

My name is Alastair Speare-Cole

I left Oxford in 1981 with a degree in Earth Sciences

I hold an FCII and am a member of the Chartered Insurance Industry

I have been closely involved in the development of analytics in the reinsurance sector since 1982.

I have been a broker, head of analytics, CEO of a reinsurance broker and am now a Chief Underwriting Officer.

I believe I can lay claim to some expertise on this subject.

Here is a plea;

1. Listen to the practitioners working for insurers and brokers. Listen carefully.
2. Think about the role of in house solicitors and accountants. Why should actuaries impose on their own profession constraints that are not imposed on these other professions.
3. When was the last major problem with actuarial advice leading to company failure or severe impairment? Did this come from in-house actuaries or from a third party consulting firm?

Were the proposals to go through we would stop employing British actuaries unless they de-registered. Actuaries in my world have to be part of a team and their work cannot be isolated and made formal in the way suggested. Commercial life requires our analytics team to work across a range of quality of answer from the rigorous to the back-of-the-envelope.

Much of our analytics is conducted by higher level professionals coming from a range of other backgrounds. Physics, Geophysics, and Engineering being prominent. We would simply employ more of these people with British qualified actuaries acting purely as subject matter coaches. The majority of all people working in the analytics units of brokers and underwriters are not actuaries and of these only a few have ambitions to become one.

I suspect that whoever is driving these proposals is trying to solve a problem that does not really exist and to the extent that a problem did exist have proposed a disproportionate solution. And they have completely underestimated the unforeseen consequences.

The proposals would damage the careers of existing qualified actuaries; valuable people in our industry who could not continue to do the work they do as they now do it. Many would either have to leave the actuarial profession, or leave their roles. They would be quickly replaced by other analytic people but in the meanwhile it would deprive many companies of valuable internal and external experience.

Perhaps the American model of a bifurcated profession (life vs non-life) would result. Where these proposals to come in I would be sympathetic to the creation of a new professional body to help maintain the standards of analytics which had its own qualification and standards appropriate to the non-life insurance and reinsurance world.