

# Year in Review 2017

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## Future Pathways



**Actuaries  
Institute**



# Future Pathways

“Tell people you  
are an actuary and  
help us build the  
brand further by  
demonstrating the  
quality of work we  
can do.”  
– Jenny Lyon.

**2017** saw pathways ignite towards a bright future for the actuarial profession in Australia.

Confidence in the holistic training and exceptional skill-set of actuaries drove members and the Institute alike to pursue ambitious goals and preferred positions, in a wide range of fields.

As trusted advisors to government, community and business, and as thought-leaders in the important debates of our increasingly data rich world, actuaries are forging pathways to carry the profession strongly forward.

2017 saw much activity across our seven primary practice areas of general, life and health insurance, banking, data analytics, risk management and superannuation. Through private and public-sector work, members demonstrated value adding business acumen, innovation, professionalism, holistic understanding of the insurance and retirement system, ability to critically examine data, and aptitude for predicting future uncertain outcomes.

Much of this work was showcased at the many Insights sessions and major events held by the Institute in 2017. During these events, enthusiasm for the profession and its many opportunities to add value, was clearly evident among members and stakeholders.

The Institute's Council drove the 2015-2017 Strategy to completion and agreed on a future strategic plan, with the Education Strategy Review remaining a top priority to ensure the highest quality and relevance of future actuarial qualifications. Dynamic CPD materials continued rolling out, and the Institute engaged more with students and those overseas, via various means including a new Student App and the new Asia Liaison Manager, based in Hong Kong.

The *See What We See* campaign once again encapsulated the broad application and value of actuarial skills. The challenge of insuring mental health formed the focus of the 2017 campaign, and the Institute's inaugural podcast series 'Peace of Mind' complimented its successful launch.

Continued public policy efforts around key societal challenges, from retirement adequacy to climate risk, to private health insurance affordability and the influence of genetics on life insurance, also made 2017 a productive year. A new thought-leadership series featuring shorter policy papers helped bring the thoughts of actuaries to wider audiences. Positive relationships with our many stakeholders continued in local and global circles.

Recognising the invaluable contributions of our 500+ volunteers is important to the Institute. That's why in 2017, a new website, toolkit and Awards night were launched, to better support and celebrate their tireless efforts to enrich the profession and bolster brand 'Actuary'.

As always, the strength of actuaries lies in their ability to thoroughly and impartially make sense of complex data and add value. This will no doubt continue to serve the profession well as future pathways unfurl before it.





# Contents

3	Introduction
5	Contents
6	From the President
10	From the CEO
13	Your Council in 2017
14	Strategic Plan 2015-17
15	Membership Data 2017
17	Member Milestones in 2017
18	Education and Continuing Professional Development
20	International Council Committee
22	Asia Report
24	Leadership and Career Development
26	Education Prizes
28	Public Policy
30	Practice Committees:
	• Banking
31	• Data Analytics
33	• General Insurance
35	• Health
37	• Life Insurance and Wealth Management
38	• Risk Management
40	• Superannuation
42	2017 Actuary of the Year
44	Communications and Marketing
46	Member Services
47	Events
50	Governance
52	Volunteer Engagement
54	Education Volunteers
55	In Memoriam / Contact Us

# From the President Jenny Lyon

**The core strength of our profession is the quality and capability of our members. I have focused my Presidential year around the people in our profession. This has meant particularly considering the needs of the students and younger actuaries who are so important to how the profession develops in the future.**

## Future-proofing our education

Education is a core role of the Institute. Council recognised some time ago that to maintain our relevance we needed to ensure our education system was more flexible and adaptable for the future. It must not only educate actuaries with the core skills needed in the jobs in which we are working today, but position them for future pathways and to be adaptable to work and contribute more broadly in other fields.

The education system we have is complex, with a number of important stakeholders. This includes our accredited universities, our strong volunteer education committee, many examiners, course writers and education supporters

and the education team at the Institute. Building on work done in previous reviews, the Education Strategy Review Committee has focused first on a strategy to establish an infrastructure which will enable us to improve learning outcomes for students. It will allow us to react efficiently to changes in student needs, ensure the quality of the professional designations is maintained and that we continue to be recognised globally.

## Lifelong learning

Ongoing education is also important for our actuaries. Council was strongly of the view in the 2015-2017 Strategic Plan that CPD was fundamental to what we offer members and needed to improve. We have continued to provide a wide range of events and learning opportunities to members as part of the CPD program. It is fair to say that the work happening behind the scenes to improve our potential for CPD provision may not be so apparent to members. However, the infrastructure for the content repository system is now in place and the extensive library of papers, articles and presentations we hold is now digitised and categorised. A search for relevant information will be much more accessible. This will be launched in 2018 and provides a strong base for us to really increase the volume and quality of CPD we offer to members. A review of our events is also underway with an aim of generating more relevant and targeted CPD.

## Meeting members

A key highlight for me this year has been meeting so many of our members across all Australian states and territories, and overseas, particularly in Asia. I have been impressed by the wide variety of areas in which they work and how they use and promote their skills in different ways. This was particularly brought home to me when I visited members



L to R: Audette Exel, Jenny Lyon, Emma Alberici – 2017 Actuaries Summit



**“I have aimed to ensure we are thinking about our external stakeholders, encouraging members to have a voice and contribute to external debates.”  
– Jenny Lyon**

outside of Sydney. Opportunities in financial services organisations are less common outside the major city business hubs and I found this has prompted members to think carefully about how their skills can be applied and demonstrated to employers and clients in fields where there is no legislated need for actuaries.

## Our place in data

Council has also recognised the need for actuaries and the profession to find their niche in the rapidly expanding field of data analytics. We are engaging actively with global actuarial associations who are also seeking to establish their credentials in this evolving area where actuarial skills have been strong historically.

Australia is well advanced in some ways as we have a high number of actuaries working actively across different industries. Our challenge is to ensure our brand is recognised and valued in this field, and to encourage actuarially trained, predictive analytics experts to remain part of the actuarial community. This continues to be an agenda item for Council and our active Data Analytics Working Group. I believe that with greater recognition for our Associate qualification both internally and externally to the membership, there will be an opportunity to grow our influence in this field, while remaining relevant to members.

## A voice in public policy

I have always believed that we need to have an external focus, and while much of my work this year has been around the education system I have aimed to ensure we are thinking about our external stakeholders, encouraging

members to have a voice and contribute to external debates.

Public policy is important to the Institute to ensure we remain relevant to stakeholders in government, regulators and industry. We can bring an independent voice, and it is important we maintain a reputation for unbiased advice. It can be challenging to represent our members where there are various opinions; our public policy position statements provide a very useful guide when we seek to comment in different areas. The Institute has increased the number of papers it produces, and continued this year to build strong connections with high quality journalists. Our new 'Dialogue' thought leadership series is helping to increase our voice in the market. This can only be of benefit to our members and I anticipate that this will continue in the future.

## A global profession

At the Strategy Planning Day in October 2017, Council agreed that the Institute should increasingly develop its international relationships and maintain a focus on what is happening globally.

The appointment of Kitty Chan to represent HQ in Hong Kong has been very positive for our members in Asia.

Beyond this, there is clear activity in the field of pre- and post-qualification actuarial education at an international level. It is increasingly important that we know what is happening globally in areas such as international accounting and actuarial standards as we operate in organisations which have strong global connections.



L to R: Paul Swinhoe, Marc Mer, Kaise Stephan, Jenny Lyon, Elayne Grace

Australia will have the opportunity to showcase its actuaries when Sydney hosts the International Actuarial Congress in 2022. While this may seem some time away, the Institute's preparations are well in hand and we must keep this opportunity at the forefront of our planning.

## Thank you

It has been an honour to represent the members of the Australian profession and to work with the Presidential Committee, Council, HQ and all the many committees who support the work of the Institute and who have all been instrumental in helping me this year. I was recently asked by a younger member of the profession how they could contribute. My response: "Tell people you are an actuary and help us build the brand further by demonstrating the quality of work we can do".

**“We lead all through our lives, at the start of our careers we are given responsibilities, and expectations of leadership follow from that.” – David Morrison AO**



# From the CEO

## David Bell

**This is my final report as the Institute's CEO. It offers me a great opportunity to reflect on the achievements of this year and the what the future holds for the profession, and by corollary the Institute.**

### 2017 in retrospect

2017 was the year the Institute was supposed to deliver on the final year of the 2015-17 Strategic Plan. And I believe we have, as I have set out below.

#### Goal 1: Best practice education and lifelong learning.

By the time this report is published, Council will have had the opportunity to make its final decision on a new education system for the Institute, focused on a better experience for students, initially in Part III. Education professionals will be recruited next year, and in coming years, to improve the quality of the content and delivery of pre-qualification education. I congratulate Council on its wisdom in making the decision to invest in the profession's future.

Infrastructure for delivering better CPD will also be in place by the end of 2017. The first step is to provide easy, more personalised access to the many CPD resources the Institute already has for members. We are also starting to provide more dynamic content, for example, the high-quality video reports by Practice Committees.

We have also completed the review of our events to make sure we are still delivering the product that members want, while taking account of latest developments in events delivery.

#### Goal 2: Improved Member engagement.

The things that stand out for me here are the delivery of the Student App, *Actuarial Sprint*, and the recognition and commitment to greater diversity on our committees and other key bodies at the Institute.

#### Goal 3: More influence and better known.

We have been very active in this space, supported by a very committed Public Policy Council Committee. The launch of the *Mental Health and Insurance Green Paper* (which

also featured in our brand campaign *See what we see*) was a key achievement and represented new territory for the Institute. Our *Dialogue* series of shorter thought leadership papers has also been successful – the first paper was on the funding gap for patients with cancer, while the second considers the implications of genetic testing on life insurance.

#### Goal 4: Boost international engagement.

Appointing Kitty Chan to our staff in Hong Kong has helped reinforce our commitment to our many members in Asia. The restructure of the International Committee to align its activity with the Strategic Plan has also been important.

#### Goal 5: Data analytics and banking.

There has been solid progress in these area, and there is a commitment by Council to boost our activity in the crucially important data analytics field.

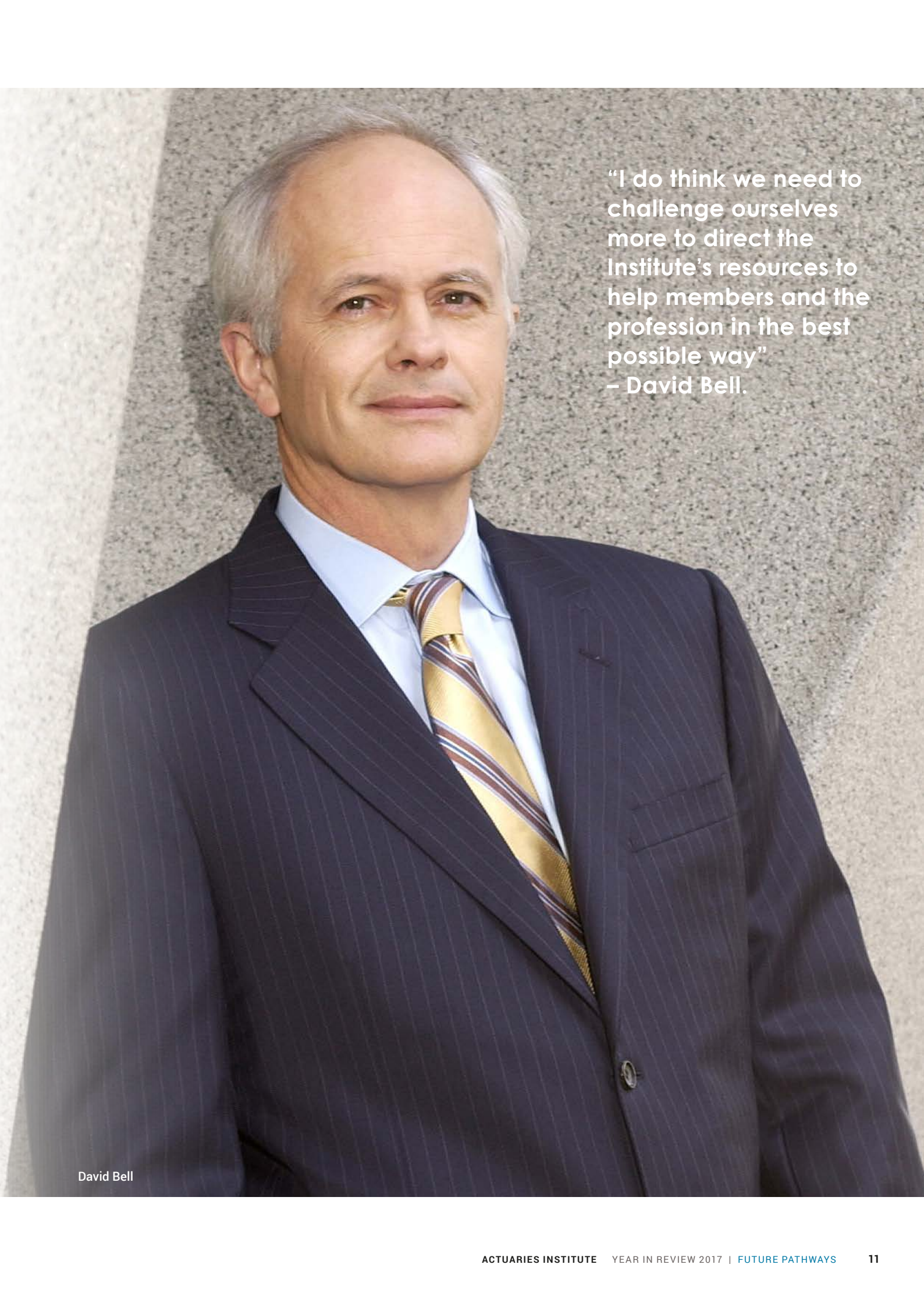
Another key piece of work has been a review of the Disciplinary Scheme and the Code of Professional Conduct. Both are part of the necessary solid foundations of the profession.

