

### **The Actuarial Phoenix? Lesley Traverso & Jules Gribble**

#### **Purpose of paper**

The Actuarial profession is experiencing change and challenge globally from a variety of sources, e.g. regulatory, technological, political, unmatched supply and demand etc. The impacts of these challenges are felt differently in different global markets and to maintain relevance, the “actuary” (meaning all those possessing a particular skill set) needs to be re-invented and re-presented to users, both traditional and new, of actuarial services. We believe that Australia can drive this global paradigm shift in the perceptions about and practices of the people we identify as “practitioners of actuarial science”.

#### **Synopsis**

In most parts of the world, the value of “practitioners of actuarial science” (PAS) is typically perceived in terms of their ability to price, value and report on insurance related activities. The supply and demand balance of PAS has been influenced by market forces on the one hand, regulation, politics, economics etc; and on the other by the structure of Actuarial education. For example, historically, Australia has adopted a 'push' approach to Actuarial education – we have become an Actuarial 'factory' where we generate actuaries irrespective of whether or not jobs are available for graduating students. In 2015 over 20% of Australian Fellows and Associates reside overseas. In other countries, there has been a primarily 'pull' approach to Actuarial education and development of the profession – the graduate finds a job then studies for the exams thereby demand has more chance of being fulfilled, at least in the immediate time frame. However, the current outcome is that with swift market changes there are often not enough actuaries to fully perform traditional legislated actuarial functions, let alone pursue wider value-adding applications of actuarial skills.

The push approach to actuarial education in Australia has necessitated a blurring and broadening of the boundaries of where actuarial skills can be profitably utilised. This has put us at the forefront of the global challenge to have those skills employed more broadly than in the traditional areas of PAS expertise.

While there are many good examples of PAS being employed in 'wider fields' we believe this has been achieved primarily through progression through an existing employer, or individual PAS pushing themselves into new areas. What appears to be lacking is solid evidence of recognition by employers of the benefit and relevance of the powerful combination of skills that PAS possess as a group and profession. We consider this is primarily because employers do not recognise the benefit and value that can be provided by PAS.

In this paper will seek first to identify the particular combination of skills that PAS brings to the market and how articulating these skills can provide a different or more appropriate solution to various business challenges. We then go on to discuss how these skills need to be developed and presented, using the Australian market as the initial framework.

We anticipate that one of the key outcomes of this paper will be a discussion on how the profession can create a profile, or a 'product', that is attuned to and responds to rapidly changing market. This will then provide PAS with multiple viable career trajectories and, at the same time,

provide a means for the wider non-insurance markets to better understand the value of the professional actuarial skillset in their context.