Newsletter

February 2010

The Society of Actuaries in Ireland

Groupe Consultatif Actuariel Europeen

Bruce Maxwell FSAI FIA, Chairman, Groupe Consultatif Actuariel Europeen, 2009/2010

The Society of Actuaries in Ireland is honoured to have one of its members, Bruce Maxwell, as current chairman of the Groupe Consultatif Actuariel European. Bruce shares his views with us below.

The original title for the Groupe Consultatif was *"Groupe Consultatif des Associations d'Actuaries des Pays des Communautes Europeennes"*, which was nearly always reduced to the Groupe Consultatif. It is never known by its English translation of "the Consultative Group" and over the years it has become so associated with the actuarial profession that no qualifying words have been needed. Indeed in Brussels among the European Commission and in Frankfurt among the insurance regulators CEIOPS it is sufficient to talk about "the Groupe" for most people to know it. This is a testament to the work done over the past 30 years by actuaries in Europe towards the forging of links with these important decision makers, but more importantly, by the quantity and quality of efforts made by actuaries, all on a voluntary basis, towards the understanding by legislators and regulators of the relevance and importance of actuarial skills and professionalism.

The first steps towards the formation of the Groupe began in 1973 shortly after the enlargement of the EC (as it was then known) to nine members with the addition of Denmark, Ireland and the UK to the original six member states. The initiative began with the Belgian and two French actuarial associations contacting the other member states' associations to see if there was interest in developing a common organisation to represent the actuarial profession to the European Community. An initial informal meeting was held during the celebrations for the 125th anniversary of the UK Institute of Actuaries in London. A preparatory committee was established and it held its first full meeting in 1975 at Staple Inn. Seven of the nine member states were represented; the Society in Ireland asked the UK Institute to keep it informed while Luxembourg based actuaries asked the Belgian association to do likewise. Even at this very early stage of its formation the committee was conscious of the need to draw a distinction between the role of actuaries when working in a commercial capacity and when working in a purely professional capacity.

A further meeting of the Groupe took place in May 1978. The basis of the work of the Groupe from the outset has been to ensure the voice of the actuarial profession is heard in relation to technical and professional actuarial matters, on behalf of the whole European actuarial profession.

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The Groupe was formed with short and simple rules:

- Each association would appoint a representative (member titulaire) and a deputy (member suppleant) to the Groupe;
- The Groupe would respond to requests for advice from the EC institutions, particularly the Commission, on matters of interest to the actuarial profession, with special reference to the freedoms granted under the treaties establishing the EC for members of professions to exercise the right of movement within the member states, to take up employment and supply services in those states, and to be established as independent consultants in any member state;
- All decisions at Groupe meetings should be unanimous; if they were not, the matter would be referred to the associations for a decision;
- The UK Institute would provide the administration for the Groupe;
- Each association would bear its members' own direct costs but other expenses would be met from a general subscription;
- The Groupe would be a forum for the exchange of views between the representatives of the actuarial associations on all questions of professional interest that the associations would want to see examined or studied at Community level.

To a large degree these rules have remained in place, supplemented by Statutes developed in 1999 to reflect how the Groupe had developed its mode of operation. In particular what had started off as a single 'assembly' had blossomed into a multi-committee organisation with committees covering technical matters for Insurance, Pensions, Investments and Financial Risk, and professional matters on Freedoms (or professionalism) and Education. The early annual meetings attended by no more than twenty people and lasting a day (and a bit) became bi-annual meetings, up to three days in length attended by over one hundred people and with additional committee meetings held throughout the year depending on activity at the time.