### The future

Council captured the future challenges well at its recent strategy day when it considered scenarios ten years out. Some of the things that stood out for me were:

- The need to set more ambitious growth target for the Institute – previously we have grown at system.
- Establishing a clear priority for data analytics – we will need to back this up with resources.
- The commitment to building diversity. I personally hope this translates in to a clear target for having half of all qualified actuaries being women within a realistic time-period.
- Building a stronger brand.

I do think we need to challenge ourselves more to direct the Institute's resources to help members and the profession in the best possible way. There are key

A portrait of David Bell, a middle-aged man with grey hair, wearing a dark blue pinstripe suit, a light blue shirt, and a yellow and brown striped tie. He is standing against a light-colored, textured wall.

“I do think we need to challenge ourselves more to direct the Institute’s resources to help members and the profession in the best possible way”  
– David Bell.

David Bell

questions around how we deliver education and CPD – should this be something we collaborate on with other actuarial bodies? We should also consider this same question regarding providing the best possible service to our members in Asia.

### What I have most enjoyed

Working with actuaries has been the highlight. They are very proud of their profession. A smarter, more dedicated group of business professionals you wouldn't find.



Michael Rice and David Bell.



David Morrison AO speaks with David Bell on camera.

### Thank you

There are so many people to thank – John Donne's poem 'No Man is an Island' comes to mind. I could not have achieved anything without the help and dedication of others.

Firstly, HQ. It has been a pleasure being the servant of such a great team. They are truly committed to helping members and work very hard at it.

Member volunteers. 500+ volunteers is an amazing figure, and most do it for the love of the profession. Again, nothing would be achieved without this dedicated group of committee members, education volunteers and others.

The Council. A committed and cohesive group of leaders of the profession, who always hold the interests of the organisation and the members first and foremost.

### The Presidents

I have been very fortunate, as have four wonderful bosses, who seem to work full-time with no pay! I've previously thanked Daniel Smith (2014), Estelle Pearson (2015) and Lindsay Smartt (2016) for their tremendous service, friendship and counsel. I also know that John Evans (2018) and Nicolette Rubinsztein (2019) will do a great job.

The current President, Jenny Lyon has been outstanding. She has exhibited tremendous leadership in some tight spots (and never falters), is genuinely committed to the profession and its members, treats everyone she meets with dignity and respect, and has clear convictions about where she sees the future of the profession and the Institute. I have learned a lot from her.

### A final reflection

I was very fortunate to pick up a well-oiled machine from my predecessor, Melinda Howes – thank you. I sincerely hope my successor can say the same thing about me, and for my part I hope I have been able to make a difference.

# Your Council in 2017

The Council is the governing body of the Institute. In 2017 it once again deliberated on, and made decisions about, a wide range of issues affecting the profession and members.

Approving the Education Strategy Review implementation plan to commence in 2018 with a major review of its progress set for December 2018. During 2018 policies governing education will be updated to reflect the results of the recent Education Strategy Review and revised policies for public policy and communications will be submitted to Council in March 2018.

Council has also overseen the review of the Code of Professional Conduct which was last considered in 2009. The review is scheduled to be completed in 2018. The working group established to undertake the review has been working closely with members of the Disciplinary Scheme Review to harmonise these two key components of professional conduct.

A limited review of the Constitution was undertaken during the year and was considered by Council in December. There will be member consultation undertaken in January/February 2018. Final Council approval will occur in March 2018 prior to it being considered for approval by members at the 2018 AGM.

The President continues to seek input from members prior to each meeting of Council and the reports providing an overview of the issues Council is dealing with continue to be well received by members.



Jenny Lyon  
**President 2017**



John Evans  
**Senior Vice President**



Nicolette Rubinsztein  
**Vice President**



Andrew Brown



Hoa Bui  
**Incoming Vice President 2018**



Ann Maree Cook



Andrew Doughman



Bill Konstantinidis



Michael O'Neil



Chao Qiao



Barry Rafe



Andy Yang

# Strategic Plan 2015-17

GOAL 1	Actions
<b>Best practice education and lifelong learning</b>  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"> <li>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.</li> <li>2. Design and commence implementation of a commercially-sound CPD program aligned to Member and industry needs in Australia and Asia.</li> <li>3. Align Parts I &amp; II content, teaching methodology and assessment to deliver the skills required by future actuaries and maintain international recognition.</li> <li>4. Review and enhance Part III curriculum to meet current and anticipated employer needs and provide career development opportunities.</li> <li>5. Review and modify internal procedures and systems to facilitate growth.</li> </ol>
GOAL 2	Actions
<b>Improved Member and student engagement</b>  Increase relevance by improving engagement with Members and students.	<ol style="list-style-type: none"> <li>1. Increase Council and committee accessibility to improve transparency.</li> <li>2. Encourage diversity on, and participation in, committees, working groups and taskforces.</li> <li>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.</li> <li>4. Individualise communications to increase relevance.</li> </ol>
GOAL 3	Actions
<b>More influence and better known</b>  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"> <li>1. Develop thought leadership for key long-term themes relevant to the profession.</li> <li>2. Attentive engagement with corporates, governments and opinion leaders to understand emerging issues relevant to the profession.</li> <li>3. Develop integrated policy, media, CPD and research strategy to raise awareness of profession's expertise and contribution to business/society.</li> <li>4. Speak out on areas of public interest where Institute can add expertise.</li> <li>5. Raise awareness of actuaries' work and value-add to business/society.</li> </ol>
GOAL 4	Actions
<b>Reach further in Asia</b>  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"> <li>1. Enhance our regional connections with a range of stakeholders, particularly local actuarial associations.</li> <li>2. Develop an enhanced and highly professional CPD offering across a wide range of topics.</li> <li>3. Market our CPD offerings to Members, local professional actuarial associations and other relevant professions.</li> <li>4. Enhance and maintain a strong country network and our knowledge of country-specific CPD needs.</li> </ol>
GOAL 5	Actions
<b>Extend practice reach</b>  Extend the reach of actuaries within the data analytics and banking sectors.	<ol style="list-style-type: none"> <li>1. Increase awareness (including of the profession, employers and media) of the opportunities for actuaries in the sectors.</li> <li>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.</li> <li>3. Design relevant education programs to develop desired skills and provide transitional pathways between current and emerging practice areas.</li> </ol>

# Membership Data 2017

## LOCATION

**23%**

OF MEMBERS WORK  
OR STUDY OVERSEAS

60% OF OVERSEAS  
MEMBERS ARE IN ASIA

## WOMEN

**33%**

OF MEMBERS  
ARE FEMALE

25% OF FELLOWS  
41% OF ASSOCIATES  
40% OF STUDENTS



**53%**

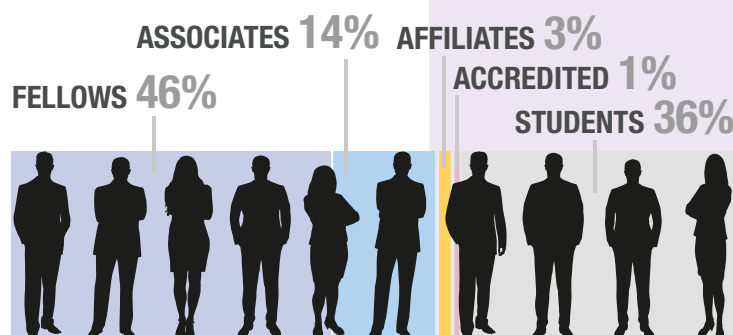
OF MEMBERS ARE YOUNGER THAN 34

## AGE

### Our Membership diversity (as at 23 November 2017)

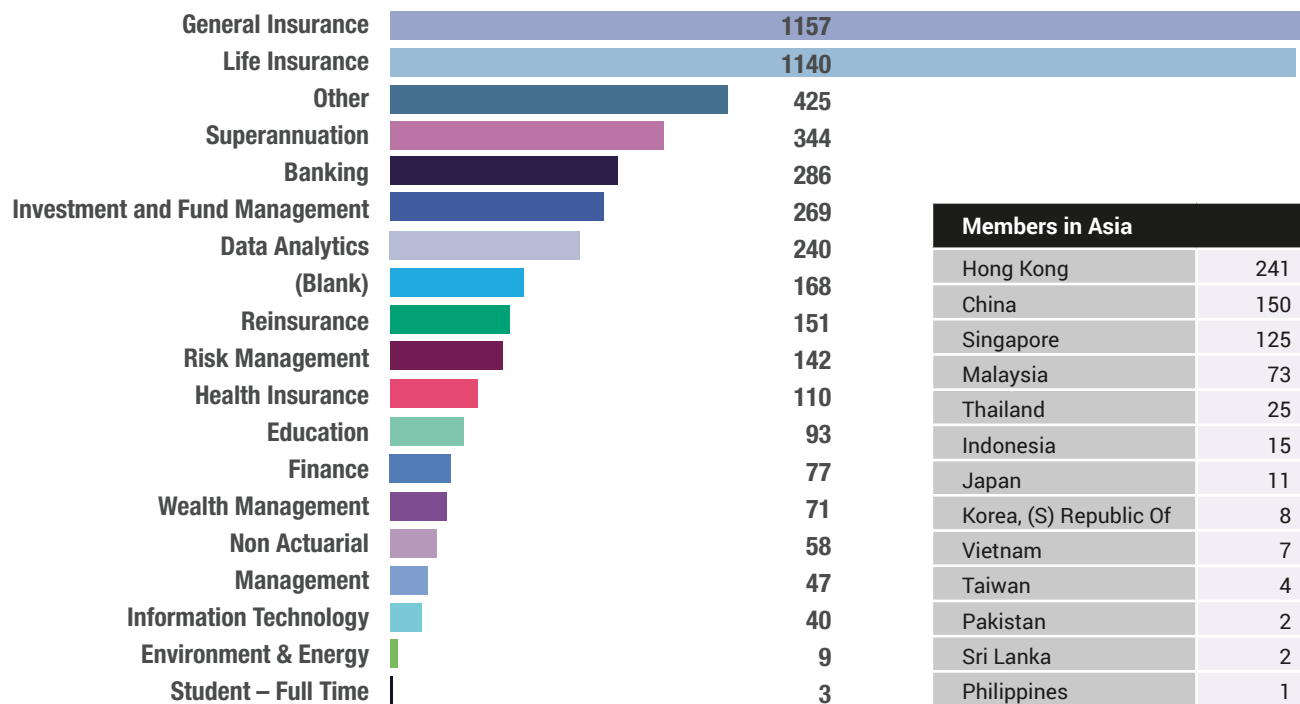
Membership by Age								
	<25yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs	65-74 yrs	>75 yrs	Total
Accredited	0	11	12	5	1	0	1	30
Fellow	0	612	654	480	242	160	84	2232
Associate	6	313	225	77	25	26	6	678
Student	578	1024	125	19	2	0	2	1750
Affiliate	1	26	44	35	20	10	4	140
<b>Total</b>	<b>585</b>	<b>1986</b>	<b>1060</b>	<b>616</b>	<b>290</b>	<b>196</b>	<b>97</b>	<b>4830</b>
% (rounded)	12%	41%	22%	13%	6%	4%	2%	

Membership by Gender				
	Male	Female	Not Specified / Unknown	Total
Accredited	20	9	1	30
Fellow	1660	572	0	2232
Associate	402	276	0	678
Student	1035	700	15	1750
Affiliate	97	43	0	140
<b>Total</b>	<b>3214</b>	<b>1600</b>	<b>16</b>	<b>4830</b>
%	66.5%	33.1%	0.4%	



Members by Member Type			
	Australia	Overseas	Total
Accredited	28	2	30
Fellow	1742	490	2232
Associate	499	179	678
Student	1350	400	1750
Affiliate	114	26	140
<b>Total</b>	<b>3733</b>	<b>1097</b>	<b>4830</b>

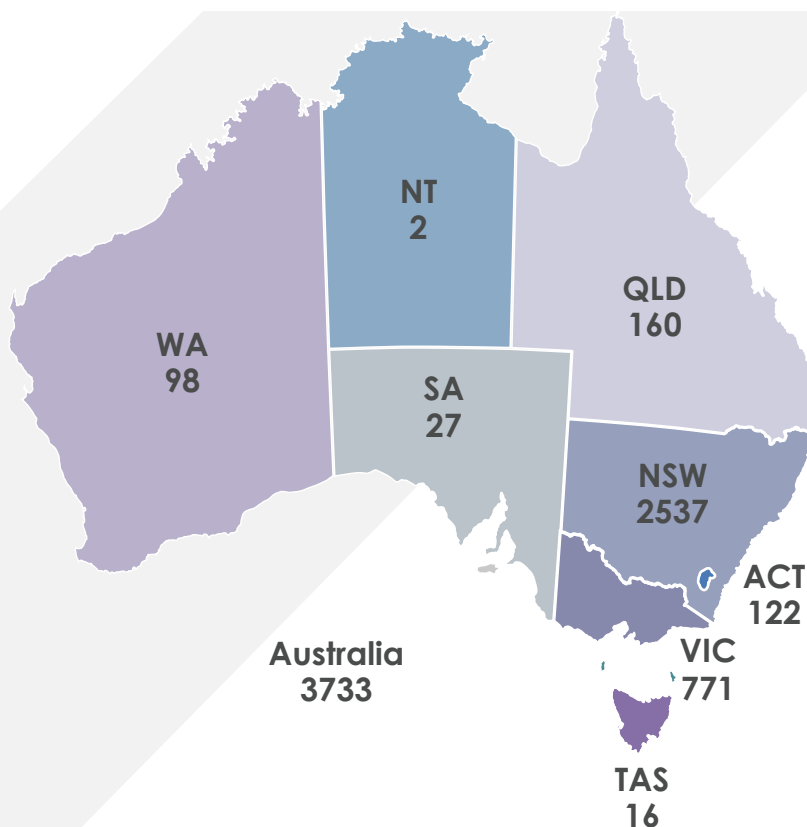
## Member Practice Areas



### Members in Asia

Hong Kong	241
China	150
Singapore	125
Malaysia	73
Thailand	25
Indonesia	15
Japan	11
Korea, (S) Republic Of	8
Vietnam	7
Taiwan	4
Pakistan	2
Sri Lanka	2
Philippines	1
India	1
Macao	1
Kazakhstan	1
<b>TOTAL</b>	<b>667</b>

