



Institute
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Workshop A3: Professionalism Skills

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Agenda

1. Introduction
2. Modern Day Dilemma
3. Which Came First?
4. Actuaries' Code Quiz
5. Brave New World
6. Output Mismatch



A modern day dilemma



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You are going to an actuarial conference and a fellow actuary is driving you both there.



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A modern day dilemma



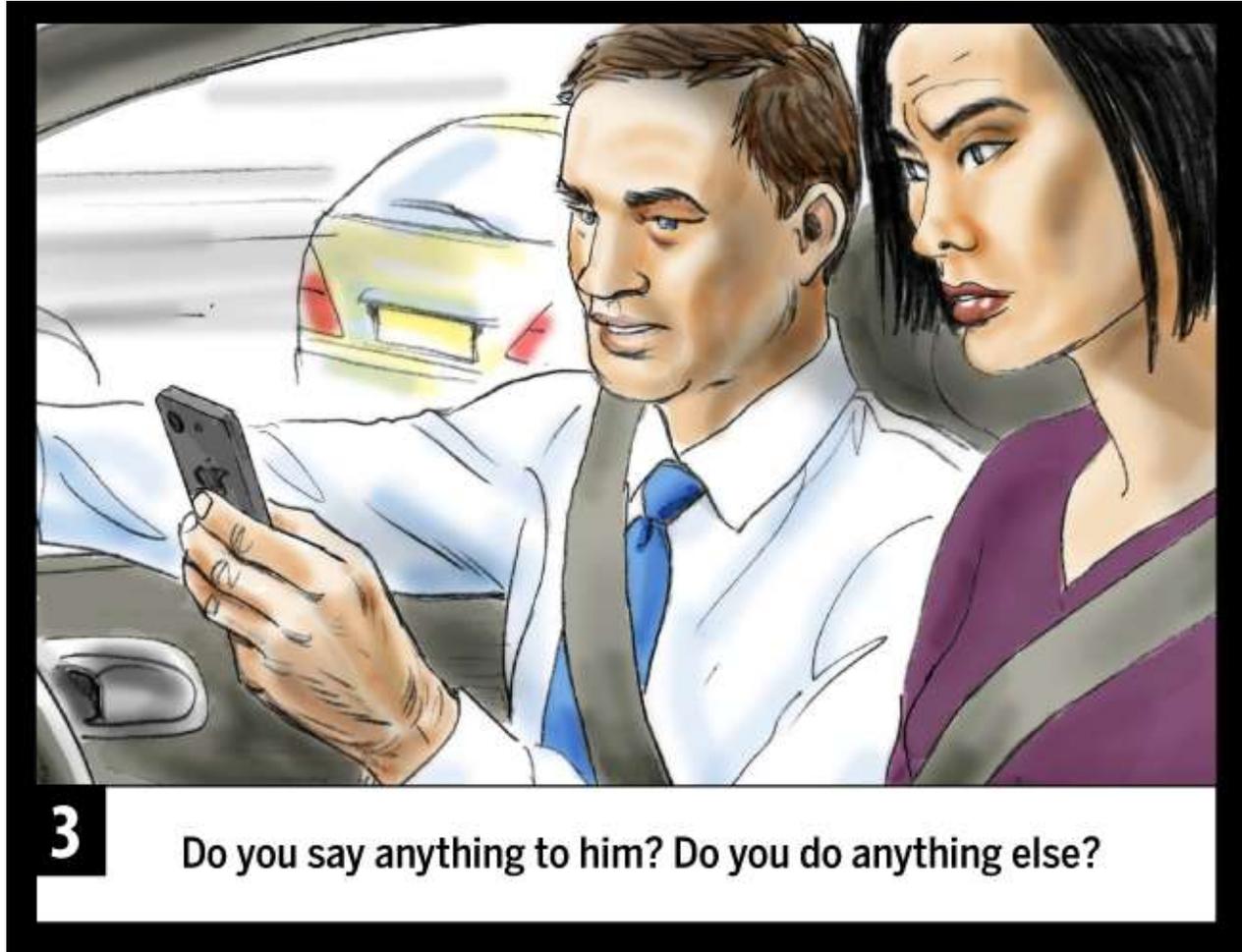
2

On the way, he says “oh, I nearly forgot, I must send this message” and he starts using his phone while still driving.



