

**DEVELOPMENT of an
ACTUARIAL PROFESSIONAL BODY in
SINGAPORE**

Yangon, Myanmar

14 July 2014

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Development of an Actuarial Professional Body in Singapore

Agenda

- **Context: Singapore Insurance Industry**
- Singapore Actuarial Society: Background
- Singapore Actuarial Society: Current Status
- Singapore Actuarial Society: Functions as a Professional Body
- Singapore Actuarial Society: Organisation
- Development of SAS
- Tips for Myanmar



Context: Singapore Insurance Industry

Year (S\$ million)	1990	2000	2012
Life Insurance			
- Total Premium In Force	1,123	5,222	13,664
- New Business Premium			
o Single	9	3,338	6,424
o Regular	286	455	2,454
General Insurance			
- Total Gross Premium			
o Domestic	876	1,622	3,627
o Offshore	681	1,647	6,790



Context: Singapore Insurance Industry

Financial Services Regulator

- **Monetary Authority of Singapore (MAS)**
 - **Integrated financial services supervisor**
 - Banks
 - **Insurance companies**
 - Capital market intermediaries
 - Money market intermediaries
 - Singapore Exchange



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Singapore Actuarial Society: Background

Brief History

- **Founding** **1976**
- **IFAA Observer Member** **1997**
- **IAA Full Member** **2003**
- **Recognition in Regulations** **2004**
 - **Appointed Actuary of a life insurer must be an FSAS**
 - **Approved Actuary of a general insurer must be a member of SAS**



Singapore Actuarial Society: Background

Objects

- **Uphold highest professional standards**
- Serve the public interest by promoting study, discussion, publication and research, with particular reference to Singapore and the ASEAN region
- Assist students in course of actuarial studies
- **Further professional development of actuaries**
- Foster social relationship among members



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Singapore Actuarial Society: Current Status

Membership at 31 Dec	2013	2007
- Fellows	340	131
- Associates	67	53
- Ordinary	336	162
- Student	61	7
- Affiliate	9	0



Singapore Actuarial Society: Current Status

Membership Criteria

- **Recognised Associations (RAs)**
 - Institute and Faculty of Actuaries (UK)
 - Society of Actuaries (North America)
 - Institute of Actuaries of Australia
 - Canadian Institute of Actuaries
 - Casualty Actuarial Society (North America)
- **Criteria for Different Categories**
 - Fellow Fellow of RA
 - Associate Associate of RA
 - Ordinary Student Member of RA
 - Student Student attending actuarial science degree course
 - Affiliate Interested persons

Voting rights only for Fellows and Associates



Singapore Actuarial Society: Current Status

Governance

- Council

o Composition

- 7 – 10 Members (excluding Immediate Past President)
- **All Fellows or Associates**
- President and Vice-president must be Fellows

o Duties

- Approval of membership
- **Development and issue of governance documents**
 - **Professional Code of Conduct**
 - **Professional Standards**
 - **Guidance Notes and Best Practice Notes**
 - **Disciplinary Scheme**
- **Undertake disciplinary action**
- Appoint Committees
- Consult with other bodies



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Singapore Actuarial Society: Functions as a Professional Body

Uphold Professional Standards

- **Professional Code of Conduct**
- **Professional Standards**
 - PS1 Continuing Professional Development
- **Guidance Notes (GNs)**
 - L01 Appointed Actuary Duties (2004)
 - L02 Valuation of Life Insurance Policy Liabilities (2010)
 - L03 Management of Participating Fund (2011)
 - G01 Investigation into General Insurance Policy Liabilities (2004)
- **Disciplinary Scheme**
 - Due process
 - Independent tribunal



Singapore Actuarial Society: Functions as a Professional Body

Serve the Public Interest

- **MAS Consultation Papers**
 - o Responses independent of employers
- **Engagement with Ministry of Health**
 - o National health insurance scheme
- **Mortality investigations**
 - o 1983 – 1988
 - o 1988 – 1993
 - o 1997 – 2002
 - o 2004 – 2008