## Australia-based Members by State



### Members in the rest of the world

New Zealand	171
United Kingdom	142
United States	49
Switzerland	12
Canada	8
Germany	7
South Africa	6
France	6
Spain	4
Netherlands	3
Israel	3
Bermuda	3
Norway	3
Fiji	3
Mauritius	2
Ireland	2
Nigeria	1
Denmark	1
Belgium	1
Equatorial Guinea	1
Oman	1
Brazil	1
<b>TOTAL</b>	<b>430</b>

# Member Milestones in 2017

## New Fellows in 2017

Kasun Amarasuriya  
Pallav Bilas Bajracharya  
Thomas Beers  
Andrew Bird  
Ellen Bruce  
Victor Wing Tak Chan  
Atif Chaudhry  
Mingkun Chen  
Vincent Ping Fan Chen  
Li Jane Cheng  
Simon Cheng  
Yao Cheng  
Russel Stewart Chesler  
Ivin Chin  
Kevin Tzu-Yang Chou  
Philip Chow  
Stephanie Chow  
Duncan Taylor Clarke  
David Samuel Crowther  
Ziwei Deng  
Stephen Dong  
Zhe Dong  
Alice Evans  
Melvin Sau Jin Goh  
Stephen Goh  
Claire Maree Greenwell  
Quan Gu  
Francesca Hetherington-Kirby  
Kim Hoddinott  
Vernon Hu  
Jiayuan Huang  
Mayank Jain  
Fan Jiang  
Brendan Jones  
Mathieu Jones  
Adrian Michael Kerins  
Anh-Hop Khuu  
Andrew Kight  
Bernard Nico Kleynhans  
Wen-Han Koh  
Arthur Kong  
Mariane Lee  
Thomas James Lee  
Daniel Beom-Joo Lee  
Maggie Lee  
Terence Leung  
Yuenan Li  
Thuy Linh Lieu  
Calise Liu

Xiao Ou Lu  
Jonathan Luk  
Michael Marando  
Peter McAllister  
Marc Mer  
Christine Min  
Abhimannu Narenthiran  
Hoan Nguyen  
Jun-Hyun Oh  
Andrew Palmer  
Nerique Paterson  
Jordan Pedder  
David Pettersson  
Sayanthan Prabakaran  
Neeharika Awadh Prasad  
Wing-Sze Pui  
Tianyu Qi  
Maathumai Ranjan  
James Roscoe  
Way Seng  
Heena Shashikant Shah  
Piyush Sharma  
Kathryn Diann Spragg  
Daniel Stone  
Qifeng Sun  
Melissa Elizabeth Sutjipto  
Daniel Tai  
Justin Tam  
Chong It Tan  
Yi Ping Tan  
Carlvin Teng  
Po-Jen Tien  
Matthew Tiong  
Daniel Truong  
Aaron Tse  
John Lawrence Uy  
Chuan Wang  
Qing Wang  
Nicholas Warren  
Matthew Webster  
Sally Wong  
Alexander Wu  
Cathy Wu  
Yi Kai Wu  
Meng Xia  
Qing Xia  
Mengyi Xu  
Sue Xueyu Xu  
James Pek En Yap  
Xiao Ling Yong

Lei Zhang  
Edwin Zhang  
Xin Zhang  
Zhao Zhong  
Zhi Zu

## Members who achieved Associate/Actuary Designation in 2017

AKylie Katherine Archer  
Sascha Bannon  
Samuel Brass  
Duy Bui  
Junfan Cai  
Meghan Patricia Carberry  
Benjamin Chan  
Jayzii Chan  
Yiu Hon Elton Chan  
Allan Chen  
Wen Jia Chen  
Ruitong Chen  
Jonathan Chun-Him Choi  
Stephanie Chow  
Rohan Currie  
Jessica Dimovski  
Benjamin Drury  
Liuyang Feng  
Rachel Folder  
Andrea Fuehrer  
Jevon Fulbrook  
Aydin Hibbert  
Alvin Young-Chou Huang  
Juanita Jamsari  
Yimeng Jiang  
John Wright Jones III  
Peter Kennelly  
Eunice Shenn Ping Ku  
June Kuan  
Jeffrey Kwok  
Erika Lee  
Timothy Wai Ting Lee  
Na Li  
Zhao Li  
Changyu Liu  
Yang Liu  
Yingjia Luo  
Daran Mahenthirajah  
Nicola Iris McKinnel  
Melissa Jay Mooney  
Eilidh Nicholson

Eu Chin Ong  
Sarah Park  
Gomathy Pillai  
Jason Pushon  
Ye Ren  
Chad Robertson  
Clayton Paul Roderick  
Leonie Semmens  
Kin Hang Se-To  
Dan Qing Shi  
Kishandth Sivapalasundaram  
Rochani Subasinghe  
John Telford  
Daniel Ezra Thomas  
Riyadi Tjia  
Claire Van Helden  
Michael Vassilopoulos  
Alison Visser  
William Walker  
Karen Wang  
Jiang Yong Wong  
Bijun Yang  
Xiaoqi Zheng  
Yiwei Zheng

## Members who achieved CERA Designation in 2017

Gaurav Agrawal  
James Andruczyk  
Andrew Bird  
Meghan Carberry  
Oliver Chambers  
Viola Chan  
Yiu Hon Elton Chan  
Mingkun Chen  
Ruitong Chen  
Vincent Ping Fan Chen  
Clayton Chiong  
Daniel Ch'ng  
Jonathan Chun-Him Choi  
Kevin Tzu-Yang Chou  
Stephanie Chow  
Yining Feng  
Lin Gan  
Quan Gu  
Francesca Hetherington-Kirby  
Kim Hoddinott  
Joo Ann Rachel Hoh  
Jiayuan James Huang

Mayank Jain  
Mathieu Jones  
John Wright Jones III  
Gaurav Khemka  
Harshana Bandana Kiriella  
Eunice Shenn Ping Ku  
Jeffrey Kwok  
Emily Law  
Alan Lee  
Daniel Beom-Joo Lee  
Thomas James Lee  
Ka Lok Leong  
Yuenan Li  
Yang Liu  
Tian You Lu  
Michael Marando  
Abhimannu Narenthiran  
Sinn-Shun Ng  
Kimberly Ann Nowaczyk  
Andrew Pak  
Ji Woong Park  
Y'ng Yiing Phoon  
Neeharika Prasad  
Jason Pushon  
Maathumai Ranjan  
Ye Ren  
Piyush Sharma  
Kishandth  
Sivapalasundaram  
Kathryn Diann Spragg  
Melissa Sutjipto  
Quanyie Tan  
Yi Ping Tan  
Siqi Tang  
Po-Jen Tien  
Phin Wern Ting  
Matthew Tiong  
Alison Frances Visser  
Matthew Webster  
Jeffrey Wong  
Sally Wong  
Alexander Tong Wu  
Yi Kai Wu  
Sue Xu  
James Pek En Yap  
Xiao Ling Yong  
Fan Zhang  
Xiaoqi Zheng

# Education and Continuing Professional Development

## Education Strategy Review:

The Institute's Council has completed a root and branch review of the Institute's qualification education system. The review, completed by the Education Strategy Review Committee, covered all aspects of the qualification education program – Parts I, II and III, and took into account the Institute Strategic Plan 2015-17 and the resources available. The review included research and consultation with members, employers, accredited universities and other stakeholders. In March 2017 Council were presented with options for a new education program model. Council have made the decision to implement the following model over the next five years. Key to the implementation of the model will be the recruitment of a new staff education faculty. The model was chosen as it is practical, sustainable and provides qualification education which meets the future requirements of the profession and individual actuaries.

There will be further communication with members and students as each implementation stage is released.

Completion of formal or recognised study. Part I university programs will continue to be accredited by the Institute, under a more robust and enriched (subject level) accreditation program.	OR	Alternate pathway. Alternate pathway will be via Institute and Faculty of Actuaries (UK) examinations.
Associate program. Universities will continue to be accredited by the Institute to deliver Part II (Associate) subjects. The Institute will develop a new professional development module (curriculum and assessment) as part of the new Associate program but the bulk of the Part II program will remain with the universities. A one-year work experience requirement will be implemented for the Associate program.		

Fellowship program. A new Fellowship program will be implemented in a staged process, with delivery via a new professional education faculty.
It is likely there will be a further work experience requirement implemented for the Fellowship program.

## Next steps in 2018

- Hiring the first roles associated with the staff faculty who, in consultation with relevant stakeholders, will be responsible for developing and delivering the new Fellowship Program and new components of the Associate Program.
- Determining the subjects to be offered as part of the new Fellowship Program, and the assessment methodology.
- Developing the first two subjects of the new Fellowship Program for launch in 2019.
- Review of the current Associateship subjects and determining the syllabus for the new professional development module to be launched in 2020.
- Helping existing students to understand the transition arrangements as we move from the current education program to the new education program.

## Part III Improvements Project

The Education Council Committee (ECC) initiated the Part III Improvements Project to further enhance the student experience. The ECC have reviewed the development and delivery of the Institute's Part III education program and have provided recommendations for improvement relating to:

- the relevance of the existing syllabi;
- the process and governance surrounding revisions to the syllabi;
- the quality of the course material;
- the effectiveness of tutorials and the discussion forum as learning resources; and
- assessment development, marking and results finalisation.

As the Education Strategy Review project is running in parallel with the Part III Improvements Project, the Part III Improvements Project focuses on shorter term recommendations to be implemented during the next one to two years in order to improve the student experience while awaiting the full development of the new Fellowship program due to be implemented over a period of six years. Recommendations from the Part III Improvements

Project will nest within the general direction of the Education Strategy Review in that any recommendations implemented will move education further towards the desired state. The Education Council Committee have agreed to implement recommendations in the areas of:

- Faculty terms of reference.
- Syllabi and course material updates.
- Introduction of assignments.
- Changes to the marking process.

## Continuing Professional Development

The Institute is focused on delivering the recommendations from the CPD Program Business Plan which focus on three key areas:

- Expanding our CPD offering particularly in the area of digital offerings.
- Making relevant CPD easier to find for members.
- Highlighting the CPD available to members as part of their membership and the value it can bring to their career as an actuary.

In 2017 the following were delivered:

- Expanding digital offering with additional CPD videos and the continuation of Practice Update Videos for 2017.
- Continued to offer Data Analytics MOOC with actuarial study group (free for members).
- Updated Whistleblowing eLearning course – which will be made available for free to all members in 2018.
- Further enhancing IT and audio equipment to improve CPD webinar quality.
- Implementing a back-end content repository system at the Institute to store CPD content and to enable the development of personalised member CPD Dashboards in 2018 – making it easier for members to find CPD which is relevant to them.

## Thanks to our Education Volunteers!

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

The Institute would also like to particularly thank Gae Robinson for her service as ECC Convenor and Gary



ERM Workshop

Musgrave for his service as Chair of the Board of Examiners. Stepping into their shoes, the Institute would like to welcome Ann-Maree Cook as the new ECC Convenor and James Pettifer as the new Chair of the Board of Examiners.

Running the Institute's education program depends on the volunteers giving up their valuable time, and bringing passion and expertise to the job. Each group of newly qualified actuaries owes a big debt to the volunteers who've made their education possible. For a full list of 2016 Education volunteers, please see page 54.

### Education/CPD Team Members:

#### **Karenna Chhoeung**

Head of Product and Professional Development

#### **Eleanor Mazando**

Education Manager and Team Leader

#### **Carolina Vilches**

Senior Officer, Professional Development

#### **Ausa Chanthaphone**

Education Coordinator

#### **Tony Burke**

Acting COO – Member Services

### **Ann-Maree Cook**

Convenor ECC

### **Gae Robinson**

Convenor ECC

### **Sarah Tedesco**

Chief Operating Officer, Member Services

# International Council Committee

## 2017 was an eventful year for the International Council Committee (ICC) with some big issues tackled.

These issues included:

- a major restructure of the Committee itself;
- two International Actuarial Association (IAA) meetings in Budapest and Chicago;
- new international education syllabus;
- stream of International CPD material relevant to Australia;
- international cooperation at the frontiers of actuarial science, especially in Data Analytics and Banking;
- new international accounting standard IFRS 17;
- progress on the 2018 International Congress which has relevance for the Australian congress in 2022;
- further development of International Standards of Actuarial Practice; and
- the appointment of an Asian Liaison Manager.

## Committee restructure

Council considered that international developments are increasingly important to the Institute, and accordingly widened the remit of the Committee. It considered that there should be a greater emphasis on providing member services for the 22% of our members who reside overseas and particularly the 13% who work in Asia.

