

Traditional Actuaries Transformed by Chinese Insurtech industry

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2019/11

Self Introduction



Xiang Ji FCAS MAAA

CAS Class of 2008

Univ of Kansas

12

Years US Experience

- Allstate
- Zurich
- CNA

6

Years Chinese Experience

- Munich Re Beijing



Sheen X. Allen FCAS MAAA

CAS Class of 2006

Univ of Wisconsin - Madison

12

Years US Experience

- Milliman
- Liberty Mutual
- USAA

7

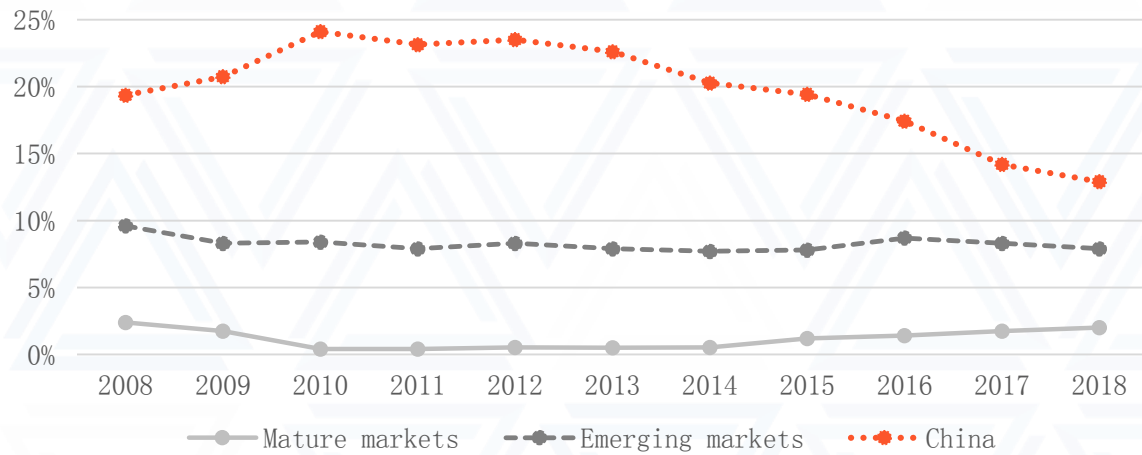
Years Chinese Experience

- Deloitte China
- Delta Entropy Technology

Chinese Insurance Market Landscape Opportunities & Challenges

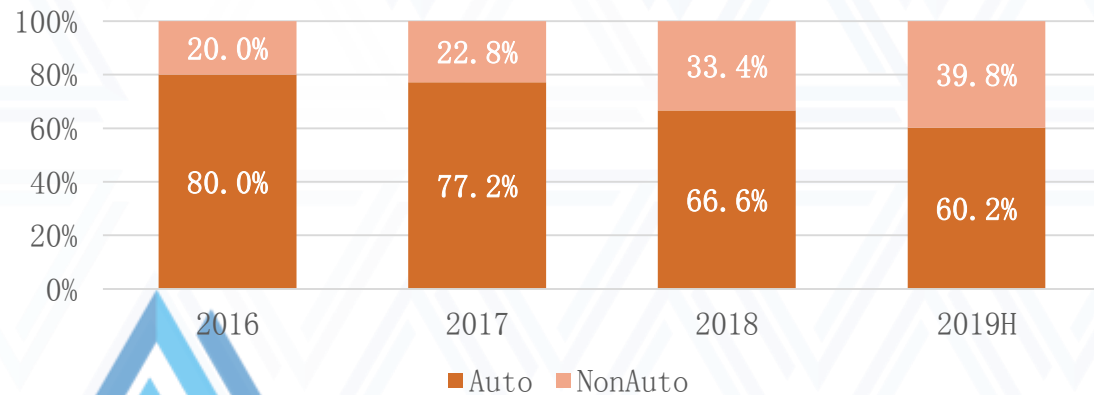
China remains the biggest contributor to global growth

Premium Growth Rate (P&C)



