

Non Life Actuaries - a smart career choice

5 June 2015

Stuart Shepley
Chief Actuary

Zurich Insurance plc



ARE YOU SMART &/OR LUCKY?

Stop Press: Job search portal CareerCast has once again named being an actuary as the top of the list for the 100 best jobs
April 2015

Ancient Chinese curse or
today's opportunity?



“May you live in interesting times”

Zurich at a glance

A global presence



1

North America

In North America, Zurich is a leading commercial property-casualty insurance provider serving the global corporate, large corporate, middle market, specialties and programs sectors. It also serves life customers in the retail, affluent and corporate markets.

2

Latin America

Zurich operates in Argentina, Brazil, Chile, Colombia, Mexico and Venezuela.

3

Europe

Zurich has major operations in Germany, Italy, Spain, Switzerland, and the UK and a significant presence in other countries.

4

Middle East & Africa

Our business spans the region with key operations in the Middle East, South Africa, Morocco and Turkey.

5

Asia Pacific

Zurich has operations in Australia, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Singapore and Taiwan.

Highlights

USD 4.6bn

Business operating profit
(December 31, 2014)

127%

Zurich Economic Capital Model ratio¹
(October 1, 2014)

USD 34.7bn

Shareholders' equity
(December 31, 2014)

55,000

Employees (approximately)
(December 31, 2014)

170+

Countries
(December 31, 2014)

AA- / positive

Standard & Poor's financial strength
rating on Zurich Insurance Company Ltd
(December 31, 2014)

Cornerstones of Zurich Strategy

Group Strategy

Key focus areas

1 Prioritizing investment in distinctive positions

- Corporate
- Commercial mid-market
- Select retail

2 Managing other businesses for value

- Extract value from Global Life back books
- Continue to capture value from profitable, smaller General Insurance markets
- Turnaround/exit non-performing businesses

3 Growing our operating earnings

- Efficiency
- Value extraction
- Investment risk return

General Insurance Actuarial Function Fast Facts

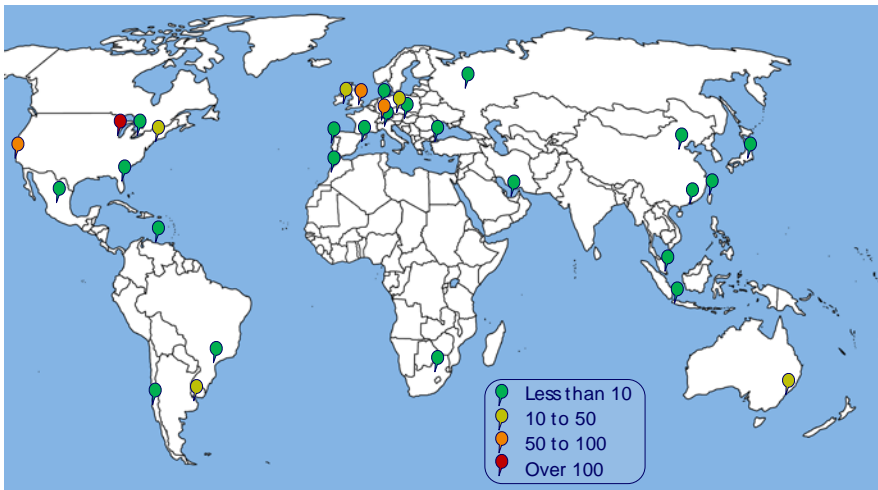
Nearly **800** Professional Staff...
not including over 40 Actuaries in non-actuarial
roles

Grouping	Pricing	Reserving	Total
ZNA	145	75	220
EMEA	223	88	311
LatAm	30	43	73
Apac	29	21	50
Farmers Group	68	43	111
	10	13	23
Total	505	283	788

