

Actuaries

A dramatic photograph of a man in a dark suit and patterned tie, wearing red boxing gloves. He has wild, spiky green hair and is shouting with his mouth wide open. The lighting is high-contrast, with deep shadows.

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Tomorrow's leaders today

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Singapore Actuarial Society

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We welcome any questions you have regarding this role or on any other actuary jobs.

At GAAPS, we tailor our research to your needs and would be delighted to have a conversation about the future of your career.

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Actuaries

CONTRIBUTIONS

Contributions should be sent to the Actuaries Institute, marked to the attention of Katrina McFadyen (Communications and Marketing Manager) at:
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All contributions must conform to our submission guidelines which are available from the Communications and Marketing Manager.

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Coming up

April

Insights Networking

Basel II Retail Modelling Approaches
Wednesday, 18 April 2012, Melbourne

Insights

New Insurance Capital Standards – The Impact on the Role of the Appointed Actuary
Wednesday, 18 April 2012, Sydney

Financial Services Forum – Think Big

Monday 30 April – Tuesday 1 May 2012 , Melbourne

Retired Actuaries Group, Sydney

Thursday 3 May 2012, Sydney

Young Actuaries Program

Working Overseas

Tuesday 9 May 2012, Sydney

Members Cocktail Party

Wednesday 9 May 2012, Hong Kong

CPD Event and Members Cocktail Party

Thursday 10 May 2012, Singapore

Insights Networking

Actuarial Practice in Health
Wednesday 16 May 2012, Sydney

Young Actuaries Program

Job Opportunities Outside the Box

Wednesday 16 May 2012, Melbourne

Trustee Workshop on APRA's Superannuation Proposals – Draft Prudential Standards and MySuper Authorisation
Thursday 17 May 2012, Sydney

Insights

Panel Discussion : Risk of Obsession with Peer Risk
Tuesday 29 May 2012, Sydney

Insights

Energy Markets – A View from the Wider Field
Wednesday 13 June 2012, Brisbane

Fellowship and Presidential Dinner

Tuesday 17 July 2012, Melbourne

Interactive CPD Session with David C Miller – National Tour

Monday 10 – Friday 21 September 2012 – Brisbane, Canberra, Sydney, Melbourne, Adelaide and Perth

Fellowship and Presidential Dinner

Tuesday 14 August 2012, Sydney

General Insurance Seminar 2012

Monday 12 - Tuesday 13 November 2012, Sydney

April / May

June – November



Does the profession need an image make-over?

One of my challenges as Editor is sourcing new content, as well as creating it. Following a recent and very popular internet 'meme,' I was tempted to create a new column called 'Stuff Actuaries Say'. If you are not up to date with internet trends and wondering what a 'meme' is, Wikipedia defines it as "an idea, behaviour or style that spreads from person to person within a culture." The new column would consist of quotes such as: "No, you can't do that," "What was the answer last time?" "Gees, that's risky," and "Did you include a risk margin with that?" I am sure you can think of plenty more. However, it dawned on me that most of these quotes tend to have a general risk aversion flavour and I expect that I would get lots of reader complaints for the negative public relations image.

On a related note, many portrayals of actuaries in popular media are far from exciting. For example, the title character in "About Schmidt", played by Jack Nicholson, who is a retiring actuary who lived a relatively mundane life (refer to http://en.wikipedia.org/wiki/Fictional_actuaries for a full list of fictional actuaries). Why couldn't we have Ryan Gosling or Angelina Jolie play the actuary; and instead of leading a boring existence, make him or her a financial hero who makes a difference to society?

Does the profession need an image makeover?

Are actuaries really risk adverse and conservative, or is this purely a perception problem? Is it, perhaps, a bit of both? Is the profession attracting extremely risk adverse people? Do actuaries in emerging markets have this problem? Has someone already answered these questions? What are the answers?

I recently heard that many parents from Chinese backgrounds (and this is potentially true for other backgrounds, too) are encouraging their children to become doctors, lawyers or actuaries. My question is, why not encourage them to become business professionals, IT entrepreneurs, actors, rock stars, sport stars or any profession where risk is involved?

Has our strength become our weakness? What can we do to correct this trend?

I think we, as individuals, need to promote actuaries as "smart people who can do anything". On the subject of risk aversion, while I think actuaries are not the 'risk police,' we are well-placed to encourage risk management without making it a hindrance or compliance nightmare. After all, risk management should involve the rational assessment, management and mitigation of risk, not risk avoidance.

Here's my challenge to us: for the next month, try to avoid quotes that a typical actuary would say! Instead of saying "Let's just park it for now," which is often a wet blanket for innovation and creativity, try "Ok, try it and let's see what happens."

In this month's issue, we have an excellent article on actuaries who 'blog,' which to me involves taking a risk by having an opinion and standing by it - not to mention keeping up with the times. **A**



Blogging your way to creative attention



Many of the most creative people I know are actuaries, in spite of a stereotype that labels us quite differently. However, many actuaries find it difficult to find an outlet for their creativity in the daily world of numbers and reports. So it's somewhat surprising that more of us don't make use of the opportunities provided by social media. Maybe the restrictions of Facebook and Twitter don't offer opportunities that appeal to an actuarial mind, but blogging is a different story. Blogging allows space to develop an argument, put forward a position and develop your views in a conversation.

There are as many schools of thought about blogging as there are blogs. Everyone has their own reason, but here are a few of my favourites:

IT GIVES YOU A CREATIVE OUTLET

Blogging is a creative activity. The act of crafting a post, working out what your message is and communicating it is deeply

satisfying. Actuaries are creative people and getting creative with a liability valuation is generally frowned upon.

One of my favourite blogs is called writing as jo(e). A creative writing professor uses her blog to write beautifully crafted paragraphs about her life and the way she teaches her (mostly science) students to write creatively and well.

DEVELOP YOUR VIEWS ON ISSUES

Writing a blog post about a particular issue forces you to develop an argument. It forces you to think through exactly what you are trying to say, understand the issue from lots of different angles and make a case. Gradually, as you get better at it, you develop an audience, and you will start to learn from the comments you get. They will teach you to be a better writer and to write for your audience.

A blogger who inspires me (although these days he writes books as well) is security technologist Bruce Schneier. His first book was about cryptography. These days he writes

widely about what security means, and coined the phrase "security theatre" to describe all those security measures that are actually useless, but look good.

My own writing improved substantially with the experience of trying to communicate to a wide audience. The two way conversation that blogging can become makes it a conversation, not just a broadcast.

IMPROVE YOUR PERSONAL BRAND

This is a popular theme on workplace advice websites – Penelope Trunk is an example. She is a passionate advocate of blogging as a way to skip some career steps quickly. If you blog about a topic you are passionate about, and become known as an expert, her view is that you can skip over a whole lot of steps on the career path.

YOU CAN ALWAYS BLOG TO HAVE FUN

I've found blogging to be a deeply satisfying hobby over the years. Through the various



Jennifer Lang is an actuary and blogger, and a Partner at KPMG. She has been blogging since 2001, and her current blog can be found at www.actuarialeye.com

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RISK MANAGEMENT

Are Appointed Actuaries moving to a compliance role?
By Jennifer Lang

Most financial services companies these days have a risk management framework with three lines of defence. The diagram below shows the three lines of defence, as illustrated by a bank.

Three levels of risk management

BUSINESS OPERATIONS	RISK AND CONTROL FUNCTIONS	INTERNAL AUDIT
First line of defence: Risk management by business operations	Second line of defence: Independent risk control and compliance	Third line of defence: Internal audit

↑ ↑ ↑

RISK

So where does the Appointed Actuary fit into this picture?
The original Appointed Actuary in the UK was effectively solely responsible for the calculation of the liabilities of the life insurer. The Appointed Actuary approved bonuses to policyholders, and transfers of profits to shareholders.

In Australia, this reliance on the Appointed Actuary was substantially reduced in the **1995 Life Insurance Act**, with the Company (in some cases the Board of Directors) being required to approve a number of specific items (bonuses to policyholders, allocation of expenses, transfers of profits out of shareholders funds and the issuance of policies) *on the advice of Appointed Actuary*. The Appointed Actuary still effectively has responsibility for calculation of the policy liabilities and the regulatory capital requirements, but both of these calculations are now audited.

At the same time, the Appointed Actuary has been asked to provide more insight in the **Financial Condition Report**, most notably with the requirement to assess the **suitability and adequacy of the risk management framework** (which was introduced as part of the new **APRA risk management requirements for life insurers** in 2008).

The introduction of the new capital management framework requirements by APRA (ICAAP) in 2013 will once again reduce the reliance on the Appointed Actuary, with APRA now encouraging the possibility (as for general insurers) that the company could choose to hold a different level of regulatory capital than advised by the Appointed Actuary, provided the company meets the regulatory requirements. The Appointed Actuary, under the **new draft standards**, will provide advice to the company about the appropriate level of capital, but the company will not have to follow that advice.

So gradually Appointed Actuaries have been moving along the spectrum of the lines of defence. They are now providing advice and review, rather than managing, such areas as risk management, capital, asset liability risk and so on. It isn't clear if APRA is deliberately moving actuaries in that direction, or if each individual policy decision is taken in isolation without considering the role of the

FEATURED TOPICS

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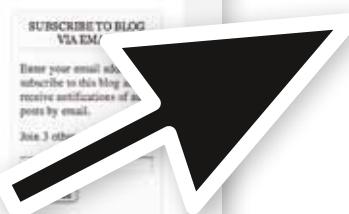
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- Other Peoples' Money... Andrea Hahn (Pen... \$15.89
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Blogging is a creative activity that allows space to develop an argument, put forward a position and develop your views in a conversation.



blogs I've maintained, I've had the fun of ranting about all sorts of topics, including the bike path across the harbour bridge, New Zealand sheep and their contribution to global warming, as well as one of my more actuarial hobbies, mortality statistics.

SO WHERE DO YOU START?

The two most popular free blog hosting services are blogger and wordpress. Either of these will allow you to start a blog in about five minutes. You just need to pick a name that isn't already taken, choose a format that looks good from the myriad of choices, and start writing posts. Yes, start writing. If you're like me, you will spend ages trying out the different formats first, but you can't work out what they will look like until you've actually got some content.

So start writing!

WHAT SHOULD I WRITE ABOUT?

It depends on why you are blogging. My first blog (started in 2001) was about my baby.

It was pretty much written for the proud grandparents, so it was pretty easy to work out what to write. My second blog, however, was just for fun, so I wrote about whatever seemed interesting at the time. That's the best way to do it, in my view. If you're not sure what to write, just write. Enjoy having space to develop your ideas and an audience for them.

SHOULD I USE MY NAME?

This is a tricky one. Again, it depends on why you are writing. My view is that you should develop your blog a bit first before you decide whether it is the kind of blog to come up when your name is Googled. You can always delete a few posts if you decide to use your name, but it is hard to make your blog anonymous if it started out public.

AND WHAT IF I WANT TO WRITE ABOUT REAL PEOPLE?

There is a very famous blogger, Dooce who became a verb ("I've been dooced") after she lost her job because she blogged about

her co-workers anonymously. So, write on the assumption that anyone you write about will read what you write. It's safer that way. Sooner or later, even if you stay anonymous, you'll share the address with a friend, and then anyone could read it. Even if you do write assuming your subjects will read it, you've still got a good chance of writing something they won't like, but it will be worse if you don't.

BUT ISN'T BLOGGING A BIT OLD FASHIONED?

Blogging came before Twitter, Facebook, Reddit, and Kickstarter, and all those other social media phenomena, so it is a little passé for those who are into every possible form of social media. Nevertheless, for actuaries, who hate being told to write a one page report when ten will do, it is the perfect form of social media.

So it's time for actuaries to start blogging. Follow your passions! **A**

in focus: Claire Street



Profile

Title: Associate Director - Australia & NZ

Role Description: A focus on placing actuaries within Australia and working closely with DWS offices worldwide to help candidates move globally.

Strengths: Having worked as an Actuarial Manager across Asia Pacific I have a thorough understanding of clients' needs and the ability to provide relevant candidates. A perfectionist (could be a weakness?) but helps me strive to get my handicap down....

Weaknesses: Golf and TV (I have to admit an addiction to MKR, no one will know how sad I am unless they love it too and understand the abbreviation) and desperate for the new series of Game of Thrones to start!

Hobbies: Netball, spin classes and enough going on in the weakness section to keep me busy!

Contact Details:

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Claire's Recent Placement:

Client: AXA, Asia

Position Filled: Manager, Regional Actuarial Studies

Successful Candidate: Andrew McGrath

Background

With my help Andrew McGrath joined the AXA Regional GI Actuarial team based in Singapore last year. I recently caught up with Andrew who was back in Sydney for a short holiday. I was keen to see how he had been enjoying work and life in Singapore and in particular how things had changed in the 3 years since I myself had moved from Singapore to Sydney. With Singapore taking its lead from Australia in terms of insurance regulations and in turn leading the way for the rest of SE Asia, I was also interested to get a real inside perspective on the opportunities for Australian Actuaries in the region...