Singapore Actuarial Society: Functions as a Professional Body

Assist Students

- Conduct examinations on behalf of IFoA



Singapore Actuarial Society: Functions as a Professional Body

Further Professional Development

- **Conferences**
 - o Life insurance
 - o General insurance
 - o Health insurance
 - o Retirement
- **Professionalism courses**
 - o At least once a year
- **Actuarial forums (seminars)**
 - o 10 – 12 a year



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Singapore Actuarial Society: Organisation

Committees

- Practice

- Life Insurance
- General Insurance
- Health Insurance
- Retirement
- Enterprise Risk Management (ERM)
- **Role**
 - **Develop guidance for members**
 - **Conduct research**
 - **Respond to consultation papers**



Singapore Actuarial Society: Organisation

Committees (2)

- Support

○ Public Relations

○ Education and Careers

- Organise training and CPD events

- Liaise with Practice Committees

○ Student

- Liaise with universities

○ International

- Liaise with

- International Actuarial Association

- East Asian Actuarial Conference

- Other actuarial associations

○ Professional Affairs

- Monitor professional standards

- Issue guidance to members



Singapore Actuarial Society: Organisation

Secretariat

- 1 full-time staff
- 1 temporary staff

International Actuarial Association

- Full Member since 2004

Reference: www.actuaries.org.sg



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Development of SAS

Development Stages

- From Social Club
- To Professional Body



Development of SAS

Social and Research Club

- Constitution
 - o Objects limited to
 - Promotion of study and research
 - Assisting students in studies
 - Fostering social interaction
 - o **Any person could join as an Ordinary Member**
 - o **Any member could sit on the Executive Committee**
 - Only the President had to be a Fellow
- Activities
 - o **Conduct actuarial talks**
 - o **Conduct actuarial tutorials for students**
 - o **Organise social activities**



Development of SAS

Conversion to a Professional Body

- **Changes in Constitution** required
 - **New Objects**
 - **Uphold professional standards**
 - **Further professional development**
 - **Council** replaced Executive Committee
 - **Originally, all members must be Fellows**
 - Introduction of
 - **Code of Professional Conduct (1997)**
 - Based on IAA model
 - **Disciplinary Scheme (2003)**



Development of SAS

Conversion to a Professional Body (2)

- **Trigger for conversion**
 - **Creation of Appointed Actuary** statutory position (1994)
 - Actuaries required guidance and minimum standards
 - **Introduction of Dynamic Solvency Testing** (1996)
 - More complex analyses
 - Guidance also required



Development of SAS

Conversion to a Professional Body (3)

- **Recognition in legislation**
 - **Insurance (Actuaries) Regulations (2004)**
 - **Appointed Actuary must be an FSAS**
 - **Basis for recognition**
 - Trust of MAS in SAS
 - Sufficient number of Fellows who can be elected to govern the SAS
 - **SAS to govern members in Singapore through**
 - Issue of
 - **Guidance Notes**
 - **Professional Standards**
 - **Ability to maintain professional standards**
 - **Code of Professional Conduct**
 - **Disciplinary Scheme**



Development of SAS

Conversion to a Professional Body (4)

- **Involvement in Risk-based Capital (RBC) regulations development (2001 – 2004)**
 - o Demonstrated professional technical expertise and judgment



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Tips for Myanmar*

Form an Association to

- Foster **discussion and research**
- **Assist students** in their studies
 - o Develop membership
 - o Encourage members to attain professional qualifications
- **Participate in discussions with authorities and industry bodies**
 - o Limited contribution at start

*My personal tips, not the IAA's or the SAS', based on my experience



Tips for Myanmar*

As Membership Expands, Move to a Higher Professionalism Level

- Change the objects of the body
- Incorporate more professionalism activities
- Put in place governance structure
 - o Code of conduct
 - o Guidance notes
 - o [May be non-mandatory at the start]



Tips for Myanmar*

When Activities of the Body Are Recognised by the Authorities

- Convert into a full professional body
 - o Caveat: there must be a sufficient number of fully-qualified actuaries to take interest in governing the profession



Tips for Myanmar*

Tap on the IAA

- Advice and Assistance Committee

Open dialogue with other ASEAN actuarial bodies

Join the EAAC

- Next conference:
 - Taipei, 12 - 15 Oct 2014

References: www.actuariesasia.org / www.eaac.info



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