

**INSTITUTE AND FACULTY OF ACTUARIES
COUNCIL MEETING
MINUTES**

Date: Thursday 5 March 2020
Time: 08.30 – 16.00 GMT
Place: Staple Inn Hall, London

(Council)

Council Members Present:

John Taylor (President and Chair)

Laura Andrikopoulos	*Lee Faulkner	Louise Pryor	Perry Thomas
Nico Aspinall	Richard Galbraith	Alan Rae	Kartina Thomson
Kelvin Chamunorwa	Dermot Grenham	Andrew Rear	Michael Tripp
Jules Constantinou	Jennifer Hartley	Matt Saker	James Tufts
Charles Cowling	Keith Jennings	Kalpana Shah	*Steven Yu
Mahidhara Davangere	Patrick Lee	Malcolm Slee	* Cynthia Yuan
Marian Elliott	* Prosper Matiashe	* Paul Sweeting	
Gilli Engel	Bruce Porteous	*Tan Suee Chieh	

In Attendance:

*Grahame Stott	Chair of Management Board
Stephen Mann	Chief Executive Officer
Clifford Friend	Director of Engagement and Learning
Ben Kemp	General Counsel
Anne Moore	Director of Finance and Operations
Sarah Sim	Director of Markets Development
Annette Spencer	Director of Public Affairs and Research
Charles Toomer	Chief Risk Officer
Kate Shasha	Chief of Staff
James Harrigan	Corporate Secretary
Ruby Fitzpatrick	Assistant Corporate Secretary

* By telephone/videoconference

PART 1 – INTRODUCTION AND PROTOCOLS

1. Introduction and Apologies

- 1.1 The President welcomed everyone to the meeting, in particular Stephen Mann, who was attending his first Council meeting since joining the IFoA.
- 1.2 The President congratulated Louise Pryor on her election as President-elect for 2020/2021 at the President-elect Election meeting the previous day.
- 1.3 No apologies were received.

2. Registration and Declaration of Interests

- 2.1 No declarations of interest were made.

3. Actions From Past Meetings

- 3.1 Council noted the updates to its action list.

Paper 08 20 noted.

4. Consent Agenda

4.1 The President invited Council to note and (by exception) comment on the items in the consent agenda for this meeting:

a) **Minutes of Council's meeting on 29 November 2019**

It was agreed that the minutes of this meeting should be amended to show that Council had agreed in principle to support further exploration of an Affiliate membership category for Data Science, subject to satisfying the concerns raised by Council members about that.

Action 1: Corp Sec

Paper 21 20 approved (subject to amendments detailed above)

b) **Report on Audit & Risk Committee's meeting on 11 December 2019**

Paper 22 20 noted.

5. Death Announcements

5.1 Council members noted, with regret, those members who had died recently.

- Council remembered Alan Watson, former Council member and member of Management Board. He was remembered by numerous members of Council and the Executive as a passionate advocate of the actuarial profession, a valued colleague, a font of knowledge on all aspects of the IFoA's governance (having been actively involved in its creation at the time of the merger in 2010 between the Institute in England and the Faculty in Scotland) and most of all for being a warm-hearted gentleman. Attendees who were not present at the President-elect election meeting the previous day were advised of the proposal to posthumously award a Finlaison Medal to Alan, should this be permissible within the IFoA's governance. Council was also reminded that Jules Constantinou had, at the 2019 Annual General Meeting, awarded a Presidential Medal to Alan in recognition of the contribution to the IFoA and the profession as a whole.
- Mahidhara Davangere paid tribute to Mukund G Diwan, a Fellow of the IFoA and past President of the Institute of Actuaries in India.
- Charles Cowling paid tribute to Timothy Gardener, noting that he had been a hugely valued and very well-liked colleague to many at Mercer.
- Jules Constantinou paid tribute to Norbert Heinen, who was a former Chair of the German Association of Actuaries. Jules confirmed that the IFoA had sent a letter of condolence to the German Association of Actuaries.

Paper 09 20 noted.

6. Stephen Mann: Introduction, First Impressions, and Q&A

6.1 Stephen Mann shared his first impressions of the IFoA and initial priorities following his first two months as Chief Executive Officer. He advised that there had been no major shocks or surprises given both the comprehensive induction and recruitment processes, but there was some initial reflections: notably, the importance of establishing a clear proposition for members and key stakeholders e.g. employers, the need for sustainable growth, and the IFoA's volunteer base being a hugely valuable asset to the organisation.