So Andrew, how is it all going?

"Working in South East Asia has been a fantastic experience so far. Moving from a mature market to a regional centre covering a mixture of nascent and developed markets has exposed me to a variety of issues and challenges that I would not have seen in Australia."

What are the main differences?

"The markets in the region operate differently from Australia particularly on the distribution side, which impacts on product design and pricing. The regulatory environment is quite challenging in many respects."

Are there opportunities for Australian Actuaries?

"Many of the major US & European insurers are investing heavily in Asia, seeing the region as essential to their medium to long term growth strategies. The competitive and regulatory environment is developing fast in response, so demand for actuaries is increasing and Australian qualifications are very well regarded."

So, do you feel you made the right decision moving to Singapore?

"Yes, its been great. I really appreciated your efforts in making it possible; you were very pro-active and helpful when I was looking for an opportunity. I particularly valued the fact that you had personal experience in the SE Asian environment and were able to give advice on a range of lifestyle issues as well as professional matters...so thank you!"

A look to the future...

"I wanted to touch base on developing opportunities in the actuarial work space. Thinking ahead into the future and where actuaries can place themselves is certainly something that we at DW Simpson spend a lot of time investigating and researching. We recently undertook an assignment in the ERM space outside of traditional Finance and had a lot of positive interest from Actuaries looking to change direction in their career. Another area that has been highlighted is the mining sector and how actuarial methods can be used here. The management of large capital investments down to specific operational and logistical modelling are just two examples of where actuarial training can be applied specifically to the mining sector. From discussions with actuaries in Australia there is certainly the desire to transfer skills into new areas but how do we market this? I'd be keen to hear your thoughts whether as an employee looking for a new role or as an employer in these developing markets."

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Your career – the real deal

NEW SURVEY QUESTIONS WILL BE AVAILABLE IN APRIL 2012.
WHAT WOULD YOU LIKE TO KNOW? IF YOU HAVE A QUESTION
YOU WOULD LIKE TO PUT TO THE MEMBERSHIP, EMAIL IT TO
EDITOR@ACTUARIES.ASN.AU

**RESULTS: REPORT GENERATED ON 21 MARCH 2012.
376 RESPONSES.**

It is safe to say that few people have a truly clear picture of their future working life during the infancy of their career. Most of us have probably thought along the lines of Homer – you know you want to achieve ... ‘something’, but you don’t really know what that ‘something’ is. For those in the actuarial profession, the first few years are dominated by passing exams which is a clear and measurable goal (the first ‘something’). After that, all bets are off and the fun really starts, but that ‘something’ becomes a little more difficult to pinpoint.

The *Pulse* this month takes a peek at how we view our careers from CVs to mentors. Thank you to the 376 people who responded to the survey.

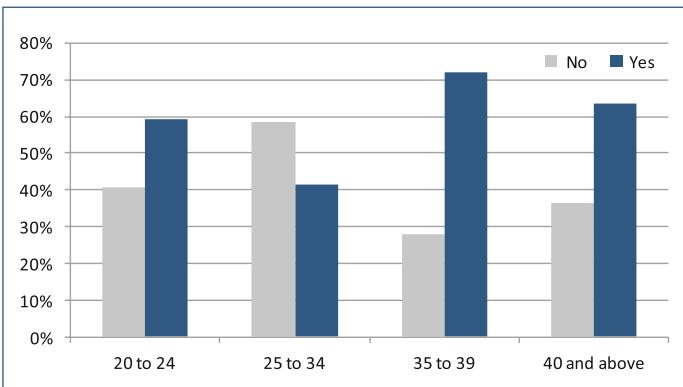
QUESTION 1: WHAT'S IN A GOOD CV?

Having had more than 150 jobs in his working life, Homer Simpson would not have a resume that would be the envy of many – particularly the respondents of this survey. Around 60% of you believe that it is not the number of employers, but rather the breadth and depth of your roles that make for a good resume. The survey results clearly demonstrated the importance of loyalty, dedication and seeing jobs through. On the other hand, moving employers has the advantage of showing adaptability, versatility and flexibility. With most things in life, it’s all about getting the balance right. As one respondent says “It is ok to move about to get a variety of experience whilst younger but you need to stay for a few years in a single employer to be able to say you’ve done that job.”

QUESTION 2: DO YOU PLAN TO STAY IN YOUR CURRENT EMPLOYMENT FOR MORE THAN FIVE YEARS?

For approximately 45% of respondents, the answer to the above question was ‘no’. As the graph below shows however, the responses vary considerably with age.

The actuarial pulse continued



The first age group represents graduates, who are in their first job and are plodding through their exams before moving onto their next place of employment. In the 25 to 34 age group there is a distinctive shift in mind set with almost 60% of the 150 respondents having no intention of staying with their current employer for more than five years. In this age group it is the students and associates who are most likely to change employers (75% of the students and 65% of the associates will move) compared to 50% of the fellows.

The Mercer 'What's Working' survey conducted in early 2011 found that 40% of Australian workers were seriously considering leaving their employer at that time. For those in the 25 to 34 age group the result was higher at 52%. According to the Mercer survey, this group (25 to 34 year olds) also seemed most engaged and positive towards their employer – but were the least satisfied with the type of work they do.

For actuarial students, add to this the ongoing pressure to pass exams with the accompanying desire to obtain relevant experience and funding to help achieve this milestone – and it is no wonder the student/associate subgroup has the highest intention of moving employer.

As for the older age groups (35 and above) – there is a certain level of comfort gained after working for 10 to 15 years and perhaps this adds to the constancy of employment.

Other factors that are also likely to contribute include – the influence of family, financial security, long service leave (or other benefits associated with employment longevity), seniority within the organisation and the sad but true impact of age discrimination.

QUESTION 3: DO YOU THINK YOU WILL STILL BE WORKING IN A TRADITIONAL ACTUARIAL ROLE IN TEN YEARS?

In retrospect it would have been useful to define what traditional meant in this question.

For the purposes of examining the results I have assumed it relates to pricing or valuation roles in the insurance, superannuation or investment disciplines. Having this in mind –

- 25% of the respondents stated that they do not currently work in a traditional actuarial role;
- 40% do not intend to be working in a traditional role; and
- 35% do intend to be working in a traditional role.

According to these results, in 10 years time only around one third of

those surveyed believe they will be working in a traditional actuarial field. If the above statistics apply to the broader actuarial group (and my assumption of what 'traditional' means holds), this does raise a few questions:

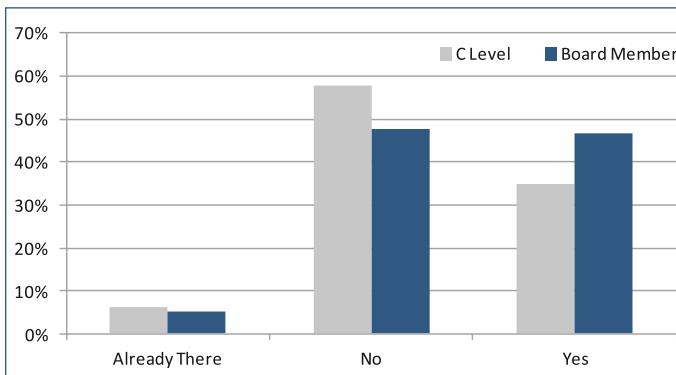
- Is this a realistic expectation for the profession? There will still be a demand for roles in the traditional fields – will it become increasingly difficult to attract quality applicants?
- Will the education program maintain its relevance?
- Does this change the identity of an actuary? At the risk of being shot down in flames, if only a small proportion of members actually use actuarial science, are we still actuaries – or just a bunch of smart people? How will we be defined?

QUESTION 4: DO YOU WANT TO BE A C LEVEL PERSON (CEO, CFO ETC) OR HAVE ASPIRATIONS TO BE ON A BOARD?

As the graph below shows, a very small percentage of respondents are currently a C level person or Board member. By way of count, this represents 34 respondents in total (of which 7 were women). Of the remaining respondents there were less than half who aspired to hold either of those roles.

I initially thought this was a low percentage, but if even half of those aspirations are met, this would be a good outcome.

Looking at the results between the sexes there is considerably less desire by women to fulfil these roles.



	Already There	No	Yes
Male	C Level	7%	53%
	Board Member	6%	43%
Female	C level	4%	73%
	Board Member	4%	61%

Given the disparity of the results between the sexes (and noting that the number of female respondents is less than half of the males) it is no wonder gender diversity remains an issue for Boards and in senior management. As Ruth Williams from the Sydney Morning Herald last year reported, women are still under represented on Boards and gender diversity remains a work in progress.



"This year (2011), for the first time, many of Australia's biggest companies have published new figures on the proportion of women on their staff and in senior ranks, in a rush to comply early with new ASX corporate governance guidelines that kick in from next year."

"It comes amid continued scrutiny on the lack of gender diversity among the most senior ranks of corporate Australia – whether it be the still-scant but rising numbers of women on big company boards, or the stark under-representation of women in senior management.

QUESTION 5: DO YOU PLAN TO TRAVEL OVERSEAS FOR WORK? OR HAVE TRAVELED OVERSEAS FOR WORK?

Around 65% of respondents answered yes to this question with reasonable consistency across gender, age and membership status. It is generally accepted that working overseas is rewarding and can challenge your way of thinking culturally. For Australians, the most common destinations are the UK and Asia. The UK is considered as having a larger and more sophisticated market than Australia, while Asian markets are still developing that same sophistication. Either way, the experience gained overseas is viewed favourably.

QUESTION 6: THE MENTOR

Derived from Greek mythology the modern use of the word mentor is – a trusted friend, counsellor or teacher; usually a more experienced person. (Wikipedia)

Approximately 40% of respondents have made use of a mentor throughout their career with the percentage being less for men (37%) and more for women (50%). And it is the under 40's who have taken this opportunity up on more occasions than the over 40's. Putting my theorising hat on again, this disparity could be explained simply by generational differences (Gen X versus Gen Y versus the Baby Boomers).

Of those who answered 'yes', 70% had a mentor from the actuarial profession. This percentage was weighted more towards 'yes' for the younger age groups (up to age 35).

It seems that the majority of those using a mentor have considered the assistance useful in their development.

QUESTION 7: THE MEANING OF SUCCESS

The top three responses across all age bands for both men and women were:

- Job satisfaction;
- Financial Reward; and
- Work/Life Balance.

In fact almost 60% of respondents selected all three of the above descriptions.

In addition to the listed options, however there were many others offered by you such as:

- Good health and happiness;
- Contribution to society; and
- Recognition, reputation and influence.

But to sign off – a quote from a respondent:

"If an individual believes him/herself to be successful, then he/she is successful". **A**

IF YOU ARE A BOARD MEMBER OR A 'C' LEVEL PERSON AND WOULD LIKE TO BE INTERVIEWED FOR ACTUARIES MAGAZINE PLEASE CONTACT ME – RUTH LISHA
ruth.lisha@gmail.com

What's your career GPS?

Last month, we launched the new CPD tag line, *Staying Ahead*. As a profession, it is important to keep abreast with changes that impact your work as well to source and maintain your professional development in support of such changes. Some of the Fellows we interviewed last month, concurred that signing up to access the Part III Education courses was a great way to keep up to date with traditional and emerging areas of practice. Staying ahead involves assessing current and future development needs to inform your planning to achieve goals.

Goal Setting
Specific
Measurable
Achievable
Realistic
Timely
Ethical
Reachable





IS THERE A FORMULA? WHAT PROCESS SHOULD YOU FOLLOW?

Do you goal plan?

Many of us set goals for ourselves over years, months, weeks and days. Why?

Goals provide direction for planning and aspiration for achievement.

Some goals are short term and quickly achieved, while others are long term and often ones that contain many short term goals as important milestones along the pathway to the achievement of the larger goal

What does a GPS have to do with the achievement of goals?

G + P = S

A GPS assists one to navigate to their destination (**Goal**).

A GPS shows the way through an abundance of information (**Plan**).

A GPS sets the pathway to follow to arrive at your goal (**Success**).

- completing your secondary education;
- gaining entry into a university degree program;
- completing your degree;
- completing each course of your Part III Education Program; and
- using CPD to maintain and advance your career.

Setting goals provides direction for planning and aspiration for achievement.

What did you use as a GPS for your career planning?

Your career planning started with goal setting.

Your goals were likely planned and achieved with the assistance of your family, career advisors and educators, to name a few. Goals you may have already achieved are;

How will members navigate towards becoming a Fellow in the future?

The Actuaries Institute has been developing a Capability Framework that will provide explicit statements of what members need to be able to do to practice successfully as professionals.

The Framework will serve as an important guide for members to plan and achieve personal career paths.

The Framework is like a GPS in that it guides you to your goal.

- It shows where you are relative to where you want to be.
- It tells you how many steps it will take to get there.
- It shows you where you can make a turn to go a different direction.
- And when you get off track, it helps you to plan on alternate routes to get you back on course.

