

PRESIDENTIAL ADDRESS

PETER WITHEY

OCTOBER 2017

Two years ago I sat in this same room having just been elected as the new President Elect of ASSA for 2016-2017 and president for 2018-2019. At that time the concept of being president of this society was still a little theoretical but now the reality is rapidly arriving. It is a bit like that experience of qualifying as a Fellow – it is all a bit unreal till you sign that first report or letter as a FASSA and then it hits home. So here I stand now with the concept of being the 60th President of ASSA and, starting in 3 months' time, serving you for the next 2 years is almost a reality. I am filled with a myriad of emotions. To mention a few;

- honour at what you have afforded me;
- apprehension at what challenges we might see and what uncharted waters we might need to cross over the next 2 years;
- confidence in the people of this profession who will be able to deal with any such challenge;
- humility and comfort that I do not do this alone but that I serve together with others since the Presidency of ASSA is not a 'solo affair'. I look forward to working with our highly competent staff, the new president elect, Lusani, and the Council to grow and develop this profession further.

I am also very mindful that I stand on the shoulders of those who have gone before and in this regard I would specifically like to acknowledge Roseanne who has so ably led us these last 2 years and who I have had the pleasure of working with and learning from over this time. Thank you Roseanne.



In my President Elect Information sheet 2 years ago I stated the following:

“IN MY VIEW, THE BIGGEST CHALLENGE FACING THE ACTUARIAL SOCIETY AT PRESENT IS: Continued relevance of the profession in the SA environment. With increasing competition from other professions and disciplines actuaries and ASSA need to remain relevant. Two particular elements stand out:

- Valued Professionals: It is imperative that the profession continues to be seen as valued professionals adding value to employers, clients and the wider communities. Failure in this area runs the risk that we become seen as technical experts rather than valued professionals. This needs to apply in our traditional areas of expertise but also needs to be extended to other areas (e.g. Banking, Risk Management and Data Analytics).
- Transformation: If ASSA’s current demographic profile does not rapidly change we run the risk of losing credibility in the SA context and will become less relevant to society as a whole and less desirable as a professional option for bright young graduates. We need to make concerted efforts at all levels in the path to qualification to increase the numbers of South African Black Fellow members.

And, IF ELECTED AS PRESIDENT ELECT, I SHALL TRY TO: I will seek to continue to build on the foundations laid by previous presidents to react to the challenges noted above. I will also continue to develop and build on the competence and stature of South African actuaries in the global actuarial community. For a relatively small association, by international standards, I believe that we carry greater influence than our size indicates. This is due to the roles played by SA actuaries in the international actuarial and insurance world as well as innovations like the development of the banking fellowship qualification. We must jealously guard this reputation by continued involvement and by ensuring the quality of South African actuaries.”



I remain convinced that these are as valid today as they were then and I trust you will see these aspects through this address and throughout my presidency.

Roseanne has had in her presidency the theme of Relevance, Proportionality and Integrity. At risk of getting an “FA” or lower because of plagiarism when the academics in the room mark this address, I intend for the theme for my presidency to be RELEVANCE.

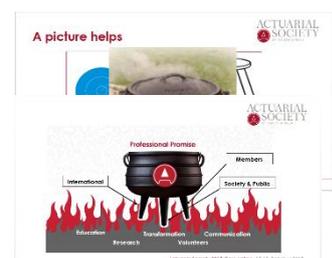
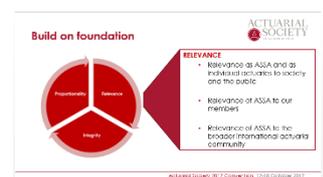
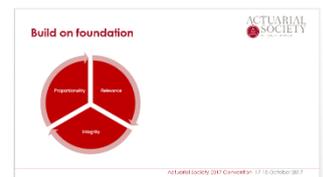
I see this theme of relevance needing to play out in three aspects:

- Relevance as ASSA and as individual actuaries to society and the public
- Relevance of ASSA to our members
- Relevance as ASSA to the broader international actuarial community

At the start of this year Council held a Strategic Planning workshop and out of that came a number of themes that I believe are also woven into all of these aspects of relevance; Transformation, Research, Education, Communication and Volunteers were the top 5. The new council will need to revisit these and confirm or adjust them but I feel that they will likely remain in broad strokes even if the details may alter over time.

Overriding all of this is the requirement that we need to deliver on our Professional Promise. It is this which differentiates us from being technicians only.

