



The lights are on,  
but no-one is at home!

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We're not producing reports / proposals for the people who pay us, we're producing them for our peers (regulators, peer reviewers, advisors to stakeholders) and we're so terrified of professional liability that we try to get the client to make decisions which they expect a professional to make

# Examples

- ALM
  - 2 previous versions on the shelf
  - Fantastic tool presented
  - No application to our particular situation
- Demographic and economic analyses
  - Conservatism introduced
  - Risks of using realistic rates not quantified
  - Non-actuarial professionals rejected conservatism

You get

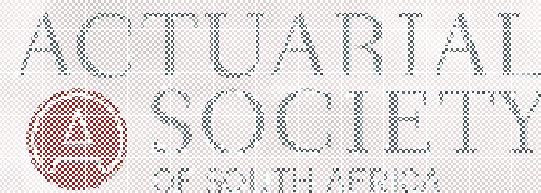
- a 1 cm-thick technical report
- written in a discipline that is strange to you  
(full of jargon - you know that you asked what it meant 6 months ago, but you're not quite sure if you're right about the answer)
- and you start to read it at 11 p.m.  
(because the rest of the agenda pack is so big and you've worked a full day at your normal job)?

How would you feel?

## You must make the effort, they won't

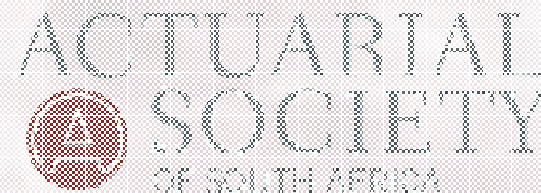
- If they don't understand,
  - they won't necessarily tell you,
  - they're more likely to put your report or proposal on the shelf or in the wastebin
- You often have only one shot at getting it right
- You may not have the opportunity to build a relationship over years

# Who are the trustees?



- Intelligent but not versed in retirement funding or actuarial / investment jargon
- Part-timers (as far as the fund is concerned)
- Busy
- Diverse
  - culture
  - educational level
- Some are professionals with different paradigms

# What do they expect from you?



- You will do your job to professional standards
  - Keep the stuff necessary to satisfy professional standards in appendices unless it is directly relevant to the trustee decisions required
  - You have good reasons for the decisions you take, and you will have motivated these
- You have identified / understood their concerns and any problems
- You will give them a recommendation

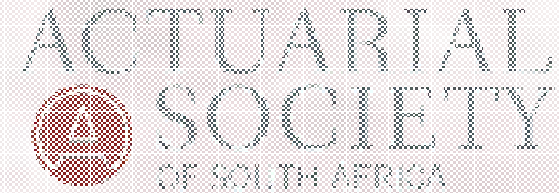
## If you don't

- They'll find someone who does speak their language and who will give them a recommendation they understand
  - Specialist trustee / benefit consultant / advisor to one of the stakeholders
  - The actuary becomes a number-cruncher, relegated to the back-room
  - Perhaps, the trustees get worse advise that you would give them as their actuary
- If they don't want conservatism, don't give it to them, but spell out the risks



Actuaries are uniquely positioned to fulfill this problem-solving / interpretive role.

# What must you do differently?



- Identify the need / problem
- Identify what decisions are needed from the trustees, and give the minimum amount of information necessary to motivate the alternatives
- Present solutions / findings and any associated risks
- Make recommendations with brief motivation

**EXPRESS THIS IN A SUMMARY, KNOWING THAT THIS IS ALL THAT MIGHT BE READ**

Put everything else into appendices



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