DEVELOPMENT of an
ACTUARIAL PROFESSIONAL BODY in
SINGAPORE

Yangon, Myanmar

14 July 2014

Chi Cheng Hock, FFA
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

<table>
<thead>
<tr>
<th>Year (S$ million)</th>
<th>1990</th>
<th>2000</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Life Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Premium In Force</td>
<td>1,123</td>
<td>5,222</td>
<td>13,664</td>
</tr>
<tr>
<td>New Business Premium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>9</td>
<td>3,338</td>
<td>6,424</td>
</tr>
<tr>
<td>Regular</td>
<td>286</td>
<td>455</td>
<td>2,454</td>
</tr>
<tr>
<td><strong>General Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Gross Premium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>876</td>
<td>1,622</td>
<td>3,627</td>
</tr>
<tr>
<td>Offshore</td>
<td>681</td>
<td>1,647</td>
<td>6,790</td>
</tr>
</tbody>
</table>
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
Development of an Actuarial Professional Body in Singapore

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- **Singapore Actuarial Society: Current Status**
- Singapore Actuarial Society: Functions as a Professional Body
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Singapore Actuarial Society: Current Status

<table>
<thead>
<tr>
<th>Membership at 31 Dec</th>
<th>2013</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fellows</td>
<td>340</td>
<td>131</td>
</tr>
<tr>
<td>Associates</td>
<td>67</td>
<td>53</td>
</tr>
<tr>
<td>Ordinary</td>
<td>336</td>
<td>162</td>
</tr>
<tr>
<td>Student</td>
<td>61</td>
<td>7</td>
</tr>
<tr>
<td>Affiliate</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>
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 Fellows 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
  - Composition
    - 7 – 10 Members (excluding Immediate Past President)
    - All Fellows or Associates
    - President and Vice-president must be Fellows
  - 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
Development of an Actuarial Professional Body in Singapore

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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)
  - L02 Valuation of Life Insurance Policy Liabilities (2010)
  - L03 Management of Participating Fund (2011)
- Disciplinary Scheme
  - Due process
  - Independent tribunal
Singapore Actuarial Society: Functions as a Professional Body

Serve the Public Interest

- MAS Consultation Papers
  - Responses independent of employers
- Engagement with Ministry of Health
  - National health insurance scheme
- Mortality investigations
  - 1983 – 1988
  - 1988 – 1993
  - 1997 – 2002
  - 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
  o Public Relations
  o Education and Careers
    ▪ Organise training and CPD events
      • Liaise with Practice Committees
  o Student
    ▪ Liaise with universities
  o International
    ▪ Liaise with
      • International Actuarial Association
      • East Asian Actuarial Conference
      • Other actuarial associations
  o 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
  o New Objects
    ▪ Uphold professional standards
    ▪ Further professional development
  o Council replaced Executive Committee
    ▪ Originally, all members must be Fellows
  o 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
    - More complex analyses
      - Guidance also required
Development of SAS

Conversion to a Professional Body (3)
- Recognition in legislation
    - 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
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
  - Code of conduct
  - Guidance notes
    - [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
  - 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
  o Advice and Assistance Committee

Open dialogue with other ASEAN actuarial bodies

Join the EAAC
  o Next conference:
    ▪ Taipei, 12 - 15 Oct 2014

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