How then does one present these intricately interlinked elements in a single picture that we, or at least I, can keep in front of me as I serve you as president. I could go with a concentric rings picture but that did not enthruse me, I could go with a three legged stool, or how about a rope with the 3 strands interwoven. I have rejected these and have chosen a uniquely South African (or at least African) Image – the three legged pot. The pot represents ASSA, the contents our professional promise, the 3 legs



the strands of relevance I have mentioned and the fire the enabling strategic priorities. If we do not deliver on the strategic priorities or if any one of the legs is missing the structure cannot deliver and the 'product' is not optimal.

It is difficult to decide which of the three strands of RELEVANCE to start with because they are so interdependent. Let me start with the point of RELEVANCE IN THE INTERNATIONAL ACTUARIAL COMMUNITY.

One of the 'selling points' that the actuarial profession has is the 'international recognition' of the profession and the qualification. In the past the FIA or FFA designation gave one an 'international' qualification and the fear of many when the Localisation of the actuarial fellowship exams supporting the FASSA qualification was initiated was that we would lose that 'portability'. This is not the case because of the quality of the FASSA designation and the mutual recognition agreements that we have established with many actuarial associations around the world. We continue to work on this and have recently at the IAA meetings in Chicago two weeks ago opened discussion with the American Academy of Actuaries around practicing as an actuary in the USA.

However, while the formal agreements might be important I believe that it is what we do that makes the difference to our international recognition. Let me start off by saying that, while I might be a bit biased, I believe that South African actuaries are exceptional and among the best in the world. I do not know what the root cause of this is – maybe it is the nature of our turbulent history that makes us innovative and resourceful, the early exposure to experience that many South African actuaries get, or something else – nonetheless South African actuaries are innovative and 'doers' in the actuarial world. It is my understanding that many dynamic product changes over the years, such as dread disease, have emerged in SA and more recently our preeminent role in the development of the profession in banking and the establishment of an outcomes based CPD



truly make us amongst the leaders in the international actuarial world. This can be seen in the IAA where ASSA is highly respected and often actively consulted on matters alongside much larger organisations. This is reflected in our having representation of over 10% of the leadership roles in the IAA despite being only around the 10th largest association. A number of these roles are in emerging areas such as Microinsurance, Banking and Data Science where South Africans are in chairman or vice chairman positions. Only the UK and the US have more people numerically involved in IAA leadership structures.

In looking back over previous presidential addresses I noted that more active involvement in IAA matters was a strategic priority in the early 2000's and we see today the fruits of that. However, much of this involvement has been through the sterling efforts of a relatively small group of stalwarts such as the late Garth Griffin in the CERA space, Desmond Smith as president of the IAA, Peter Doyle as an Executive Committee member, Emil Stipp in the Health Care space and Andrew Gladwin in leading the global actuarial syllabus changes to name but a few. Some of these are now retiring and a new group is taking their place and it is pleasure for me to announce that Rosanne Murphy Harris has been appointed to the IAA Executive Committee with effect from 1 January 2018.

These initiatives need to continue and we need new members to step up and get involved.

In my mind if we do not continue to remain RELEVANT IN THE INTERNATIONAL ACTUARIAL COMMUNITY we risk becoming isolated on the tip of Africa and losing both the ability to influence and the ability to blend international best practice with what works here and to learn from experiences in other markets – may this never happen.

This clearly links to the strand of RELEVANCE TO OUR MEMBERS. ASSA provides the enabling environment for actuaries in South Africa. We have moved from our founding structure almost 70 years ago in 1948, of a group of UK qualified actuaries practicing here in South Africa forming a society for mutual support and guidance to a professional body today providing education and accreditation of actuaries in South Africa as well as all those same support functions and more. In my mind remaining RELEVANT TO OUR MEMBERS requires us to provide the services needed but also to provide opportunities for the members to participate in that. Let me consider some specifics:

- We provide, and must maintain, a world class **education system** right from the universities through to Associateship and Fellowship qualification, despite the challenges in the national education system such as weak maths and science scores and funding challenges. The actuarial education system is clearly relevant to all our categories of membership, both in the services it provides and in the high standing it maintains for us all. However, herein lies both a risk and an opportunity. Our education system is highly dependent on volunteers – to all of you involved in this aspect of service to the society I salute you. It is good for this not to be too ‘professionalised’ in order to maintain RELEVANCE to the practice of being an actuary but at the same time it is hard work and we appeal to our members to continue to step up and serve.
- We have extensive structures to provide practice specific education and professional frameworks for our work and again the opportunities to serve are wide and varied. Let me note that volunteerism is a major strength of the society but also a potential point of risk. To all of you who are already serving in ASSA structures and activities I acknowledge you and thank you for your service. To those not yet involved let me remind you that today you enjoy the fruits of those who volunteered in



the past and I challenge you to get involved in the future. Apart from the personal benefits you will gain from volunteering it will help to ensure that the profession remains relevant to its members.

