



Chief Actuary 360° Program
Growing the Next G of Chief Actuaries



Why Transform Ourselves & How?

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Sydney, 29th July 2014

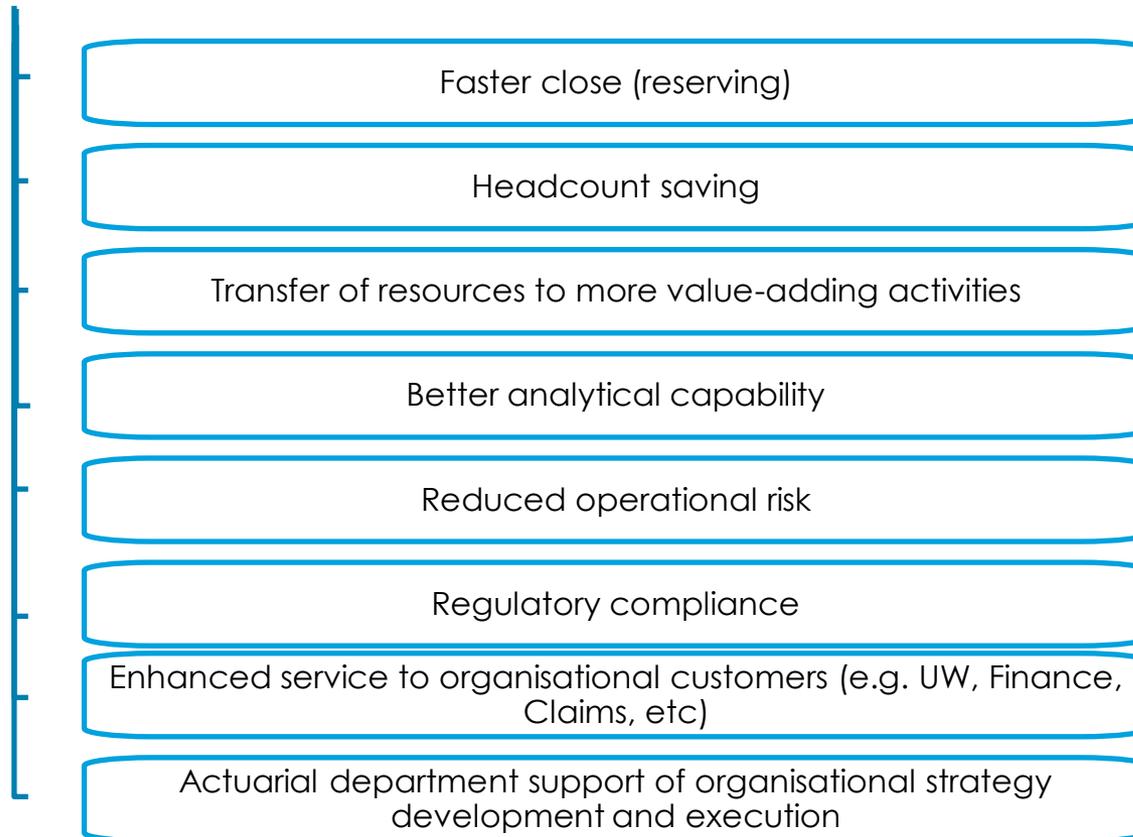
Content

1. What is an Actuarial Transformation?
2. Why Transform? What are the benefits and costs?
3. How we see the role of the Chief Actuary? The four faces.
4. What issues are Chief actuaries facing around the world?
5. The Four Key Messages
6. Group Discussion



What is Actuarial an Transformation?

Changing the operating model, supporting technology/systems, processes or culture for an actuarial team to recognise benefits for the organisation such as:



Why Transform? What are the gains to be made?

