The Actuarial Profession & Consulting Actuaries in the 21st Century

Remarks by Stuart Wason
June 5, 2000

CIA Membership information

- Currently, as of May 2000, there are 2,320 Fellows (2,218 at Dec 1998)
- Fellows in consulting 898 (39% of total, was 39% at Dec 1998),
  - 16% life insurance (was 16%)
  - 69% pensions (was 69%)
  - 7% general (P&C) insurance (was 7%)
  - 8% other (was 8%)
Trends in Canadian practice

- Life insurance industry
  - Wave of demutualization complete
  - Significant industry consolidation
  - Internationalization of insurance ownership
  - Blurring of financial pillars

- Impact on life consultants
  - # of AA roles declining
  - Need for more stochastic modeling
  - Focus on return on capital
  - Need for international perspective
  - Shift to non-traditional roles
  - Need for peer review
  - Focus on helping client succeed
Trends in Canadian practice

- Pension & health benefits industry
  - Significant corporate consolidation
  - Internationalization of corporate ownership
  - Shift to defined contribution plans
  - Demographic shifts

Trends in Canadian practice

- Impact on pension & health benefits consultants
  - Industry consol’n creating M&A work
  - Shift to DC plans requires different services to meet client needs
  - Aging population focuses ER’s on pension and health care issues for EE’s
  - Opportunities in health care system design and mgt.
Trends in Canadian practice

- General (P&C) insurance industry
  - Significant insurer consolidation
  - Internationalization of insurer ownership
  - Increasing requests for self-insurance and insurance captive solutions
  - Increasing need for more sophisticated and integrated risk modeling

Trends in Canadian practice

- Impact on general insurance consultants
  - Industry consol’n creating M&A work
  - Traditional small to medium size company rate filing and valuation work decreasing
  - Increased need for value-added advice, such as ERM & sophisticated risk modeling
  - Potential for increased presence of actuaries in senior mgt. roles
Trends in Canadian practice

- Non-traditional actuarial consulting
  - Actuaries are expanding into non-traditional work, in banking, investments, teaching, expert evidence
  - 5% of all members (8% of consultants) currently doing other types of work - especially non-traditional work & the numbers are growing
  - Consulting opportunities for the innovative

The Actuarial Profession & Consulting Actuaries in the 21st Century

Remarks by Stuart Wason
June 5, 2000