

**COUNCIL MEETING, INSTITUTE AND FACULTY OF ACTUARIES  
MINUTES**

<b>Date</b>	<b>9 February 2016</b>
<b>Start Time</b>	<b>09:30</b>
<b>Finish Time</b>	<b>16.30</b>
<b>Place</b>	<b>Staple Inn, High Holborn, London, WC1V 7QR</b>

**Council Members present:**

Fiona Morrison            President and Chair

Kelvin Chamunorwa	Louise Pryor
Deborah Cooper	Andrew Rear
Jules Constantinou	Nick Salter
Charles Cowling	Edwin Sheaf
Stephen Cunningham	Nick Silver
Marian Elliot	Malcolm Slee
Patrick Lee	Peter Tompkins
Kathryn Morgan	Colin Wilson
Marjorie Ngwenya	Ellen Yang
Mark O'Reilly*	

\* By telephone.

**In attendance:**

Derek Cribb	IFoA, Chief Executive	
Clifford Friend	IFoA, Director of Education	
Ben Kemp	IFoA, General Counsel	
Memoria Lewis	IFoA, Membership Director	
Anne Moore	IFoA, Director of Finance and Operations	
Paul Reynolds	IFoA, Director of Public Affairs	
Kimberley Russell	IFoA, Corporate Secretary	
Alan Whalley	Chair, IFoA Management Board	
Mark Cross	Chair, IFoA Research and Thought Leadership Committee	Items 6 – 8 only
Sarah Mathieson	IFoA, Head of Research and Knowledge	Items 6 – 8 only
Mark Stocker	IFoA Fellow, as Observer	Items 1 – 7 only
Peter Thompson	Worshipful Company of Actuaries	Item 11 only

**PART I – INTRODUCTION AND PROTOCOLS**

**1. WELCOME AND APOLOGIES**

The President welcomed attendees to the second day of the third Council meeting of the 2015 – 2016 session. There were apologies from Andrew Hitchcox, Keith Jennings, Martin Potter, Carole Ryden, Mike Smedley, Elliot Varnell, Suzanne Vaughan, Haijing Wang, Cynthia Yuan and Feifei Zhang. Nick Salter gave his apologies for Agenda Item 8 onwards. The following proxy votes had been given:

- The President for Andrew Hitchcox, Keith Jennings, Martin Potter, Mike Smedley and Suzanne Vaughan,

- Kathryn Morgan for Elliot Varnell,
- Ellen Yang for both Cynthia Yuan and Feifei Zhang, and
- Nick Salter for Haijing Wang.

## **2. REGISTRATION AND DECLARATION OF INTERESTS**

Louise Pryor declared a conflict in respect of Agenda Item 3 as a result of her prior employment with the Financial Reporting Council.

Malcolm Slee declared a conflict in respect of Agenda Item 7 on the basis that his employer was a partner for one of the research programmes (albeit Malcolm having no personal involvement).

Ellen Yang declared a conflict with regard to Agenda Item 10, more specifically in relation to the recommendation that Dr Yulong Zhao be put forward for election as an Honorary Fellow, in light of Ellen being seconded to Dr Zhao's department.

## **PART II - SPECIFIC ITEMS**

### **3. REFRESH OF STRATEGY – REGULATION**

The President noted an apology from Des Hudson, Chair of Regulation Board. While Des had intended to attend Council, he had to attend to a personal matter.

In his absence, Ben Kemp and Andrew Rear provided an overview of (a) the regulatory strategy approved in 2011, (b) the regulatory policy document approved in 2012, and (c) proposed amendments to both the strategy and the regulatory policy.

Council was largely supportive of the view reached by the Regulation Board that a fundamental change to the current strategic direction would not be required, but should be revised for tone and clarity. Council was also broadly supportive of the increased emphasis on certain themes and principles, which included:

- The importance of effective communication with all stakeholders on regulatory matters, including a commitment by the IFoA to speak out in relation to relevant issues of public interest of importance or concern.
- The importance of regulation being targeted at, and proportionate to, public interest risk. Further, a reinforcement of the IFoA's commitment to a principles based and outcomes focussed regulatory approach i.e. supporting members in identifying potential issues and exercising reasonable judgment.
- A commitment to the development of a programme of appropriate monitoring, including in particular post implementation review of the effectiveness of the IFoA's regulatory interventions. The Regulation Board had, however, not, thus far, been persuaded by the need for intrusive monitoring of regulatory compliance.
- International commitment to equivalence of regulatory outcome, including, where appropriate, recognition of international standards.
- Clarity in relation to what is meant by the "public interest".

More specifically, while Council acknowledged the continual challenge faced by the IFoA in defining the public interest, it largely supported the introduction of a statement to provide a shared understanding for members and the like. In doing so, Council encouraged the Executive to clarify not only what acting in the public interest meant for the IFoA, but also

for its members as individuals. Further, Council also encouraged the continual development and strengthening of areas most helpful in protecting the public interest (e.g. Continual Professional Development and Education) – and, as such, felt a cross-functional approach would be required. The IFoA would need to be able to respond appropriately to public interest concerns as a means of reducing the likelihood of a systemic issue arising. That said, neither the Regulation Board nor Council had, thus far, been persuaded that it is appropriate to pass the public interest obligation to individual members, recognising the difference between acting ethically and professionally on behalf of your client and being individually responsible for protecting the public interest.

