



PRESIDENTIAL NEWSLETTER

December 2018



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President, 2018-19

I am writing this as I travel back from attending the IAA meetings in Mexico City. In this newsletter I will reflect on the 3 most significant actuarial activities I have been involved in since my last communication – Convention, a visit to the New Zealand Society of Actuaries and the IAA meetings here in Mexico.

Convention 2018 was once again a great success and the Organising Committee, under the able leadership of Guy Chennells, deserves huge accolades for the professionalism of the event, the diversity of topics and the quality of the content. It is increasingly becoming a challenge to pick out which of the concurrent sessions to attend as there are so often more than one that one would want to benefit from. The plenary sessions were excellent. In the presentation by Alain Peddle, CEO: Ping An Health, I was amazed at the numbers that he showed on the size of the Chinese economy. I was also struck in his presentation by how education is a cornerstone of Chinese success and how this exhibits itself in a

passion for self-education. Something that we can all no doubt benefit from – after all that is the foundation for CPD. Thuli Madonsela's closing address was both challenging and inspirational. Two items in particular stood out for me. That we need to be careful when something may well be legal but is it right and fair; and, that every generation has an opportunity and responsibility to make the next chapter of its community better than the one before – that we need to put the public interest before our own self-interest.

A key feature of a profession is the element of serving the public interest and Thuli's presentation clearly spoke

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into that. My own observation within the wider profession is that there seems to be a renewed focus on this. In the case of ASSA we believe that this needs to be reflected in the day to day work and behaviour of our members but in a wider organisational sense we believe that there is a need for us to increase our focus on seeking to identify where our skill set can add value to the public sector and related debates. As result it has become one of our six strategic priorities and we are actively seeking to establish structures to help achieve this.

Also at the convention there was an interesting session that was organised by ASABA where we were addressed by Andries Nel, Deputy Minister of COGTA, on the potential role for actuaries to play in municipalities. He flagged that there are a number of municipalities in the country that are performing poorly. He suggested that actuaries could as partners bring to municipalities financial management and controls, skills and skills training, risk modelling and management, assessment of alternative funding sources, and dealing with impacts of urbanisation. An interesting discussion followed. In my own notes I wrote down "You cannot be a full professional if you do not understand the society in which you operate". This is a challenge to me personally but also to us as a profession.

My last comment on convention is that it was great to see a continued interest in the 'diversity and inclusion' sessions that were presented by Nene Molefi. These followed on from the sessional meetings and sessions at convention last year. These conversations are essential if we are to develop diversity in our profession such that every member feels welcomed, appreciated and inspired to succeed and contribute. However, we are not waiting

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for conventions only for this and have run other transformation sessions in the year, my only disappointment being that they were less well attended than I would have hoped. As we offer more of these sessions and workshops in the year ahead I want to encourage members to attend and contribute, especially those who would historically fall into the 'advantaged' groups - I have personally found this engagement to be enriching.

One actuarial association that has made significant strides in area of public sector is the New Zealand Society of Actuaries. A significant proportion of their members work in the Public Sector, specifically in the Accident Compensation Commission, the department of social welfare and the department of children. I was invited to attend the NZSA biennial conference held in the spectacular setting of Queenstown, where a number of presentations were made by actuaries in this area and afterwards meet with these actuaries to better understand what they do.

There are a number of learnings from this trip that I will be bringing into the Public Sector initiatives of our own. For me one of the most interesting of these is that while the actuarial involvement started in the areas of valuing and pricing of Accident Compensation and Social Welfare systems they are now evolving into using analysis of data and modelling



to seek to measure 'welfare' and the impact on this of different interventions. This is particularly relevant in the latest area that actuaries have become involved in, the Ministry of Children, where the focus is on the social support for vulnerable children. While at their conference I was also asked to present on "actuaries in banking" and "outcomes based CPD" - two areas where ASSA is being seen as leaders in the field. I have found these interactions between our two associations to be engaging and mutually beneficial.

Turning now to the IAA meetings here in Mexico City. The IAA in its current form of an association of associations has been in existence for 20 years and has grown from 39 full member associations and 19 Associate member associations in 1998 to 74 full member

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and 26 associate member associations today. The Actuarial Society of Nigeria was the 74th full member association and the Actuarial Association of Ecuador the 26th associate member, with both being admitted at this council meeting. As the organisation has grown so has its size and reach and its complexity. The organisation is therefore currently going through an extensive process considering how it might restructure to improve efficiency and effectiveness. The general direction of the discussions appear to be crystallising around three primary functions of Influence (Develop relationships with key supranational institutions, providing actuarial expertise on issues of relevance in global forums), Assure (Support the development of the actuarial profession worldwide and promote appropriate professional/education standards through Member Associations) and Advance (Promote

the advancement of scientific knowledge and the skills of the actuarial profession). While ASSA plays a role in all these areas and are a significant player in the IAA, despite our relative size, we are particularly well represented in the last space and I would consider us to be one of the more ground breaking members of the organisation. This is particularly evident in Banking and at the meetings ASSA in conjunction with the IAA Banking Working Group presented a half day seminar on actuarial involvement in Banking with a particularly interesting presentation regarding Big Data in banking by Pravin Burra. The restructuring discussions will continue well into next year and I will keep members informed on how they develop.

Let me close this newsletter with my other personal key topic - that of quality of work. What is clear to me is that quality work is critical to the reputation and standing of the profession but it cannot be regulated by process or by command. Quality work needs to be a fundamental part of the “DNA” of each actuary that is achieved by personal commitment and not by any organisational overlay. So I will close with my challenge I left at the end of my presidential address at convention. “Be constantly vigilant in all

that we do to ensure that we meet our professional promise to render quality services through specialist and up-to-date actuarial knowledge and expertise and to continually demonstrate ethical behaviour.” In this way I believe that we can fulfil what Thuli Madonsela challenged us with - to make the next chapter of our community better than the one before.

I wish you all a great year end break. 

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