

Presidential Newsletter

The recent local government elections brought to mind one of the earlier wider fields practitioners in the Actuarial Society of South Africa, viz. Harry Laurie, who was a statistical commentator on SABC for general elections. His first publication on the prediction of election results related to the 1960 referendum on the question of South Africa becoming a republic. His predictions were not far off the mark, and various newspapers subsequently approached him to write articles on elections. After TV had been introduced to South Africa, he occasionally participated in programmes covering election results as well.

Progress In Reverse

There is a school of thought that defines progress as the student surpassing the tutor. Some actuaries seem not to subscribe to this view.

In the previous newsletter, I mentioned the swimming achievements of Stellenbosch student, Heerden Herman. My focus now turns to one of his lecturers.

Four years ago, the South African team whipped the world at the Bowls for the Disabled World Championships. In May this year, they retained their world title when the event was held at Wingate Park, Pretoria. More than 160 bowlers from 11 countries participated in the tournament.

The only undefeated visually impaired player in the championships? One Professor Garrett Slattery. I know we had it tough in the old days, but spare a thought for the poor student who tries to pull a fast one on this lecturer!

A Matter Of Opinion

As mentioned in my previous newsletter, some 30% of the Society's members participated in the survey conducted in February. Various members also took the time to submit general comments on various issues, ranging from administration to communication and the desired image and role of the organisation. The responses have been collated and are being discussed. A special newsletter dealing with the survey will be issued shortly. Thank you again to all who responded to the survey. I can assure you that Council is taking this feedback seriously.

In the meantime, members are reminded that any complaints relating to the service we provide you can be raised immediately with Wim Els, wim@actuarialsociety.org.za (especially about administration or member services), Cisca Venter

cisca@actuarialsociety.org.za (especially student affairs or education) or with the CEO of the Society, Emil Boeke, on emil@actuarialsociety.org.za

Bearding The Bard

"Do not believe," Hamlet told Rosenkrantz, "that I'd take your advice, rather than keep my own secret." Council decided to do just that, however, and obtained the services of African Response to conduct a survey among the Society's main stakeholders. The purpose is to determine their views and opinions of the Society. Combined with feedback already obtained in the survey among members, this will provide valuable guidance in directing the activities of the Society.

Some members, especially those in senior positions, may be approached to participate in the survey. I appeal to all of you to try to find the time to do so.

ASABA Awards

The Association of South African Black Actuarial Professionals, ASABA, celebrated excellence in the actuarial profession on 12 May. The aim of the event, held at Investec's offices in Cape Town, was to promote transformation of the actuarial profession through excellent achievements, i.e. to make excellence the main driver of transformation.

ASABA President, Lusani Mulaudzi, hosted the evening and 567 CapeTalk presenter Aden Thomas was the master of ceremonies. The keynote address was delivered by Dr Blade Nzimande, Minister of Higher Education. He raised some interesting possibilities for cooperation between his department and the actuarial profession, and emphasised that he was doing this in the presence of the SABC!

SA Actuaries Abroad sponsored the printing of certificates for the event. Among the recipients of a certificate for excellence was Niel Fourie, who was the best performer in ST 5 (Finance and Investment) of all candidates who sat this UK paper in September 2008. At the time, the UK did not have a sponsor for this achievement.

The contribution made to transformation of the profession by the late Hillary Murashiki was recognised at the event as well.

I would like to thank ASABA for arranging a pleasant evening, filled with enthusiasm and energy.

Actuarial Women's Committee

ASABA also established a committee to provide for the specific interests of women members. A very successful breakfast meeting was held in Johannesburg in February, and this will be followed by a Cape Town breakfast on 23 June. Vuyo Sambu (vsambu@oldmutual.com) has details of the ASABA events.

Class Act

The number of student members of the Society increased by 24% during 2010, indicating not only the growth of the profession in South Africa, but the acceptance by students and employers alike of the South African education system. The 2010 audit also confirmed the financial sustainability of this system.

With further reference to the CERA designation, I can report that the first Applied ERM Course and a two-day ERM seminar, held in March this year, met with a favourable response from delegates. Janette Larney, who developed the course, also attended a CERA course in Australia and used the opportunity to meet with representatives of Macquarie and NSW Universities to discuss plans for a tuition-based course.

The process of accrediting local universities has almost been completed, and the focus is turning north of our borders now. The University of Nairobi was the first university outside South Africa to apply for accreditation.