Separately, Council noted the status of the Financial Reporting Council's review of its own regulatory role – and, in particular, that a substantive update would be provided at June Council, by which point the Regulation Board would be in a better position to assess the direction and possible outcome of the review.

#### **Action 1 – B Kemp**

Paper 05 16 noted and direction of travel supported.

#### **4. REFRESH OF STRATEGY – OVERARCHING STATEMENT**

Derek Cribb provided an update on the progress made since Council met on 28 October 2015 with regard to a high level strategy statement as part of the refreshed strategy document – a broad statement as to the strategy's purpose and how the IFoA would intend to achieve its strategy. While Council expressed mixed views as to the value of having such a statement, if used, Council encouraged greater clarity with regard to the extent to which the Strategy reflects the needs of the membership.

Paper 06 16 noted and steer provided.

#### **5. AMENDMENTS TO BYE-LAWS, RULES AND REGULATIONS**

Council unanimously (all members present and by proxy voting in favour) approved that all amendments proposed in Paper 07 16 be made to the Bye-laws, Rules and Regulations – and, accordingly, be put to the membership and, where required, the Privy Council for approval. Such changes included gender neutrality changes to the Rules and Regulations – the majority of Council expressing a preference for the use of “her/his” – and other drafting changes. Council, in addition, approved the voting package for members, including a draft Motion and Notice of General Meeting, and noted the proposed timeline for implementation.

Paper 07 16 approved.

#### **6. REFERESH OF STRATEGY – THOUGHT LEADERSHIP**

The President welcomed Professor Mark Cross and Sarah Mathieson to the meeting.

Thereafter, Paul Reynolds and two members of the Council taskforce provided a presentation including (a) evaluating the thought leadership strategy approved in 2011, identifying its strengths, weaknesses, opportunities and threats, (b) the impact of the evaluation outputs for the IFoA, and (c) proposed amendments to the strategy as a result. Council supported the direction of travel proposed which would aim to drive, among other points, collaboration, more international research activity, a greater impact of all publication – both within and outside the normal range of more traditional dissemination paths – and a wider promotion of the IFoA and the work of actuaries.

Council, however, encouraged further consideration of certain aspects of the revised strategy, for example the appropriateness of the terms “our members”, “throughout the world” and “should” as part of the first and second sections of the revised strategy. Council further emphasised, in its view, the importance of communicating clearly to its members and the wider community what is meant by thought leadership from the IFoA’s perspective.

Paper 08 16 noted and direction of travel supported.

## **7. APPROVAL OF ADDITIONAL RESEARCH FUNDING**

By a majority vote (all members of Council in person and by proxy voting in favour, except one who voted against) Council approved that the IFoA underwrite £3.1m of funding, spread over five years as additional investment in the IFoA’s research programme, recognising the expectation that external funds would be secured to mitigate part of the total cost exposure to the IFoA.

This decision was reached on the basis of the processes undertaken by the Research and Thought Leadership Committee to identify the research programmes; the outstanding nature of the research programmes recommended; the financial commitment for the IFoA having been minimised in year one and that matched funding by other actuarial bodies and/or industry partners was expected (the extent to which such matched funding could be expected to mature in the longer term). Council further recognised that the programmes had been shortlisted by practitioners and the outputs would be publicly available.

Council noted a vital part of the wider research programme would be to mentor other institutions and the actuarial community, for example, in relation to how to deliver and produce research projects of the highest quality. Mentoring would be undertaken over the course of the next few years. To that extent, the award of the three research programmes by the IFoA would form part of a longer term initiative. Lastly, the importance of clear communication to stakeholders and members alike with regard to the IFoA’s research agenda was recognised.

Paper 09 16 approved.

Paper 10 16 noted.

## **8. PRESIDENTIAL THEME 2016 – 2017 AND THOUGHT LEADERSHIP**

Members of Council discussed, in three groups, tangible examples of how members of Council could help deliver the following key longer term success measures (as identified by the President-elect) for the profession with regard to thought leadership:

- The profession being seen as one that is dynamic, always moving forward, and able swiftly to respond to changes in the external environment.
- Other bodies listening to what the profession has to say and talk about ideas generated by the IFoA.
- Other bodies involving the IFoA and proactively asking the IFoA to contribute to their discussions.

The outputs of the groups included (but not exclusively so) suggestions for the (a) introduction of opportunity registers, (b) Council acting as an advocate for causes (either by, for example, supporting or sponsoring a particular Working Party), (c) Council acting as an advocate in celebrating successes, and (d) closer connectivity between Council and the IFoA’s Practice Boards.

Paper 11 16 noted.

