



## Building a talent pipeline for actuaries in Asia

In Asia today, actuaries are like the navigators of a fast-moving ship. They help insurance companies, banks and businesses steer through choppy waters by figuring out risks and making smart decisions. We spoke with **Bayes Actuarial Solutions' Mr Logen Kanisan** to find out more about how the actuarial landscape has changed.

By Reva Ganesan

Over the years, the role of an actuary has undergone profound transformation, mirroring the evolving landscape of risk management and financial services.

Traditionally confined to the realm of insurance and pensions, actuaries now find themselves at crossroads of data science, finance and business strategy.

To top that, technological advancements have played a pivotal role in this evolution, empowering actuaries with much greater modelling tools and data analytics capabilities.

“The pandemic has changed a lot of things for actuaries. It seems like disruption is happening non-stop and in the post-pandemic world, it has only become complex for actuaries and there are probably going to be a lot more challenges actuaries need to navigate,” said Bayes Actuarial Solutions founder and principal consultant Logen Kanisan.

According to Mr Kanisan, the pandemic has accelerated the globalisation of the actuarial profession.

“The world felt cosier and more predictable, pre-pandemic. Post-pandemic, the world has become a lot more volatile, unpredictable, complex and ambiguous. The actuarial profession depends on financial systems and when wars and inflation come around, it shocks the financial system.

“A decade ago, actuaries had a very safe and niche skill set. We followed traditional computations, financial management, risk management for insurance companies and some of us even went into the banking industry. But now with changes to economic fundamentals and macroeconomic factors, there has been a lot more unpredictability that we need to consider,” he said.

On a positive note, Mr Kanisan said that the growth of InsurTech and fintech has been exponential in “trying to chart path towards

profitability which has helped the industry” and generating value to the industry.

### Challenges

Mr Kanisan said actuaries are under a lot of pressure to evolve. As the education system evolves, progressing through the actuarial career and climbing up the corporate ladder gets harder.

“Unfortunately, I have to say that a qualified actuary’s job is no longer sacred. We do get retrenched, regardless of the number of years of experience. Whatever is happening in the tech world is also happening in the insurance, reinsurance and consulting worlds,”

“This just means we need to be very nimble and be able to adapt and move on to different domains and regions,” he said.

### Talent shortfall

At a broad level, there are 1.8m chartered accountants around the



world, yet only 76,000 fully qualified actuaries. This is according to a global actuarial study by DD Consulting and Bayes Actuarial Solutions.

“The figure shows a huge gap. In Asia, we have a very low saturation rate of actuaries. If you compare it to the North American regions - let’s say Canada - the country has around 4,000 to 5,000 fully-qualified actuaries for a population of 30m. Singapore has 500 and also serving the entire APAC region. Countries like Indonesia, Vietnam, Thailand and Philippines have shortages and this shows a talent crunch taking place,” he said.

In Malaysia, there is an acute talent shortage of qualified and mid-level actuaries. Finding an actuary with five years experience is not easy and there is a very limited talent pool, Mr Kanisan said.

When asked about why he thinks a talent shortage exists, Mr Kanisan said the branding of the actuarial profession is rather young in Asia compared to North America where actuarial societies were first formed.

“It was only in the last 10 to 20 years that the actuarial profession started picking up in Asia and we didn’t have local universities providing actuarial education until

the last decade,” he said.

The other reason he said was the fact that the actuarial profession requires an intensive and extensive series of exams to be taken, which takes more time and cultural change.

“Having an actuarial degree is not an absolute must but a quantitative background along with some internship experience is important,” he said.

#### Pitfalls of AI

Since the insurance industry is tightly regulated, Mr Kanisan said there needs to be fundamental issues with generative AI that need to be addressed before it can be widely used.

“Building proprietary AI models needs to be important and that will take time. Insurance and tech companies dealing with sensitive widespread data will need to build their own AI models to ensure data privacy,” he said.

Reliability is another issue Mr Kanisan mentioned.

“Large language models (LLMs) are being built with creativity and randomness, which means they tend to hallucinate and pass off many falsities as truth. It doesn’t jive well with what we do in the

financial industry as we are dealing with policyholders’ money and livelihoods.

“The issue of bias and ethics need to be investigated as well. Whatever inherent bias we have in the training data - a human being can spot and correct that but an AI model will accentuate those biases,” he said.

#### How AI can help actuaries

“Gen AI can help as a superpower tool to analyse unstructured data. Sorting through chats, tables, numbers, models and methodologies is where gen AI can help. Imagine the amount of data sitting out there. The analysis of unstructured data is the highest promise of LLMs thus far, from an actuarial perspective,” he said.

#### Moving from cost centres to revenue generators

“We are already seeing the outsourcing of actuarial jobs. Our jobs are being outsourced from the UK and the US into India and even Asia. From a business perspective, actuaries need to become hunters. We need to move from being cost centres to revenue generators. Once we become the front face of the profession, our salaries will start moving up,” he said.

#### Looking ahead

Singapore and Malaysian markets are very closely connected. The talent shortage is left, right, centre and building a talent pipeline is very important, Mr Kanisan said.

Globally, there is a talent migration for actuaries.

“The saturation of actuaries is high in the US, North America, Canada, UK and Australia where the financial industry is much more developed. But due to talent migration from India and SEA into the said countries, there is lack of talent in the Asia region,” he said.

In recent years, he said, people are inquiring about returning to actuarial jobs in Asia which is good as there is talent supply coming inbound and they have experience working in mature markets.

“That will certainly generate revenue, income and jobs for the actuarial sphere in the Asian region,” he said. 