The Society did not take a seat at the table until 1983 when Paul Kelly attended for the Society (the Greeks took their seats directly in 1981 when Greece joined the EEC). The very sensible decision by the Groupe to move its annual meeting around the member states led to Ireland hosting its first Groupe meeting in 1986. Paul Kelly asked me, as Hon Secretary of the Society at the time, to assist with the arrangements, which duly took place in my company's offices. Paul invited me to attend the meeting. Little did I know that I would still be attending the meetings twenty four years later! Paul contributed hugely to the work of the Groupe and was Chairman of the Pensions committee from 1992 to 1994 and Chairman of the Groupe 1994 to 1995. Paul continued with the Groupe on behalf of the Society until he stepped down in 1999. The Groupe honoured Paul for his work by electing him an Honorary Member on his retirement.

In its first fifteen years the Groupe produced some significant work which impacts all European actuaries. These include the common actuarial education syllabus, the mutual agreement between the associations on the recognition of full members of associations and the development of the principles for calculating life insurance technical provisions that were the basis for the principles eventually incorporated into the Third Life Directive in 1992. This was truly the vision of the Groupe's initiators coming to pass.

The period in the 1990's saw the Groupe develop its annual Colloquium aimed at younger actuaries, and an annual meeting held in Brussels where insurance and pensions regulators across Europe were invited to hear, meet and question actuaries. Since 2000 the years have been dominated by preparations for the new insurance solvency regime, which caused the Groupe to create new structures to handle the demands and to seek out extra expert volunteers from across the associations. The members of the Groupe (the associations) have responded magnificently in their support for the work of the Groupe, in identifying volunteer actuaries and assisting them within the Working Group structures. It's a tribute to the importance and relevance of the outcome of the solvency work that so many actuaries have felt it necessary and vital to contribute such an amount of effort which as with all things connected to the Groupe, has to come in addition to their 'day job'. The whole European actuarial profession is a better profession because of this input.

Due to my involvement with the Groupe I was 'offered' by the Society to assist the Irish insurance regulators on a voluntary basis in the working group discussions in Brussels in 1992 when the Third Life Directive was being prepared, at a time when the Department did not have its own actuarial resources (the pre-Jimmy Joyce era). That was a lonely actuarial experience. How times have changed. Now I chair the Groupe at a time when more than 50 experienced actuaries drawn from actuarial associations across the EU are working voluntarily for the Groupe, assisting the European Regulators and the EU Commission, to ensure as far as possible that the new solvency regime will meet the demands placed on it, to provide greater protection to insurance customers and produce a common approach to solvency management throughout the EU.

I have no doubt that the outcome of Solvency II will affect actuaries working in all areas of insurance and reinsurance and in risk management, and will potentially impact on future developments in pensions. In light of the actuarial function established under the Solvency II Directive the Groupe has commenced serious work on the development of European actuarial standards. I believe the European profession will keep moving towards a situation where we will all in time be described as European actuaries first and local country actuaries second. I hope the Society will continue to play a part in this movement.

In my time with the Groupe I have travelled to most EU states and have come to appreciate the rich diversity and yet commonality that exists in the European actuarial profession. The Groupe membership now covers 36 associations in 33 countries, representing nearly 18,000 fully qualified actuaries. All the EU member states have at least one actuarial association except for Malta. The membership includes the three EEA countries and three countries applying for EU membership.

As I mentioned above, the Society hosted the 1986 annual Groupe meeting. It also hosted a Groupe education seminar in

Groupe Consultatif Actuariel Europeen *...continued*

1992, a Groupe Colloquium (on the "Unit-Linked Actuary") in 1996 and another annual meeting in 1997. A number of Groupe committee meetings have been held in Dublin over the years (Pensions committee under chairs Paul Kelly and later Philip Shier, and Insurance committee when I was chair) and Groupe colleagues often ask when they will next be meeting in Dublin or Ireland. The Society recently hosted the IAA bi-annual meeting and it's fair to say the Society has measured up well in its commitment to the international scene. However the time when the Society will next host a Groupe meeting comes closer. I would expect to see such a meeting within the next five years or so. I expect to be retired from active Groupe duty by then and look forward to the younger, fresher European actuaries in the Society helping to make it the success all such past events have been.

