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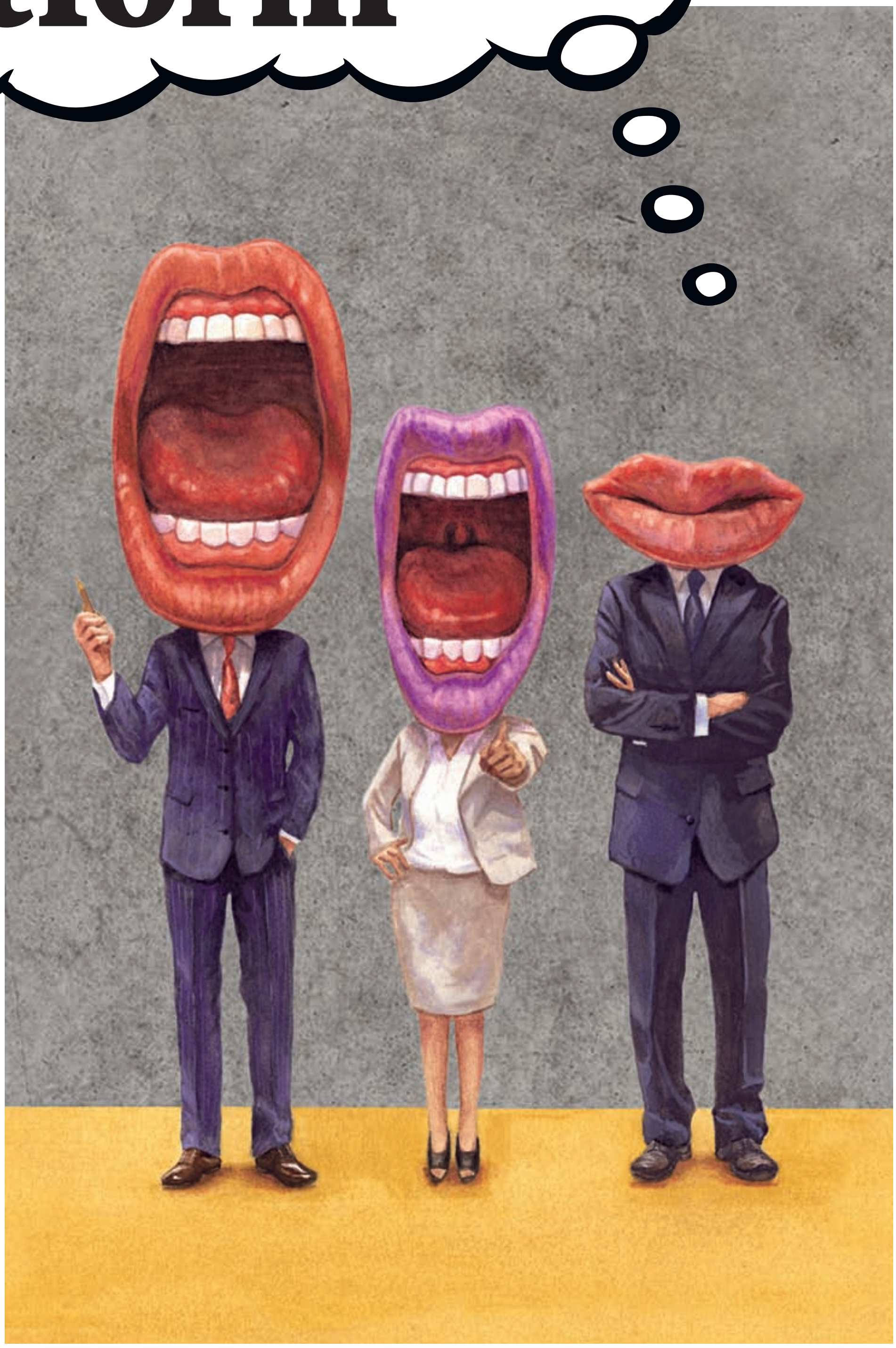
Afterthought to artform

In the second of his two-part series on soft skills, **Simon Carne** explains the background to the Profession's masterclass in the art of communication



CHRIS DUNN

If there was one statement uttered by a colleague during my five years on the Institute of Actuaries' Council (2001-06) that stood out, it was this: "The current generation of actuaries communicates well and they know they do, because they have passed an exam in the subject."

I disagreed. Who had taught the current generation of actuaries to communicate? And who had set the exams? The answer to both questions was, of course, the previous generation of actuaries. Ever since the Profession had decided some 10 years previously that there was a problem with the quality of its members' communications, and had decided to introduce an exam, the job of teaching and examining its students had fallen to existing actuaries.