With **325** Qualified Actuaries



...sitting in **30** countries



353 passed in 2014

The current environment is difficult

Economic Drivers

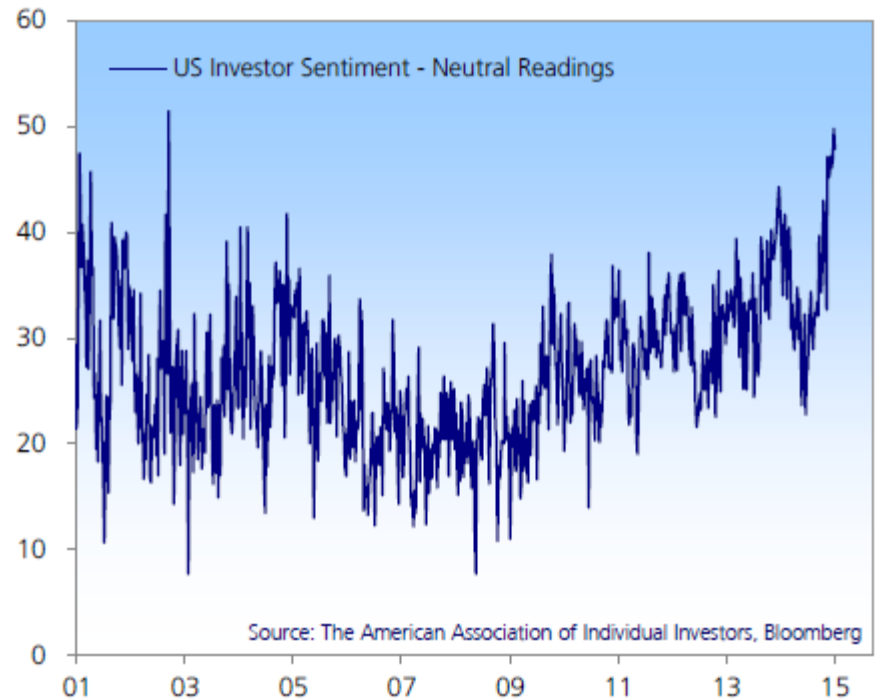
1 Global growth is structurally weaker, with areas such as China disappointing

2 Europe has worries regarding exits and defaults

3 Recession is a worry in some markets, inflation in others

4 Switzerland experiences negative inflation

Investors are lacking conviction



Increasing complexity requires greater skills

Complexity drives demand for us

Opportunities and challenges for actuaries

1

Within the (re)insurance markets, rates are dropping with excess capital chasing yield

- The Oracle of Omaha, Warren Buffet has dismissed investments in reinsurance as a “fashionable asset class” who prospects have “turned for the worse.”*

2

Regulators require more risk modeling & complex reporting details:

- Swiss Solvency Test
- Solvency II
- IFRS 4 Phase II

3

Regulatory contagion from the Banking sector

- Sanctions
- Regulatory scrutiny & consequences
- National government fiscal interests

Current Actuarial Demand Changers

**Globalisation &
New Markets**

**Industry
Convergence**

**Regulatory
Compliance**

**Legislative
Developments**

**Data
Analytics**

**Governance &
Risk**

**Capital
Modelling**

**Non
Traditional
Areas**

**Professional
Investment**

What is an actuary?

One definition ...

Part super-hero. Part fortune-teller. Part trusted advisor.



We manage risk. It's [what we do](#). With unbeatable analytical skills, we help organizations plan for the future and protect themselves from loss. By understanding the very nature of risk, we play a key role in the psychological, physical, and financial stability of society. With our help, businesses can grow, retirees can invest with confidence, and people can enjoy peace of mind.



- SECTIONS**
- AFIR/ERM**
Financial Risks and ERM
 - ASTIN**
Non-Life Insurance
 - AWB**
Actuaries Without Borders®
 - IAAHS**
Health
 - IAALS**
Life Insurance
 - IACA**
Consulting
 - PBSS**
Pensions, Benefits and Social Security

COMMITTEES

- [Members](#)
- [Documents](#)
- [Resources](#)
- [Reports to Council](#)
- [Terms of Reference](#)

Professionalism

Committee Papers

- [The Principles of Professionalism](#)
- [Position Paper on Whistle-blowing Requirements](#)
- [Mutual Recognition and other Cross-Border Practice Issues](#)
- [Mutual Discipline Agreements](#)
- [Considerations in the Design of a Discipline Process](#)

International Actuarial Notes (IANs)

- [Due Process for International Actuarial Notes](#)
- [Template for IANs](#)
- [The Role of the Professionalism Committee in the IAN Due Process](#)

The actuarial profession spans the globe



ASA SAV SAA



125 ANS
INSTITUT DES
ACTUARIES



Die Deutsche Aktuarvereinigung e.V. (DAV)



