

# Actuarial researchers come to the PARTY

The end of January saw 55 young conference delegates from all over the world come together at the Monte Verità Conference Centre in the beautiful setting of Ascona, Switzerland, for the inaugural Perspectives on Actuarial Risks in Talks of Young Researchers (PARTY) conference.

The acronym for the five-day conference aptly described the exuberance of the young researchers presenting and discussing themes around longevity risk and risk theory.

Hosted and funded by the Centro Stefano Franscini (CSF), the aim of the conference was to create a friendly atmosphere in which the future generation of PhDs in actuarial science could interact with their peers from around the world and also with experts from the actuarial practice and academia.

Conference organiser Corina Constantinescu of the University of Liverpool says: "With presentations on subjects ranging from mortality models, longevity risk and



Conference organisers Corina Constantinescu and Séverine Gaille (University of Lausanne)

catastrophe risk to optimal dividends, ruin and bankruptcy probabilities, the mix-and-match programme exposed delegates to topics related to their own field as well as introducing them to other aspects of actuarial risks and ways to address them."

In addition to the funding provided by CSF, the conference was sponsored by the Institute and Faculty of Actuaries, the Swiss Association of Actuaries, the University of Lausanne and University of Liverpool. The sponsors also helped to fund prizes to recognise talent in the next generation of researchers.

The extremely high quality of the presentations made the award of best presentation a difficult choice for the judges. In the end, this prize was jointly awarded to Katjia Schilling from the University of Ulm (Germany) and Andrés Villegas from City University (UK). The Institute and Faculty of Actuaries was delighted to award the prize for the best paper to Weihong Ni from the University of Liverpool (UK) for her paper on Weibull Bonus-Malus systems.

The tremendous success of the first PARTY means that the second conference, to be held in the UK, is now being planned for 2015. The organisers look forward to welcoming a further cohort of young researchers to the next PARTY.

## What now for technical actuarial standards?

### Financial Reporting Council (FRC) restructure

In July 2012, the functions of the board for actuarial standards (BAS) and the six other operating bodies of the FRC (including the accounting standards board and the professional oversight board) were transferred to the FRC board. This was part of a number of changes to make the FRC more effective both in its day-to-day operation and its wider influence.

The actuarial policy team supports the FRC board in setting actuarial standards and in related matters such as research and influencing international developments. It also oversees the regulation of the actuarial profession by the Institute and Faculty of Actuaries.

The FRC is supported by a new advisory body – the Actuarial Council, which includes practising actuaries and users of actuarial information. Its advice will be published alongside the technical actuarial standards (TASs).

### TAS resources

While actuaries need to be familiar with standards relevant to their work, there are several other FRC publications that will help them in complying with the TASs. All of the following documents can be found on the FRC website: [www.frc.org.uk](http://www.frc.org.uk)

### Scope and authority of actuarial standards

This overarching document sets out the objective and the scope of the TASs. It establishes geographical limitations, as well as bringing reserved work into the scope of the TASs.

### Actuarial quality framework

The actuarial quality framework (AQF) is designed to support effective communication between actuaries, their principal clients and employers (eg senior management and members of governing and review bodies), other professionals (eg lawyers and

accountants), end-users and their representatives, policymakers and regulators.

The AQF sets out six drivers of actuarial quality, with indicators of when a positive contribution is made to actuarial quality.

### Significant considerations

When we issue a TAS, we publish an accompanying document that sets out our significant considerations – and, in future, the council's advice to the board – in developing the standard.

### Questions for users

We recently published three sets of questions to help users when making decisions based on actuarial information. These should stimulate discussion with their actuaries. The questions are targeted at different groups and cover specific areas of work:

- pension scheme trustees – pension scheme funding;
- non-executive directors of life insurers – technical provisions

and capital; and

- non-executive directors of general insurers – technical provisions and capital.

### Impact assessment

We are reviewing the impact of the TASs on actuarial work, users and practitioners from a range of stakeholders. The findings will be published this year, setting out proposals for future actions.

### Future reviews

We intend to review each TAS on a regular basis from 2014. The impact assessment will provide valuable input to our first review. Initially, we are likely to consider the scope, structure and principles of the TASs.

### Your views

We welcome your feedback. Please email Robert Inglis or John Instance  
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