

## 2006 Pensions Convention

Beyond Morris : The Role of the Profession

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### Beyond Morris : The Challenge

- ❖ What should be the role of the professional body ("the Profession")
- ❖ No longer setting technical standards
- ❖ Morris as a "catalyst" for change

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### Reasons for Having a Strategic Review

- ❖ World is changing
- ❖ Move from paternalism and solidarity to individualism
- ❖ Globalisation of markets and firms
- ❖ Society now expects something different from professions
- ❖ Growth in risk management
- ❖ Growth in computing and internet

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## Reasons for Having a Strategic Review

- ❖ Morris's crossroads
  - ❖ Retrenchment into narrow reserved roles, leading to decline and our eventual demise as a separate profession
  - ❖ Expanding the use of our skills into "a wider remit", bringing us into increasing competition with others

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## The Strategic Objectives

- ❖ Restoring confidence
- ❖ Increasing market share of talent leaving University
- ❖ Increasing value added by actuaries and thereby their influence
- ❖ Leveraging global capabilities

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## How

- ❖ Consulting and collecting evidence from
  - ❖ Customers
  - ❖ Employers
  - ❖ Universities
  - ❖ Recruiters
  - ❖ Member consultations
  - ❖ Meetings and email

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## Key Findings

- ❖ Growth in membership is healthy
- ❖ Decline in pensions and life assurance not yet happened
- ❖ Slow spread into "wider fields" but lost ground in investment area
- ❖ Reserved roles, held by only 25% of active membership, are not valued by younger members
- ❖ Actuaries valued by employers and customers but need to understand the broader business context

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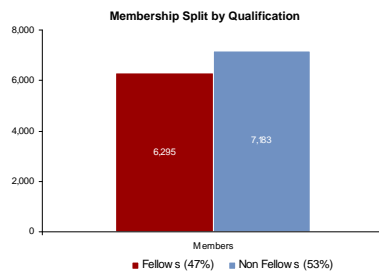
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## Students Outnumber Fellows



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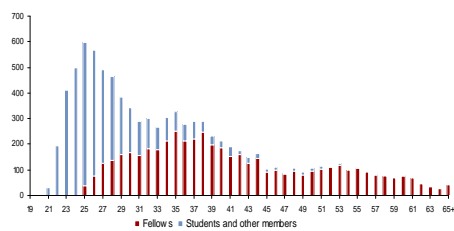
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## 73% Membership is Under 40



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## Demand

- ❖ Confidence in actuaries from customers but criticisms around:
  - ❖ Insufficient real world understanding
  - ❖ Lack of business judgement
  - ❖ Patchy and sometimes inadequate communication skills and tendency to act as judge and jury
- ❖ Healthy demand from employers, but they want:
  - ❖ Much more business understanding
  - ❖ Far stronger communication skills
  - ❖ Better ability to work in multi disciplinary teams

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## Supply

- ❖ Profession not known to graduates other than those who did maths
- ❖ Employers control recruitment
- ❖ Employers want non mathematicians and better interpersonal skills
- ❖ Loyalty to firm taken over from Profession
- ❖ Younger members feel disenfranchised by professional body

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## Way Forward

- ❖ Strategic focus will be to support members throughout their careers so they have the skills, attributes and knowledge appropriate for the evolving needs of the UK financial sector, primarily as quantitative risk professionals

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## Next Steps

- ❖ Seven work stream projects
  - ❖ Improve services to share knowledge and develop skills – career support
  - ❖ Increase university provision of qualification subjects
  - ❖ Rebranding the two tier actuarial qualifications (currently "Fellow" and "Associate") in order to increase the supply of actuaries

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## Next steps

- ❖ Work stream projects continued
  - ❖ Developing means by which we can work proactively with all regulators
  - ❖ Reviewing the UK profession's existing services to overseas members and students
  - ❖ Reduce cross subsidies
  - ❖ Reorganise the structures of the professional body

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## Questions for You

- ❖ What sort of things could the Profession do to support you in your career?
- ❖ Is there any activity you think the Profession should stop doing?
- ❖ What other specialist forums would you be interested in joining?

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