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Diversity, Equity and Inclusion – Proposals for regulatory requirements

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Background

- What is Diversity, Equity and Inclusion?
- Why is DEI relevant for actuaries?
- The IFoA DEI Strategy



What is Diversity, Equity and Inclusion?

- Diversity → differences and variety in people
- Equity → allowing individuals the resources they need to succeed
- Inclusion → valuing and listening to individual contributions



Why is DEI important for actuaries?

“The IFoA and its members have long had a deep and abiding belief in diversity, equity and inclusion (DEI), rooted in our commitment to act in the public interest and for the good of society”

“Embracing diversity of thought and perspective is also essential to the role of an actuary.”

The IFoA's DEI Strategy, 2022



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Why is DEI important for actuaries?

Diversity

- Diversity of people leads to diversity of thought which supports better decision making and improves outcomes.

Equity

- In order to increase diversity, people need to be able to access opportunities.

Inclusion

- Once opportunities are accessed, people need to be included in order to influence thoughts and outcomes.



The IFoA DEI Strategy

- A 5 year strategy launched in 2022
- To ensure members can work in an environment where they belong, can make an impact, and succeed
- Contains an undertaking to review the Actuaries Code, professional standards and guidance to set high expectations of personal behaviour and to protect the reputation of the profession.



The Review

- What are we trying to achieve?
- The current terms of the Actuaries' Code
- Benchmarking exercises
- Informal consultation



The Review

What are we trying to achieve?

- Requirements that are proportionate, consistent, targeted, accountable and transparent
- Retain principles-based requirements
- Focus on demonstrating the behaviours expected of Members



The Review

The current Actuaries Code provisions

- Members must act honestly and with integrity.
- Members must show respect for others in the way they conduct themselves.
- Members must comply with all relevant legal, regulatory and professional requirements.



The Review

Benchmarking and informal consultation

- DEI requirements by other regulators
- Introduction of positive obligations
- Benefit of example behaviours and guidance



Summary of Proposed Changes

➤ Principle 1 – Integrity

- respect everyone
- encourage DEI
- no bullying, victimising or harassment

➤ Principle 5 – Speaking Up

- if others are being excluded or treated unfairly



Proposed Changes – Principle 1

Integrity

1.1 Members must show respect for everyone and treat others fairly ~~in the way they conduct themselves.~~



Proposed Changes – Principle 1

1.2 Members should encourage diversity, equity and inclusion.

- A positive obligation
- What is expected of me as a Member?
- What if I am not able to fulfil this requirement?



Proposed Changes – Principle 1

Integrity

1.3 Members must not subject others to behaviour that may amount to bullying, victimisation or harassment.

- Objective test
- ‘behaviour that may amount to....’



Proposed Changes – Principle 5

Speaking Up

5.2 Members should speak up if they believe that others are being excluded or treated unfairly.

- A positive obligation
- An objective test
- What if I am unable to fulfil this requirement?



Guidance

- Proposal to introduce non-mandatory guidance to accompany any changes to the Code
- This will provide detailed practical guidance on Members' professional and regulatory responsibilities regarding DEI
- This will include examples of expected behaviour



Next Steps

- Consultation open for responses until **15 April 2023**
- Regulatory Board will consider responses and decide on changes in May 2023
- All responses published in Feedback Paper
- Period of transition before any agreed changes come into force



Comments?

Questions?

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenters.



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