

Actuarial Modernisation

Shaping the Future of
Actuarial Excellence

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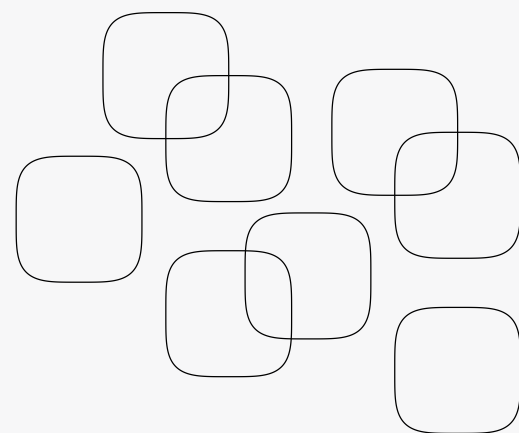
Actuarial Modernisation Defined



Actuarial modernisation is the transformation of traditional actuarial operations using advanced technologies and innovative strategies to enhance efficiency, accuracy and competitive advantage.

A willingness to adapt and evolve is essential for managing increasing data volumes, complex regulations and the growing demand for strategic insights required by today's actuaries.

Successful modernisation requires addressing multiple factors simultaneously — past choices, current practices and future trends — within a complex ecosystem. This demands creative thinking, adaptability and a commitment to continuous learning to effectively tackle and overcome complicated challenges, ensuring sustained progress.



With modernisation becoming a strategic priority for many insurance companies, the process is recognised as necessary but often far from straightforward. Many ambitious change projects fail to meet their goals due to both known and unforeseen obstacles.

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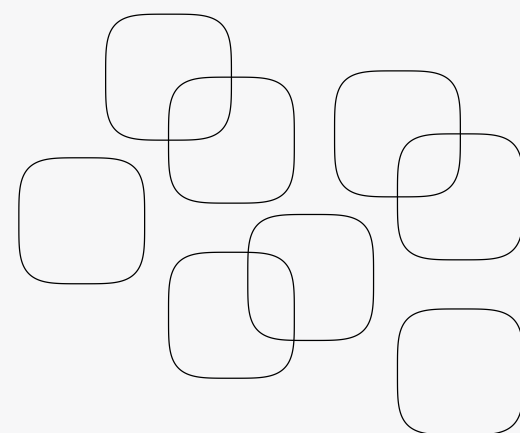
Actuarial Modernisation Aligned

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Strongly influenced by historical decisions, actuarial modernisation is path dependent introducing added layers of complexity and uncertainty. Emerging technologies further complicate this landscape, often bringing unexpected challenges, while existing systems, despite often being inefficient, do eventually produce results which can often lead to resistance to change.

The demanding and multifaceted nature of modernising the actuarial function is further complicated by the fact that the various components of modernisation can evolve independently or intersect—influenced by both internal and external factors.

Adopting new methods affects not only the systems and processes but also people and the organisation's overall operating model, requiring collective ownership and cooperation at all levels.



Driving meaningful modernisation requires a comprehensive understanding and a carefully orchestrated, strategic transformation of all the interconnected elements within an organisation's actuarial operations, ensuring alignment and cohesion across all levels.



Complexities of Modernisation



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Actuarial leaders face significant obstacles in their efforts to modernise operations. To overcome these, they must carefully balance the drive for innovation with the need to meet stringent regulatory requirements.

Data Quality and Availability

Inconsistent or inaccurate data leads to flawed analyses and poor decision-making. To combat this, actuarial teams must implement rigorous data governance practices, including clear standards, regular audits and data cleansing techniques. Investing in data management tools and training staff on proper data handling ensures data quality and integrity, leading to more reliable analyses and reporting.

Communication Barriers

Communication challenges often stem from differences in terminology, expectations or goals. Coordinating between internal teams and external consultants is particularly challenging with multiple stakeholders. Creating a detailed communication plan with regular meetings, updates and reporting structures is crucial. Implement a feedback mechanism to promptly address communication issues.