Bruce Maxwell is a Fellow of the Society of Actuaries in Ireland (FSAI) and a Fellow of the Institute of Actuaries (FIA). Bruce holds a Mathematics degree from Trinity College Dublin, qualified as an actuary in 1980 and has been Appointed Actuary of Irish Life Assurance plc since 1992. He has been a representative for the Society of Actuaries in Ireland in the Groupe Consultatif since 1986 and was Chairman of the Groupe's Insurance Committee between 2000 and 2003. He is a Past President of the Society of Actuaries in Ireland (1997/1999).

Enterprise Risk Management

The global financial crisis has put a spotlight on companies' risk management and corporate governance processes. Regulators and investors are demanding better risk controls and more informed decision-making from companies. With the advent of Solvency II, this impetus will continue and Enterprise Risk Management will continue to gain greater focus and dedicated resources within the insurance industry.

There have recently been some international developments in this area. This article summarises those developments and outlines the work currently underway within the Society's Enterprise Risk Management Committee.

In November 2009, 14 actuarial associations from 12 countries signed a treaty under which they agreed to collaborate on developing a global ERM designation, the Chartered Enterprise Risk Actuary (CERA). The signatories included the Institute and Faculty of Actuaries and the US Society of Actuaries (SOA). This initiative builds on the SOA's development of a CERA designation in 2007, by updating the syllabus and introducing agreements on the mutual recognition of participants' education systems. The CERA designation will identify actuaries who meet stringent education requirements in ERM and are governed by a strong code of professional conduct.

The Society of Actuaries in Ireland was not one of the founding signatories because the treaty is geared towards associations that directly provide actuarial education. We are continuing to liaise with the CERA Steering Group to explore how associations that do not provide education directly can nevertheless participate in the initiative and perhaps move towards awarding the designation through accreditation of another association's education system. In the meantime, the Institute and Faculty of Actuaries will be seeking CERA accreditation for the ST9 (Enterprise Risk Management, Specialist Technical) course. Therefore, for members of the Society who are also members of the Institute or Faculty, as most are, a route to the CERA qualification will be open through the ST9 course.

The Society's ERM Committee is currently planning a series of educational evening meetings, loosely based on the underlying concepts and techniques of ERM covered in the global ERM syllabus and ST9. The intention is that this series of meetings will act as an introduction to the subject and to some of the topical issues. In parallel, we also plan to investigate some specific issues in more detail, starting with a presentation by Elliot Varnell on "Economic Scenario Generators and Solvency II" on Monday 1st February. Our intention is that the Society will act as a forum for risk practitioners, support its members in developing relevant skills in this area, encourage research and promote the expertise of actuaries in this area.

Padraic O'Malley
Chairman, ERM Committee

Towards a Banking System

On 20th January 2010, Pat Ryan gave a presentation to the Society entitled "Towards a banking system fit for Ireland's purpose". Pat is a former Group Treasurer and Chief Risk Officer of AIB Group from which he retired in 2002.

Pat began on a positive note, reminding us that "a crisis is a terrible opportunity to waste". He said that the emphasis of the presentation would be about looking forward rather than recriminating about the past. Whilst the focus of the presentation was on banking, people working in other financial institutions would find a number of themes that had parallels in their sector.

The presentation covered seven main topics:

Changed banking environment

Pat pointed out that significant changes have taken place in Ireland's banking system – the predominant change being that the Irish state has now become the pivotal stakeholder in the banks. Other changes included banks becoming more utility-like and less complex in nature.

Taxpayers worldwide are pressuring banks to reduce their foreign business and concentrate on serving the particular home territory which is supporting them. Consequently, it is to be expected that many foreign firms will have less interest in competing in the Irish banking market and there will be a greater degree of dependence on indigenous institutions. This conflicts with EU single market objectives. However, as long as national taxpayers are shouldering the risk for their home banks, banks will be obliged to be more national in their focus.

