No man – or woman – is an island
(Speaking Up and Whistleblowing)

Malcolm Slee
Patrick Cleary

Agenda

• Introduction
• Film 1 – “with all due respect”
• Speaking up and whistleblowing
• Film 2 – “burying bad news”
• Summary and questions
No man – or woman – is an island

Professional Skills CPD

• 2 hours annual requirement
• Working party
• Malcolm Slee (Chair)
• Patrick Cleary, Fiona Goddard, Malcolm Lee, Mairi McIntyre, Neil Hilary, Richard Winter

21 October 2014
No man – or woman – is an island

Actuaries are responsible for their own actions

But they cannot ignore the actions or inactions of others

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With all due respect

This is a tale of two actuaries. Frank works for B-Tex Insurance and Jane works for Elemental Insurance.

What would you do?

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Speaking up and whistleblowing

• “speaking up” = “whistleblowing” in this session
• the Actuaries’ Code has quite a lot to say on this topic

The Compliance principle of the Actuaries’ Code says:

• Members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure that they are not placed in a position where they are unable to comply, and will challenge non-compliance by others
• (Para 4.1) Members will speak up to their clients or to their employers, or both, if they believe, or have reasonable cause to believe, that a course of action is unlawful, unethical or improper
No man – or woman – is an island

Speaking up and whistleblowing

• The Compliance principle of the Actuaries’ Code goes on:

• (Para 4.2) Members will fulfil any obligations to report information to relevant regulatory authorities.

• (Para 4.3) Where there is legal protection available, members will report behaviour that they have reasonable cause to believe is unlawful, unethical or improper, to regulators or other relevant authorities.

• (Para 4.4) Members will promptly report any matter for consideration under the IFoA Disciplinary Scheme which appears to constitute misconduct or a material breach of any relevant legal, regulatory or professional requirements including Actuarial Profession Standards and Technical Actuarial Standards issued by the Financial Reporting Council.

• To the extent that the consent of a third party is required for this purpose in order to disclose information, members must take all reasonable steps to obtain such consent.
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Speaking up and whistleblowing

Why is it relevant to us?

- Those are the requirements in the Actuaries’ Code.
- So – why might it be hard to blow the whistle?
No man – or woman – is an island

Speaking up and whistleblowing

Support is available, for example

• Your firm’s business ethics policy
• Actuarial Professional Support Service
• Two whistleblowing guides from the profession
• Public Concern at Work
• FCA and PRA

"I'm sensing confidence, boldness, and moral sensibility. You're not going to turn out to be a whistleblower, are you?"
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Burying bad news
• Ellie leads the team of actuaries responsible for the quarterly claims reserving process in an insurer
• The reserves are set by a committee, chaired by the CFO Laura
• Laura urges Ellie not to be overly cautious in setting the reserves, including for the new “Goldshield” product
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Summary

- Speaking up and whistleblowing
  - the Actuaries’ Code has quite a lot to say about it
- There is support available
"We better keep an eye on that guy."

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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.