



Institute of Actuaries of Australia

# 5th Financial Services Forum

*Renovating the Financial System*

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## Equity and Transparency in the Financial System

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# Renovating the Financial System

‘It is an opportune time for the actuarial profession to lead the development of a more robust industry and to ensure better outcomes for savers, investors and retirees in the new regime.’

FSF 2010 web page



# Equity and Transparency The Process

Change does not happen because it should –  
it happens when it creates sufficient  
opportunity



# Equity and Transparency

## The problem

‘Evil will always triumph  
Because good is dumb!’

SPACEBALLS 1987

# Equity and Transparency A New Hope?

No group is better placed to improve equity  
than the actuarial profession

- Influential (and small) enough
- Professional Tradition but too comfortable?
- Appreciation of LT Consequences



# Equity and Transparency Where do we start?

Can the investment process work better?



# Equity and Transparency More of the Same?

Regulation?

Disclosure?

Ratings?

Risk management?



## Equity and Transparency Demand driven process?

Could we assume that potential investors just want reasonable and credible information?

cash flow projections

expected returns

probability ranges

remuneration

robust structure





# Equity and Transparency

## Could actuaries sell to. a free market?

Credibility

Value of projections

Value of ranges

Value of transparency

Analysis



# Equity and Transparency in the Financial System

Do we really want  
'to ensure better outcomes for savers, investors and  
retirees in the new regime'?