Members of the profession were requested to apply for positions on the reconstituted Committee and there was a tremendous response, with the number of candidates exceeding the number of positions.

There are seven new members who will join the Committee, including new four non-Australian members and four females. The Chair of the Asian subcommittee is an Asian, working in Asia.

## International cooperation

There was an abundance of rich material discussed at the IAA Council and Committee meetings in Budapest and Chicago with seminars on mortality, morbidity, pensions and housing and banking. In addition, there is the ongoing work by the IAA Committees (such as Life Insurance, General Insurance, Health, Pension and Employee Benefits) and Working Groups (such as Mortality, Population Issues, Banking and Data analytics). And then there are the Sections, open to members. The IAA website shows the work that these groups are carrying out.

Delegates from countries around the world shared developments in their own education systems, providing valuable insights to our delegates.

A major milestone was reached when Council approved the IAA's new education syllabus. This new syllabus is more relevant to the work of 21st century actuaries and our Institute is already moving to implement it.

Several international associations are also providing data analytics courses and we are investigating whether one or more of those could be suitable for Australian members. In banking, Australia is more a contributor than receiver of knowledge on the IAA Banking Working group. We are grateful to South Africa – global leaders in the actuarial profession in respect of Banking – assisting us in our endeavours to implement a Fellowship exam on Banking.

## Governance and regulation

After more than 15 years, the new accounting standard IFRS 17 was released by the International Accounting Standards Board.

Activities by the IAA include the preparation of an International Standard of Actuarial practice, the preparation of many International Actuarial Notes to provide guidance and active monitoring of IASB developments. Our own Institute has set up an IFRS 17 Task Force working closely with the IAA. Australians are deeply involved in these international activities.

**“Australian actuaries are deeply involved in a variety of international activities.”**



### **International Congress of Actuaries**

Every four years an International Congress of Actuaries (ICA) is held. The next is to be held in Berlin in June 2018, with a huge scientific program of more than 574 papers submitted for 280 slots.

The ICA in 2022 will be held in Sydney - a wonderful opportunity to showcase our profession and our country. Berlin ICA this year will be a great opportunity for us to find out what works well at and what can be improved.



**BRIDGE TO TOMORROW**  
**2022 INTERNATIONAL CONGRESS OF ACTUARIES**

### **2018 Plans**

In 2018, we will be reviewing our Mutual Recognition Agreements - the means whereby actuaries with Australian qualifications, after certain eligibility conditions are met, are able to work professionally in other countries.

There will be IAA Committee and Council meetings in Berlin and Mexico City, however, the big challenge in 2018 will be to bed down the new Committee, and in particular look at improving member services in Asia and other countries, particularly New Zealand and the UK.

CPD and co-operation with local associations are at the top of the list. A great step forward was made in 2017 with the appointment of Kitty Chan as our Asia Liaison Manager, based in Hong Kong. Kitty's presence is already being appreciated.

I would like to express my thanks to the President, Council and HQ for the support that the International Committee has received during the year. I would also like to thank members of the Committee for their work during the year, and a big welcome to the new members of the Committee who will be critical in meeting the challenges ahead.

**Martin Stevenson**

Convenor, International Council Committee

# Asia Report

**Engaging our members in Asia is a significant platform in the Institute's Strategic Plan. As such, I was appointed the Institute's Liaison Manager, Asia in late March 2017, based at the Actuaries Joint Office in Hong Kong. Since joining the Institute, I have been working closely with the HQ team on the Asia Strategy.**

## A tour of Asia

In May 2017, Institute President Jenny Lyon, CEO David Bell and myself toured Singapore, Kuala Lumpur, Hong Kong, Beijing and Shanghai to meet our members there, as well as senior actuaries and local regulators. We presented the Institute's current and future plans for involvement in and engagement with Asia and I reported on this in several Actuaries Digital articles. We were delighted to have David Morrison AO speak to members about leadership at the Hong Kong Presidential Dinner; his speech truly impressed everyone at the session.

## Asia-related events

The annual Joint Regional Seminar was presented in Taipei, Hong Kong, Bangkok and Kuala Lumpur in July and August. This event was co-organised by the Actuaries Institute Australia, the Institute and Faculty of Actuaries and the Society of Actuaries, with the support of the local actuarial societies, AIRC, ASHK, ASM and SOAT. This Seminar attracted over 750 participants and was deemed one of the major CPD events in Asia for life insurance actuaries.

In terms of more specific Insights sessions, Nick Li presented on 'Asian Insurer Asset Management' in August to our Singapore Members, and Greg Solomon presented his well-received 'Body Hacking' session from the Actuaries Submit to our Hong Kong members in September.

The Institute and Actuarial Society of Hong Kong presented a campus talk at Hong Kong University in September, where May Chun and Andrew Tang shared their career pathway experiences and discussed the Australian qualification with the students.



The Institute also co-organised the General Insurance Seminar at Kuala Lumpur with the Actuarial Society of Malaysia, the Casualty Actuarial Society and the Institute and Faculty of Actuaries in early December 2017. The preparation is well under way.

## Strategic direction

The 2018 Asia Business plan was presented and approved by the Council at the September Council meeting. The Plan has three main objectives:

- 1) to build a strong community of members in Asia, and between members in Asia and the Institute;
- 2) to improve the delivery of CPD in Asia; and
- 3) to build the reach of the Institute in Asia through a stakeholder engagement plan.

We look forward to engaging more members across Asia cities, delivering enhanced CPD programs and collaborating with other associations to promote the actuarial profession in Asia.

## Kitty Chan

Liaison Manager, Asia



Jenny Lyon addresses the IFOA Asia Conference in Hong Kong



Dinner in Shanghai



Shanghai Tea Ceremony



David Bell and Jenny Lyon – Asia Tour



Jenny Lyon addressing members in Hong Kong

# Leadership and Career Development

## The Leadership and Career Development Committee is responsible for advising on and promoting:

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

## Leadership Events in 2017

The Committee organised one insights sessions and two leadership forums this year. One in September: Risk Management Capability + Strong Leadership = Effective Risk Culture, which was presented by Tim Gorst in Melbourne. Tim's presentation discussed risk culture, collaboration, accountability and leading with integrity. The first leadership forum – Leading the Horse to Water was hosted in Sydney in late March, presented by Lesley Traverso, and chaired by Martin Mulcare. Finally, our well-attended Leadership Forum – Actuaries as



Tim Gorst



Gloria Yu

Leaders took place in August in Sydney. Richard Dunn was in the audience and reported on the Forum in his article *Actuarial Leadership: Past, Present and Future*. The article, which was in the top five most popular articles in *Actuaries Digital* from 1 August to 31 October, discussed lessons shared at the Forum including:

**“In exposing yourself to diversity – even when this diversity is uncomfortable – you engage in a process of reflection and improvement which may provide the impetus for positive change.”**

## Strategy Review

A major activity in 2017 for the Committee was carrying out a review of its strategy to consider how it can better align with the Institute's Strategic Plan and support Council's initiatives.

We sought feedback from other committees and members about the value of our committee's focus on leadership and career development.

The Committee's findings were considered by Council in September and the outcome of the Strategy Review was that the overall focus of the LCDC should be on improving individual leadership skills of actuaries, rather than overall leadership of the profession.

It was also concluded that the focus of the Committee should be to ensure leadership skills are taught to members throughout the lifecycle of their career.

In 2018, the Committee will be working with the Education Council Committee and HQ to consider how to best align our activities with current and ongoing education and CPD programs.

## High School

The Committee continues to support the Institute's High School Program, where experienced actuaries present to senior high school students, and careers advisers, about becoming an actuary. These high school visits have been met with a strong interest from both school careers

**Participation in the mentoring program continues to increase year on year, with over 60 mentors and 160 mentees registered this year.**



advisors requesting presentations, as well as members of the profession willing to assist.

The Institute was also well represented at the Sydney CBD Schools Careers Convention and the UNSW Open Day, with great engagement from students and careers advisers at both events.

## **Mentoring Program**

Another way we support member's leadership skills is through the Institute's Mentoring Program, which we encourage all members to participate in.

With high levels of collegiality in our small profession, being mentored, and being a mentor, is regarded as a core experience for members. It forms a highly-valued source of professional development for both mentees and mentors by facilitating networking opportunities, improving communication skills and fostering a sense of community.

The Institute's program is now in its fifth year, and represents an excellent framework to make connections within the actuarial community outside members workplace.

Our mentors have a breadth of experience across corporate and consulting firms, with 40% of mentors having over 10 years of post-qualification experience. 10% of mentoring relationships are also based outside of Australia.

There has been very positive feedback on the program over the years and we are always keen on improving the program to ensure it meets member's needs.

This year, an inaugural Mentoring Information session was held to raise awareness of the Program, and encourage members to get involved. The session featured a panel discussion with past participants sharing their real-life practical experience of the Program and giving hints and tips to future participants.

We also published a brochure on our Mentoring Program which is available in hard copy and on the Institute website.

We continue to run our annual Mentor Workshop to equip current and future mentors. This year we had a fantastic turnout, with over 100 attendees in person and on the webinar.

Development of the mentoring app *Kinnect* will continue in early 2018. The app will provide mentees and mentors with the option of connecting over a social media platform.

## **Louise Campbell**

Convenor, Leadership and Career Development Committee



Niki Appleton, Blair Nicholls and Anthony Lowe



Kevin Wong and Joe Daley

# Education Prizes

Semester 1			
C2A	Life Insurance	Andrew Prescott Prize	Grant Knapman
C2B	Life Insurance	Andrew Prescott Prize	Tony Kong
C3A	General Insurance	Katherine Robertson Prize	Mengtong Xia
C3B	General Insurance	Katherine Robertson Prize	Ellen Adamson
C5B	Investment Management & Finance	Andrew Prescott Prize	Richard Dunn
C6A	Global Retirement Income Systems	Andrew Prescott Prize	Aanand Patel
C10	Commercial Actuarial Practice	Andrew Prescott Prize	Mengyi Xu
Semester 2			
C2A	Life Insurance	Andrew Prescott Prize	Jialong (Gary) Xiao
C2B	Life Insurance	Andrew Prescott Prize	Si Chen
C3A	General Insurance	Katherine Robertson Prize	Dmitro Lyulik
C3B	General Insurance	Katherine Robertson Prize	Stephanie Russell
C5A	Investment Management & Finance	Andrew Prescott Prize	NOT AWARDED
C6B	Global Retirement Income Systems	Andrew Prescott Prize	Matthew Oates
C10	Commercial Actuarial Practice	Andrew Prescott Prize	Grant Knapman

## Semester 1 – Prize Winners



Grant Knapman



Tony Kong



Mengtong Xia



Ellen Adamson



Richard Dunn

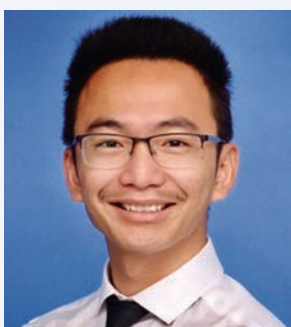


Aanand Patel



Mengyi Xu

## Semester 2 – Prize Winners



Jialong (Gary) Xiao



Si Chen



Dmitro Lyulik



Stephanie Russell



Matthew Oates



Grant Knapman

# Public Policy

**The Institute had another very active and productive year in public policy. The variety of issues tackled by the Institute gives credence to its belief that the profession can add real value to public policy debates in traditional and contemporary fields.**

## Mental Health and Insurance

The flagship publication was the Green Paper: *Mental Health and Insurance* which explored the interaction between this burgeoning societal problem and the need for insurers to take a new approach to providing sustainable cover for mental illness.

The paper was launched by the Co-Chair of the National Mental Health Commission, Lucy Brogden, in October and supported with a podcast series *Peace of Mind* and a new *See what we see* campaign.

## The Dialogue

We also produced three thought leadership papers, under the banner of *The Dialogue*.

The Dialogue is a new communication channel that

demonstrates thought leadership on emerging issues and offers actuarial insights into potential implications for insurers and society.

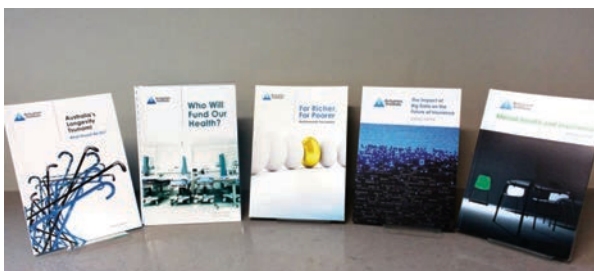
The first paper explored the anomaly between the benefits paid for cancer related health costs under private and public health systems. It then proposes a simple addition to private health insurance (PHI) policies designed to alleviate the severe financial impact of a diagnosis of cancer.

The second paper questioned the industry's approach to dealing with genetic testing information. This was topical given the Canadian Government's recent legislation to ban insurers from seeking the results of applicants' genetic test results. The profession appreciates an insurers' right to underwrite but also takes on board the arguments for encouraging testing to improve lifestyle responses to treatable pre-disposed conditions.

The third paper, published in November, warns that Australia's regulators and investors may force financial institutions to adopt international risk measures to accurately assess, report and manage the impacts of climate change. It also makes eight recommendations on how Australia's financial institutions should prepare.



Media launch of 'Mental Health and Insurance'. L to R: Elayne Grace, Lucy Brogden, Sue Freeman, Geoff Atkins and David Bell



Institute suite of public policy and thought leadership papers.

