Chairman Ka-man Wong, Distinguished Guests, Ladies and Gentlemen,

Thank you very much for your very warm welcome, and for your kind invitation to speak to you today. It’s a great pleasure to be back here in Hong Kong.

I want to divide my comments between a quick update on the IAA’s current position and then a brief look at the challenges facing the profession and the role colloquia like this can play in helping us to meet them.

Now, I would like to focus on the challenges I believe actuaries are facing around the world. Colloquia like this are a key part of enabling and stimulating our response as a profession. As you can see, there is no shortage of challenges!

For instance, the current low-interest-rate environments, nervousness in the equity markets, and low commodity prices are continuing to cause significant headaches for those responsible for ERM and solvency management, and for the design and operation of new solvency systems around the world, as well as the International Capital Standards of the IAIS.

We probably all know that the development and implementation of International Financial Reporting Standards (IFRS) has involved, and continues to involve, a great deal of consideration, analysis, and debate for actuarial associations worldwide. In much the same way, developments in international regulation and supervision create a range of challenges, and the effort required for companies and the profession to deal with them can be very significant.

Economic shocks are less uncommon than they once were, and on top of that there are always new geopolitical trends to be considered—the ongoing migrant crisis in Europe, for example, will create issues related to funding social security and healthcare. In the field of public health, the disastrous recent outbreak of Ebola in West Africa has been followed by the uncontrolled spread of the Zika virus. It often falls to our profession to help societies and governments around the world to understand and deal with the financial consequences of these very disturbing world events.

Against this background, it is a good thing that Enterprise Risk Management continues to win acceptance from businesses and organizations of all sizes. Personally, I am sure it will only increase in importance, with actuaries as the prime movers – supporting boards in taking a much broader overview of their risk profiles.
ERM practitioners, and the profession at large, need to evolve to keep pace with the changes in the way companies do business, and interact with their customers, which are creating new questions for actuaries to answer. Many of these are covered in our programme today.

For instance, how will improvements in mobile technology affect the way we and our clients work? How can insurance companies benefit from telematics in motor insurance, or devices like the Fitbit in life and health insurance? Driverless cars were once thought of as science fiction, but are now definitely on their way (and recently I hear we’ve had our first driverless collision with another vehicle). Each new technological development will have its own impact on insurance, mortality, and even pensions.

The mining of customer information is bringing billions of pieces of data into the equations used in insurance, health care, and other fields. How can that data be used most effectively?

In the face of all this change, long-established insurance models in the industry are changing very quickly, in many fascinating, but challenging ways.

As a result of all this, we as a profession must ask ourselves how all this will impact the way actuaries work to advise the companies they serve. What new personal and interpersonal skills will we need? I know we will all be thinking about all these topics in the next few days, and after we leave here.

These questions are vital for the future of the profession, and since the skills they require are only now developing, and reflect new technologies, it is vital that the younger actuaries here at this Colloquium should be prepared to step forward and express their views with confidence. I hope everyone will try to contribute as well as to learn!

Clearly, actuaries face significant competition in the risk management field, and in the field of data analytics. To stay in the race, we must ensure that we optimize our involvement in the issues that matter, so that businesses and other organizations understand that actuaries have the skills to overcome these challenges, and to plan for a wide range of contingencies.

With that in mind, Section Colloquia like this one are invaluable tools to help us move forward. They are unmissable opportunities for those inside and outside the actuarial profession to meet, and to share the knowledge that helps us all adapt and meet the challenges we face. Colloquia give researchers and practitioners a forum in which they can exchange their opinions and research with fully-involved audiences, many of whom are also submitting papers. A great deal of real value also arises from the informal contacts we make on the sidelines of the Colloquia, and through the friendships we build.
In summary, the actuarial profession faces a huge range of interesting challenges on both a local and global scale. Ours is a profession that takes a long-term view of risk and value, and I believe this Colloquium will help to equip us to tackle whatever might come over the horizon tomorrow, and for many years into the future.

I will conclude by giving my warmest thanks to those who have made this event possible – the organisers, the contributors and reviewers, the sponsors, and above all to you, the participants!

On behalf of the IAA, I wish you a warm welcome and a very successful Colloquium!

Thank you.