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A modern day dilemma



Which came first- synopsis

- James and Emma are both actuaries working in an actuarial consultancy which provides advice across a range of areas but which is also open to expanding into new areas.
- The firm has just won its first ever contract relating to climate change, advising a large insurance group with both life and general insurance business lines.
- The insurance group's team of model developers is looking to understand (and subsequently build models for) the possible range of effects of climate change on its assets, liabilities and capital calculations between now and 2035.
- Join Mark and Emma as they discuss this new business opportunity and the challenges it brings.



Which came first ... (part 1)



Which came first ... discussion points

- What are the issues when actuaries break into new areas of work?
- Who can peer review the work for Emma and James?
- How important is it to make clear the extent of our knowledge?
- Are actuaries at a disadvantage compared to other staff?



Actuaries' Code Quiz Questions

Which of the following circumstances always represent(s) a breach of the Actuaries' Code?

- I An actuary has undertaken to act when a conflict of interest exists between his/her client and his/her employer.
 - II An actuary has undertaken to perform a task for which he/she has no direct experience.
- A Neither I nor II
- B I only
- C II only
- D Both I and II



Actuaries' Code Quiz Answer

Answer: A

Option I is not necessarily a breach. Section 3.5 of the Code says that members will not act where there is a conflict of interest that has not been reconciled. If the actuary reconciles the conflict and discloses this to the client then she has complied with the Code.

Option II is not necessarily a breach. Section 2.2 of the Code notes that members can act if they have appropriate knowledge/skill or if they're working under the supervision of others with appropriate skill; it does not specify that direct experience is necessary.



Actuaries' Code Quiz Questions

A member finds that a colleague has not been compliant with the requirements of the Actuaries' Code. What course of action should be taken in the first instance?

- A Nothing
- B Report the action to the IFoA
- C Challenge the colleague
- D Investigate the non-compliance fully



Actuaries' Code Quiz Answer

Answer: C

The introductory paragraph of section 4 of the Code which covers compliance says that members should challenge non-compliance by others.



Actuaries' Code Quiz Questions

A member, having challenged a colleague who works for the same company, over a suspected non-compliance, has concluded that there appears to be a material breach of the Actuarial Profession Standards (APSs) and the Technical Actuarial Standards (TASs). Which course of action is the most appropriate?

- A Do nothing
- B Refer the matter to the company's compliance officer
- C Refer the matter to the company's solicitor
- D Refer the matter to the IFoA's Disciplinary Scheme



Actuaries' Code Quiz Answer

Answer: D

Section 4.4 of the Code states that member will promptly report any matter for consideration under the IFoA's Disciplinary Scheme which appears to constitute misconduct or a material breach of any relevant legal, regulatory or professional requirements including the APSs or TASs issued by the FRC.

The Code covers the requirements to challenge the non-compliance, but if the matter is not resolved after the challenge and the actuary still suspects misconduct or a breach of standards, then they are required by the Code to refer the matter to the IFoA's Disciplinary Scheme.



Brave new world - synopsis

- Two young entrepreneurs, Mac and Keevi, have set up a start-up app-based insurance company, Treasure which is due to launch in a few months (when their regulatory licences come through).
- They want to offer a wide range of insurance products: home, motor, health, life, pet, travel, using the latest technology to price policies and market product offerings to consumers.
- They are about to discuss their plans with the regulator.



Brave new world



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Brave new world –discussion points

- What regulation applies?
- What other professional standards are relevant?
- Assuming that what they are proposing is legal, is it ethical to use data in this way
- What if this is being run by data scientists, but you are an actuary employed by the same company. What could you do if you think the company is acting in an inappropriate manner?



Where to go for more ...

For further case studies and discussion please visit:

<https://www.actuaries.org.uk/learn-and-develop/online-learning-resources-video-and-audio/professional-skills-training/ethics-actuaries>

For advice please visit the Professional Support Service at:

<https://www.actuaries.org.uk/upholding-standards/professional-support-service>



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Questions

Comments

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