

2015 Year in Review

Extending our influence



**Actuaries
Institute**

A matter of influence

Introduction

2015 saw actuaries extend their influence on business, society and government. With new technology disrupting traditional products, and policy makers grappling with how best to fund an ageing population, expert analysis of risk is highly sought after. The key skill of an actuary – to assess future uncertain outcomes – is uniquely placed to add value here.

Actuaries have built a solid reputation as sharp analytical and technical operators. In 2015, the Institute worked to further this brand; assisting Members to expand and take advantage of their diverse skill sets.

The *See what we see* Campaign bolstered ‘Brand Actuary’ around Australia and abroad with dynamic advertising showcasing innovative work within the profession. Actuarial talent, knowledge and thought-leadership was further captured and shared through *Actuaries Digital*, the profession’s online magazine which focuses on actuaries and the industries they work in.

The marketplace for actuarial jobs is evolving and competitive. That’s why the Institute is facilitating learning and networking opportunities in new fields like banking and data analytics. Institute working groups and events in 2015 explored new ways to harness actuarial skills, and train and develop risk and finance professionals in these areas. The Institute is committed to educating the next generation of actuaries and looks forward to rolling out stronger CPD programs that will advance the profession.

It remains essential to our professional recognition that actuaries engage with industry and government on relevant and important social issues.

Faced with complex problems affecting financial industries and societal structure, actuaries continued to provide trusted, sound advice through policy submissions and expert analysis in 2015. Detailed analysis of population and income data in the Institute’s *For Richer, For Poorer* White Paper saw actuaries collate and organise data to distil meaningful insights into Australia’s retirement income system. This research was lauded by key decision-makers and made an important contribution to wider community debate.

The 2015-17 Strategic Plan has laid the foundations for greater engagement with Members. This will ensure actuaries are in the best possible position to take advantage of future challenges and opportunities, to extend their influence in 2016 and beyond.



Guy Debelle, Estelle Pearson, Wayne Byres and David Bell – Banking on Change Seminar, September 2015



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HQ Review

From the President

Estelle Pearson, Institute President 2015

I feel privileged to have been President of the Actuaries Institute for 2015. Over the course of the year I had the opportunity to meet with lots of Members and gain a greater understanding of our diverse profession. 2015 reinforced to me that actuaries bring unique and valuable skills to the industries they work in, and to the greater Australian community.

2015 was a year of increased engagement with Members and I'm energised to have witnessed actuaries taking an active interest in policy debates and new fields of work in which their skill set adds value.

While actuaries remain trusted advisors in the core fields of general and life insurance, having a clear vision for our profession moving forward is important. The 2015-17 Strategic Plan, set in motion by Council and 2014 President Daniel Smith, was finalised and approved in March 2015. This major achievement has given Council and Institute staff a platform to engage with, and focus on, to drive activity. Having a new refreshed strategy has enabled a high level of engagement by Members as well as Council Members.

A clear highlight in 2015 was the Institute's public policy work in retirement incomes, culminating in the release of the *For Richer, For Poorer* White Paper. The resulting attention from policy makers and the media demonstrated how actuaries can lead and influence important debates for the whole Australian community, not just within the actuarial community. It enhanced our reputation and our relevance and I think that a lot of Members appreciated the Institute making measured comments in a difficult debate. At the core of our profession is the public interest and, because of our objectivity, actuaries have lots to offer public policy in areas where we are expert. Actuaries are able to put well thought-through research and evidence based information into debates that are often difficult and emotional. 2015 saw the Institute develop a very strong public policy framework

which will assist it to move forward in 2016. 2015 also saw many 'firsts' in the way of events to acquaint actuaries with new areas of potential employment opportunities. The establishment of the Data Analytics Working Group saw the Institute take its first steps in terms of building the network and profile of actuaries in the data analytics community. Running the first Data Analytics Seminar – which was a sell-out event in Sydney – shows how much interest there is from Members in the field. Running a Kaggle Competition also helped to get Members engaged and energised in that area. There is still much to be done to up-skill and embed actuaries in wider fields including data analytics and the CPD framework that will be released in 2016 will go some way to help Members in doing this.

2015 also saw greater understanding and engagement of what Council and the Institute do. This continues our focus on being transparent and previous work to open up the workings of the Institute Council and Council Committees to the membership. A new process was established to let Members know what is coming up on the Council agenda so they can provide input prior to the meetings. Together with the President's report back to members after the Council meeting, I believe this has really helped make Council more accessible to the membership.

I am also pleased by the conversation we've started to have about diversity in the profession. Strong interest and support for diversity in the profession has been shown by the membership, and by our own 'champion for change' CEO David Bell who pledged to try and ensure that all Institute conferences have at least a third of the speakers being women.

It is important to reflect the diversity of the profession and Institute membership in its events and publications and next year I hope to see the activities of our Asian members further represented and supported.



“The release of our *For Richer, For Poorer* White Paper enhanced our reputation and our relevance and demonstrated how actuaries can lead and influence important debates for the whole Australian community.”

Overall I am very impressed with how enthusiastic many of our members are; there are many unsung heroes who selflessly volunteer a lot of their time to the profession and so big thanks must go out to them. The Institute held over 150 events in 2015, processed hundreds of membership subscriptions, inquiries and education results. This all takes planning and administration and my thanks go to Institute HQ staff for the wonderful work they do here to support the profession.

Estelle Pearson
President

From the CEO

David Bell, Institute CEO

2015 was a year of achievements and strong leadership by the actuarial profession in Australia. With a new Strategic Plan for 2015-17 approved by Council in March, the Institute began working toward achieving the five goals in the plan.

What were the top three Institute achievements of 2015 and how do they advance the Strategic Plan?

It's hard to single out just three. The following do come to mind though.

The completion of the review into the CPD program was completed and Council agreed to funding the program in 2016. The Institute looks forward to providing Members with an update on progress on this important component of Goal 1 of the Strategic Plan which is focused on better education and lifelong learning.

The successful launch of *Actuaries Digital* has been a strong feature of the Institute's communication work this year and is a major component of Goal 2 of the Strategic Plan aimed at improving engagement with Members.

A key focus under Goal 3 of the Strategic Plan was to influence key decision-makers and opinion-leaders so that actuaries become more widely known for the critical work they do in business.

The Financial Systems Inquiry, led by David Murray, featured actuaries in the Secretariat supporting the work of Treasury. One of the key recommendations of the Inquiry, which was central to the Institute's policy submission, was that the superannuation system should have a clear objective enshrined in legislation and reported on.

The launch of the Institute's White Paper, 'For Richer, For Poorer'. This was a highlight of our public policy work this year and added to the policy papers we have published on the

challenge the country faces because of an ageing population.

Key submissions were made on the Tax White Paper, the Intergenerational Report and the Productivity Commission's review of home equity release. None of this work could have been done without the support of the Public Policy Council Committee and other Practice Committee members and volunteers.

Finally, under Goal 5 – *extending practice reach* – the great start-up work of the Data Analytics Working Group (including its first ever seminar) has been a strong feature this year.

What key challenge faces the profession and how do we tackle it?

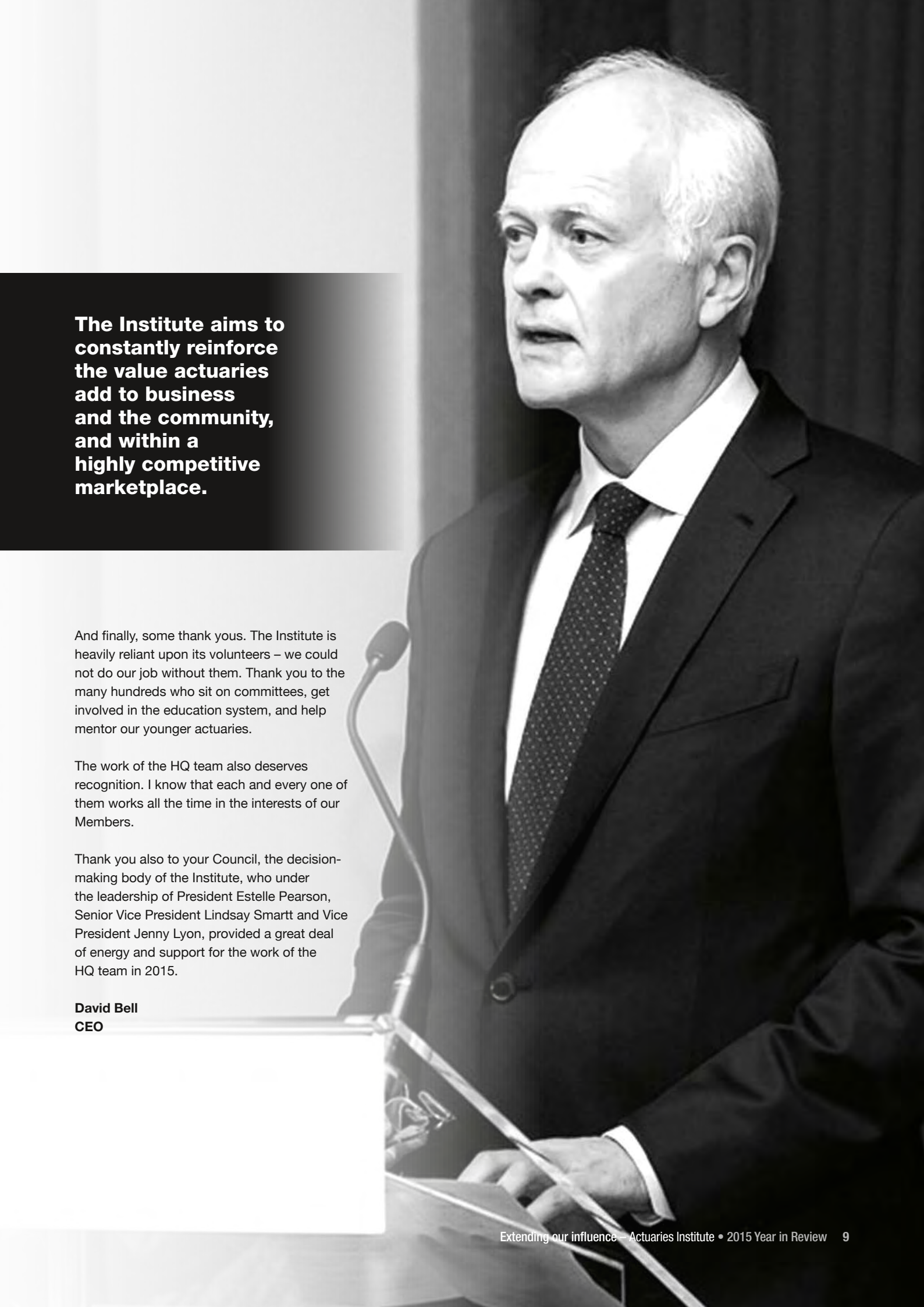
One of the key challenges of the profession is to ensure that actuaries are well placed for jobs in a competitive and evolving market. Being part of a strong and well respected profession is a clear advantage. There is a continuing need for the Institute to ensure that the clear value that actuaries add to business, and to the community, is understood.