Stephen identified a number of issues that he felt risked derailing the IFoA's work, and outlined what he believed his priorities would need to be to succeed in his role.

PART 2 – STRATEGY

7. Strategy Statement

- 7.1 Stephen Mann presented this item and invited Council members' feedback on (a) the content and substance of the Strategy Statement, and (b) its tone – in particular, whether it effectively communicated the key high-level strategic decisions and objectives that had been agreed by Council and also struck an appropriate balance in its relevance to both current and future members. Council was reminded that the narrative of the statement needed to 'tell the story' but also be granular enough to give Management Board and the Executive clarity on what was required to take the strategy forward and what the outcomes of the agreed strategy were.
- 7.2 Council discussed how different groups of key stakeholders, in particular less engaged members, potential future members, and employers, would view the document. There was a consensus that it was important for the IFoA to prove in the communication of this strategy that actions were being taken (especially in the first 12-18 months), that it needed to be clear how the initiatives coming from the strategy would benefit members, and that the organisation was committed to delivering this strategy in a different way to previous strategies. It was recognised that Council members could play an important role in actively engaging the membership in the change discussion, and convincing members of the IFoA's commitment to its implementation and how this would benefit members.
- 7.3 In conclusion of this item Council was strongly supportive of the Strategy Statement. Thanks were recorded to Stephen Mann and Kate Sasha for their work in developing it.

Paper 10 20 noted and steer given.

8. Visions, Skillsets, Mindsets, Domains (VSMD)

- 8.1 Tan Suee Chieh presented an update on the progress made in recent months towards further developing elements of the VSMD strategic work streams, and how it was seen that these would not only shape our education and member proposition offerings but also serve as a framework for transformation and rebranding for both the IFoA and the broader profession.
- 8.2 Council members spoke in broad support of the need to treat this as a burning platform, but highlighted some of the risks and challenges inherent in taking this work forward (such as alignment of workstreams, competing priorities, lack of capacity and/or internal expertise, the need for clarity when (re)branding our membership categories).
- 8.3 In conclusion to this item, Council gave its unanimous support to the following proposals:
- Further exploration of rebranding Associateship as Chartered Actuary (on this point it was highlighted that Council had already given its agreement to this);
 - That a syllabus review and a review of the IFoA's wider educational offering should be conducted at pace to reflect the new strategy;
 - That two review committees should be formed by Management Board to conduct such actions above, with a view to bringing recommendations to Council by September 2020.
 - That the Executive team should continue driving the domains and mindset work to support these aims (and assist to populate the policy actions in the VSMD paper to the June 2020 Council meeting); and

- That each of the above points should be taken forward at as quick a pace as the Executive could support (and that this would be a matter for the Management Board to monitor and determine as appropriate).

Action 2 – Chair of MB

Paper 11 20 approved.

9. International Strategy Session Follow-Up

9.1 Grahame Stott introduced this item by summarising the key points arising from Council's discussion of international strategy (at its discussion session the previous day) that would be taken back to the Markets Development Board for further consideration.

9.2 Council agreed the following actions in relation to progressing this work:

- That a policy document would be brought to the June 2020 Council meeting for review and approval.
- That in the intervening time, ongoing work in this area would include:
 - Further clarification on how best to engage with other actuarial organisations outside of the UK, as Council's view on the matter was more nuanced than what had been proposed
 - The IFoA looking to leverage the skills and networks of its volunteers in those territories (for the benefit this would provide and also in recognition of the limited resource with the Markets Development team to deliver the work required and serve members effectively)
 - Developing more 'colour' on the proposed destination of the strategy (on a regional basis)
 - Further reflection on the interaction between the international strategy and the VSMD work.

Action 3: Chair of MB

PART 3 – KEY ISSUES

10. Update from Chair of Management Board

10.1 Grahame Stott presented an update for Council on the activity of the Management Board since Council's last meeting, including an extraordinary meeting in February to discuss the operational impacts of Covid-19.

10.2 Key points arising from the discussion of the remainder of this item were as follows:

- a) A short discussion took place around how the role of Management Board and the report provided to Council would change as the organisation moved into the execution phase of the strategy. It was agreed that it would be important to Council to be kept updated on what initiatives were underway and what oversight had been provided by Management Board. It was suggested that a separate report from the CEO should also be presented to each Council meeting.
- b) In response to questions around the IFoA's response to Covid-19, Anne Moore confirmed that the two main areas of potential impact were events and exams, both of which were under review. It was confirmed that decisions would be led by government advice in the relevant area and the IFoA was working with a number of other organisations to understand their responses and adapt accordingly.
- c) In response to a question about conclusions from the recent all-member survey, it was confirmed that communications had been drafted around this and were shortly to be reviewed by Management Board.

