



Institute
and Faculty
of Actuaries

What is the future for Actuaries and are we at risk of being dinosaurs?

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Agenda

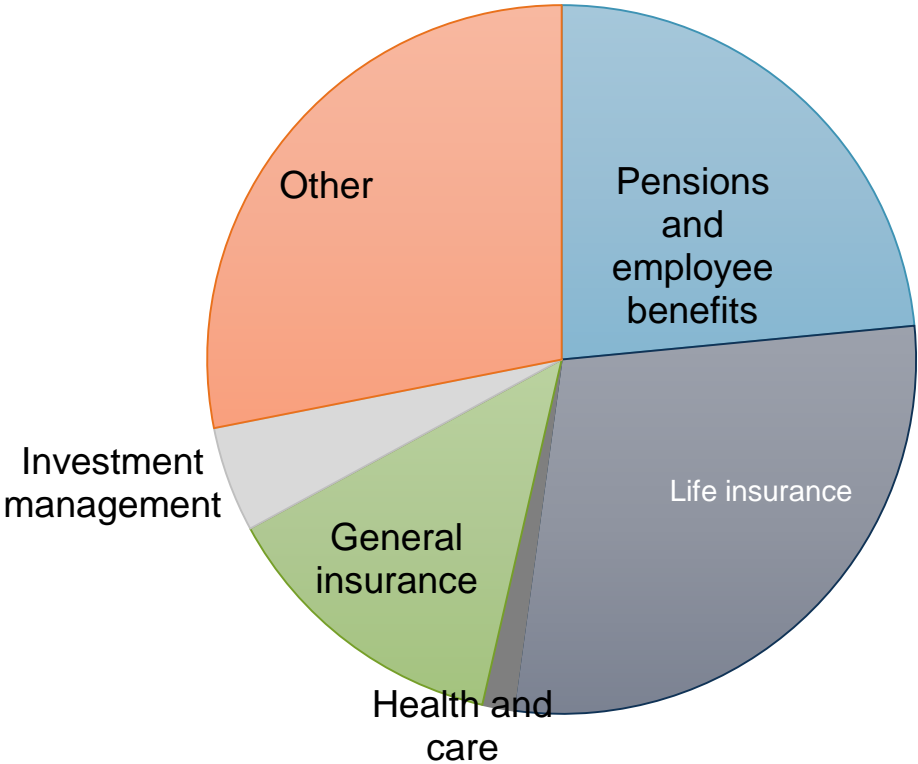
- Introduction
- Our survey & results
- Discussions

What is an actuary? (IFoA explanation)

- Being an actuary means having highly valued **mathematical** skills and expertise
- Actuaries use their skills to help **measure** the probability and **risk** of future events
- An actuarial career can be one of the **most diverse**, exciting and **rewarding** in the world

Current Membership Profile (as at 2016 year end)

Fellow membership by industry sector



Current State of the Actuarial Profession

- In the main, well respected profession?
- BUT lots of changes in the profession in the past, notable events are:
 - Morris review
 - Regulations, i.e. Individual Capital Assessment (ICA) regime, Solvency II
 - Introduction of Technical Actuarial Standards (TASs)
 - Senior Insurance Manager Regime
 - Rise of the pricing actuaries in the London Market

2 Types of Actuaries emerging?

Reserved role VS Value adding role

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Our Survey

Format

- Face to face interviews, qualitative survey

Participants

- Ourselves
- New graduates
- Newly actuaries
- Senior actuaries
- Actuaries moved into data analytics
- Actuaries building a business empire

Topic 1 – Why did they become an actuary?

Mathematical

Income / Job
Security

Professional
Qualification

Work Life
Balance

Topic 2: Current State of the (General) Insurance Industry

Commercial lines

- “Difficult market conditions”
- “Lots of M&As activities”
- “Slow to change and respond to technology”

Personal lines

- “Techniques in pricing has become much more sophisticated”
- “Technology, Instech, telematics will change the industry in the future.”

