (e.g. email or meeting)</li><li>❖ Document your process in writing to arrive at a decision and the final decision itself</li><li>❖ If possible, implement policies or procedures to ensure that this conflict does not arise again</li><li>❖ Review your decision regarding the conflict throughout the engagement as circumstances do change</li></ul>
<p><b>The 4 Cs to analysing a Conflict of Interest</b></p>	
<p>A CONFLICT OF INTEREST ARISES IF A MEMBER'S DUTY TO ACT IN THE BEST INTEREST OF ANY CLIENT CONFLICTS WITH: The Member's own interest, or an interest of the Member's firm, or the interests of other client</p>	



Institute  
and Faculty  
of Actuaries

# 5. Video Links





## 6. Conclusion

The IFoA, of which both students and qualified actuaries are members, aim to protect the public interest and to promote public confidence in the work of actuaries. This means ensuring its members are competent, not only in the technical skills required of an actuary, but also that they have the requisite professional skills.



## And finally Losing the plot

When you leave here whose responsibility is that you have everything.....



## And finally Losing the plot



**Any Questions?**