How can I find out more about the Capability Framework?

The re-vamped CPD Program will be introducing new ways to plan for and achieve goals aligned to your capability needs. The Capability Framework along with an Assessment Tool and Report will be key initiatives ensuring that Members can understand their needs and target their CPD towards the achievement of current and future career goals. Watch this column for further information about the launch of this Framework over the next few months.

Planning Development Activities to Meet Member Needs

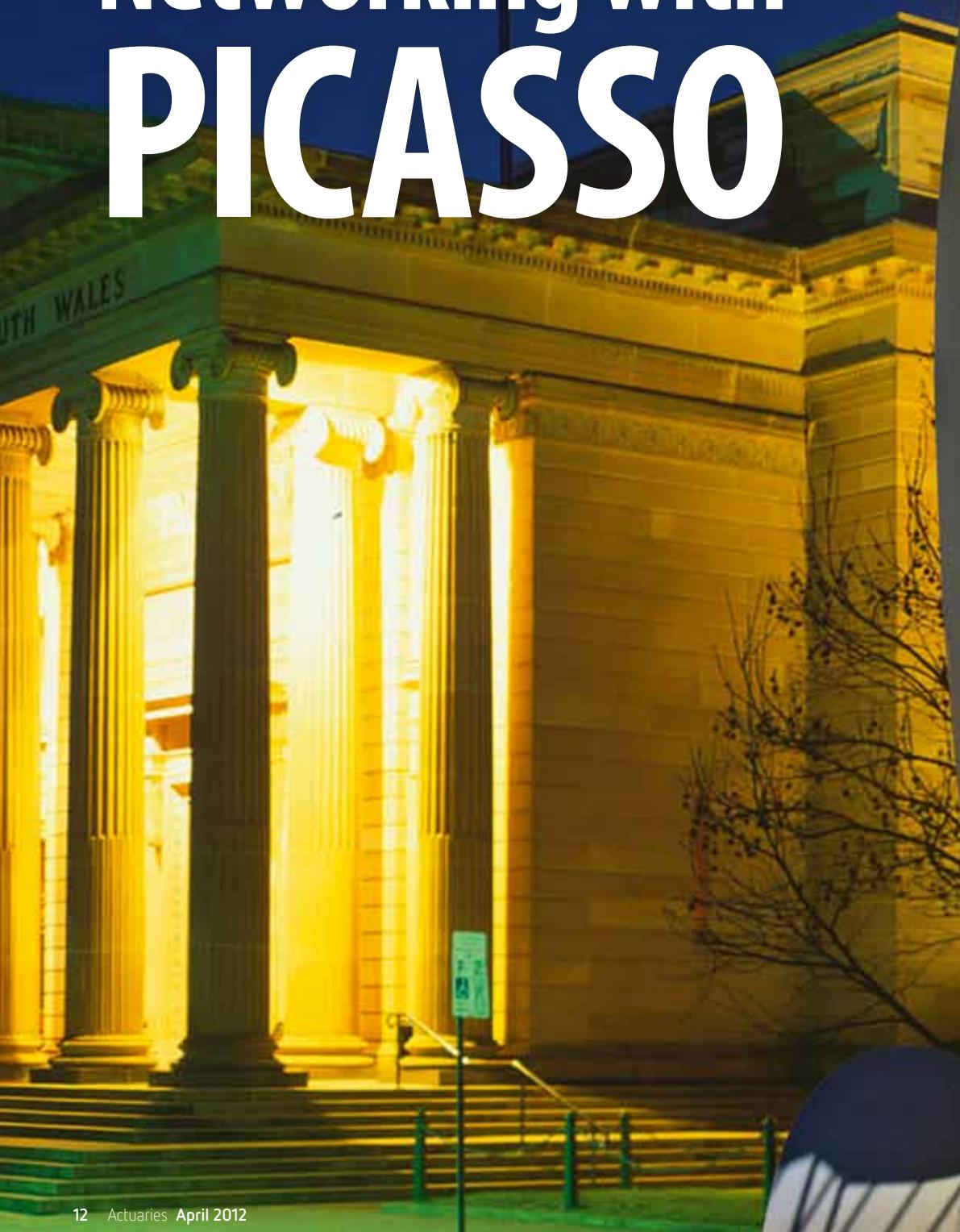
The recent CPD Survey highlighted a number of CPD topics that Members would like delivered. Practice Committees and the Events Team have used the survey results to confirm and guide their 2012 CPD delivery plans. The table below shows some examples of member requests to be supported in 2012. **A**

MEMBER REQUEST	CPD ACTIVITIES PLANNED
New APRA requirements, standards and regulations	✓
Accounting standards information	✓
Developments in retirement provisions and income solutions investment strategies	✓
Updates on current legislation and implication for retirement income modeling	✓
Superannuation law and retirement policy	✓
Information on Actuarial work in wider fields	✓
Public policy interaction	✓
Market issues and actuarial treatments of them	✓
Enhancing capability in risk management	✓
Enterprise risk experience case studies	✓
Predictive modeling—data mining	✓
Developments in Life Insurance product design, pricing and reserving approaches	✓
Mortality and morbidity trends, medical advances and longevity	✓
Current issues in investment finance	✓
Current issues in the Australian wealth management industry	✓
Communication and Influencing	✓
Board and Senior Management Communication	✓
Leading Teams	✓
Life Insurance claims cost fluctuation distributions for capital and future IFRS risk margin applications	✓
Developments in Life Insurance product design, pricing and reserving approaches	✓

REFER TO THE MONTHLY EVENTS & CPD UPDATE FOR SPECIFIC INFORMATION ABOUT THESE AND OTHER CPD ACTIVITIES IN THE 2012 CALENDAR.

This was one of the Institute's first complimentary networking events. Held in the Art Gallery of NSW featuring masterpieces from the Musée National Picasso, Paris, registrations reached capacity in record time.

Networking with PICASSO





WHAT DO YOU KNOW ABOUT PICASSO?

To encourage you to read my article, I have decided to start with a quiz. The answers can be found if you spare the time to read on.

Pablo Picasso was a:

- a) Hoarder
- b) Self-proclaimed Communist
- c) Womaniser
- d) Fan of the harlequin costume
- e) All of the above

Why did Pablo Picasso disguise his portraits of Marie-Therese Walter?

- a) He didn't
- b) She insisted her identity be kept secret so she wouldn't get harassed by fans
- c) Tantalising the public gave him the kicks
- d) To keep their illegal affair under wraps as she was underage
- e) It was the thing to do at that time

You would of course know the answer if you attended last month's Institute networking event at the Art Gallery of NSW. For those Sydney-siders working or studying too hard to come into contact with any sort of media, our very own local art gallery was showcasing an impressive array of Picasso's masterpieces. For the rest of us, yes I know, the mere thought of getting up close and personal with the artworks of the world's most celebrated artist is enough to awaken any tired, overworked actuary and elbow their way to the front of the ticket queue. All this aside, being one of the Institute's first networking events held at such a grand venue, the event was packed out.

WELCOME

We were chaperoned down the foyer and greeted with all the alcohol our hearts could desire, accompanied by copious amounts of superb food and a fantastic atmosphere for catching up with old friends, serious networking, and everything in between. Here is a small sample of conversation topics I chanced to overhear:

- Gossip on what old classmates are up to, including whose brother did what and who just got married in Melbourne over the weekend.
- Recruiting and exchange of contact details for referrals.
- The considerable number of women Picasso married and /or had affairs with.
- Vigorous debates and guesstimations of the number of women we don't know about.
- Young Actuaries Program having the highest attendance rate of all Institute events (there, you learnt something new today).
- How depressing the Part III exams are.

On a side note, I happened to be part of a very interesting conversation about the Institute upping the ante on the quality of wine served at events. Those sceptics are encouraged to put this proclamation to the test at future events.

CEO Melinda Howes made a brief speech about upcoming events (reader, make it a New Year's resolution to skim each Events Update if you don't already do so).



Networking in the lower bar area



Melinda Howes, Elaine Collins and Corinna Lueg



Alissa Irgang and Danielle Jepson



Gloria Yu, Rikki Gold, Rachel Yao and John Bayliss



Kitty Leung, Jane Miao, Stephanie Duong and Keri Lee



Barry Rafe and Xing Sun

NETWORKING AFTER PICASSO

Following the tour there was more time for catching up with new and old friends. Yet inevitably, the crowd began to disperse as the thought of work the next day tap-tap-tapped at our subconscious. And such was the conclusion of another happy actuarial gathering.

I'm not sure whose brilliant idea it was to hold this event, but let's hope the ideas keep on coming. It's hard to think of any reason why anyone would not want to come along next time. And as someone old(er) and wise once told me, if you are one of those people who wished your company would send you to more conferences, seminars or networking events... then you had better make sure you turn up to the free ones. **A**

The answers to the quiz, by the way, are (e) and (d). I was hoping readers would work this out via deduction.

Under the spotlight

Joshua Corrigan

Title... Principal and Consulting Actuary

Organisation... Milliman

Summarise yourself in one sentence...

An enthusiast for new ideas and adventures

My interesting/quirky hobbies... 500 (cards) fanatic, adventurous four wheel driver, aspiring astrophysicist, narcissistic chess player

My favourite energetic pursuit... Triathalons, but not another ironman – once is enough

The sport I most like to watch... Professional snooker... it has all the drama and tension of test cricket without the exercise

The last book I read (and when)... Matter by Iain Banks. It must be one of the best sci-fi books written in the last decade, the guy's imagination is incredible

My favourite artist/album/film... Dave Grohl of the Foo Fighters. A living legend who is responsible for my early onset deafness

I'm most passionate about... The continual ability of science to enlighten closed minds, amaze open ones, and change the world for the better

What gets my goat... Property spruikers in the media actively misrepresenting the state of the residential housing market

I'd like to be brave enough to... Base jump

In my life I'm planning to change...

The amount of time I spend at the beach catching waves and rays

Not many people know this but I... Used to pilot aerobatic airplanes for fun. There is nothing to compare with the adrenalin rush of being upside down in a vertical spin with the engine stopped, descending at 6000 fpm

Four words that sum me up... Eclectic, well travelled, enterprising, interested

What I wanted to be when I grew up...

The usual clichés of astronaut or fighter pilot...

anything involving loud engines and speed!

Why and how I became an actuary...

To understand more about the financial markets, and actuarial training offered the best path towards this. I went through Macquarie University – a guinea pig in the first year the control cycle was introduced (1996). I took specialist subjects in finance and investment management and qualified at age 21

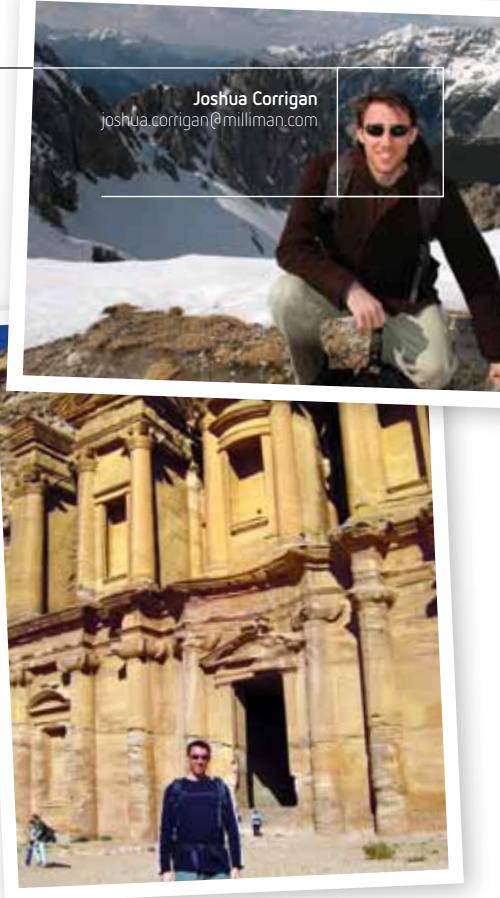
Where I studied to become an actuary and qualifications obtained... I completed my BEc in Actuarial at Macquarie University when it was the only actuarial course in town. I'm a fellow of the Australian and UK actuarial professions, and also hold the CFA designation

My work history... I cut my teeth as a quantitative investment analyst at UBS Global Asset Management in Sydney. I moved to the UK in 2002 for travel and career development, spending almost two years at NAB Europe across the insurance, pensions and banking divisions. I joined Milliman in London in 2004 as a consultant in the financial risk management practice. In 2010, the cold eventually got to me and I transferred back to Sydney within the same team to help develop Milliman's Australian practice providing risk management services to wealth management and other industries

What I find most interesting about my current role... Being able to apply innovative ideas to solve real world problems across a range of non-traditional areas, both within and outside of the financial services industry

My role's greatest challenges... Balancing my time between innovation activities, keeping abreast of local and global market developments, and delivering practical solutions to clients

Who has been the biggest influence on my career (and why)... Stuart Piper, my first boss and CIO at UBS Global Asset Management. He taught me everything about practical risk management from a capital markets perspective that has been at the core of everything I have since done



My proudest career achievement to date is...

