MATURE ACTUARIAL ORGANIZATIONS

INSTITUTE OF ACTUARIES OF INDIA (IAI)

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Joint IACA, IAAHS and PBSS Colloquium in Hong Kong
www.actuaries.org/HongKong2012/
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INSTITUTE OF ACTUARIES OF INDIA (IAI) - OVERVIEW

- Established in 1944, as Actuarial Society of India (ASI)
- Re-established under The Actuaries Act 2006 and renamed as Institute of Actuaries of India (IAI)
- Since 1979, the ASI/IAI has been a Full Member of Association of International Actuarial Association (IAA)
- Since 2005, IAI has been a member of East Asian Actuarial Congress (EAAC)
- IAI President, Liyaquat Khan, is a member of IAA Asia Sub-Committee
VISION, MISSION AND VALUES STATEMENT OF IAI

The Vision: IAI to be a globally well recognised professional organisation, developing enduring thought leadership to manage uncertainty of future financial outcomes

The Mission/Objectives:
- Educate/train risk professionals
- Enhance and maintain high professional standards
- Shape public policy and awareness
- Engage with other professional/regulatory/government bodies
- Promote/build IAI as a respected brand of risk management globally
- Promote research and to advance actuarial science/application

The Values:
- Integrity
- Respect
- Accountability
- Continuing learning & Research-oriented learning
- Transparency
- Responsiveness & Sensitivity
CORPORATE GOVERNANCE (1/2)

- **Governing Council**: 12 Fellows of IAI elected every 2 years, plus 4 nominated by the Govt. of India including one from the Insurance Regulator (IRDA)

- **Officers**: Elected by the Council (President, Vice President and Hon Secretary)

- **Committees** under the Actuaries Act, 2006:
  - Investment Committee
  - Audit Committee
  - Disciplinary Committee
Advisory Groups/Task Forces

1. Education Strategy
2. Examination
3. Professionalism, Ethics and Conduct
4. Peer, Stakeholder and International Relations
5. Communication
6. Research and Publication
7. HRD, Administration and Finance
8. Social, Cultural and Youth Affairs
9. Life Insurance
10. General Insurance
11. Health and Care Insurance
12. Pension, Other Employee Benefits and Social Security
13. Enterprise and Financial Risks
14. Accounting and Solvency
15. Microinsurance/Microfinance
MEMBERSHIP PROFILE - FELLOWS/MEMBERS

Institute of Actuaries of India
Membership Statistics

- Fellows
- Total Members

Joint IACA, IAAHS and PBSS Colloquium in Hong Kong
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Key industry sectors that employ actuarial resources

India-related work – major employers
- Insurance companies: Life (24), Non-life including Health (24)
- Reinsurance companies: Swiss Re, Munich Re, RGA, Hannover Re, Gen Re
- Consulting: Towers Watson, Mercer, Milliman

"Offshored" work – major employers
- Some 30 entities across India employing about 1,000+
- Major employers: Deloitte, WNS, Genpact, AON Hewitt, Towers Watson, Swiss Re, E&Y
- Mainly in the domain of Pensions, Life Insurance, P&C, Solvency II
MEMBERSHIP PROFILE – EMPLOYMENT (2/3)

Composition of those in actuarial roles

- Life Insurance: 19%
- General Insurance: 18%
- Consulting: 19%
- Health Insurance: 2%
- KPO/BPO/IT: 19%

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MEMBERSHIP PROFILE – EMPLOYMENT (3/3)

Composition of Offshored Workforce

- Life Insurance: 46%
- Non Life Insurance: 15%
- Pensions: 34%
- Others: 5%
IAI TRAINING PROGRAM

- **Curriculum**
  - Meets IAA requirements for fully qualified actuary
  - Global for technical skills
  - Top up for local regulatory environment
  - Emphasis on business awareness, modeling and communication skills
  - CERA being considered

- **Delivery**
  - Largely self-study
  - Coaching/counseling under consideration
  - CPD scheme for statutory as well as non-statutory roles

- **Mutual recognition arrangements with**
  - Institute and Faculty of Actuaries, UK
  - Institute of Actuaries of Australia
  - Casualty Actuarial Society, US – under progress
## ACTUARIAL PRACTICE STANDARDS

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STATUTORY ROLES FOR ACTUARIES

Existing “Statutory” roles

- Appointed Actuary system in Life and non-life sector
- Certification of long term benefit liabilities under Indian Accounting Standard
- Actuarial input on Initial Public Offer (IPO) by Life Insurers – Embedded Value

Potential roles

- Wider fields - CRO
- Insurance Board Directors with actuarial qualification
GLOBAL ACTUARIAL STAGE

IAI has been very active within the international actuarial community

Global Conference of Actuaries (GCA)
- Organised and hosted by IAI in India each year
- 14th GCA held February 2012 with 675 delegates including 78 from overseas
- "Global Round Table“ and other “Round Tables” discussion and sessions on responsible intermediation and non-traditional areas (e.g. developing business professionals, enterprise risk management)
- 14th GCA Global audience: Sri Lanka, Mauritius, UK, Germany, Netherlands, Finland, Hong Kong, Singapore, Japan, US, Serbia, Kenya, Bahrain, Kuwait, Israel, Bhutan, Pakistan and UAE

Assistance to neighboring countries for development of actuarial education;
- Bangladesh
- Nepal
- Sri Lanka
- Mauritius
PROGRESSIVE APPROACH

- ACET (Actuarial Common Entrance Test) for new students since 2011 – will help ensure high calibre candidates join profession as well as assisting with career decision-making

- Going beyond actuarial borders
  - Capacity building workshops (e.g. micro-insurance, health)
  - Leadership workshops
  - Networking events for students: After Exam Parties and IAI connect; one day seminar for senior students with young fully qualified actuaries

- Encouraging members to shape and influence development of profession (e.g. strategy workshop)

- Leadership programs (1-day mandatory for all newly qualified Fellows)
CHALLENGES OF A GROWING PROFESSION

- Potential mis-match in supply & demand for actuarial resources
- Education framework difficult to support/develop for emerging profession
- Ensuring experienced leaders are created
- Developing Actuarial Practice Standards and ensuring compliance
- Marketing the profession and raising awareness
- Ensuring consistently high professionalism and ethics
THANK YOU