

# **Kalpana Shah Presidential address**

**Delivered on 14 September 2023 at Staple Inn Hall, London to an in-person and online audience**

Dear members, employers, regulators, and distinguished guests, it is an honour to stand before you today as the newly elected President of the Institute and Faculty of Actuaries. As I take on this role, I am humbled by the trust and confidence that our Council has placed in me to lead this esteemed organisation. I would like to express my gratitude to my predecessor Matt Saker and to the Council, volunteers and staff for their tireless efforts in advancing the mission of the IFoA.

Today is also the first in-person presidential address since the COVID-19 pandemic began and also the first hybrid presidential address. I am delighted that we are increasingly having opportunities to gather together again and reconnect with colleagues and friends in person whilst allowing everyone to contribute and participate through ever sophisticated technology.

I would like to express my gratitude for the departing council members and welcome our new ones. This year has perhaps seen the most public election in the IFoAs history, and it is now time for Council to come together in a manner that showcases the IFoA and demonstrates our commitment to having an honest and ethical culture that is true to our values.

This is a day on which we look at the year ahead with a sense of purpose, and an acknowledgement that it will be a challenging one as we modernise the member experience and engage in a broader ideological discussion on the role of Council.

Today, I will be talking about my own personal journey and why we need to future proof the IFoA - improving the member experience - with a cultural transformation that makes it an organisation that is easy to do business with, valued by its members and influential on matters of public interest.

## **Presidential powers and responsibility**

Actuaries have a common set of skills and knowledge; however, we have different perspectives regarding our own vision of the IFoA. Council is the voice of the profession as chosen by our members and it is important for us to reconcile these conflicting perspectives. Over the last few months, we have seen a significant increase in members' engagement with the IFoA and I have been encouraged by your enthusiasm and passion for the profession. I look forward to leading the new Council as we come together to build a stronger organisation.

One-year presidential terms make it difficult to accomplish long-term goals and initiatives and as President, I must balance the need for immediate action with the need for continued progress over time. The long-term sustainability of the IFoA is important to us all and I look forward to engaging with you to join us on our journey to modernise our ways of working and build stronger relationships with our members.

As I am based in the UK, I regularly meet UK members. In my role as president elect, I have been lucky enough to visit some of our overseas actuaries too. My trip to Saudi, Bahrain and Dubai last year was eye opening and I was in awe of the way groundbreaking actuaries were collaborating and innovating in these regions. The skills of our actuaries are in huge demand, so I encourage those of you looking for something different to consider international work opportunities.

Our biggest member base outside of the UK is in India and I was thrilled to be representing the IFoA at the Global Conference of Actuaries held in Delhi. We also held a post-Covid new qualifiers ceremony there, where we recognised 123 IFoA actuaries for their achievements. India is a huge country with many languages and cultures, and it was inspiring to see the natural fusion of professionalism and culture and I took the opportunity to dig a few of my saris out of Covid forced retirement.

During these trips I met with actuaries, employers, regulators and universities to better understand the needs and opportunities in the regions. I am looking forward to getting out to meet more of you over the next year so please keep the invitations rolling in.

## **Background**

To those that don't know me, my name is pronounced Kalp-Nah. The second "A" is silent. Kalpana is a Sanskrit name that means imagination and a name that I have endeavoured to live up to. In the words of one of history's greatest mathematicians Srinivasa Ramanujan:

*"A mathematician's greatest gift is not his knowledge, but his curiosity and imagination."*

I use my maiden name of Shah at work not out of any form of feminist statement but because like many women I simply never got round to changing it at work and I genuinely didn't expect to be working for very long as it had not really dawned on me that a woman could have a career and a family. How times have changed!

More recently I have been thinking of switching to my married name of Sheth but that's a whole different speech.

I was born in Bristol and grew up in London. My family is from across East Africa; I still have family and friends there although my Swahili is now more than a little rusty. My great-grandparents were from India, and we have retained a deep cultural and spiritual connection with the country; Bollywood taught me passable Hindi and I'm fluent in Gujarati.

Growing up in London, gave me a strong sense of modern expectations and allowed me to navigate different social norms, teaching me how to harness the best from different cultures while developing an understanding of my own identity and values. I attended City University in London and met different types of people from all walks of life, with ambition and drive and this environment gave me a glimpse of other life choices that I could make.