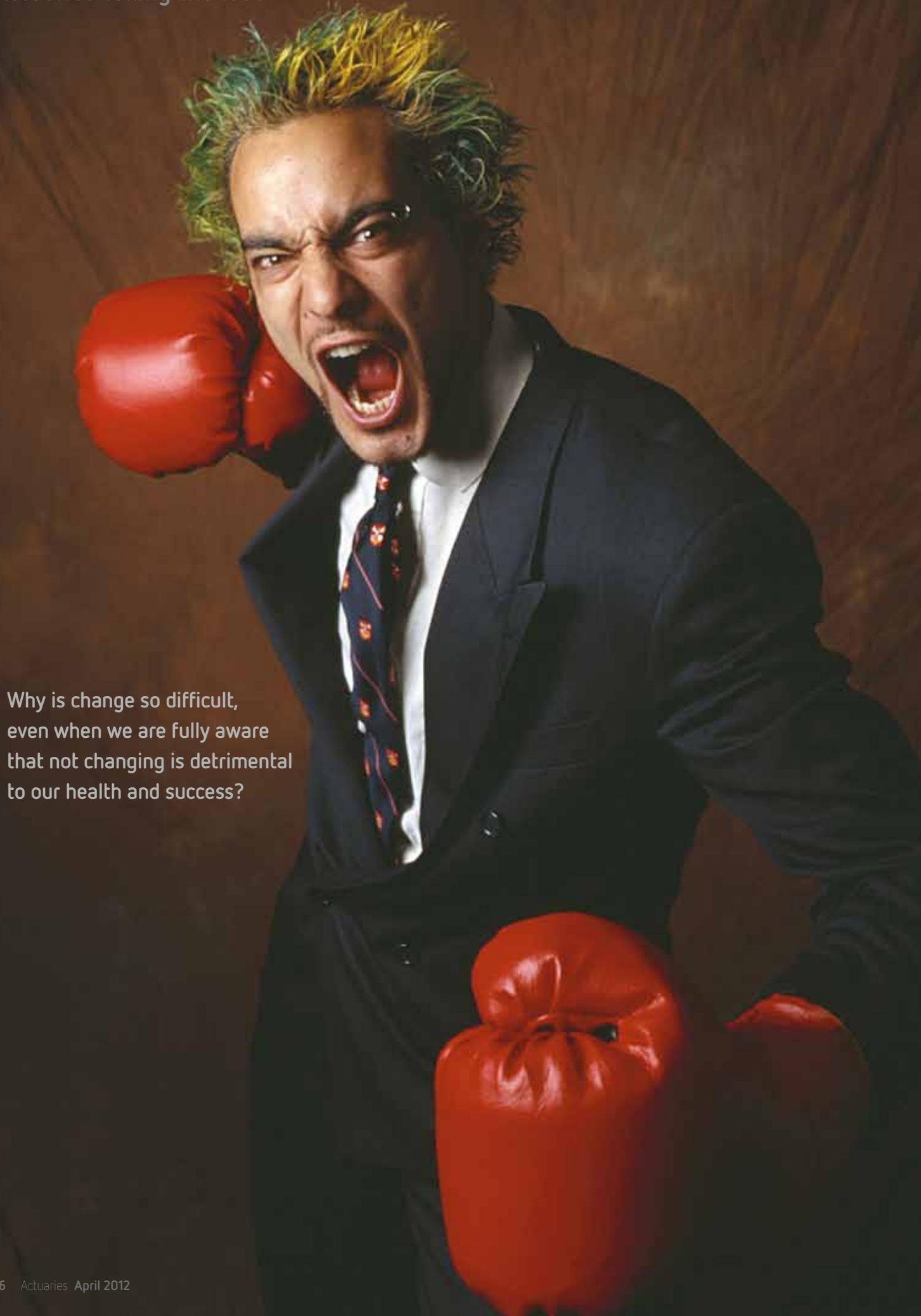
Facilitating the development of the market for new solutions to the complex retirement needs, both in Australia and Europe, arguably the biggest, most important challenge that the global financial services industry currently faces and is yet to solve

The most valuable skill an actuary can possess is... The half-life of an actuary's knowledge base is five years so you need to constantly reinvest in your human capital and continue learning

If I was President of the Institute, one thing I would improve is... Expansion of the educational framework to encourage students in other degree programs and/or at a post-graduate level, to undertake some actuarial training. Starting at the grass roots level is key to expansion of the actuarial profession into other industries and sectors outside of financial services. Remaining relevant to those people is a close second

At least once in their life, every actuary should... Work in a non-traditional area and at least one other country

My best advice for younger actuaries... Understand the behavioural biases people exhibit. They are just as important as understanding the economics of a decision making process **A**



Why is change so difficult,
even when we are fully aware
that not changing is detrimental
to our health and success?



"The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy" – Martin Luther King

Fighting our resistance to change

Kevin Rudd's recent challenge for the Prime Minister's role resurfaced the criticisms of his leadership: "a control freak who micro-manages, doesn't listen and doesn't adequately consult".

When asked on Sky News to comment on these perceptions, Rudd accepted some of the criticisms, he did say however that he had reflected on these and "learnt not to do as much in a day and to delegate more." When asked if he had truly changed, Rudd suggested the reporter ask others who work with him what their judgment is - "I can't claim to be Mother Theresa yet."

Rudd's acknowledgement of the need to change along with the challenge of changing quickly, as well as changing the perception of others, raises a timeless but essential question – how quickly can we change as adults, our behaviours and mindsets that have been built up over a life time? While we may be able to manage our behaviours in our day-to-day lives, it is useful to consider how these might emerge under periods of extreme stress. Martin Luther King suggests that this is indeed the ultimate test of a human being.

Robert Kegan, Professor in Adult Learning and Professional Development at Harvard University, has spent his career exploring these questions. In his book, *Immunity to Change*, Kegan shares the following: "A recent study showed that when doctors tell heart patients they will die if they don't change their habits, only one in seven will be able to follow through successfully. Desire and motivation aren't enough: even when it's literally a matter of life or death, the ability to change remains maddeningly elusive."

The recent Quit Smoking advertisements on Australian television focus on "never quit quitting" - recognising that changing deeply

embedded habits and ways of life can take a very long time and a significant ongoing effort.

Why is change so difficult, even when we are fully aware that not changing is detrimental to our health and success?

Learning and acquiring knowledge and skills such as doing mathematical equations that are largely technical can be readily developed with some application. However, change is much more difficult in areas that are tied in with our beliefs, our upbringing, our security needs, our very identity. Kegan has identified that very often we have hidden or competing commitments that mean we unconsciously try to keep our life the same as it always has been, on the basis that our view of the world has served us well until now.

In coaching conversations I have had with well meaning actuarial and finance managers with similar issues to Rudd, in managing their teams or functional units, the fear of not knowing, of not being in control, is often so great that well intended plans to delegate are put aside as soon as the next crisis occurs.

Managers can often see the irony that, **trying to control or get the best quality outcome by not delegating, often leads to loss of control and quality** as they as a manager become overwhelmed, and their people disengaged. In my experience managers readily commit to delegating more and can carry this through when no obstacles are in the way. When the major obstacles occur or stress is high, very often the good intentions are forfeited as the manager's more deeply held beliefs take precedence and they revert to their traditional style.

What Kegan's work challenges us to do, is to explore the assumptions and meaning we attach to certain events, so that we can identify those major life assumptions that, while they have helped us to survive to this

point, they may also hold us back from growing in the future. The actuarial or finance manager who's success to date has been defined by their technical expertise, will need to let go of being the sole expert if they are to survive and thrive in managing larger and more diverse groups of people. The real work of leadership development at a personal level then is to become deeply aware of our own assumptions and beliefs, and use this awareness to build the skills and mindsets needed to advance further.

Nicola Westoby's article on the Young Actuaries Program (page 18) points to this, where she discusses the notion of leadership as being how you command respect through your response to your environment. In an actuarial context, demonstrating leadership will very much be measured by our ability to command respect as a profession by having the skills and mindsets to respond and communicate with stakeholders effectively in our changing environment. And the challenge will be doing this consistently well enough, over a sufficient period of time, to shift long held perceptions of actuaries.

Rudd had clearly reflected on the feedback he had received. From his interview comments he appeared to have taken responsibility and indicated an intention to change. In his case this wasn't enough to convince the people who had experienced his earlier leadership as Prime Minister. Whether he could truly have changed his leadership style were he to have been successful in his challenge for the Prime Minister's role, would depend on his capacity to face his own fears and mindsets and have the courage to hold to a new path in the face of the pressure and challenges.

What are the leadership challenges you face on your actuarial career journey, and how will you go about responding to these? **A**

Tomorrow's leaders, today

The Melbourne branch of the Young Actuaries Program (YAP) kicked off 2012 with a thought-provoking session on leadership by Andrew Brown, an actuary now working in leadership development. Hosted by AMP, this was the latest YAP presentation in a series aimed at widening the scope of actuarial involvement in business and in the community. Andrew spoke about the necessity of developing leadership skills for both effective business impact and wider social benefit. As today's young actuaries will be the leaders of the future their powerful analytical abilities will be important in developing solutions to future problems. So how do we prepare and inspire this talented group of people to step up to the challenge and take on leadership in a changing world?

ARE LEADERS BORN OR IS LEADERSHIP DEVELOPED?

In the group discussion, the room was divided about how much of leadership is nature vs how much is nurture. The general consensus was that there are aspects of both. Research in the last 30 years has shown clearly that leadership is largely developed – we all have the capacity to lead. But leadership development is much more than learning new skills and behaviours – it is about the mindsets, beliefs and values that we develop as we mature in our capacity to lead.

It all comes down to how you define leadership. Everyone has different ideas of what this means, who leaders are and which skills or attributes are important.

WHAT IS LEADERSHIP?

Notions of leadership have evolved over time as the world around us has changed. Historically, business leaders created

hierarchies to direct people in their work. The classic example is Henry Ford, credited with developing the assembly line. This was an extraordinary innovation for the time and enabled Ford's vision: a simple vehicle affordable for all. While this kind of micro-management was effective for manufacturing processes, it isn't necessarily the leadership required in today's complicated global marketplace. To engage people in their work and provide an environment that connects people to a common purpose is a key challenge for senior leaders today.

WHAT MAKES A GOOD LEADER?

Adolf Hitler engaged people in a common purpose. He was well spoken, charismatic and had a clear vision for Germany. Did this make him a good leader? His vision led to the deaths of millions of people and the destruction of large parts of Europe. He





Awards



Melville Biennial Convention Prize



Jamie Reid



Ashish Ahluwalia



Sonia Tripolitano

lacked a moral compass. So are values an essential ingredient of leadership? For long-term successful leadership, they undoubtedly are. Only ethical, responsible companies have any hope of satisfying customers, retaining staff and maintaining their place in the community for the long term.

Ultimately, leadership isn't about authority or positions of power – it's a mindset. It is how you choose to respond to your environment which commands people's respect and cements your role as a leader. In times of rapid change, leadership is in high demand, but only ethical and adaptable leaders will succeed in the long run.

THE CHANGING WORLD

In his session, Andrew Brown presented a picture of an old man sitting on a park bench and asked "who is this man?" The answer was "a young man who has been waiting for things to slow down." His point was that change is perpetual, whether it is in the form of technological advance or changing human behaviour - we need to continually reconsider how we respond to uncertainty, get used to it and grow in response to it, rather than trying to eliminate it.

We were reminded that we should therefore constantly challenge our approach to solving problems with creativity, flexibility and depth of knowledge and experience. Maintaining the capacity within the profession to do this will also challenge our education system and professional development courses, particularly as actuaries move away from traditional fields into broader spheres of influence.

Today's young actuaries will be tomorrow's leaders. Andrew's advice on how to become that leader is:

- know what is important to you and be prepared to stand for that; and
- take all the opportunities you're offered, embrace change, and treat setbacks as an opportunity to learn.

I'm sure many people were relieved to hear that even Andrew, who has been very successful in his career, failed many of his first semester exams! You only get out what you put in, so give it all you've got. **A**

The Actuaries Institute is delighted to announce that the 2011 Melville Biennial Convention Prize has been awarded to **Jamie Reid, Ashish Ahluwalia and Sonia Tripolitano** for their paper *Risk Equalisation 2020 – Is the current system sustainable?*

The Melville Biennial Convention Prize was initiated by the late Mr Tig Melville and is presented to the author of a paper considered by the judging panel to have:

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

The judging panel awards a prize only if the paper is considered sufficiently meritorious. The monetary value of the prize is \$4,200.

In this paper, the authors investigate the process of risk equalisation: sharing the costs of older health insurance policy holders and the most expensive claims across all insurers, which is an essential part of Australia's community rating system.

Identifying the challenges faced by this system, the authors consider the risks to the private health insurance model and pose the question of whether it remains viable into the future. They estimate the size of the risk equalisation pool in 2020 under the current model, identifying the drivers of change, before considering whether alternative risk equalisation arrangements might be more sustainable.

