

Actuarial Professionalism in Decision Making

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1. The Actuary's Role in Decisions

- Actuaries frequently advise on high-stakes decisions: pricing insurance products, setting reserves, and assessing solvency.

2. Independence of Judgment

- Professional actuaries must form their own objective opinion based on data and sound methodology, resisting pressure to reach a predetermined conclusion.

3. Balancing Multiple Interests

- Decisions often affect shareholders (profitability), policyholders (fair pricing/benefits), and regulators (solvency) simultaneously - professionalism requires balancing these fairly.

4. Documentation of Judgment

- Assumptions and judgment calls should be clearly documented and justified, both for accountability and to withstand regulatory or peer scrutiny.

5. Escalation

- Where an actuary's professional opinion is overridden by management, professional standards typically require this to be documented and, in serious cases, reported.