



Institute
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of Actuaries

Members behaving badly? Life Conference 2015

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27 November 2015



Members behaving badly?

Agenda

Intro

All things must pass

Doing the right thing

Can you keep a secret?

All change

Summary



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Members behaving badly?

Intro



Professionalism - A never ending journey



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Intro

Stage 3 is an annual requirement to complete two hours of Professional Skills Training which may be acquired by attending events, by completing an online activity or by a combination of both types of activity.

Can we help you to do it even better????



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Intro - Objective

In order to qualify as Stage 3 training the activity should enhance the member's understanding of an actuary's professional obligations and achieve one or more of its key objectives:


In essence, be ethical.




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Professional
Skills
For Experienced Members

Professional Skills for experienced members

These interactive case study-based videos are designed to illustrate real professional issues that you might face in your everyday work, together with supplementary online learning tools.

This year's theme picks up on a number of current regulatory and professional topics, such as:

- How can the Capital Actuary stand his ground against pressure from the Chief Financial Officer?
- What information should you disclose to your employer and your professional body?
- What information can you take with you to a new employer when changing jobs?
- Are you able to work with a client with whom your personal ethics clash?
- "Treating Customers Fairly" – how far do you go?


Please enter your Name, Email address and ARN before you start. That way, we can provide you evidence of participation and allow you to claim CPD should you require it.

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ARN:

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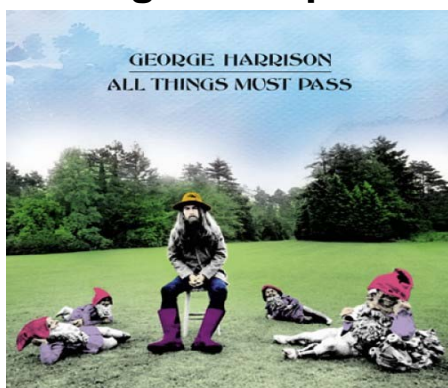
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All things must pass



Internal Model



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The Regulator is all set to approve the model.

All is well and we know how the future will work.

All the work has been done.

Communications made.

We can relax.



APPROVED



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Capital Modelling video



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- 1) Ashton: Lots of changes still to be made => too many corners being cut in the original work?
- 2) Which is worse?
 - Missing a potentially damaging risk because of lack of resource, or
 - Shoddy risk assessment => flagging up an issue based on substandard analysis.
- 3) Has Ashton been critical about the workload imposed by the TASs – is that professional behaviour?
- 4) Has Ashton been pushed to “manipulate” results? Should he whistleblow? Does CFO have to be an actuary?



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- Potentially maybe no issues – the model fit for purpose, and Board's judgement correct that little further development needed.
- Changes may be minimal and proportionate documentation relatively short.
- Ashton needs to be happy that work is in line with policies agreed.
- If there are still issues? Read the Actuaries' Code.



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- **Impartiality** – members will not allow the undue influence of others to override their professional judgement.
- **Compliance** - Members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply, and will challenge non-compliance by others.
- **Communication** – there is reference to the Board documentation being 1000s of pages long – does that tie in with the communication principles Ashton should have been working to?



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Doing the right thing



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What have I done!



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You have all worked hard for years on Solvency II.

Surely it is reasonable to let your hair down and relax.

A PERFECT PERSON
DOESN'T SMOKE
DOESN'T DRINK
DOESN'T CRY
DOESN'T FAIL
AND
DOESN'T EXIST!

But can you go too far.....



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Your letter to a national newspaper, starting “I am an actuary”, is published.

In it you make vitriolic comments about government policy and personal comments about the Prime Minister and chancellor.



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You got rather carried away at the Rugby World cup and did a streak on the pitch. The press reported as “Actuary reveals his vital statistics”.



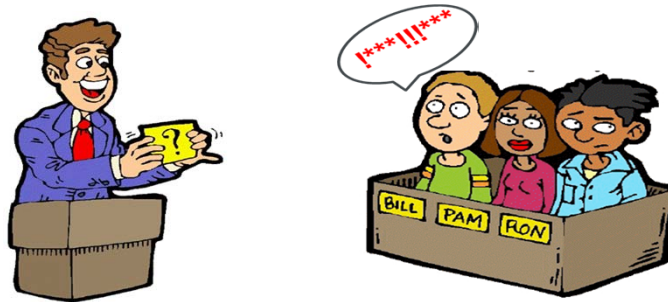
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An actuary is team member of a TV quiz show. He has enjoyed the Green Room hospitality a bit too much and ends up swearing at the host on live TV.



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The scope of the **Actuaries' Code** says:

The Code applies at all times to members' conduct in their work as actuaries, but will also be taken into consideration where their conduct in other contexts could reasonably be considered to reflect on the profession.



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Can you keep a secret?

What about the way you act in the office with a friend?



Consider...



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- You are on a review of company's product lines.
- Particular line found not profitable.
- Decision surely to stop marketing it.
- Those in the team will become redundant.
- Your friend is Marketing Actuary for this line.
- She tells you that she intends to buy new house and car.
- What would you do?



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The conclusion is you will do the right thing
always



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All change



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- Who has worked for just 1 company?
- Who has worked for more than 1?
- When you have moved, what were your new employers after?
Your wit, personality, brains, looks, knowledge
- Consider.....



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Changing Jobs video



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What is clearly acceptable to use at the new employer - such as the technical actuarial knowledge you gained through the examinations.



What is clearly not acceptable to share with your new employer – such as your previous employer planning to take over a competitor.



The grey areas in between.



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Is the information you are about to use

- Part of your own skill and knowledge?
- Something you have generally developed over a period of years?
- Specific matter which is relevant to the previous employers?
- Commercially sensitive for your previous employers?"

If you were to tell your previous employers what you are about to do, what would their reaction be?

Is there a difference if you walk or are pushed acrimoniously?

Assume that nothing on the matter is signed on exit



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Relevant sections of the Actuaries' Code could include:

- Integrity – the need to respect confidentiality
- Impartiality – possible conflict between duty to previous employer and new employer



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Relevant sections of the Actuaries' Code could include:

- Compliance – in areas of confidentiality, intellectual property and any specific clauses in employment contracts.
- Communication – if you feel that there is knowledge about your previous employer that you cannot disclose to your new employer, will communications to the new employer be accurate and not misleading?



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Summary



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We want actuaries to act professionally, ethically, and to promote the profession whatever they are doing.



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The IFoA will aim to provide you with the opportunity to get the CPD but it is up to you to make something of it.

So like we said last year



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Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenters.



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