In the opinion of the judging panel: "the authors present an important and relevant issue for the profession. The effects of demographic shifts and their impacts on financial systems have far-reaching implications across multiple disciplines and this is illustrated neatly in respect of the cross-subsidised health model. The authors challenge the reader, the profession and the industry to consider the outcomes if various changes are adopted. The paper is thoughtfully and logically presented, making it eminently readable for practitioners in health or otherwise."

JUDGING PANEL

John Evans, University of New South Wales

Rade Musulin, Aon Benfield

Stephen Woods, Consultant

Actuary redirected: Cherag Kalapesi

Welcome back to our series of articles providing a snapshot of the lives of actuaries "missing in action". For most of us, there will be times when we take stock and give great thought as to whether our work life is living up to our expectations. For some actuaries, that re-examination leads to a brave decision to move in a different direction – away from the actuarial profession.

In this edition, we meet Cherag Kalapesi who shares his journey from actuary to careers adviser.

What was your background prior to changing your career?

After university, I started working in AMP's superannuation department. This was a great place to start my career and see theory being applied to practice. I was a member of a team that was working on a huge project to convert all our defined benefit schemes over to defined contribution funds which was a common trend in Australia at that time.

While the project was successful in transferring risk between employers and employees, it removed the potential for me to conduct interesting work in that area. Even my infantile actuarial brain sensed that there wasn't a long-term future in this role. So I decided to do what a lot of young Aussies do – head to the UK – to the birthplace of actuarial science!

I worked for PwC in London where the pension industry there was still going full steam ahead. This was the first taste I had for working in a client-facing role and I really enjoyed travelling to different parts of the country and speaking to clients about issues affecting their schemes.

Why the change?

My desire to become an actuary was a classic case of making the wrong decision for the right reasons. Even though I struggled with some of the actuarial exams, I chose to persevere with them and I am glad I did it and I am proud of the accomplishment. However, once I finished the Part II exams, I felt that a huge burden had lifted from me and I was able to look more objectively at the actuarial profession as an actual career option.

Even though I enjoyed the consulting side of my PwC role and the international opportunities the qualifications opened up for me, I didn't enjoy the time spent in front of spreadsheets and trust deeds. I tried telling myself that as I progressed I would have to do less technical work but when I looked around, a lot of the more senior actuaries were still doing technical work. So after four years (in two different countries, within a life office and a consultancy) I decided that actuarial work in most of its guises was not going to be a good fit for me.

Moving On...

I started doing a bit of research to see whether there were any organisations that helped actuaries make sense of their careers. I stumbled upon a recruitment agency that not only fit that description but was actually looking for a consultant to join their ranks. A couple of interviews later I had signed up to become an actuarial recruiter. Many years later when studying my career counselling qualification, I would learn that this event was an example of "Planned Happenstance" but at the time it looked like a great way of using all that actuarial experience in a non-technical way. And that really appealed to me.

Fast-forward 10 years and I now find myself working at Macquarie University as a careers adviser for the business and economics faculty. In an ironic twist to my escape from actuarial work, I now find myself working in the place that I began my actuarial education – life can be a bit funny like that sometimes

What is it about your roles that you enjoy?

Looking back, the thing I enjoyed most about working in an actuarial role was the people I met along the way. I have a lot of fond memories of working at AMP and PwC and still have close friends who I met whilst studying the course at university. I also met my wife through the profession so I can't really complain.

When I moved into a recruitment role I loved the thrill of the chase and the highs of making a successful placement. It was a very competitive environment where



Cherag Kalapesi



your performance was highly visible and there was nowhere to hide. A really interesting part of the role was talking to lots of companies and helping them source the right talent. I also enjoyed the financial rewards that came with a successful recruitment career. But most of all I enjoyed talking about actuarial work to actuaries but not having to do any myself.

As a recruiter, the value of my efforts was linked purely to a successful placement. As a careers adviser my work is no longer measured by monetary outcomes. The value is linked to less tangible outcomes like raising a student's confidence or efficacy or competence. I derive a huge amount of satisfaction from helping students make the right decision and achieve their career goals.

Graduate employability is also high on the university agenda and careers education is becoming more integrated with academic curriculum. This means I have also had to develop teaching and facilitation skills as I am often delivering workshops and lectures. Public speaking used to fill me with dread but now I enjoy the buzz from running a two hour workshop for a lecture hall packed with hundreds of students.

Was your previous profession at all useful in your new one?

Absolutely. As a careers adviser I am constantly working with students interested in pursuing financial careers. The theory I learned through my actuarial study, coupled with my experiences in an insurer, a consultancy and a recruitment agency, allow me to talk to students about the variety of jobs that exist as well as the different types of organisations that they can work for. As actuaries we spend so much time studying the exams and worrying about the route to Fellowship, that we don't actually spend a lot of time thinking about what environment would best suit us.

Many of us fall into our first actuarial roles without giving much thought to whether we want to work in life or general or investment let alone whether we want to work in pricing or reporting or capital modelling. The fact we can work for an insurer, reinsurer, consultancy, bank or regulator (amongst many others) doesn't even register on most students' radars. So there is an element of falling out the front door of university into an actuarial career and this is something I am passionate about helping students work out.

Is there anything you miss from your time as an actuary?

When you are studying actuarial science and when you are working in an actuarial role, there is an air of

mystery and respect and awe that surrounds you (maybe not when you go clubbing but definitely at work and at uni). People have no idea what you are doing on your fancy little spreadsheet other than the fact that you must be very smart to do it and that you must get paid a lot to do it.

Having had an Indian upbringing, I can tell you that being smart and earning a lot of money also makes Mummy very proud. So if there is anything I miss about my time in a more traditional role, it is the respect that comes along with it. Very vain I know!

To cement my superficiality further – I do also miss the benefits of working in larger organisations, the free drinks, the client dinners, the per diems. But as far as the actual work goes, I don't miss it one little bit.

Would you ever go back to the actuarial profession?
When I first moved from actuarial consulting into a recruitment role, I was suddenly given a helicopter view of the wide variety of actuarial roles that exist. Until that time I had no idea of the range available. Surprisingly, none of the vacancies I worked on tempted me to apply and re-enter the traditional profession. However upon reflection and with greater career maturity I now see that there are actuarial roles out there that would match my preference for non-technical work, my strengths in communication and relationship building and my penchant for wining, dining and the finer things in life. I have also seen how incredibly portable and valuable an actuarial qualification is. I would recommend it to anyone who wishes to challenge themselves academically and who wishes to be part of a highly-regarded profession.

Given the ability to go back in time would you have bypassed actuarial and headed straight for what you are doing at the moment?

Knowing what I do about career planning, I would almost certainly have bypassed actuarial if I had my time again. This has nothing to do with the actuarial option itself but more about me not making informed and educated choices the first time around.

Having said that, I'm pretty sure I would not have chosen to be a careers adviser as my first job either – it's just not something you think of doing straight out of school or uni.

It's only through the skills and experiences I have cultivated along the way that my current role has come about and I'm looking forward to the twists and turns that are yet to come and things I am yet to experience and learn. ▀

'Many of us enter into our first actuarial roles without giving much thought to the specific area we might want to be working in. There is an element of falling out the front door of university straight into an actuarial career; so helping to identify potential roles is something I am passionate about helping students work out.'



Singapore Actuarial Society

The Singapore Actuarial Society (SAS) was formed in 1976. At that time, the profession was not well known in Singapore and there were only a handful of qualified actuaries. Today, the SAS is a full member of the International Actuarial Association with nearly 600 members.

MEMBERSHIP

There are five membership levels – Fellow, Associate, Ordinary, Student and Affiliate. As the SAS is not an examining body, it relies on other actuarial societies to provide accreditation for its members. Currently, only a few actuarial bodies are recognised in the Constitution, including the Actuaries Institute Australia. Associate members include those who are Associates in the recognised actuarial bodies and Fellows in the non-recognised bodies. Affiliates are other interested parties (e.g. government observers).

An interesting fact about the membership is that the male-female ratio is 65%-35% but it varies quite a bit by age – over 40ys the female proportion drops significantly (see graph on p17).

We cannot conclusively say that women are dropping out of the work force, as Singapore has a high percentage of working females (over 60%). Perhaps it is career change - hopefully it is not because they are dropping out of the SAS!

Another interesting fact is that the majority of SAS members are not Singaporeans. Malaysians represent 37% of the membership

and Singaporeans 29%. This cross-over is only a recent phenomenon. While some of the SAS members are not residing in Singapore, many Malaysians are coming to Singapore for career opportunities.

COMMITTEES

The SAS currently has four practice committees – Life Insurance, General Insurance, Health and Retirement, with the aim of adding another one for Enterprise Risk Management in 2012. There is also an EAAC (East Asian Actuarial Conference) committee that has been set up on a temporary basis. These committees organize conferences, write guidance notes and provide research on actuarial matters.

There are also a number of support committees, including Education, International, Public Relations, Student, Professional Affairs and Administration. The Education committee provides non-practice specific educational events, including free afternoon forums for our members. The Student committee provides assistance in reaching out to the university students and organises events such as career fair and competition for actuarial students.

ACHIEVEMENTS IN 2011/2012

The 2011/2012 has been a very busy year for the SAS with many successful conferences, forums, social events and continued outreach to industry and academic bodies.

The SAS now organises annual or biennial conferences covering life, health, retirement



and general insurance practice areas. Our afternoon forums have become very popular not only for our members but also for non-members as well. We have observed that the recent SAS forums had attendance between 50 and 70.

However, the SAS is not only about educational events. We have also provided social and networking opportunities for our members during the year including a quiz night, a bowling event, a five-a-side soccer competition and a brewery tour.

In addition, the SAS has been working closely with different organisations to explore collaboration opportunities. For example, in preparation for the EAAC next year, we worked with the Actuarial Society of

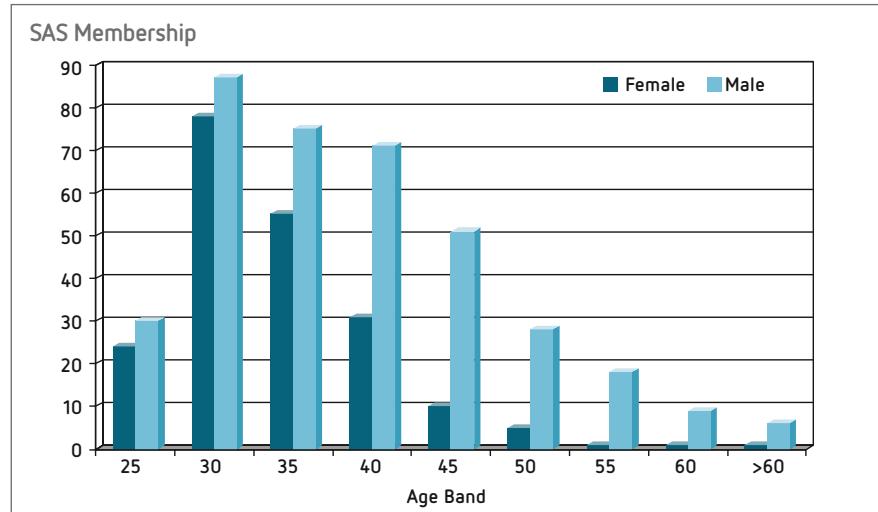


The SAS is one of 14 Professional Groups in Singapore involved in the nomination process to select a Nominated Member of Parliament to represent Professional Groups in political debates and government budgets in the parliament.

Skyline from the top of the Singapore Flyer, largest wheel in the world

Malaysia (ASM) to allow our full-time staff to attend the 16th EAAC last year in Malaysia for learning and gaining experience. On the General Insurance side, the SAS hosted the Stress Testing forum together with the Monetary Authority of Singapore (MAS) in November last year. Furthermore, the SAS is working with the Life Insurance Association (LIA) to jointly organise the upcoming Retirement Conference in April.

The SAS is also one of the 14 Professional Groups in Singapore involved in the nomination process to select a Nominated Member of Parliament (NMP) early this year to represent the Professional Groups in political debates and government budgets in the parliament.





Suntec City fountain

VOLUNTEERS AND STAFF

The SAS is a volunteer driven society with over 90 volunteers last year. The Council, including the President, Vice-President, Honorary Secretary and Honorary Treasurer are elected annually, with no limit on the numbers of terms that they can serve.

In order to recognise the efforts that the volunteers put in, a Volunteers' Dinner is held in February annually.

The SAS has one full-time staff member and two part-time staff members to assist with the organising of conferences, membership queries and general administrative duties.

