

# Actuaries Institute Podcast

## Title: Have you ever wondered what type of impact Institute's Practice Committees have on the profession?

**Date: Friday, 24 March 2023**

**Guests: Jason Yu and Srikar Velivela**

**Duration: 13 minutes and 55 seconds**

**Jason Yu:**                   **Welcome to the 2023 RMPC podcast.**

I'm Jason and I'm joined by Srikar, another member from the Risk Management Practice Committee of the Actuaries Institute. In this podcast, we will be reviewing our most significant accomplishment over the past year [including]

- A brief introduction to the RMPC and our mission.
- As well as sharing updates on the latest ERM fellowship course and insights gained from the recent CPD sessions.
- We'll also discuss our valuable input on regulatory matters and the committee's adaptation to the challenges of COVID-19 pandemic.

So, whether you are an experienced actuary or interested in risk management, we are excited for you to join us for a comprehensive review of RMPC this year that was. So, let's get started, Srikar. Can you tell us a bit more about RMPC and our mandate?

**Srikar Velivela:**

Sure thing, Jas.

The RMPC is responsible for promoting best practices in risk management for the members of the Institute. The committee is made up of experienced actuaries with expertise experience in various areas of risk management including insurance, banking, and finance.

The members of the committee work together to develop guidance and resources that help actuaries effectively manage risks in their respective industries.

The RMPC also provides input and advice on regulatory and legislative matters related to risk management and collaborates with other practice committees to develop risk management standards and guidelines.

This includes:

- Developing and maintaining guidance notes and education materials related to risk management.
- Providing training and professional development opportunities for actuaries.
- Advising on the development of risk management standards and regulations.
- And contributing to research and analysis related to risk management.

Overall, the RMPC plays a vital role in ensuring that actuaries, throughout the Institute, are equipped to effectively manage risk and provide high quality advice to their clients and employers.

**Jason Yu:**

Wow, that's a lot to fit in for 2022. It must have looked like an extremely busy year. So, what were some of the highlights, Srikar?

**Srikar Velivela:**

You can say that again!

It was most definitely a jam-packed year filled with highlights and achievements.

In 2022, the RMPC played a pivotal role in facilitating some of the major milestones achieved by the Institute, including:

- The inaugural ERM subject was successfully launched.
- And the CERA qualification was accredited with the RMPC support.

2022 also saw the return of the Institute's flagship event, the All-Actuaries Summit, which was in person. The RMPC also led regulatory consultations on CPS 190 and CPS 900, organized multiple inside sessions throughout the year that significantly contributed to the successful year that was 2022.

But before we share more of the RMPC's achievements, I would like to take a moment to give a special shout out to the RMEF, the Risk Management Education Faculty, a subcommittee of the RMPC.

RMEF helps provide support on education matters related to risk management. And lucky for us, we have you, Jason, the Head of the RMEF here, to give us a rundown on some of the biggest achievements for RMEF.

**Jason Yu:**

Absolutely Srikar. It has been a remarkable year for both the RMPC and the education faculty.

We've come to realize the world is evolving at an unprecedented pace and education is crucial to adapting and thriving in this new era. Recognising this need, the Institute has taken proactive steps to address it.

Led by Mike Callen - General Executive Manager of Education - the in-house Education Team, Zach Terrell, Chief Examiner for the subject, the Institute developed the ERM fellowship subject. This subject is designed to equip actuaries with knowledge and skills to effectively manage risks in today's fast-paced world.

Members from both the RMEF and RMPC collaborated on reviewing the syllabus and the education model, which ultimately provides the Institute's member with continuous pathways to obtain the CERA qualification through this new subject. In 2022, the subject was launched with great success and more than 50 students enrolled in the first semester!

The subject is designed to focus on principle-based learning with a mixture of global and local hot topics and key issues. The subject also provides content and supporting materials were relevant and up-to-date and inclusive of emerging risks and hot topics such as cryptocurrency, cyber risk, and ESG.

The final exam was designed to assess students' ability to apply risk management techniques that add value to businesses, including identifying opportunities for growth and resilience, whilst minimising risks. To improve student engagement, we introduced weekly tutorials with access to combined study forums. As a result, these changes, the subject has been highly effective with many students passing on their very first attempt. This success demonstrates the quality of learning that the subject provides and the value that it adds to our members' professional development.

So moving forward, the Education Team will continue to review and maintain the quality of subjects materials, seek partnership with other risk management institutes, provide support on CPD topics and work with the global CERA bodies to ensure the retention of the accreditation.

So all in all, it's been a busy year for regulatory requirements as well.

So, Srikar, reflecting on what we've contributed, as a practicing actuary, why do you think it is so important?

**Srikar Velivela:**

2022 saw consultation of two new prudential standards being proposed by APRA - CPS 190 and CPS 900. APRA has now finalised CPS 190 recovery and exit planning, aimed at reinforcing the financial systems' resilience.