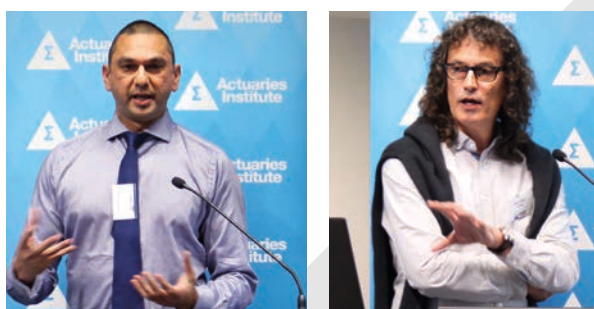
## Climate Risk Fluency Series

We held the first seminar in the Climate Risk Fluency series which explored the needs of business, and provided an overview of the types of information currently available about the past and future climate, and the techniques available to assess future hazard extremes. This event was held in co-operation with CSIRO and Bureau of Meteorology from the Earth Systems and Climate Change Hub.

## International collaboration

We also released a joint Actuaries Institute, American Academy of Actuaries and the Institute and Faculty of Actuaries report: *Retirement Readiness - A Comparative Analysis of Australia, the United Kingdom & the United States*. This paper considers a commissioned survey of working-age individuals assessing their preparation for various retirement risks, including longevity risk.

The Institute's views have been sought by several government departments and agencies including;



Left: Dr Karl Braganza (Bureau of Meteorology) and right: John Clarke (CSIRO)

Treasury, ASIC, APRA, the Productivity Commission, the NSW and ACT Governments. Issues canvassed covered Comprehensive Retirement Income Products, CTP Insurance, Segregated Assets, PHI prudential standards and a Pre-Budget Submission.

## Goals for 2018

The Actuaries Institute will continue next year to review the implications of APRA's recent *Role of the Appointed Actuary* discussion paper and ensure we use this opportunity to promote the strategic value of the appointed actuary role.

The life insurance sector has been under sharp scrutiny in recent years and the Institute is developing a paper that envisions a future state that demonstrates the type of life insurance that the industry will develop in the mid-term, driven by competition, technology and savvy consumers. The rationale is to demonstrate the profession's ability to think objectively about existing industry practice and how alternative approaches can better serve the community.

Under current development is an Australian Climate Change Index that will assist insurers and the community to better understand the environmental changes that are occurring. This project will clearly demonstrate the deep analytical insights that the profession can bring to policy discussions.

Further Dialogue papers and podcast episodes are also planned in 2018 to explore pressing societal questions where actuaries are contributing.

Thank you to all the hard-working members of the Institute's Public Policy Council Committee for their valuable contributions this year. I'd like to especially thank the Committee Convenor, Michael Rice, who was also recognised this year by the Institute by being named 2017 Actuary of the Year. Michael has made an invaluable contribution to Australian public policy and the actuarial profession. He is a shining example of what a passion for social policy and actuarial skills can achieve, and is certainly an inspiration for all actuaries hoping to make a difference in society.

## Elayne Grace

Deputy CEO and Head of Public Policy

# Practice Committees

## Banking

I took on the role of the Banking Practice Committee (BPC) convenor at the beginning of 2017. I did it because I think there is a big opportunity for the actuarial profession to make more of a mark in banking.

To get there we need to raise 'brand actuary' in banking up to the same 'revered and trusted' position that we enjoy in insurance and superannuation.

This increased level of risk consciousness across the sector bodes very well for us as actuaries.

As 'risk measurers and risk managers' – there are lots of areas where the actuarial skill set can make a difference, from credit decision making and pricing to credit reserving to stress testing and capital management, through to asset liability matching and liquidity risk.

In 2017, the majority of focus has been on getting a Part III Banking Course up and running so we can educate actuarial students on what it means to be a financial risk measurer or manager in a banking context.

In developing the Banking Course, we have borrowed heavily from the South African Institute who have had a course up and running for a few years now. Our aim is to have our course ready to go next year. Mark Hayes stepped in to the role of Education Subcommittee Convenor and he will help see this through.

Another area of focus has been to create an event that brings actuaries in banking together – to share perspectives and learn from each other.

On 7 December we hosted an Insights session for the banking actuarial community – the key speaker was Pat Brennan of APRA, and he discussed the role of the counter cyclical capital buffer. The event attracted over 100 members in person or by webinar. Following Pat's presentation I hosted a networking morning tea.

### Our focus in 2018

Looking forward – on top of getting the Banking Course up and running, and continuing to have networking events, we will also focus on positioning the profession to be more visible expressing views on the banking issues of the day.

As a starter, we currently have a small group led by Andrew Doughman who are working up an actuarial perspective on the Housing Affordability Crisis; and we are planning to get something technical out on the measurement of credit risk.

I would like to thank the members of the BPC and the Banking Practice Education subcommittee for their support over the year and I look forward to working together in 2018.

### Jason Slade

Convenor, Banking Practice Committee



Banking Seminar: Pat Brennan, APRA (left) and Jason Slade

**“The increased level of risk consciousness across the banking sector bodes very well for us as actuaries.”**  
– Jason Slade

## Data Analytics

It's been a busy and successful year for this committee, steering the profession towards the many opportunities in data analytics.

We have continued to build on activities and events to grow the members exposure in data analytics and data science, including awareness, education and strategic direction.

Member of the Data Analytics Working Group (DAWG) and Senior Actuary at Taylor Fry, Hugh Miller began a new column in *Actuaries Digital* 'Normal Deviance' exploring topics such as regression models, how to get started in analytics, and the role of Chief Technology Officers.

We also hosted several interesting Insights Sessions in both Sydney and Melbourne.

In addition, we have continued to expand the DAWG to incorporate fresh perspectives and input from a wider range of members, students, external analytics groups, other practice committees and Council.

Three highlights that stand out to me from 2017 were:

### 1. We ran our third Actuarial Kaggle Competition

The competition centred on predicting road accidents in Victoria in order to prioritise investment in road



'The Nelson Boys' Geoff Sims, Joel van Veluwen and Luke Heinrich created the winning predictive model for the 2016 Kaggle Competition.

infrastructure. The Institute's DAWG was involved in the organisation of the competition data providers, sponsors, facilitators and entrants as well as assessment and awards.

There were 64 competitors in 39 Teams who made 575 submissions. \$3,000 was awarded to first prize and two runner-up prizes of \$1,000 each were awarded.

The competition provided a key opportunity for members to get practical experience in data science, tools and problem solving.

### 2. The third successful Data Analytics Seminar was held

This seminar had the theme of 'Beyond the data science bubble' and featured key speakers from financial services and other industries. The speakers described how they use data analytics to solve real business problems, providing our membership with broader exposure and opportunities.



Tatia Rashid



The co-authors of the Big Data and Insurance Paper answer questions during the February Insights session. The paper launched in November 2016.



Data Analytics Seminar

### 3 A new Data Analytics Syllabus outline was prepared

The syllabus outline is in draft form and it builds on the content in a number of alternative programs and courses, incorporating actuarial expertise in the area and feedback from current practitioners.

Key program differentiators in data science are also identified, as well as potential delivery opportunities to help drive the future direction of the profession.

### The Young Working Group

We have recently started the Young DAWG and are excited to see where they want to focus their efforts on for 2018.

Twenty actuaries from a wide range of backgrounds put their hand up to be part of the 'Young DAWG' and help drive new and exciting initiatives in the rapidly changing Data Analytics space.

Following a comprehensive strategy and planning meeting, Young DAWG has a number of ideas to take to 2018. Plans include focusing on career advice for actuaries looking to explore opportunities in data analytics and a range of events highlighting technical aspects, such as new

techniques, approaches and insights from industries outside the financial services.

### Goals for 2018

Our core goals remain similar in 2018, focusing on promotion of data analytics, strategic direction and supporting future education options. Our promotional and awareness activities will begin to build on social media communication options in combination with events and training.

We will continue to work with a number of analytics organisations, including our international actuarial counterparts, to build on the strategic direction of actuaries in data analytics. We anticipate exploring a number of education options in 2018, including course structure, draft syllabus and potential partners.

We look forward to broadening the impact of the actuarial profession in data analytics and presenting new opportunities for members to seize on developments and opportunities in this exciting space.

### Mitch Prevett

Convenor, Data Analytics Working Group

## General Insurance

As a key representative body for member interests, the General Insurance Practice Committee (GIPC) had a busy year to ensure we extend the high regard the actuarial profession is held in by our many stakeholders.

We met 10 times in 2017, commencing the year by running a survey asking members what topics were important to them. The top three (see graph below) were:

1. the actuary's role in data and analytics;
2. APRA and the role of the Appointed Actuary; and
3. IFRS17.

The committee focused on these three topics especially in 2017, and will continue to do so as part of its agenda in the coming year.

This year, we also launched an experiment to include a guest 'younger' actuary at each meeting to bring an alternative perspective. This initiative has been wonderful at challenging the committee and highlighting the topics that are of concern to these members of our profession.

## Data Analytics

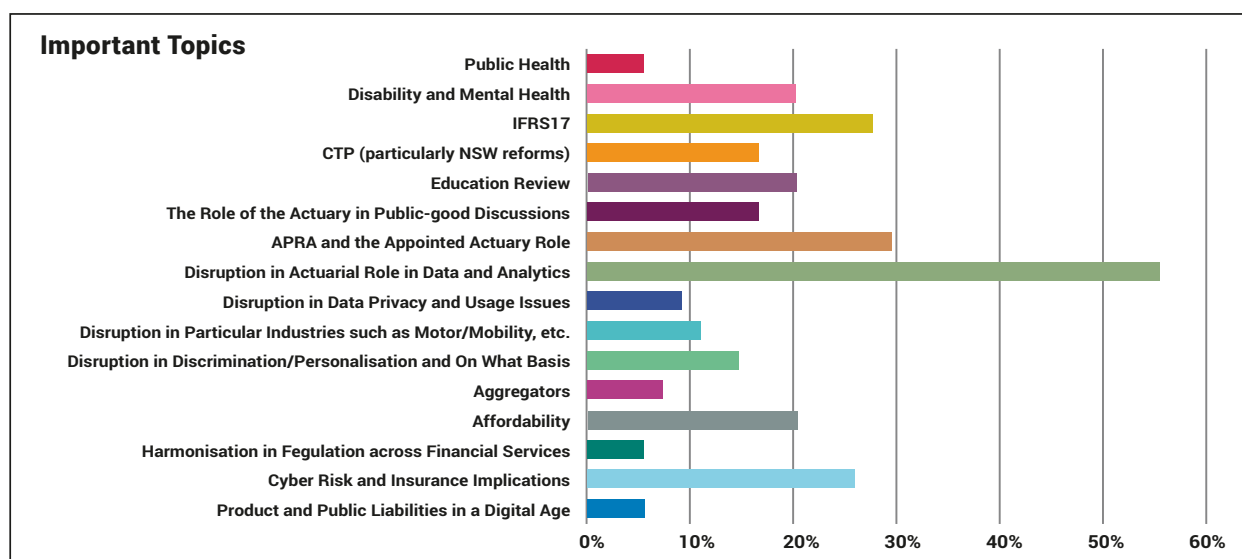
The general insurance field is seeing many new players emerge and some of our skills are being complemented with, and in some cases, are competing with, those of others. Our holistic understanding of the insurance value chain, an ability to ask the right questions and to critically examine the data driven answers will enable actuaries to continue to contribute strongly and advise our many stakeholders in an increasingly data rich world.

The GIPC has links into the cross-practice Data Analytics Working Group (DAWG) with several of our members leading GIPC engagement and focus on this important topic.

## Events

The GIPC has continued to provide education and network opportunities through events and Insights sessions.

In November, the Injury & Disability Schemes Seminar was held – our major event for 2017 – highlighting the key role actuaries play in financial management and analytics in relation to bodily injury in Australia. Well over 300 people attended, with over 50% being non-actuaries, providing a great showcase for our profession.



GI Glimpse was another event whereby we provided a forum for younger professionals to keep up with the latest developments in Australia's constantly evolving general insurance industry. From Insurtech, machine learning and AI to CTP reforms, there are plenty of opportunities for young actuaries to utilise their specialised skillset.

We also launched, under the Natural Perils working group, the first of the Climate Risk Fluency series aimed at providing actuaries and other interested groups access to Australia's leading professionals and thoughts on this critical issue.

## APRA's review of the Appointed Actuary role

The role of the Appointed Actuary (AA) is important, and as the world becomes more complex the distillation of the key risk issues, in a manner that AA are well equipped for, becomes increasingly important.

Through its current review, APRA is proposing to increase the effectiveness and efficiency of the Actuarial function, ensuring that the strategic role that the AA can play remains core to our future proposition in that space.

Iain Bulcraig is leading the Actuaries Institute's response to this review with Susan Ley leading the GI contribution, including the update of professional standards.

## Thought Leadership & Submissions

The committee continues to keep our brand in front of key stakeholders and the range of issues we were invited to respond to reflects well on the actuarial brand.

We have reacted to community concerns by publishing public policy papers on big issues, specifically, the *Mental Health and Insurance* Green Paper which spotlighted an increasing global concern, where the actuarial skills of quantification and of understanding the impact of subtle changes and actions on results is vital.

Examples of submissions, specifically in relation to CTP, are:

- NSW CTP
- We led submissions on a wide range of topics relating

to the reform of the NSW scheme as all stakeholders seek to improve the affordability and fairness in the scheme. CTP is relevant to all, and our role is to ensure that Actuaries are well represented.

- ACT followed suit, although the financial performance of the CTP scheme was less dire than NSW. ACT opted for an interesting approach of running the potential reforms through a Citizen's jury and we adjusted our submission as such. A key skill of actuaries is to be of value and to contribute on the key high-level issues, as we have done here.

