



## SYNOPSIS

### **ALL "R'S" AND NO ACTION – REHAB, RETRAINING, RE-SKILLING, RE-DESIGN AND RE-PRICING**

*Yan Sun and Andrea McDonnell*

**Key words:** retraining, rehabilitation, re-skilling, reasonable, re-pricing, re-design, risk, reinsurance

**Purpose of your paper:** To enhance understanding and awareness of how re-training, rehabilitation, re-skilling etc. fit within group life industry going forward, focusing on considerations for product design and pricing.

**Synopsis:** This session will draw on global & Australian experience and will cover material in the *attached draft slides*.



## SYNOPSIS

### CONDUCT RISK – LESSONS FROM UK

*Don Johnstone*

**Key words:** conduct risk, financial advice, remediation, pension mis-selling, payment protection insurance, interest rate hedging products, insurance add-ons

**Purpose of your paper:** Mis-selling scandals have rocked UK financial institutions in recent years. Now Australian financial institutions are under the microscope. What lessons can we learn from the UK?

**Synopsis:** What is the regulatory architecture around conduct risk in financial institutions in UK?

What happened in recent UK examples:

- pension mis-selling
- payment protection insurance
- interest rate hedging products

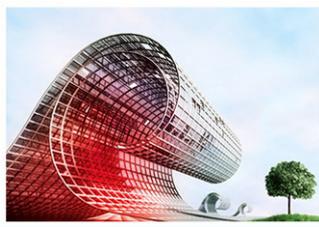
How does the Australian regulatory architecture and economic environment differ from that in UK?

Can the past help identify the scandals of the future?

How can conduct risks be identified and prevented?

What are the features of a successful remediation programme?

In which areas can actuaries add value?



## SYNOPSIS

### LIES, DAMNED LIES AND THE INTERGENERATIONAL REPORT

*Richard Lyon & Randy Amidharmo*

**Key words:** IGR, social compact, intergenerational equity, economy, fairness, tax

**Purpose of your paper:** To explain, review and expand upon the IGR

**Synopsis:** About once every five years, the Treasurer publishes an Intergenerational Report, which is a deterministic projection of the Federal Budget for the next 40 years. To many, this report is perceived as a political document that generates some heat for a few months before sinking back into oblivion for the next five years.

This is a shame, because the idea of considering the long-term impact of today's fiscal decisions has a great deal of merit.

Our paper reviews the report in the context of its fundamental purpose (as specified in the relevant legislation). We also assess the value of the IGR in informing the debate on long-term issues such as intergenerational equity and sustainable Government policies.

As a result of our review, we also propose ways in which the report's analyses and examination of these key issues can be improved. Finally, we discuss ways in which the Actuarial profession can contribute in this area.

Our presentation will draw from the paper and from the output of a relatively simple model that reproduces and extends the key outputs of the IGR, including the sensitivity analyses.



## SYNOPSIS

### LIFETIME FINANCIAL PLANNING – THE CAUSE WAY

*Hadyn Bernau and Jevon Fulbrook*

**Key words:** Financial planning, financial advice, cause, cause way, cause-based thinking

**Purpose of your paper:** To assist people in maximising their investment into their “causes” and the cause outcomes through their lifetime, in parallel with ensuring that their needs and the needs of their family are met.

**Synopsis:** We all have things that we care about, which we could call our ‘causes’. For most of us, our investment into causes gets crowded out by other demands on our time, assets and money. Two key questions are, “What is the return on investment, in our eyes, of the other activities, compared to the return on investment of spending time investing in our cause?” and “What is the return on investment of my financial investments, versus either cause-based investments or cause donations?”

For many people, the answer to these questions is that there is a much higher return on cause-based investment of time, assets and donations, compared to the accumulation of financial assets, usually because most people’s cause improves human lives and is therefore of great value in their eyes. The upshot of this higher return on investment is that it suggests that lifetime cause outcomes will be maximised if we start to invest in our cause sooner rather than later.

Of course, this introduces a tension between wanting to invest in one’s cause now, and wanting to ensure prudent provision for oneself and one’s family, now and into the future, under a range of adverse scenarios. This paper investigates three different paths of financial accumulation (as fast as possible, working towards a retirement target, and nil accumulation) over a lifetime and assesses the cause and personal financial outcomes under each path.

Most of us will accumulate assets for older age – and this paper discusses whether those assets could be invested in social impact or cause impact investments. It also considers whether our “soft assets” such as our intellectual property and social networks, could be utilised by our causes for impact.

The paper finishes by listing five possible new initiatives that could contribute to increased cause outcomes – better financial literacy and understanding of cause-based thinking, a property trust for social organisations that can free up their capital to go towards their mission, a residential property trust that can free up capital for social entrepreneurs, a marketplace that links social entrepreneurs to social investors, and an inventory and matching service that links those with soft assets with social organisations that can benefit from those assets.



## SYNOPSIS

### THE THREE PILLARS OF INSURANCE

*Jason Gordon*

**Key words:** Three pillars; voluntary insurance; mandated insurance; insurance underwritten by tax revenue.

**Purpose of your paper:** This presentation attempts to explore insurance coverage in Australia within the context of Three Pillars: voluntary insurance, insurance that is subject to some form of compulsion (legislative or otherwise) and insurance funded from tax revenue. The historical development of health insurance and terrorism insurance on commercial property are explored to investigate the existence of overarching principles / circumstances that govern whether or not insurance coverage is voluntary, subject to compulsion or funded from general taxation.