What do you hope to see the profession achieve and develop in 2016?

Next year will be the mid-point of our 2015-17 Strategy. One of the areas I will be placing personal energy into is making sure we commence delivering on Goal 4 – *extending our reach into Asia*, where some 15 per cent of our Members work.

The focus is always about providing Members with great value and service for the fees they pay. I always enjoy working with the HQ team to make sure we deliver that. A key part of doing that for me is interacting with Members and hearing their views.

It has also been personally satisfying to see the new strategy begin to be implemented with positive results.



The Institute aims to constantly reinforce the value actuaries add to business and the community, and within a highly competitive marketplace.

And finally, some thank yous. The Institute is heavily reliant upon its volunteers – we could not do our job without them. Thank you to the many hundreds who sit on committees, get involved in the education system, and help mentor our younger actuaries.

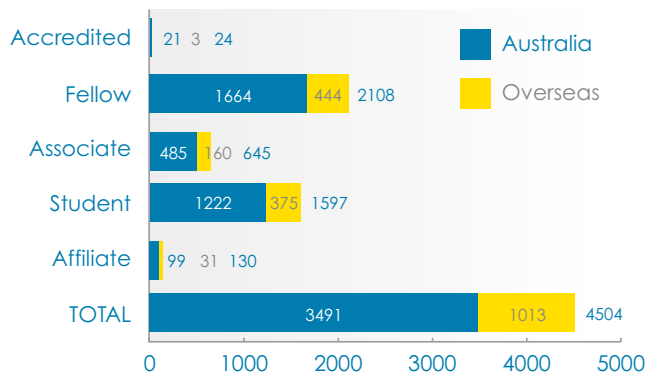
The work of the HQ team also deserves recognition. I know that each and every one of them works all the time in the interests of our Members.

Thank you also to your Council, the decision-making body of the Institute, who under the leadership of President Estelle Pearson, Senior Vice President Lindsay Smartt and Vice President Jenny Lyon, provided a great deal of energy and support for the work of the HQ team in 2015.

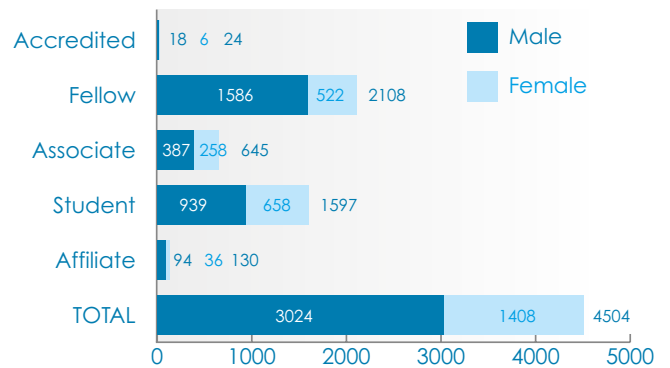
David Bell
CEO

Membership Statistics and Demographics 2015

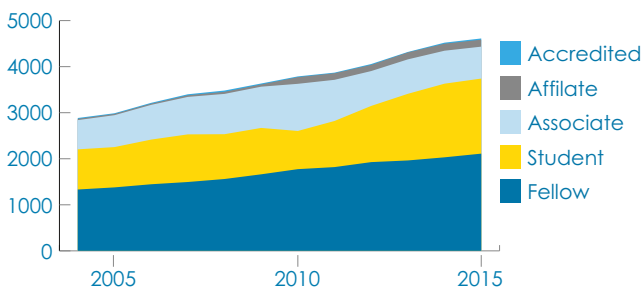
Members by Member Type



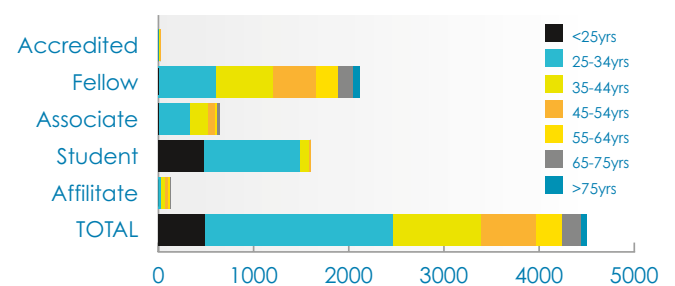
Members by Gender



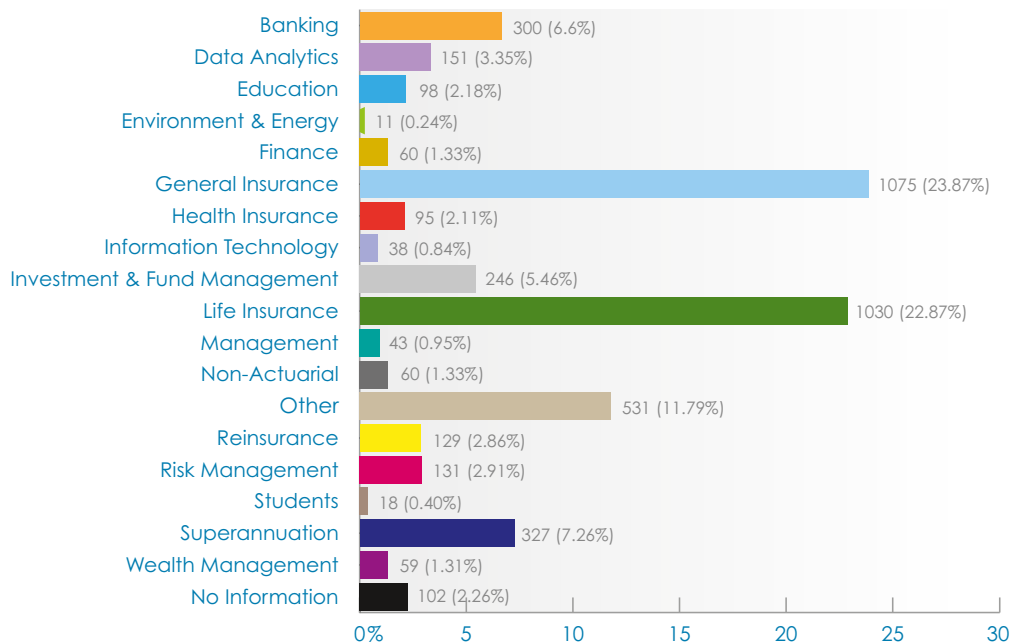
Membership Growth by Member Type

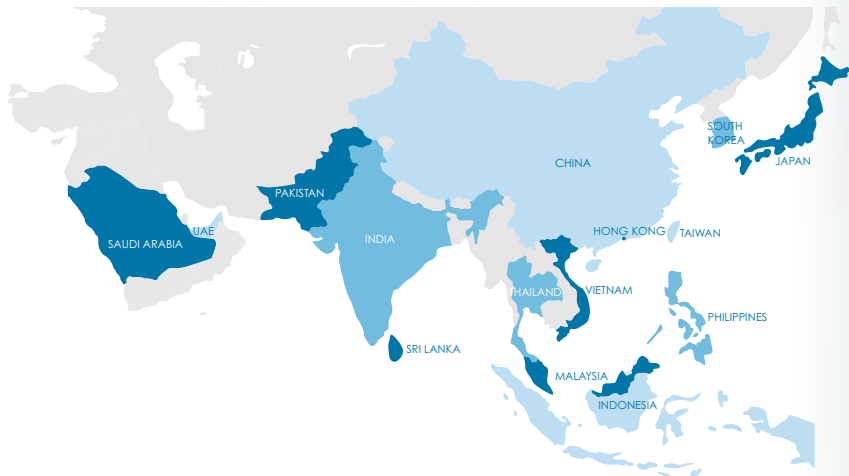


Membership by Age



Membership by Primary Practice Area





Members in Asia

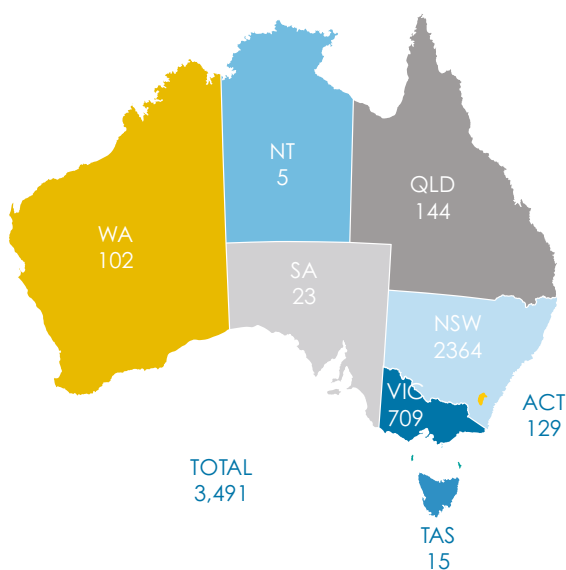
Hong Kong	220
Singapore	116
China	94
Malaysia	89
Thailand	27
Indonesia	13
Japan	11
South Korea	9
India	5
Vietnam	5
Sri Lanka	3
Pakistan	2
Philippines	1
Saudi Arabia	1
Taiwan	1
United Arab Emirates	1
TOTAL	598

Members in the rest of the World

New Zealand	171
UK	150
US	38
Switzerland	11
Canada	8
South Africa	6
Germany	5
Ireland	5
Netherlands	3
Spain	3
Bermuda	2
Fiji	2
France	2
Israel	2
Norway	2
Denmark	1
Hungary	1
Lesotho	1
Mauritius	1
Scotland	1
TOTAL	415

Institute membership is diverse and far reaching and serves to promote our international influence.