- d) In response to questions about CAA Global, the IFoA's joint venture vehicle with the Society of Actuaries, it was confirmed that Management Board was scheduled to conduct a strategic review of CAA Global in the near future.

10.3 In conclusion of this item the President thanked Grahame Stott for his contribution to Management Board over the last year, during what was acknowledged to be a difficult period of transition.

Paper 13 20 noted.

11. 2020/21 Corporate Plan

11.1 Stephen Mann presented this item, which sought Council's general endorsement of the direction, key outcomes and priority activities of the proposed Corporate Plan for 2020/21. Council was also asked to note the Plan's intended alignment with the emerging strategic direction of the IFoA, and to note the key assumptions underpinning the Plan.

11.2 Key points raised in the discussion of this item were as follows:

- a) Council members emphasised the need for the IFoA to spot and predict trends in membership to allow for clarity on assumptions. It was acknowledged that building good relationships with employers would be crucial to this, and it was also recognised that the IFoA might itself have rich sources of data that could help develop the modelling of assumptions and increase confidence in the figures
- b) In response to questions on the possible effects of Covid-19 on the Plan, Council was updated on the status of the IFoA's reserves and the work already underway to mitigate potential losses, including in relation to events. On the latter point it was highlighted that the IFoA was already working with its Practice Boards to review its approach to events, in recognition that members' engagement with and attendance at events was already changing.
- c) In noting a more conservative assumption on membership growth, it was emphasised that a key indicator of success of the plan would be an increase in membership, and any additional income would go towards a sustainable member offer.
- d) A short discussion took place around possible changes to subscription levels over the period covered by the Plan, with some members expressing concern that the IFoA should not assume that subscription levels would be at broadly the same level in five years' time. It was confirmed that these would be reviewed as part of the work on the membership proposition as that became better defined.

11.3 In conclusion of this item, Council voted by significant majority to endorse the Corporate Plan for 2020/21 and the financial projections incorporated into the plan for that year.

Paper 14 20 noted and steer given.

PART 4 - GOVERNANCE

12. Policy and Public Affairs Board (PPAB) – Annual Review

12.1 Annette Spencer presented this item, which outlined a) PPAB's achievements over the past year, b) the proposed strategic priorities for 2020/21, and c) how the IFoA's

Marketing, Communications and Digital teams would work to support the strategy development.

- 12.2 Council members discussed the IFoA's relationships with supra-natural organisations and in particular the benefit it derived from being part of the International Actuarial Association, both in terms of influence (for the betterment of the IFoA and aspect of the profession globally) and sharing of learning and expertise. Council was impressed with the international work proposed by the Board and the link with the strategy.
- 12.3 Council noted PPAB's proposed approach to its role in horizon scanning for future risks (particularly those which could pose future reputational risks to the actuarial profession), and agreed the importance of avoiding a siloed approach to this work. Regarding the intended areas of policy activity, some Council members encouraged a greater focus on issues that would be beneficial to overseas members – either through targeted thematic reviews or by broadening the intended policy themes to have a more global focus (recognising that, for example, the future of insurance would be different in Africa than in the UK). Council members also encouraged the IFoA, in relation to its work on responding to public consultations, to speak up sooner and more often on matters of public interest.
- 12.4 In conclusion of this item, Council:

- **Approved**, by more than the required majority of three-quarters of the whole number of Council members, the specific wording of proposed amendments to Bye-laws 32 and 37 (which, if approved by Privy Council, would remove the requirement for nominees for Honorary Fellowship to be approved by a Member vote);
- Acknowledged further to the previous day's discussion that all appropriate steps would be taken to confirm the posthumous award of a Finlaison Medal to Alan Watson, with that work to be led by the Corporate Secretary; and
- Responded positively to a request from Annette Spencer for Council members (in particular those based abroad) to share with the IFoA their professional networks, so that the IFoA might build its network and gain greater understanding of local markets across the globe.

Action 4: Council/PARD

Paper 15 20 noted, and approvals given where sought.

