

Actuaries in Microinsurance: Support by the International Actuarial Profession

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Actuaries in microinsurance

Actuaries have the skills to add substantial value to the microinsurance industry, but to what extent should actuaries be involved?

Too little involvement



Inadequate risk management



Consumers, and
consequently, industry
suffers



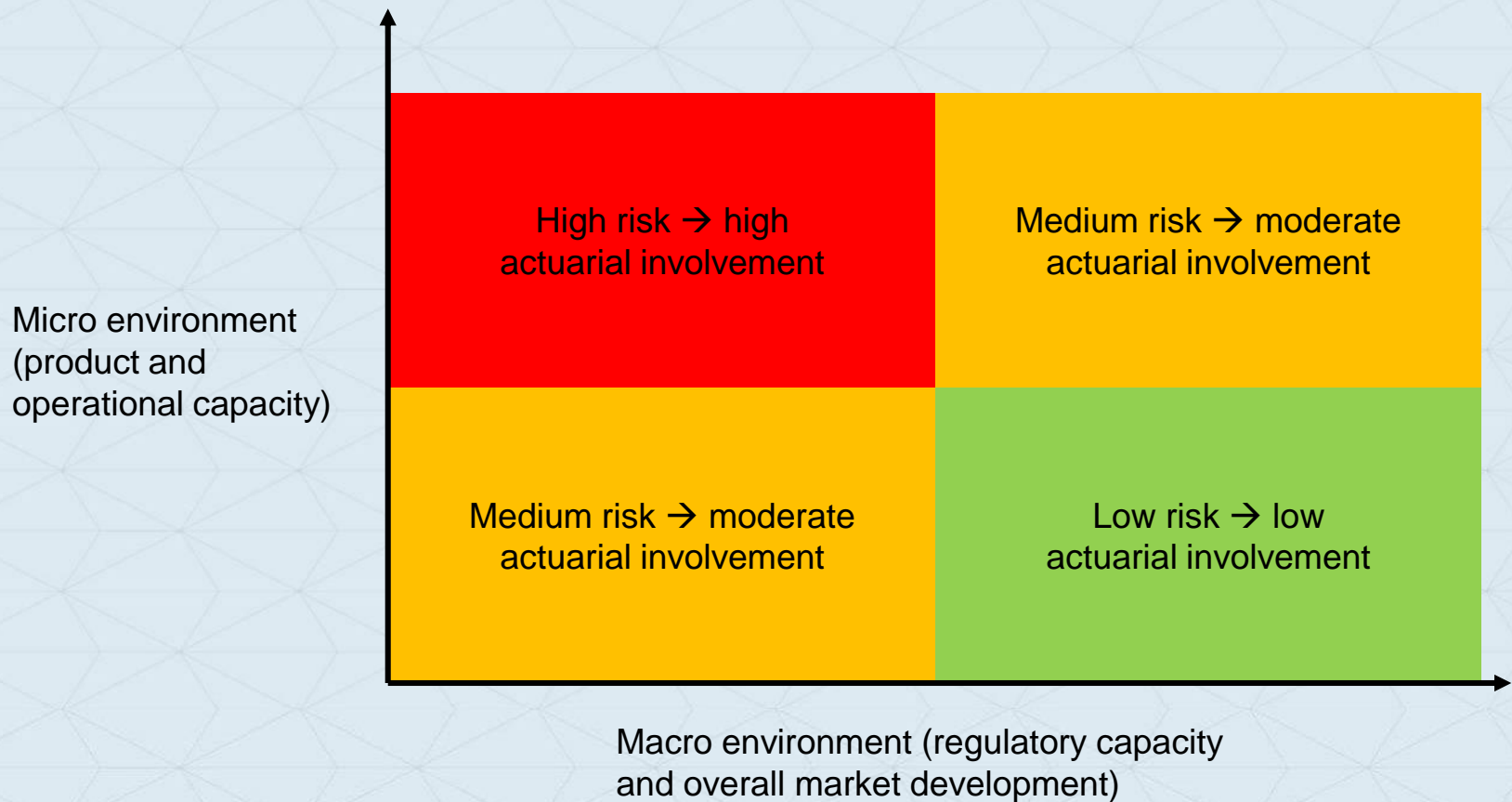
Too much involvement



Create barriers due to lack
of capacity (numbers and
adequate experience),
cost, etc.

Actuaries in microinsurance

Joint IAA – IAIS project sets out to address the challenge of finding the right balance



International Actuarial Association

The IAA is the worldwide organisation representing country-level actuarial associations.

