Institute and Faculty of Actuaries

Wider fields

"I believe that we as actuaries are well equipped to deal with multi-dimensional complexities. Our biggest strength lies in looking at a problem statement from different angles, which gives us an edge for roles in non-traditional areas."

A view from a member:

Yash Ratanpal

Part-qualified actuary based in Mumbai and a member of the Institute and Faculty of Actuaries (IFoA) and the Institute of Actuaries of India (IAI).

Getting into wider fields

Astonishingly, back when I started pursuing actuarial science as a profession, there were only 259 fully-qualified actuaries in India (less than 0.01% of India's population!). Moreover, I can't remember speaking to anyone who was working outside the insurance and pension space at that point of time.

I always had a fascination for applied mathematics, and subsequently realised that the skillsets gained through the profession could be applied way beyond the realm of core-actuarial industries. This compelled me to explore opportunities in wider areas of work.

My first job search landed me at Deloitte, wherein I served clients across the global banking and finance (BFS) industry in areas such as quantitative risk management, derivative pricing, predictive modelling, and risk technology. Currently, I am working towards setting up a FinTech & RegTech venture that aims to serve clients through a comprehensive suite of solutions and products driven by cutting-edge technology.

The financial crisis

In the wake of the financial crisis in 2007-08, the risk management infrastructure of the BFS industry has undergone a significant change due to a blend of regulatory initiatives and internal management decisions.

From a risk quantification perspective, recent regulatory standards on capital computation and provisioning (such as CCAR & DFAST, IFRS 9 & IRRBB) have made usage of forward-looking approaches an increasingly common trend today.
The aforementioned approaches demand application of sophisticated mathematical and statistical techniques in conjunction with modern theories of finance and economics. As a result, the problem statement at hand can no longer be solved using a uni-dimensional mindset.

A prime example of the above statement would be the revolution being witnessed in development and validation of econometric models, by banks across the globe, to fulfil regulatory requirements related to stress testing and capital modelling.

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"Don't let your ideology to follow an unconventional path, get fazed or intimidated, by opposing opinions."

Our biggest strength

Given the gamut of diversity and rigour embedded within actuarial science, I believe that we as actuaries are well equipped to deal with multi-dimensional complexities. Our biggest strength lies in analysing a problem statement from different angles, which gives us an edge for roles in wider areas of work.

My advice to actuarial professionals wanting to work in wider areas would be: "Don't let your ideology to follow an unconventional path, get fazed or intimidated, by opposing opinions."

Having said that, passing actuarial science exams is one thing, understanding concepts at a fundamental level and applying them to solve real-life problems in unconventional areas of work (without hiding behind jargon), is a different ball game altogether!

I would like to finish this article with an appropriate quote dedicated to all actuaries, working or aspiring to work in wider fields:

"Some beautiful paths can't be discovered without first getting lost."