



The Actuarial Profession

making financial sense of the future

THE ACTUARIAL PROFESSION

YOUNGER MEMBERS CONVENTION, NOVEMBER 2004

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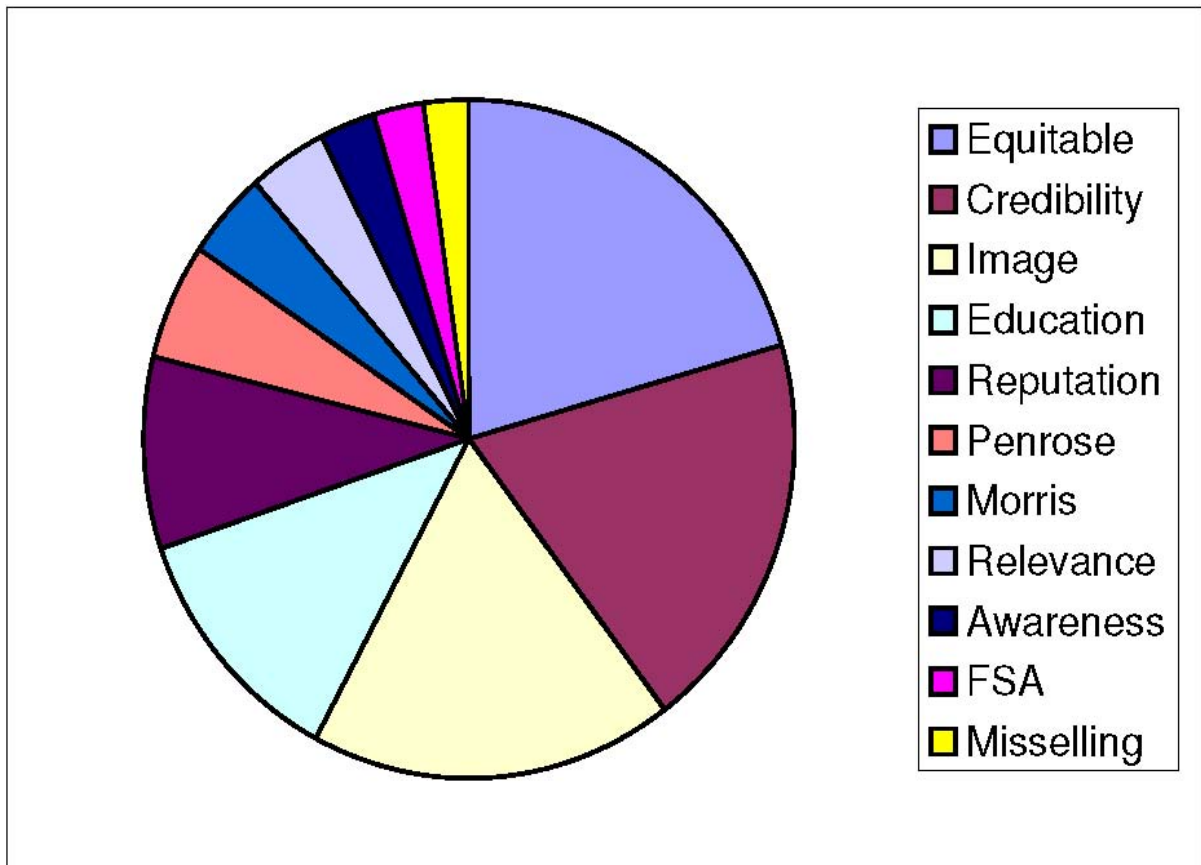
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What makes a good story?

“The definition of a good story is one that someone, somewhere, wants to keep quiet – or makes them say ‘ouch’ when they read it. Everything else is just advertising”.

- unknown

What is ‘News’?

Role of the media, to:

- Educate
- Inform
- Entertain

Which is most important in the eyes of today’s (very) commercial media?

What makes a news story?