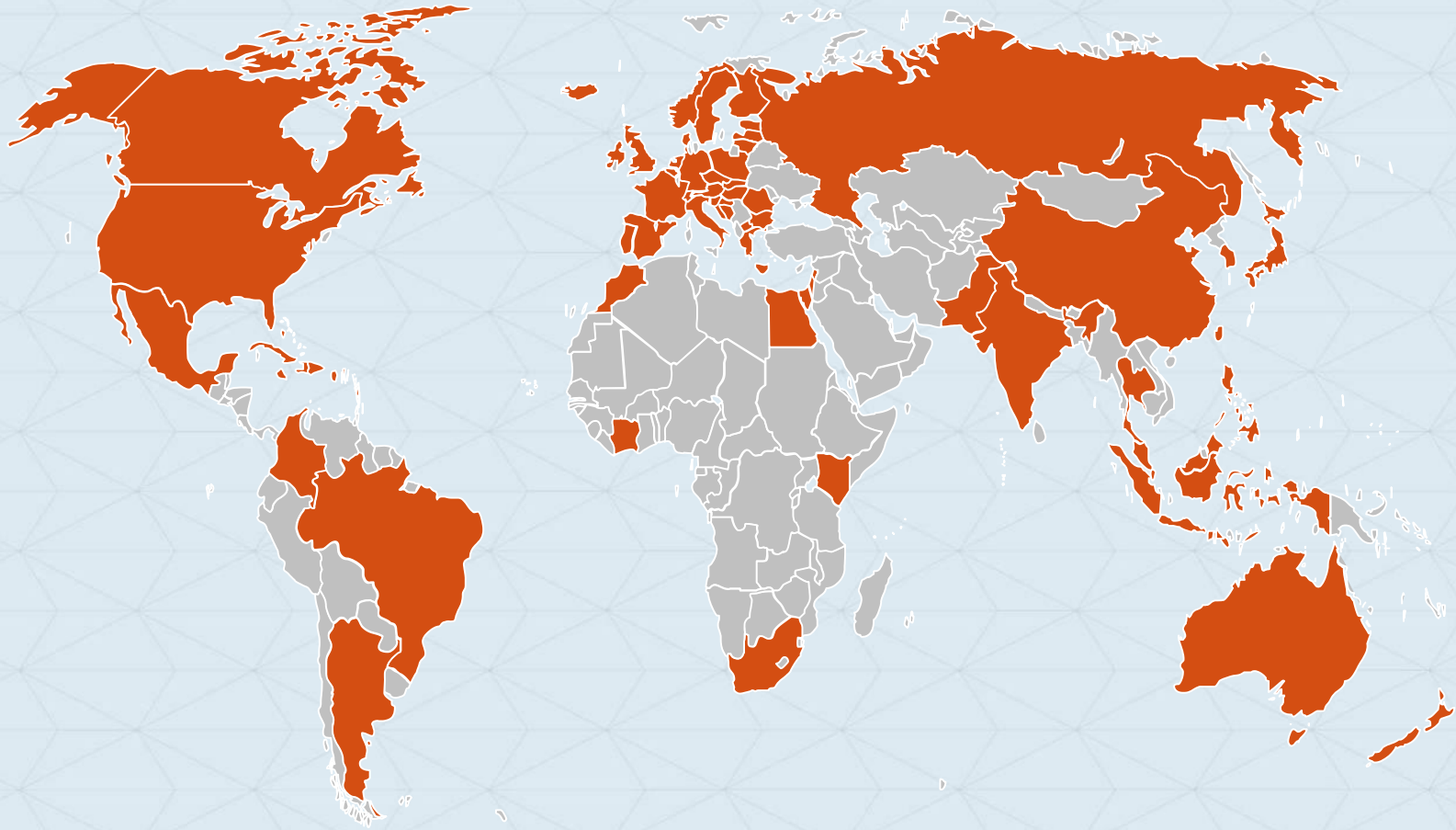
➤ Full member organisations

- Code for professional conduct
- Formal disciplinary process in place
- Minimum education standard for fully qualified fellows
- 68 full members