Members by State



Strategic Plan 2015-17

Goal 1	Actions
Best practice education and lifelong learning Update and modernise qualifications, making them more widely valued and relevant to the region, and build a stronger CPD program.	<ol style="list-style-type: none"> 1. At a high level, define, agree and promote the skills required by an actuary of the future to be in demand domestically and internationally. 2. Design and commence implementation of a commercially-sound CPD program aligned to Member and industry needs in Australia and Asia. 3. Align Parts I & II content, teaching methodology and assessment to deliver the skills required by future actuaries and maintain international recognition. 4. Review and enhance Part III curriculum to meet current and anticipated employer needs and provide career development opportunities. 5. Review and modify internal procedures and systems to facilitate growth.
Goal 2	Actions
Improved Member and student engagement Increase relevance by improving engagement with Members and students.	<ol style="list-style-type: none"> 1. Increase Council and committee accessibility to improve transparency. 2. Encourage diversity on, and participation in, committees, working groups and taskforces. 3. Improve service to Members by understanding their needs and interests. This will be achieved by enhanced analysis of available Member data to develop tailored value propositions for each group. 4. Individualise communications to increase relevance.
Goal 3	Actions
More influence and better known Have a significant influence on a range of decision makers and employers, on a range of critical topics, where we have credibility.	<ol style="list-style-type: none"> 1. Develop thought leadership for key long-term themes relevant to the profession. 2. Attentive engagement with corporates, governments and opinion leaders to understand emerging issues relevant to the profession. 3. Develop integrated policy, media, CPD and research strategy to raise awareness of profession's expertise and contribution to business/society. 4. Speak out on areas of public interest where Institute can add expertise. 5. Raise awareness of actuaries' work and value-add to business/society.
Goal 4	Actions
Reach further in Asia Build stronger relationships with Members and other stakeholders and be a supplier of choice of the local actuarial societies in Asia for CPD.	<ol style="list-style-type: none"> 1. Enhance our regional connections with a range of stakeholders, particularly local actuarial associations. 2. Develop an enhanced and highly professional CPD offering across a wide range of topics. 3. Market our CPD offerings to Members, local professional actuarial associations and other relevant professions. 4. Enhance and maintain a strong country network and our knowledge of country-specific CPD needs.
Goal 5	Actions
Extend practice reach Extend the reach of actuaries within the data analytics and banking sectors.	<ol style="list-style-type: none"> 1. Increase awareness (including of the profession, employers and media) of the opportunities for actuaries in the sectors. 2. Engage with employers to highlight the value the profession can bring to the sectors and identify any additional skill sets required of actuaries to succeed in those sectors. 3. Design relevant education programs to develop desired skills and provide transitional pathways between current and emerging practice areas.

With the new Strategic Plan approved by Council in March, the Institute, on behalf of its Members, began working toward its ambitious vision with positive results.



Your Council in 2015

Council's role traverses numerous issues affecting the profession and members. In 2015, some of these included:

- education strategy and a CPD development plan;
- international strategy, particularly in Asia;
- risks for the profession and the business;
- marketing of the profession and reviewing member feedback through surveys;
- oversight of the financial management of the Institute and reviewing relevant policies;
- the role of the Appointed Actuary in life insurance;
- revised policy principles and a new policy on the economic implications of climate change; and
- mutual recognition agreements with the Actuarial Society of South Africa and the Canadian Institute of Actuaries.

The reports provided to Members after each Council meeting have been very well received and provide an opportunity for Council to regularly keep Members up to date on what Council is doing.

Governance Review Taskforce

The Governance Review Taskforce – which was formed in 2014 – made a number of recommendations to Council in the areas of communication, engagement and governance. Those recommendations were carefully considered by Council and, in the communication and engagement areas, a number of initiatives have already been implemented which are reflective of the Taskforce's recommendations. Others have been built into the Strategic Plan 2015-17 discussed above.

As to the Taskforce's recommendations on governance, proposed Constitutional changes have been released and a vote on final proposed changes is expected to occur at the 2016 Annual General Meeting.



Estelle Pearson
President



Lindsay Smartt
Senior Vice President



Jenny Lyon
Vice President



Andrew Brown



Hoa Bui



Peter Carroll

**Influencing
your
Institute's
future.**



John Evans



Michael O'Neill



Chao Qiao



Barry Rafe



Lisa Simpson



Andy Yang

Education

Developments in Education and CPD during 2015 were led by two key groups: the Education Council Committee (ECC) whose members are from a range of practice areas, including the universities, and the HQ Education Team.

Education Council Committee

Accredited Universities

Bond University was provisionally accredited by the Institute in late 2014, and started to deliver courses as part of its recognised actuarial program in 2015.

This adds Bond to the six universities who are fully accredited by the Institute: Macquarie and UNSW in Sydney, Melbourne and Monash in Melbourne, ANU (Canberra) and Curtin (Perth). During 2015 the Institute has continued to meet and consult with each of the universities on a regular basis.

New Accreditation and Exemption Policies

The Institute's accreditation policy defines the criteria and processes around accreditation of universities to deliver Part I and (some unis) Part II subjects. The exemption policy sets out the rules for students receiving exemptions for study at university.

Both of these policies were reviewed and revamped during 2015 – which involved consultation with the universities and other stakeholders, as well as research about university accreditation programs of similar membership organisations. The new policies were approved by Council in September 2015.

The new policies take an approach focused on:

- Constructive partnership between the Institute and the universities.
- Quality of teaching and continuous improvement.
- Student experience and outcomes.

International Actuarial Association (IAA) Syllabus changes

Among other things, the IAA defines a 'standard' educational syllabus; this defines the minimum educational requirements for a 'Fully Qualified Actuary' – which in Australian terms is Associate level. The syllabus applies to all member associations of the IAA – which includes all of the world's major actuarial organisations.

The IAA proposed a revised syllabus in early 2015. The major change is the addition of a new learning area: Data and Systems. Other new material relates to personal and professional

The expertise, passion and commitment of our volunteers is exceptional. They should be very proud of the skilled Associates and Fellows who graduate from the education program.



Estelle Pearson (centre) with award recipients – Melbourne Graduation Dinner



practice (communication, decision-making etc).

The Institute consulted with universities, relevant committees and members about the proposed new syllabus, and provided feedback to the IAA. Overall we are supportive of the direction of the syllabus and the introduction of the new learning area in data science.

The IAA is hoping to sign off its new syllabus in the first half of 2016, with a view to implementation in 2018. Once the new syllabus is settled, the Institute will work with accredited universities to determine a timeline for phasing it in.

ERM

As part of a focus on continuous review and improvement, the Risk Management Practice Committee has reviewed the content and delivery of the ERM Workshop (currently a two-day format). A revised structure and format have been designed, to better meet students' needs while continuing to satisfy the criteria for CERA accreditation. A new one-day facilitated workshop, supported by a structured online discussion forum aligned to the ST9 content, was approved by ECC and will be implemented in 2016.

Part III exams: removal of Multiple Choice Question

The Board of Examiners and ECC met in July to review the Part III assessment structure, after the full implementation of the structure of 10% Discussion Forum participation, 20% Multiple Choice Question (MCQ) exam and 70% Long Answer Question (LAQ) exam.

Concerns were raised about the relative value of the MCQ component: primarily that with MCQs it is difficult to effectively assess the application of judgement (a key component of Part III assessment). The ECC has subsequently approved a new assessment structure without the MCQ element: 10% Discussion Forum and 90% LAQ exam. This new format will be implemented across all subjects in Semester 1, 2016.

Thanks to our Education Volunteers! ECC and the HQ Education Team continue to be very grateful for the many Education Volunteers – members of committees and working groups, the University Accreditation Panel, External Examiners, Course Examiners, Course Developers, Course Tutors, Exam Writers and Markers, Discussion Forum Moderators, etc.

The Actuaries Institute could not run its education program without their expertise, passion and commitment, and they should be very proud of the skilled Associates and Fellows who graduate from the program. For a full list of 2015 Education Volunteers, please see page 46.

Gae Robinson
Education Council Committee Convenor



Matthew Legg, Sacha Fitz Henry and Kirsten Flynn (below), Sydney Graduation Dinner, February 2015

International

In 2015 the International Council Committee (ICC) worked with Council and HQ to ensure that ICC's activities were aligned with the Institute's Strategic Plan. ICC's activities span across all five goals in the Strategic Plan, particularly Goal 1 (Education) and Goal 4 (Asia Strategy).

The Actuary of the Future

ICC member Bozenna Hinton continued to work with John Shepherd and overseas actuaries to design and gain acceptance of a new syllabus for the International Actuarial Association (IAA). The new syllabus will help position future actuaries to work in wider fields in addition to the traditional fields of life, superannuation and general insurance. The Actuaries Institute, as a member of the IAA, will be required to conform to the new syllabus framework. Pleasingly, the IAA's perception of the education requirements for the *Actuary of the Future*, align with Australia's views. It is anticipated that new syllabus will be signed off in the first half of 2016, with a view to implementation in 2018.

Mutual Recognition Agreements – Globetrotter Appeal

One of the attractions for students to enter the actuarial profession is that skills are generally transferable to other geographies and hence there is the opportunity to work overseas. The ICC facilitates international mobility of Australian actuaries through Mutual Recognition Agreements (MRAs) with overseas associations.

In 2015 the Actuaries Institute signed an MRA with the Actuarial Society of South Africa (ASSA), which means that subject to a period of local experience, Australian actuaries can readily practice in South Africa.

IAA Meetings

The 2015 IAA meetings provided an opportunity for Australian delegates to further relations with other organisations, cooperate on projects and influence outcomes. For example:

- At the President's Forum at the Vancouver IAA meeting in October 2015, Vice President Lindsay Smartt raised the issue of actuaries

working in data analytics as a topic for the next President's Forum. His suggestion was well received.

- The IAA is quite active in developing risk management papers and guidance notes – these can be utilised in Australia.
- The Actuarial Society of South Africa successfully launched a 'Part 3' course in banking in 2015. If the Actuaries Institute were to follow a similar path, we would have the opportunity to collaborate and leverage off their experience.

International Public Policy

Journalists and policy-makers are always interested in information about overseas developments in relevant areas. In October a paper entitled 'The Challenge of Longevity Risk – Making Retirement Income Last a Lifetime' was published. This paper was a joint project of the Actuaries Institute, the UK Institute and Faculty of Actuaries (IFoA) and the American Academy of Actuaries. The theme is clearly relevant to Australian policy-makers right now, and the paper has already received media mention. In quarter one next year, the IAA is due to release a paper entitled: 'Determination of Retirement and Eligibility Ages: Actuarial, Social and Economic Impacts'. Again this paper will provide opportunities for public dissemination.

Asian Influence

Key activities relating to Asia included:

- Several members of ICC participated in the Taskforce that prepared a briefing paper for Council's consideration, leading to the formulation of our Asian strategy.
- At the October 2015 meeting of the IAA in Vancouver, ICC representatives discussed the opportunities for joint CPD offerings in Asia, with colleagues from the IFoA, the Society of Actuaries and the Casualty Actuarial Society.
- Jules Gribble was appointed as the Actuaries Institute representative on the Asian subcommittee of the IAA's Advice and Assistance Committee.

There are increasing opportunities for actuaries to work overseas to diversify their experience and knowledge base.