Topic 3: Value of Actuaries - Past

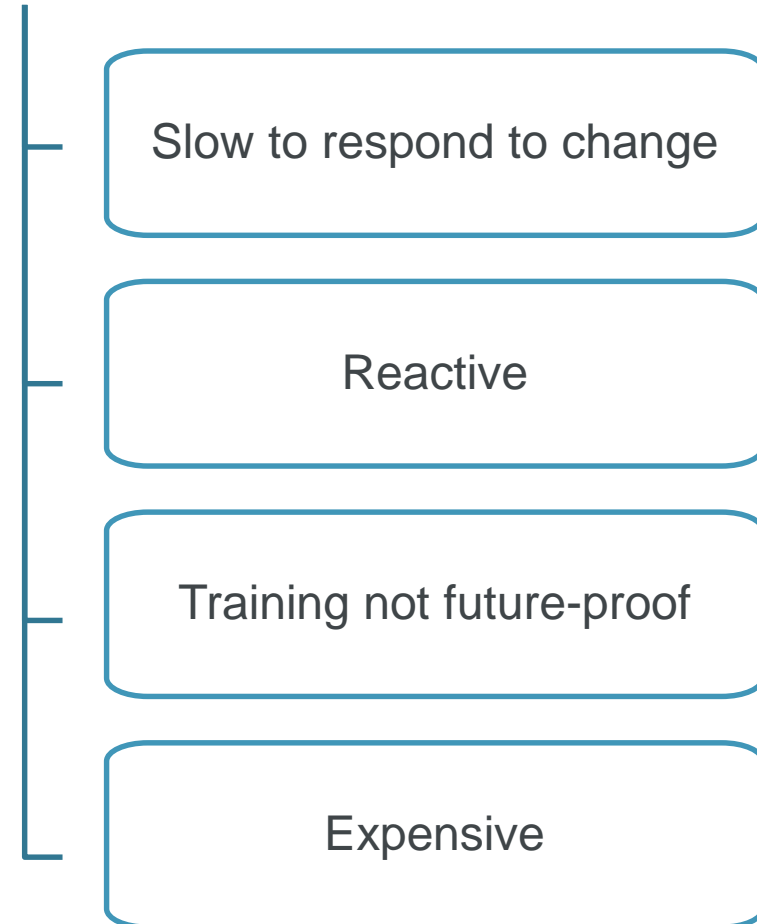
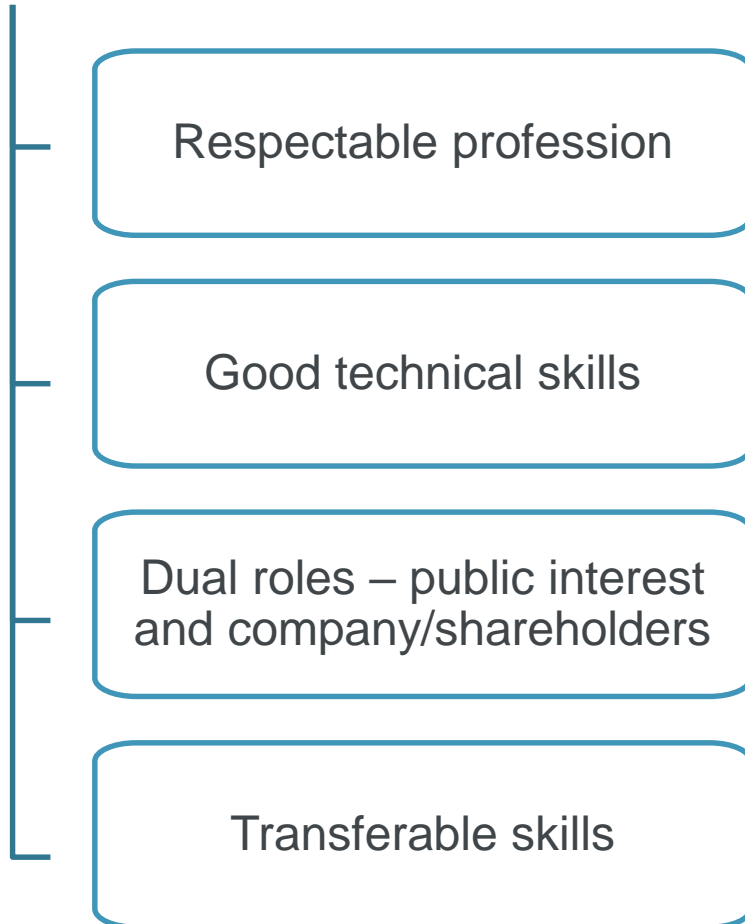


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Topic 3: Value of Actuaries - Current



Topic 4: Perception of Actuaries



Topic 5: Regulations & Actuarial Professional Standards

A word cloud visualization on a dark purple background. The words are in various shades of pink and purple. The most prominent words are 'profession', 'innovation', 'hampering', and 'protect'. Other visible words include 'costly', 'enablers', 'experiment', 'models', 'implement', 'need', 'more', 'sticks', 'new', 'difficult', 'hinder', 'like', 'valued', 'act', 'carrots', and 'potentially'.

potentially
carrots
profession
need more sticks
costly
new difficult hinder like
valued act
innovation
enablers APS models implement
hampering
experiment protect

Topic 6: Future of the General Insurance Industry

- More (real time) data available
- More IT demand to process the data
- Lloyd's relevance may decrease?
- Rating (pricing) process may change in the future as more software is enabling data analytics to be carried out quicker.
- Rating becoming more personal, offering more flexible contracts to customers
- Regulations will still be there

Topic 7: Current skills sufficient to meet future needs?



