



IFoA's first Asian president-elect

The Institute and Faculty of Actuaries in February 2019 confirmed the appointment of **Mr Tan Suee Chieh** as the next president-elect. He will take on the role of president in June 2020. Mr Tan, who is based in Singapore, will be the first Asian president of the institute. He spoke to *Asia Insurance Review* about his new role and the challenges ahead for the actuarial profession.

By Jimmy John



Q What are your feelings on your new role?

I feel humbled, grateful and excited. I grew up in a small town in Malaysia and have always looked up to the actuarial giants in our history and have regarded the Institute and Faculty of Actuaries (IFoA) as the heart of professional excellence and intellectual leadership. So, I truly feel humbled to be the first Asian selected by my peers to serve in this role. My actuarial qualification was important to my career success, and has transformed my life, as it has many others. Therefore, I am grateful for this opportunity because now I can return my debt to the profession in a most meaningful and consequential way.

I feel excited because the opportunities and challenges posed by the digital revolution are of a very different order. We are only at the foothills amongst mountains of change. Given our skillsets, we have an extraordinary opportunity to participate meaningfully in this transformation. I am confident we will succeed in this endeavour.

Q How do you rate the actuarial profession in Asia and what are your priorities for the region?

I rate the profession extraordinarily highly because of the reputation it

enjoys amongst business leaders, consumers and regulators. The success of many actuaries as senior business leaders, and the high regard in which they are held, is a testimony to that.

My priority is to accelerate our attention on this part of the world as Asia is of prime strategic importance to us. This is a reflection of the underlying attractive economic fundamentals underpinning the region.

I will support the profession across geographical boundaries in its continuing efforts in reinvention to meet the needs of business and society in a sustainable manner. On the wider front, we will also be ensuring the profession and the tools and skills we bring are well positioned to take advantage of the dramatic changes sparked off by the digital revolution.

Q What steps do you feel are necessary to popularise the profession in Asia, considering that the demand for actuaries has peaked in the region and supply is short?

The demand has not peaked, and I believe it will continue to grow as we venture into new fields, as old boundaries protecting existing industry structures give way over time. As actuaries, our reputation

rests on what we say and do.

We will continue to build professional trust and do good work. Increasingly, our decision making must serve wider societal goals of sustainability. We will explain to the public what we do, and make sure the work we do is of the highest standard and the judgement we give is of consequence. We will encourage the young to join the actuarial profession, not only because it is a rewarding one, but it is one which makes a difference.

My hope is that we will increase our influence and reputation as a forward- and outward-looking profession, anchored in our heritage as risk architects and data scientists. We are capable of offering leadership, strategic advice, and execution not only in insurance but in all domains where we encounter risk and uncertainty. As a result, I believe our reputation can only grow.

Q What do you see are some of the challenges facing the actuarial profession and how do you plan to address those issues?

I see two sets of inter-linked challenges.

Q Changing landscape

The world is changing rapidly and there are many distinct areas

where actuaries can and must make a difference.

The digital revolution will impact how data is collected and used and how risk and savings industries will be organised in the future. Capabilities like blockchain and robot advisors, and the rise of platform digital companies will lead to dislocation and reorganisation of existing industry processes and structures.

Autonomous vehicles, genetics and cyber security will lead to changing sizes and types of risk pools. The advent of 100 year lives and rapidly changing demographic structures, exacerbated by volatility of investment returns, will lead to increased pressure for more secure and efficient financial and retirement savings.

Regulatory oversight on capital adequacy and risk controls will not abate. A paradigm shift in thinking is required in long term savings vehicles, and we may have to draw lessons from behavioural finance and psychology. Climate change will present direct and indirect shocks to our operating environment feeding into insurance claims and also viability of our longer-term risk and investment models. How all these will play out is less than clear, but they will impact the work we do.

Reinvention of profession

I see actuaries broadly as people who use mathematics and their cognitive ability to help solve business problems relating to risk and uncertainty. We have been doing this for decades and centuries in traditional areas like insurance and retirement savings. For us to perpetuate our relevance, we have to reinvent our skillsets and reframe our mind-sets.

The new skillsets will include the following elements.

- Data analytics, machine learning,

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neural networks leading to AI – this is the new mathematics of our time.

- Increasing comfort with working with technology – devices, IoT, drones, robotics, wearables and sensors.
- Being increasing multi-disciplinary – genetics and genome, behavioural finance, climate change, demography and longevity and healthcare ecosystems.

Increasingly, actuaries will have to work with emerging thinking in other domains, because the real innovation will take place at the intersection of disciplines. For example, a health insurance actuary must begin to understand how data is collected by wearables and IoTs embedded in homes and how they can be used in care management and risk assessment.

A general insurance actuary should be interested in how drones, weather and social data can be used in disaster prediction and damage/injury limitation, surveys, claim settlement, reserving and pricing.

We have to shift our mind-set to one of increasing curiosity and

adaptability. Lifelong learning is not just a cliché. It means exactly that. Given the speed of change and increasing longevity, this is not a negotiable. If we do all these, I can see actuaries as relevant in many businesses, and stepping out of our shadows. The upcoming flagship IFoA Asia Conference in Chengdu on 9-10 May will be addressing and discussing some of the key issues that I have set out here.

Do you see a threat to the actuarial profession from AI and machine learning? What must actuaries do to stay relevant and keep abreast of the changing times?

Over time, AI will replace many jobs and tasks in almost every profession and every human endeavour. This will continue to occupy the minds of many thinkers, and in 50 years' time, human society will look very different from that today.

The question for us now, is how the profession and actuaries, especially the younger ones, can continue to evolve and reinvent themselves as industries transform in the next 2-3 decades. I see great opportunities for the curious and proactive actuaries, who embrace lifelong learning.

At the IFoA level, we continue to reposition the profession (most recently with the introduction of our new curriculum which includes new elements of data science) and we will ensure our toolkit is fit for the future to take advantage of the dramatic opportunities sparked off by the digital revolution. 

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