International Risk

A paper was presented to IAA's Council meeting on the risks facing the IAA. The paper was comprehensive, dealing with IAA's Risk Management Framework, Risk Appetite Statement, initial assessment of risks facing the IAA and advice on effective risk management implementation. The paper was very well received and is a credit to its Chairman, Actuaries Institute Member, Jules Gribble.

Looking forward

Through their involvement with a number of IAA Committees and Working Groups, ICC members will be seeking to assist HQ in developing CPD initiatives with international appeal in 2016. Possible topics include mortality, global insurance capital standards, International Standards of Actuarial Practice, international accounting standards and risk management. These CPD offerings are likely to be relevant in Asia as well as Australia.

The ICC looks forward to progressing current initiatives and working on new projects in 2016 to collaborate with our international colleagues, leverage from opportunities and promote the Australian profession.

Martin Stevenson
International Council Committee Convenor



Fred Rowley, IAA President

Leadership and Career Development

The Leadership and Career Development Committee is responsible for:

- Promoting to members the importance of managing their career path and of thinking more broadly about the notion of career.
- Raising awareness of the value of developing leadership and communication skills to members.
- Raising awareness of the leadership capabilities of members of the profession to stakeholders. This includes employers, government, professional bodies, members, new entrants to the profession – school leavers and university students.
- Encouraging interaction with other professionals for purposes of interdisciplinary education and relationships.
- Advising Council on recommended leadership initiatives.

Leadership Forums and *Actuaries Digital*

In 2015, the Committee arranged a number of leadership forums, with a range of internal and external speakers. In addition it has ensured events across all practice areas had a strong, relevant leadership component. A monthly leadership column entitled 'Actuaries Taking the Lead' also appeared in *Actuaries Digital*, covering a wide range of topics.

High School Program and Careers Forum

Continuing to support the high school program in which actuaries can present to careers advisers and senior high school students about becoming an actuary, is a key focus for the Committee. The program materials were revised in 2015 and there was a very strong response to call for interest from members of the profession to assist with visits over 2015/2016.

A forum for Careers Advisers was held for the first time in 2015. More than 120 participants attended the event at HQ to hear from CEO David Bell, Deputy CEO and Head of Public




Policy Elayne Grace, Brian Chu, Lecturer at Macquarie University, and a number of actuaries at different stages in their careers including four Members of the Committee who either delivered a presentation and/or took part in the 'speed information sessions' about actuarial careers.

Mentoring Program

The Mentoring Program, established in 2013, continued to grow throughout 2015. Comprehensive feedback was also sought from those who participated in the 2014 program, both as mentees and mentors, in an effort to continually improve and tailor the program to their needs. The program continues to focus on supporting these relationships, and encouraging mentees to take initiative in organising and managing the process.

Top: Actuary Brian Chu (Macquarie University presenting at the Careers Advisers Forum in October 2015'

Below: Jennifer Lang and Natalie Eckersall – Leadership Forum on 'Jumping the Crevasse from Technical to Leadership'



Our careers advice programs actively promote our profession to young students as a significant career path option.

Committee Membership

Following the resignation of four members towards the end of 2015, expressions of interest were sought to fill the vacancies, ensuring that the Committee extended its focus and had diversity in age, gender, practice area and location.

Thank you to Trang Duncanson, Martin Mulcare, Scott Reeves and Nicole Westoby who were members of the Committee for several years, each having made very valuable contributions.

Welcome to Niki Appleton, Neil Ch'ng, Bill Konstantinidis, and Yongjie Qi, we look forward to working with you.

Looking Forward

The Committee recognises the challenges in ensuring that its activities are directly relevant to the needs of the profession across a spectrum of skills and experience. We will continue to engage with Members and other Committees to ensure our activities are fresh and relevant for the changing needs of the profession in 2016 and beyond.

Louise Campbell
Leadership and Career Development
Committee Convenor

Research

The Research Council Committee (RCC) was established to:

- Oversee development of the Actuaries Institute research activities.
- Facilitate research activities that support and promote the profession.
- Oversee and award prizes relating to research activities.
- Oversee and award direct research grants.
- Oversee the management of the Australian Journal of Actuarial Practice (AJAP).

A major review of the RCC was undertaken in 2015 by Council, and in view of the likely effect of budgetary constraints on the amount of funding that could be provided to the RCC, and the need to direct funding to support the work of the PPCC, Council accepted the recommendation to wind up the RCC.

The RCC was formally wound up by Council in September 2015.

Research Grants

Due to the winding up of the RCC, no grants were made in 2015, but the RCC continued to financially support research grants made in 2014.

Prizes

The Melville prize was not awarded in 2015, and responsibility for management of the Education prizes was transferred to the Education Council Committee.

Australian Journal of Actuarial Practice

The AJAP was established in 2013 as a successor the Australian Actuarial Journal to include more emphasis on papers with relevance to practitioners. The AJAP has published three editions since then.

The AJAP Editorial Committee reported through the RCC for governance purposes and the Editor was a member of the RCC.

Following the winding up of the RCC, the



AJAP Editorial Committee was made a 'self-governing body'. This is consistent with the approach taken in terms of the Actuaries Digital Editorial Committee. It is supported by the Communications & Marketing Team, which currently produces the AJAP and supports the Actuaries Digital Editorial Committee.

The members of the Editorial Committee are Colin O'Hare (Editor), Anthony Asher, Bridget Browne, Timothy Kyng, Rade Musulin and David Pitt.

Membership

The members of the RCC during 2015 were John Evans (Convenor), David Koob (Deputy Convenor), Anthony Asher, Richard Fitzherbert, Sally Galbraith, Peter Mulquiney, Colin O'Hare and Rick Shaw.

John Evans
Research Council Committee Convenor

Prizes and Awards

Melville Actuaries Summit Prize

No prize was awarded for papers presented at the 2015 Actuaries Summit.

Taylor Fry General Insurance Seminar Silver Prize

Jon Harwood, Sharanjit Paddam, Andy Pitman and Jessica Egan were awarded the Taylor Fry General Insurance Seminar Silver Prize for their paper Can Actuaries Really Afford to Ignore Climate Change? presented at the Actuaries Institute General Insurance Seminar held from 17 to 18 November 2014 in Sydney.

The Silver Prize is awarded to author(s) of a paper considered by the judging panel to have:

- effected significant advance in the profession's understanding or knowledge of a specific subject or sphere of knowledge; or
- collected or presented existing material in such a way as to raise the awareness of the profession regarding an important contemporary issue.

This paper was judged to have presented information about climate change in such a way as to raise the awareness of the profession regarding an important contemporary issue.

The independent judging panel included members from the Institute's Research Council Committee (RCC), the General Insurance Practice Committee (GIPC) and one other participant on recommendation from the GIPC. All members of the judging panel were independent of Taylor Fry. The recommendation from the judging panel was approved by the RCC on 30 March 2015.

The monetary value of the prize is \$2,500. The prize was presented at the Institute's Annual General Meeting on 30 April 2015.










Sharanjit Paddam, Jessica Egan, Jon Harwood (from Taylor Fry) with Andy Pitman (separate photo) with Estelle Pearson



Taylor Fry Injury Schemes Seminar Silver Prize

At the time of printing (February 2016) the independent judging panel were still reviewing eligible papers from the 2015 Injury Schemes Seminar.

Education Prizes

Recipient	Course	Practice Area	Prize
John Uy 	C2A	Life Insurance	Andrew Prescott Memorial Prize for Meritorious Performance
Arthur Kong 	C2B	Life Insurance	Andrew Prescott Memorial Prize for Meritorious Performance
Qifeng Sun 	C3A	General Insurance	Katherine Robertson Memorial Prize for Meritorious Performance
David Barnes 	C3B	General Insurance	Katherine Robertson Memorial Prize for Meritorious Performance
Daniel Rose 	C5A	Investment Management & Finance	Andrew Prescott Memorial Prize for Meritorious Performance
Fiona Tsang 	C6B	Global Retirement Income Systems	Andrew Prescott Memorial Prize for Meritorious Performance
Shirley Weng 	C10	Commercial Actuarial Practice	Andrew Prescott Memorial Prize for Meritorious Performance

Public Policy

2015 has been an interesting, productive and engaging year in public policy. It is great to see the increasing influence the actuarial profession has on decision makers on such a range of critical topics, reflecting the diversity of areas that we practice in. Topics have ranged from developing a policy position on the economic impact of climate change to a White Paper comparing Australia's wealth and retirement income across the population. It is important to ensure the views put forward represent the broad membership and this is achieved by working closely with Public Policy Council Committee's (PPCC), chaired by Michael Rice and with the Practice Committees.

For Richer, For Poorer

David Murray launched the Actuaries Institute's White Paper entitled *For Richer, For Poorer* in September 2015. The paper analyses a cross-section of age, gender, income and marital status inputs to build an intergenerational profile of the superannuation and retirement income system. This paper was written by Rice Warner in collaboration with a superannuation control group and HQ. We received two days of positive press coverage including ABC TV news.

The report was also sent to key Federal ministers and opposition MPs, as well as Treasury officials, and was followed up with personal briefings down in Canberra.

The report's publication will give us additional credibility to continue to offer expert, factual and unbiased commentary on one of the most important public policy issues currently being debated – the future of our retirement income



White Paper launch – David Bell, David Murray, Estelle Pearson, Michael Rice

system, and related issues of the impact of an ageing population. It builds on an effort commenced in 2012 with the publication of the White Paper 'Australia's Longevity Tsunami – What Should We Do?', and the Green Paper 'Who Will Fund Our Health?' at the end of 2014.



During the press conference, David Murray said some very complimentary words about the profession:

"And so today I would like to express my thanks to the Institute of Actuaries. This is a very important body of people. I don't know how many actuaries we have in the room but it's an extraordinarily demanding qualification to get. It is probably one of the few professional areas where you are right or wrong. It's 100% or nothing. The rigor applied to get these qualifications is important.

One consequence of that is that the Institute of actuaries is a go to place not just for work like this, but as you know in many commercial contracts you are dealing with arbitration disputes, valuations etc. so it is an important pillar of our commercial system. And for the Institute therefore to take on this work on the back of our Inquiry to add value to what is going on in the superannuation system is really very valuable and I would like to thank them and wish the Institute well in launching this report to add to the quality of our superannuation system"

The Challenge of Longevity Risk

For the first time, the Actuaries Institute, the American Academy of Actuaries, and the Institute and Faculty of Actuaries in the UK collaborated on a paper.

This paper 'The Challenge of Longevity Risk: Making Retirement Income Last a Lifetime' released in October 2015, supports innovation by product providers amid a flexible regulatory framework.