100 Years of Expertise,
Insight & Solutions



ia|BE
Instituut van Actuarissen
in België



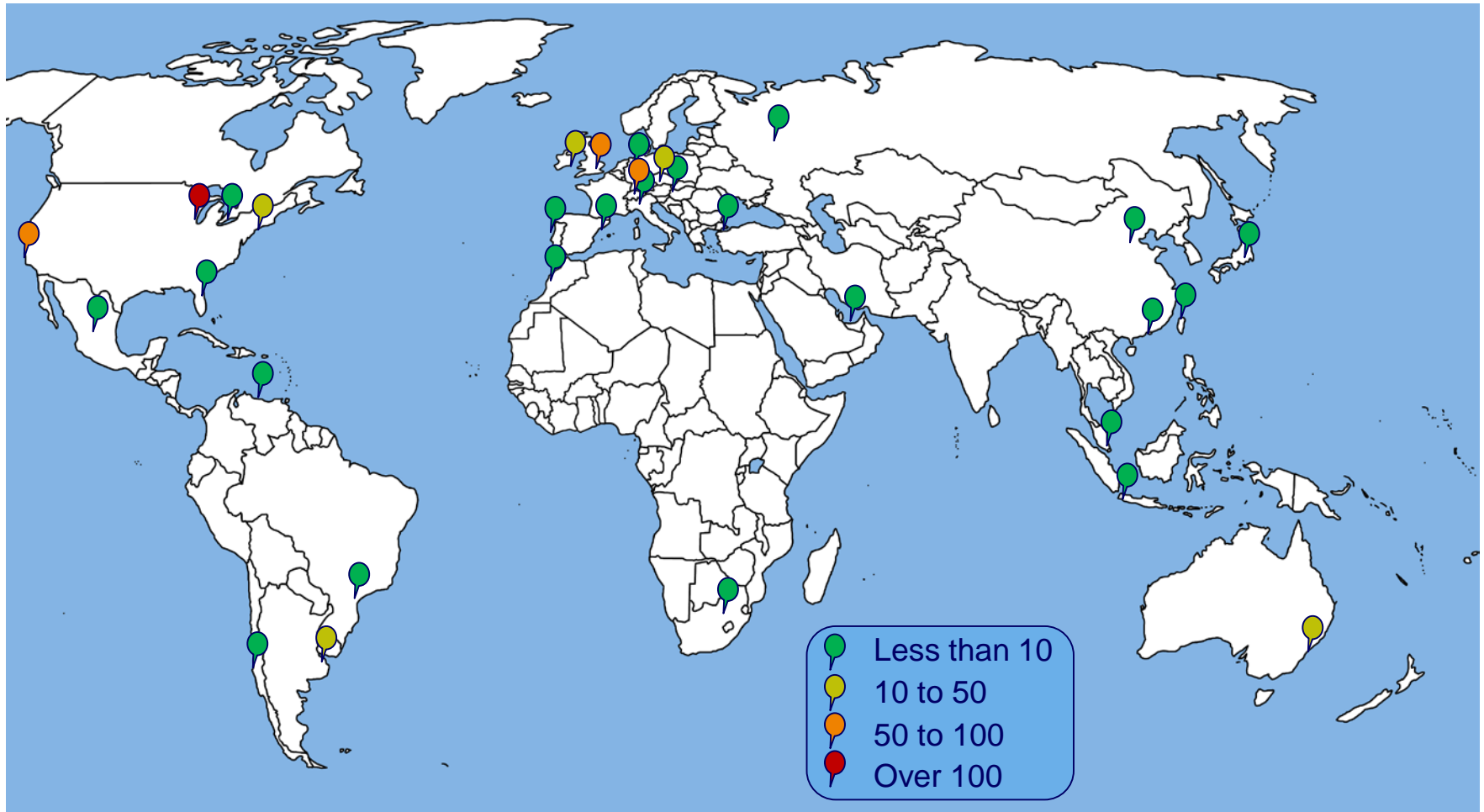
Institute
and Faculty
of Actuaries



Actuaries
Institute

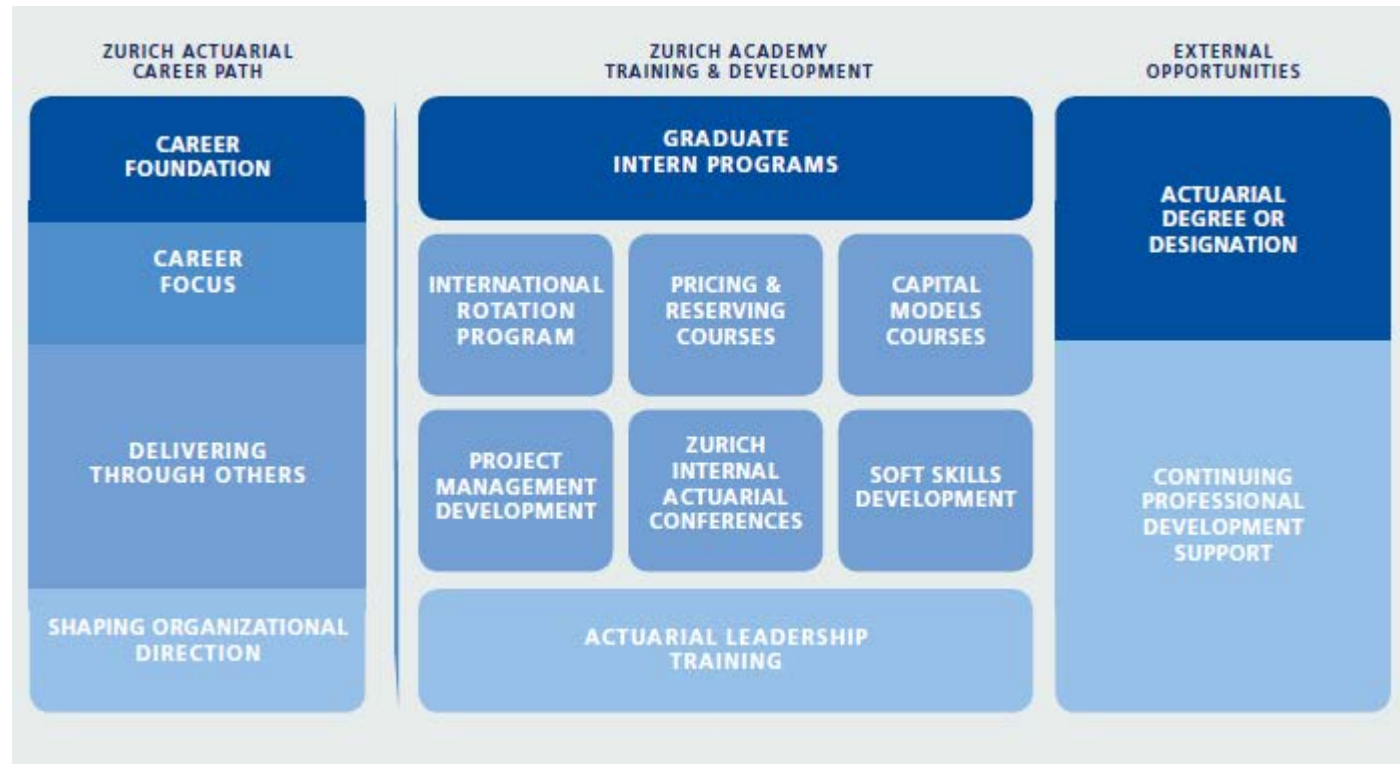
The demand for actuaries is global

Zurich's GI Actuaries distribution



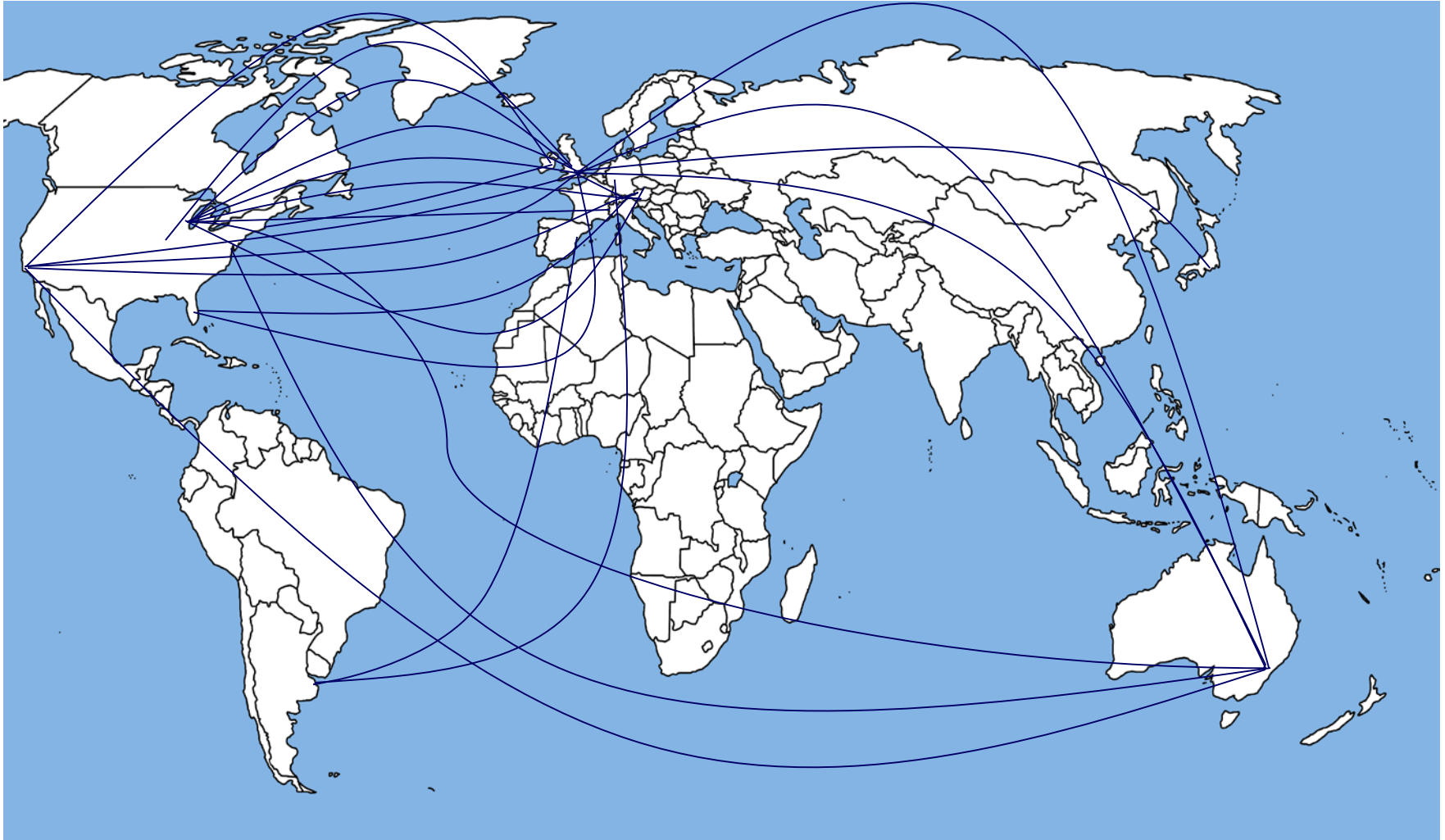
Building career experiences is key

“Employers must invest in skillsets for the future”



Global development

Exchange of actuaries under the International Rotation Programme



Professionalism and headwinds



INTERNATIONAL ACTUARIAL ASSOCIATION
ASSOCIATION ACTUARIELLE INTERNATIONALE

Moving the Profession
Forward Internationally

LOG IN | MY PROFILE | STORE | TOOLS | CONTACT US

CASUALTY ACTUARIAL SOCIETY

About Us | Membership | CAS Student Central | Be An Actuary | Press Room | Advertis

