



Institute
and Faculty
of Actuaries

Research Assistant: Risk Measures Working Party (paid role)

The Institute and Faculty of Actuaries (IFoA) is seeking a Research Assistant for a short-term project to assist one of its working parties, the Risk Measures Working Party (RMWP); chaired by Belinda Hue, to help accelerate the delivery of a sessional paper.

Activities

The research assistant will be required to help the team bring their research paper together in terms of a structure point of view - filling in the gaps, streamlining/improving text, possibly producing charts/illustrations in respect of long term insurance investment.

A second thread will be sourcing readily available, readable, concise and up-to-date information and insight into alternative approaches to risk measurement for long term investors (insurance, pensions, health care).

It is anticipated that the work will require the successful applicant to provide up to 50 hours intense research work over a period of six weeks between 12 November 2018 and 21 December 2018. This will allow the working party to complete the research paper they are looking to present at the profession's sessional meeting in March 2019.

Person specification

Experience

- Likely to be FIA/FFA (or equivalent) with practical industry and/or consulting experience in the UK long term insurance sector.
- Previous research experience in supporting a practitioner or industry environment.
- Experience of report writing, and highly articulate in communicating complex technical subject matter to a variety of wider non-technical audiences. (Familiarity with authoring recent IFoA papers is not essential but would be an advantage).

Skills

Essential

- Knowledge of long term insurance, including investment risk, industry changes and recent trends.
- Strong project focus, analytical skills and an ability to synthesise large quantities of information rapidly.
- Excellent communication skills including report writing (in English).
- Time management and the ability to work to tight deadlines.
- Team focused work ethic, combined with initiative, ability and willingness to work independently where required. Sustained enthusiasm to take full technical ownership for producing relevant outputs re the main thread described above.

- Deep understanding of and desire to helping solve selected issues related to IFoA key themes described in <https://www.actuaries.org.uk/news-and-insights/media-centre/media-releases-and-statements/what-procyclicality>

Desirable

- Thoroughly conversant with UK Treasury Select Committee Solvency II enquiry materials especially
 - IFoA submissions and publications
 - rationale contained in the [written evidence submitted by Prudential plc \(SOL0042\)](#)
- Knowledge of 'alternative' approaches to risk measurement for long term investors, ability to source relevant information text and/or a strong network of contacts in this subject area.
- Broad knowledge of systems thinking, complex dynamical systems, and highly articulate with regard to all aspects of behavioural finance/economics (including incentives of regulators)
- Expert on UK and global insurance regulations and accounting and reporting standards, especially Canadian CALM method and US RBC in relation to equities. Ability to quickly source other real documented examples of 'alternative' risk approaches for long term insurers that have been used in practice.

Eligibility

- It is essential that the applicant is entitled to work in the UK.

Background

RMWP is one of three strands coming out of the Procyclicality Project. The Procyclicality Project was a joint venture between the IFoA and the Bank of England. It looked at the policy issues arising from the trend to short term investment behaviour by pension funds and life companies, lower equity holdings reflecting reduced willingness to take on risk, and procyclical investing that exacerbates market cycles. The IFoA had a successful seminar on the subject in September 2015 which led to potential areas for future IFoA-sponsored research. It identified three topics: long-term investment mandates, risk measures and countercyclical capital buffers with a Board leading each one. The Risk Management Board is overseeing the topic of "Risk Measures".

RMWP's objectives are to inform discussion of appropriateness of alternative approaches to risk measurement for long term liability-constrained investments, from the perspective of asset owners, with particular attention to growth assets.

Key themes are:

- Long term versus short term investors / investing
- Investment risk versus market risk
- Alternative approaches to measurement of risk, and their practical applications.

Importance of topic

The theme of long term investing is at the core of actuarial science, from its traditional roots in life insurance and pensions, to the present day. In recent years, the advent of the risk-based and market consistent approach of inter alia Solvency II for European insurers has emphasised the short horizon over the longer horizon. The work of this WP and the paper they are looking to present seeks to consider the appropriateness or otherwise of this short termist thinking by taking a fresh look at the fundamental economics underlying long term investing for insurance, pensions and health care, and some of the constraints and barriers to the practical implementation of 'alternative' approaches.

Deliverables to date

[Presentation at the IFoA Risk, Investment, Pensions Conference, June 2017](#)

[Article in Actuary India](#)

It is **important** to note that since the working party has evolved over time, the main focus now and going forward is on structural trends in long term investment rather than procyclicality per se.

It is anticipated that a final deliverable paper will be submitted for publication in the *British Actuarial Journal (BAJ)* in 2019, and to be launched at a sessional meeting in March 2019.

Reporting

The Research Assistant will report to the RMWP Chair – Belinda Hue.

Applications

If you have any queries which you would like to discuss before submitting your application please contact chukwudi.onyia@actuaries.org.uk (Research Project manager).

After the closing date, all applications will be considered and a short-list of candidates will be invited to interview. Interviews will take place by phone or video conference between 31 October and 2 November, inclusive. Applicants will be notified no later than 26 October if they have been shortlisted.

This is a remunerated role and a fee of £850 will be paid on successful completion of the project and deliverables. Mutually agreed services will be outlined in a 'Schedule of services' which will be provided to you on successful appointment.

Please note that this role is classified as a 'Self-Employed Contractor' role. On successful completion of the services, you will be required to submit an invoice to the IFoA. Please also note that every individual who supports the IFoA, be that as a volunteer (member or non-member), or in any other role, including as a self-employed contractor, works in partnership with the IFoA Executive staff to deliver our strategy and Royal Charter, in line with our values.