Regulatory Change

Staying compliant with evolving regulations is complex and resource-intensive. It's important to maintain a dedicated team to monitor regulatory developments, use RegTech solutions to streamline compliance processes and provide training on regulatory changes.

Talent Management

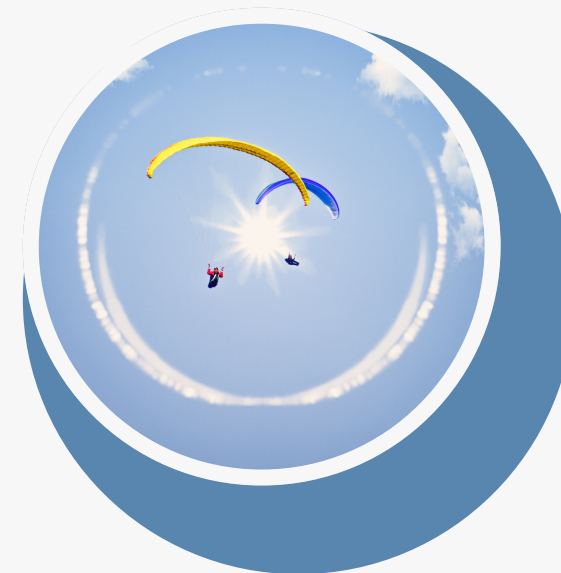
Recruiting and retaining skilled actuaries in a competitive market requires creating a supportive work environment with continuous professional development, clear career progression paths and a culture of collaboration. By aligning people's contributions with broader organisational goals and encouraging creative thinking, insurers can inspire motivation and better adapt to changing market dynamics.

Technology Advancements

Keeping up with rapid technological advancements and integrating new tools into existing processes is crucial. Investing in continuous learning, encouraging experimentation with new tools and systems and forging strategic partnerships with vendors cultivates a tech-savvy culture.

Modernisation Strategies

Modernising actuarial operations presents substantial challenges. Success requires striking a balance between innovation with stringent regulatory requirements.



Integrated Thinking

Promote understanding of the actuarial operation as a whole rather than focusing on individual components. This helps in identifying underlying patterns and relationships among different enablers of the modernisation project, and encourages more informed and complete decision-making.



Adaptability and Flexibility

Building an adaptive environment is crucial. Given the unpredictable nature of complex problems, it's critical to create a culture where teams can quickly respond to unforeseen changes or challenges. This may include encouraging experimentation, learning from failures or frequently updating strategies based on new insights.



Continuous Learning

Actuarial modernisation is a journey, not a destination, and therefore requires continuous learning and improvement to ensure sustainability. It is necessary to establish mechanisms for ongoing feedback, learning and improvement.



Clear Direction

Establishing a clear direction is imperative in delineating the path for the modernisation journey. This involves the setting of ambitious goals, alignment of objectives and mobilisation of the necessary resources. By setting out a well-articulated direction, actuarial teams gain clarity and a reason to progress in their modernisation endeavours.



Engage and Motivate

It is crucial to stimulate and engage those involved in the modernisation process. By visualising a positive future scenario and linking it to the values important to individuals, actuarial teams can cultivate a sense of purpose and motivation. This will ultimately cultivate commitment and resilience.



Collective Intelligence

Harnessing collective intelligence is essential in comprehending the present state of the system and facilitating continuous learning. By integrating diverse viewpoints and experiences, actuarial teams can develop a mutual understanding of the challenges they face.

Emerging Trends

Future trends in actuarial modernisation will see the integration of sophisticated Artificial Intelligence (AI) models, enhanced predictive analytics and the adoption of cloud-native solutions. Actuaries will be expected to take on more strategic roles within their organisations and to provide deeper insights that drive strategy.