- We maintain a strong professionalism structure and a Code of Conduct. The code of conduct not only sets standards but is also a useful reference point when grappling with tricky issues. It needs to be a framework that is relevant and helpful. This has been a particular reference point for me as I have considered how my employment with KPMG affects my ability to conduct the role of president and this is a process I am working through.
- We have a ground breaking approach to CPD that we have introduced and through the convention, seminars and sessional meetings we provide opportunities to continue to grow and develop our knowledge.
- However, one area where we are not achieving as much as we would like to see is in the area of research. Research has been identified as one of our key priorities and feeds into us being able to meet our professional promise. Unfortunately, there seems to be a view that this is something that should be parked in the hands of the academics, but we believe that there is more that practitioners can and should be doing to extend this. It has been suggested that there is indeed a lot of research happening in industry but that much of it does not reach the public domain because of commercial interests. If so, it would be good if more of this could be brought into the public arena so as to enhance our reputation as thought leaders.

However, in our unique context here in South Africa RELEVANCE TO OUR MEMBERS requires ASSA to engage with all our members. This is our transformational challenge. While we have made some progress in the space and here I acknowledge the sterling work done by SAADP, ASABA and the ASSA Academy.

Transformation requires us to develop a culture of fairness and inclusion so that every member feels welcomed, appreciated and inspired to succeed



Relevance to our members

Transformation

- Transformation of the Actuarial Society and the actuarial profession is about **fairness and inclusion**. It is about every member of the Society feeling welcomed, appreciated and inspired to succeed and contribute.
- What does good look like?
- It is also about fulfilling our **professional promise** by ensuring that the work that actuaries do is relevant to the diverse South African public whose interest we serve.

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and contribute. Evidence suggests that we have not reached this point and continued change is needed. That change needs to be a change in the hearts and minds of all of us and requires an open engagement with one another.

Let me digress for a moment or two and share some of my own journey in the hope that it may help some people and move this critical dialogue in our profession forward. Let me share from my limited but growing understanding. An understanding that has learned that this is way more than an intellectual and cognitive acceptance that change is necessary, and requires self-introspection and an emotional engagement with it. An understanding, that there are deeper aspects, such as the concept of and reaction to privilege that were highlighted in the university protests. As I have moved on this journey I have I started to read more on this and related topics, follow a few blogs and try to listen to others with different views and lived experience to myself. My participation in a few facilitated workshop and my involvement with the transformation committee these last 2 years have opened my eyes further and influenced my thinking. I have also started to deliberately try to engage with people in the profession who do not look like me or necessarily share the same worldview. The session at last year's convention – thank you Shivani for your role in that – and the subsequent sessional meetings have also played a role. Helping me to gain a much better understanding of the complexities of transformation. So what insights or snippets of learning have I gained so far in what I could call my 'enlightenment' on the subject.

— I have recognised that I have a whole host of unconscious biases and I need to find a way to uncover these and deliberately try to deal with them. These can manifest in the words I use, the way I say things and in attitudes and behaviour. It is because of the realisation that I have unconscious biases that manifest in my words and behaviours that if I am asked today if I am racist – I answer 'not intentionally so' because I

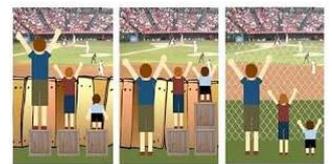
am pretty certain that there are things I say and do completely unintentionally that can be interpreted as racist.

- I have learned that ‘privilege’ and ‘white privilege’ are real and have an impact on opportunity and other aspects of our lives – often without us realising it. When these words are used the privileged often feel that there is judgement and guilt to be associated with them. My understanding is that such reactions are unhelpful and that privilege just IS and once we recognise where we have it the real challenge is then what we do with it.
- I have learned that progress in this area is not anti-white men but rather that whiteness and maleness should not be seen as normative and that we must recognise the value and dignity in all people.
- Ultimately I think the most important thing I have learned is that I need to engage and try to listen – to ‘listen to understand’ not ‘listen to respond’ - to people who are different from me even if it is painful to hear some things. One would think that this is pretty obvious – we do it in business strategy sessions by encouraging alternative views but when it comes to something as personal as transformation we tend to shy away from it and prefer to talk in the bubble of like-minded people.
- I have learned that we need to turn the profession into a place where every view is wanted and respected. If we initially have to create ‘safe spaces’ to do this then so be it. In this regard in one of the sessional meetings the question was asked ‘why do we not hear the white males saying anything’ and I realised that I was keeping quiet because I felt that my view was neither wanted nor respected – something that I then realised that many people who do not look like me experience all the time in the profession and the world of business. This needs to change.