Industry and government engagement is essential to extending our influence and professional recognition

Key public policy issues during 2015

The Institute engaged with a range of government and industry representatives, including from APRA, FSC, ICA and ASFA, to discuss current issues. In March and September they met with Treasury representatives, Ministers and Chief of Staff in Canberra and a lunch was held with the Secretary to the Treasury in March. Later in the year, the Institute's Housing Working Group met with the Productivity Commission to discuss its report on 'Housing Decisions of Older Australians'. The Institute was also invited to participate in the Federal Government's Private Health Insurance Roundtable.

In total, 19 submissions across superannuation, life insurance, health insurance and general insurance were produced from the Actuaries Institute in 2015

19

**... the number
of Institute policy
submissions in
2015**

Public Policy continued

Key highlights in 2015

- The Government accepted all the recommendations put forward by the Institute in the Financial System Inquiry (FSI).
- Intergenerational report – a submission was made in March 2015 to the Treasurer followed up by a meeting in September to provide detailed feedback on different aspects of our submission.
- A policy position statement on the economic impact of climate change was approved by Council.
- Submission on Northern Australian Insurance Premiums Task Force Interim Report 2015 Reducing Insurance Premiums In Those Regions Of Northern Australia Reporting Insurance Affordability Concerns Due To Cyclone Risk.
- Submission to the Royal Commission into Institutional Responses into Child Sexual Abuse's Consultation Paper: Redress and Civil Litigation.
- A Housing Working Group was set up to develop a Green Paper relating to housing decisions of the aged, the paper is due for release in Q1 2016.



Appointed Actuary Forum

- A submission to the Federal Government's 2015 Tax White Paper was made in May 2015 focusing mainly on issues related to the impact of ageing and longevity.
- In our pre-budget submission, the Institute highlighted areas for consideration in the 2015 Federal Budget. Immediately following the budget night lock-up in Canberra in May 2015, an information note to Members and a media release was distributed.
- A working group chaired by the President was established to consider the role of the Appointed Actuary in consultation with APRA. Questions were canvassed through a Members' online discussion forum, during August, and responses were then distilled by the Presidential working group. A summary of the consensus views were related verbally to APRA on 29 October, 2015. A discussion paper from APRA is expected 1H2016.

Public Policy Insight Sessions

The Institute hosted a number of Public Policy Insight sessions:

- Policy impacts on retirees housing decisions – 19 Nov 2015.
- Policy position – Economic implications of climate change – 19 Nov 2015.
- For Richer For Poorer – 24 Sep 2015.
- Appointed Actuary Role – 11 May 2015.
- Intergenerational aspects of Australian public policy – 12 March 2015.

Goal 3 – More Influence and Better Known

In line with Strategic Goal 3, a public policy framework was developed and signed off by Council in June 2015. In September 2015, the following long-term themes were determined.

- Challenges of an Ageing Population.
- Financial sustainability and positive consumer outcomes.
- Societal challenges.
- Technology opportunities and risks.

We have received positive feedback on these themes and interest from Members to get involved in working groups. They have also been used for the Call to Papers for the FSF 2016, and as a topic of discussion for the Group of Retired Actuaries Melbourne and the General Insurance Practice Committee.

Key public policy issues emerging or continuing in 2016

Public policy matters (potentially) emerging or continuing in 2016 include:

- Financial System Inquiry recommendations, in particular determining the objectives of the retirement income system and Comprehensive Income Products R (CIPR).
- Review of the Government's response to the Productivity Commission's report into the housing decisions of the aged.
- APRA discussion document on the role of the Appointed Actuary.
- Papers for the Financial Services Forum reflecting the long-term themes determined by the Actuaries Institute.
- Regulatory Capital for Banks.

The Institute has commissioned the development of a fourth White Paper. The research will investigate the impact on insurance for high-risk individuals with the ever increasing amount of available information and a move away from community pooling to individual risk rating. The project is expected to be completed in Q2 of 2016.

Thanks to all those who have contributed to our formulation of policy this year. John McLenaghan (HQ Public Policy Adviser) and I have enjoyed working with you and we look forward to working with you again on productive public policy outcomes in 2016.

Elayne Grace
Deputy CEO and Head of Public Policy

Of key importance to the Institute's influence is the need for continuing involvement in public debate on relevant and important social issues.

Practice Committees

Banking

The Banking Practice Committee (BPC) was established in 2013. While this is an emerging practice area, it is one with very strong momentum and opportunity. The Committee made some good progress in 2015. Particular highlights included:

- The Institute's first banking seminar 'Banking on Change' was attended by over 90 people and attracted strong media coverage.
- A number of articles in *Actuaries Digital* and a paper on Economic Capital at the Actuaries Summit in May.
- Participation in a number of cross-disciplinary areas, including climate change, an Insights session on ICAAP and issues around retirement funding.

These are examples of how our skills as actuaries aren't just industry specific and there are many transferable knowledge areas.

"There is no shortage of important issues where the analytical disciplines of the actuarial profession can make a significant contribution"

– APRA Chairman Wayne Byers at the Institute's inaugural Banking on Change Seminar, 2015.

The BPC is working to develop the capability of members in banking and has been working on a new Part III course. There is no other similar course in the banking industry and this provides a unique opportunity for the profession to provide a leading position in training and developing risk and finance professionals within the sector.

In 2016, we will be working to further build the network and community of actuaries in banking, complete the new course and raise the profile of the profession via research and public policy papers.

Phil Everett

Banking Practice Committee Convenor



Guy Debelle presents at the Banking On Change Seminar




Wayne Byers at the Banking on Change Seminar

General Insurance

In 2015, the General Insurance Practice Committee (GIPC) welcomed five new members and met 10 times. A busy year saw the introduction of 'Data Analytics' as a specific area of GIPC focus and both newsletter pieces and *Actuaries Digital* articles helped increase awareness among the profession. The GIPC also collaborated with the Data Analytics Working Group, helping to set clear strategic goals for Institute activities in this emerging area.

The Committee also saw the formation of a Natural Disasters Working Group to proactively develop views on various issues including flood, natural peril mitigation, and government responses to these types of events. This will help the Institute be ready to respond



appropriately when required on this topic.

A range of contributions were also made to Institute events in 2015, especially the Data Analytics Seminar, The Changing Face of GI and GI Glimpse Seminars, plus the Injury Schemes Seminar. Seven GIPC newsletters were published, along with a number of submissions, including those on:

- Queensland NIIS.
- Northern Australia Insurance Premiums Taskforce Interim Report.
- External Peer Review Requirements for General Insurers.
- Regulatory Cost Savings Project.

Other activities included:

- Nominated a representative for the ASTIN Working Party on Worldwide Non-Life Reserving Best Practice.
- Contribution to role of Appointed Actuary discussions.
- Collaborated with international associations in the development of a searchable database.
- Conducted emerging risks literature reviews.
- Participation/contribution to NSW Law and Justice Committee's review into Compulsory Third Party (CTP) business.
- Participation/contribution to independent review of insurer profitability in NSW CTP scheme.
- Contemplation of how International Actuarial Standards would relate to Australian actuarial standards.

In 2016, our activities and interest areas will add further focus to non-natural perils accumulation, application of the actuarial skillset to complex models and disruption due to data and digitalisation.

Tim Clark
General Insurance Practice Committee
Convenor

Practice Committees continued

Health

The Health Practice Committee (HPC) held six meetings throughout 2015. Continuing on the success from the Institute's 2014 Green Paper 'Who Will fund Our Health?' the Committee collaborated on various new projects in 2015 to enhance health policy and actuarial knowledge and insight in the industry. Key achievements from 2015 include:

- 11 editions of the PHI newsletter.
- Two well-attended Insights sessions – 'Working in the Health System' presented by John Walsh on 26 March and 'Making Health Insurance Compulsory / Cost Drivers' on 29 October presented by Stuart Rodger and Ignatius Li.
- A Young Actuaries Program Event 'Actuaries in Health – A Rewarding Career' presented by Barry Leung and Evelyn Njoo on 20 August 2015.
- More than 10 articles by health actuaries in *Actuaries Digital* during 2015.
- Work was started on a health microsite for the purpose of promoting expertise externally, and for Members, to demonstrate transparency and create a sense of community.
- Two submissions were made to Government on PHI regulation and industry change.
- Attendance at industry roundtable on PHI reform.

Jamie Reid,
Health Practice Committee Convenor



Ben Ooi presenting at the Actuaries Summit

Life Insurance & Wealth Management

The Life Insurance & Wealth Management Practice Committee (LIWMPC) has had a busy and engaging year contributing to actuarial practice in the life insurance and wealth management industries. It has continued to actively support Life insurance and wealth management actuaries through education, CPD, professional regulation and guidance, public policy, and research activities, as well as identifying and promoting opportunities for members and facilitating communication and liaison within the profession. Areas of activity include:

- **CPD** – The LIWMPC has been active in developing a CPD framework for Life actuaries, aimed at both junior and more experienced levels, with a planned rotation of topics. We held sessions covering Terminal Illness pricing, Group Insurance, Disability Income, IBNR claims, Commission reforms, Life reporting, the role of the Appointed Actuary, APRA stress tests, ICAAP and Risk appetite. Sessions have been well attended, with typically over 100 attendees and many more via webinar.
- **Newsletters to members** – Our communications subcommittee has been producing high quality monthly newsletters sent to over 1700 recipients to inform them of topical issues, recent happenings and events.
- **Education** – The LIWMPC is continuing its planned refresh of the 2A and 2B courses, with updates expected to be rolled out for Semester II 2016 (2A) and Semester I 2017 (2B).
- **PS 200 update** – A full review of PS 200 began in 2015, subsequent to the 'housekeeping' update issued earlier in the year
- **Professional guidance and support** – The LIWMPC has been active in supporting members working in Life insurance, with the following initiatives:



Young Goh



Jamie Reid, Nicole Stransky and Ignatius Li at the Actuaries Summit

- **Risk Margins Methodology** – An Information Note covering the Proposed framework for setting LAGIC risk margins has been produced (currently being finalised) to provide a framework for using benchmarking/known margins to assist Appointed Actuaries set more subjective risk margins.
- **Risk Margins Survey** – The second annual survey of risk margins throughout the industry was conducted.
- **Target Capital** – The LIWMPC contributed to the Target Capital note, which is a cross practice initiative.
- **IFRS4 (Insurance contracts)** – The LIWMPC is working through its Life Financial Reporting Subcommittee to understand industry readiness for the move to IFRS4. The Insurance Accounting Subcommittee is lobbying around two main areas of the draft IFRS, being discount rates for the valuation of policy liabilities, and contractual service margins. Implementation of the new standards is expected in 2019 or 2020.
- **Life AA Forum** – The LIWMPC has responded to the Life Appointed Actuaries Taskforce and has planned a forum for Life AAs, with the initial session to be held in the first half of 2016. Future sessions will be planned after considering feedback from the initial session.
- **Public policy and research** – The LIWMPC submitted a response to the

draft Trowbridge Report during 2015. Anti-selective lapsing of policies could still be an unrecognised policy valuation issue, and companies still need to capture and record data more appropriately. In addition, following the APRA review into group insurance data, construction of a standardised set of 'data requirements' is being pursued through the FSC, which would identify required and best practice data fields appropriate for the sale and ongoing management of tranches of group insurance business. The LIWMPC also provided feedback into the Institute paper 'For Richer, For Poorer'.