AI and Predictive Analysis

Advanced AI models and predictive analytics will revolutionise actuarial functions, providing deeper insights and more accurate forecasting. These technologies will enable actuaries to analyse vast datasets quickly, uncover hidden patterns and assess risks more accurately. Enhanced forecasting capabilities will improve decision-making, risk management and proactive strategies, driving innovation and efficiency within the industry.

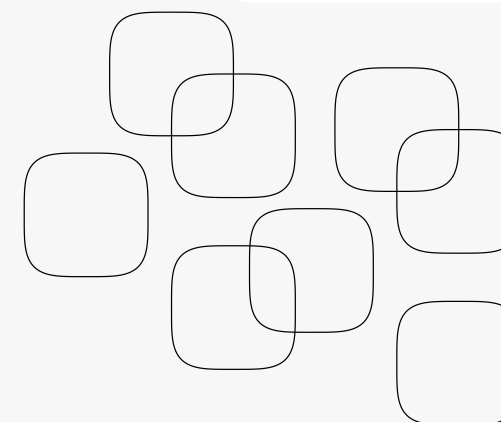
Strategic Roles

Actuaries are increasingly taking on strategic roles and driving organisational success through data-driven insights. Expertise in risk assessment, financial modelling and predictive analytics is crucial for developing sustainable business strategies. Leveraging data enhances pricing, customer segmentation and profitability. The ability to translate complex data into actionable intelligence, positions actuaries as essential strategic advisors within the business.



77% of respondents in a recent survey indicated they are at some stage of adopting AI in their value chain.

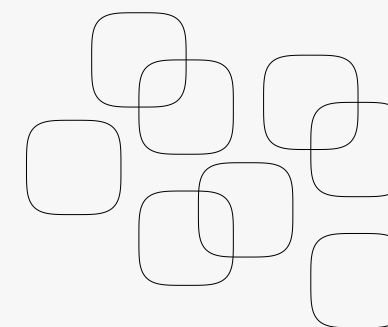
*Risk & Insurance Magazine,
March 2024*



Cloud-Native Solutions

The shift towards cloud-native solutions will enhance data accessibility, collaboration and computational power. It will enable the development of highly scalable, flexible and resilient applications that can be quickly updated to meet customer demands. By facilitating rapid changes without impacting the end customer, cloud-native technologies offer insurers a competitive edge and the ability to maintain a strong market presence.