I am married with three school aged children. Technically this isn't true anymore. This week is a rollercoaster week of emotions for me as, not only do I have the honour of becoming President of the IFoA, I also lose my eldest child to university this weekend. As a parent, I strive to raise children that will contribute to society and the best way to do this is by practising what I preach and this has motivated me to advocate on ethical, social and work issues. I have used my position to champion diversity and inclusion through advocacy, representation, mentoring and speaking engagements. As well as being involved with many gender and ethnicity initiatives, I was the executive sponsor for mental health at Hiscox and advocated for social mobility through my role as a Trustee at Barnet Uitas Youth Zone,

I started work in sales and customer services in companies including Dorothy Perkins, Disney and HMV. My first "real" job in the City of London was as a Business Development Manager at the London Commodity Exchange and I went on to head the statistics department - my memories are as colourful as you would expect of the open outcry

environment of the trading floor in the 90's. As a young adult I drifted along buoyed by my love of maths and ability to work with different types of people. I bounced from job to job and didn't have a career plan after graduating - in hindsight each of these jobs was a learning experience that I benefited from even though I may not have appreciated them all at the time.

An understanding and interest in different people goes hand in hand with building relationships and being heard. I am fortunate that I have been able to combine my love of travel and meeting new people with work. I have enjoyed many business trips across Europe, Bermuda, America, Canada and Asia. I used to be an avid backpacker; I now travel more comfortably but thankfully still manage to enjoy the occasional risky and active holiday.

I moved to insurance as Deputy to the Director of Underwriting at Groupama Gan where I was hired to bring actuaries and underwriters together to collaborate on a pioneering marine pricing model that was simple enough to be used on a day-to-day basis. My language skills were stretched when meetings with actuaries sometimes drifted into French but we worked well together with mutual respect and driven by a common purpose. I quickly learned that although non-regulated actuarial roles were not subject to the same regulatory requirements as regulated roles, actuaries in these positions still played an important role in promoting the integrity and credibility of the actuarial profession, and in providing high-quality services to their clients and stakeholders - and I wanted to be a part of it.

Soon after, I was approached for a role at Hiscox where my history of working in the highly pressured trading environment at the London Commodity Exchange was prized by a sector then consisting of only a handful of actuaries and led by underwriters who were not known for being backwards in coming forwards. I was encouraged not to accept this job as the future of Lloyds itself was in question at the time. I was lucky enough to be involved in the company's growth from being a Lloyd's Managing Agency to becoming an international general insurer over the course of nearly two decades working there. On reflection, not having a fixed career plan gave me the freedom to take a chance on serendipity.

During the implementation phase of the solvency 2 framework, I was heavily involved with regulators, companies, and actuaries to make sense of the regulation and develop guidance to implement it in a sensible fashion.

Although the increase in regulation in general insurance was ultimately good for policyholders, investors and the profession, like all change, it was difficult for those going through the change. Some actuaries adapted to working in a significantly more regulated role and generally becoming more specialised and some took the opportunity to explore new fields and broaden the definition of what it means to be an actuary.

As a Chief Actuary working in the London Market, I was required to provide new actuarial function opinions long before any guidance had been produced to help demystify the vague new rules of solvency 2. Like other London Market Chief actuaries of the time, I was concerned at the lack of guidance and support provided by the IFoA and brought together a group of Chief Actuaries with different perspectives but ultimately burdened with the same onerous responsibility and we somehow worked well together and quickly went on to develop the first piece of guidance on the Actuarial Function Report. From my experience, actuaries are good at rising to a challenge to solve problems and when called upon they can usually find a way of working collegiately for the greater good.

I had never imagined that it was possible or even desirable to have a family as well as a career and it wasn't easy but it has been a journey of self discovery. Over the years, my role became increasingly about providing oversight, advice and judgement.

Eight years ago, I actively thought about what I wanted from work for the first time and began transitioning from Chief Actuary to a portfolio Non-Executive Director – it seemed like the natural next step to improve work life balance and allow me to spread my wings. I have been a Non-Executive Director since 2016 with Chair responsibilities for committees on both general and life insurance companies. I also sit on the Capacity Transfer Panel at Lloyds of London.

Throughout my career I have always enjoyed engaging the broader community to affect change; this has included supporting Non-Executive Directors as committee member of both the IFoA's NED MIG and the Worshipful Company of Insurers and as part of advisory committees for the London Market Association, Bermuda Monetary Authority and the Bank of England. This year I was hugely honoured to be invited to become a member of Court for the Worshipful Company of Actuaries

In the early stages of Covid, I was privileged to be asked to lead a team of volunteer actuaries working remotely to build a forecasting capability to help the NHS with planning and resource deployment. The selfless hardworking team of talented actuaries that had volunteered their time made me proud to be an actuary - and I was amazed at how many more had volunteered and were just waiting for an opportunity to be called upon to help.

The breadth of skills our actuaries have, combined with a deep social conscience gives us so much to offer the wider community beyond our traditional areas that I am positive we have a bright future in this fast changing AI world if we can effectively communicate our brand to attract the best new talent by showcasing the broad spectrum of areas our actuaries are now working in, to prospective employers

My parents, teachers and society envisaged me following a traditional path of becoming a housewife. Paradoxically my mother was a strong advocate for women being leaders in the community and my father, himself a doctor by profession, encouraged the pursuit of knowledge for self-improvement, greater understanding and of course for fun as well. Ironically it was my husband that pushed me to examine and explore what I wanted to achieve at work although neither of us imagined this journey would lead me to stand here before you today.