EVENTS IN 2012/2013

All of the committees are quite active in providing educational opportunities to our members. In 2012, we have lined up the following events, including the link to the SAS website for more information (we would love to see you there!):

- Retirement Conference – April 12-13:
www.actuaries.org.sg/?q=node/2576
- Health Insurance Conference – May 16-18:
www.actuaries.org.sg/?q=node/3120
- General Insurance Conference – May 31 – June 1:
www.actuaries.org.sg/?q=node/2771
- Joint Regional Seminar – July 26-27:
www.actuaries.org.sg/?q=node/3177
- Appointed Actuaries Seminar – Date to be determined – in late Q3

In October 2013, the SAS will be the host of the 17th EAAC. Australia is a member country of the EAAC and we certainly hope that you can attend this event. It will be held at Resorts World Sentosa (<http://www.rwsentosa.com/>), which is next to the Universal Studios. Bring the family and make a vacation out of it.

SINGAPORE INSURANCE MARKET

The majority of the members (55%) work for insurance companies, with 18% in the reinsurance sector and 13% in consulting.

The Singapore life insurance market is a mature market, dominated by four life insurance companies by market share. They are AIA, NTUC Income (a local Singapore company), Prudential (UK) and Great Eastern (a Singapore company). The main distribution channel is tied agents followed by bancassurance. Endowment products are the main staple of the life insurers, with nearly 50% of new sales comes from regular premium business and 85% from single premium.

The Singapore general insurance market, on the other hand, is highly competitive and fragmented with top five general insurers accounted for only 44% of the market share by gross premium in 2011. Nevertheless, the general insurance sector is still relatively less developed compared with the life sector with penetration rate of just around 1.2%. The main product range includes motor, work injury compensation, property, personal accident, short-term health as well as marine. In the last few years, the government's effort to attract foreign talents, coupled with regulatory changes and increasing emphasis on public healthcare have driven the growth of the general insurance sector such as motor, work injury compensation, personal accident and health products.

The government also uses a private-public partnership model to distribute some social benefits, the most notable being Medishield (health insurance) and Eldershield (long term care). The products are distributed and administered by the selected insurance providers and premiums come out of Singaporean's Central Provident Fund (CPF).

SINGAPORE

Singapore, the garden city, is one of the four "Asian Tiger" characterised by open economy, robust government and first class service standard. As Singapore has little natural resources, a conscious and concerted effort was put by the government to make their people as the number one resource. This educated and hard working population is what grew Singapore's economy from third world to first world in a short period of time. Over the years, many actuaries in other countries have attracted to come to this garden city and called it their home – a clear link to the growth of the SAS membership! **A**

FAST FACTS ABOUT SINGAPORE

- Singapore consists of only one main island and 63 other tiny islands. Most of these islands are uninhabited.
- Apart from Monaco, Singapore is the most densely populated country in the world, with 7,431 people per square kilometre.
- The world's first night zoo, The Night Safari, is located in Singapore.
- The highest natural point in Singapore is Bukit Timah Hill, which is only 164 metres high (Singapore has a very flat terrain).
- The world's highest man-made waterfall, standing at 30 metres, is located at the Jurong Bird Park.
- The largest fountain in the world is located in Singapore at Suntec City. Made of cast bronze, it cost an estimated US\$6 million in 1997.



"I have discovered a truly marvellous proof of this, which this margin is too narrow to contain" – Fermat.

Fun and games, and Egyptians

IT'S ALL FUN AND GAMES UNTIL SOMEONE LOSES AN EYE

The ten metapuzzle clues given throughout 2011 are:

1. Spanish Basket (spelled out by the symbols for the elements in the journey around Mendeleev's map, excluding the first and last elements and with the symbol for Tellurium read backwards).
2. Golden Gate (spelled out by the first letters of the names the ten solution countries).
3. Houston Grasp (spelled out by the names of the platoons stationed at each of the outposts where the General makes a 90 degree turn).
4. US Drinking Age (an anagram of the highlighted squares in the crossword grid).
5. Tom Collins (found by taking the solution numbers for each of the squares that Allan and Katherine didn't visit then translating them into letters using a simple A = 1, B = 2, etc, mapping).
6. Jack Black (the name of the star of School of Rock).
7. Love Sign (found by reading the solution grid in a spiral starting in the bottom left corner).
8. Guano (the highlighted squares in the solution grid spell out this word in morse code).
9. Bounty Hunter Harvey (spelled out by the string of letters on the cave wall, which need to be translated back into the "native" language using the letter mapping derived in this question).
10. Water Body (found by reading down the middle column of the solution grid).

Each of these answers is a clue to the name of a game of some sort (as hinted at by the title of the metapuzzle). Solving these clues, the metapuzzle solution grid can be filled in as follows:

Reading down the centre column of the metapuzzle grid gives: CROWN CASNO. That is, Crown Casino, without the i. However, the puzzle title suggests that an i (eye) may be missing from the answer. Adding the i back in gives Crown Casino, a place of unimaginable riches and wealth, and the location of King Solomon's Mines.

The winner of this month's prize and the title of 2011 Puzzles Champion is **Corey Plover**, who will receive a \$100 book voucher. Congratulations Corey!

PYRAMIDS

The next stop on our puzzle tour of the world is Egypt, home of the pyramids. As of 2008, 138 pyramids have been discovered in Egypt, the earliest of which is the Pyramid of Djoser (constructed between 2630 BC and 2611 BC), and the largest of which is the Pyramid of Khufu at Giza (also known as "The Great Pyramid").

The Pyramid of Khufu is the only one of the Seven Wonders of the Ancient World that is still in existence, and is made out of blocks of soft limestone with an outer layer of hard white limestone casing stones. Prior to being stolen around 600 years ago, there were 144,000 casing stones on the pyramid, possibly in reference to the Biblical prophecy that 144,000 will evangelize the world at the end of time.

Opposite is another type of pyramid, built of numbers instead of stone. To solve, replace each of the letters with numbers in the pyramid so that each block is equal to the sum of the two numbers beneath it.

T	E	X	A	S	H	O	L	D	E	M
C	A	N	A	S	T	A	N	T	S	A
B	R	I	D	G	E					
T	W	E	N	T	Y	O	N	E		
G	I	N								
B	L	A	C	K	J	A	C	K		
H	E	A	R	T	S					
C	R	A	P	S						
D	O	M	I	N	O	E	S			
P	O	O	L							

k										
j										
81										
42	h	36								
d	e	f	g							
17	a	b	c	13						

For your chance to win a \$50 book voucher, email your solution (with working) to:
inthemargin@actuaries.asn.au **A**



CONGRATULATIONS – COREY PLOVER PUZZLE CHAMPION 2011

Corey Plover is the winner of the title of 2011 Puzzle Champion and a \$100 book voucher. In order to win this prize, Corey had to solve all ten In the Margin puzzles published during 2011 and use clues contained in them to identify ten related words or phrases. These had to be inserted into the grid printed in the December Actuary Australia in order to yield the final "meta-puzzle" solution.

Corey would like to thank Genevieve Hayes for all her In the Margin contributions and invites fellow puzzle enthusiasts to participate in similar events hosted by Melbourne University (<http://www.ms.unimelb.edu.au/~mums/puzzlehunt>), Sydney University (<http://www.maths.usyd.edu.au/u/PS/SUMS.html>) and CISRA (<http://puzzle.cisra.com.au>).



A day in the life of a public policy actuary

As some of you may be aware, I have re-emerged, phoenix-like, from the ashes of President to now being the Public Policy Actuary for the Institute – I took over from Rick Shaw. Around 30% of my time is devoted to this role, to describe what the public policy actuary actually does, I thought I would review the activities of one day to provide some insights into how the public policy function works at the Actuaries Institute.

Firstly, to set the context, Council has agreed that the Institute should take a high profile in the press and with Government and to be on the front foot and constructive on those issues where we believe that we can make an important contribution. Clearly, we are only a small profession, so to make sure that we manage our scarce resources effectively the Council have developed a number of policy principles that are used to decide if an issue should be actively pursued.

Yesterday I woke to an email from Daniel Smith (Vice President), who had spent a late night finalising the Institute's response to the Government's consultation paper on the National Disaster Insurance Review. Daniel and a committee formed by the General Insurance Practice Committee have been working on this paper for a few months and we were close to submission date. I had been through it a few times also and Daniel was pulling together some of the final comments. The submission was looking good and we still had a few days up our sleeve, which is unusual for large complex submissions.

The Institute is not a business lobby group and it often happens that the Institute's view conflicts with the business view. For example, our original submission to the NDIR proposed a temporary national pool be established to help facilitate the offer of flood insurance to consumers, especially the high-risk properties. The Insurance Council of Australia did not support this idea. Our motivation for the pool was that it recognised that many people had, in good faith, purchased properties where they were unaware of the extent of flood risk faced, and will be unable to secure appropriate insurance. The expectation was that this pool be wound up after say 10 to 15 years, once adequate flood risk information and proper risk mitigation measures are made available or established.

Our latest submission reiterates our views but also comments extensively on the government's proposal to require all insurers to offer flood cover but with an opt-out. Whilst we support this idea, we noted that it is likely that the cost of full flood cover for high-risk areas will be higher than most people can afford. It is therefore likely that most people in high flood risk areas will not have flood cover.

The finalised submission has now been sent to the Public Policy Council Committee for information and the President for signing. The PPCC consists of around eight senior actuaries, mainly Councillors. The objective is that this group set overall Institute policy and make sure that we are consistent between practice committees. If submissions contain new policy then the PPCC are included earlier in the discussions. Whilst this latest submission contains a lot of detailed commentary there is no new policy so the PPCC will not need to review in detail. Normally David Goodsall, the President, signs off on the submission once he has approvals from John Newman as Chair of PPCC, and the relevant practice committee.

Later yesterday I attended our monthly meeting with Honner Media (our PR Consultants). This meeting includes Melinda, the President and a

POLICY PRINCIPLES

- the Institute holds the 'public interest' or 'common good' as a key driving principle in developing policy;
- Actuaries take an evidence-based approach that focuses on risks;
- Actuaries look for equity of outcomes for the individual and all entities are allowed to compete on an equal playing field; and
- the Institute promotes 'good' regulation recognising that excessive or unnecessary regulation can obstruct an efficient market from functioning and can ultimately undermine the 'public interest'.

number of secretariat staff working in public policy. We pay the PR consultants a monthly retainer and they organise the daily news service and advise the Institute on media relations and public policy issues.

Yesterday we discussed Melinda's and David's media contact program. We also discussed an opinion piece that we are targeting for the *Sydney Morning Herald*. We are encouraging actuaries to write opinion pieces that contain facts and figures that the public may find interesting. This particular opinion piece was prepared by a couple of actuaries on the Health Practice Committee. The opinion doesn't need to be endorsed by the Institute but, if it shows actuaries in a good light then the Institute will help the authors to have the piece published.

We also discussed the upcoming Financial Services Forum in Melbourne. We have some fantastic speakers and over 40 concurrent sessions. A lot of these sessions have broad public interest. The plan is that our PR consultants will review the papers and contact some of the individual writers to see if we can develop media releases or organise interviews with the press.

We are also in the process of writing a White Paper on retirement incomes issues. Simone Knight, a policy adviser to the Institute, is currently preparing this. The plan is that we will bring together, in this one paper, our policy on post retirement incomes, superannuation governance and broad risk management suggestions. We plan to present our views to Government in June/July along with organised releases through the media. A draft of this paper should be complete in the next month and will be circulated to the relevant actuaries for comment. We discussed our plans with the PR consultants and they will organise a media strategy to get maximum exposure for the White Paper.

Finally, we discussed profiling a number of senior actuaries - we are proposing to profile leading actuaries each month for this magazine. Some of these profiles may also be distributed more widely. We have had previous success in profiling actuaries in Boss and other magazines.

So, that's how my public policy day turned out.

The key challenge is maintaining focus on important public policy issues where we believe the Institute can make a valuable contribution. There is a lot of public policy activity occurring in the practice and other committees that I don't get involved with. We have internal protocols about who can say what to whom and Melinda, the CEO, keeps a tight rein on all our media and Government contacts.

Watch this space for other updates throughout the year. **A**



We're not growing old in the European way

JAMES MORRIS' STUDENT COLUMN LAST OCTOBER EXPOSED THE EUROPEAN PUBLIC PENSION SYSTEM'S INABILITY TO COPE WITH THE INCREASING LIFE EXPECTANCY, FALLING BIRTH RATES AND RELATIVELY EARLY RETIREMENT AGES OF ITS WORKERS. SO HOW IS AUSTRALIA PLACED?



Fortunately, the existence of the Superannuation Guarantee (SG) means Australia is in a much better position than Europe to adjust its superannuation levels to suit the changes in its demographics.

Europe's pay-as-you-go system, which accounts for a majority of public pension schemes, relies on the contribution from the current working generation to fund the benefits paid to the current retirees. However, as the remaining life expectancy of the retirees increase, the contributions from the slowly-growing work force will not be enough to cover the benefits paid. The lack of privately funded superannuation makes solving this impending problem difficult.

On the other hand, Australia's SG has forced a steady accumulation of private savings, whereby each worker has their own fully privately funded retirement package (the Government funded Age Pension acts as a safety net if these savings do not suffice).