Increased Efficiency:

- Reduce manual processes
- Report Automation
- Greater accuracy and consistency
- Make better use of actuarial function for analysis and insights

Greater Controls:

- “Single source of truth”
- Reduce operational risk from poor inadequate processes
- Increase accountability through governance

Increased Effectiveness:

- Enhance support provided to key decision makers
- Delivering insights not reporting
- Enhance outcomes for key stakeholders, not only actuaries

Talent Management:

- Focus on analytics and not on manual processes
- Attract and retain top talent
- Improved perception of actuarial value add increases opportunities for actuaries



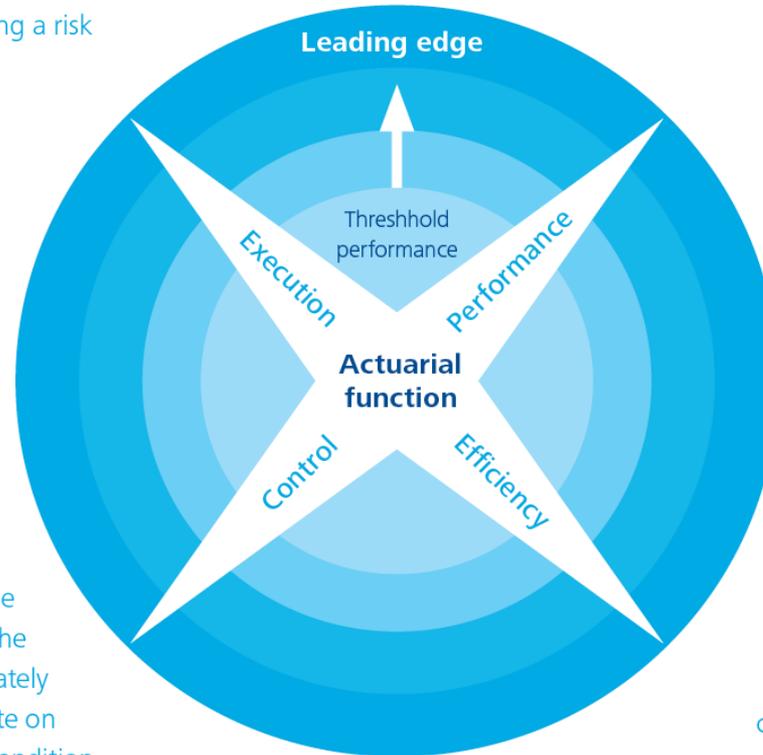
The Four Faces of a Chief Actuary

Catalyst

Catalyse behaviours across the organisation to execute strategic and business objectives while at the same time creating a risk intelligent culture.

Strategist

Provide actuarial leadership in determining strategic business direction, and supporting other strategic activities such as product development and pricing vital to the future performance of the company.



Steward

Protect and preserve the critical frameworks of the organisation and accurately report and communicate on financial position and condition to internal and external stakeholders.

Operator

Balance capabilities, talent, costs, and service levels to fulfill the actuarial function core responsibilities efficiently.

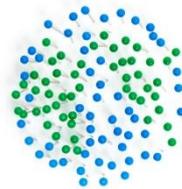


What Issues are Chief Actuaries Facing around the World?

Global survey conducted on the actuarial teams

Geographic coverage:

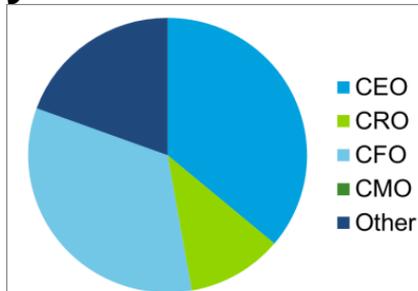
100 responses from Australia, Canada, Denmark, Hong Kong, South Africa, Sweden, UK and USA



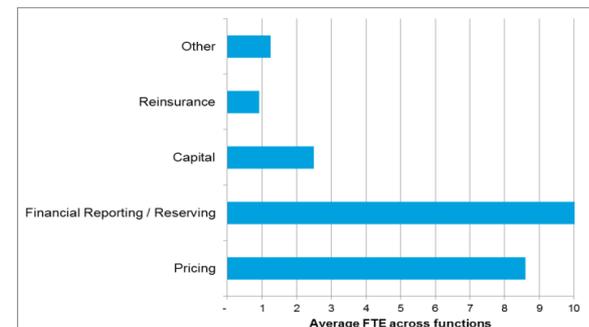
Responses split roughly 50/50 between small and large teams with the following FTE mix:

Average Team Structure	Small	Large
Senior Qualified	3	15
Newly Qualified	4	14
Students	8	19
Not Studying	1	5
Other	1	5