Bozenna Hinton
Life Insurance & Wealth Management Practice
Committee Convenor

Practice Committees continued

Risk Management

The Risk Management Practice Committee (RMPC) is responsible for supporting the Institute and its members' needs in Enterprise Risk Management (ERM). A key focus in the past 12 months was promoting actuaries' ability to lead and influence as risk managers, particularly as Chief Risk Officer (CRO). During 2015 the RMPC and its subcommittees undertook in a number of activities to promote this objective including:

- Launched the CRO Insurance Forum, aimed at member and non-member CROs.
- Arranged CRO Discussion Groups in Sydney and Melbourne.
- Assisted the Institute to deliver the 2015 ERM Seminar in November.
- Arranged risk-related presentations for the Young Actuaries Program and Insights sessions.
- Acted as external examiners to two Chartered Enterprise Risk Actuary (CERA) courses delivered by Australian universities.
- Commenced a review of the Institute's Part III ERM subject (Course 7A) and supported the Institute's delivery of this course during 2015.
- Interacted with the CERA Global Association (CGA), an international collaboration of CERA member associations to support the CERA brand.
- Contributed to the Institute's public policy discussions and positions.
- Liaised with other practice committees and Institute groups on a range of risk-related topics, including collaboration on a new target capital information note and a review of proposed changes to the education syllabus.
- Published risk management articles in *Actuaries Digital*.
- Reviewed a number of risk management papers and proposals, including proposed international actuarial standards.
- Reviewed and discussed proposed risk management research.



2015 Injury Schemes Seminar

- Contributed to the oversight of the Institute's own Risk Management Framework, including its risk appetite statement, risk register and considering of emerging risks to the profession.

During the year I succeeded Joshua Corrigan as RMPC Convenor. I would like to thank and acknowledge Josh's leadership and significant contribution to this practice area over the preceding two years. I would also like to thank the other RMPC and sub-committee members for their contribution during 2015.

Brett Riley
Risk Management Practice Committee
Convenor

Superannuation

2015 turned out to be another busy year in superannuation and also for the Superannuation Practice Committee (SPC). During the year we issued a revised professional standard PS400 ('Investigations of the Financial Condition of Defined Benefit Superannuation Funds') and we are currently working with the Professional Standards Committee to finalise PS405 (*Cost of death and disability benefits in superannuation funds*). PS406 (*Unsegregated superannuation liabilities*) is also in an advanced drafting stage and we expect to issue an Exposure Draft in early 2016.

It was also a busy year for public policy related to superannuation:

- Several submissions were made related to superannuation disclosure, including proposed changes to the MySuper and Choice Dashboards, the updated Draft Regulatory Guide 97 (RG 97) which provides guidance on the disclosure of fees and costs, and a submission to ASIC on the proposals set out in Consultation Paper 227 that covers disclosure and reporting requirements for superannuation trustees (section 29QC).
- Following the release of the tax discussion paper by the Treasurer, the Institute responded to Treasury with our comments focused mainly on the tax treatment of superannuation.
- Following the release of the Financial System Inquiry (FSI) Final Report, we highlighted the specific superannuation recommendations that are supported by the Institute, and we also separately commented on the FSI recommendation to include income projections on member statements for defined contribution superannuation schemes. The SPC also endorsed a set of objectives to establish actuaries as experts in the area of retirement income projections.
- Regarding the Division 293 tax, an Information Note to members on the ATO's and Treasury's responses to our various submissions was released.
- Treasury released three consultation papers about freeing up the pension rules to allow for new product development and reviewing the existing draw down rules. The Institute responded with a submission as well as engaging with Treasury in subsequent discussions.

The SPC also ran an Insights session with the primary focus on facilitating discussions between practitioners about current issues in superannuation group insurance (e.g. deteriorating claims experience, lack of responses to tender requests) and on different issues and solutions that members have come up with on insurance products from a superannuation actuaries' perspective.

During the year, Milliman commenced production of a monthly high quality corporate bond yield curve for use with AASB 119 calculations. Published discount rates are available on both the G100 website and Milliman Australia's website.

Looking ahead to 2016, the SPC has identified four areas of strategic focus:

- Disclosure and consumer protection.
- Retirement projections and calculators.
- Retirement spending and longevity.
- Risk management and analytics.

Thanks to all members of the SPC and its sub-committees for their valuable contribution during the year, as well as the other members who volunteered their services to help.

Andrew Boal
Superannuation Practice Committee
Convenor

Member Milestones in 2015

New Fellows in 2015

Simon ARABIAN
 Danny BECHARA
 Julian BRAGANZA
 Timothy BROWN
 Hing Chuen CHAN
 Viola CHAN
 Chaoran CHEN
 Clive CHEONG
 Daniel CH'NG
 Samuel CHU
 Lai Keong CHUA
 Bindusri DE SILVA
 Peter DOUEIHI
 Ryan DRUITT
 Matthew DUNNE
 Luyan FAN
 Megan FEATHERSTON
 Jack FITZPATRICK
 Kirsten FLYNN
 Adrian FORTESCUE
 Han GAN
 Victor HAI
 Marina HALL
 Matthew HALL
 Sacha Fitz HENRY
 Kylie HOGAN
 Yuan HU
 Pulkit JAIN
 Lucy JING
 Tyson JOHNSTON
 Kwok Kwan JOUR
 Shahzad KARMALLY
 Eamon KELLY
 Gaurav KHEMKA
 Sheng Jie KONG
 Kelly LEE
 Tony LEE
 Weixuan LI
 Milton LIM
 Yao Yuan LIN
 Anthony LOCKE
 Vanessa LOU
 Brian MAN
 Dean MARCUS

Christopher MARSTON-FERGUSON
 Jessica MCCREARY
 Li MEI
 Nicholas MILLER
 Krishanthan NAGARAJAN
 Yashica NAGPAUL
 Kit Yee NG
 Jer Horng OOI
 Angela POON
 Yongjie QI
 James RICHARDSON
 Meera SARDANA
 Sook Fui SEE
 Shivam SHARMA
 David SHUVALOV
 Justin SI
 Judy SILVINO-CRUZ
 Michael SIMPSON
 Gurpreet SING
 Jeremy SMITH-ROBERTS
 Edmond SO
 Ching Yen SOH
 Mikhail STOROZHEV
 Anand SUBBARAYAN
 Bill SUN
 Zeger SUN
 Gautham SURESH
 Chenturan SUTHERSAN
 Khar Mun TANG
 Teerapong THAVIWATANACHAIKUL
 Liaoqin TIAN
 Jonathan TINDALL
 Sovann TONG
 Zhan WANG
 Andy WONG
 Jason WONG
 Kevin WONG
 Lisa YE
 Zhanming YE
 Timothy YIP
 Aurelia ZENG
 Huan ZHANG
 James ZHANG
 Zhong Yi ZHANG
 Huawen ZHOU
 Michael ZHOU

Members Who Achieved Associate / Actuary Designation in 2015

Alex ARTINIAN
 Stewart BOVELL
 Jason Tse Sheung CHEONG
 Rummana CHOUDHURY
 Lai Keong CHUAH
 Jennifer CHUNG
 Matthew CLERE
 Peter DOUEIHI
 Melanie DUNN
 Wayne FENG
 Adrian FORTESCUE
 Robert GIBBS
 Victor HAI
 Marina HALL
 Joo Ann Rachel HOH
 Echo HUANG
 Giti JAIN
 Dharmik JEENA
 Roman KASHKAROV
 Eamon KELLY
 Kriti KHULLAR
 Thomas KO
 Becky KWAN
 Michelle LAM
 Dianne LARA
 Joey LAU
 Ian LE
 Mariane LEE
 Matthew LEGG
 Jia LEI
 Carlos LEUNG
 Grace LI
 Wei LI
 Eric LIAO
 Milton LIM
 Susannah LOCK
 Sheng Chieh LOH
 Ang LU
 Christopher MARSTON-FERGUSON
 Virad MATHUR
 James McATAMNEY
 Logan McLINTOCK
 Andrew MCRAE
 Diana MILLER
 Nicholas MILLER
 Yashica NAGPAUL
 Ruvinda NANAYAKKARA
 Sze Rhui NG
 Jane PATTEN
 Cheng QIAN
 Ferina REVIYANTI
 James RICHARDSON
 Tejas SHAH
 Deepika SHARMA
 Hao SHI
 Judy SILVINO-CRUZ
 Michael SIMPSON
 Shireen SINGHAL
 Murray STAFF
 Bharadwaj SWAMINATHAN
 Samantha TAOUK
 Joshua TEO
 Dan WANG
 Ji WANG
 Shaokang WANG
 Shihui WANG
 Tianyang WANG
 Zhan WANG
 Matthew WEBSTER
 Karen WONG
 Xiaozhuang XIA
 Yi Ming YANG
 Arian YEGANEH
 Timothy YIP
 Jinrui YOU
 Aurelia ZENG
 Chen ZHANG
 Cissy ZHANG
 Lei ZHANG
 Xu ZHANG
 Yu ZHANG
 Yi ZHAO

Members Who Achieved CERA Designation in 2015

Simon ARABIAN
Nicholas BAKER
Danny BECHARA
Samuel CHU
Lai Keong CHUAH
John C CONNOR
Peter DOUEIHI
Matthew DUNNE
Luyan FAN
Kevin FERGUSON
Han GAN
Mudit GUPTA
Victor HAI
Marina HALL
Kylie HOGAN
Pulkit JAIN
John JEAITANI
Dharmik JEENA
Lucy JING
Michael JOHNSON
Roman KASHKAROV
Sheng Jie KONG
Becky KWAN
Michelle LAM
Joey LAU
Kieran LEONG
Aloysius LIM
Milton LIM
Anthony LOCKE
Sheng Chieh LOH
Jessica MCCREARY
Li MEI
Diana MILLER
Nicholas MILLER
Yashica NAGPAUL
Jer Horng OOI
Xin Yin OOI
Holly OU
Jane PATTEN
Angela POON
Yongjie QI
Cheng QIAN
Meera SARDANA
Judy SILVINO-CRUZ

Michael SIMPSON
Shireen SINGHAL
Edmond SO
Mikhail STOROZHEV
Gautham SURESH
Khar Mun TANG
Joshua TEO
Teerapong THAVIWATANACHAIKUL
Richard TRENDALL
Christopher VO
Qing WANG
Shihui WANG
Tianyang WANG
Zhan WANG
Andy WONG
Jason WONG
Karen WONG
Yi Ming YANG
Lisa YE
Zhanming YE
Aurelia ZENG
Chen ZHANG
Michael ZHOU

**Congratulations to all
successful Members
in 2015**

Actuary of the Year 2015



Alan Greenfield, Practice Leader in Government & Analytics at Taylor Fry, was named 2015 Actuary of the Year for his pioneering work in developing the actuarial framework for the 'investment approach' to social welfare.

