Citius, Altius, Fortius: How can actuaries reinvent themselves?

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It’s a process of answering FOUR questions

• Where is the Actuarial Profession now?
• What trends are impacting us, our industries, and the environment in which we work?
• Where do we want the Actuarial Profession to be?
• How are we going to get there?
Where is the Actuarial Profession now?
Our current reach: Fields, areas and tools
Our current attributes:
The four faces of actuaries

**Catalyst**
Catalyse behaviours across the organisation to execute strategic and business objectives while at the same time creating a risk and business intelligent culture.

**Strategist**
Provide actuarial leadership in determining strategic business direction, and supporting other strategic activities vital to the future performance of the company.

**Steward**
Protect and preserve the critical frameworks of the organisation and accurately report and communicate on financial position and condition to internal and external stakeholders.

**Operator**
Balance capabilities, talent, costs, and service levels to fulfill the actuarial core responsibilities efficiently.
Actuaries tend to be focused on Steward and Operator roles

**Steward**
- Statutory reporting
- Management & metrics reporting
- Technical service delivery (reserving, pricing, capital modelling, etc.)
- Internal controls & governance
- Compliance work

**Operator**
- Resource management
- Issue diagnostics & resolution
- Leveraging & driving system capabilities
- Knowledge management
- System & process management

**Catalyst**
- Helping implement strategy & vision
- Stakeholder mgmt & negotiation
- Influencing outside of management lines
- Organisational change management
- Business judgement
- Corporate decision making
- Setting priorities

**Strategist**
- Set strategy & vision
- Foster innovation
- New management reporting
- Dealing with business ambiguity
- Profitability decisions
- Translating data into business terms
- Business and commercial acumen
What trends are impacting us, our industries, and the environment in which we work?
The world is changing RAPIDLY around us

65%
Source: World Economic Forum

15-20%
Source: Various estimates
Current trends & disruptors = Challenges AND Opportunities
Our current reach

- Weather / Environment
- Micro Insurance
- Banking
- Energy
- Predictive Analytics
- Life Insurance
- Investments
- General Insurance
- Public Policy
- Superannuation
- Health
- Private Equity
- Retail Financial Advice
- Risk Mgmt
- Valuation Techniques
- Telco / Media
- Sporting
- Social Welfare
- Investments
- Energy
- Public Policy
- Social Welfare
- Retail Financial Advice
- Superannuation
- Private Equity
- Banking
- Health
- Risk Mgmt
- Micro Insurance
- Sporting
- Weather / Environment
- Valuation Techniques
- General Insurance
- Predictive Analytics
If we DON’T adapt
If we DO adapt

- Current Reality
- Current Trends
- Future Vision
- Reinventing Ourselves

- Weather / Environment
- Micro Insurance
- Banking
- Energy
- Risk Mgmt
- Investments
- Predictive Analytics
- Retail Financial Advice
- Life Insurance
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- General Insurance
- Public Policy
- Telco / Media
- Superannuation
- Social Welfare
- Valuation Techniques
- Sporting
- Investments
- Predictive Analytics
- Public Policy
- Social Welfare
Where do we want the Actuarial Profession to be?
Where do we want to be?
Our Future Vision

- Be more effective and efficient Stewards and Operators to become more of a …
  - Catalyst
  - Strategist
- Expand into new fields

Current Reality
Current Trends
Future Vision
Reinventing Ourselves

BREAK INTO NEW FIELDS

Think more out of the box.
BECOME MORE OF A STRATEGIST.

Building efficiencies. Delegate and upskill your team.
BE A BETTER STEWARD/OPERATOR.

Develop a voice.
BECOME MORE OF A CATALYST.
Where do we want to be?
We want to redefine our traditional roles…

Steward: 40%  
Operator: 30%  
Catalyst: 20%  
Strategist: 10%  

NOW  
FUTURE
How are we going to get there?
How are we going to get there?
We can be more efficient Operators and Stewards…

Future Vision

We want to drive the process rather than the process driving us. We want to be aware of trends and disruptors affecting the current and future states of the industry we work in.

Operator

• Process Efficiencies
• Valuation Effectiveness
• Team development and delegation
• Use experts

Steward

• Governance and controls
• Build market and industry knowledge
• Use experts
How are we going to get there?

... and focus on being a Strategist and Catalyst in the firm

<table>
<thead>
<tr>
<th>Future Vision</th>
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<tbody>
<tr>
<td>Use our freed up time in a business context way to influence direction within our organisations. Reinventing from negotiation standpoint, influencing others outside our control, plugging into organisations strategic direction/pulse.</td>
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<table>
<thead>
<tr>
<th>Strategist / Catalyst</th>
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<tr>
<td>• Further develop our education, exposure, experience: practice, practice, practice</td>
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<tr>
<td>• Express/refocus an interest on functions that are seen as strategic</td>
</tr>
<tr>
<td>• Focus on things that matter most in order to reach our vision</td>
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<td>• Use experts</td>
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What are our options?
Assessing our options outside of core actuarial
How are we going to get there?
We want to use our skills in new fields

- WEATHER
- SPORTS
- PRIVATE EQUITY
- SOCIAL WELFARE
- POLITICS
- MEDIA
- ENERGY
- PREDICTIVE ANALYTICS
- MICROINSURANCE
- FARMING
How are we going to get there?
Key Insights from non-traditional actuaries

Sports Actuary
You can apply your skills in a field that you love.

Energy Actuary
Actuaries need to be less risk-averse and more a risk taker.
Negotiation skills are key in this field.

Micro-insurance Actuary
An actuary who has knowledge of the modelling process can be a bridge or a catalyst between the clients with problems and the statisticians with the statistical models.

Predictive Analytics
Many countries do not have actuaries but have the need for protection eg Nigeria is a country of 160m with only 1% of the population insured.
### How are we going to get there?

#### How to be successful in non-traditional fields

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<tr>
<th>Personally</th>
<th>Education</th>
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<tr>
<td>• Don't confine yourself within insurance</td>
<td>• Set assessments from general scenarios or practical examples, not only insurance</td>
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<td>• Be a risk-taker</td>
<td>• Include negotiation skills in CAP course living component</td>
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<tr>
<td>• Expand thinking outside the box</td>
<td>• Mix soft skills with Part I</td>
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<tr>
<td>• Take out technical skills into new fields</td>
<td>• Learning to price with little to no data, and with non-standard distribution channels</td>
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<tr>
<td>• Network</td>
<td>• Develop communication and management skills</td>
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<tr>
<td>o Give talks to other professions on what we can do for them</td>
<td>• Create initiatives on non-traditional fields</td>
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<tr>
<td>o Informal networking with people in other industries to build confidence with those people in our abilities</td>
<td>• Liaise with universities to receive appropriate training</td>
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<td>o Partner with the right people</td>
<td></td>
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<td>• Develop knowledge of the industry, and build contacts</td>
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<td>• Remain close to the actuarial profession</td>
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Why reinvent?
- Remain relevant in an ever-changing world, so we can continue to have a strong influence over society.
- Potential to make an impact on society, to bring credit to our profession and ourselves, to succeed in our roles and careers, and enjoy the work we do. This potential has not been fully tapped.

Untapped potential
- The untapped potential can be seen across our existing/traditional fields where Chief Actuaries themselves are telling us how much they want to change…
- …And can also be seen in new fields where we’ve learned about actuaries working in non-traditional areas who have given us real-life examples and advice.

Take action
- Role of profession vs individuals – take ownership
- Are you the best placed person to do the job?
THE END