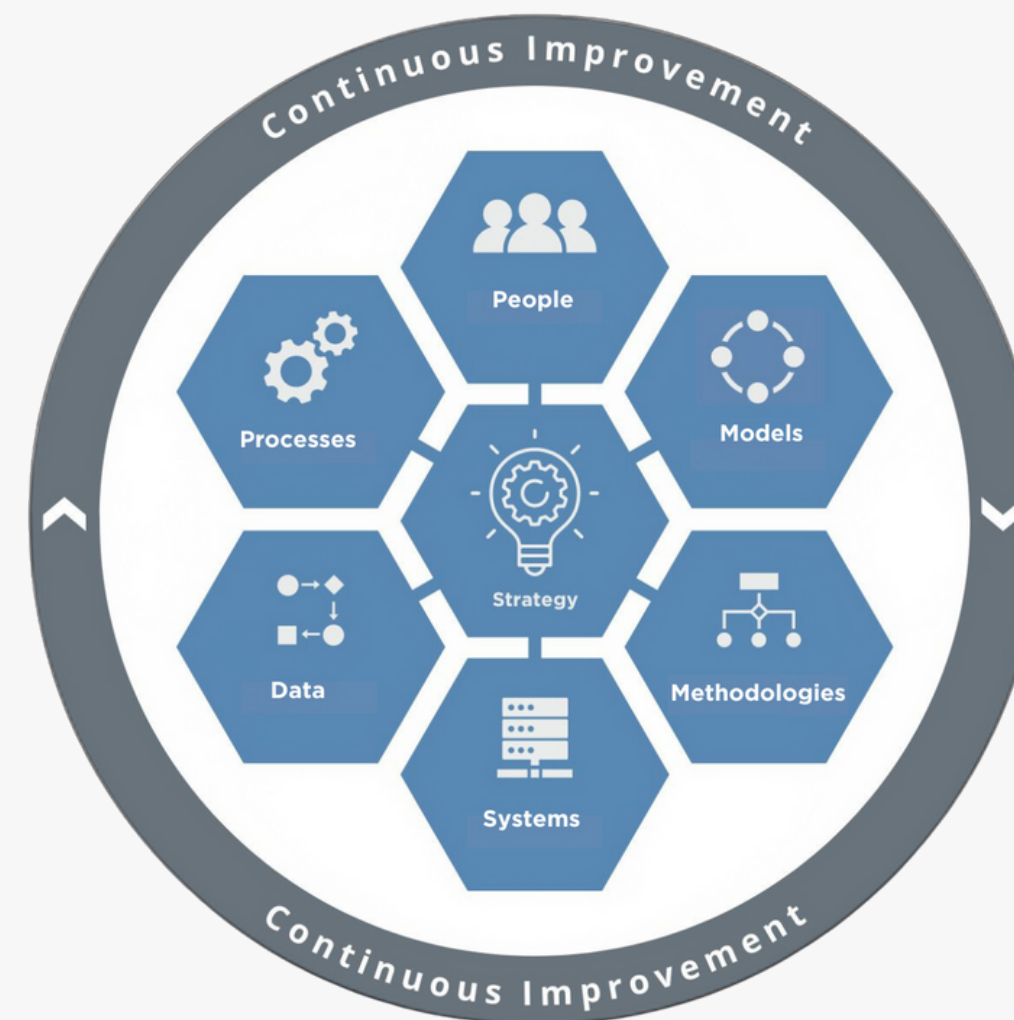
The Actuarial Performance Management (APM™) Framework



MBE Consulting's Actuarial Performance Management (APM™) Framework has been designed by our actuarial and systems experts to help actuarial leaders elevate the performance of processes, technology and people. It is comprised of six business relevant enablers to provide you with a highly structured approach to succeed in modernising all areas of your actuarial operation.

6 APM Enablers ~ helping you to...

- People** develop, manage and leverage actuarial potential at an individual, team and organisational level.
- Models** have models that are easy and efficient to use, and are able to create insights and outputs that are business relevant.
- Methodologies** deploy methodologies that align with regulatory requirements and support effective business decisions.
- Systems** maintain easy and intuitive systems (software applications, components and tools) for the users.
- Data** establish and maintain data solutions that apply and enable data best practices to accelerate performance.
- Processes** design processes that ensure consistent, reliable and timely delivery of results meeting the required quality standards.



Why MBE Consulting



Since 2008, MBE Consulting has been dedicated to pioneering actuarial excellence. Unlike traditional actuarial consultancies, we are a dynamic team of innovative thinkers who thrive on achieving extraordinary outcomes for our clients. We deliver our expertise to insurers globally, consistently pushing the boundaries of what's possible.

Our unparalleled integrated service combines three core capabilities: Process Improvement, Actuarial Expertise and Actuarial Technology. Through our Actuarial Performance Management (APM) Framework and Maturity Assessment, we deliver a structured and strategic approach to actuarial modernisation.

This unique approach allows us to provide bespoke solutions that optimise risk management, eliminate inefficiencies and streamline processes. **The result? You can focus on delivering exceptional value to both your internal and external customers.**

**Ready to start
modernising your actuarial
operations?**

Actuarial modernisation can be complex. With our expertise, we can support you every step of the way. We're committed to finding solutions that streamline your operations. Ask us about our **Actuarial Maturity Assessment**.

info@mbeconsulting.com

Get in touch

Ready to take the next step? Reach out to our team of actuarial and IT professionals to discuss your unique needs and learn how our expertise can help you achieve your goals.

Contact us today to schedule a consultation and discover the difference that our actuarial consulting services can make to your organisation.



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