➤ Associate member organisations

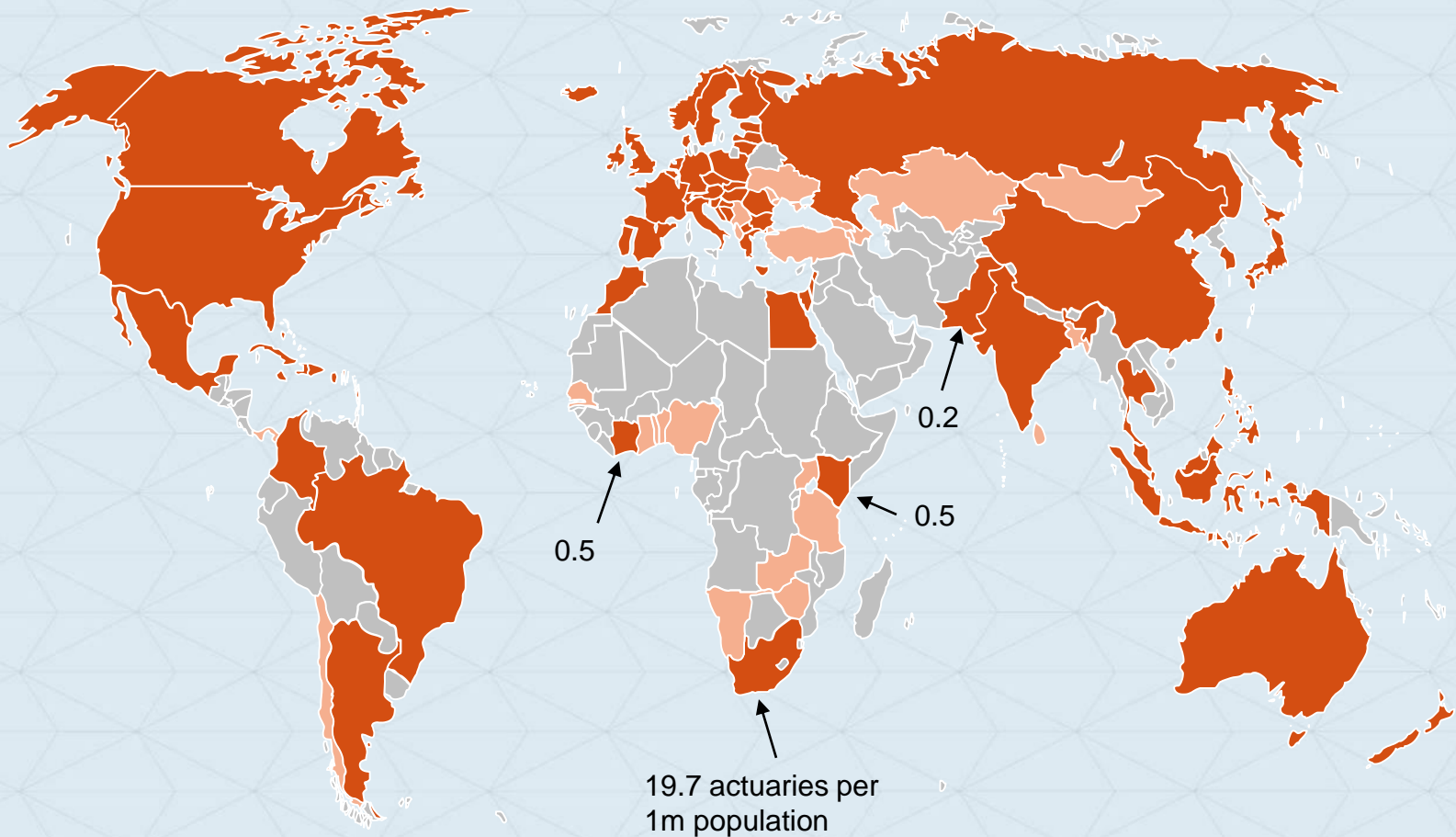
- Organisations in existence for 1 year, but not yet meeting full membership criteria
- 29 associate members

IAA full member organisations



68 full members

IAA associate member organisations



68 full members
29 associate members

Actuaries in Microinsurance - A Strategic Overview



IAA Supports Development of Effective Microinsurance Markets

STRATEGY 1: Develop appropriately qualified MI actuarial technicians –
(responsible for) technical pricing, reserving and solvency matters

Education – IFoA (UK) CAA training plus
post-CAA microinsurance syllabus

Certification – Professional recognition
of trained actuarial technicians

Regulatory Recognition – IAIS Recommended Proportional
Microinsurance Regulatory Scheme recognizes qualified
actuarial technicians and describes their roles in
microinsurance organizations

STRATEGY 2: Support recognition of qualified actuarial technicians

Microinsurance organizations –
Support training managers to
understand vital role of sound financial
management and importance of
qualified actuarial technicians

Regulators – Support IAIS development
of Proportional Microinsurance
Regulations incorporating the role of
qualified actuarial technicians (where
needed to perform technical tasks)

Current Projects

1. IAA joint project with IAIS on role of actuary in microinsurance proportional regulation
2. Microinsurance syllabus for actuarial technicians with CAA credential from Institute and Faculty of Actuaries (UK)
 - Derivative programs for training regulators and microinsurance executives
3. Health, credit life, non-life and agricultural insurance educational pricing tools and supporting educational materials