

Wider Fields - a UK Perspective

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Wider Fields - a UK Perspective

- Does it matter?
- What are the *Wider Fields*?
- What have we done?
- How are we making it happen?
- An example : *RAMP*

Wider Fields - does it matter?

External pressures, for example :

- Convergence of banking and insurance
 - threat or opportunity?
- Ascendancy of financial economics
 - we need to be at the cutting edge

Wider Fields - does it matter?

- We need to attract the best students
 - not lose them to the investment banks
- We need to avoid being marginalised
 - the world around us is moving fast eg GARP, AIMR
 - cannot stay as we are

Wider Fields - what are they?

- Areas outside the traditional mainstream where actuaries can add value, for example
 - investment
 - banking
 - health
 - construction
 - nuclear decommissioning

Wider Fields - what have we done in the UK?

- Created a *Wider Fields Board* initially
- then split it into *Finance and Investment*
 - investment, corporate finance, banking
- and *Social Policy*
 - health, genetics, personal finance, social security

Wider Fields - some tactics

- Enthusiastic leaders
- Research and publications
- Joint work with bankers, engineers etc
- Affiliate membership for non actuaries
- Broadening the education syllabus
- Promoting our Vision of a much broader profession

Wider Fields - an example

RAMP

Risk Analysis and Management for Projects

- A joint project with the Institution of Civil Engineers
- Report published as a book
- General application beyond the original focus

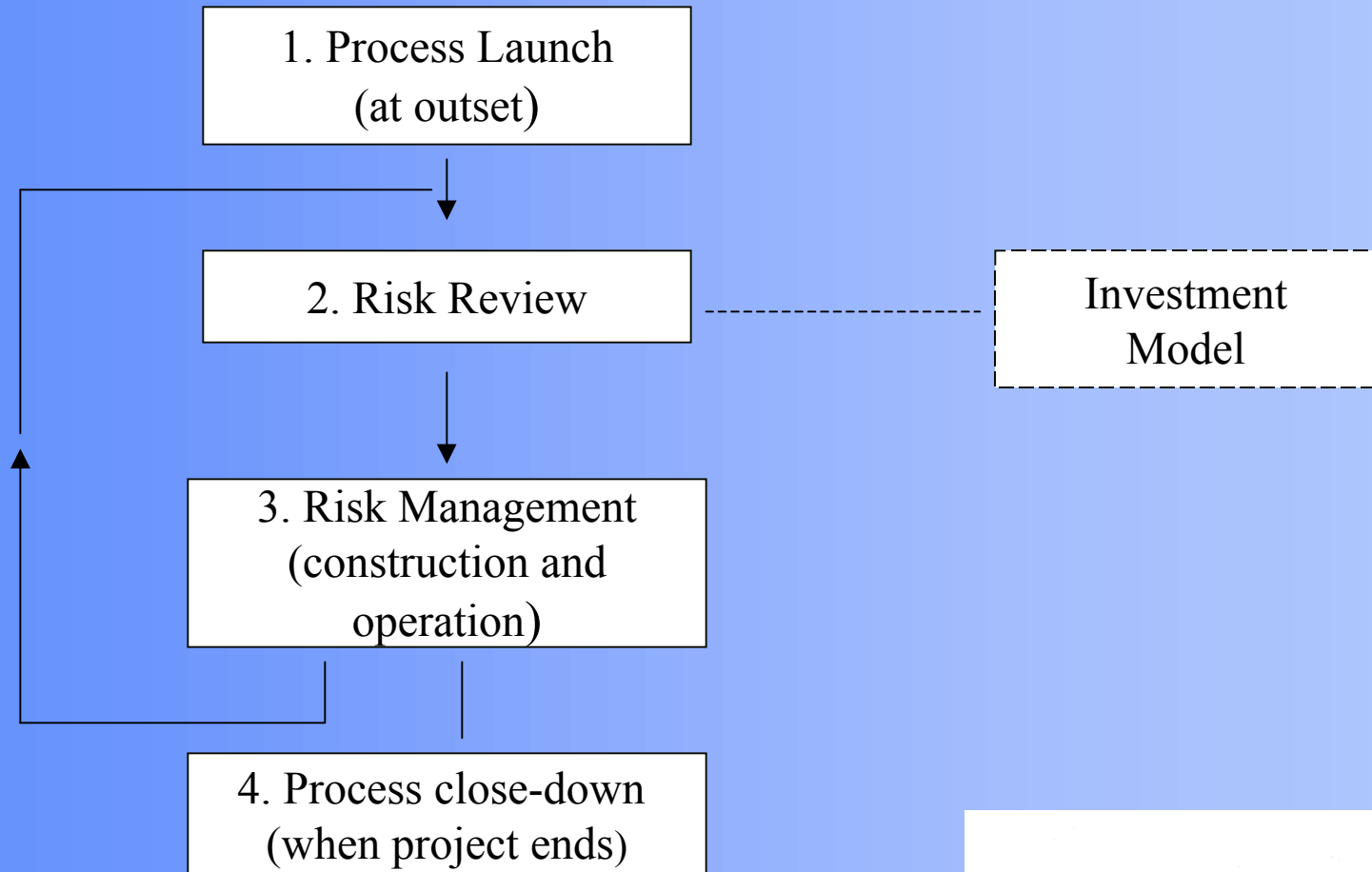
The Need for RAMP - Shortcomings of Current Project Management

- Inadequate follow through to control stage
- Not enough attention paid to post-construction risks
- Too much focus on easily quantifiable risks
- Too little attention to changing risk exposures as life cycle proceeds
- No satisfactory method for combining risks
- Lack of consistency

The RAMP Concept

- Think through at outset
- Identify and analyse risks
- Decide on risk mitigation
- Control residual risks

The RAMP Process



Possible Applications of RAMP

- Project appraisal
- Decisions on lending/investment
- Purchase of a business
- Launch of a new product
- Reducing risks in an ongoing business

From RAMP to StratRisk

Strategic opportunities and risks

- A multi-disciplinary initiative with Civil Engineers and others
- Three core elements to the concept :
 - there are upside as well as downside outcomes, including uncertain, unpredictable, or even unforeseeable ones
 - every risk is a potential opportunity - perhaps for another business
 - taking risk might be necessary to pave the way for profits

Further Information on the UK Actuarial Profession Website

Career Development Day

www.actuaries.org.uk/finance_invest/career_dev_day/seminars.html

Mortgage Prepayment Risk

www.actuaries.org.uk/finance_invest/mort_prepay_rpt.pdf

Basel Accord Article

www.the-actuary.org.uk/monthsissues_frames/articles/01_09_07.asp

National Investment Conference

www.actuaries.org.uk/finance_invest/national_inv_sem/index.html

2002 F&I Conference (Wokingham)

www.actuaries.org.uk/cpd/fininv2002.pdf

Further Information on the UK Actuarial Profession Website

Information will shortly be accessible from the Institute's website

www.actuaries.org.uk

on

- *Actuaries' Panel on Medical Advances*
- *Ageing Population*

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