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The Risky Business of Being a Pensions Actuary

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Different types of risk for pensions actuaries

- Career risk
 - Non-chargeable work
 - Burn out
- Business risk
 - Losing clients
 - Unprofitable clients
 - Unprofitable projects or products
- Short-termism missing “the big picture”



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Different types of risk for a pension fund

- Financial and non financial
 - Strategic, operational, compliance, reputational
- High impact and high probability
 - Risk mitigations
- High impact and low probability
 - Contingency planning
- All of the above



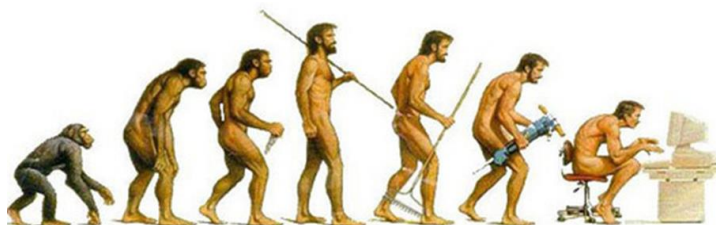
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The increasing importance of cash flow risk

As we move into the future how well will clients be served by:

- Actuarial valuations and asset liability models?
- Current asset categories, asset valuations and performance metrics?
- Asset manager and consultancy business models?



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Questions for you

- When would you like to retire?
- When would you like to stop earning?
- When will you be able to stop earning?
- When will other responsibilities mean that you need to spend less time working?

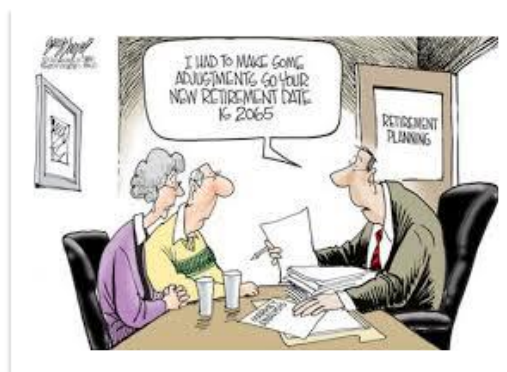


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The changing nature of retirement

- Cashing out - then managing cash
- Flexible working - downsizing work
- Caring responsibilities - young and old
- Changing opportunities to work - knowledge economy
- Implications for savings, liabilities - and matching assets



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Risks for the future

- Missing the long term changes and not planning ahead
- Actuaries watching their natural risk management work being done by others
- Losing clients, especially the big ones



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Where next?

- Save some time and energy for planning the journey now
- Take time to get to know what clients are really, really worried about
- Understand what risks matter and how clients like to frame them
- Think about how insurance approaches and pensions approaches can work together?



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Questions



Comments

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



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