New

‘In a speech last month, Harvie Brown said....’ – is NOT news

‘In a speech tonight, Harvie Brown will say...’ – COULD be news

Important

‘New website launched’ – is NOT news

‘New on-line weapon in fight against child abuse launched today’ – COULD be news

Topical

‘Actuarial Profession concerned at asbestos use in developing world’ – is NOT news

‘New research by Actuarial Profession shows current asbestos use in developing world higher than in West in 1970s’ – WAS news

Extraordinary

‘Insurance premiums for young drivers too high, say actuaries’ – is NOT news

‘Young drivers could cut the cost of premiums by agreeing late night driving curfew, say actuaries’ – WAS news

Confrontational

‘There are several schools of thought as to the best ways of funding DB schemes, say actuaries’ – would NOT be news

‘Longstanding notions of prudence, risk management and solvency.....have been downgraded over the past decade and a half’ – WAS news

News is what readers want to read about, including –

- Scandal – especially involving celebrity
- Something negative
- Interesting new takes on old stories
- Something that challenges perceived wisdom
- Something NEW (obvious but true!)

So THIS is what journalists will want to write about

'Man drowns at convention of 1000 life guards'

Why is the Profession in the news?

- Recent financial 'scandals'
- The media coverage that resulted
- Pensions/Life assurance – the new take
 - were safe, but boring
 - still boring – but now very risky
- Negative – “I’ve lost money!”

Who is to blame?

- Government
- Regulators
- Directors
- The Profession

“Who are these actuary guys, anyway?”

So: The media spotlight is now firmly on us

The public perception of actuaries

Then

- Boring techies, something to do with finance
- *'About Schmidt'*
 - Did you own up to being an actuary at a party 5 years ago?

Now

- Boring, *overpaid* techies – who got it wrong so I lost/might have lost money

Where?

- The Equitable
- Pensions
- Mortality
 - Do you own up to being an actuary at a party NOW

Does it matter, anyway?

- Penrose
- Morris
- How will Government respond?

Does the Profession care about all this?

What do you think?

YES – thank goodness!

How do we know?

IRC survey – result (Pie chart)

YMC convention

- extra survey
- Professional pensions debate

How is the Profession responding?

The Black Arts of Public Relations

What is ‘Public Relations’, anyway?

“The discipline which looks after *reputation*, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics”

– IPR website

Communications Strategy (1)

Corporate Plan says:

‘Promote’

”To demonstrate and promote to the public and business the benefits of actuarial skills and methodologies”

OR – Maintaining and improving our *reputation* among these key audiences

Communications Strategy (2)

Key Messages:

- Actuaries add significant value
- We raise issues in the public interest ('Thought Leadership')
- Will closely with others to achieve this

Target Audiences:

- Recruits – students and their advisers
- Buyers of Actuarial Services:
 - Insurance companies
 - Pension funds & trustees
 - Business, the City, other Professionals:
 - Influencers
 - Journalists
 - Regulators
 - Politicians, civil servants etc

What will Morris come up with?

'Everything I do, I do it for you.....'

What are we doing about it? (1)

The Media

Dealing with the negatives – head down!

- Actuarial involvement in scandals – a tough message
- Our role in the Equitable – the disciplinary process
- Divisions, and how to handle them
- Mortality – have we got it wrong here, too?

Accentuating the positives – head up!

- Look for strong, positive news stories, e.g. PPF letter; Asbestos
- Importance of research – lessons to be learned
- Building good relationships with journalists
- Respond quickly to negative stories
- Write articles, submit letters
- Thought leadership
- Importance of volunteers

What are we doing about it? (2)

Other communications techniques

present:

- design and print – *The Agenda*
- Internal communication – getting better
- *The Actuary* – the underexploited medium
- Conferences

future:

- Public Affairs – but budgets are tight
- Database marketing
- Advertising – is it worth it?

How can you help?

