



AAE Presidents' Meeting

4 December 2020

THE WIDER FIELDS IN EUROPE



GIAMPAOLO CRENCA – PRESIDENT ISOA (ITALY)



ISOA

WHY WIDER FIELDS ?

- **The basic and fundamental idea is that : “Actuaries are risks’ assessors, if the risks are quantifiable” or, also, “Actuaries are *Risk Manager* by definition”**
- If this is true, and I am convinced that it is true, the world of Actuaries can expand very much and it cannot be limited only to the traditional fields (Insurance and Pension)
- But there is a but!
- **Before examining what wider fields may be, it is necessary to highlight some preliminary aspects**



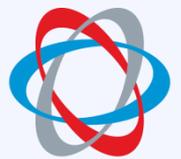
ISOA



WIDER FIELDS: THE MAIN TOPICS

The **main topics** about wider fields shortly can be traced back to only two points as essential because they are priority and important:

- **TRAINING**
- **MARKETING & COMMUNICATION**



ISOA



WIDER FIELDS: THE MAIN TOPICS

- **TRAINING**

It is the «sap of the tree»!. Essential. It is impossible to face *wider fields* if Actuaries are not well prepared. Education, Universities, Seminars, Congresses, Courses, etc AAE has always been very attentive to this issue and, particularly, to update gradually the *Core Syllabus*. A great effort (*for instance it is working in progress in Italy*), is to persuade Universities to implement their courses and to find adequate teachers; it is easier to implement our state exam ! But If the courses are not implemented we have a problem to be solved



ISOA



WIDER FIELDS: THE MAIN TOPICS

- **MARKETING & COMMUNICATION**

Essential. If we were prepared and perfect but the external world (particularly our potential clients) don't know, it is rather useless !

So it is absolutely necessary to carry on a marketing & communication plan and strategy. According to this, I am very happy that the AAE's Board decided recently to create a working group very connected with the Board in order to develop from all the points of view this issue.



ISOA



WIDER FIELDS: THE SITUATION

I talked about wider fields already in Berlin in 2018, but from that meeting something moved. **Some wider fields became a reality and the attention of AAE developed or is developing:**

These fields are:

- **Enterprise Risk Management (ERM)** to expand towards very important and large world of non-financial firms
- **IFRS17** to expand towards accounting, continuing the road already open by the IAS principles



ISOA



WIDER FIELDS: THE SITUATION

- **First steps towards Systemic Risks** (climate change, pandemic, but also other risks as catastrophic, for instance) towards what I call «**Global Actuary**» (a further step beyond the «**Actuary Manager**» already more and more involved in Governance). In Italy, last spring, we proposed to Government to set up a task force in order to face the **Systemic Risks**

OTHER WIDER FIELDS: ALREADY CURRENT (ITALIAN EXPERIENCE)

Already Current (it means that some actuaries already work in these fields as an employee or as a professional)

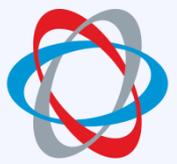
- *private additional health funds*
- *«finance on finance» and «probabilistic finance»*
- *Further developments in «data area» (data quality, big data, data science, machine learning, technology developments - for instance black box and data collecting, etc-)*
- *corporate and individual welfare plans*
- *internal audit to check specific processes, as Solvency for instance*

OTHER WIDER FIELDS: THE NEXT FUTURE (ITALIAN EXPERIENCE)

The next future (it means one/two actuaries or no actuaries work in these fields as an employee or as a professional)

- strategic marketing and distribution plans
- pension funds broker
- retail consulting
- project management
- extension of Solvency to commercial activities and public administration
- planning and control

.....



In Italy the strategy for 10 years has been the following:

- **consolidate and at the same time continue to develop the traditional fields (Insurance and Pension) (for instance recently IFRS17 and IORP2)**
- **at the same time, in parallel, to develop wider fields working with the Universities (training) and continuously doing marketing & communication. Step by step our efforts start to give some result; some actuaries started to work in some of the wider fields above mentioned as an employee or as a professional**



ISOA



WIDER FIELDS: SUGGESTIONS AND PROPOSALS

The first general suggestion and proposal is to follow the same approach in Europe

But, before, it is absolutely necessary to receive from all the MAs comments, considerations, etc , in order to do a good merger of everything

So, finally, the AAE's Board will be able to produce a more comprehensive plan about wider fields to be followed for the future