Had we found a group of actuaries who understood the problem well enough to come up with a solution and pass it on? I didn't believe we had. I thought we were just taking bad habits from one generation and transferring them to the next. Worse, we were hard-wiring them through the examination.

I had done my research, digging out examiners' reports from the communications papers and looking at the recommended solutions. I found a rich seam of useful material in there – material I now use on my writing skills courses as examples of how not to write. The problem was that the examiners

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were ingraining a style of writing that puts far too much emphasis on explaining the actuary's calculations and not enough emphasis (or even worse, no emphasis at all) on the practical implications of the results.

I don't accept that, because actuarial reports deal with complicated issues, they are bound to be difficult to comprehend. I had come at the communication problem from a completely different angle. My need to communicate with clarity had emerged from my work for one of the leading accounting firms, writing expert evidence for use in the High Court.

What I and my team wrote needed to be clear enough to be understood by lawyers developing a case for presentation in court. Everything would be pored over endlessly and picked apart with a fine-tooth comb. There really was no margin for error or ambiguity. More than that, when our reports reached the judge, they needed to be more persuasive than the opposing views put by the other side in the case.

Once you have learned a technique for communicating complex matters in a clear and intelligible fashion, you recognise pretty quickly when something has been written in a more complicated manner than need be.

Making actuarial information easy to comprehend was a challenge I relished: I had fallen in love with writing and out of love with the numbers.

I wanted the examiners to change their approach. I was invited to attend a meeting with them to put my case forward. I took along examples from recent exams. They listened very attentively. They even said they much preferred my alternative approach, but despite this, very little seemed to change in the ensuing years, as shown by the final report of Sir Derek Morris' review of the actuarial profession in March 2005.

He expressed a concern that actuaries were not doing enough to meet their responsibility "to communicate actuarial advice in a clear, non-technical way such that an intelligent lay person can understand the key aspects of the advice" (paragraph 2.51). Morris proposed that a technical actuarial standard on communications be written by the new

Class notes: the power of three

The masterclass in communications focuses on three key learning points:

- Applying tried and tested techniques for communicating complex material to a lay reader.
- Enabling readers to understand the implications as clearly as the actuary.
- Getting a document started – using a simple algorithm to get past the torment of a blank screen!

It's a very practical course, designed so that participants can work through examples and exercises developed especially with actuaries in mind. An (optional) second day covers specialist topics such as writing articles, delivering spoken presentations and writing in order to promote actuarial services.

The numbers attending each event are restricted to ensure that everyone who wants to participate actively in discussion can do so.

standard-setting body he was recommending the government to set up.

Morris was sufficiently concerned about the lack of attention given to communications that it was the only specific standard that his report identified the need for. He even went so far as to spell out some of the ingredients.

However, I think the Board for Actuarial Standards missed one vital point when they came to write the technical actuarial standards (TASs). TAS R (Reporting Actuarial Information) is different from all the other standards. The others address matters that actuaries are expert in (data, modelling, insurance, pensions and so on – all staples of the actuarial diet), regulating what actuaries should and shouldn't do in those areas.

TAS R addresses matters that actuaries need to be taught to do. In my submission, it was simply not enough to follow the same format as for other TASs and merely set out the requirements. The standard needed to provide help in writing a compliant report. If not, how would actuaries learn to discharge the responsibility that Morris had identified?

Being resourceful people, actuaries have no doubt found many different ways of rising to the challenge. One of those is a masterclass in communications, which the Profession invited me to deliver, starting in November 2011.

I have to confess that I was a little daunted by the label 'masterclass'. I had recollections from my childhood of famous musicians delivering televised masterclasses. A student would perform for the maestro and then suffer the ensuing criticism, often quite harsh and in front of a studio audience, as well as viewers at home. Kind of like *X Factor*, but without a multi-million-pound recording contract for the winner. In this version, the Simon Cowell figure could actually sing or play an instrument and would frequently interrupt the students to show them how he thought it should be done.

That's not how I like to teach! In my expert witness days, the firm's head of consultancy saw what we were doing and asked me to develop a reporting style for his practice. Then, as now, I work with people to develop a way to apply my methods to their business.

I doubt the Actuarial Profession will ever truthfully be able to say "the current generation of actuaries communicates well, because they have passed an exam in the subject". After all, the skills needed to communicate actuarial concepts aren't a natural fit with high levels of numeracy. However, as most actuaries work in teams, we don't need every actuary to be a master communicator. But we do need some.

I have developed a teaching note as a companion to TAS R, available as a free download at ***www.simoncarne.com/reporting-tas/***