



Institute
and Faculty
of Actuaries

Life Board and Life Research Sub-committee

Solvency II and current economic environment impact on the investment and insurance solutions for consumer needs working party – additional members required

This working party has been initiated as part of a strategy review by the Life Board, and now requires some additional members to support the research work.

The Institute and Faculty of Actuaries (IFoA) is seeking proactive, innovative volunteers to join this short life (4-6 months) working party to help drive the development of actuarial practice in the life area.

Working party objective / aims

The introduction of Solvency II on 1 January 2016 has led to differences in capital charges to specific insurance policies and a move from pricing using traditional embedded value techniques to market consistent embedded value techniques.

The current post-financial crisis low interest environment is causing changes in the way consumers evaluate the products that meet their needs.

The IFoA would like to produce research and comment that highlights these impacts. The focus is on savings and investment orientated products including pensions, annuities and with-profits, but other relevant areas such as protection will also be covered.

Experience / skills / background desirable

We are seeking additional qualified Fellows or Associates, who should have a strong pension/annuity background and be up-to-date with current economic matters, and an interest in understanding how this relates to insurance investment products and how they impact on consumers.

Non members with relevant expertise would also be welcomed.

Research methodology

The working party has produced some desk research into the key themes, products and issues. Now it has started surveying life office product practitioners to get more insight into the market.

Other methodology envisaged:

- interviews with key market commentators
- modelling of generic product performance 2005-2025
- primary consumer research into product expectations and product maturity experience

Audience for the research

This research is aimed at contributing to the public debate on appropriate products and solutions for consumers. Thus the target would be financial media, regulators, government and the investment industry.

Outputs

The working party will initially produce an internal document outlining the key driving forces and their impacts on consumers.

This internal document would then form the structure of an external policy piece.

It is envisaged that this analysis will use a number of profiles of typical consumers to ensure the differing needs by affluence and life-stage are adequately addressed.

The types of tasks working party members take part in:

- chairing meetings
- reviewing literature and draft papers / reports
- interviews
- creating questionnaires
- writing
- modelling
- research.

Time Commitment

For this working party, volunteers will typically be expected to attend around 6-12 meetings per annum and to perform research between meetings. Volunteers should expect to contribute to the research and drafting of articles and papers. Meetings usually last for 1 to 2 hours, but may be shorter if taking place on a fortnightly basis.

Participation in this working party will be by conference call to allow us to widen this opportunity to all members. Calls will be arranged at a mutually convenient time for all involved. If you live or work near to one of the IFoA offices, you are welcome to make use of our facilities for the call. Similarly, if more than one member of the working party is based close to each other, you may agree to meet up and dial in together, but there will be no requirement for volunteers to meet in one place.

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