

# Provision of actuarial services in microinsurance markets

## IAA Task Force

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# Actuarial services in microinsurance markets

## Agenda

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- > Scope of the Task Force
- > Membership
- > Progress to date
- > Some key themes

# Actuarial services in microinsurance markets

## Scope of the Task Force

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- > To develop a short paper outlining the issues with respect to actuarial functions within microinsurance markets.
- > To propose ideas, including specific approaches, to address these issues and assist in making qualified technical resources available for providers in inclusive insurance markets.
- > To address other avenues to increasing capacity.

# Actuarial services in microinsurance markets

## Scope of the Task Force

- > To consider appropriate training and qualifications of persons performing actuarial functions in microinsurance organizations.
- > To investigate other approaches to managing the gap in technical skills given the lack of actuaries in many parts of the world and the expense of hiring them from elsewhere.

# Actuarial services in microinsurance markets

## Task Force membership

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### > Co-chairs Kelly Rendek and Dermot Grenham

#### **Members**

Howard Bolnick (United States) – MiWG Chair

Dave Sandberg (United States) – Insurance Regulation Committee Chair, Executive Committee

Nigel Bowman (South Africa) – MiWG, ASSA

Ben Marshall (Canada) – AWB

Kirsten Armstrong (Australia)

Gantulga Donorov (Mongolia) – Managing Director, Society of Actuaries of Mongolia

William Collins (United States/Kenya) – Microinsurance Fellow, ILO

John Wipf (Philippines)

Tienie Hamman (South Africa) – FSB

Mayur Ankolekar (India) – Institute of Actuaries of India, AWB

Luis Huerta (Mexico) – Colegio Nacional de Actuarios A. C.

#### **Observers**

Craig Thorburn, World Bank

Maria Victoria Saenz-Samper, InterAmerican Development Bank



# Actuarial services in microinsurance markets

## Progress to date

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- > Issue of initial set of questions to stimulate debate
- > Meeting of the Task Force to discuss questions
- > Meeting of UK microinsurance member interest group to discuss these questions
- > Draft paper prepared

# Actuarial services in microinsurance markets

## Some key themes and considerations

- > How to apply proportionality?
- > Important to consider different dimensions of analysis:
  - > Region/country
  - > Product type
  - > Category of actuarial services
  - > Need for in-house actuaries vs delegated/contracted services
  - > Microinsurance as a distinct market within insurance industry
  - > Type of microinsurance organisation (regulated insurance company, cooperative or mutual organisation, informal community group)

# Actuarial services in microinsurance markets

## Some key themes and considerations

- > Microinsurance markets generally in countries:
  - > where there are few if any local actuaries
  - > graduates from actuarial courses don't go on to work as actuaries locally
  - > lack of demand for actuaries possibly due to limited understanding of role of actuaries and perceived cost
- > Does developing actuarial capacity for microinsurance have to go hand in hand with developing actuarial capacity for traditional insurance in low and middle income countries?



# Actuarial services in microinsurance markets

## Some key themes and considerations

- > Microinsurance providers will be carrying out work that is often carried out by actuaries in more developed markets. Who is doing it and how?
- > Scope for simplification of actuarial requirements e.g. regulators to provide pricing or reserving factors. However, is this a short term fix and could it hold back the development of the actuarial profession in that country?
- > Importance of the role of regulators

# Actuarial services in microinsurance markets

## Some key themes and considerations

- > Identify any differences regarding actuarial needs of traditional and microinsurance and question if justified