Other areas of engagement over the last 12 months have included:

- IFRS 17 – early planning for the implications of IFRS 17 will have on the GI landscape. Francis Bean leads the GI contribution to Ian Laughlin's overall IFRS 17 Working Group.
- Annual meeting with Geoff Summerhayes of APRA to hear what key stakeholder policy objectives are. This year APRA encouraged Actuaries to consider consumer issues, as society is looking for institutions to lift the strategic role actuaries play within institutions – this will become an increasing focus for the committee in 2018.

## Professional standards

On professional standards and advice to members we have been working on an information note clarifying the application of PS300, particularly in relation to very long tail liabilities often occurring in NIIS and state sponsored schemes – for imminent release– whilst both PS300 (ILVR) and PS 305 (FCR) professional standards are waiting for a review on the back of the APRA review of the AA role within general insurers.

PS 310 will also become redundant under the new NSW CTP scheme reforms, although the principles should apply when actuaries advise CEOs on their premium attestation.

Many thanks to all members of the committee, and especially to our secretary Mary Poon, who has kept the GIPC well organised in 2017.

**Tim Clark**

Convenor, GIPC

**“As an actuary, your skills as a data analyst can unpack the ‘black box’ [of missing data]”**  
– Jillian Skinner.

## Health

The Health Practice Committee (HPC) met nine times during 2017. Its meetings are open to all interested Institute members and, in 2017, included discussion on PHI reform options, actuarial contributions to health policy, risk management, development of the PHI CPD Course and the impact of IFRS17.

### The Future of Health Seminar

The highlight of the year was the Institute’s second Future of Health Seminar. The speakers and content for the Seminar reflected the Committee’s desire for actuaries to partner with industry in ‘Finding the Balance’ in the healthcare sector.

100 delegates, from both the health industry and actuarial profession, had the opportunity to hear expert speakers share their views on the challenges of balancing cost and quality, practitioner and consumer expectations and government versus individual funding.

Finding the right balance is a key challenge to building a sustainable health system, whether that is the balance between:

- the public and private system;
- insurance versus other funding methods;
- greater choice versus simplicity; or
- increasing the supply of services versus eliminating ‘wastage’.



Sean Heng



Dr Stephen Duckett, Director – Health Program, Grattan Institute and Jillian Skinner, former NSW Minister for Health



FOHS Organising Committee: Indy Abeykoon, Richard Hurley, Sarah Gibson, Elizabeth Gemmell, Raymond Yeow, Jamie Reid and Ignatius Li

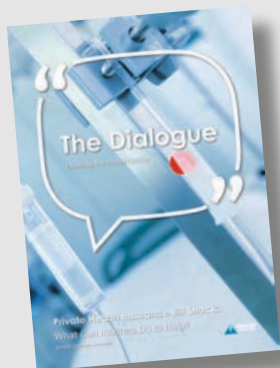


Dr Bastian Seidel, Dr Linda Swan and Assoc. Prof. Anthony Lowe



FOHS Plenary session

The seminar launched the Institute's new Dialogue series with an article on Private Health Insurance Bill Shock and provided the first opportunity to spruik our Wider Health Sub-Committee and share some of the work that actuaries and their clients are doing in health analytics and improving the efficiency of government health programs.



## The Wider Health Sub-Committee

Recognising the role that Actuaries currently play in Health beyond Private Health Insurance, we established a Wider Health Sub-Committee to raise awareness of the career pathway of Health Actuaries and focus on the broader contribution actuaries can make to health reform and policy. It plans to showcase the diverse and complex nature of healthcare by publishing regular articles *Actuaries Digital* from Health Actuaries in the field.

## Achievements in 2017

The Committee's other achievements to enhance health policy and actuarial knowledge and insight in the industry in 2017 included:

- Our first research colloquia – 'Private Health Insurance: Is the current system sustainable?' – in collaboration with the Institute's Public Policy Council Committee.

- Four well-attended Insights sessions including 'Challenges in PHI – a comparison between Australian and Brazil' presented by visiting Brazilian actuary Luiz Augusto Carneiro.
- Eight editions of the PHI newsletter, with a circulation of over 1,700 including nearly half non-Institute members.
- Active engagement with industry, including presenting at an industry actuaries and analysts lunch program.
- Improved communication and regular invites to Institute Health members to participate in Institute events and meetings.
- Attendance at industry and Appointed Actuary roundtables on PHI reform, prudential regulatory changes and the Appointed Actuary Review.
- Review and update of the Institute's Practice Guidelines in Health.

## Plans for 2018

2018 promises to be a big year in Health and we look forward to:

- growing the Government Health/Health Policy/Health Analytics sub-committee and promoting the great work being done by actuaries in these fields;
- a third Future of Health Seminar;
- developing our relationships with industry bodies in health insurance and with other Institute practice committees;
- ensuring you are plugged in to international developments in health and health funding;
- contributing to APRA's three phase prudential policy outlook, including APRA's Policy and AA roundtables; and
- working with GIPC and LIWMPC to develop a Cross Practice Professional Standard in readiness for the introduction of APRA CPS 320.

We look forward to contributing to the profession and the sector in 2018!

### Nicholas Stolk

Convenor, Health Practice Committee

## Life Insurance and Wealth Management

Life insurance, probably more so than any other practice area, has been at a major crossroads in 2017.

With an intense focus by media, consumers and investors of the current, sometimes dated, practices, around half the market has been put up for sale in 2017 and the industry is re-evaluating its approach to delivering on consumer expectations.

Against this backdrop of change, the Life Insurance and Wealth Management Practice Committee (LIWMPC) and its various sub committees make up a collective of around 100 senior life actuaries who volunteer their time to support the life actuarial profession and advance the role that actuaries can play in addressing the many industry challenges.

### Strategy

The core LIWMPC strategy for 2017 focused on the following key areas:

- **Education** – increasing the focus at a senior level through supporting the updating of the education syllabus along with CPD targeted at sharing lessons or focused on senior challenges.
- **Policy and standards** – focusing on major developments such as APRA's proposed changes to the AA role, PS200 changes required along with the impending IFRS17 changes.
- **Actuarial brand** – assessing and better managing the professions reputation risk, developing a vision for the future state of the industry and increasing regulator engagement.
- **Product** – increasing debate in areas such as genetics, mental health and legacy product solutions.
- **Communication** – increasing the communication to members through relevant and timely updates.

Three new members also joined the LIWMPC and the committee also welcomed three new future actuaries into its world.

### Plans for 2018

2018 will largely continue to focus on implementing the strategy but it will need to be re-assessed based on the outcomes of the Parliamentary Joint Inquiry the Royal Commission, and the Productivity Commission reviews and the bedding down of the Life Industries ownership and changing practices.

The committee also expects to advance in a number of other areas, including:

- **Wealth Management** – encouraging better integration and knowledge sharing with the life insurance area.
- **Retirement** – supporting the new Retirement Strategy Group and the Institute's engagement with Treasury over CIPR's.
- **Data Analytics** – developing and implementing a strategy to move life actuaries to the front of the data analytics space.

2018 will hopefully be a year with more space to make positive changes and further cement the societal role that actuaries can play for consumers.

### Ilan Leas

Convenor, Life Insurance and Wealth Management Practice Committee



(L-R) Grant Robinson and Ian Laughlin seated as David Rush presents an IFRS17/AASB17 Taskforce update

## Risk Management

The Risk Management Practice Committee (RMPC) is responsible for supporting the Institute and its members' needs in Enterprise Risk Management (ERM).

In the past year, the RMPC continued to promote actuaries' ability to lead and influence as risk managers, particularly within companies as the Chief Risk Officer (CRO).

Another objective for the RMPC for 2017 was to support better risk management in general, as organisations deal with a range of future uncertainty.

### 2017 Achievements

During 2017, the RMPC and its sub-committees undertook the below activities to promote these objectives. We:

- Ran the CRO Insurance Forum again, aimed at both member and non-member CROs.
- Assisted the Institute to run the 2017 ERM Seminar in September. This event is popular outside of Institute members, with more than half of attendees being non-actuaries. The seminar also received positive feedback.
- Supported risk-related Insights sessions.
- Acted as external examiners to two Chartered Enterprise Risk Actuary (CERA) courses delivered by Australian universities.
- Continued to support the practical workshop in the Institute's Part III ERM subject (Course 7A), which was amended to its current one day format in 2016.
- Assisted the Institute's delivery of Course 7A in 2017.
- Ran the Institute's first survey of CROs at banks, general insurers, life insurers and private health insurers. The results were presented at the ERM Seminar.
- Helped the Health Practice Committee in preparing the Institute's submission to APRA on the proposed extension of APRA's Prudential Standard CPS 220 Risk Management to private health insurers.
- Interacted with the CERA Global Association (CGA), an international collaboration of CERA member associations to support the CERA brand.
- Ran our first survey of Institute members, seeking their views and input on what RMPC does. The feedback has helped shape our strategy in 2017 and beyond.
- Contributed to the Institute's public policy discussions and positions that involve risk management.



ERM Seminar 2017

Back (LtoR): Nick Cowdery, Brett Riley, Verne Baker

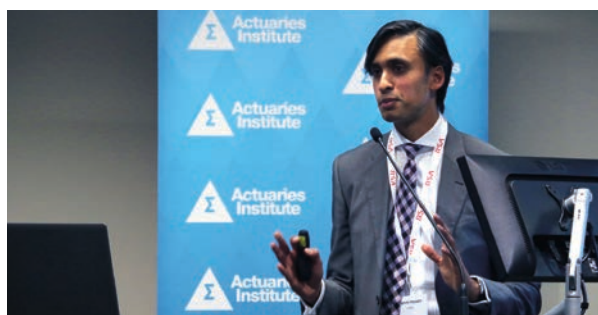
Front: Sarah Gibson, Jennifer Chung, Jess Telford



ERM Organising Committee (L to R): Nick Cowdery, Sarah Gibson, Brett Riley, Jennifer Chung, Jess Telford, Verne Baker



Saskia Goedhart



Fahmi Hosain



ERM Seminar sponsors

- Supported a cyber risk and insurance group which had been formed under the General Insurance Practice Committee, given the broad scope of cyber risks facing all industries.
- Liaised with other practice committees and Institute groups on a range of risk-related topics. In 2017 we increased the cross-practice representation on RMPC, with members of RMPC now also representing the banking and superannuation practice committees. General insurance, life insurance and wealth management and the leadership and career development committees were already represented on RMPC.
- Published several risk management articles in Actuaries Digital.
- Reviewed a number of risk management papers and proposals, including international actuarial standards.
- Contributed to the oversight of the Institute's own Risk Management Framework, including its risk appetite statement, risk register and consideration of emerging risks to the profession.

## 2018 Plans

The committee's plans for 2018 are to continue supporting the Institute and members in the areas listed above, providing useful risk content and helping members and other practice committees in managing the various uncertainties and risks that are relevant to their roles. We plan to increase our engagement and support with our members based in Asia and to investigate more ways to support the Institute's public policy agenda.

I would like to thank the other RMPC and sub-committee members for their contribution in 2017.

### Brett Riley

Convenor, Risk Management Practice Committee

## Superannuation

It has certainly been a busy and productive year for the Superannuation Practice Committee (SPC), which comprises a well-established network of sub-committees and working groups.

I want to take this opportunity to personally thank all of the volunteers who have kindly invested many hours into making our research and thought leadership efforts a success and to contribute strongly to our industry, regulatory and legislative submissions.

### Of note are:

The SPC's ongoing work in drafting and reviewing various superannuation related professional standards and guidance notes. During 2017, updates to PS 400 (dealing with investigations of the financial condition of DB super funds) and PS 404 (dealing with the valuation of fund assets) were released. Looking ahead, work on PS 406 (dealing with unsegregated super liabilities) is well progressed and we expect to release this updated standard to members in 2018. Various other standards or guidance were also updated, or are in the process of being updated.

The SMSF Sub-Committee has been working hard for actuaries advising in this space. With draft rules potentially reducing the need for actuaries to provide certificates for SMSF trustees with unsegregated assets, the Sub-Committee held discussions with Treasury regarding the benefit of actuarial involvement, resulting in a change in policy by Treasury. These discussions were held with the full support of the major SMSF and accounting bodies, who fully agreed with the value provided by actuaries.

The Superannuation Projections and Disclosure Sub-Committee has also been very busy over the course of the year on a range of matters, including:

- Recognising the limitations of the current short-term investment risk measure that funds are currently required to disclose to their members, the SPD has been developing a supplementary long-term

risk measure based on the likelihood of achieving a specified inflation-based return benchmark over 20 years. Discussions have been held with industry representatives in an aim to reach consensus on an appropriate measure. This is an important illustration of actuaries leading industry thinking.

- The SPD has also been leading industry thinking on suggested revisions to super fund dashboards, with various submissions to ASIC, Treasury and others with suggested improvements.
- A submission has also been made to the Productivity Commission's investigation into the efficiency and competitiveness of the Australian superannuation system.

Treasury conducted a consultation during 2017 on the proposed framework for Comprehensive Income Products for Retirement, or CIPRs as they are commonly known. The Retirement Strategy Group of the Institute made a submission which summarised the Institute's viewpoints on the key issues. In addition to the healthy discussion within the RSG itself, members of both the SPC and the Retirement Incomes Working Group provided input to the submission. In addition, the RSG hosted an Insights session to canvass the views of the broader Membership, which also helped to shape the submission. Really, a great collaborative effort all round.

Following the submission, Darren Wickham authored an article for *Actuaries Digital*, entitled *Putting the 'annuation' back into Super*, which summarised the key principles submitted.

