



International Actuarial Association  
Association Actuarielle Internationale



Institute of Actuaries of India  
Statutory body established under an Act of Parliament



**21<sup>st</sup> Global  
Conference  
of Actuaries**

17<sup>th</sup> - 19<sup>th</sup> February 2020 | Mumbai, India

# The Outsourced Actuarial Function

Des Thomas

Frank O'Regan

Date: Date: 18 February 2020

# Acknowledgements

- The authors acknowledge the support of our employer, MetLife, and the comment and review of the following individuals:
  - Andy Rallis
  - Murshid Kuttihassan
  - Arundhati Ghoshal

Any errors that remain are our own.

# Why Outsource?



Cost arbitrage

Consolidation

Best practices

Key-person risk

# Location Considerations - Examples

## India

- Deep actuarial talent pool

- English language skills

- Time-zone

- Government incentives

## Central Europe

- Talent pool variety - Actuarial & other professionals

- Low cost European base

- European language skills

## South East Asia

- Multi-lingual actuarial graduates

- Well situated within Asia

- Government incentives

## South America

- Actuarial talent pool

- Low cost Americas base

- Well placed to serve Americas

# Establishing Scope

## Key Considerations

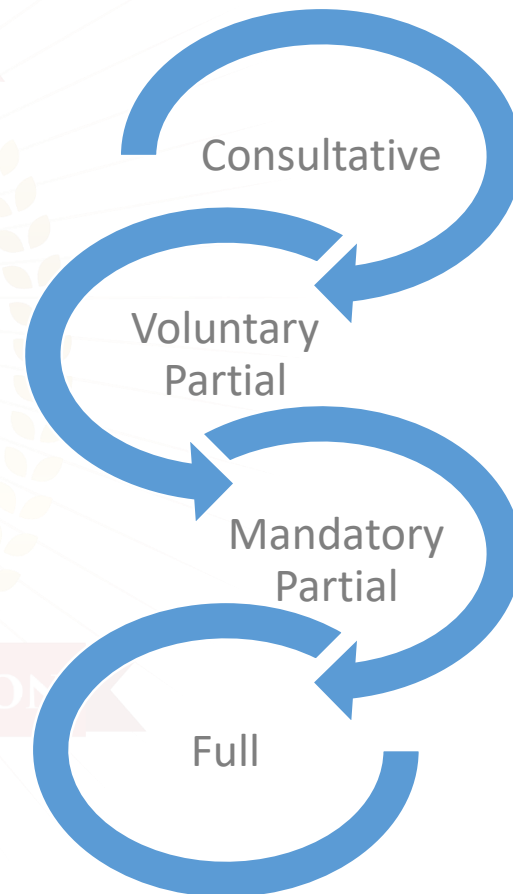
Additional capacity?  
Wholesale transfer?