As you can see, I have had a rather unconventional career journey and think it is important that we recognise that there are many people who would enjoy being an actuary with the right encouragement and opportunity. The future of our organisation lies in continuing to attract talented individuals and this is best done by telling our story in a way that exemplifies our strengths.

### **My road back to the IFoA**

Working in investments, general insurance, the Lloyd's Market and now as a portfolio Non-Executive Director, I have often felt on the fringe and asked a lot of difficult questions which focused around the IFoA not only being one that people are proud to join but also one that they don't want to leave. I was persuaded to stand for election to Council to represent those with my perspective and perhaps help Council be more representative of its membership in terms of gender and ethnicity too.

Council has moved on considerably in terms of representation since then, and it should be no surprise that this has come with a rich variety of views. We need to adapt to make the most of these insightful contributions.

My experience has impressed upon me that any long term vision must have room for being adaptable; although an element of resilience is a necessity in the workplace, it is important to nurture an environment, where different perspectives from different types of people with different backgrounds are actively sought and considered to be a moral duty.

Our current governance structure makes it difficult to effect change and this has led me to work on various committees to progress ideas. During my time on Council, I have served 2.5 years on the IFoA's Audit and Risk Committee and was appointed to the Management Board in 2021. My work on these committees have been invaluable in giving me insights on our strengths and weaknesses as an organisation.

Ultimately, it is wanting to do something about the various frustrations and observations I had, as a member, during my career that motivated me to take the daunting step of standing for election to Council - representation is key and I saw this as my chance to influence the organisation.

For those of you that have suggestions about the IFoA I urge you to consider taking a more active role - even if this currently only means voting for the candidate for Council that most closely represents your views.

As president, I want to:

- Improve the experience of members and volunteers
- Embark on a cultural transformation
- Update the brand and raise the profile of the IFoA and its members

I will give you my thoughts on these three points in turn.

### **Member and volunteer experience**

An important part of our journey as an organisation is for members to understand the benefits being offered and the amount of work being done behind the scenes, this will encourage higher engagement and help to identify gaps and new opportunities for improvements.

For example, the IFoA offers a wide range of services and resources, including: professional training programs, mentoring and networking opportunities, support for career development as well as services to help members stay up to date on the latest developments in the field, including webinars, conferences, and other events.

We have invested in systems to make the IFoA easier to do business with and for members to access personalised content and engage with online communities to serve their interests. A lot of work is well under way to embrace new technologies and methodologies and I hope you start feeling the difference over the coming year.

We are working on a better, easier to navigate examination system too and are introducing online objective-based assessments next year.

We must articulate our offering to actuaries who do not require the FIA qualification in their everyday working lives and also engage better with those who do.

We need to develop our global strategy coherently whilst actively including our UK members on this journey. Listening to and learning from dissatisfied actuaries and those lapsing their membership is important as is being forward thinking and agile, meeting the needs of actuaries of the future by providing a broader learning and development experience and facilitating progression into wider fields.

We are an organisation that has significantly changed over recent years. We were predominantly a UK organisation with actuaries primarily working in the heavily regulated areas of life and pensions. The IFoA now has an international reach that helps connect its members with a global network of professionals - working in a variety of fields and often competing with other professions for work, armed with their highly transferable core actuarial skills. This is a profound cultural change and one that the IFoA is still navigating.

It is important for those being regulated and those trusted with maintaining standards to have a voice in how those regulations are shaped, implemented, and enforced. As new areas of actuarial work become more established the shift is likely to come with a heavy regulatory burden and we must work to provide timely support to these trailblazing actuaries who will no doubt be doing the heavy lifting.

The new Chartered Actuary designation should support actuaries in newer fields and on the global stage where an associate can be more easily compared with the international standard. It will also be helpful in the UK in areas where the profession is less understood, but the concept of Chartered professionals is well established as a badge of quality. The Fellowship will continue to be widely recognised as a standard of excellence internationally.

The IFoA offers its members a long-term relationship and has been working hard on developing its member value proposition. I am keen to progress a programme of socialising this with the wider community in a simple, bespoke fashion that speaks to existing and potential members working in both traditional and non-traditional areas globally.

Our volunteers are the backbone of our organisation. We simply couldn't do what we do without them. I want to explore ways of making the volunteer experience smoother with clearer expectations of what support the IFoA can provide to promote projects and thought leadership.

### **Cultural transformation and Governance reform**

I believe in principles-based governance, and this requires an inclusive culture. The experience of staff and volunteers can be improved by promoting informed decision making through greater transparency, accountability, and engagement.

