



Message from the President



Paul Rhodes, President

I feel as if I am just coming up for air as I write this and I imagine others faced with the busy financial year-end period may feel much the same. I hope all is well for you and your teams as you look after your customers' needs.

August will be busy for several other reasons. I am very much looking forward to having our friends from Actuaries Institute (Australia) join us for our annual Mid-Winter Dinner. Institute President Daniel Smith and CEO David Bell will be my guests for dinner in Auckland and Wellington on the evenings of 12 and 13 August, respectively. Our Mid-Winter Dinner is always a convivial and chatty affair, and a great chance to catch up with old friends and make new ones. I'd encourage everyone to attend and hope some of our newer or younger members will take this opportunity to do so, too. See you there.

Younger members, including students and those who have recently qualified, are also encouraged to attend the Young Actuarial Professionals (YAP) networking lunches that will be held in Auckland and Wellington on the same dates. It's a great chance to meet both Presidents and others from the profession. Lunch is being provided at no cost to members (so make the most of that).

To cap off their visit, our Australian colleagues will welcome NZ members to an afternoon CPD event entitled Maximise Your Contribution. Don't miss this opportunity to learn from internationally renowned entrepreneur, innovator and author Matthew Michalewicz how to develop a deeper understanding of yourself and identify your unique point of difference. This is the first time personal development targeted specifically at actuaries has been offered in New Zealand, and we are very keen to support the Actuaries Institute for kindly providing this opportunity. The cost is very reasonable at AU\$100 for Australian members (slightly more



Richard Beauchamp, Vice-President

for others), so please give every consideration to attending. This event is for all members and you will benefit no matter what your stage your career is at. You can register for any of the events here <http://www.actuaries.org.nz/events.html>.

Plans for the Appointed Actuaries' workshop are taking shape. This one-day workshop will be held in Auckland on Friday 19 September. It will provide a good opportunity for those who fill this statutory role, and those others who help make it possible, to review our knowledge and engage with colleagues facing similar challenges in a regulatory regime that is still in its infancy.

Of course by now I am sure you will have started making plans to attend this year's conference, Brave New World, which will be held in Dunedin from 19 to 22 November. Christian Barrington's organising committee is working hard to bring together a busy and enlightening programme. See here <http://www.nzsa2014.co.nz/nzsa14> for details, mark your diaries, book your flights and, most importantly, encourage your colleagues from near and far, now and in the past, to attend.

We were saddened recently to hear of the deaths of three members of our Society, Klaas Kuipers, Athol Tills and Roger Garrett. All were long-standing members of our profession and well known to many of us. An obituary for Roger Garrett appears in this edition of our newsletter.

There's an election looming and by the conference we will know the results and might have an opinion about New Zealand's likely political and economic landscape for the next three years. I'll look forward to hearing your views soon.

All the very best
Paul

Postgraduate scholarship

Cass Business School is delighted to announce the availability of a scholarship for New Zealand citizens. Application to the Pettman Scholarship, worth £20,000, is open to all postgraduate students commencing study at Cass in September 2014.

Please share this exciting news with your friends, family, colleagues and contacts to encourage prospective applications from New Zealand citizens to the School.

Further details can be found on the links below:

<http://www.cass.city.ac.uk/courses/masters/funding-your-study>

<http://www.cass.city.ac.uk/courses/mba/full-time-mba/fees-and-funding/scholarships>

NOTE OUR NEW CONTACT DETAILS:

New Zealand Society of Actuaries
PO Box 10087, Wellington
Phone 04 815 8179

The email address is unchanged:

society@actuaries.org.nz



Update from Committees

General insurance practice committee

The Cat working group has decided on an approach for how to tackle making a recommendation on catastrophe solvency charges. The group has decided to use a principles-based approach to develop guidelines for the actuary to use in determining the extreme events exposure charge.

The committee's next prioritised tasks are to begin the review of PS4 (Valuations of General Insurance Claims) and PS12 (Non-Life Insurers – Financial Condition Report). This review will begin with a request for feedback from members. PS12 is expected to be more work given it is a new standard. Feedback will also be requested from the Reserve Bank.

There was a change of members on the GI Committee with Jeremy Weight stepping down and Margaret Cantwell taking his place on the committee.

Investment committee

George Carter, the convener of the Investment committee, is taking a six month secondment role in AMP Capital's London office starting from mid-July. Heathcliff Neels has kindly agreed to convene the committee in George's absence, and in particular oversee the one year review process for PS11.

Life Insurance Committee

The Life Insurance Committee is undertaking a review of PS3 to ensure it meets current practice requirements. Thank you to those members who have provided feedback on the current Standard. It is currently anticipated that a draft of the revised Standard will be circulated to members for feedback in August.