Shareholder vs  
statutory reporting

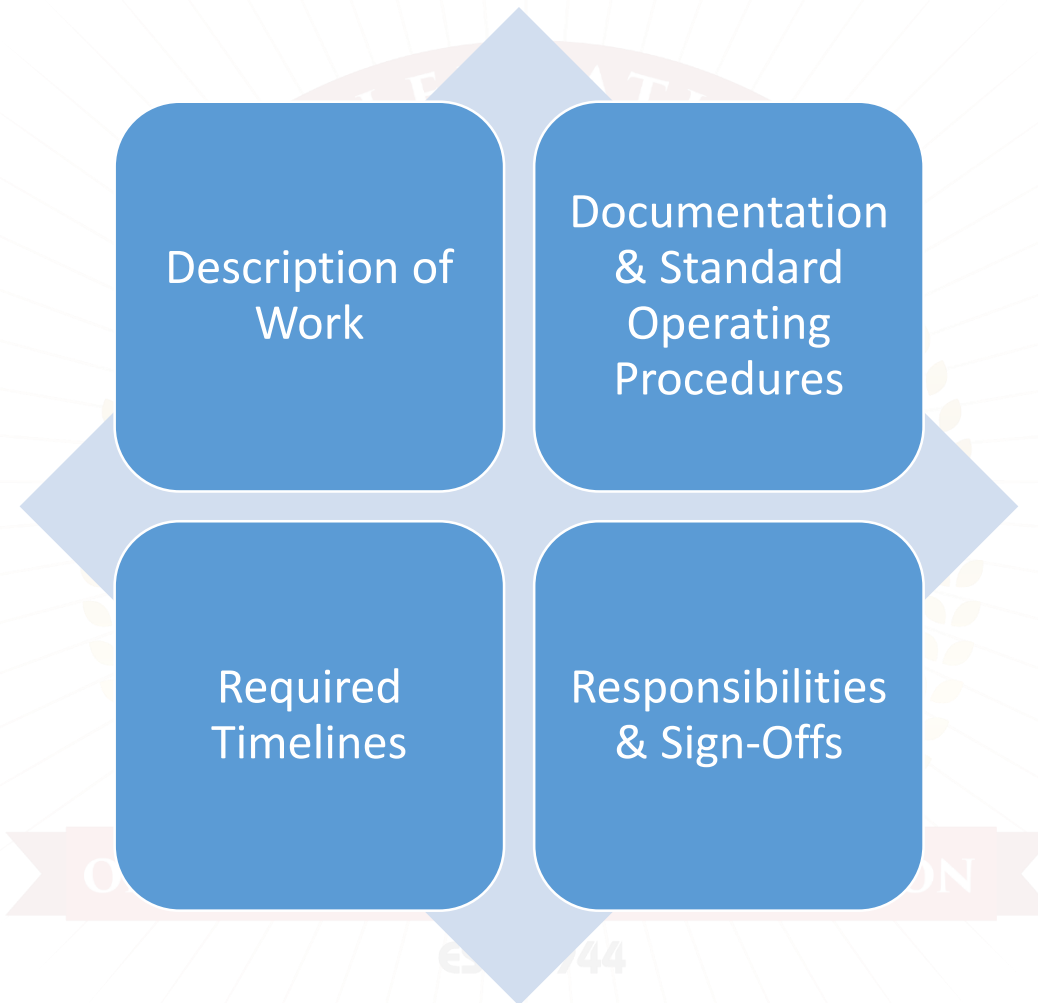
In-country staff  
retention