On the regulatory side, he noted that last December the Basel Committee on Banking Supervision outlined proposals for the reform of Basel II by the end of 2012. The key themes of this reform are tightening the definitions of qualifying capital, increasing the capital requirements for trading books and securitisations, improving liquidity standards and robust guidelines on funding stability.

Ireland's banking requirements

When we talk about the desirability of more competition in banking, it is important to be clear on the type of competition we are referring to.

Competition that drives down underwriting standards can be very harmful. A sales mindset in underwriting risk is hazardous.

A critical gap exists in the availability of credit to the SME sector. Mazars' latest Review of Lending to SMEs (Mar-Sept 2009) showed that total lending was down 2.6% on the preceding 8 months and estimated that the loan refusal rate was 18%. It noted that 32% of the value of SME loans was on "watch-list" or "impaired" in September 2009 compared with 15% in June 2008. Pat stressed that the human capital needed to astutely differentiate working capital needs of long-term-viable firms from those firms haemorrhaging cash in permanent decline was substantial.

Pat suggested that funding for housing finance would need to be more secure in future, with less reliance on short-term wholesale and mobile retail deposits. This would mean a greater need for long-term, and thus more expensive, forms of financing. He also proposed that securitisation - with safeguards - would become more important than ever when markets stabilised and that Ireland had quite a robust legislative framework in place for this.

Regarding the shape of future competition, current public policy favoured the creation of a "3rd force" in banking in Ireland. This could be made up of separate entities for commercial and retail banking.

Supply & price of credit

In spite of the current low ECB base rates, the current government-guaranteed 5-year bank debt cost for Irish banks is in the region of 5% p.a. (the cost would be higher again at present without the government guarantee). This is made up of the current 5-year swap rate of 2.7% plus c. 1% government guarantee fee and a c. 1.3% credit spread in the market for the Irish government guarantee. This means that approximately 46% of the cost of the 5-year borrowing by Irish banks is in respect of guarantee fees and the margin that markets are demanding for Ireland's credit standing. Currently, the banks are unable to pass on the high cost of their "raw material" due to public resistance. This situation cannot continue indefinitely as it is eroding the banks' capital base which could become a burden on the taxpayer.

Payments services

A significant inefficiency in Ireland's banking system is our over-reliance on cash and cheques - this addiction to physical currency is costing the economy an estimated €1billion per annum. Ireland is lagging significantly behind other European countries in the usage of electronic payments.

Pat presented some startling charts which showed that Irish average ATM cash per head per year is €6,493 – 55% higher than our nearest rival Greece (€4,171) and 12 times the cash per head of the Danes (€515). Even more excessive is our use of cheques – our average cheque value per head is €179,500 (reflecting practices in some businesses and the public sector) - which is over 4 times that of the Greeks (€40,640) who are again next in line. Many European countries do not use cheques at all.

Some pro-cyclicality issues

Accounting practices used in bad-debt provisioning were backward looking and this made them pro-cyclical. The accounting return on capital overstated the true return on capital when the banks' books were growing because of delayed provisioning. These practices had originally been supported because they reduced the amount of discretion required in calculating provisions.

Another perceived weakness in accounting rules involved the application of the mark-to-market (MTM) principle in distressed market conditions. This encouraged the selling of securities to avoid further MTM losses and thus depressed prices further than would otherwise have been the case.

Pat also noted that in recent years, some banks' business models had being driven by accounting rules. This goes against the principle that accounting systems should be neutral.

Broad policy issues

Pat put it forward that in some ways the banks are "damned if they do and damned if they don't" i.e. they are being asked to raise capital ratios at the same time as increasing their below-cost lending into the economy.

Policy decisions need to be taken regarding the future shape and size of Irish banks. Questions need to be discussed concerning how much business

fit for Ireland's Purpose

the banks should be doing overseas and whether or not their size should be restricted.

Also, IFSC policy needs to take account of the risk to the taxpayer of Ireland being the home regulator of large international financial institutions.