Other recent activity includes a submission on behalf of the Society on the Reserve Bank consultation paper on financial reinsurance. The submission will be available on the website.

Planning is underway for life insurance topics to be covered at the next Appointed Actuaries' workshop in September, and the November conference.

The Life Insurance Committee would like to take this opportunity to remind members

of the wealth of information that is available via the websites of our fellow overseas professional bodies. Attention is drawn particularly to the range of Information Notes produced by the Actuaries Institute in Australia, which include discussion and information relating to such topics as:

- Asymmetric risks
- Volatility assumptions
- Discount rates
- Variable Annuities
- Deferred Tax Assets (for unit pricing)
- Target Surplus

<http://www.actuaries.asn.au/professional-development-regulation/professional-standards-and-guidance/life-insurance-and-wealth-management>

Are you a CERA?

The Enterprise Risk Management Committee is keen to build a network of CERAs working in New Zealand. If you have passed (or are studying for) the CERA exam, please get in touch with Greg Bird, Convener of the ERM Committee (gregory_bird@amp.co.nz).



Appointed Actuaries Workshop 2014



Our colleagues, Marcelo Lardies and Brian Lenehan, with support from Gae Robinson, have kindly offered to organise this year's Appointed Actuary Workshop. Plans are well underway.

The workshop will be held in Auckland, at the Novotel Airport hotel, on 19 September. This venue will make it easy for delegates from Auckland, Wellington and further afield to attend. Please mark your diaries.

The workshop follows on from the inaugural Appointed Actuaries workshop that was held in February 2012 but this time with a broader agenda, intended for a wider audience. It will be a great opportunity for Appointed Actuaries, their colleagues and teams, or those who rely on their advice, to review their understanding of the Insurance (Prudential Supervision) Act 2010 and engage with colleagues facing various challenges in this relatively new environment.

All New Zealand's Appointed Actuaries are encouraged to attend. Other delegates, with their own particular interests or obligations under the Act, are very welcome too.

Keep an eye out for the workshop's flyer and draft programme, soon. If you wish to have specific involvement, perhaps suggesting agenda items, presenting, or leading discussion on the day, please contact Marcelo (Tel: 09 362 9824 or email marcelo.lardies@aonhewitt.com).



Events Update

Events Committee Update

We have hosted four very different sessional meetings since the last newsletter.

In April, Jonathan Nicholls presented the \$27.2b question: what does the Outstanding Claims Liability mean for ACC? Around 50 members were in attendance, with a group in Auckland attending via video conference. His discussion outlined the purpose of the Outstanding Claims Liability (OCL), and how ACC uses it to manage capital and provide insights into business performance – from injury prevention to claims management.

Clinton Freeman regaled us with stories from his time as an actuary Navigating a new world while working for Mighty River Power. Auckland had their first "live" sessional for the year and Wellington enjoyed being on the other side of the camera for a change.

Our final event for the quarter was in June, featuring Canberrans Shaun Gath and Paul Groenewegan of the Private Health Insurance Administration Council (PHIAC). Wellington members combined with the Reserve Bank Prudential Supervision team for this session, hosted by PwC. One member's thoughts of the event were: "2 hours of something you think isn't really relevant to one's own work/country looked like being a bit of a trial but in the event I thought it was excellent." We thank PHIAC for their enthusiasm and support in organising this event.

We'll include a report on the highly anticipated Auckland versus Wellington debating rematch for "The Abacus Award" later in the year.

The 2014 calendar of events can be found on the events page of the NZSA website.

Actuaries Institute Financial Services Forum 2014 *by Nick Smart and Doune Connett*

The Actuaries Institute run the Financial Services Forum (FSF) on a biannual basis. This year's forum was held in Sydney on 5 and 6 of May, with a good representation of Kiwis among the delegates.

The forum covered a wide range of topics relevant to the financial services industry, presented in plenary and concurrent sessions.

Some highlights of this year's conference included:

- This year's conference was kicked off by Glenn McGrath the former Aussie test cricketer who talked on leadership.
- A well-received plenary session on Australia's wide ranging Financial Systems inquiry which is expected to significantly change the financial regulation landscape. The inquiry has been prompted by the global financial crisis (which has changed perceptions of risks) and the increasing scale of the superannuation industry.
- There were numerous sessions focused on the latest developments in superannuation, the post retirement challenge and longevity risk.
- Grant Robinson, Hoa Bu and Brendan Counsell gave an easily accessible presentation on the IFRS changes in reporting of profit including numerical examples.