As it stands, the 9% guaranteed superannuation contribution is insufficient to cover Australian workers' unchanging retirement age and increasing life expectancy. According to a study conducted by Mercer, most Australians will live past 80, but only one-in-four people believe their savings will last that long.

The Government has announced a four-prong solution to be implemented on 1 July 2013:

- increasing the SG gradually to 12 per cent by 2020;
- increasing the SG minimum age limit from 70 to 75;
- supporting low income workers with a Government contribution of up to \$500; and
- allowing a higher before-tax contribution limit to workers over 50 with a retirement fund under \$500,000

This solution clearly provides workers with a healthier retirement outcome. In addition to forcing workers to contribute more income to their retirement funds, the increase in the minimum age limit for the SG encourages workers to stay employed for longer, increasing superannuation savings and decreasing the duration of their retirement. The fourth part of the reform allows older workers to boost their superannuation fund to a reasonable level through salary sacrifice.

The Government have stated that the reform is expected to increase Australia's pool of superannuation savings by \$85 billion over

the next 10 years, and increase the retirement benefits of the average 30 year-old worker by \$108,000.

In 1992 when Keating's Government introduced the SG, there was strong resistance against the move by employers, especially small businesses. This sentiment still exists 20 years on.

In the short run, the effective increase in paying staff could lead to hiring freezes. However, with the increase phased in over six years, employers can plan and adapt to these changes. The additional super contributions from employers will increase by 0.25 percentage points each year for the first two years of the reform, and 0.5 percentage points after that. So the increases in wage costs each year will be very small.

To assist small businesses with any liquidity issues caused by the reform, the government has announced it will reduce the company tax rate and accelerate depreciation provisions for small businesses.

In the long run, the weight of the reform will fall onto the employees by the way of lower wages or wage growth, behaving like an increase in income taxes. Or it will be passed on to customers in the form of higher prices, acting like a consumption tax. Since all employers are legally obliged to pay the same increased SG contribution, no employer will be particularly disadvantaged by the reform.

After analysing the potential costs and government support methods for employers, it seems that the fear of implementing this reform because of the burden on employers, which was the most publicised argument against the reform, is somewhat misinformed. There may have been some confusion around the fact that the liability of the increased SG legally falls on the employers, which appears to disadvantage them.

But the actual economic burden falls on the employees and consumers, who are reimbursed this money in the future through their increased retirement funds.

The SG effectively forces employees to forgo a proportion of their current income relative to their future retirement needs, allowing the Government to adjust retirement savings with little cost to the employers—a truly effective tool to deal with Australia's changing demographics. ▀

Who's Who – in the Secretariat

The secretariat is genuinely "all about the members". Not only do we work within our individual business units to deliver our specific member services, we also work with other teams on the multiple projects in our business plan to support the Institute's strategic objectives. If you attend Institute events and / or are actively involved with the Institute you will undoubtedly have met many staff in the secretariat. However, our contact with other members, especially those overseas is usually via phone or email, so... here we are - now you can put a face to the name!

Melinda Howes, CEO of the Actuaries Institute has had a varied career in financial services spanning policy, consulting, product, sales and strategic work in superannuation, wealth management and not for profit entities. Melinda is passionate about the Institute, promoting the unique skills sets of actuaries and providing service to members. She commutes from Cabarita Beach in northern NSW each week, leads the weekly yoga sessions for staff in the Institute foyer and has a new found love for social media.

After 23 years with the Insurance Council of Australia (ICA), **Julia Purves** joined the Institute as Office Manager, EA and HR Manager. After leaving ICA her vision of a more relaxed life was shattered by an encounter with the Institute's then CEO resulting in a contract for six months at the Institute – she is still here assisting the CEO and President help make sense of their working lives as well as managing the Institute's offices. At weekends Julia spends time with her husband in the Southern Highlands desperately trying to keep their large garden under control.

Linda McMaster, Receptionist is now a familiar face to the members who visit the Institute. With many years experience in running a busy reception area in a global document storage company Linda has quickly become involved in the day to day running of the Institute office and reception. Members are greeted warmly when they visit Challis House or contact the Institute by phone. Linda arrived from Scotland in the early 80s; she still retains her Scottish accent, loves reading, travel, theatre and, together with her husband,

is very involved in the Day of Difference charity.

Anne Peters, Director Governance and Regulation, is a lawyer by profession and has worked for the Actuaries Institute since October 2006. In her past life, she specialised in competition law for clients in telecommunications and aviation. A staunch supporter of monopolists, Anne found her career fighting the ACCC and other international competition regulators on her clients' behalf enormously satisfying. Her thesis for her masters degree at Oxford – competition law issues arising out of the globalisation trend in international aviation



Melinda Howes



Julia Purves

education program to ensure that it is high-quality, economically viable, compliant and meets the needs of members. Philip has worked in adult education and training for 23 years. He has played bass guitar in a rock band, is a trained fitness boxing instructor, and a cricket and rugby league tragic who has been desperately waiting for the next South Sydney Rabbitohs premiership since 1971.

Rebecca Moore, Education and Volunteers Manager started on contract as receptionist in December 2006 and later transferred into the education team becoming Education and Volunteers Manager in July 2011. She manages the administration of the education program



Linda McMaster



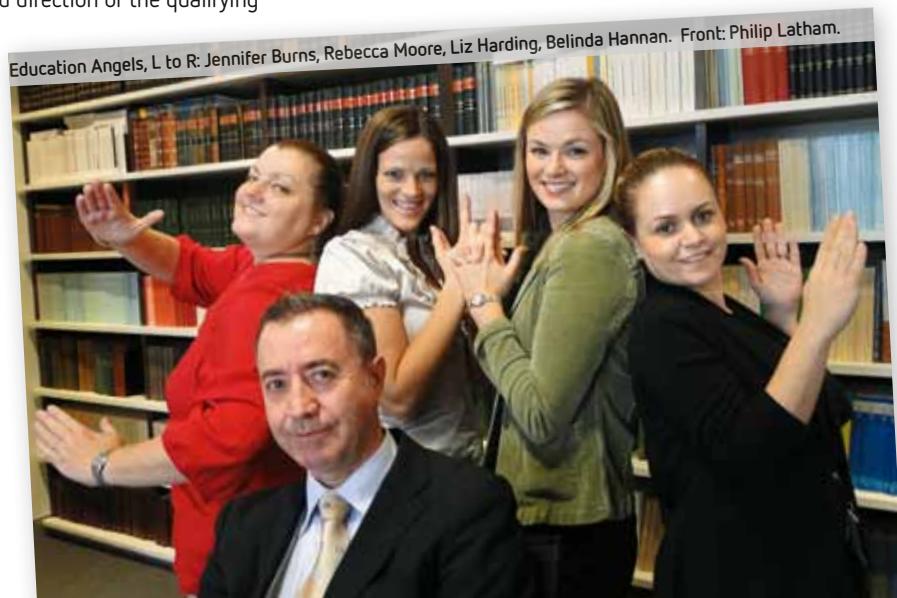
Anne Peters

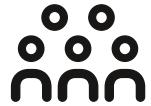
– remains largely unread by humans and will not be made available on Kindle. Anne's passions in life used to be champagne and fast cars. Now, however, it is PS 300 and the determination of accrued benefits for db super funds.

Philip Latham is Head of Education, he started at the Institute in February 2006 as Education Manager. Philip is the "Charlie" of the all female "Charlie's Angels" Education Team, and is responsible for the development and direction of the qualifying

and actively recruits volunteers to ensure delivery of a high quality education service to members. When she isn't working she is behind her guitar strumming a tune, riding 'Stella' her scooter around the city, or planning for her upcoming wedding in Canada.

After two years with the Institute, **Jennifer Burns**, University Relationship and Research Manager, is happily ensconced in the education team with Charlie and the other three angels. She enjoys travelling to each of





George Zorbas, Glyn Thomas, Richard Zock

the six accredited universities and frightening new students with tales of Part III pass rates. In her spare time Jennifer is a visual artist and holds a class each Wednesday evening in the Institute kitchen for staff, teaching them how to get in touch with their creative sides.

Belinda Hannan, Education Officer joined the Institute in November 2008. On the taller side of 150 cm Belinda enjoys helping handsome young actuaries organise their UK examinations and Part I and II exemptions. She also assists with several aspects of the Part III education program. Members may have had the pleasure of meeting Belinda at the Institute's Professionalism Courses or Part III tutorials throughout the year. Away from the Institute, Belinda enjoys long walks on the beach, pina coladas, and spending quality time with family and friends.

Liz Harding, Education Officer hails from Montana (USA). She successfully interviewed for her position via Skype and started work at the Institute in August 2011. Liz handles the general administration of Part III and assists with Parts I and II. She enjoys meeting members while working at the Professionalism Course, CAP residential course, or Part III tutorials. Back in Montana Liz was a high school history teacher and ski-instructor. She enjoys the outdoors, exploring Australia, and hosting her American friends and family when they visit Sydney.

Katrina McFadyen is the Communications and Marketing Manager, having held several positions since joining the Institute in 2002; she is really enjoying the challenges of her current role. Katrina escaped to Bahrain in early 2008 to what she thought would be a life of expatriate leisure and luxury only to find that she was required to setup a satellite Institute office to manage the production of Actuary Australia and the AAJ. Back in Australia, Katrina continues to dream about a life of leisure and luxury.

Amy Birrell, Communications Assistant is the newest recruit at the Institute, joining in February this year. Since then she has been busily learning every subtle nuance, acronym

and policy within the communications team and the Institute overall. Amy does not anticipate any problems implementing the Institute's social media program, as she has been in a deep and loving relationship with social media since 2005. Back then it was utilised primarily to distract her from assignments and university – be assured that it will now be used solely to promote the Institute and members!

Glyn Thomas, Chief Financial Officer commenced his career working in Chartered Accountants' offices including a four year stint in receiverships before moving to commerce; Glyn has held a number of FC/CFO roles in a wide range of industries and is a CPA with a Bachelor of Business degree. He is the most recent arrival to the Institute's Finance team. Never wanting to be labelled a typical accountant, in his younger days Glyn embarked upon rally driving and building cars, today his interests are more subdued - cars, travelling and model railroading.

George Zorbas, Finance Officer has been with the Institute for just over seven years and is responsible for the day-to-day accounting – predominantly accounts receivable. He also



Katrina McFadyen, Amy Birrell

plays a key role in ensuring that all financial statutory obligations are met and is the office work health and safety guru (i.e. minimising/eliminating risk). George's hobbies/likes/passions outside of work are sport, sport and more sport and pride of place is football (the real football – the game with a round ball). But, this is only when his four children allow him the time to enjoy it.

Richard Zock, a Graduate Accountant from South Africa, recently celebrated his first year in Australia and at the Actuaries Institute. He is mainly responsible for accounts payable and supports the CFO in other finance matters, as well as working on various Institute projects. Richard loves (in no particular order): Sydney's beaches, sports, socialising, live music, web design, writing, current affairs and attempting to cook exotic recipes while watching My Kitchen Rules. Richard plans to further develop his accountancy skills by completing the CPA program, and he also wants to learn how to surf.

Member Services and Change Management at the Institute is led by **David Thompson**, Business Development Consultant. Since arriving last February, he has been involved in a number of projects aimed at improving services to members including: enhancements to the renewals process and fee structure, outsourcing the IT function and updating and implementing business continuity and disaster recovery programs. David's current focus is project and change management in particular, finding ways to enhance the image and profile of the profession. When not working, David enjoys sailing, food and wine, and travel.



David Thompson

Shreya Trasy, Member Services Manager started at the Institute in August 2008 as an Education Officer. She moved to her current role in 2011 and is now responsible for implementing member renewals, database management and ensuring all member services functions run smoothly. Shreya is passionate about empowering and developing her team. Living away from home (India), she appreciates the importance of family and friends. She loves adventure and has skydived, bungee jumped and paraglided in different parts of the world, Shreya is determined to continue her travelling adventures around the globe.

Andrea Lait, Member Services Administrator firmly believes she is privileged to work at the Institute. A relatively new team member joining in July 2011, she already feels



Shreya Trasy, Andrea Lait, Robyn Bulless

very much at home working with a great bunch of professionals. Dealing with members on a daily basis on membership, registering for an event or enrolling into an education course, is what Andrea's job is all about, and she just loves it! If you contact Member Services and speak to the Pommy lady who likes to garden, cook and throw herself out of planes, that's Andrea!

Robyn Bulless, our part time Member Services Administrator, relishes her "quiet" days in the office in between her other job as mum. Working with people has been a

publishing books and running a Speakers' Bureau for journalists. Her past working life also included running regional and international conferences, working for Federal politicians and a stint in the Foreign Service. Sarah is enjoying her four-day work week, is playing more golf and is hopeful her handicap will drop soon.

Emma Simonson, Events Manager has been with the Actuaries Institute for four years. Her work ethic shines through in her favourite quote by William Arthur Ward, 'If you can imagine it, you can create it. If you dream it, you can become it.' Before working at the Institute, Emma completed a Bachelor of Management in Tourism Studies, and worked at Leading Edge Conferences. Emma's spare time away from work is consumed with socialising, enjoying the occasional pina colada with

association, being awarded Umpire of the Year in 2009.

