

**ACTUARIES IN PENSIONS
— FACING FRESH CHALLENGES**

CONFERENCE, 9–11 JUNE 1996

This was a conference with a theme, and — as the title indicates — the objective was to reflect on the changing world of actuaries in pensions, focusing on the many fresh challenges ahead.

Building a conference programme around that theme was, itself, a challenge. The aim of the conference committee was to encapsulate all topical subjects in what is currently a very active pensions industry, whilst at the same time appealing to the range of backgrounds of participants (whether actuaries working in life offices, in consulting practice, in corporate pensions functions, domestic or overseas). Allied to that, it was recognised that participants would have a variety of preferences for format — plenary sessions, workshops, or debates.

Finally, the conference committee was determined, with such a substantial opportunity for input from so many areas of the profession, that key comments should be filtered back to the Institute and to the Faculty as a basis for future research and education needs.

SETTING THE TONE

The conference, which was held at the Latimer Conference Centre, near Chesham, started off with welcoming remarks from the conference Chairman and the following is an extract:

“For actuaries, times are changing. That is a truism, I know. Times have always changed and they will continue to do so; but the pace of change is quickening, and I expect it to speed up further in the future. The successful professions and businesses are those that respond to change, but the most successful of all anticipate it.

Consider four areas of change for us:

- (1) *Legislation and regulation.* We know only too well what has prompted the recent raft of regulation in pensions. Who is to say that there will not be more new rules or alterations to existing rules?
- (2) *Public perception of pensions.* A far greater proportion of the public now appreciate that their pension is (or should be) their largest source of individual wealth after their house (if indeed they have one). I see that increased appreciation as a move in the right direction.
- (3) *Technology.* There is rapid change there. How many here have bought a home PC to see its specification superseded — at lower purchase price — after a very short period? Inevitably, technology is affecting what our clients expect from us and the price they expect to pay for it.
- (4) *Employers and other professions.* Change is affecting them, the way they work with their customers or clients and the way they work with us.”

Feedback from earlier conferences, closely scrutinised by the organising

committee for this conference, indicated that participants prefer lively workshops. In terms of content, the aim was also to cover the bulk of the technical issues, which are the foundation of our daily work, as well as at the same time providing ample scope for considered reflection on the future.

Above all, the accent was on participation, free-thinking and enjoyment to consider how we should face the fresh challenges.

THE PROGRAMME

Against that background, the programme was structured in the following groupings:

Plenary Sessions:

- *Introductory remarks* from the Faculty President, Mr Malcolm Murray.
- *Who needs an actuary? — I already have a computer!* Miss Elizabeth Battams spoke on the future of the profession following the report, published in September 1995, by the Institute Working Party (of which she was a member).
- *Actuaries and the law.* Pensions lawyer, Mr John Cunliffe, presented a provocative appraisal on the legal implications of actuarial advice on pensions, covering whistle-blowing, conflicts of interest, the boundaries between actuarial advice and legal advice, and the protection available.
- *The employer's view of pensions and other benefits.* Mr Robbie Gilbert, principal adviser on employment policy to the CBI, looked at occupational pensions in the content of the whole relationship between the employer and its employees.

Debate:

- The motion debated was that 'This house welcomes the new whistle-blowing role and considers it an important additional protection for pension scheme members.' Mr Martin Miles and Mr Peter Thompson spoke for the motion, with Mr Roger Key and Mr Tony Mason speaking against.

All plenary sessions were followed by workshop sessions to discuss the subject in small groups, with numbers typically around 15 per group.

Institute President, Mr Chris Daykin, summarised feedback from the workshop sessions on the future of the profession during his closing remarks.

There were also separate workshop sessions under two grouped headings, from which participants could choose a subject of particular interest to them:

— *Topical technical issues:*

- pension fund valuations for the future;
- techniques in setting and implementing investment strategy;
- pension design in the future;
- winding up a pension scheme — the pitfalls; and
- pension scheme accounting.

— *Actuaries and the public:*

- transfers;
- how can the public expect a secure private pension?
- pension rights on divorce; and
- influencing the public.

FEEDBACK FROM PARTICIPANTS

Feedback showed that the balance between plenary sessions and workshops was about right, as was the time allowed for discussion. Some wanted a deeper technical coverage of some of the subjects, with comments implying a desire for a classroom environment for some sessions. The debate received particularly favourable reaction, a fitting tribute to the performance of the four speakers, as well as to those who contributed from the floor.

A VOTE OF THANKS

Organising this conference was a major task, and I would like to record my gratitude for the work by so many, most of it voluntary:

- firstly, the speakers: those who led workshop discussions, those who wrote slides and speaker notes for workshop leaders and those who were truly under the spotlight, the plenary speakers;
- secondly, the team whose work was underway afterwards, the rapporteurs and the editorial team preparing the record of the conference proceedings;
- next, my colleagues on the organising committee — they all have hefty business commitments, but they found the extra time to help construct the programme, find speakers, and in some cases write material themselves; and
- finally, I come to the organisation team at the Institute led by Mrs Nina Sedley. I cannot pay a large enough tribute to the effort and commitment from Nina and her colleagues, their attention to detail, their willingness to help out in every way, and to chase outstanding matters to make everything fall into place on time.

I am very grateful to them all; this was a team effort in the truest sense.

W. RAYNER