Ireland, via both the banks and the government, currently has a heavy dependence on foreign borrowing. At the same time there are investment funds in Ireland that find it necessary to invest abroad because there are no suitable outlets available to them domestically. It may be possible to tailor Irish government instruments - e.g. index-linked bonds and securities that mimic annuity cash-flows - that would reduce investment outflow needs and consequently gross foreign borrowing.

Myths, realities and challenges

Many of the assumptions that had been made by banks in the past and widely accepted by analysts and other commentators have proven to be flawed. The spreading of risk through securitisation was not as effective as had been thought and in some cases there was an over-reliance on mathematical models. The crisis also shattered the belief that market discipline would keep harmful risk-taking under control and the market was very slow to recognise a bubble situation. The priorities in banking should be safety, real profitability and growth and in that order. Unfortunately, the order was reversed by many in recent years.

In winding up his presentation, Pat harked back to his example earlier of the cost to an Irish bank of borrowing 5-year money with the benefit of the government guarantee. He reminded the audience that only 2.7% of the overall cost of 5% of this 'raw material' was accounted for by headline market interest rates. The remainder was made up of about 1% payable to the government for its guarantee and 1.3% charged by the market because of Ireland's credit rating.

He pointed out that the effect of this 1.3% cost for Ireland's credit rating would become a burden on borrowers. The cost of Ireland's credit rating also affects the cost of borrowing by the Irish government itself. Thus, all of us have a vested interest in Ireland's credit rating improving so that the price charged by the market for Irish risk is brought down. Pat finished by challenging all to consider how they could contribute to this.

Q and A session

As one would expect from such a salient topic, an interesting discussion session followed the presentation.

Regarding passing on of Ireland's high cost of funding to the market, the issue was raised about the possibility of this prolonging the recession. Pat accepted that this was a fair point and that a trade-off was involved. However, below-cost lending represented an indiscriminate subsidy to all borrowers at the price of eroding the capital base of banks. Where a subsidy to specific borrowers was warranted it would be better to do this in a pin-pointed manner.

In relation to Ireland's over-dependence on cash and cheques, the point was noted that the government had not legislated to require wages and pension contributions to be paid by credit transfer only. Pat felt that the government was now onboard with changing this in the future.

The question was asked if funding costs weren't even higher than shown in the presentation due to over-pricing on the purchase of deposits in the market. Pat suggested that the NAMA bonds might take some of the heat out of the market, assuming they were structured in a manner that would make them eligible for pledging to the ECB. However, he also mentioned that the ECB were getting tougher in their requirements and care was required in designing bonds to meet ECB criteria.

Another person asked if there was not a fundamental problem with the economy in that there is much less on deposit in the banks than being borrowed. Do we need to save more and borrow less? Pat replied that bank deposits are only part of people's savings and that people are saving in others ways e.g. pensions and the challenge is to devise instruments that are suitable for those savers.

He also mentioned that there will be an increasing incentive for top-quality corporates to bypass the banking system in future because of the heavy costs on banks of more stringent capital, liquidity and funding requirements. Banks will be more confined to the lesser credits where the quality of relationship and credit skills will be a more differentiating factor.

The question was asked whether it is acceptable for pension funds to invest in Irish bonds (and benefit from the current high yields) at the expense of a lack of diversification. Pat asked if there was a solidarity aspect and if all shared in the risks to the economy. There was no suggestion of compulsory investment. Rather it was about enticing more funds to remain domestically by configuring instruments that better met their needs. Individual funds would remain free to balance their portfolios as they saw fit taking account of all the attributes of array of assets available to them.

It was queried if there were any lessons that we could take from collapses at other times in other countries. A member of the audience suggested that we could look to Finland after the break-up of the Soviet Union. Finland worked hard and successfully on an "innovation eco-system". Nokia today was cited as the shining example of the fruits of this approach. He suggested the need for Ireland to focus on entrepreneurship and the development of SMEs.

Finally, the Society's president Kevin Murphy thanked Pat Ryan and the meeting concluded.

