ACTUARIAL SOCIETY OF SOUTH AFRICA

What is our profession challenged with … and does it really matter?

Peter Doyle

Desmond Smith

Themba Gamedze

Christo Geyer (chair)

2012 CONVENTION 16 – 17 OCTOBER

The international perspective:
Peter Doyle

1. Governance of international actuarial work
   - Principles of professionalism
   - International standards
2. Quality & value of actuarial work
3. Business ethics and the public good
4. The ERM opportunity

The business perspective:
Desmond Smith

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The local profession's perspective:
Themba Gamedze

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Overall strategic aim

Valued profession

Grow the reputation of the actuarial profession in South Africa as one of substance and stature, serving, and valued by, ***our stakeholders***.

Strategic deliverables

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- **Expertise**

Develop the knowledge, expertise and skills of members and grow the reputation of the profession as a primary source of authoritative advice and thought leadership in the understanding, modeling and management of financial and other measurable risk

- **Professional conduct**

Develop a profession whose conduct and discipline meet the *highest professional standards*

- **Member services**

Deliver professional member services that are *valued by its members*

- **Transformation**

Develop the *demographic representation* of the profession that supports transformation in South Africa

Who is the weakest link?

Key practical challenge: Transformation

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Comparison of Society demographics with national figures

Category	Fellows	Other members	All members	National
Black African	4,4%	16,4%	12,0%	**79,5%**
Other Black	7,7%	31,8%	23,0%	**11,5%**
White	87,9%	51,8%	65,0%	**9,0%**

Source: Actuarial Society and Statistics South Africa mid-year 2011 population estimate

Key practical challenge:
Numerical implications

Current 2011	Fellows	Other members	All members
Black African	38	247	285
Other Black	67	480	547
White	763	782	1 545
All	**868**	**1 509**	**2 377**

National 2011	Fellows	Other members	All members
Black African	6 740	6 908	13 648
Other Black	975	999	1 974
White	763	7 907	1 545
All	**8 478**	**8 689**	**17 167**

Why does this matter?

- **Reprioritization**

The profession needs far more input from those who have and continue to live in disadvantage communities to ensure growing relevance in respect of problems of which we are currently unaware

- **Undoing under-development backlogs**

SA is paying dearly for the wasteful policy of under-educating and under training the majority of our people: enough is enough!

- **Growth into wider fields**

Without bringing critical mass into these wider fields potential clients will find the encroachment of larger professions impossible to resist

- **Working in the mainstream**

Transformation is about convincing key stakeholders of the critical role that actuaries can play in building a future we would want to live in

Key practical challenge:
A working BHAG

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Would-be 2011	Fellows	Other members	All members
Black African	381,5	1 163,5	1 545
Other Black	381,5	648,5	1 030
White	763	782	1 545
All	**1 526**	**2 594**	**4 120**

What-if scenario based on "significant transformation"

Fellows	50/50	Black/White
Members	37,5/37,5	African Black/White

Employment opportunities

1. Demand from current traditional employers [e.g. SAM project work, especially i.r.o. Pillar 2]
2. Wider Fields [e.g. banking; risk-based modeling of infrastructure projects; corporate governance]
3. Government sector [e.g. financial sector regulation; policy-making; systemic risk; ERM]
4. Other parts of Africa: Traditional fields / Wider fields / Government

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