Adjacent  
outsourcing

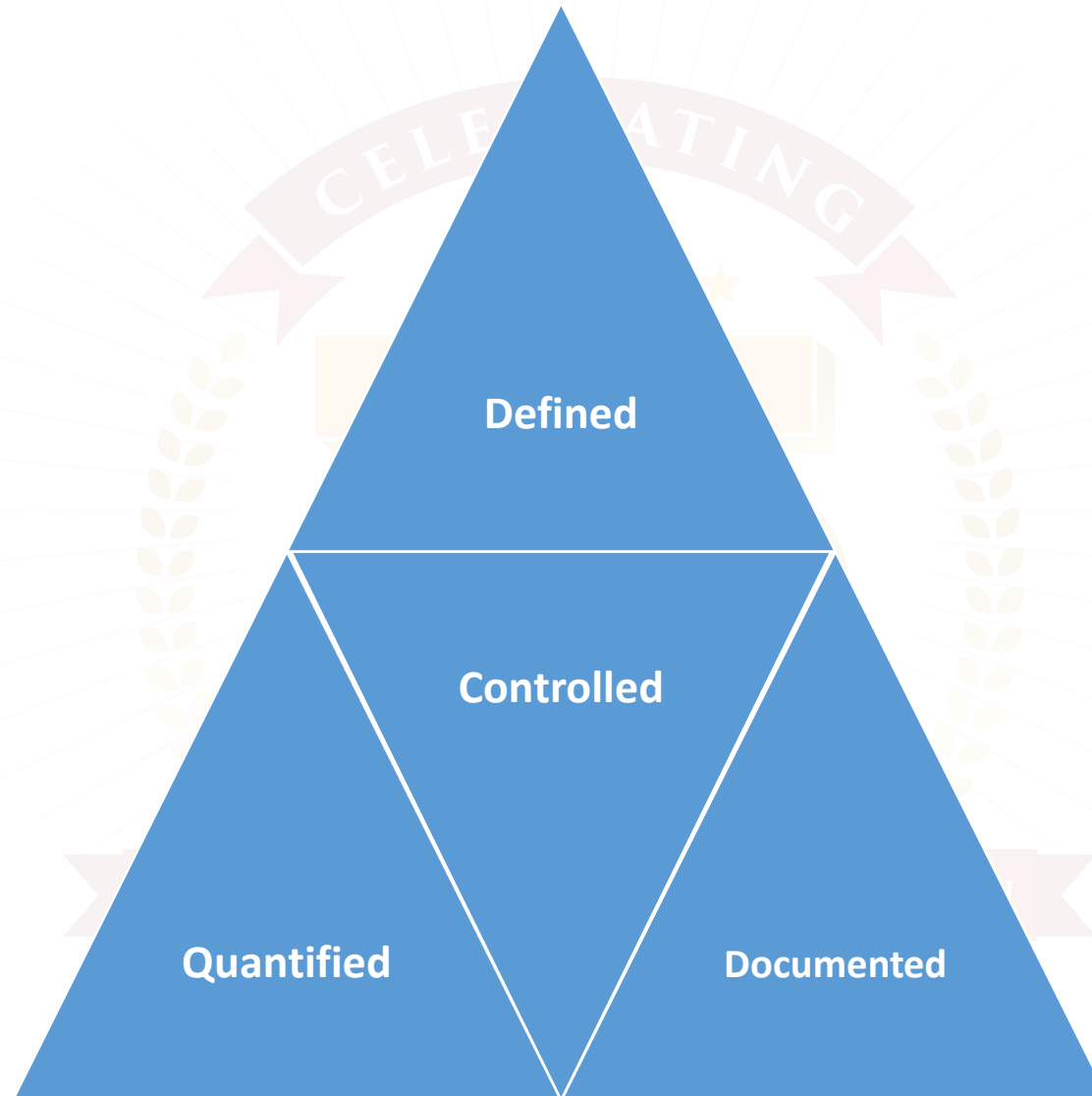
## Outsourcing Options