- The Barry Rafe & Chao Qiao paper on Trauma highlighted the problem of continually upgrading wordings and paying high up-front commission on yearly reviewable premiums, with references to the levels of commission drawing a laugh.
- There were numerous papers that commented on the recent losses made in Group TPD. Several strands to the disaster: loose definitions, involvement of lawyers, hard to decline 'work comp' claimants, danger of anti-selection for schemes with high AALs and open to public (breaking 'employer sponsored' feature that supports 'active at work' selection).
- The second day started with a fascinating plenary on enterprise risk management with speakers Mark Thorpe, Jacqui Colwell and David Parsons. The session highlighted the need for a principle-based approach (often "common sense") rather than following a rule book. Numerous thought-provoking

examples were given, including the case of some injured people not been flown out of New Orleans after Hurricane Katrina for two days as the airport did not have operational metal detectors! There were a number of concurrent sessions on enterprise risk management as well.

- There were some interesting sessions on solvency and capital management, including ICAAP - One Year On, Changes in ALM under LAGIC, and a report from the LAGIC Methodology Taskforce.
- The emerging field of big data was well covered. Sessions showed how organisations are utilising the latest approaches to better understand their customers and develop innovative business models.
- The only downside was with the conference being in Sydney the cocktail party was not as well frequented as in other years, with many people rushing home or back to work. Bring on Melbourne.
- More detail on the conference including presentations and audio is available on the website.

<http://www.actuaries.asn.au/microsites/financial-services-forum-2014/program/papers-and-presentations>

Financial Services Forum

Scoring Goals in a Changing World
5-6 May 2014 • Hilton Sydney





Members' News

Newly qualified Fellows



Anita Samu

Anita is a Senior Consultant with Finity, having recently joined as a member of the Auckland office. Anita began (and completed) her studies with Vero where she was given the opportunity to work in a number of areas including reinsurance, reserving and capital.

In her spare time Anita likes to spend time with her two, not so young anymore, children (and karaoke bars). She would also like to confirm that it is true – once you qualify you have more time for work. How great is that?!



Jenn Bonnett

Jenn works for PwC in Wellington. It took 6.5 years to become qualified, and Jenn estimates that she spent the equivalent of a year and half of full time employment on studying over that period.

In her spare time (now that she's got some) Jenn enjoys cycling, rock climbing and building furniture (and any sort of DIY). Jenn's most memorable exam moment was being presented not with a gold pen, or a bunch of flowers, but with a toolbox by her colleagues the day she passed her last exam.



Mathew Jensen

Mat has worked at Sovereign in Auckland for the past six years. He is currently in the Capital Management team having previously worked in Pricing and Financial Reporting.

In his spare time he is the Head Coach of North Shore Rowing Club and is also helping organise this year's NZSA Conference. He hopes that finishing exams will give him more time to renovate his house and travel more.

New members and changes of membership class

Welcome and/or congratulations to the following:

FELLOWS:

- Anita Samu – Finity Consulting
- Grant MacKay – PwC
- James Collier – KPMG
- Jenn Bonnett – PwC
- Louise Campbell – Russell Investments
- Mathew Jensen – Sovereign

ASSOCIATES:

- Laura Gregory – Mercer
- Bao An Le – AMP
- Tian Tian (Minnie) – NIB NZ

STUDENTS:

- Shuang Hu – ACC
- Danya Raj – IAG
- Akash Shivilal – PwC
- Jonathan Valois – MSD
- Jonathan Ruffell

Thanks to our contributors...

Thanks to this month's contributors:

Doune Connett and Nick Smart

If you have any thoughts on a newsworthy item for next year or feedback on this year's newsletters, please contact the **editor**, **Andrea Gluyas** andrea.m.gluyas@nz.pwc.com.

Thanks for reading



OBITUARY Roger Garrett

It is with regret that we advise that Roger Garrett passed away on Saturday 20 June 2014 in Taupo after a massive brain haemorrhage. There was a private family burial in Taupo followed by a memorial service in Sydney.

Roger held a number of senior actuarial and management roles both in New Zealand and Australia. He was chief executive of South British and then NZI Life before heading Life Operations for Munich Re Australia until his retirement from management three year ago. Roger held a number of Directorships including TAL Life Australia, NZ Police welfare fund and Fidelity Life.

Roger had a very special sense of humour and zest for life. He was a strong supporter of the actuarial profession and was highly respected by a wide range of different communities. He was an ardent sports follower, especially when it came to rugby. Whilst living in Australia, Roger continued to visit New Zealand regularly and maintained his wide range of friends and business associates.

Roger was a Fellow of New Zealand Society of Actuaries and attended many of our conferences whilst he was working in Sydney. Roger was a Fellow of Institute of Actuaries of Australia and a former Fellow of the UK Institute of Actuaries. Roger is survived by his wife Ann and their family.