7-year avg Data from: Swiss Re Sigma 2019_3

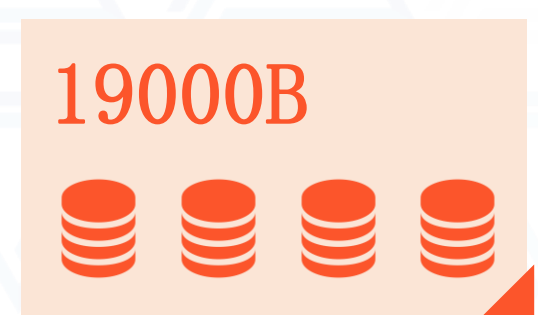
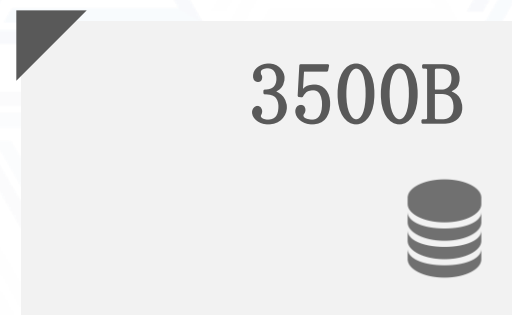
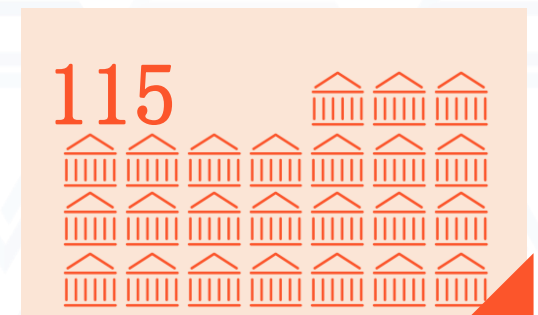
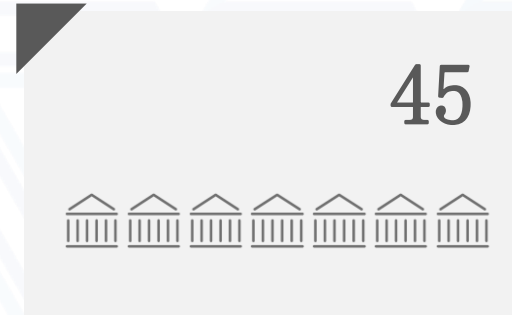
Auto vs Other



Data from: CBIRC

10 Years Ago

Now



Opportunities & Challenges – Tech

Auto De-Tariff

Non-Auto Lines




**Too young, too simple,
sometimes naive.**

Reality

- Premium Volume Pressure
- Outdated Systems & Tools
- Lack of DDD Culture & Skills
- Lack of Risk/Fraud Mgmt