Registration for the September examinations has just opened. I wish all candidates success, and look forward to receiving a lengthy pass list!

CPD Surge

The past few weeks saw a significant increase in CPD opportunities, with life assurance seminars in Cape Town and Johannesburg, and healthcare and retirement matters seminars in Cape Town. In total, 525 delegates attended these seminars. International speakers, including one Anthony Asher, featured prominently at these events. Feedback has been very positive, and I am sure I speak on behalf of all members when I thank and congratulate the organisers, with specific reference to Nicky Patchett, Gary Scott, Costa Economou and Corné Heymans. These four seminars provided a total of 23 hours and 15 minutes of CPD!

In addition, various sessional meetings were held. These dealt with the ASSA 2008 AIDS and Demographic Model, monetary policy in a volatile global environment and the valuation of life insurance stocks. A particularly gratifying feature of these meetings was the attendance of an increased number of senior actuaries.

This is an appropriate opportunity to remind you to maintain your on-line CPD records!

National Health Insurance

The vision of the Actuarial Society is an actuarial profession of substance and stature, serving, and valued by, our stakeholders as a primary source of authoritative advice and thought leadership in the understanding, modeling and management of financial and other measurable risk. This vision implies that the Society's aim with any contribution on NHI would not be to propagate any particular viewpoint or system, but to inform the debate, and enable other parties to make well informed decisions.

The Society aims to position itself as an expert source. The objective should be a situation where the Society is well placed to make presentations, based on available data and disclosed assumptions, to decision-makers and where decision-makers approach the Society for expert input to inform debates. Where it is deemed necessary for the Society to adopt a stance in order to be relevant to a specific debate, such a stance should be based on good quality data, should state the assumptions clearly, and the pros and cons of alternatives should be presented as well.

The Society specifically does not see its role as one of "lobbying", since this implies promoting a specific point of view to the exclusion of others.

The Society has already done much research and is of the view that it can make a major contribution. The Society's expertise is available to decision-makers.

The Society aims to look for socially and financially sustainable solutions. It can make contributions on task teams and working groups, if asked to do modeling. It cannot comment meaningfully on financial sustainability of the NHI proposals at this stage, as it has not seen the assumptions on which the proposals are based. It has to wait for the release of Government white paper(s), but aims to be prepared to comment at that stage. It can however do research and some modeling before any such the white paper is released.

The Society has therefore also thus far refrained from commenting on proposals and debates in the media, and reserves its comments for published and official government policies.

For the time being, all statements on behalf of the Society should be vetted by the Council. Individual members of the Society may hold different views on the matter, and are allowed to express their personal opinions, or that of their employers, as long as they do not do so in the name of the Society, or state their views as being that of the Society or any of its committees.

Staying Alive

No, I am not thinking about music in the 1970s! John Rich once said (and he has been quoted frequently since then!) that research papers are the life-blood of the profession.

The Society manages a Research Fund, which is intended to provide grants to members conducting scholarly research.

To be eligible for a grant, research must, of course, meet the standards of scholarship required of a learned profession. But scholarly research is not confined to the cloisters of academia. It has increasingly become a learned skill amongst actuarial students entering the profession from research-active universities, and it is an essential component of the development of practising actuaries.

The Research Watch document on the Committee's web page reflects the topics on which the Society is interested in research. It also lists contact persons who may be able to help you in tackling any of the research projects listed. Other help is also available on that web page. Research is great for your CPD, great for your CV, great for your own sense of achievement, great for your own career development and great for the development of the profession itself. If you are interested in research, go there and have a look. The application form for research grants is also there. When next you have a meeting of actuaries in your workplace, raise the subject there. If you have done some in-house research, how about a spin-off to the public domain? It may be in your employer's interests as well as yours.

Bear in mind that the *South African Actuarial Journal* now operates under a Creative Commons attribution-only licence, thus as long as it is properly attributed the profession does not prevent your employer from using your work. Further information relating to research grants, including the process to be followed in applying for them, may be found on the Society's **website at: <http://www.actuarialsociety.org.za/Practice-Areas/Other-Technical-Committees/Research-578.aspx>**.

If you are interested in conducting research, but unsure of how to get started or daunted by the difficulties of finding literature and other resources, your local university may be of some assistance. Society members may make arrangements to use their library facilities, and university representatives will be happy to offer general research advice and help to point you in the right direction. Your research plans may even be suitable for a postgraduate degree. There are four university representatives on the committee listed below.