Topic 8: Value of Actuaries - Future



Topic 8: Value of Actuaries - Future

Better use of data



- Cope with more (real time) data and make sense of them
- Streamline existing processes with new tools, software
- Design new tools!
- Use new techniques with more granular data
- Build in actuarial reviews into business monitoring systems

Topic 8: Value of Actuaries - Future

Move to new
areas



- Move into underwriting
- More senior management roles?
 - CFO
 - CEO
 - Non-executives
 - Board members
- Wider roles?
 - Chief Data Officers
 - Chief Analytic Officers

Topic 8: Value of Actuaries - Future

Unknown future



- Look into InsTech (Insurance Technology)
- Future demand for insurance products
- Pricing/reserving for new (untapped) products with no data

Topic 9: What can WE do about it?

- Life long learning – R courses, Machine learning techniques
- Collaborate more with data scientists
- Share more knowledge within the actuarial community, on informal basis
- Keep abreast of market trends
- Be involved in new issues e.g. climate change
- Be proactive

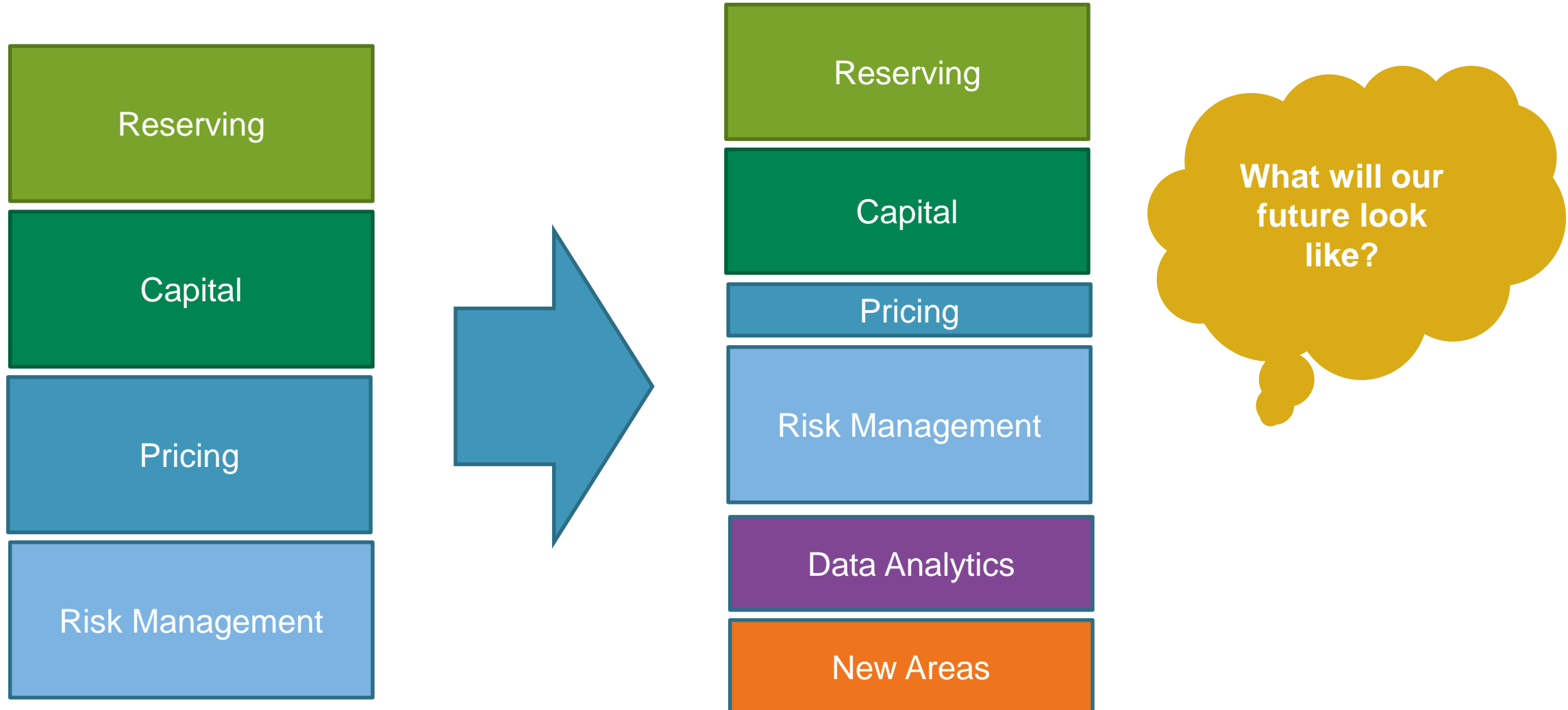
Topic 10: What can the Profession do about it?

- “More forward looking”
- “Change at a faster pace”
- “Train actuaries on new technical skills and technology “
- “Promote our profession more”
- “Attract more people to the profession”
- “Make exams more relevant to real life work, more practical”

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Discussions



Questions

Comments

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