

Presidential Perspective

Labour was the first price, the original purchase - money that was paid for all things. It was not by gold or by silver, but by labour, that all wealth of the world was originally purchased.

Adam Smith

Paul J Smith and Leigh Harline phrased it slightly differently in the 1937 Walt Disney production of *Snow White and the Seven Dwarfs*, with songs like "Whistle While You Work" and "Heigh-Ho". But the bottom line remains that there is work to be done in 2016.



I would like to continue using the themes of proportionality, relevance and integrity, which formed the basis of my presidential address at the 2015 Convention. And then I'll add some Disney flavour!

A WHOLE NEW WORLD

First of all, however, I have pleasure in reporting that we managed to make the three lines of proportionality, relevance and integrity meet at pilot induction sessions for recently employed student members of the Society. The concept was mooted at Council's strategic planning session in November last year. Employers that have supported the Actuarial Society Development Trust were invited to send recently employed students to the pilot sessions, which were attended by 24 and 22 delegates in Johannesburg and Cape Town, respectively.

The programme included presentations on business etiquette, communication skills, ethics and productivity. Various recently qualified members shared their experience with delegates in the "What Worked for Me" and "Study Tips" sessions, while the "What Examiners Want" and "Roadmap to Qualification" sessions provided guidance on approaching and passing exams. Furthermore, Ranti Mothapo (Johannesburg) and Karabo Morule (Cape Town) took time out of their schedules to inspire and encourage the new entrants to the profession.

In Johannesburg, 66% of the attendees rated the induction as "very valuable", 17% rated it as "valuable" and 17% rated it as "essential". In Cape Town, 70% rated it as "valuable", 15% as "very valuable" and 15% as "essential". I trust they have conveyed this to their participating employers, i.e. Sanlam, Liberty, Discovery, MMI and Gen Re, as well!



Feedback from delegates revealed a very encouraging and very strong interest in discussions and presentations on ethics. This, with other feedback, will be built into a more comprehensive and sustained programme of support for working students.

PAINTING WITH ALL THE COLOURS OF THE WIND

The President-elect is the *ex officio* Chair of the Society's Transformation Committee, and Peter Withey will formally take the reins at the next Committee meeting, which will be held on 15 February. The Committee has made considerable progress in restructuring itself, involving external stakeholders, such as a representatives from ASABA and the SAADP, and establishing a stronger working relationship with SAICA. Various members have agreed to take responsibility for different portfolios, e.g. Michael Dassie for schools outreach, Kelly Chennells for the demographic projection model, and Varusha Daljee for the coordination of university support programmes. Working with the Committee has been an exciting and encouraging experience for me, and I am sure Peter will find it as rewarding. I look forward to the fruits of the Committee's initiatives.

BARE NECESSITIES

Newspapers tend to have a section on books, and there is no compelling reason why a newsletter should be different. Those who attended the session chaired by Peter Doyle at the 2015 Convention will remember his reference to a reading list (and his stack of books on the podium). Here, with his kind permission, is Peter's list, with brief notes on each book:

- *The Great Crash 1929* by John Kenneth Galbraith (1954). Read it if you really want to understand the Great Crash and modern behavioural finance. The useful thing is that he wrote this 25 years after the crash and had a perspective on what happened and its historical significance.
- *The Great Influenza* by John M Barry (2004). Read it if you want to understand pandemics and especially to understand the risk we still face from influenza. Also read why the book is dedicated to Paul Lewis, who is described by some in the book as "the brightest man I ever met"!

- *The Black Swan* by Nassim Taleb (2007). Actuaries should read this book, even though the author expresses a loathing of actuarial work. If you really want to pursue his ideas, also read *Anti Fragile*, but this is a much more philosophical and rambling book, with moments of brilliance.
- *How Life Imitates Chess* by Garry Kasparov (2007). Read it, because it does!
- *A Ramble Through the Actuarial Countryside* by Frank Redington (1986). Read it because he really was the greatest actuary of the last century and because he inspired me to interrogate my own thinking processes.
- *Travels with Herodotus* by Ryszard Kapuscinski (2007). Read it because history is a great teacher and the author very cleverly managed to assimilate 25 centuries of history into a most readable and enjoyable book. Oh, and he also addresses the question of why the East and the West are always at war.

Happy reading!



