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The Role of Actuaries in Public Policy

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Background

- CIA's Rule #1 – Public Interest
- Actuaries involvement:
 - Reasonably strong presence in relevant regulatory bodies (federal and provincial)
 - Chief Actuary of Canada – mandate includes the Canada Pension Plan, Old Age Security and Student Loans; also Employment Insurance, Public Sector Pension Plans, Longevity
 - CIA produces research, modelling of future scenarios



Background (cont'd)

- 2015 - Survey of politicians, bureaucrats, regulators, business leaders, academics, journalists, industry associations
 - Major risks facing Canada
 - Role and image of actuaries
 - Role and image of the CIA
 - Opportunities to engage in public policy development



Background (cont'd)

Good News

- Seen as independent, objective and impartial (Boring as advantage!)
- Seen as high quality contribution - actuaries have much to add in debates (fact-based)
- Seen as taking long term view

Bad News

- Seen as niche player, on the sidelines
- Seen as fence-sitter – speaking in probabilities
- Seen as shirking responsibility
- Hard to understand – need to translate complex ideas



The Debate

Be objective and impartial

- Present only facts, options, advantages and disadvantages, future consequences
- Avoid any perception of becoming a lobby group for any positions
- Can not achieve consensus of opinion amongst members

Exert influence

- Use our unique ability to synthesize complex issues
- Provide early warning about future issues
- Recommend specific changes as would benefit Canadians
- Remain non-partisan



Current Public Statement Policy

- Public statements express the view of the CIA
- Context:
 - Within the competence of actuaries
 - Consistent with CIA Vision, Mission and Values
 - Not solely facts, may include inferences, opinions and may advocate for a position
 - Purpose – to provide benefit of the full range of capabilities of actuaries



Current Public Statement Policy

- Process:
 - Drafting Group – subject matter experts
 - Authorizing Committee – independent, includes the President



Current Public Statement Policy

- Level 1
 - Confined to “pure” actuarial matters
 - Guidance already exists, may be repackaged and/or recommunicated
 - Usually, a result of request from a regulator or other governmental body
 - Approval process to ensure consistency, but streamlined to be efficient



Current Public Statement Policy

- Level 2
 - May go beyond “pure” actuarial topics, into public policy, or is expected to have wide range of views
 - Usually will require research to establish a fact base (but may use existing research)
 - Usually, a proactive decision by the CIA Board that we “should” express an opinion on the matter
 - Development process includes 2 separate opportunities for members to provide input
 - Approval is also required from the Board



Current Activity

- Level 1 statements
 - More than 30 in the past year
 - From regulators and international bodies (IAA)



Current Activity

- Level 2 statements
 - “Improving Retirement Income for Canadians”
 - Presented to Board for approval in March, release planned for mid-April
 - Accompanied by marketing plan to reach appropriate audiences
 - Climate Change – In final drafting, to be released to members for comment this spring
 - Risk Selection – In initial drafting stage



Future Activity

- Schedule for variety of topics to be brought to the Board
- Decision in June 2019 for next 2 (or 3) topics to get underway