13. Member Value - Update

- 13.1 Annette Spencer presented this item, which provided for Council's information a summary of recent, current, and upcoming activity relating to the development of work to bring to life the member value aspects of the new IFoA strategy. It was highlighted that progress on these operational matters would be reported to Management Board.
- 13.2 Key points raised in Council's discussion of this item were:
- On the approach to delivering the member value proposition, the importance of demonstrating to members the increased value that would be provided through these initiatives (and then demonstrating their delivery once in place) was recognised to be an essential component to this work.
 - Council members wanted to understand how the work done would be perceived by two distinct communities of members: more established actuaries whose employers often paid their fees, and the younger and broader community who often paid their own. In response to this it was highlighted that the results of the member value

survey showed that, perhaps counterintuitively, those members who paid their own fees were more satisfied with the service they received.

- It was recognised that members' most recent interaction with the IFoA would significantly influence that individual's perception of the organisation and how satisfied they were with it, and that a culture change was required within the organisation to focus on provision for members to ensure that their day-to-day experience with the IFoA was of high quality.

Paper 16 20 noted.

14. Review of 2020/2021 Subscription Levels

14.1 Anne Moore and Alan Rae presented this item, which proposed the subscription fee levels and Practising Certificate fee for the 2020/2021 subscription year, and sought Council's steer on the proposals to future amendments to the reduced rate criteria.

14.2 In discussing the proposals the key points covered by Council were:

- It was acknowledged that it was not currently prudent to reduce subscription fees.
- On the option of increasing fees, some Council members felt that this would send a confusing message to the membership on the back of last year's fee reduction, whereas others argued that an inflationary increase was appropriate in the current circumstances.
- It was noted that the Practising Certificate fee had not been increased since 2017, and that the increase could be justified (in comparison to subscription fees being held flat) by the need to cover the cost of regulation. Council insisted that IFoA should not exploit (or be seen to exploit) those members who are required to have Practising Certificates in order to do their jobs.
- Regarding the proposed future amendments to the reduced rate criteria, Council members wanted to better understand the projected effect of the proposal on subscriptions over the next five years.

14.3 In conclusion of this item, Council:

- Approved** by required majority the proposal to maintain subscription fees at current rates for 2020/21 (recognising that the current fees for Affiliates and Reduced Subscriptions might change depending on the decision Council would take on future amendments to the reduced rate criteria (see point c. below).
- Approved** by require majority the proposal to increase Practising Certificate fees from £890 to £910 for 2020/21.
- Agreed** that further recommendations on future amendments to the reduced rate criteria would be bought to Council's next meeting.

Action 5: Anne Moore

Paper 17 20 approved.

15. Recognition of Other Actuarial Qualifications

15.1 Ben Kemp presented this item, which updated Council on the progress made to date in refreshing the IFoA's current Mutual Recognition Agreements (MRAs) with partner international actuarial associations and sought Council's steer in principle on a proposed

approach to the recognition of other actuarial qualifications going forward (whilst noting that final decisions on this matter would rest with Management Board, in line with the IFoA's Scheme of Delegations).

15.2 In discussing the proposal Council members emphasised the following considerations:

- a) The need for Management Board to consider the IFoA's broader strategic intentions within a nation/region when determining the importance of agreeing an MRA with the local/regional association.
- b) Ensuring any new process for considering applications for IFoA membership from individuals who qualify with another association was as objective, robust and transparent as possible.
- c) Recognising the value that international members attach to the 'global passport' that an IFoA qualification provides (both in perception and tangible use) and ensuring that this is not diminished.
- d) That by widening the parameters there was an opportunity to gain members that were not part of an organisation with a current MRA.

15.3 In conclusion of this item Council voted to support Management Board to progress discussions in line with the proposal presented.

Paper 18 20 noted and steer given.

PART 5 – OTHER BUSINESS

16. Chief Risk Officer's Report

16.1 Charles Toomer presented his risk report to Council, highlighting the potential effects of Covid-19 on the IFoA's business-as-usual arrangements and the actions taken or planned in an effort to mitigate this. He emphasised that the work previously carried out on agile working had put the IFoA in a better position than previously, with staff prepared to work from home.

16.2 Council discussed the risks and mitigation measures for exams and events, and noted the importance of lessons learned from recent business continuity exercises.

Paper 19 20 noted.

17. Council's Forward Agenda

17.1 Council noted its forward agenda and did not comment substantively on it.

Paper 20 20 noted.

18. Review of the Meeting

18.1 The Chair invited Council members to share their thoughts on the meeting and suggest areas for future improvement. A small number of productive comments were made.

19. Other Business

19.1 Council was pleased to note that places in the first cohort for the IFoA's Certificate in Data Science had sold out within one day, and congratulated employees in the Engagement and Learning Directorate that had worked on this.

End.