An army of actuaries rising

South Asia, which has some of the world’s fastest growing economies is today in need of actuaries. Apart from India, all other countries in the region are mostly dependent on foreign based actuaries or consultants. But things will change within the next few years as there is an increasing thrust in some of the markets to develop and nurture local home grown talent. We speak to a few actuaries from the region to understand the ground realities in their markets and what they expect from the South Asian Actuarial Conference which will be held in Sri Lanka in July.

By Jimmy John

The major financial markets worldwide are currently going through a slowdown in growth momentum and so emerging markets in South Asia will be the main drivers of growth in the future. The IMF in its latest World Economic Outlook forecast on GDP growth across the world has highlighted that some of the fastest growing economies in 2017 are located in South Asia and these include India, Bangladesh, Myanmar, Sri Lanka and Bhutan.

The World Bank’s June 2017 Global Economic Prospects report mentions that the overall growth in the South Asian region is forecast to pick up to 6.8% in 2017 and accelerate to 7.1% in 2018. The region is therefore the most promising region globally in which an actuary could choose to work.

Current state of the actuarial profession

India

In India, the demand for actuarial expertise has accelerated and is experiencing significant growth. There are over 10,000 actuarial members in the country and student enrolment has increased significantly in the last 10 years. More than 80% of the actuarial talent in India is below 35 years of age.

“Fortunately, India is endowed with skilled and aspiring individuals with a logical bent of mind, who are keen to pursue and enter such a professional career,” said Mr Kunapuli Mahassen, India Chief Actuary, Deloitte. He highlighted that the number of credentialed actuaries (Fellows or Associates) have not increased as rapidly as the number of students and there exists a good demand for credentialed actuaries, particularly with international experience.
prospects continue to be promising for new entrants into the profession,” said Mr Mahasen.

Pakistan

The actuarial profession in Pakistan comprises of about 80 members who are mostly actuarial students and a limited number of fully qualified actuaries exists in the country which also has an increasing number of associates.

These members are mostly staffed at seven consulting firms and eight life insurance/family takaful companies.

“The last couple of years have witnessed an increased activity with the regulator bringing forward regulations relating to general insurance reserving and enterprise risk management framework development,” said Mr Muhammad Saeed Zafar, Senior Manager - Actuarial Services, SHMA Consulting, Pakistan.

Sri Lanka

Sri Lanka, on the other hand, lacks actuarial resources within the country though the actuarial profession in Sri Lanka has grown rapidly over the last few years.

“The need for actuarial resources has increased tremendously over the last few years due to changing regulations and more challenging market conditions, and it will continue to increase with the adoption of IFRS 17 and evolution of other regulations,” said Ms Melanthi Sarukkali, CEO / Principal Consultant, Spark Actuarial and Risk Consultants, Sri Lanka.

Lately there is an increased interest from university graduates and even high school students to pursue a career in actuarial science. Ms Sarukkali believes that access to information has been key in generating interest in the field and developing the image of the actuary within the local market.

Developing home grown talent in the region

Young people who are considering the actuarial profession as a career today have a plethora of options, as traditionally, the actuarial profession was limited to the insurance sector but now, the horizon has broadened to other industries as well.

“We should persistently seek media attention through the research that we conduct, since this is the best way to the talent pool and advocate the importance of actuarial perspective in today’s important issues,” said Mr Mahasen.

In Pakistan, presentations and information sessions have been held at leading universities to attract and channelize talented students to the profession. There has also been some work done to align their programmes with the actuarial exams curriculum.

“I personally gave a presentation at the Institute of Business Administration and encouraged my colleagues to give one at the Lahore University of Management Sciences. The Pakistan Society of Actuaries has also taken the initiative and held annual seminars for students to create awareness among aspiring actuaries,” said Mr Zafar.

The Actuarial Association of Sri Lanka (AASL) supports the student community, and growth of the profession in general through regular knowledge sharing sessions, mentorship programmes and sponsoring a student member to attend the Asian Actuarial Conference every year. AASL has applied for full membership of the IAA and is hoping to be accepted as a full member at the IAA council meeting in October 2017.

Still a lack of awareness about actuary and actuarial science

Saying that the actuarial profession in India is not as mature or cultivated when compared to the established global organisations, Mr Mahasen said this, at times, can become a challenge for advancement. He said it is essential to uphold the mutual recognition of the actuarial societies prevalent across the globe, to foster greater collaboration in the global landscape.

In Pakistan, the word, ‘actuary’ or ‘actuarial science’ is still an unknown term among the majority of people where there are only a few members and employers when compared to other professional bodies like the Chartered Accountants or Chartered Financial Analysts.

“There has also been limited involvement of actuarial professionals in debates on the insurance industry and the country has also been continuously affected by a significant brain drain with the experienced and qualified actuaries leaving the country resulting within Pakistan, " highlighted Mr Zafar.

In Sri Lanka, apart from a lack of awareness of the profession, the support provided by employers in pursuing actuarial credentials vary widely in the industry.

Currently only the insurance industry recruits actuaries and the involvement of actuaries in other industries such as banks and the government sector is limited. Immigration is also a concern, as credentialled actuaries leave the country to work in more developed markets.

“One of the reasons is that compensation offered to actuarial professionals in the insurance industry is not competitive enough to retain good talent in the country,” said Ms Sarukkali. This has improved slightly over the last few years with several students returning to work in Sri Lanka after completing their degrees with some experience overseas.

South Asian Actuarial Conference – A window to regional cooperation

The conference will be a splendid opportunity to develop business networks and increase awareness of new trends in the industry, said the organisers.

Concurring, Mr Mahasen added: “IFRS is a global hot topic today and channelising conversations around it could aid in opening up various opportunities and identifying its implications in South Asia.”

Mr Zafar believes that the conference will increase regional cooperation and provide a learning opportunity to the members of the actuarial profession in Pakistan. “The event will provide opportunities to our members to actively look out for business prospects and expose them to the functioning of different jurisdictions,” he said.

For Sri Lanka, hosting an international actuarial conference in Colombo will raise awareness of the profession within the market and it will also be a great platform to showcase the achievements of the local actuarial community to the region. “Most importantly this will be a good opportunity to learn from each other in the region and share our experience and efforts towards developing the actuarial profession with any country who would like to take the