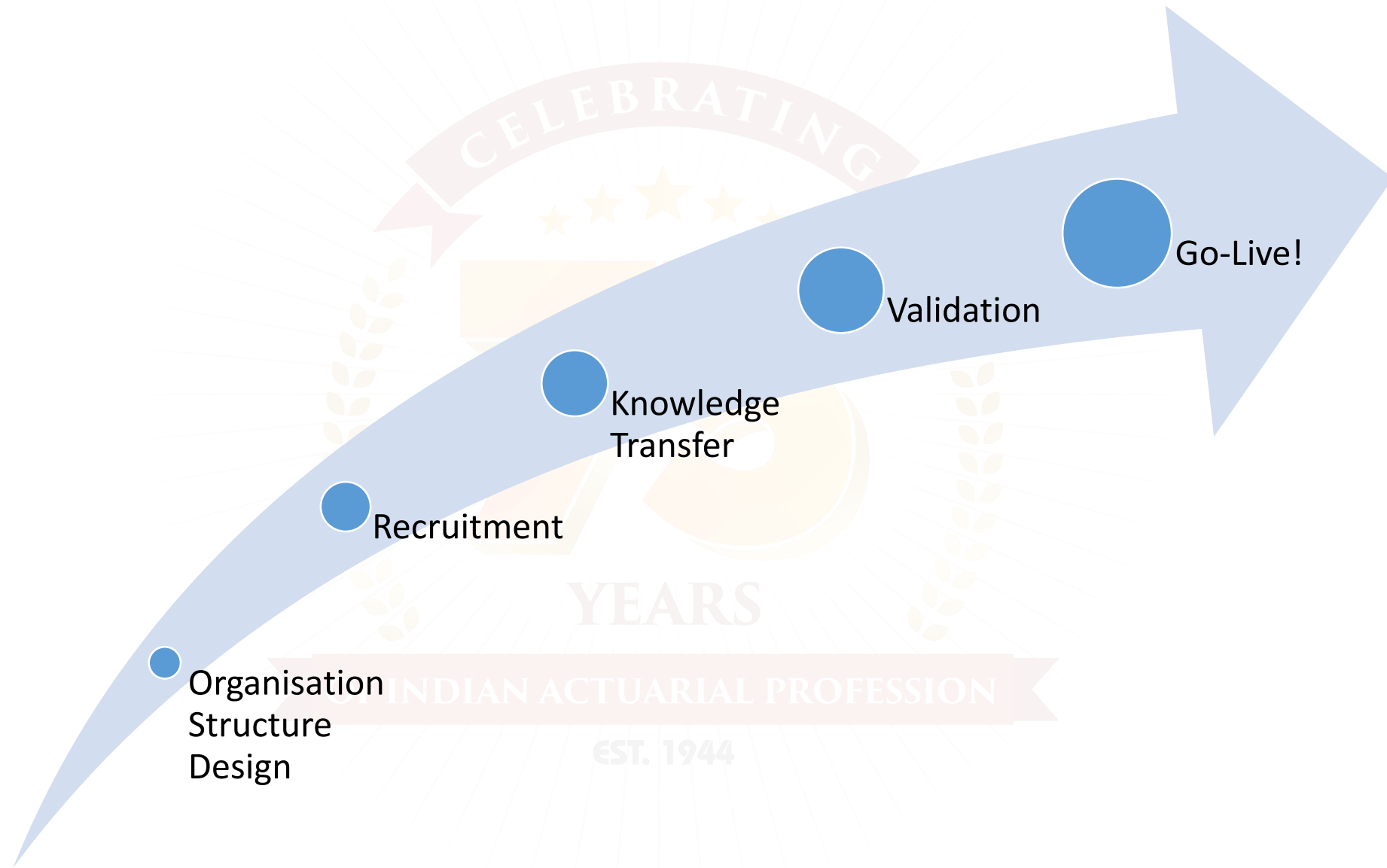
# Statement Of Work



# Transferring Actuarial Processes