The Head of Actuarial reported primarily to the CFO or CEO:



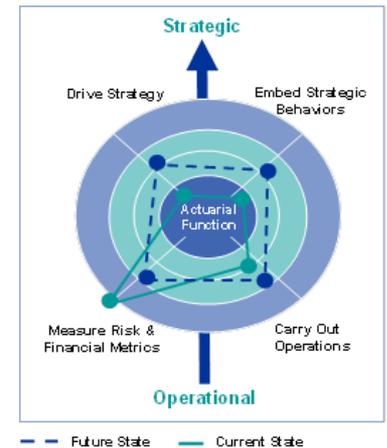
The functions covered:



The Four Key Issues facing Chief Actuaries around the world

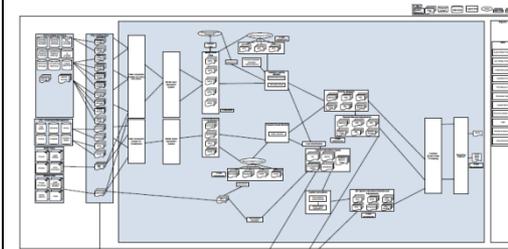
Issue 1: Input to Strategy: The Actuarial role has become more compliance focussed. The Chief Actuaries' contribution to broader business and strategic decisions has diminished.

→ Actuarial teams have moved towards reporting and maintaining of models rather than strategic insight generation.



Issue 2: Data & Technology: Historic under investment in data capture and IT systems, combined with legacy issues from growth and M&A have created technology and data strains on actuaries.

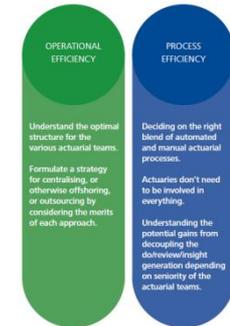
→ Actuaries have been resourceful, resulting in the development of shadow IT & data systems which met the actuaries' needs.



The Four Key Issues facing Chief Actuaries around the world

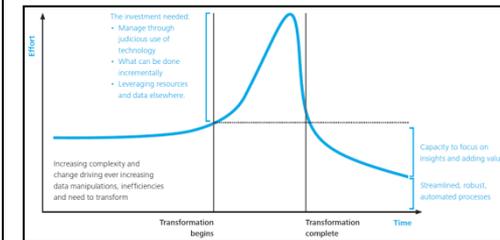
Issue 3: Operational/Process Efficiency: In mature growth constrained markets, operational efficiencies are critical. Resources are scarce and teams are being asked to do more with less.

→ *Actuarial teams are not immune, and must embrace operational and process efficiency or risk having it imposed on them.*



Issue 4: Cultural Transformation: Actuaries typically define what is good through achieving a good enough level of 'accuracy' and technical sufficiency. Whilst these are important, the key question is what is good from a business perspective?.

→ *There's an important cultural change to actuarial transformations.*



Group Discussions

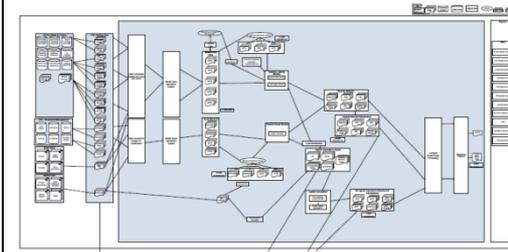
Issue 1: Input to Strategy:

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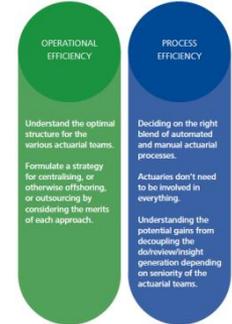
Issue 2: Data & Technology:

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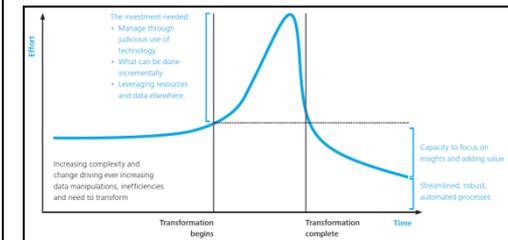
Issue 3: Operational/Process Efficiency:

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Issue 4: Cultural Transformation:

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