TRUTH



**I HAVE NO MONEY,
NO RESOURCES, NO
HOPES. I AM THE
HAPPIEST MAN ALIVE.**

Triopoly/Duopoly



(Ir)rational Decisions

Opportunities

- Sales
- Tools & Systems
- Risk Selection
- Claim Management

Opportunities for Insure Tech Startups

01

Sales and Customer



02

Efficiency and Process



03

Risk Selection & Big Data

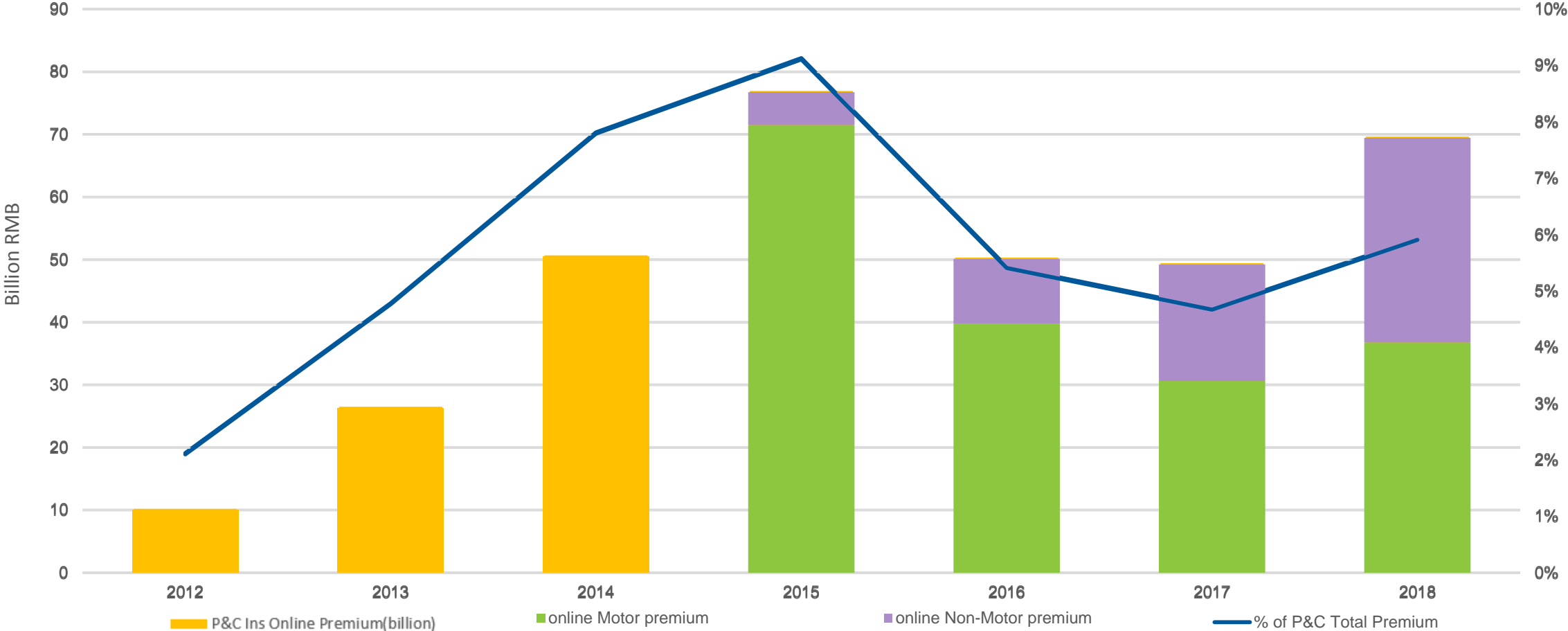


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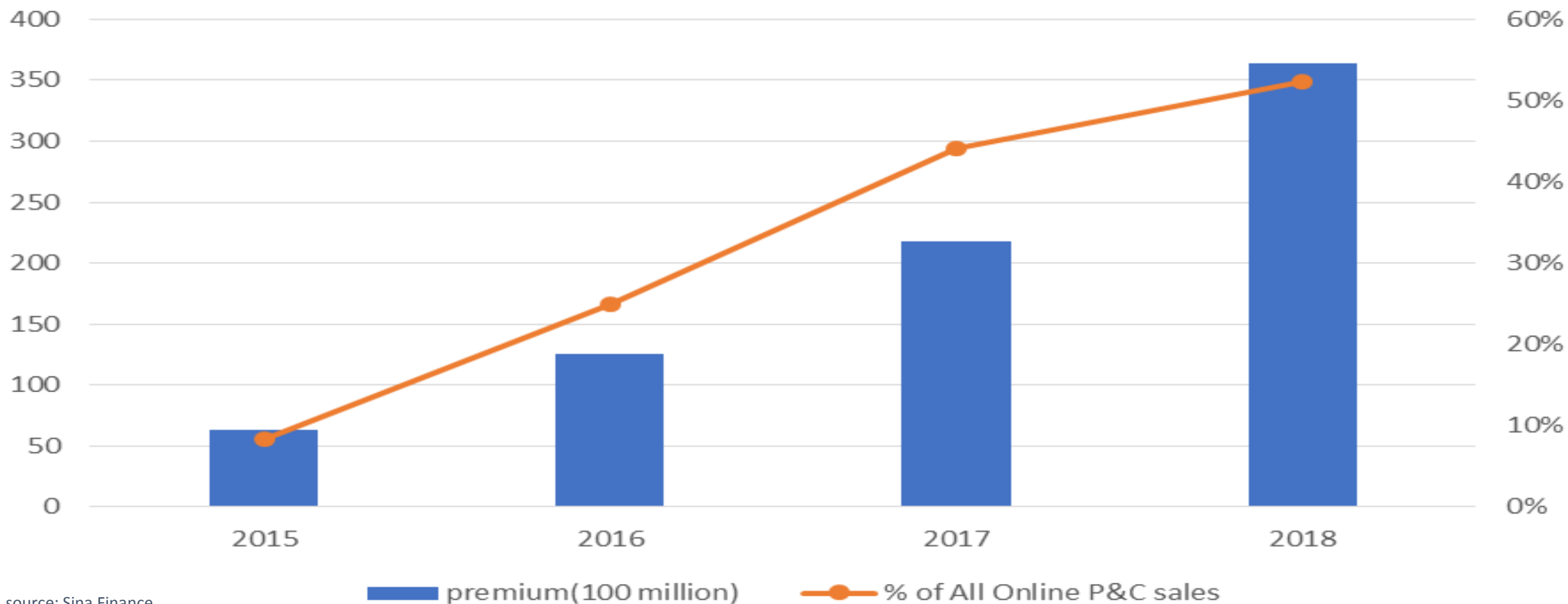
Risk/Claim Management



