

The Actuarial Profession
making financial sense of the future

Offshoring Operations – A Life Company Perspective
Workshop D07

Jon Whitaker

Agenda

- Introduction
- Aviva Context
- A Life Company Journey
- Is It All About Cost ?
- Business Models
- Challenges & Opportunities
- A Personal Perspective

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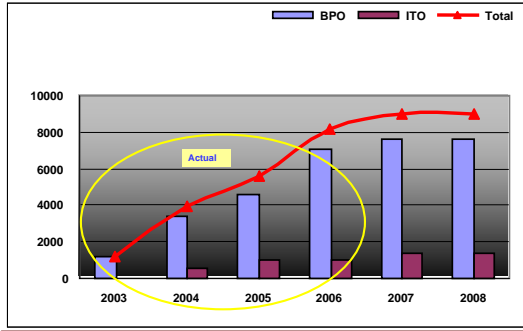
Introduction

What's an actuary doing in India ?



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Aviva Context



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A Life Company Journey

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- 2004 ■ Simple, separate voice & back office processes
- SLA driven
 - 2005 ■ More complex life & pensions processes
 - 2006 ■ E2E customer processes, integrated voice
- customer satisfaction driven
 - 2007 ■ Fully integrated voice & back office operations
- customer advocacy driven

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Is It All About Cost ?

Target cost saving 40%
- 70 – 80% reduction in salary costs offset by infrastructure & supplier costs

- ↑ Salary
- ↓ Infrastructure/communication supplier
- ? exchange rate
- ? VAT

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Is It All About Cost ?

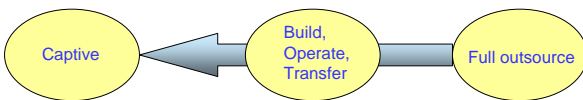
Plus.....

- Quality (people & processes)
- Operational flexibility
- Process analysis & improvement
- Skills

➔ Service up, costs down

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Business Models



- control
- branding
- cost-effective
- but hard

- reduce delivery risk
- access skills & processes
- speed
- but costs

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Challenges

- Check employee attrition
- Close cultural gaps
- Keep cost advantage
- Manage anti-offshoring 'noise'
- Keep the buzz !

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Opportunities

- Investment in processes & customer satisfaction
- Knowledge based services
- Importing improvements
- Talent pool

 a global operation

A Personal Perspective

- A fantastic experience
 - eye-opening
 - energising
- Needs commitment
 - not for the faint-hearted
- Welcome to the global economy
- Diversity is a strength
- Don't generalise or underestimate !
