



Future of GI Actuaries

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Key events that affect GI actuary

- GI Products are becoming more like a commodity
 - Traditional actuarial technics are less important
- Agents are looking for simple rating
 - Easy and fast to sell
- Advancement in technology
 - People can do more with less
- GI Actuaries need to evolve

Evolution of GI Actuaries

- We keep looking for “things to do.”
- Over the last 20 years, the “job scope” of GI actuary has increased
 - Risk management
 - Investment
 - Solvency
 - Stress Testing
 - Finance/Accounting
- All the actuarial work is about one thing :
 - How to calculate something/How to measure something

Time to Change Mindset

- What we do very well
 - Raising issues, explaining problems, analyzing problems, re-phrasing the problems...discussion.
- What we do not do very well
 - forming a practical solution
 - Make a decision
- Objectives of actuarial meetings are usually focused on discussion
- Objective of business meetings are usually focused on decision/solution
- From discussion to solving a problem
 - Be a problem solver

How to be a problem solver

- Good communicators
 - Need to be able to explain technical issues to non-technical person
- Results oriented
 - Always focus on the objective.
 - Not process oriented.
 - For example, “our loss ratio increased this year because we use three year average this year and we use 5 year average last year in loss development factors.”
- Be resourceful
 - Data, Data Everywhere
 - Need to do non-traditional actuarial analysis
- Be creative
 - Think “why” and have fun

Example 1 : Resourceful

- Objective: You want to sell your products to people with certain income.
- Problem: Income data is unavailable and sensitive. Can not just ask.
- Possible solution: use different indicators that has similar relationship to income.
- Singapore statistics* has shown that the following consumptions have high correlation to household income.
 - Alcoholic beverage consumptions ; especially wine
 - Fruits consumptions
 - Ice cream consumptions
 - Clothing
 - Food wear
 - Vehicle purchases
- Statistical calculations are your “tool” to find solution, but themselves are not solutions.

* Table 16 Average Monthly Household Expenditure by Type of Goods and Services and Income Quintile, Household Expenditure Survey ; Department of Statistics of Singapore

Example 2 : Results Oriented

	COE Issued
2002	43,220
2003	57,166
2004	78,192
2005	79,030
2006	86,861
2007	78,798

	Private Car Population
2010	595185
2011	603,723
2012	617,570
2013	621,345
2014	616,609
2015	602,311

	New Car Registrations (Private Car)
2013	22,008
2014	28,615
2015	57,452

Summary

- To increase our value, we need to change our mindset, not increase the job scope
- Be a problem solver\provide useful solution
 - Good communicators
 - Results oriented
 - Be resourceful
 - Be creative