As professionals we know that improving governance processes can help to facilitate quicker and more effective decision-making. By establishing clear lines of authority and responsibility, involving stakeholders in the decision-making process, we can help to ensure that the IFoA is making robust decisions in a responsible manner and that we are working together effectively to manage risk and achieve common goals.

We can't operate like a small company working with the mindset that everyone knows everyone and thinks alike. We are an international organisation working in a fast-paced world and need a streamlined structure that aligns with the expectations of our large global, tech savvy community.

Council re-prioritised governance when it set up the Council Governance Working Group in 2021. We have been considering, developing and approving changes to modernise and

strengthen our governance and it's been great to hear your feedback which we are considering carefully. We look forward to engaging with you and want to hear your views and are looking forward to meeting many, many members in the course of this project.

Our culture underpins the way we do business, the way we communicate, the way we listen and the way we react. I believe that governance reform is much needed, however it needs to be carried out alongside a cultural transformation.

The goal of a culture transformation is to preserve those aspects which made us strong and at the same time to alter habits that may be hampering strategic change. This will involve a change in behaviours, processes, procedures and even a mindset change.

Change is difficult but not changing is even worse and changing culture takes time.

### **Reputation of actuaries and IFoA brand**

I want actuaries and the IFoA to be more influential in a symbiotic relationship. If the IFoA can be seen as an organisation that has a voice that is respected and can inform on public issues, then our members benefit from this as well. And when you are out there doing great things, the IFoA gets some kudos too.

The IFoA has a rich heritage and was the first to serve as the voice of the actuary and this year, we celebrate its 175<sup>th</sup> anniversary. First formed in the UK, it has grown to become a truly global professional body with more of our membership now based outside the UK. Our history and reputation have afforded us influence in insurance, government policy, pensions and healthcare.

Over the years actuaries have built a strong reputation and are often perceived as highly analytical and detail-oriented professionals who work in the insurance and financial services industries. As actuaries expand into broader business issues, such as in the C-suite, banking and social responsibility we need to set aside the image of a stereotypical actuary - there is no such thing.

Actuaries across the globe were involved in inspirational work though the Covid pandemic and this has exemplified to us the potential we have to influence society and the greater good by reframing how actuaries are perceived

Overall, actuaries have evolved to meet the changing needs of the business world and to address new challenges and opportunities, however, the wider perception of what actuaries do and what actuaries are, has been slower to change and there are common misconceptions about actuaries.

Actuaries need to be better at articulating views in a way that engages the audience and allows others to contribute to the discussion. This requires what we call 'soft skills' but these are not really soft at all. We may do this by unlearning some of the behaviours that helped us with our exams and re-prioritise teamwork and collaboration over competitiveness.

A quick internet search on actuary stereotypes will leave you with no doubt that we need to change some of the rather unfair stereotypes. Not only can they be limiting us as we explore new roles and new fields, but they don't do much for our street cred either!

One way to change the perception of actuaries is to promote greater awareness and understanding of the profession, both within and outside of the industry. This can be done

through targeted outreach efforts, such as speaking engagements, media interviews, and social media campaigns, as well as through education and training programs.

Another way is to highlight the diverse range of skills and expertise that we bring to the table. This includes not only our technical skills in areas such as risk management, data analytics and financial modelling, but also our ability to work collaboratively in multidisciplinary teams, and to communicate effectively with a wide range of stakeholders, including clients, regulators and other professionals.

It is important to promote greater diversity and inclusion within the IFoA itself, to ensure that the full range of perspectives and experiences are not only represented but also welcomed. Perceptions can be changed by emulating the behaviours we want to be known for through respectful dialogue and engaging in honest, thoughtful conversation with the goal of understanding one another. This will make the profession more inviting to a wider cross-section of society.

Increased regulation has become a fact of life and we must work closely with regulatory bodies and other stakeholders, both in the UK and in other countries around the world, to ensure that the interests of our members are represented and that the profession remains relevant and responsive to the changing needs of the business world.

The IFoA needs to expand its sphere of influence to maintain its relevance by becoming easier to do business with and open to new ways of thinking. A brand with a clear purpose and one that is integrated with all aspects of our work will help attract and retain members. It is easier when there is a good story, and everybody knows your name.

## **Summary**

In summary, I commit to doing my best in serving you all and I look forward to working with you in ensuring that this year is a success. We can do this by improving the member experience and promoting a more accurate and nuanced understanding of the profession that represents the breadth and diversity of the modern actuary and by refreshing our ways of engaging with and listening to each other through a cultural transformation.

And finally, I would like to encourage courage - the courage to go out of your comfort zone, to have a voice and express an opinion. The courage to listen and the courage to make yourself heard.

Thank you