Please share your reading lists by sending a mail to wels@actuarialsociety.org.za – we would love hearing from you!

SCALES AND ARPEGGIOS

The induction sessions were, in a sense, the precursor to the ASSA Academy, through which we intend providing better support to working students. A very meaningful and exciting next step is the online support for candidates taking A202 (Models) and A203 (Contingencies). This is provided in collaboration with Free State University. In total, 69 students will be making use of this support initiative; 16 of them will be doing both courses. I was pleasantly surprised at the enthusiasm for this initiative shown by candidates, and can hardly wait for the exam results. Unless, of course, John van der Linde shows his support by providing them with his T shirt:



The Academy will provide technical and non-technical support to all students, and will not be exclusive at all. This is part of the relevance theme: to promote diversity in the profession. Council has pledged funding towards financial support for black students who participate in the Academy programmes but all are welcome to benefit from the opportunity for additional learning support and personal development. This project will unfold as we learn from our pilot programmes, so watch this space!

BE OUR GUEST

The first IAA meetings in Africa were held in Cape Town in 1998, and coincided with the Society's 50th anniversary celebrations. The 2010 International Congress was also preceded by IAA Council and Committee meetings. November this year sees the IAA return to the Mother City, with Council and Committee meetings scheduled from 18 to 21 November. The Society's Convention is scheduled for 23 and 24 November, and we hope to retain some of the international visitors to contribute to our programme and be impressed by the calibre of work done in the South African profession! The Casualty Actuarial Society, for example, have already indicated that they would like to contribute to the Convention programme. (And don't forget to contact erik.harkema@mf.co.za if you want to travel to the Convention by motorcycle!)



Between the Convention and the IAA meetings, we shall be hosting the Fourth African Congress of Actuaries, in collaboration with the IAA. We shall also be hosting a full-day banking seminar on 22 November.

But this is February, and to keep members from growing bored, we have already scheduled a Healthcare Seminar and are finalising dates for the other practice area seminars. The Young Members' Convention will be held in Johannesburg on 10 June. And, of course, members in both Gauteng and the Western Cape will get the opportunity to chase the little white ball again.

<http://www.actuarialsociety.org.za/Newsupcomingevents/EventsCalendar.aspx> will keep you informed of all Society events.

BRING HONOUR TO US ALL

Revised versions of the Code of Conduct and Disciplinary Procedure will be circulated shortly. I would like to thank the Professional Matters Board, chaired by Nico van der Colff, and the Actuarial Governance Board, chaired by Christo Geyer, for their efforts and support in this regard.

These are such important reference points for the integrity part of my themes, and so I hope you will take some time to familiarise yourselves with the updates.

Last year also saw the retirement from the Actuarial Governance Board of two founding members, Tom Wixley and Reg Munro. Tom has been a tower of strength and so has Reg, as founding Chair. Various past presidents have done so, but I, too, would like to express my appreciation for their work, and the spirit in which they have done it.

GOOD COMPANY

At the 2015 Annual General Meeting, voting members of the Society agreed to award honorary membership of the Society to Mr Ralph Garden, who has been providing invaluable support to the Society in developing and maintaining the local education system.



I had the privilege of presenting Ralph with his certificate when he visited South Africa in December last year.

MONEY, MONEY, MONEY BY THE POUND

The IAA is considering establishing working groups on banking and big data, and requested member associations to nominate volunteers who can draft the terms of reference and other policy documents required for the functioning of these working groups. A formal announcement on the establishment of these working groups is expected at the IAA meetings in St Petersburg towards the end of May. This may result in a further invitation for member associations to nominate representatives to serve on these working groups. The Society is well represented in the IAA, and I hope we shall see this state of affairs continue when the working groups are announced.

Once again, I wish to thank all of you for the confidence you have shown in me by electing me as President of the Society. We are facing challenging times, but the challenges are exciting, and I have no doubt that, with your support, we can take the Society from strength to strength and build on the excellent and impressive work done by my predecessors. In particular, a massive thank you to Peter Temple for his guidance and support during my term as President-elect. I would also like to thank my fellow Council members for their contribution in time and input to the workings of the Society as well as the enthusiastic staff at the Society's office.

Best wishes for a joyful and rewarding 2016.

Roseanne

Roseanne Murphy da Silva
President, 2016-17.