## **9. UPDATE ON SPECIAL RISK PROJECTS**

Council noted the progress made with regard to the special risk related projects commissioned by the Board over the course of the 2015 – 2016 session. The Board had not had the opportunity to consider the outputs to date, but would do so at a forthcoming meeting. Alan Whalley invited members of Council to provide comment out of meeting.

Paper 12 16 noted.

## **10. REPORT FROM THE AWARDS COMMITTEE**

Council unanimously (all members present and by proxy voting in favour) approved the recommendation from the Awards Committee to put forward to election as Honorary Fellows the following five candidates:

- Dr Madhavi Bajekal,
- Professor David Bell,
- Norma Cohen,
- Robin de Wilde QC,
- Gabor Hanak, and
- Dr Yulong Zhao.

Peter Tompkins, Chair of the Awards Committee, advised that there were no recommendations for the award of prizes at this time.

Paper 13 16 approved and noted.

## **11. WORSHIPFUL COMPANY OF ACTUARIES (WCA)**

The President welcomed Peter Thompson, Master of the WCA, to the meeting.

Mr Thomson presented to Council on the activities undertaken by the WCA during 2015 – 2016. Notable activities had included the provision of University bursaries and “grass roots work” in particular the sponsorship of a lectures in mathematics and a new initiative with the Education Endowment Foundation (a charity dedicated to breaking the link between family income and educational achievement). Council acknowledged the work also being undertaken by the IFoA to engage in the schools programme e.g. by the Scottish Board, and agreed further collaboration may be possible between the IFoA and the WCA. The WCA continued to be actively involved in City of London activities. The number of members of the WCA had greatly increased and the first lady Master had recently been elected. The benefits of the IFoA and the WCA, potentially, jointly furthering thought leadership to some extent were recognised.

The President thanked Mr Thomson for his presentation.

## **PART III - GOVERNANCE**

### **12. MINUTES**

The draft minutes of the Council meetings held on 27 and 28 October 2015 were approved, including the confidential minute of 28 October.

Papers 14 16, 15 16 and 16 16 approved.

**13. ITEMS APPROVED BETWEEN MEETINGS**

The following item had been approved by Council between meetings (i.e. since the Council meeting held on 28 October, 2015):

Appointment to the Awards Committee:

By a majority vote, twenty-six members of Council had voted in favour to appoint Council member, Deborah Cooper, as a member of the Awards Committee with immediate effect, for the remainder of Deborah's current tenure on Council. There had been no votes against and no abstentions.

**14. ACTION LIST**

Paper 17 16 noted.

**15. FUTURE AGENDA**

Paper 18 16 noted.

**PART IV – BRIEFING PAPERS**

**16. REPORT FROM THE POLICY AND PUBLIC AFFAIRS COMMITTEE**

Council noted a report from the Policy and Public Affairs Committee which provided an update on public affairs activity carried out in recent months.

Paper 19 16 noted.

**17. REPORT – CORPORATE GOVERNANCE AND LEGAL DEVELOPMENTS**

Council noted a report which provided an update on both developments in corporate governance and recent legislative or legal developments. In particular, Council noted developments relating to succession planning, key performance indicators, data protection, requirements arising as a result of the introduction of the Small Business, Enterprise and Employment Act 2016 and anticipated employment law developments.

Paper 20 16 noted.

**18. REPORT – NEW QUALIFICATION (CASUALTY ACTUARIAL SOCIETY)**

Council noted a report which provided a briefing in relation to the initiative by the Casualty Actuarial Society to develop a new credential in predictive analytics – and further that the Leadership Team for the Casualty Actuarial Society would attend Council, July 2016.

Paper 21 16 noted.

## **19. DEATH ANNOUNCEMENTS**

Particular tribute was paid to Mr Peter Douglas Johnson, as one of the fathers of actuarial involvement in general insurance, who died on 18 December 2015. Council noted, with regret, the names of the other members who had died in recent months.

Paper 22 16 noted.

## **PART V – ANY OTHER BUSINESS**

### **20. ANY OTHER BUSINESS**

It was noted that Council, as a collective group, had not selected the top responses provided by members in reply to the *#whatactuariesdo* campaign, contrary to a note on the website. Council further noted the launch of the website and the integration of the Virtual Learning Environment as part of that site, and expressed its thanks to the Executive and development teams involved in both projects.

## **PART VI – COUNCIL PLUS EXECUTIVE**

### **21. APPOINTMENT OF CHAIR, MANAGEMENT BOARD**

By unanimous vote (all members present and by proxy voting in favour), Council approved the reappointment of Alan Whalley as Chair of the Management Board, for a further period of three years, with effect from 25 June 2016. Alan Whalley was not present for this item.

Paper 23 16 approved.

### **22. NEXT MEETING**

The next meeting of the Council would be held on 1 and 2 June, 2016, at the Sheraton Hotel, Edinburgh.

### Schedule of Actions

Item	Action	Member	When
3	1	Ben Kemp	1 June 2016