Each of the practice areas is represented on the Research Committee by a research champion, who also sits on the committee of the practice area concerned. These research champions are:

- Healthcare: Barry Childs (barrychilds@mweb.co.za)
- AIDS, CSI: Rob Dorrington (rob.dorrington@uct.ac.za)
- Pretoria U, Damages: Rinus du Plessis (rinus.duplessis@up.ac.za)
- UCT: Dave Strugnell (dave.strugnell@uct.ac.za)
- Retirement Matters: Selwyn Feldman (sfeldman@oldmutual.com)
- Life Assurance: Gary Palser (gpalsen@oldmutual.com)
- Wits U, Enterprise & Financial Risks: Rob Thomson (rthomson@icon.co.za)
- Short-term Insurance: Natalie van de Coolwijk (natalie.van.de.coolwijk@aonbenfield.com)
- Investments: Craig Aitchison (caitchison@oldmutual.com)
- Microinsurance: Stephen Burgess (burgess@sun.ac.za)
- Banking & Finance: Ranti Mothapo (ranti.mothapo@vodamail.co.za)
& Vernon Boule (vernonboule@gmail.com)

If you are interested in research in a particular area, please contact the research champion concerned. If you need a collaborator, or if your topic is not listed in the Research Watch document, please contact either of the following Research Committee members:

Mike Walker (walkerm@forbes.co.za)

Natalie van de Coolwijk (natalie.van.de.coolwijk@aonbenfield.com)

Actuarial Society Development Trust

As mentioned in previous newsletters, the Actuarial Society Development Trust was established to support actuarial education at universities, promote research and assist students. The initial efforts of the trust have been aimed at university support, and this will be the case in at least the short term.

Council appointed Garth Griffin, Wayne Dam, Steve Handler and me as trustees, with Garth as Chair. The trust has finally obtained public benefit organisation status, as well as authorisation to issue certificates in terms of Section 18A of the Income Tax Act.

Various employers have contributed generously to the trust, which has made it possible for the Society to support universities to the tune of R5,2 million in 2010.

Furthermore, the surplus from the 2010 International Congress of Actuaries, an amount of R3,2 million, was donated to the trust. I would like to thank the Organising Committee for negotiating this in the Congress Rules and, of course, for making the donation.

The trustees have met recently and are in the process of confirming donor commitments for 2011 and beyond and deciding on the awards of grants for this year.

International Actuarial Association

As stated in the previous newsletter, various members of the Society attended the IAA Council and Committee meetings in Sydney. Some of us also attended the subsequent Convention of the Institute of Actuaries of Australia.

Much of the technical work at these IAA meetings related to the development of international standards. It appears as if the IAA will establish a body similar to the IASB. Cross-border work remains a topic of major discussion and it is clear that some harmonisation of standards is required to arrive at a minimum level of what constitutes acceptable conduct.

We held bilateral meetings with representatives of the Dutch, Australian, UK and Indian organisations, and a formal trilateral meeting between representatives of the Society and representatives of the UK and Australian organisations was held as well. Professionalism and education were among the main topics discussed at these meetings.

The special IAA newsletter on the Sydney meetings is well worth reading and is available **online at http://www.actuaries.org/LIBRARY/newsletters/May_2011_Sydney_EN.pdf**

Generally Speaking

The 62nd Annual General Meeting of the Society was held in Sandton on 22 June, and was followed by a sessional meeting arranged by the Treating Customers Fairly Committee. Members in the Western Cape had an opportunity to discuss Society matters two days before that, before the Cape Town leg of this sessional meeting.

I would like to thank all who attended, as well as all members who submitted proxies, for their time and participation. In particular, I wish to repeat an enormous THANK YOU to all our volunteers, who keep the organisation going and growing.

African Actuary In A Global Village

The Society's annual Convention will be held at the Sandton Convention Centre on 8 and 9 November this year, with "African Actuary in a Global Village" as theme. Members will also have the opportunity to participate in a community involvement exercise and golf on Monday, 7 November. To register for the event, please visit <http://www.actuarialsocietyconvention.org.za/registration.php>

Kind regards,



Peter Doyle
President

A handwritten signature in black ink that reads "Peter Doyle". The signature is written in a cursive, flowing style.

July 2011