Collaboration between UNDP, Milliman and the International Actuarial Association delivers the first Round Table on Insurance Regulation

More than 300 attendees participated in the first-ever hybrid roundtable on Insurance Regulation and the Role of Actuaries in Latin America and the Caribbean. The event took place on March 14 - 15th 2024 and raised awareness and understanding of the regulatory role of actuaries.

The role of actuaries is essential in a wide range of industries. They oversee evaluating risk, provide financial certainty in face of rising and diverse hazards, developing and testing hypotheses, gathering data and analyzing patterns, assessing the likelihood of different events occurring, and predicting the possible impact. In that sense, actuaries serve a critical role in shaping business models, assessing investments and ensuring that a business can sustain its operations long-term.

In the case of regulators and government officials, actuaries provide tools and approaches to understand risks, the value of public obligations for pensions, health systems, agricultural insurance programs, etc. However, key challenges faced in many countries in Latin America and the Caribbean is that actuarial profession is at the early stages of development, in-house actuarial capacity within regulatory authorities is limited, and the regulatory role that actuaries could play has not been properly defined.

In this respect, the roundtable on insurance regulation and actuarial capacity discussed these challenges and helped regulators in the region to better understand the regulatory role of actuaries and factors to consider when defining such roles.

Over 300 professionals attended, representing 18 countries - Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela.

Senior managers of regulatory entities and regulators' actuarial technical teams, staff in charge of monitoring solvency and technical provisions, insurance companies, academics and actuaries contributed to a dynamic discussion focused on the needs of actuarial capacity within regulatory authorities and the role of actuaries in ensuring the financial solidity of the insurance industry. In particular, they shared practical tools, methodologies, and helpful reports that actuarial or technical staff are using within regulatory entities. Topics of particular interest included actuarial professional certification process, risk-based capital regulatory framework, definition of catastrophic risk reserves, basic principles for effective supervision, actuarial team structures in a regulatory entity and best practices for internal hiring/training.

To sum up, the roundtable facilitated learning and peer-to-peer exchange for regulators and actuaries with diverse levels of regulatory experience. The event was the first in a series of roundtables that will continue providing this much-needed space for regulators and actuaries to share insights and gain new perspectives from experts and regional peers.
More about UNDP-Milliman GAIN

In September 2022, the United Nations Development Programme (UNDP) and Milliman created the UNDP-Milliman Global Actuarial Initiative (or GAIN) to help developing countries better understand and manage their climate risks by building actuarial capacity and deepening insurance markets. For economies to advance, societies must be able to manage risk. GAIN helps people to build the skills they need to accomplish this essential task.

Since this partnership was formed, this bold and unique initiative is thriving and growing, supporting 10 countries with insurance and risk finance solutions. The collaboration between UNDP, led by its Insurance and Risk Finance Facility (IRFF), and Milliman has shown remarkable progress and developed a clear vision of how the initiative can evolve in the future.

Learn more about the UNDP-Milliman GAIN Programme: https://www.milliman.com/en/milliman-undp-global-actuarial-initiative

About the IAA

Founded in 1895, and reformed in 1998 with a new constitution, the International Actuarial Association (IAA) is the worldwide association of professional actuarial associations, with a number of special interest sections for individual actuaries. The IAA exists to encourage the development of a global profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served.

For more information about the IAA visit www.actuaries.org