A copy of the presentation is available on the Society's website.

Niamh Crowley

Unit Pricing Practices

On Tuesday 8th of December, George McCutcheon gave an interesting presentation on the Report of the Unit Pricing Working Party. George chaired the working party that included Anthony Brennan, Sean Casey, Adrian Cooper, Fiona Denvir, Tony Jeffery, Kevin Manning and Brian Morrissey.

The Unit Pricing Working Party was set up by the Life Committee. The party completed a survey of current practice in the Irish Market and compared the practices of domestic companies to those of cross border companies. The survey focussed on areas of unit pricing that have scope for discretion.

The survey consisted of questions covering:

- Valuation Methodology
- Pricing Basis
- Asset Transactions / Transactions between funds
- Unit Pricing Controls
- Unit Pricing Errors
- Fund Operation
- Tax Issues including Tax Losses

The survey results show that domestic companies typically give a lot of responsibility to the Appointed Actuary for unit pricing matters. The unit pricing policy is usually approved by the Appointed Actuary or the Board with responsibility for oversight of pricing and fairness to customers being delegated to the Appointed Actuary. Half of the domestic companies surveyed have formal pre-set guidelines for determining the suitable basis for a fund. The Appointed Actuary makes the decision on what is an appropriate basis for a fund for nearly all companies.

The situation is different for cross border companies with an investment committee or management approving the unit pricing policy with the committee often having delegated responsibility for the oversight of pricing and fairness to customers as well as making the decision on the appropriate basis for funds. A higher proportion of cross border companies have formal pre-set guidelines for determining a suitable basis.

Generally, transactions between funds happen at mid price. In most cases buying and selling cost savings are shared and the same rules apply for transfers between the shareholder and unit funds. New funds are usually seeded by the shareholder but some domestic companies use managed funds if deemed appropriate.

George went on to give an example to highlight the level of discretion involved when valuing a fund in the case of a forced property sale.

- Property Fund currently holds €100m made up of €95m of property (neutral pricing basis) and €5m of cash. Price is 100
- 20% of unit-holders in queue to surrender
- You determine that you can sell two properties to meet the demand for liquidity. The properties are currently valued at €30m but you expect to receive only €15m for them in a forced sale (after costs).
- What is the price for exits?

The possible options were:

- Option 1 – Price = 85 (i.e. write down property values by 15)
- Option 2 – Price = 52.5 (i.e. write down property values by half)
- Option 3 – Price between 85 and 52.5
- Option 4 – Price < 52.5

The issue of appropriateness of managed funds buying units in property funds affects only domestic companies. It was difficult to draw conclusions from the replies received on this question and there were differing views on the practice, where the decision to is taken and who decides on an appropriate price.

There were a number of issues around property warehousing that the survey didn't really get an answer to such as the appropriateness for other unit funds to warehouse a property and the question of whether warehousing is just a mechanism to provide finance or if it is also an underwriting of an investment risk. If it is the latter then how is the fund rewarded for this risk? On reflection, George felt that better questions in the survey might have given a greater insight into this area.

Domestic and cross border companies have similar unit pricing controls in place with most companies having a formal daily sign-off, a check for reasonability of price movement, comparisons with a benchmark and reconciliations to previous prices. There is also typically a check that new unit creations have not impacted the price and in some cases limits on the movements of individual stock prices, FX rates and income, expense and tax accruals.

Companies had differing views on what exactly constitutes a unit pricing error but a more common view on what constitutes a compensable error. There was also broad agreement that an error of fact or invalid assumption is a unit pricing error, regardless of the scope for discretion or other subjective basis elements. Companies gave different levels for the % error under which no compensation would be paid with 50 bps being the most frequent answer given. Standard practice is to log errors but there is varying practice around notification to the regulator.

There was some agreement on what costs are charged to the funds for domestic companies with most taking Custodian Charges, Acquisition and Disposal Costs and Property Maintenance fees from the funds but not Price Publication or Stock Lending fees. The results for cross border companies were more varied. There was almost uniform agreement across all parties that the risk of deposit default and default of third party guarantees is born by the Policyholder.

