



ACTUARIAL SOCIETY 2015 CONVENTION

Teaching Ethics to Actuaries

Francois Marais

Why should we teach ethics?

Goodness without knowledge is weak;
knowledge without goodness is dangerous.

Paul Tillich

How then can they believe....if they have not heard?
And how can they hear without someone teaching them?

Paul (Romans 10:14)

What do other professions do?

- Doctors
 - Clear proactive guidance by HPCSA
 - Introductory courses + 3 week module (80 hours)
- Accountants
 - Strong prescription by SAICA
 - Semester course in business ethics (40 hours)
- Engineers
 - Vague “outcomes” by ECSA
 - Varied compliance (20 hours)

What can we learn?

- The governing bodies are involved
- Ethics in undergraduate studies
- Sufficient time should be allocated

What is ethics?

Meta-ethics

What is the meaning of “good” ?

Normative ethics

How do I decide what actions are good?

Applied ethics

In this situation, what is the right action?

“Ethics” or “about ethics” ?

- To **be more** ethical
(normative ethics; behavioural competence)
- To **know more** about ethics
(business ethics; cognitive competence)
- Or **both** ?

A roadmap

Being ethical = having a sense of direction.

Knowledge of ethics = having a road map.

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Serious medical ethics issues

- Life-and-death issues
 - Termination of pregnancy
 - Euthanasia
 - Genetic testing
 - Stem cell research
 - Cloning
- Professional issues
 - Canvassing patients
 - Perverse incentives
 - Over-servicing
 - Confidentiality
 - Informed consent

Some business ethics issues

- On macro economic level
 - Wealth and poverty
 - Free market vs command systems
- On business level
 - Moral agency of corporation
 - Shareholder vs stakeholder interest
 - Corporate social responsibility
 - Corporate governance
- On management level
 - Employment equity
 - Whistle blowing

UK Institute & Faculty : Ethics “Lite”

One day Professional Skills Course (or 8 hours on-line)

“ ... uses discussions and case studies **to explore concepts** of professionalism, awareness of the Actuaries' Code, and business ethics.”

Asher down Under

- Anthony Asher is active
 - Presented a paper on Virtue Ethics to AI in May
 - Wrote a book: “Working Ethically in Finance”
 - Introduced case studies at UNSW
- But Asher is a lone voice
 - Ethics currently only part of CPD

Good reasons for not doing more

Too HONEST

Too CLEVER

Too EASY

Discrimination in underwriting

For R100 pm the life industry offers :

- R40 000 funeral cover to an unskilled labourer
- R1000 000 life cover to a professional female

Good reasons for doing nothing

Too HONEST

Too CLEVER

Too EASY

Too BUSY

Too CYNICAL

But can people be taught...?

"I began to wonder if it was even ethical to try to teach the subject."

Mary Gentile, Harvard Business School

Who, what, where, when ?

- The ASSA Board should take the lead
- Case studies as part of technical training
- Introductory course in ethics (?)
- Structured course in business ethics (in honours or APP)
- Ethics in CPD
- Professional help from Ethics SA

Thank you!

Why should we teach ethics?

“Prospective lawyers, doctors, or businessmen may set higher ethical standards for themselves if they first encounter the moral problems of their calling in the classroom instead of waiting to confront them at a point in their careers when they are short of time and feel great pressure to act in morally questionable ways”

Derek Bok

Normative ethics

- Moral framework to determine what actions are good
- Three main traditions
 - Deontology: the **act itself** is intrinsically good or bad
 - Utilitarianism: the **consequences** determine if the act is good
 - Virtue Ethics: the **agent's** moral character