## 2018 Goals

Firstly, we will continue to arrange and facilitate topical and thought-provoking Insights sessions on a wide range of superannuation-related topics. We are particularly focusing on topics that reach into the wider field of superannuation actuarial work, for instance, Operational Due Diligence for superannuation investments, or superannuation risk management.



**Ben Facer**



**Darren Wickham and Andrew Boal**

In terms of deliberations of the Committee, there are several areas that the SPC will be committing to in 2018, including some that are already in progress:

- thought leadership in relation to CIPRs;
- guidance released by the SPC's Conflicts of Interest Working Group for actuaries who are asked to advise both the Trustee and an employer of a superannuation fund; and
- a review of the Part III Global Retirement Incomes Systems course with the aim of ensuring ongoing relevance for students. An Education Faculty within the SPC is being established for this purpose.

These are but a few highlights and thanks all contributors for their efforts. I would also like to extend my thanks to Andrew Boal for his significant efforts with the SPC over nine years. I took on Andrew's role as SPC Convenor earlier this year, however, Andrew hasn't retired from volunteering and is now the Convenor of the Retirement Strategy Group.

#### **Ben Facer**

Convenor, Superannuation Practice Committee



**Nathan Bonarius, Jeff Warner and Richard Dunn, Actuaries Summit, Concurrent Session**

# 2017 Actuary of the Year

## Michael Rice

### Michael Rice, CEO of Rice Warner, was named Actuary of the Year for 2017

Michael is a leader within the industry, and well known as a fearless advocate for good public policy across Australia's superannuation and retirement sectors.

He is one of a handful of expert actuaries the media calls upon for considered commentary and explanation across retirement policy, Age Pensions and superannuation. Many have heard him interviewed on Ross Greenwood's 2GB radio program Money News and elsewhere, have read his blogs, interviews in newspapers and magazines, and heard him speak at numerous external conferences. Michael's aim has been to promote what's best for the community and the sector in as many ways as he can, and to be a champion for reform where it is needed.

"Michael has brought a public face to the profession, and positive attention to the value of actuarial techniques in addressing social policy challenges. The Institute thanks Michael for his invaluable contributions," said President Jenny Lyon when presenting the Award at Institute HQ in October.

Michael leads Rice Warner, an independent consultancy and research house in financial services, that he founded in 1987. It now employs close to 70 people. A handful of those employees came to support Michael receiving the Award.

Michael took the opportunity in his acceptance speech to highlight the specialised skills of actuaries.

"Of all the related activities: research, public policy, the analysis of product or industry statistics, or even member outcomes; when I look at our competitors it's the actuarial firms that we regard highly," said Michael.

"We are better at these things than most because of our training, and the skills of individual actuaries and as a profession collectively."

Michael urged his fellow actuaries to take on the challenge

to "protect our brand" and make sure the name 'actuary' stands foremost.

"Not enough of us take the challenge of trying to promote the industry and get involved in public policy, which does shape society at the end of the day."

Michael was educated in Wales and South Africa and migrated to Australia in 1979 working in various roles before branching out on his own in 1987.

Over the years he has provided advice or research to virtually all financial institutions and major superannuation funds operating in the Australian wealth management industry, and has undertaken commissioned research for all the major industry bodies. He has been involved in research ranging from Age Pension dependency, superannuation fund fees, projections of both the superannuation and personal investments markets, analysis of member choices, to evaluating retirement strategies for superannuation funds.

He has led Rice Warner's team making submissions to government on major reviews of Australia's financial services. These include submissions to the Henry tax review, Cooper superannuation review and Financial System Inquiry, along with submissions to Treasury, Senate Committees and the Productivity Commission.

More recently, Michael has advocated better outcomes for young savers wooed into higher-fee superannuation accounts by social media savvy marketers. He has also urged the superannuation industry to identify underperforming funds with a view to improving member benefits.

Michael has also been a champion of women in his own firm, which took the battle for better retirement outcomes to the Human Rights Commission. From July 1, 2013, Rice Warner's female employees were offered a package of benefits, including flexible work conditions, paid parental leave, and crucially, an additional 2% payment of their salary into their super fund. Women often face retirement with significantly less in savings than their male counterparts, even though they live longer so they need to

save more. Typically, they are paid less and they take time out of work to have children. The aim of the extra super payment was to partially close the gap with men, and to encourage female staff to contribute more themselves. ANZ and Unions NSW have followed Rice Warner's lead.

Michael has served on the Institute's Council and on several committees and is currently the Convenor of the Public Policy Committee. He has produced two books on superannuation and prepared several professional papers.

He sits on the Advisory Board of the College of Business and Economics at Australian National University and has chaired investment committees at major superannuation funds.

Michael's contribution to the profession and to its public standing, as well as his ongoing work, his research and dedication to matters that are critical to the importance of good policy, and the savings of Australia's general population, make him an appropriate and worthy recipient of the 2017 Actuary of the Year Award.

Congratulations Michael



# Communications and Marketing

**Continuing to promote brand 'Actuary' by enhancing knowledge of, and regard for, the profession among members, business, government and the community, was a major focus for the Communications and Marketing Team in 2017**

## See what we see

The 2017 campaign to promote the profession externally ran from 8 November to 17 December and once again, leveraged from the profession's thought-leadership by building a case study around the Institute's Green Paper *Mental Health and Insurance*.

With a tagline of *Seeing the scale of mental health problems is important. Helping customers and insurers navigate them is essential*, the media campaign launched on 8 November across a range of online news and business sites utilising targeted and re-targeted display advertisements. The campaign concluded on 17 December.

## Peace of Mind Podcast

To support the campaign, the Institute launched its inaugural podcast show *Peace of Mind* on 19 October. Consisting of four episodes hosted by Elayne Grace (Deputy CEO and Head of Public Policy), with the following guests featured and interviewed:

- **Geoff Atkins**, Principal, Finity Consulting and co-author of Green Paper;
- **Dr Derek Lovell**, Clinical Psychiatrist Specialist in Forensic Psychiatry;
- **Lucy Brogden**, Co-chair, National Mental Health Commission; and
- **Brett Clark**, CEO, TAL.

## Media – actuaries in the news

2017 saw continued mainstream media interest in the profession with 55 articles published across the *Australian Financial Review*, *The Australian* and the *Age* / *Sydney Morning Herald* – a decrease compared to 79 in 2016, however, trade press articles increased to 71 (compared to 66 in 2016) resulting in 141 media mentions overall compared to 93 in 2016.



Elayne Grace interviews Brett Clark

The profession's expert commentary on retirement incomes continued as a strong focus for media throughout 2017. Other topics included regulation, life insurance, private health insurance, genetics, mental health and climate change. Profile pieces were also published on President Jenny Lyon (*The Australian*) and Actuary of the Year Michael Rice (*Insurance News*). Also in the news was the 2017 Green Paper on Mental Health and Insurance plus the first three issues of *The Dialogue*:

- ▶ *Private Health Insurance Bill Shock: What Can Insurers Do to Help?*
- ▶ *Genetics – a testing time for Insurers?*
- ▶ *Climate Risk Disclosure – financial institutions feel the heat.*

Radio interviews across *ABC Radio*, *ABC TV*, *SBS*, *2UE*, *2GB* and *Talking Lifestyle* increased significantly with 15 interviews compared to eight in 2016.

## Social Media – our community is growing

Social media platforms continued to steadily grow throughout 2017 particularly YouTube due to the continued focus on rich media.

- ▶ **YouTube** – 19,810 total video views in 2017, up from 12,111 total views in 2016 equating to 78,950 total minutes watched in 2017, compared to 57,987 minutes watched in 2016.
- ▶ **Facebook** – 1,515 likes (as of December 2017, up from 1,142 in December 2016).

- **Twitter** – the number of followers increased to 2,736 at December 2017 up from 2525 in December 2016.
- **LinkedIn** – 3,010 followers at December 2017 compared to 2,773 at the same time in 2016.

## Actuaries Digital

Throughout 2017 Actuaries Digital continued to build on its popularity with 195 articles published compared to 163 in 2016.

The Actuaries Digital site was visited 165,168 times (a 23.17% increase on the 134,095 pageviews in 2016) with 146,728 unique visitors (a 25.32% increase on the 117,087 unique pageviews in 2016). Overall there was an average of 13,764 visits per month compared to 11,174 visits per month in 2016.

Desktop continued to rank highest as the point of access with 66% of visits (+0.35% cf.2016), with mobile visits at 29% (-0.76 cf.2016) and tablets at 5% (+0.41% cf.2016). For the reporting period of 1 January to 31 December 2017, 48% of mobile traffic was via iPhones, 10% from iPads and the remaining 42% being a mix of Android devices.

## Mentoring Program

Joseph Daley and Kevin Wong from TAL collaborated with the Institute and the Mentoring Working Group on the development of an app *Kinnect* which allows subscribers to find mentees and mentors via a social media platform. The matching algorithm has been tested and the results compared very favourably against the manual matching results.

The app was promoted at the Mentoring Orientation Session and the Mentor Skills Workshop and received positive feedback. The release date is set for Q2, 2018.

## High School Program

The Institute participated in 32 events this year (an increase from 25 in 2016), including university O-weeks, open days, high school presentations to a range of students from years 10-12, high school open days and careers expos.

## Student App – Actuarial Sprint

The *Actuarial Sprint* App was promoted via a range of platforms this year. The main spike of downloads occurred in August when an email campaign to our accredited university Actuarial Societies was launched.

The App has recorded a total of 3364 downloads on iOS devices and 198 on Android devices. This can be compared to 5373 actuarial students (Part I and Part II) enrolled at an accredited university.

A successful, cost effective Facebook Ad campaign ran over two weeks (4-17 September) to promote the App. The campaign reached 24,443 people, leaving 37,949 impressions. During these two weeks, there were 893 App downloads (26% of total downloads). It was also interesting to note that the audience of this campaign comprised of 55.8% female and 43.4% male users.

## Coming up in 2018

The Institute's 2018 – 2020 Strategic Plan has a strong focus on growing and supporting the profession and building brand 'Actuary.' The Communications and Marketing Team will be focusing on a number of initiatives throughout 2018 to support these strategic deliverables including:

- Launch of a new concept for *See what we see* campaign.
- Refresh of the *Actuaries Digital* website.
- Increased video and podcast output to engage members and promote expertise.
- Expand the high school program to Brisbane and Melbourne.
- Work with the Practice Committees to develop externally aimed microsites to promote the profession's expertise.

**Katrina McFadyen**

Head of Communications and Marketing

# Member Services

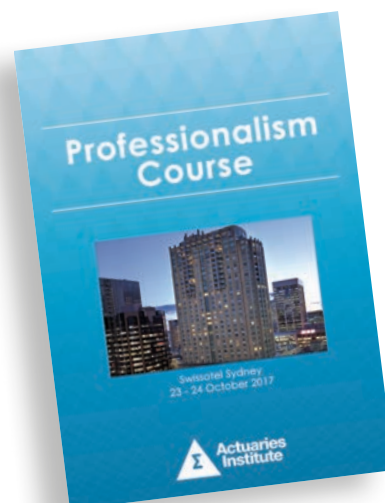
HQ formed a new Member Services Team late in 2016 which brings together the education, continuing professional development, and events services offered by the Institute. The Member Services Team are focused on providing quality member service and, together with the members, creating education courses, events, videos, webinars, workshops and other learning resources to support members throughout their career life-cycle as an actuary. With over 100 different resources developed over the year, there are a range of topics and delivery formats for members to choose from.

## **Sarah Tedesco**

Chief Operating Officer, Member Services

## **Tony Burke**

Acting Chief Operating Officer, Member Services



2017 ERM Workshop



Michael Storozhev, 2017 Data Analytics Seminar

# Events

The 21-23 May 2017 **Actuaries Summit** program inspired actuaries to think differently. Instances of this included encouraging the audience to exercise social entrepreneurship within financial services, how to 'think differently' about customers and society within financial services and the importance of adjusting our thinking about mental health.

The Summit saw the Institutes' first paperless conference with the traditional conference satchels being replaced by an events app – paving the way for future events. This change was received positively with 88% of attendees downloading the app.

On 8 June 2017, the second **Future of Health Seminar** (FOHS) took place. This seminar grew in 2017 to address the complexities of both private and public health. Key speakers included Hon Jillian Skinner and Dr Stephen Duckett. Planning will soon begin for the the October 2018 FOHS.

The success of the **GI Glimpse** continued in 2017 with a further offering of insights and knowledge sharing for young general insurance actuaries from a range of leaders in the practice area.

On 10 May 2017, the Actuaries Institute hosted its first **Young Actuaries Conference** (YAC) to increase the events offering for our younger members. The conference focused on providing young actuaries with key skills to assist them in their career. Due to the success of the first YAC with 144 attendees, a second YAC is confirmed for May 2018.

Another successful **ERM Seminar** took place on 13 September. As well as a strong program, one of the Organising Committee's initiatives for 2017 was to produce an inaugural CRO Survey. This was received positively.

The **Data Analytics Seminar** (11 October 2017) gave a taste of how data is being used outside of financial services including in the health and sporting industries. A discussion around ways in which the regulators are using data and their views on the use of data in the future was a highlight of the Seminar.

The Institute held the first instalment of the **Climate Risk Fluency Series** (CRFS) on 24 October 2017, with 75 people attending, in partnership with the Earth

Systems and Climate Change (ESCC) Hub. This series is a new initiative to bring together science and business to create awareness about how climate risk may affect financial institutions. The intention is to hold three more instalments of the CRFS in 2018 to provide more detail of the current state of knowledge for specific types of hazard and examine how stress scenarios can be used by companies to consider the climate risks faced.