The policy for the significant majority of companies is that value from tax losses within a unit fund will accrue to the shareholder only in exceptional circumstances. The majority of firms do not actively seek to transfer tax losses (at an appropriate price) between internal funds or from internal funds to the shareholder and do not set % limits on the proportion of a fund value that can be represented by tax assets. Where the company gets tax benefits that originate in the unit funds, the benefit tends to be passed back to the fund.

George discussed two possible philosophies of tax loss valuation. One approach is to treat pooled funds as indivisible. The other is to divide policyholders into two groups – continuing and existing – and to split existing tax losses on a pro rata basis. These different approaches can lead to quite different prices.

The presentation was followed by a number of questions and comments from various attendees. The main focus of the discussion was on the treatment of tax losses on funds and the regulatory environment of funds and unit pricing errors.

The report and presentation are available on the Society's website.

Peter Martin

An Actuary is a Leader in Managing Risk,

be certain you communicate like a leader, don't risk it!

Olivia McDonnell, a specialist voice and communications coach and Emma Ledden, a media and presentation skills consultant, gave an excellent and interactive presentation entitled "An Actuary is a leader in managing risk, be certain you communicate like a leader, don't risk it!" at a lunchtime meeting in the Alexander Hotel on the 27th January 2010.

Emma, for those who may remember, used to host the Den with Dustin many years ago and then went on to be the first Irish host on MTV. She now has her own communications company. Olivia began her career in the banking sector in financial services, following which she went to London and trained in the theatre with a view to setting up her own voice coaching company, which she subsequently did, to train people in the financial services industry in the skills required to project themselves competently and confidently to different audiences.

Emma and Olivia together run two courses: "Presentation Bootcamp" and "Communications Bootcamp". The purpose of their presentation was to share with the attendees their expertise on the art of successful communicating and presenting.

To become a great presenter, you must prepare, prepare, prepare. Presentations fail because of lack of preparation. Also, the fear of being judged often makes presenters go into self-survival mode which leads them to provide lots of data on PowerPoint. Interestingly, where different levels of technical knowledge exist, the presenter needs to decide whether to pitch the presentation at the basic level or mid-way and decide who (s)he wishes to engage within the audience. Trying to be all things to all people doesn't work and putting presentations up on web-sites as pre-reads will also not work as 99% of the time people will not have read them (and one should always assume this is the case).

According to Emma and Olivia, there are six skills or techniques required for successful presenting which can be divided into two categories:

Crafting your message:

- **WIFM (What's in it for me)** – you must engage the audience, and keep them engaged. In order to do this you must figure out what it is that the audience wishes to get from the presentation. Knowing their needs and fulfilling these needs through the presentation will help engagement.
- **Make the information understandable** – use first degree words. The main reason people stop listening is because they don't understand!
- **Help people remember** – to do this you need to paint a picture or tell a story. Lots of data and text will not make people remember and is called "death by PowerPoint". A presenter needs to talk through the data and then use PowerPoint as a tool to paint a picture e.g. diagrams. Doing a summation of the key points at the end of a presentation is also very important.

Presence – look, feel and sound confident and successful:

- **Looking confident and composed** – a neutral posture is vital. Imagine that your feet are firmly grounded and you are standing tall. Eye contact is very important to ensure you stay connected with your audience. If you are nervous about this, try sweeping the room slowly from side to side, like a lighthouse beam rotating through its arc. Don't focus on one person for more than a second or two.
- **Feel confident** – to feel confident you need to pause and breathe. To calm yourself, breathe in to the centre of your body and then release your breath slowly.
- **Sound confident - P.E.C.S** – remember to **pause**, bring **energy** to your vocal delivery, **clarity** and commitment to your words and **slow** down.