P&C Insurance Premiums via Online Channels



Online P&C Insurance sales via Third-Party Channels



Opportunities & Challenges - Coexistence of Insure & Tech



Provides insurers with additional channels



Offers insurers opportunities for innovative products



Customer data owned by platforms



While top line increased, bottom line decreased for insurers

Opportunities & Challenges – Regulatory Environment

Opportunities:



Government encourages innovations



Insurance products support government initiatives

Challenges:



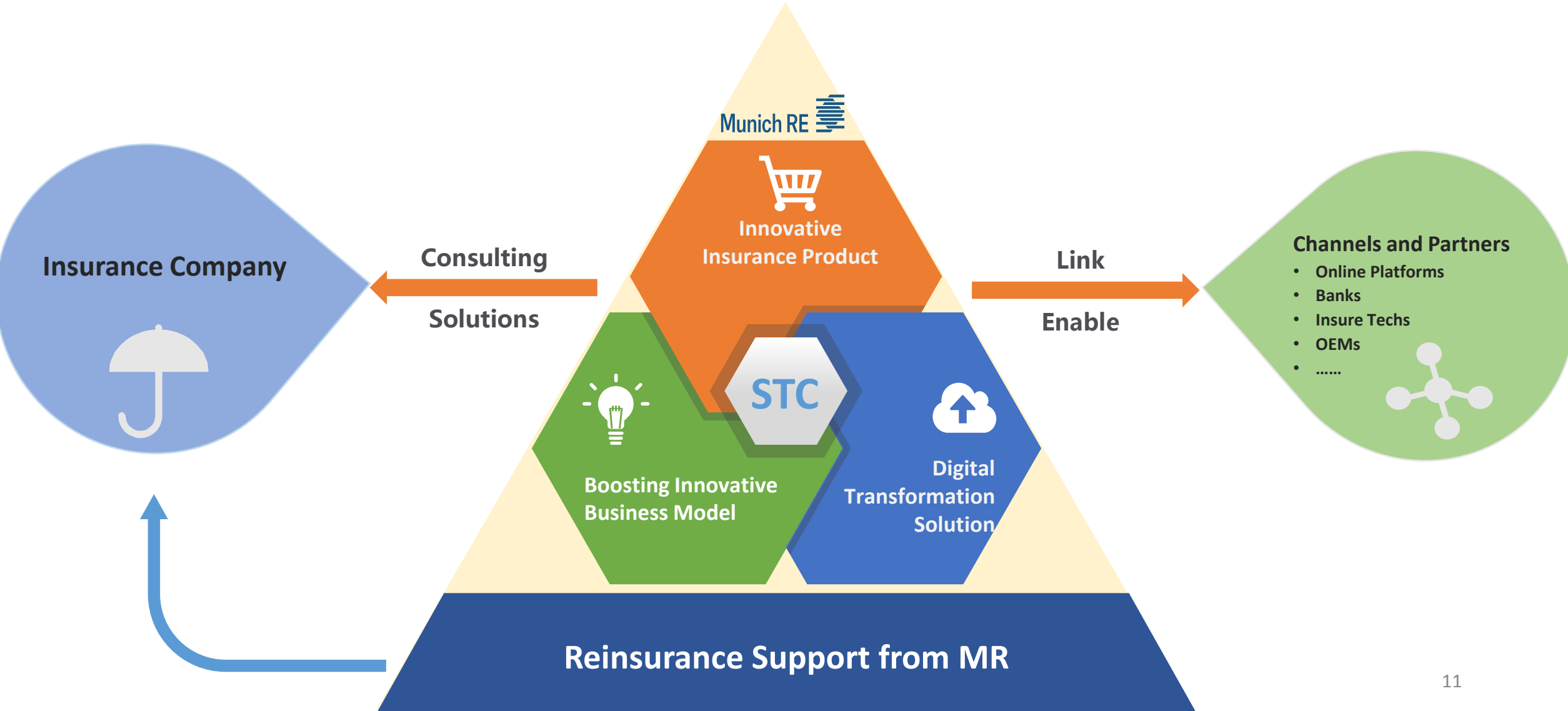
grey areas generate uncertainties



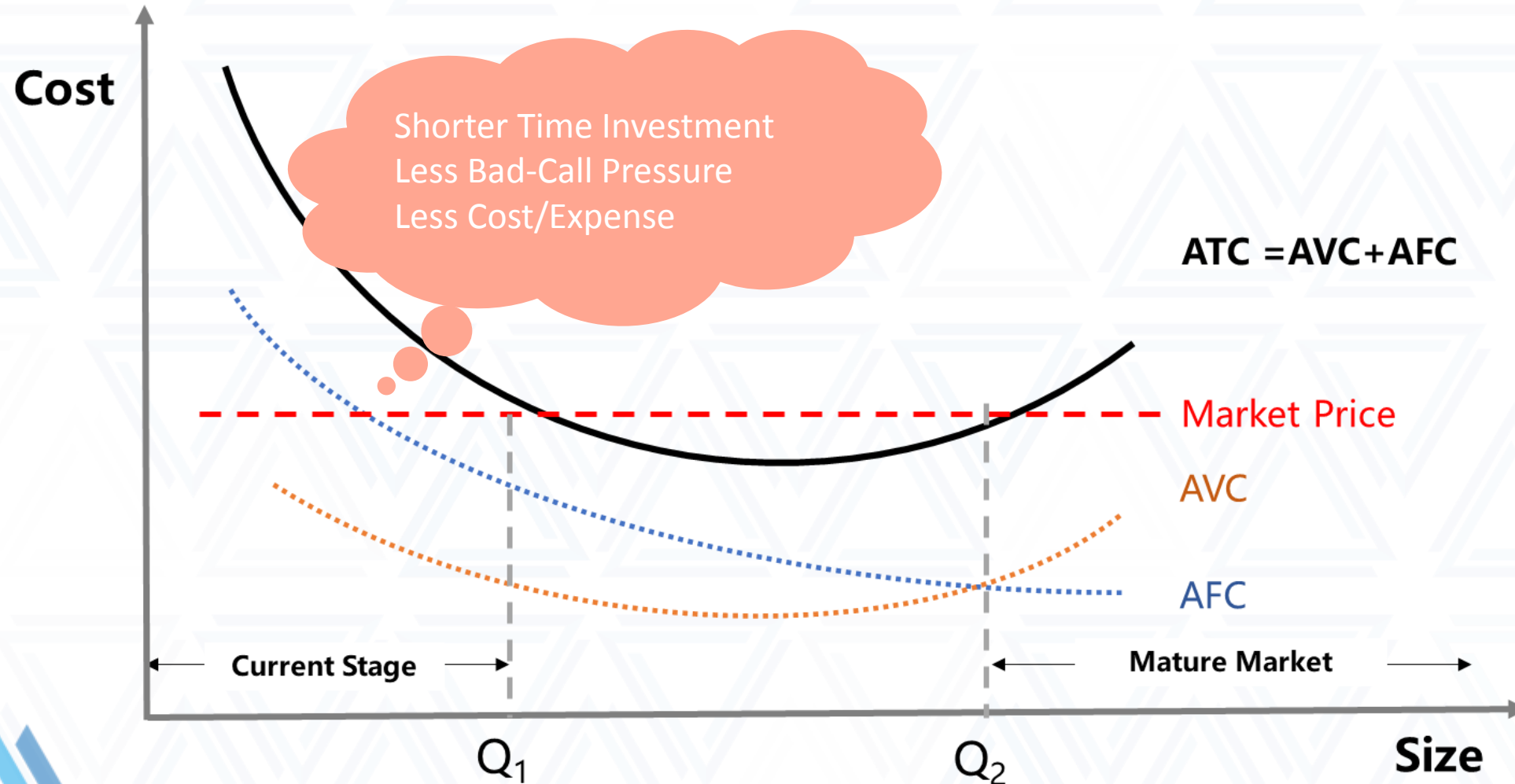
Lack of understandings in insurance



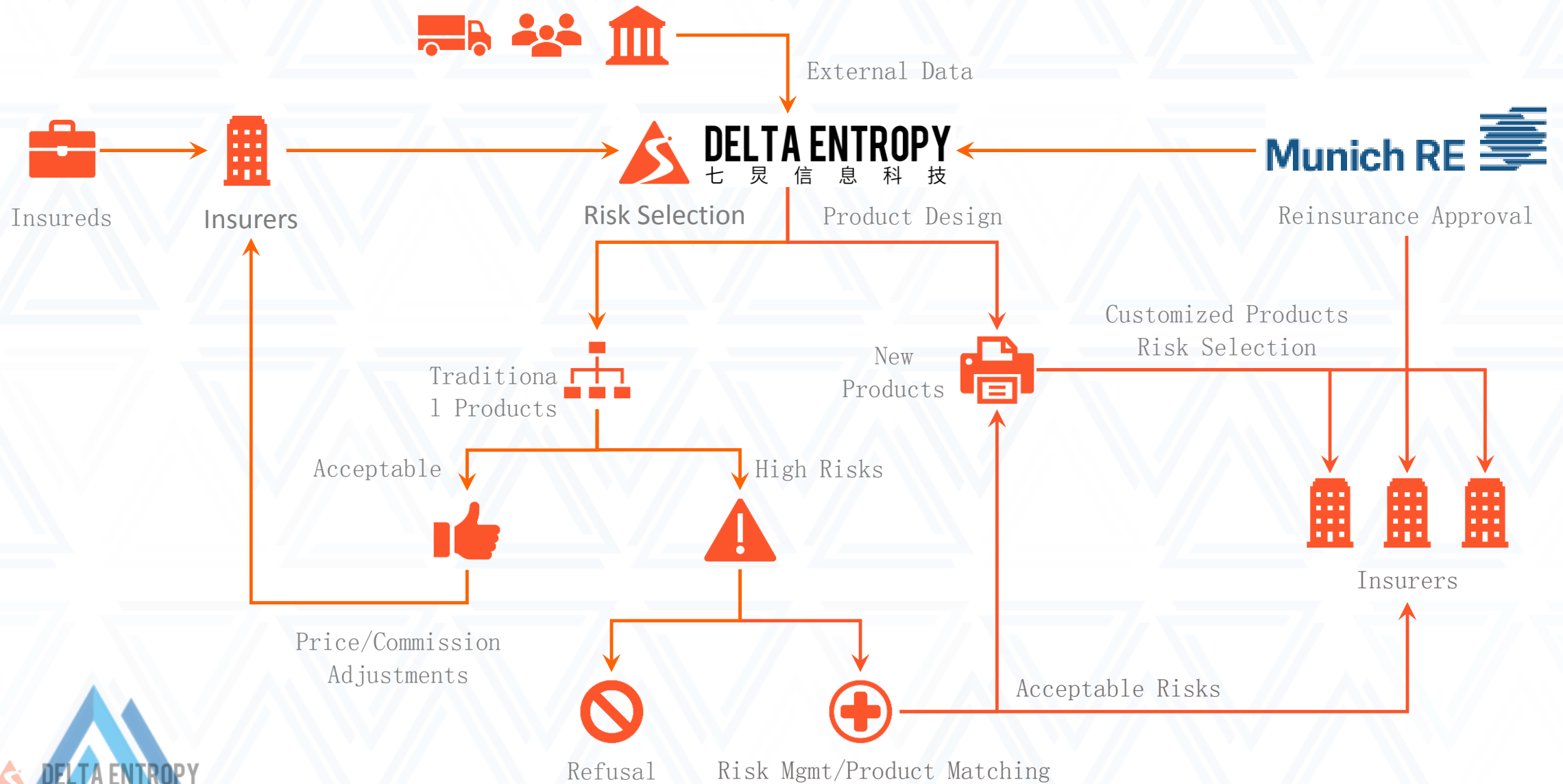
Unique market practice



Why Tech Firms & Reinsurers - Risk Selection

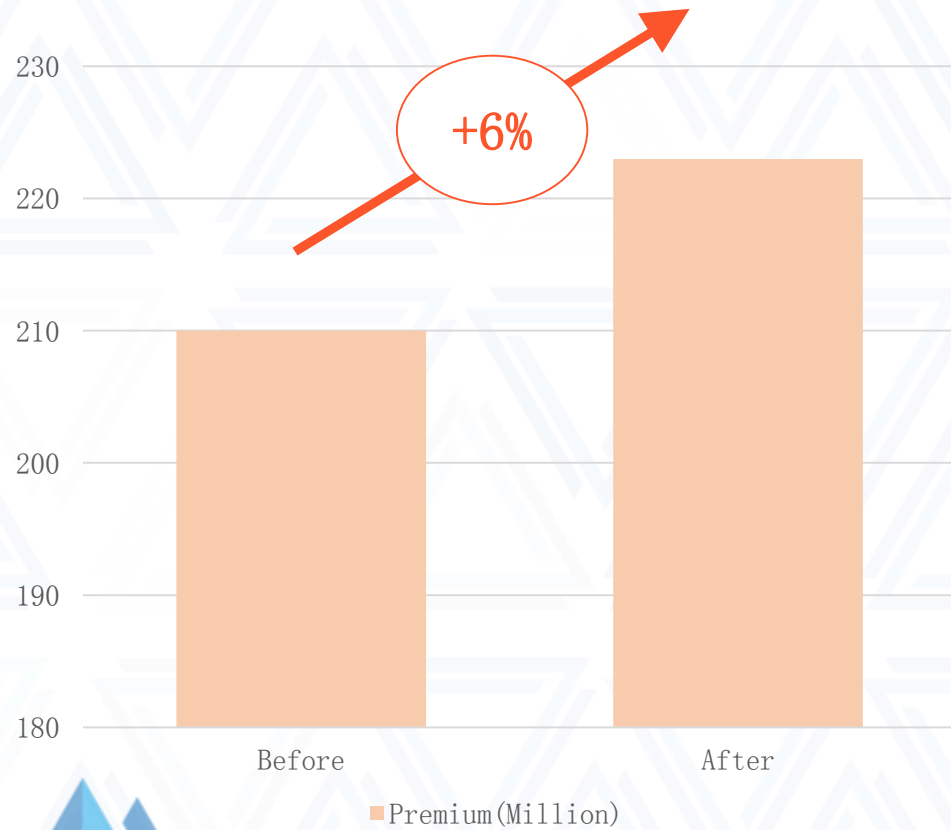


How Tech Firms and Reinsurers Come Together

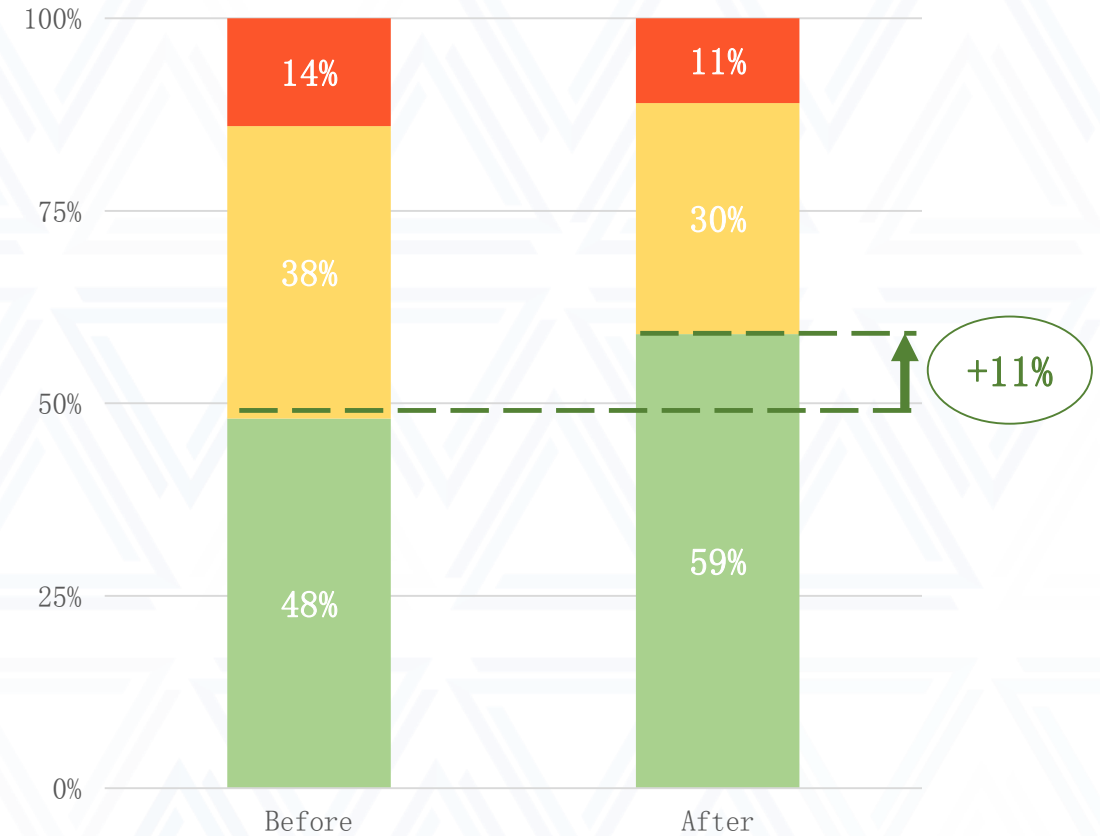


Case Example - Commercial Trucking

