



Institute  
and Faculty  
of Actuaries

# Professional Skills – Handle with Care

Richard Winter



12 April 2016

## Handle with Care

**Agenda:**

**Introduction**

**Quick Scenario**

**Silver Bullet**

**How do you solve a problem like Maria?**

**Summary**



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## Handle with care - intro



Stage 3 is an annual requirement to complete two hours of Professional Skills Training which may be acquired by attending events, by completing an online activity or by a combination of both types of activity.

Can we help you to do it even better????



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# Forever Whenever Whoever

## Objectives

In order to qualify as Stage 3 training the activity should enhance the member's understanding of an actuary's professional obligations and achieve one or more of its key objectives:

In essence, be ethical



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## So how can an actuary satisfy the requirement to do 2 hours of professional skills CPD in this CPD year?

### Lots of ways, for example:

- attend professional skills slot at IFoA conference
- attend specific professional skills session in Edinburgh or London (see events page of IFoA website)
- come to a “train the trainer” event and then organise a session with colleagues (or just get the materials and organise a session)
- on your own study the materials and watch the films on the IFoA website (the films on the website have additional narration)
- undertake relevant training from your employer or other ethics training provider



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## Quick Scenario



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## Quick Scenario

- You are a recently qualified actuary who is working for a medium-sized insurance firm
- You have been asked to do some work using a type of model with which you are not very familiar
- A senior colleague Paul has agreed to supervise the work and to take responsibility for it
- The trouble is, Paul has a huge amount of work on...and you suspect that he is not giving as much attention to your work as he should
- It has been difficult for you to get a meeting with Paul. He has not been asking you the kinds of questions you would have expected...and when he agrees to sign off the work, you strongly suspect that he has not fully checked its accuracy.
- Should you speak out about your concerns?



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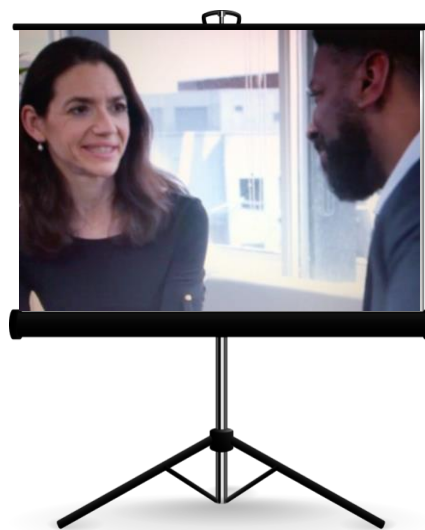
## Silver Bullet

An Insurance company, led by Ellen, has a strategy to grow by acquisition.

Project 'Silver Bullet' is the due diligence phase on their number one target, who have put themselves on the market.

They have been given access to a 'data room'. It's highly market sensitive, so only a very small team is allowed to know the work is going on and all have had to sign confidentiality documents.

As with most due diligence, it is being done under extreme time pressure, with information being made available for only a few days before a final decision has to be made!



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## Silver Bullet – Discussion Points

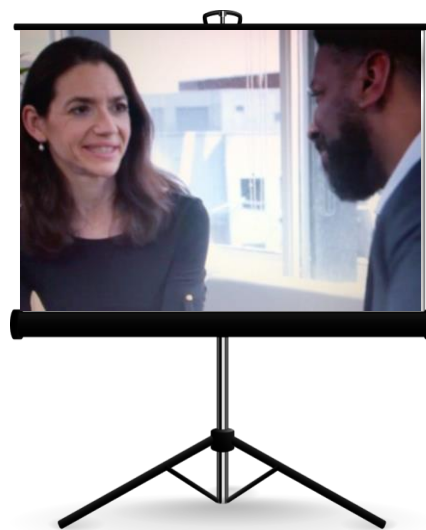
- As the work has developed, it has become apparent that Nathan does not have an appropriate level of knowledge or skill – and there is no appropriate support available.
  - is it OK to extrapolate knowledge to try and fill a gap in what you know?
  - Is it more important to keep the transaction confidential or to be confident that the right decision has been made?
- Which is worse - missing a potentially damaging risk because of lack of resource/time/expertise, or shoddy risk assessment and flagging up an issue based on substandard analysis?
- Should Nathan ignore instructions, and make the time to write up a formal record of the work done anyway?
- Is it alright to just do the best that he can within the scope set by his CEO?



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## Silver Bullet

One possible future outcome  
(other futures are available)



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## How do you solve a problem like Maria?

The most senior actuary for your firm, Maria, has worked there for several years.

She has successfully built up the current actuarial team.



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## How do you solve a problem like Maria?

Her role has developed so that she is increasingly involved in the running of the firm at a board level, with a particular interest in strategy and marketing.



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## How do you solve a problem like Maria?

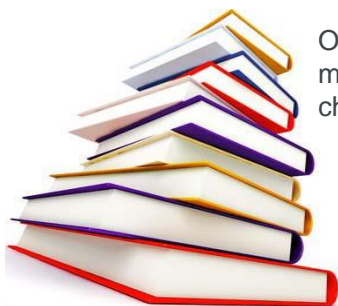


As a result she is relying more and more on the team members to deliver the core responsibilities of her department, with minimal day to day involvement



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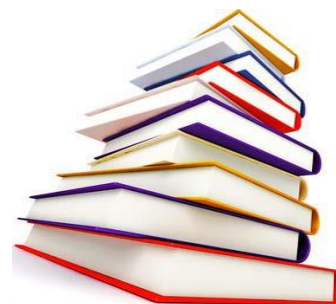
## How do you solve a problem like Maria?



Over the past few years there has been a massive amount of legal and regulatory change

Talking with your colleagues, you realise that most of the team think that their own understanding of the requirements is much more detailed and up to date than Maria....

...who has only had time to obtain a very high-level understanding of the latest rules and requirements.



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## How do you solve a problem like Maria?



Maria continues to provide all of the sign-offs required by the board, auditors and regulators, and has applied for a Chief Actuary practising certificate – relying on the experts in the team to keep the firm compliant at a detailed level



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## How do you solve a problem like Maria?

- What should you do?



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**Questions**

**Comments**

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 presenter.



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