The **Injury and Disability Schemes Seminar** (IDSS, formerly Injury Schemes Seminar) changed its name to reflect the progress of the industry, and took place in Brisbane from 12 to 14 November 2017. As well as a particularly strong program, IDSS2017 saw increased delegate pre-event engagement with weekly newsletters keeping delegates up-to-date and providing them with more content and increasing the profile of the authors behind the papers.

Other 2017 events included 46 Insights and 12 Young Actuary Program sessions – across all practice areas.

Planning for the **2018 Financial Services Forum** (FSF) has begun with a new Organising Committee structure featuring 'curators' who lead their practice area within that event. FSF2018 will also see an improved program structure.

The Events Team is very appreciative of the contributions from the 2017 Organising Committee members, presenters and chairs and look forward to working with new and returning volunteers in 2018.

## Sarah Gibson

Events Manager and Team Leader



Audette Exel AO





# Governance

**A review of Operational Governance that started in 2016 continued throughout this year and is now largely complete. Changes include the consolidation of policies for financial and capital management, the repeal of some outdated policies, and revision of associated terms of reference, policy guidelines, information notes and delegations.**

During 2018 policies governing education will be updated to reflect the results of the recent Education Strategy Review and revised policies for public policy and communications will be submitted to Council in March 2018.

## Disciplinary scheme review

During 2017 the Disciplinary Scheme Review Committee, comprising a diverse and senior group of Fellows and others, carried out an extensive review of the scheme. In doing so they have worked closely with the Professional Conduct Code Review Taskforce.

The review was completed, and the draft Scheme rules were considered by Council in December 2017. Member consultation will occur in late January/early February 2018, after which the Committee will determine whether any further changes are required. The final recommended Scheme rules will be submitted to Council at the March 2018 meeting prior to submission to members at the 2018 AGM in May.

## Code of Professional Conduct

The Professional Conduct Code Review Taskforce finalised its drafting work on the revised Code and submitted it for legal review in November. The draft has been referred to the Professional Standards Committee and Barry Rafe (Council's nominee) for final review before it is exposed to members in Q1, 2018. Member feedback will be considered, and it is expected that the revised Code will be submitted to the March 2018 Council meeting for approval.

## IFRS 17 Taskforce

The Taskforce was established on 24 November 2016 to assist the profession in Australia prepare for the

implementation of IFRS 17. The taskforce is chaired by Ian Laughlin, and its core membership includes representatives from general, life and health insurance practice areas; industry, the big four consulting firms; New Zealand Society of Actuaries; APRA; and the Accountants and Actuaries Liaison Committee (AALC) and is supported by six technical workstreams.

The aim of the Taskforce is to provide guidance to the Australian actuarial profession by producing information notes on how to apply IFRS 17 to life, general and health insurance enabling a unified position for the profession.

Since its establishment, the Taskforce has:

- published monthly updates to the Membership via *Actuaries Digital*;
- held an Insights session in Sydney which was attended by 113 members; and
- held a full-day day workshop to review the proposed guidance from each workstream, resolve any issues, agree on any changes and develop an outline of initial guidance plus agree on next steps and responsibilities.

Version 1.0 of Information Note was produced in December 2017 providing guidance for experienced actuaries in general, life and health insurance on the requirements of ASSB17 without having to rely on the International Actuarial Notes (IANs).

### Glyn Thomas

Chief Financial Officer  
Company Secretary

Professional Standards	
Instrument	Status
PS 1 Continuing Professional Development	Amended Standard issued December 2017.
PG 1 General Actuarial Practice (the Australian adaptation of ISAP 1)	Practice Guideline issued June 2017.
PG 3 Actuarial Practice in Relation to AASB 119 Employee Benefits (the adaptation of ISAP 3)	Review in progress.
PS 101 Investment Performance Measurement and Presentation	Review in progress.
PS 400 Investigations of the Financial Condition of Defined Benefit Superannuation Funds	Review completed and updated Standard issued June 2017.
PS 404 Valuation of Superannuation Fund Assets	Review completed and updated Standard issued June 2017.
PS 406 Unsegregated Superannuation Liabilities	Review in progress.
PS 410 (ex GN 465 Statements of Opinion Relating to Defined Benefit Pensions - SIS Regulation 9.31)	Amended standard tabled for approval by Council
PS 600 Financial Condition Reports for Private Health Insurers	Review completed and updated Standard issued March 2017.
PS200, PS300, PS305 and PS 600	These are the Professional Standards that govern the work of appointed actuaries in Life, General and Health Insurance. APRA will issue revised Prudential Standards relating to the role of appointed actuaries in 2008, and these Professional Standards will need to be reviewed and updated in line with the new Prudential Standards.
Professional Standards Glossary	A working group will investigate the development of a common Glossary for Professional Standards.
Congruence Assessment of ISAPs <sup>1</sup>	<p>PG1 has been issued, and PG 3 is under review. The congruence assessment of the other ISAPs that have been issued by the International Actuarial Association (IAA) is required:</p> <p>ISAP 1A: Governance of Models            ISAP 2: Financial Analysis of Social Security Programs            ISAP 4: Insurance Accounting            ISAP 5: Insurer Enterprise Risk Models            ISAP 6: ERM Programs &amp; IAIS<sup>2</sup> Insurance Core Principles            ISAP 7: "Current Estimates" and Other Matters in Relation to the IAIS Capital Standards (IAA work temporarily suspended)</p> <p>This activity is likely to be ongoing for a number of years to come as, in addition to the above ISAPs, the IAA has a work program under way to develop and issue a number of further ISAPs.</p>

<sup>1</sup> International Standards of Actuarial Practice

<sup>2</sup> International Association of Insurance Supervisors

# Volunteer Engagement

**“The Institute supports its volunteers to lead, educate and inspire.”**

In 2017, the Institute focused on boosting the support it gives to its 500+ valued volunteers that make up more than 85 committees, subcommittees, taskforces and working groups at the Institute.

The Institute celebrated many achievements and highlights this year, and all of them would not have been made possible, without volunteer's commitment and time. So, thank you!

Our 500+ volunteers bring diverse skills and experience which help support the Institute's key strategic programs.

Volunteers contribute in so many capacities. Whether it's by steering a committee, being involved in our education activities, reviewing professional standards and regulations, or organising one of our flagship events or popular Insights sessions. It might also be by volunteering to: present or mentor as part of our High School or Mentoring Program; contribute to public policy submissions of thought leadership papers, or another of the Institute's strategic projects.

Whatever their involvement, each volunteer has no doubt helped advance the actuarial profession, and we thank you for your efforts, time, passion and contributions.

## Volunteer survey

The 2017 volunteer survey showed that 42% of our volunteers contribute to more than one area.

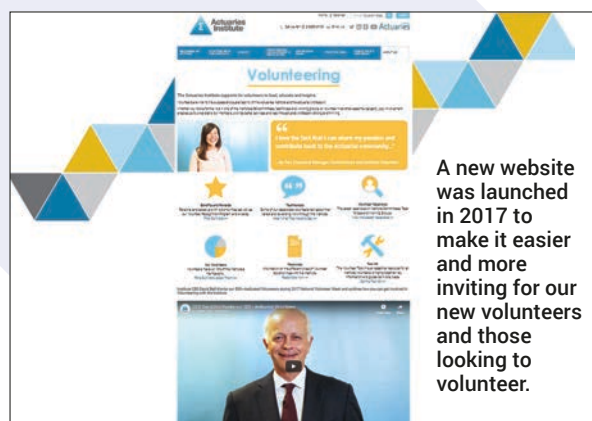
A large majority of our volunteers said they were happy with their volunteer experience and would recommend the Institute volunteer activities to their colleagues.

The survey also showed there are many opportunities for younger volunteers to be involved. We are building an open dialogue for younger members interested in volunteering. New initiatives introduced this year included:

- a Social Networking Group where actuaries in Sydney,

Melbourne and London have already started 'meetup' events where they connect informally and discuss issues and trends.

- the Young Actuaries Charity Hackathon is supported by the Institute; and
- diversity aspirational targets that aims to increase number of younger members in our committees and other volunteer activities.



A new website was launched in 2017 to make it easier and more inviting for our new volunteers and those looking to volunteer.

## Strategic direction

The Institute Council approved a plan to provide more support to our volunteers in its December 2016 meeting. Implementation has since commenced and 2017 has been about promoting and recognising volunteers' efforts and impact. A series of new activities have been undertaken including:

- the inaugural Volunteer of the Year Awards, across three categories: The President's Award, Distinguished Service Award and the Young Volunteer Award. In 2018, we will introduce a fourth category: The Spirit of Volunteering Award;
- a series of videos showcasing some of the unique work done by our volunteers and sharing their volunteer experience;



L to R: David Bell, Avanti Patki, Lily Meszaros, Gae Robinson, Jenny Lyon, Andrew Boal

- a campaign for 'National Volunteer Week' featuring a series of digital promotions to raise awareness among the wider membership and industry
- a Volunteer Toolkit, designed to attract new volunteers as well as support existing volunteers in the induction process;
- a new working group to help with initiatives such as the Institute's new Diversity and Inclusion plan
- regular 'Volunteer Update' newsletters aimed at welcoming new volunteers, introducing new committees, acknowledging the contribution of outgoing volunteers, sharing outstanding volunteer work, and interesting research on volunteer engagement. These newsletters have been popular and opened dialogue on how we can create better opportunities for younger members.

## 2018 plans

In 2018, we will continue to build on activities initiated in 2017. We will focus on increasing the number of our younger

members and Asia members in our volunteer activities. We will promote our current volunteers to the wider community by nominating outstanding volunteers for one of our Volunteer of the Year Awards, as well as for individual corporate awards, for example those run by the Centre for Volunteering. We will also continue to work towards reaching the Institute's diversity aspirational targets.

It has been my great privilege and pleasure to meet and consult with internal stakeholders, Committee Convenors and volunteers who make it possible for the Institute to produce and mark rigorous new exam papers, award qualifications, voice positions on Australian public policy, run events, maintain best practice in an elite industry, and more.

I would like to sincerely thank all those who have contributed in 2017 in a voluntary capacity, and made a difference to this great profession.

### Lily Meszaros

Committee and Volunteer Engagement Manager

## Education Volunteers

Evelyn Agustin  
Amanda Aitkin  
Jasmine Amini  
Susie Amos  
Ryan Anderson  
Susan Antcliffe  
Sacha Antioch  
Simon Arabian  
Frank Ashe  
Joel Atputharaj  
Mathew Ayoub  
Rose-Maree Bacon  
Pallav Bajracharya  
Danny Bechara  
Luv Bhatnagar  
Stuart Bingham  
Gregory Bird  
Nathan Bonarius  
Julian Braganza  
Anthony Brien  
Meredith Brooks  
Andrew Brown  
Bridget Browne  
Adam Butt  
Mike Callan  
Louise Campbell  
Bryan Candy  
Matthew Chae  
Chris Chan  
Marlon Chan  
Jessica Chen  
Zhe Chen  
Eric Cheng  
William Cheong  
Clement Cheung  
Keith Cheung  
Lilian Chong  
Kee Stephanie Chou  
Raymond Chow  
Brian Chu  
Phillip Chu  
Samuel Chu  
Tim Clark  
Steve Claxton  
Martin Considine  
Julie Cook  
Ann-Maree Cook  
Richard Cooney  
Peter Corbett  
Joshua Corrigan  
Stuart Crockett  
Robert Daly  
Vivian Dang  
Aniket Das  
Jason Davis  
John De Ravin

Michael Di Pilla  
Jie Ding  
Georgina Dircks  
Danielle Disano  
Jenn Dobinson  
Alan Doble  
Deborah Driussi  
Ryan Druitt  
Sophie Dyson  
Naomi Edwards  
Stephen Edwards  
John English  
Phillip Everett  
Ben Facer  
Kevin Fergusson  
Saul Field  
James Fitzpatrick  
Edward Freilikh  
Martin Fry  
Andrew Gale  
Peter George  
Tim Gorst  
Claire Greenwell  
Bruce Gregor  
Bronwyn Hardy  
Gillian Harrex  
Cary Helenius  
Georgina Hemmings  
Robert Herlinger  
Mari-Lize Hill  
Kylie Hogan  
Alissa Holz  
Susan Howes  
Chong It Tan  
Umashankar Jegasothy  
Chris Johnston  
Janice Jones  
Adam Jupp  
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Gaurav Khemka  
David Knox  
Hendrie Koster  
Becky Kwan  
Margaret Kwan  
Richard Land  
Cindy Lau  
David Lau  
Daniel Lavender  
Ilan Leas  
Daniel Beom-Joo Lee  
Kelly Lee  
Phichol Lee  
Barry Leung  
Kam Chuen (Alex) Leung

Wilson Leung  
Ignatius Li  
Shannon Lin  
Wen (Daphne) Ling  
Kar Kan Lo  
Anthony Locke  
Anthony Lowe  
Ada Lui  
Peter Lurie  
Tony Ly  
Kate Maartensz  
Catherine Marquis  
Karl Marshall  
Claymore Marshall  
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Paul Nuttall  
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Michael O'Neill  
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WanJun Xu  
Teresa Yam  
Ziying Yang  
Peter Yeates  
Yinghua (Vivian) Yeung  
Wynnie Yeung  
Jason Yu  
Gloria Yu  
Fei Zhang  
Hui Zhang  
William Zheng



# In Memoriam

The Institute sadly lost the following Members in 2017. As strong supporters and valued contributors to the profession, their passing was felt by all who knew them.

David Kimber  
Keith McDonald  
James O'Dea  
William Roberts  
Garth Ward  
Mark Weaver

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