“Climate change and the increasing polarisation of income and wealth are two of the greatest threats to human happiness and the health of our civilisation. As actuaries we can play a part in shedding light on both of these issues, and by doing so we can influence their direction.”
– Alan Greenfield

Alan co-founded Taylor Fry in 1999 to provide first rate actuarial services to general insurers and accident compensation schemes. Since then, he has developed long-standing partnerships with key government schemes including the Insurance Commission of Western Australia and Comcare. In recent years he has been central in leveraging the firm's leading edge technical capability for a successful expansion into data analytics and behavioural insights, having jointly led the analytics practice since 2012, offering services to the financial, telecommunications, aviation and loyalty sectors.

A high-water mark for Alan's career has been his leadership in developing the framework for a long-term investment approach for the social sector, beginning with the New Zealand welfare system.

This long-term view of social outcomes has put the actuarial skillset at centre stage for government; strengthening evidence-based decisions and delivering lasting improvements for society's most vulnerable.

Since June 2011, he has led Taylor Fry's partnership with the New Zealand government to reduce long-term benefit receipt, and so reduce future costs. Under his leadership, the firm has developed an innovative framework which links the actuarial control cycle to policy and operational decisions; such as how to target employment investments.

Alan has since overseen five valuations of the New Zealand welfare system. These non-traditional valuations have pushed the technical frontiers of the actuarial profession, attracting considerable interest at industry conferences.

The insights arising from this work – such as the finding that 75% of the long-term cost is concentrated amongst those who first enter benefits under age 20 – are influencing government policy and drawing international attention. New Zealand is expanding social investment to other sectors. Alan is currently leading the actuarial valuation of the social housing sector.

Budget 2015 introduced an investment approach for the Australian social security system as recommended by the McClure Welfare Review – directly inspired by the New Zealand work. According to then Minister for Social Services Scott Morrison, the approach is “great for society... the economy... [and] the Budget and that is a pretty good triple bottom line.”

Alan's leadership in the social sector has popularised the actuarial discipline; resulting in wide spread media coverage and increased awareness of the profession.

Inspired by his love for his family and passion for wilderness adventure travel, Alan has a strong commitment to environmental

Award Criteria

This award is presented to an individual who:

- has brought credit to the profession; and
- made a key contribution to business, the community, government or the profession.

The insights from Alan's work are influencing government policy and attracting increased international attention.

stewardship. He has a particular interest in public policy on global warming and carbon emissions. From 2004 to 2006 he edited the Institute's *Actuary Australia* column 'Green Fields' which included articles on environmental topics. As a result of Alan's leadership, in 2013 Taylor Fry achieved carbon neutrality over its entire history and the firm continues to offset its annual carbon emissions. His strong interest in issues such as environmental and disruptive technologies has set the tone for the organisation's research and development in these areas.

Alan's legacy in terms of business, government and the community paints the actuarial profession in a positive light. His long-term vision and commitment to innovation and excellence have broken new ground for the profession; particularly its interface with industry and government analytics. The game-changing insights from Alan's pioneering welfare valuations led to concrete social and economic benefits. His leadership in the social sector has popularised the actuarial discipline; resulting in wide spread media coverage and increased awareness of the profession. Congratulations Alan.



Estelle Pearson presenting Alan with the award at the Injury Schemes Seminar Gala Dinner in Adelaide on Monday 9 November 2015.



Communications and Marketing

Communicating with Members and promoting their expertise have been the major drivers for the Communications and Marketing Team in 2015.

See what we see

Building on the success of last year, the 2015 campaign to promote the profession's expertise leveraged from the Institute's White Paper 'For Richer, For Poorer', with a tagline of 'The future of retirement is looking up.'

The media campaign launched on 4 September 2015 with high impact masthead banners on AFR online, followed by a series of 'always on' targeted and re-targeted display advertisements

across a range of business sites. The campaign was also supported by a number of videos by Andrew Boal, Michael Rice, Elayne Grace and Nathan Bonarius. The videos were optimised for mobiles and achieved 204,302 video views via YouTube – a great result.

A series of LinkedIn posts were live during the campaign and analytics reported that the highest percentage of clicks by company industry were from financial services, banking and accounting with Sydney and Melbourne being the two most engaged cities. Directors, Managing Directors and owners were the highest indexed job titles – an important segment of our target audience. The campaign concluded on 4 December 2015.



The future of retirement is looking up

The makeup of the Australian workforce is complex. Each generation, from those just starting work to those now entering retirement, will have different levels and sources of wealth. For businesses, however, that complexity is an opportunity to identify new market niches and develop bespoke retirement products.

A retirement incomes report developed by actuaries 'For Richer, For Poorer' – offers an in-depth analysis of the diversity of retirement wealth and provides strategic insights into what types of financial products will best support future generations of retirees. If you're in the retirement investment business, requesting a copy will help you identify gaps in your product suite and seize new opportunities. The world isn't black and white, but business decisions are.

When you need clarity in a complex world, you need an actuary.

Visit actuaries.asn.au

See what we see.  Actuaries Institute



By continuing to build awareness and promoting actuarial expertise, the Institute highlights the valuable contribution the profession brings to business and society, thereby enabling the profession to have significant influence on a range of critical topics. We will continue to build on this initiative in 2016.

Promoting the Profession – Careers Advisers Association Conference

As part of the Institute's Strategic Goal 2 (*Improved Member and Student Engagement*), the Institute hosted an event for the Careers Advisers Association Conference on 22 October 2015. The Careers Advisers Association (CAA) represents Careers Education and Careers Advisers in Government, Catholic and Independent Schools in NSW and ACT, as well as other Career Development Practitioners working in associated fields. With more than 150 Careers Advisers in attendance, the theme for the event was 'Actuarial Studies: Problem Solved'. The main focus of the presentations was around the career opportunities and benefits of joining such a great profession as well as details of the education pathway.

In 2016 we will be contacting the Career Advisers who attended the event to arrange visits for their high school students interested in an actuarial career.

Feedback on the event was extremely positive and sincere thanks are extended to the presenters

and 'speed info' participants whose valuable contributions ensured the success of the event.

The Institute will be tendering to host the event once again in 2017.

Media and Social Media

In 2015, mainstream media interest in the profession increased with 74 articles published across the *Australian Financial Review*, *The Australian* and the *Age / Sydney Morning Herald* – compared to 22 in 2014. The launch of the White Paper 'For Richer, For Poorer' by David Murray AO and the 'Banking on Change' Seminar held in September generated a significant amount of this mainstream coverage. There were also 39 articles in trade publications, three radio interviews and two mentions on ABC TV.

Our social media platforms continued to grow throughout 2015:

- **YouTube** – 6,197 total video views in 2015, up from 289 total views in 2014 equating to 19,822 total minutes watched in 2015, compared to 1,676 minutes watched in 2014.
- **Twitter** – the number of followers increased to 2055 at December 2015 up from 1478 in December 2014).
- **Facebook** – 627 likes (as of December 2015, up from 121 in December 2014).
- **LinkedIn** – 2,183 followers at December 2015 compared to 1,374 at the same time in 2014.



Mainstream media interest in the profession increased in 2015 primarily due to the launch of 'For Richer, For Poorer' by David Murray AO and the inaugural Banking on Change Seminar.

Communications and Marketing continued

Actuaries Digital

Actuaries Digital successfully launched on 16 April 2015. From the launch date up until 31 December 2015, the site has been visited 55,206 times with 29,027 unique visitors; this has led to a total of 101,857 page views. Desktop ranked highest as the point of access (68.8% of visits), with Mobile visits (23.86% of visits) growing until August and then plateauing and remaining steady for the rest of the year. For the reporting period, 49.81% of mobile traffic was via iPhones, 21.83% from iPads and the remainder being a mix of Android devices.



Where to in 2016?

Goal 2 of the Institute's 2015-2017 Strategic Plan is *improving Member and student engagement so that Members enjoy a strong sense of collegiality, and students connect with the Institute, and identify strongly with the profession*. The Communications and Marketing Team will be working on a number of initiatives during the year to meet these objectives.

Katrina McFadyen
Head of Communications and Marketing



Website optimisation and Web Apps

In 2015 our web analytics revealed that more and more Members were using handheld devices to access the website, *Actuaries Digital* and Member communications. In response to this we optimised both the Institute website and *Actuaries Digital* for handheld devices in August. We also launched two Web Apps to provide Members with easy access to both websites.

More and more members are using online links and portable devices to access and engage with Institute information and services.

Education and CPD

New Education Team

The Institute's Education Team has been refreshed during 2015, with all four members new to their roles this year.

- Sarah Tedesco – Head of Learning
- Karenna Chhoeung – Education Manager
- Eleanor Mazando – Senior Education Officer
- Carol Vilches – Education Officer

The team is looking forward to a busy and productive 2016.

CPD Business Plan

A major achievement for the Education Team and the Education Council Committee in 2015 was the development and approval by Council of the CPD Business Plan, which aims to deliver two key things to members:

- a broader offering of CPD options aligned to Members' needs, and
- making it much easier for Members to find CPD that is relevant to them.

Initial research indicated that the following features of a CPD program were important.

- Industry and regulatory/legislative updates.
- A mix of formats (face to face sessions, eLearning, webinars, articles, conferences, podcasts, etc.)
- A mix of free and paid offerings.
- Introductory and more advanced levels of CPD, to suit different levels of experience.
- A mix of CPD offerings that are provided by the Institute, offerings provided in partnership with other organisations, and (where relevant) referral to other organisations.
- Offerings which meet the needs of our internationally based members.
- Options to facilitate career transition into and within the profession.

While feedback told us that those who access CPD provided by the institute are very satisfied with it, there are many opportunities to improve our CPD offerings and engage further with Members.

Implementation of the CPD Business Plan will be phased over the next few years.

Sarah Tedesco
Head of Learning



Lisa Ye and Tim Thav,
Melbourne Graduation
Dinner, August 2015



Events

The 2015 Events Calendar was the busiest in the Institute's history with delivery of over 150 events. Engaging with over 5000 delegates around the globe, the Institute broadened its reach by offering in-person events in Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra, Hong Kong, Singapore, Kuala Lumpur, Shanghai, Auckland, Wellington and London. Most Sydney events were also available via webinar allowing Members to stream events online.