CPS 190 is a principle-based outcomes focused and consistent with best practice international standards. It balances proportionality, flexibility, and accessibility to ensure effective planning for crisis scenarios.

APRA is also planning to finalise CPS 900 resolution planning in the first half of 2023. CPS 900 reinforces the objectives of CPS 190 by seeking to ensure that, in the unlikely event of failure, barriers to achieving an orderly resolution have been removed.

The Institute established a working group led by the RMPC, in 2022, to consider and provide feedback on APRA's proposals. This working group provided a broad cross section of industry and member representation with cross committee collaboration across life insurance, general insurance, private health insurance, and superannuation practice committees.

The Institute's submission can be found on the APRA's website and will also link it in the show notes for those who are interested.

So, Jason, what support can RMPC offer members of the institute in staying informed and up-to-date on industry developments related to risk management?

**Jason Yu:**

Well, Srikar, the RMPC is committed to continuous learning for members of the Institute, regardless of their status and practice areas. One of the ways we achieve this, is by organising insight sessions like the virtual sessions on cryptocurrency and risk management held in late July 2022.

Despite not being an expert in cryptocurrency myself, I found the session to be very informative and the key points discussed are still relevant, even eight month later.

During this session, the presenters spoke about the growing popularity of cryptocurrency as an alternative investment choice and highlighted some of the reasons for [the] cryptocurrency market crash. This includes the overvaluation of crypto projects, correlation between stock market and crypto markets, and fear plus disruption from Russia-Ukraine conflict and COVID-19 pandemic.

It was interesting to hear that despite the volatility, blockchain technology has been abducted in various industries, giving rise to decentralised autonomous organizations.

That being said, the key challenges in regulating and taxing the activities of decentralized autonomous organisations presents new challenges for regulators. Overall, investing in cryptocurrency requires education and managing risks due to the high price volatility. The best approach for now is to educate ourselves, practice good digital hygiene and manage our risks.

**Srikar Velivela:**

That's great to hear, and I feel like I have a better understanding now too. It's interesting how along with currency, our meetings have also gone digital. With the COVID-19 pandemic, RMPC had to shift to virtual meetings for our monthly gatherings.

What were some of the challenges, you think Jason, we had to address and overcome?

**Jason Yu:**

I think first of all, attending virtual meetings has lowered the barrier to collaboration, as members from different cities and countries can easily connect and discuss relevant topics. But for a few new members who haven't met their peers in person, the value of volunteering isn't fully realised. Networking with peers is one of the biggest benefits of volunteering, and it's not always easy to establish those connections virtually. And that's why it was so rewarding attending one of the flagship Institute event in 2022, the All-Actuaries Summit.

**Srikar Velivela:**

Yes, it was great to see the flagship event returning to its pre- COVID glory. What I love most about this event is, it caters to professionals from various practice areas and includes plenary sessions on industry topics like capitalism, post-covid leaderships, ethics, and data analytics.

A highlight, for me personally, was the keynote address from the Australian of the Year 2022, Dylan Alcott, who spoke about courage and resilience.

Overall, I think the Summit provided ample opportunities for networking and reconnecting with peers, making it a fantastic event for actuaries looking to expand their knowledge and connect with industry leaders.

Risk management topics were also well represented with Liz and Daniel, highlighting the crucial role of forward-looking risk indicators in an effective risk management framework.

Raymond, Tal and Michelle provided valuable insights on managing risk towards achieving net zero in the financial services sector. And not to forget Xiao's emerging risk survey offered fascinating insights into the ever-evolving landscape of China and greater Asia. Altogether, it was an enriching event that deepened our understanding of the challenges and opportunities that lie ahead in the world of risk management.

During the Summit, volunteers were also recognised for their hard work throughout the year, and RMPC's Ash Bhalerao was one of them.

Ash was recognized for his countless contribution to the committee on topics across life insurance and risk management, and for leading several initiatives, including the financial resilience, recovery and resolution working group and the target capital practice guide.

**Jason Yu:**

Such a well-deserved recognition for his work and how great it was to celebrate the achievements in person!

So Srikar, what about the social aspect of the Summit? I found it so refreshing to finally meet people in person since COVID-19. It was an excellent opportunity for networking and building meaningful relationships, in a way that virtual events simply can't replicate. The experience was more immersive than previous summits, especially when we had the chance to hear Dylan speak in person about

personal resilience. And of course, it was such a great time to catch up with colleagues over a drink or two in the vibrant city of Melbourne.

**Srikar Velivela:**

So, wrapping up 2022 in a few sentences. It was a big year and we accomplished so much and are looking forward to even a bigger and better year in 2023, especially with a few new members joining the committee!

**Jason Yu:**

So finally, listeners, we hope you enjoy this run-up discussion.

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We'd love to hear from you. Bye, for now.

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