EXAMS & ADMISSIONS | PROFESSIONAL EDUCATION | PROFESSIONALISM | COMMUNITY | CALENDAR | PUBLICATIONS | RESEARCH

PROFESSIONALISM

HOME | PROFESSIONALISM | CODE OF CONDUCT

CAS CODE OF PROFESSIONAL CONDUCT

(As Amended November 12, 2000)
(Effective Date: January 1, 2001)

- Standards and Guidelines
- Code of Conduct
- Statement of Principles
- Policies and Procedures

Institute and Faculty of Actuaries

Home » Regulation » Professional Standards Directory

Professional Standards Directory

Professional Standards Directory

Under our Memorandum of Understanding with the Financial Reporting Council (FRC):

- the FRC is responsible for the setting of technical actuarial standards;
- we are responsible for the setting and maintenance of ethical standards which are known as Actuarial Profession Standards (APs).

You can access the current versions of the APs and the current FRC standards through the links on this page. Please be aware that each body is responsible for the content on its own website.

Information about how APs are produced and what they should look like can be found [here](#).

Difficult decisions ahead

Business dilemmas

- A dilemma is:
 - An argument presenting two or more alternatives against an opponent?
 - A situation presenting an undesirable or unpleasant choice?
 - A fact of life for actuaries for some time to come?

Actuarial Challenge :

You are reviewing reserves and notice that one of your branches will release reserves, which you must sign off.

The explanation from branch is that the last quarter results showed an improving situation but they do not have any hard evidence to back it up.

You believe the improvement will not continue, but you do also do not have any hard evidence.

What do you do?

Q&A

Stuart Shepley
Chief Actuary, Zurich Insurance plc

5 June 2015