The 2015 Actuaries Summit, with 502 delegates in attendance was held in May. This was the largest Summit program to date with five plenary sessions, ably chaired by facilitator Annabel Crabb, and 55 concurrent sessions which traversed a wide range of current industry developments and new areas of actuarial research and practice.

In August members of the global profession were welcomed to Sydney for the 2015 ASTIN, AFIR/ERM and IACA Colloquia held in Sydney. This was a joint collaboration of three IAA sections: Actuarial Studies in Non-Life Insurance (ASTIN), the Actuarial Approach for Financial Risks/Enterprise Risk Management (AFIR/ERM) and the International Association of Consulting Actuaries (IACA). The Colloquia attracted 138 delegates from 77 countries.

2015 was also a year of firsts in Events with the inaugural Banking Seminar being run as well as the first Data Analytics Seminar. Both of these events delivered a comprehensive and informative program and featured some highly respected industry leaders as presenters.



Event registration

The 2015 Events Calendar concluded with the Injury Schemes Seminar in Adelaide and the ERM Seminar in Sydney. The Injury Schemes Seminar attracted over 270 delegates and had a strong program with four plenary sessions and 43 concurrent sessions facilitated by Dr Norman Swan.

The 2016 Events Calendar is filling up fast with Insights, YAPs, RAGS, GRAMs, Presidential Dinners, Graduation Dinners and numerous other events already scheduled. The first one-day seminar is booked for 28 April in Sydney and will be closely followed by the Financial Services Forum from 16 to 17 May in Melbourne, the Health Conference on 9 June in Melbourne, and the General Insurance Seminar from 13-15 November also in Melbourne.

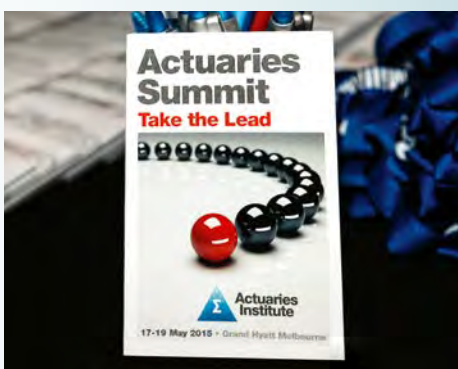
With the assistance of our volunteer organising committees, the team is excited to deliver the 2016 calendar of events, engaging more Members across all practice areas, with enhanced programs and high calibre speakers.

Emma Simonson
Head of Events



Insights session – *Disability Income: The Price is Not Right, Nor is the Product*

2015 events snapshots



Governance

(excluding Disciplinary Scheme)

Strategic Plan 2015-17

- Publicising the Strategic Plan to Members to encourage engagement in, and ownership of, the Plan;
- development of Insights session on becoming a Council member to encourage members to engage in leading the profession (Goal 2, Action 1.3);
- assisting with the commissioning and undertaking of research to support public policy and practice related activities (Goal 3, Action 1.2); and
- reporting to Council and Members on the implementation of the Strategic Plan.

Professional Practice

- Undertaking a congruence assessment of the Code of Professional Conduct and PG 199.01 (Prescribed Actuarial Advice Reporting) with the International Actuarial Association's ISAP 1 (General Actuarial Practice);
- developing proposed amendments to the Institute's professional practice documents and explanatory statements with a view to adopting relevant aspects of ISAP 1 (General Actuarial Practice);
- developing submissions relevant to ISAP 1A Governance of Models and ISAP 5 Insurer Enterprise Risk Models;
- release of updated Professional Standards – PS 200 (Actuarial Advice to a Life Insurance Company or Friendly Society) and PS 400 (Investigations of the Financial Condition of Defined Benefit Superannuation Funds);
- release of Information Notes: a new Information Note on The Use of Catastrophe Model Results by Actuaries; and a draft Information Note on a Framework for Setting Life Insurance Risk Margins for Regulatory Capital;
- release of Exposure Draft of proposed changes to PS 405 (Cost of Death and Disability Benefits in Superannuation Funds);
- development of position statement on the relationship between prudential standards and the Institute's Professional Standards.

International

- Negotiating and drafting mutual recognition agreements with the Canadian Institute of Actuaries and the Actuarial Society of South Africa, both of which, for the first time, included recognition at Associate level as well as Fellow and so enhancing overseas employment options for a significant portion of the Institute's membership.

Governance

- Reviewing potential mechanisms for improving membership default rates;
- following the recommendations of the Governance Review Taskforce, developing proposed Constitutional amendments for consideration by Members at the 2016 Annual General Meeting;
- arranging and conducting the Annual General Meeting;
- supporting Council, the Audit and Risk Council Committee, the Professional Standards Committee and the Disciplinary Scheme; and
- research relating to, and preparing a position statement relevant to, a proposal to include an 'acknowledgment of country' before Institute meetings and events.

Volunteers

With over 100 committees, sub-committees, taskforces and working groups, volunteers form the backbone of the Actuaries Institute and are vital to the success of many of its activities.

The Institute is always extremely grateful for all of the efforts made by its volunteers. This year, as a refreshed Strategic Plan is pursued, volunteer involvement in new working groups, events, education-oriented activities, practice committees and myriad other functions has been extremely valued and critical to success.

It is great to see many young actuaries volunteering their time in exam writing and marking, and increasingly contributing to committees and taskforces, resulting in a more diverse representation of our membership.

As a thank you to its volunteers, the Institute hosted its annual Volunteer Cocktail Party on 2 September 2015. Around 100 volunteers joined President Estelle Pearson, CEO David Bell, Vice Presidents Lindsay Smartt and Jenny Lyon, and other members of Council and HQ to celebrate the many achievements in 2015.

The Education team at HQ would like to especially thank those who volunteered throughout 2015 in Education.

Our volunteers are essential to the production and coordination of key Institute activities.



2015 Injury Schemes Seminar



Volunteers continued

Education Volunteers

Amanda Aitken	Stuart Crockett	Gary Kuek	David Pitt	David Ticehurst
Randy Amidharmo	Vivian Dang	Margaret Kwan	Colin Priest	Ada Tong
Ryan Anderson	Jie Ding	Timothy Kyng	Yongjie Qi	Sonia Tripolitano
Susan Antcliff	Deborah Driussi	Richard Land	Chao Qiao	Ramani Venkatramani
Kirsten Armstrong	Bruce Edwards	Daniel Lavender	Ben Qin	Kimberley Wang
Frank Ashe	Naomi Edwards	Andy Law	Matthew Ralph	Andy White
Anthony Asher	Stephen Edwards	Kieran Leong	Harry Rao	Jenita Wijaya
Belinda Ashton	Len Elikhis	Willie Leong	Jacqui Reid	Bernard Wong
Mathew Ayoub	John Evans	Alex Leung	Jim Repanis	Kathleen Wong
Nicholas Baker	Phillip Everett	Andrew Leung	Brett Riley	Stephanie Wong
Hazel Bateman	Jim Farmer	Barry Leung	Steven Roberts	Yvonne Wong
Danny Bechara	Saul Field	Susan Ley	Gae Robinson	Matthew Wood
Luv Bhatnagar	Matthew Finney	Ignatius Li	Stuart Rodger	Stephen Woods
Nathan Bonarius	Andrew Fisher	Xiaocong Li	Richard Saverimuttu	Nina Xiao
Sydney Bone	Richard Fitzherbert	Mary Liao	Nick Scott	Weimin Xie
Jenn Bonnett	Kirsten Flynn	Milton Lim	Ai Nee Seow	Foo Xin
Kevin Bowman	Rickie Fong	Cheryl Lin	David Service	David Xu
Julian Braganza	Martin Fry	Sammy Liu	David Shade	Garry Xue
Andrew Brown	Andrew Goddard	Bronwyn Lusby	Jacob Sharff	Zoe Yang
Bridget Browne	Benjamin Goodall	Tony Ly	Minjie Shen	Vivian Yeung
Aaron Bruhn	Betty Guo	Stephen Lynch	John Shepherd	Wynnie Yeung
Lynn Bui	Mudit Gupta	Jenny Lyon	Michael Sherris	Jia Yi Yi Tan
Stephen Burke	David Halse	Catherine Marquis	Lucy Shi	Han Zhang
Adam Butt	Daniel Ham	Peter Martin	David Shuvalov	Hui Zhang
Mike Callan	Bronwyn Hardy	Andrew Matthews	Su Li Sin	Susie Zhang
Louise Campbell	Silvia He	Trevor McMahon	Gurpreet Singh	Yuyang Zhang
Chris Chan	Robert Herlinger	Li Mei	Jas Singh	
David Chan	Tim Higgins	Jane Miao	Andy Siu	
Marlon Chan	Bozenna Hinton	Steven Miles	Tony Snoyman	
Kuan Kiat Cheah	Ka Ki Ho	David Minty	Hitoshi Sonobe	
Ting Chen	Kylie Hogan	Martin Mulcare	Nicholas Stolk	
Eric Cheng	Alissa Holz	Stuart Mules	Michael Storozhev	
Jack Cheng	Abbey Huang	Gary Musgrave	Peter Suen	
William Cheong	Wenchuan Huang	Grace Ng	Felix Sun	
Clement Cheung	Phillip Joel	Jonathan Ng	Gautham Suresh	
Keith Cheung	Tyson Johnston	Paul Ng	Revsion Tam	
Weihaio Choo	Janice Jones	Colin O'Hare	Natalie Tan	
Raymond Chow	Mark Joshi	David O'Keefe	Wynne Tan	
Brian Chu	Ying Kang	Michael O'Neill	Young Tan	
Lai Keong Chuah	David Kerr	Terry O'Neill	Felix Tang	
Steven Claxton	Ammar Khan	Julie Osborn	Greg Taylor	
Martin Considine	Garry Khemka	Sharanjit Paddam	Andrew Teh	
Esther Conway	Jackie Ki Li	Rob Paton	Bruce Thomson	
Julie Cook	John Killick	Andrew Patterson	Robert Thomson	
Kim Cossart	Nadeem Korim	James Pettifer	Jeff Thorpe	

205
... number
of Education
volunteers
in 2015

In Memoriam

The Institute sadly lost a number of Members in 2015. As strong supporters and valued contributors to the profession, their loss was felt by all who knew them.

Hazel Diana Barnett

Adrian Chui-Fei Liu

Jacques De Villiers

Arthur James Waldie Dodds

John Raymond Ford

Jonathan Paul Nicholls

Cyril Bernard Twomey

Alan Kennedy Wylie

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