OUR CONSULTANTS

CPD Consultant, **Sue Wetherbee** is managing the review and upgrade of the Institute's CPD Program. She is a learning and organisational development professional with national and international executive leadership and management experience across a wide number of industries and organisations. After reading Nevil Shute's "On the Beach", Sue headed for OZ and has made it her home. Passionate about lifelong learning, Sue often warns those with whom she works to find her "off button" if she gets too excited!

Public Policy Actuary, **Barry Rafe** resurrected himself from President to his new role which, he claims, takes around 30% of his time. Barry has been on the Council of the



Carmen Joseph



Sarah Hodgkinson



Emma Simonson



Lisa Pronesti



Enas Hemmad



Sue Wetherbee



Simone Thompson



Barry Rafe

common career theme, incorporating Phys Ed teaching, organising medical volunteers for the Sydney Olympic Games and managing trainee golf professionals at the Professional Golfers Association. In her spare time she used to be found paddling dragon boats in Blackwattle Bay, Cape Town Harbour and Lake Toronto, combining that with camping in the wild in the Okavango Delta, and mountain biking in Peru. Now she's just happy getting a good night's sleep.

Carmen Joseph, Change Manager joined the Institute in September 2004 on contract for a maternity leave position, becoming a permanent employee soon after and working in several roles. As Change Manager she is primarily responsible for website updates and managing the many Institute projects to ensure they are on time and within budget. She has completed a degree in Computer Science and achieved certification as a Prince 2® Registered Practitioner in 2011. In her spare time (hardly any) Carmen enjoys walking and catching up with friends and family.

Sarah Hodgkinson, Senior Events Manager has led the Events Team since 2004 and brings to her role a wealth of experience having worked in the media managing conferences,

friends, going to the gym and horse riding.

Lisa Pronesti was appointed Events Coordinator in August 2011. Her role encompasses managing the Institute's program of small events that are held around the world as well as supporting the senior members of the Events team with major events and strategic projects. After completing TAFE with a Diploma of Events Management (where she was dux of her year), Lisa worked as an Events and Entertainment Manager for a boutique event management company. She likes to expand her knowledge over a range of subjects, having studied social sciences, history and education part time at university.

Following a year on Reception where she got to meet many members, **Enas Hemmad** was appointed Events Assistant in March 2012. Her role is to assist with the delivery of all Institute events. Enas is the youngest member of the Institute team, completing her HSC in 2010. During high school, Enas participated in a range of extra curricular events from the NSW Parliamentary Young Women's Leadership Seminar, Peer Support Training, and was involved in the School Representative Council. She still enjoys playing netball and umpired for the St George District netball

Actuaries Institute twice. He was also chair of the Public Policy Council Committee and worked with Melinda making sure the Institute was in the press more often with meaningful and interesting commentary. He is in the final stages of completing his MPhil in philosophy at Sydney University. Barry is currently chair of the Education Council Committee and the Nominations Council Committee. Once he has completed his studies Barry is threatening to enter mainstream consulting again.

Public Policy Consultant, **Simone Thompson** started providing assistance with the development of policy positions for the Institute and the presentation of these positions to members, regulators, industry bodies and other stakeholders in September 2011. This role requires regular liaison with the Secretariat, the Institute's Practice Committees, Public Relations Consultants, and individual members. Simone has developed an unusually large repertoire of industry-specific acronyms which regularly baffles any non-actuary who asks her how her day was. On the weekends Simone can be found searching for the perfect wave on the northern beaches or, if there is no swell, planning her next overseas surf trip. **A**



How to have a happy, productive workplace – don't hire b@\$^ards

When talking about a rude and obnoxious colleague, boss or team member, how many times have you heard words like this? – "He's a b@\$^ard, but he's our b@\$^ard"

Or this?

"Yes I know she is difficult to work with and upsets everyone around her, but look at her sales results / modelling skills / strategic ability / client relationships. We can't do without her".

RIGHT? WRONG!

There's nothing like rudeness, insults and bad manners in the workplace to de-motivate an individual or a team. It can also have a direct impact on the bottom line of your business.

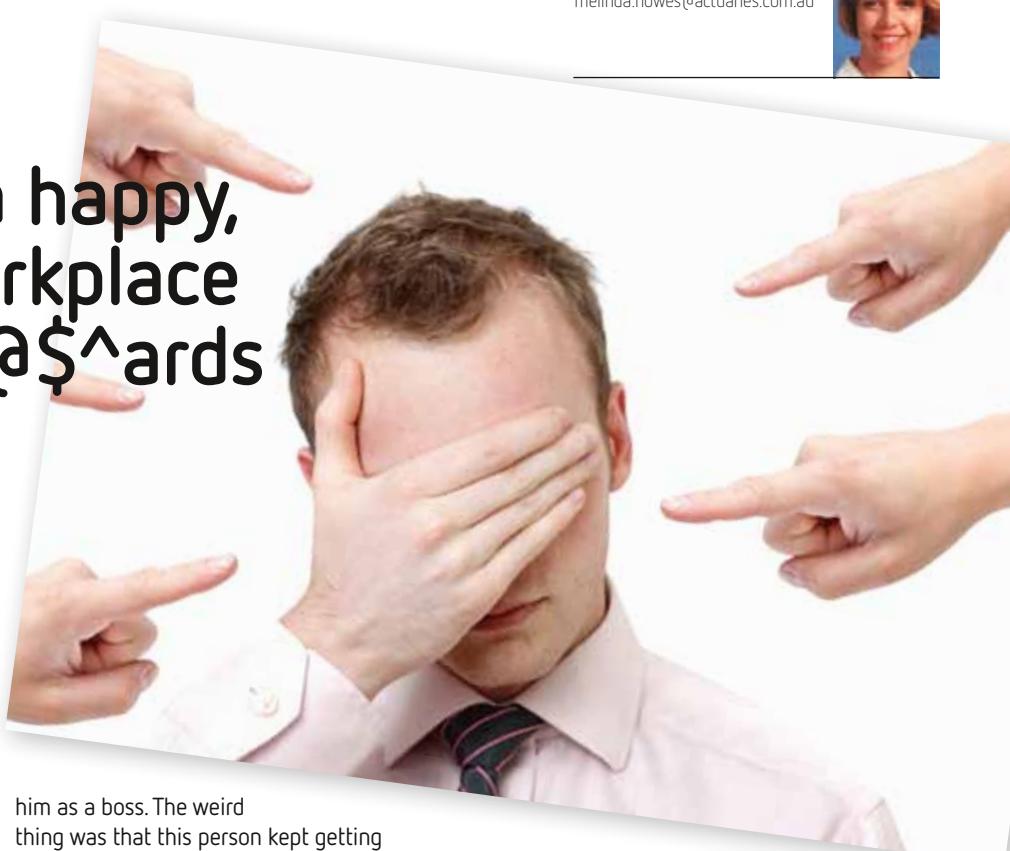
A 2011 report in *USA Today*¹ says that researchers had announced at the annual meeting of the American Psychological Association that "Workplace incivility is on the rise".

Research suggests "75% to 80% of people have experienced incivility. It's a growing and prevalent problem," said Jeannie Trudel of Indiana Wesleyan University-Marion. "It's very hard to target because you don't really know if someone actually means to be rude or if it's just off the cuff, so it's an insidious problem," Trudel says. "There are very, very negative effects of accumulated minor stresses."¹

An excellent article on employee happiness from *Harvard Business Review* was printed in March's 2012 BOSS magazine² (possibly my favourite publication). It quotes research from the US which shows that "half of employees who had experienced uncivil behaviour at work intentionally decreased their efforts".

So let's do the maths. If 80% of people have experienced incivility, and if half of them decrease their productivity, workplace incivility could mean that around 40% of our teams are not working at full productivity. It's a huge issue.

I'm sure we've all worked with someone who is rude, or denigrates others. I have watched a team leader cut a swathe through a business – everyone who worked for him left the organisation within 1-2 years of having



him as a boss. The weird thing was that this person kept getting promoted. We had a phrase for people like that (please excuse the French): "Praise flows up, s%#^ flows down". Some of these people are consummate political animals and are seen by those above them as eminently promotable. If that organisation could have measured the cost of the talent and productivity lost from having that person on board, they would have realised it was not worth it no matter how good they are as an individual.

So how do we avoid hiring people like this? The problem is, as political animals these people can look brilliant on paper as a potential recruit. They interview well, work hard to get great references from those above them who they have treated well, and as a result it can be very hard to establish that they are actually an utter b@\$^ard.

Caiman – a US management consultancy studied in the BOSS² article – does background checks in its hiring process which include a candidate's record of civility. "People leave a trail", director Greg Long says. "You can save yourself from a corrosive culture by being careful and conscientious up front". Caiman pass up highly qualified candidates who don't match the culture. This is a great idea which has worked for them – they have a 95% staff retention rate.

¹ <http://yourlife.usatoday.com/parenting-family/story/2011/08/Incivility-a-growing-problem-at-work-psychologists-say/49854130/1>

² "Happiness grows, and shows" by Gretchen Spreitzer and Christine Porath, from Harvard Business Review, 2011

HOW TO REFORM EXISTING B@\$^ARDS

OK, so now we know how not to hire someone like this. But what if we have a person like this already on our team?

This is more difficult, but the important thing is to have a zero tolerance level for this type of behaviour. Here are some practical tips from my experience:

1. Bad behaviour needs to be pulled up on the spot. Team leaders need to pull the offender aside immediately on witnessing or hearing of such behaviour, and let them know it is not acceptable. It is not good enough to wait until your next weekly meeting or (even worse) the year end performance review.

Sometimes the person who is being rude has no idea the impact they are having on the people around them. I have had conversations with people who are mortified about the impact they are having on others. Sometimes pulling the person aside once is all that's required to change a person's behaviour.

2. It helps to have some agreed values around behaviour. At the Institute we have a "team values" document that the team brainstormed and built a few years ago. It's an excellent document which includes things like:
Caring/Supportive
 - Display a sense of pride and devotion to the work group and wider team

- Show understanding and look after other staff in times of need
- Celebrate special occasions
- Support and respect others

Recognition

- Acknowledge the contribution of others
- Praise and recognise colleagues

If someone is being rude or belittling others, I can pull them aside and show them this document, explain to them how their behaviour is not matching up to the values we all agree to work by, and let them know that this behaviour needs to change. This conversation should be documented e.g. in a follow-up email.

3. If the behaviour continues, it is important to move quickly into a formal process. This may sound like overkill, however this can be extremely effective with a person who has been warned and has not taken the warning seriously, or has found it difficult to change their behaviour. Give the person a written warning about their behaviour, and let them know that if the behaviour does not change they will not be able to continue working here. It is important to get support and advice from your HR team or consultant, as there are legalities here which must be observed.
4. Be willing to push the button and let the person go if they don't change. Only a small proportion of situations will come to this, but I have had to do this twice. In both cases it was difficult, and I debated with myself whether it was really necessary. In both cases it turned out to be the right decision. I could see the positive impact on the rest of the team almost immediately.

AM I A B@\$^ARD?

To round off this discussion, it might be good to do a bit of self-reflection. We often see ourselves quite differently to the way others see us. This was brought home to me in a recent conversation with a senior person who I've known for years, worked closely with and who I also count as a friend. He told me that I could be intimidating – which greatly surprised me, and this made me have a think about how



I come across to those around me.
(Whilst I don't think I'm a b@\$^ard, there are clearly aspects of my personal interactions I need to work on!)

Here's a quick checklist of things to ask yourself:

- ✓ do I praise my team members or colleagues in public and critique them in private?
- ✓ do I give positive feedback five times more often than negative feedback?
- ✓ when critiquing another, do I focus on the behaviour and not the person?
- ✓ do I give my team members immediate rewards and reinforcement for good behaviour and immediate feedback on poor behaviour?
- ✓ do I treat people around me with courtesy and respect, understanding that I am not the only person with good ideas?
- ✓ am I inclusive and do I treat everyone in my team the same, not having favourites who get preferential treatment?
- ✓ is responsibility and accountability broadly shared and success defined in terms of the whole team?
- ✓ is each individual given the tools, information and coaching / support they need to do the job?
- ✓ Is each person made to feel their work is important?

These behaviours do not come naturally to many of us – that's why it's important to keep them front of mind. If you are doing these things you will reduce the chance that you are being perceived by your colleagues as rude or uncivil – and you will discourage such behaviour in your workplace.

A "no b@\$^ards" workplace culture greatly improves team happiness, which has a direct beneficial impact on productivity. **A**



Non-b@\$^ards:

1. praise in public, criticise in private
2. are more positive than negative
3. focus on behaviour, not the person
4. reward the good
5. give feedback on the bad
6. treat people respectfully
7. share accountability
8. share success
9. support individual job needs
10. instill feelings of worth

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