Please get involved – Your Profession Needs YOU!:

Which means volunteering – please

How:

Be an ambassador for the Profession

Communicating with journalists

With some exceptions, it is safe to assume that journalists:

- do not know as much about the subject as you do;
- like to be “spoon-fed” good stories – but their idea of a good story may differ from yours;
- prefer ‘exclusives’, where they are offered the story before everyone else;
- and negative stories
- are being offered more stories than they can possibly cover;
- are most interested when they suspect a scandal or cover-up (e.g. pensions Sessional meeting in May 2003);
- will normally respect accepted conventions, such as “off the record” and “non-attributable” conversations, but proceed with caution nevertheless – such conventions should be used rarely;
- can be very persistent: refusal to return their calls makes them even more determined to suspect a scandal and uncover the story;
- often work to deadlines hours, rather than days or weeks away;
- rarely have secretaries with whom you can leave messages;
- are often too busy to return telephone calls – so be persistent;
- want printable facts, not just rhetoric or opinions

Know your media – the differences;

Trade press

- Receive a lot of stories (hundreds of press releases a week, for example)
- Will use the best ones – but will discard the rubbish ruthlessly
- Are very short staffed – so rarely attend press conferences
- Don't (usually) require exclusives – but won't turn them down
- Like personal contact with a good source of stories – a phone call, or a lunch
- But NOT when they are on their deadline
- EXCEPT when the story is so good they must remake the front page to accommodate it
- The inside pages are done well before the final deadline
- Are desperate for good photos (but how do you photograph a pension?)
- Will pick up on negatives when they are there
- But will rarely have a real go at an individual, even when he or she has got it wrong

National press and broadcasters

- Normally always seek out the negative
- Will sniff out stories over weeks or months if they want to
- Will use the lowest tactics to get the story if they have to
- Love humiliating major figures such as politicians, England football manager etc
- But love to suck up to the fashionable ones (Big Brother stories)
- Are ruthlessly competitive and are always trying to scoop their rivals
- But will often follow up stories that appear in other news media
- Get thousand of press releases a week. And use very few of them
- Are most receptive to exclusives
- Should demand proof before running conjecture
- Have distinct 'news agendas' normally dividing on political lines
- Love human interest angles
- Will insist on presenting both sides of an argument – even if the 'other' side lacks what we might consider credibility
- The BBC in particular has a very politically-correct agenda (e.g. Arafat)
- They have so much choice a story must be especially strong, or negative, before they will use it
- Tabloids and broadsheets have totally different agendas

Responding to press enquiries:

- Press releases – keep in contact
- On the trail of a story
- Seeking opinion/background
- Remember Deadlines

General Rules:

Do:

- Establish at the outset what the journalist wants and already knows
- Avoid talking in jargon or too-technical language
- Correct the journalist if they misunderstand or make a false assumption if needed
- Direct a journalist to an alternative source of information (e.g. the Profession) if needed

Don't:

- Answer questions to which you are not sure of the answers
- Waste time – if you do not know the answer, say so immediately
- Be afraid of volunteering clear, positive points of your own

The media Armoury:

- Press releases - timing and distribution
- Articles
 - placed or negotiated?
 - use a synopsis
 - remember the deadline
- Letters to editors
- Direct contact – when NOT to call the press
- Exclusives – when and where
- “Off the record”
- “Non-attributable”

Crafting a press release that will not be ignored (1)

The essentials of a good release:

- WHAT (the key bullet point; the STORY)
- WHO
- WHERE
- WHEN
- HOW
- WHY (that answers the 'So What?' problem)

Headline and first paragraph

Facts and opinions – the importance of quotes

Note to Editors

Crafting a press release that will not be ignored (2):

K.I.S. & S.:

SHORT words (as far as possible) +

SHORT sentences +

SHORT paragraphs =

a GOOD press release

FOUR DO NOTS:

- Do not try to be too creative, or too clever
(but headlines are ok)
- FACTS – not flowery adjectives
- Avoid clichés like the plague
- NO ACTUARIAL JARGON !!!!

Distribution

- Exclusive – or to everyone?
- Consider the strength of the story
- Is the story irrelevant or weak?
If so, think again
- Press Release? Or article? Or letter?
- TIMING is crucial
- Deadlines: National – dailies, Sundays, Standard
Trade
Broadcast