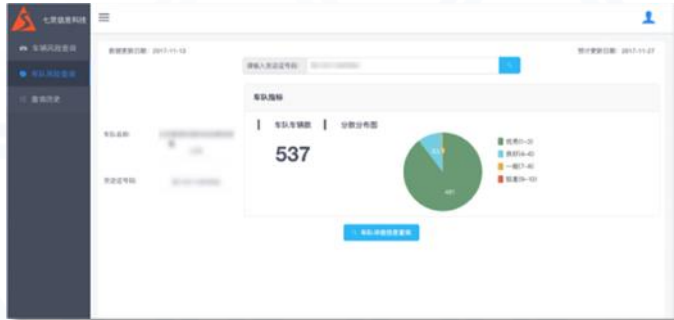
Portfolio Volume Increased



Portfolio Quality Improved



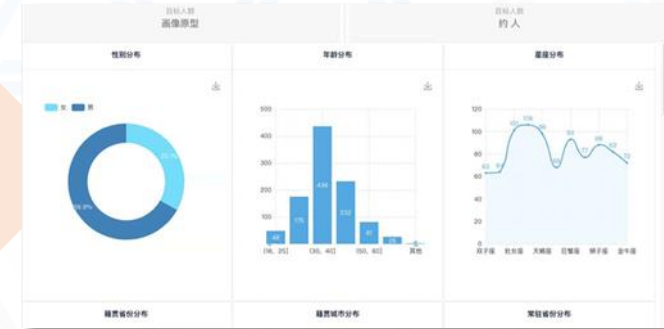
Other Cases



Delta Motion
Commercial Auto Risk
Selection and Pricing



Delta Vision
Auto Insurance Pricing
and Underwriting System



Delta Ignition
EV Auto Big Data Application



Delta Fiction
Critical Illness Coverage
Fraud Detection



Delta Collection
Small Business
Property/Liability Risk
Selection and Pricing



Commercial Trucking
Credit Report

Actuaries Being Transformed

| An Example



Then

- Pricing Actuary
- Modeling Implementation
- Consulting Practice Planning
- Staff Management

- Stable Income
- Clear Roles and Responsibilities
- Clear Career Path
- Enjoyed Stability and Certainty

Now

- Strategist
- Saleswoman
- Recruiter
- Dealmaker
- Cheerleader
- Firefighter
- Columnist
- ...

- Uncertain Income
- Evolving Roles and Responsibilities
- Focusing on Problem Solving
- Enjoying Uncertainty and Challenges

Many More FCAS in Tech Firms

Then

Now



Chief Strategy Officer of Insurance Company

Auto Insurance Price Comparison and Agent BD Tool
Founder / CEO



Chief Actuary of Insurance Company

Usage based insurance solutions
Founder / CEO



Reserving Actuary of Consulting Firm

Insurance Product Design
Director of Implementation Dept



Pricing Actuary of Consulting Firm

Insurance Risk Selection
Director of Big Data Dept

Q & A



Thank You!