Many thanks to the CPD Committee for arranging this non-technical lunchtime meeting. As this committee is exploring ways of enhancing the CPD programme, they would be very grateful for feedback from members and for any suggestions for future meetings. Please contact the Society with any comments – info@actuaries.ie or +353 1 660 3064.

Ciara Regan

Diary Dates

Thursday 22 April – *A Bright Future for the Enterprising Actuary* – presented by Ronnie Bowie, President, Faculty of Actuaries, in the Conrad Hotel. The theme is unifying across all practice areas. It will be an ideal occasion for all members to discuss the future and opportunities for the profession in these challenging and changing times and to continue the debate over dinner.

Thursday 20 May – SAI Annual Convention, in the Alexander Hotel. This will be a morning event, comprising three sessions covering Life Assurance, Pensions and General Insurance and concluding with a plenary session and lunch.

Friday 28 May – SAI Annual Lunch. This is the Society's summer social event and we are looking forward to a good turnout of members.

The full calendar of events is available on the Society's new look website under *Event: http://www.actuaries.ie/events*

Feedback from Student Consultative Forum

held in Staple Inn, 27th November 2009

A meeting of the Student Consultative Forum took place on November 27th last to discuss student issues relating to last October's Exam Sitting. I attended this meeting by phone as the Society of Actuaries in Ireland's student representative. The meeting is a chance for students of the Institute and Faculty to raise any issues and concerns exam related or otherwise.

Concerns of Irish Students

The main concern raised by Irish students was in relation to the exam venue being not of an adequate standard, in particular noise was a large concern.

The committee took on board this issue and the exams team have changed the venue for the upcoming exam session in Dublin. There is also an exam centre now available in Cork. Details are available at:

http://www.actuaries.org.uk/students/exams/exam_centres/centres_uk_ireland

Other Issues

Fail Grade Change

The recent review of exam grades was also discussed. From April 2010, there will be a change in definition of fail grades, FA, FB, FC and FD. The change is outlined below.

September 2009 exams

FA: 1-5 percentage points below the pass mark

FB: 6-15 percentage points below the pass mark

FC: 16-25 percentage points below the pass mark

FD: More than 25 percentage points below the pass mark

April 2010 exams onwards

FA: 95-99% of the pass mark

FB: 85-94% of the pass mark

FC: 75-84% of the pass mark

FD: Less than 75% of the pass mark

The aim is to produce grades which are informative to students. For further details, please see the website:

http://www.actuaries.org.uk/students/exams/after_exams/publication_of_results

Syllabus Updates

Changes to CT7, ST3 (now ST7 and ST8), ST9 and CA3 all come into effect for the exam session April 2010. Details can found at:

http://www.actuaries.org.uk/students/exam_subjects

Full minutes of the student meeting are available on the Education forum on the SAI website.

If you would like to raise any other education or student issues, you can contact me at Sinead.Carty@Aviva.ie

New Qualifiers

Congratulations to our recent new qualifiers. The Society will celebrate their success at a reception in Dublin Castle on 15th April 2010.

Ciaran Belton	Aviva	Niall Mulvey	
Aileen Bourke	Hannover Re	Gregg Murphy	Canada Life
Cathriona Callan	Irish Life	Aoife O'Connor	Mercer
Emma Cathcart	Towers Watson	Denis O'Hare	Zurich
Clare Cullen	Towers Watson	Olive Reid	Mercer
Karen Egan	Aviva	Roger Ryan	Canada Life
Aveen Gorry	Towers Watson	Lorna Seery	Towers Watson
Michelle Hyland	Bank of Ireland Life	Paraic Shortall	Bank of Ireland Life
Sarah Johnston	Bank of Ireland Life	Damian Smith	Bank of Ireland Life
Emmet Leahy	Mercer	Linda Travers	Towers Watson
James Lohan	Acorn Life	Martin Whelan	Mercer
Cherith McClelland	Towers Watson	Johan Wiid	Allianz Worldwide Care
Thomas Moran	Bank of Ireland Life		