Arising from my own journey thus far I am more convinced than ever that it is incumbent on all of us, and especially those who have traditionally had the dominant and privileged position, to open our eyes, ears and minds to listen to the lived experience of our colleagues and learn where our

paradigms need to change to enable the profession as a whole to move forward to being relevant in our very specific context. So I challenge us all to find opportunities for this engagement such as the workshops at this convention and the activities that AWF are promoting (visit their stand to find out more). This engagement with transformation by all of us is key to the development of our profession and Council has strongly recommended that each one of us should be considering how we should be engaging with this topic and remember that activates like this fit well into the new outcomes based CPD structure as they will undoubtedly make you a better actuary. How much more will we become if everyone felt welcomed, appreciated and inspired to succeed and contribute.

In this space, I have been asking myself and others ‘what does good look like?’ and my challenge to you is to give thought to that question and send your thoughts on that and what practical interventions we should be doing to achieve it. For example, It has been suggested to me that ‘good’ in the education process would be that the distribution of students entering the profession at the start of studies should be the same as the qualifiers as Associates and Fellows at the end. During today there are a flipcharts in the exhibition area set up to allow you to write your ideas down ~~we have created a hashtag on the convention App (#goodlooklike)~~ and you can use the e-mail address ‘president@actuarialsociety.org.za’ for you to send thoughts to.



Transformation not only requires a change in the demographic profile of the profession and a change in the ‘hearts and minds’ of us all – it also encompasses the work we do. This leads me to the last leg of my pot – RELEVANCE TO OUR SOCIETY AND THE PUBLIC.

In his 2011 Presidential Address Themba Gamedze expressed the view that we need to challenge the value we provide to society or face becoming

Relevance to society and the public

ACTUARIAL SOCIETY OF SOUTH AFRICA

- What value do we add?
- Are we valued professionals?
- Where can we add value?
- A career in the public sector?

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irrelevant. He stated “It is therefore becoming critically important for us as professionals in general and actuaries in particular to challenge ourselves vigorously about the value we provide society. In doing so, we shall find ourselves already on the road towards retaining and extending the relevance of our contribution, even in an environment of historically unprecedented change.” This is no less valid today that it was then.

RELEVANCE TO SOCIETY covers a wide range of factors and this is where I think that my statements at the time of my election as president elect of ASSA, of us being ‘valued professionals’ comes into play. We need to be adding value – being relevant - to our employers, clients and wider society. If we do not do so we run the risk of being seen as ‘technicians’ and relegated to a less influential role than we would like and what we can add will be significantly reduced – an outcome that I certainly would not want to see. Conversely, if we can demonstrate that we do add value beyond a ‘technical expertise’ we can most certainly expand our influence. I believe that we have done this well in the banking space and differentiated ourselves from other ‘quants’, but where else can we do so. For example, what can we add in the data analytics space that sets us apart from the data scientist?

Whatever roles we play and whatever influence we have here in South Africa can be exhibited in the somewhat a unique national situation where there is a confluence of the so called ‘first world’ and ‘third world’ in one nation. To some extent our influence in the past has been on the former and I believe that we have done it well. Even recent developments in Enterprise Risk and Banking probably have a weighting towards that same portion of our economy.

This we need to continue, but I believe we also need to speak far more into the latter. In order to be seen as relevant here we need to be seen as more than a privileged few who provide services to the narrow interests of established financial services but are also those who credibly speak into financial inclusion, public policy, social security, retirement reform,

national health financing and the like from an ethical and unbiased position – untainted by commercial interests. Again I refer to Themba’s presidency where in his 2012 presidential address he said ‘it is surely about time for a significant numbers of actuaries to give consideration to developing their careers in the public sector.’ This challenge remains today.

In my view this topic of RELEVANCE TO SOCIETY is fundamental to the development and growth of our profession. It is an area where Research, education and communication strategies all play a role. For example should we be changing our education and services to meet the needs of stockvels, burial societies and the more fintech versions of the shared economy.

Furthermore we need to recognise that the world of technology is racing on at an increasing pace with new technologies developing all the time. I anticipate that this will require us to rethink some of our paradigms and to open ourselves to a whole lot of new thinking. In this environment we run the risk that, unless we proactively address it we will be dealing with matters, developing solutions and training actuaries for an environment that no longer exists.

The good news though, is that I believe that the nature of actuaries and our training is such that we can cope with all of this diversity, change and ambiguity – so what may be perceived as a threat also provides the seeds of opportunity.

As a profession let us continue to grow and develop as we deliver our professional promise and seek to become increasingly relevant, especially in our nation. I look forward to these next two years and I pledge to seek to be a servant leader to this profession.

I thank you.