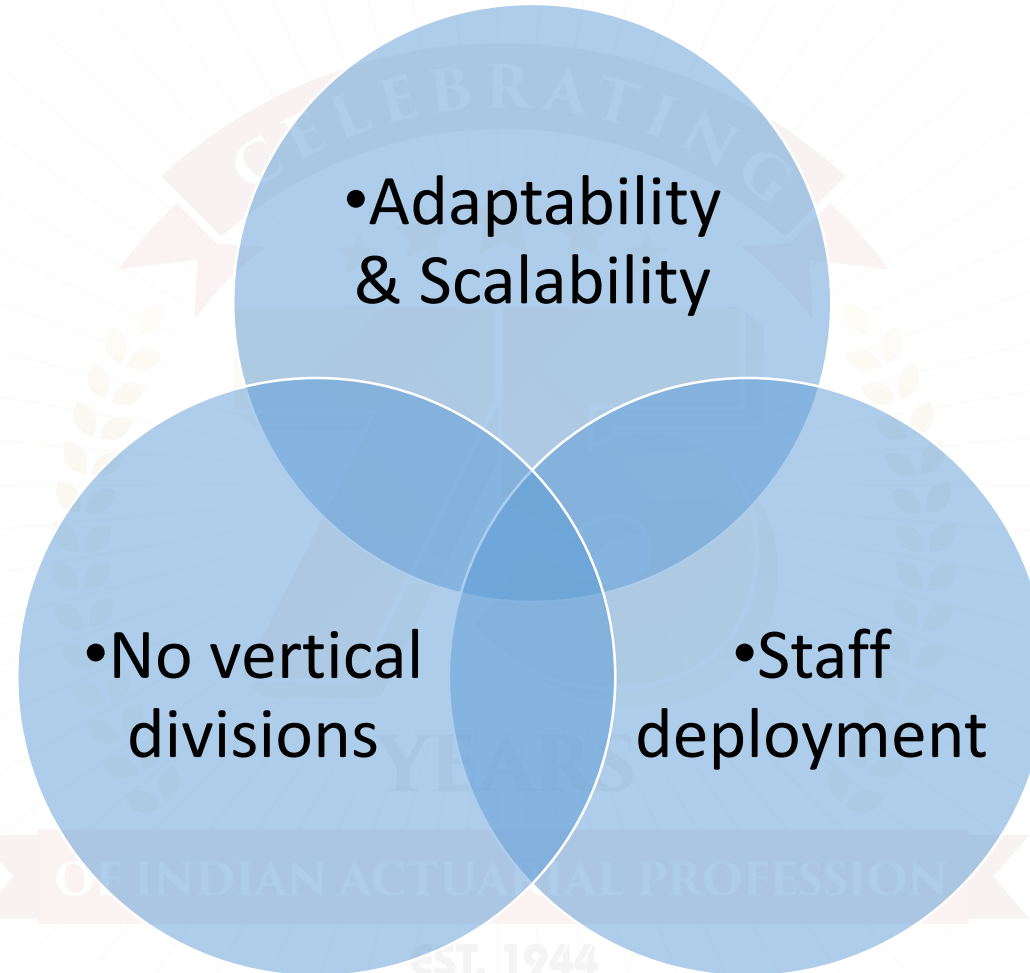


# Transferring Actuarial Processes

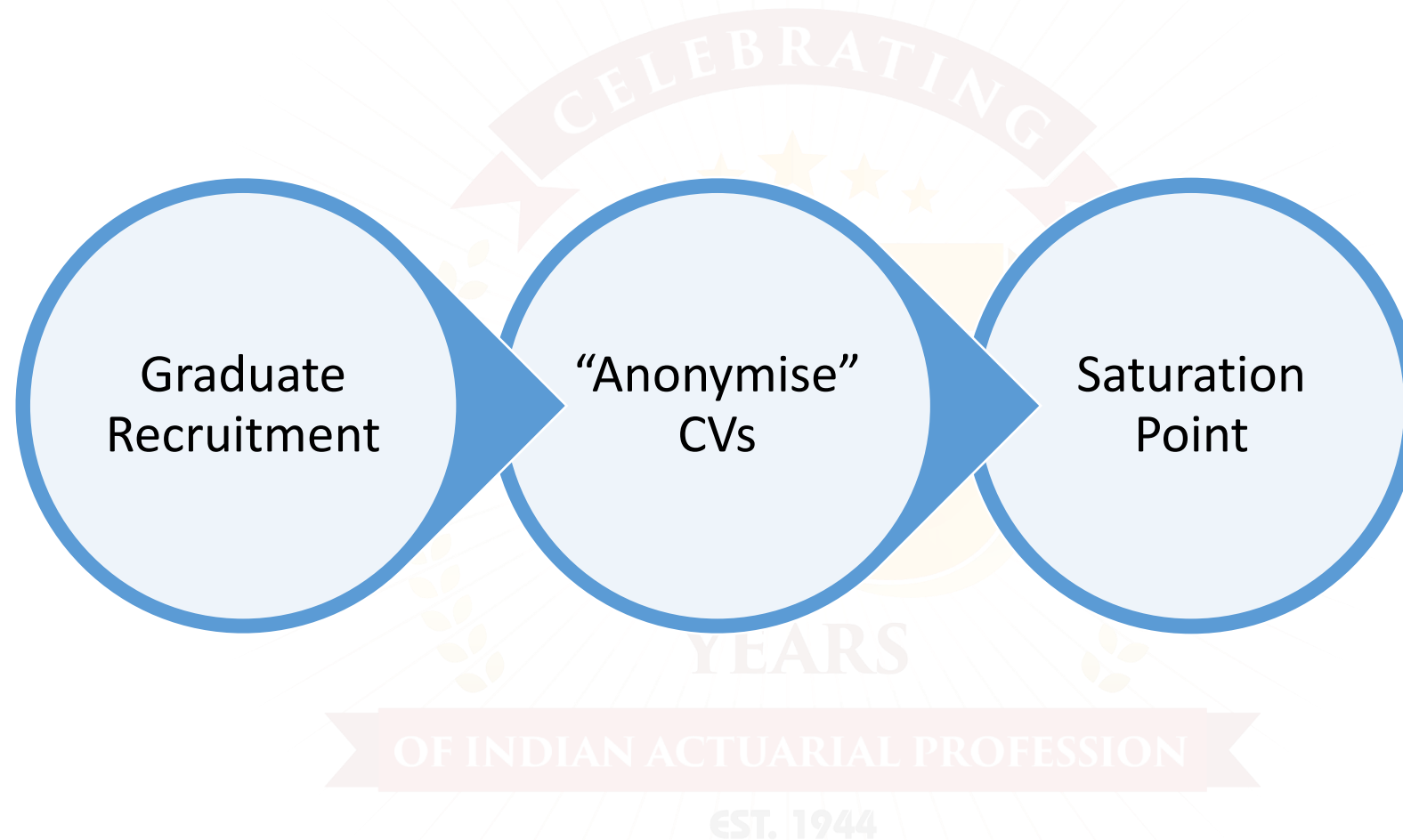




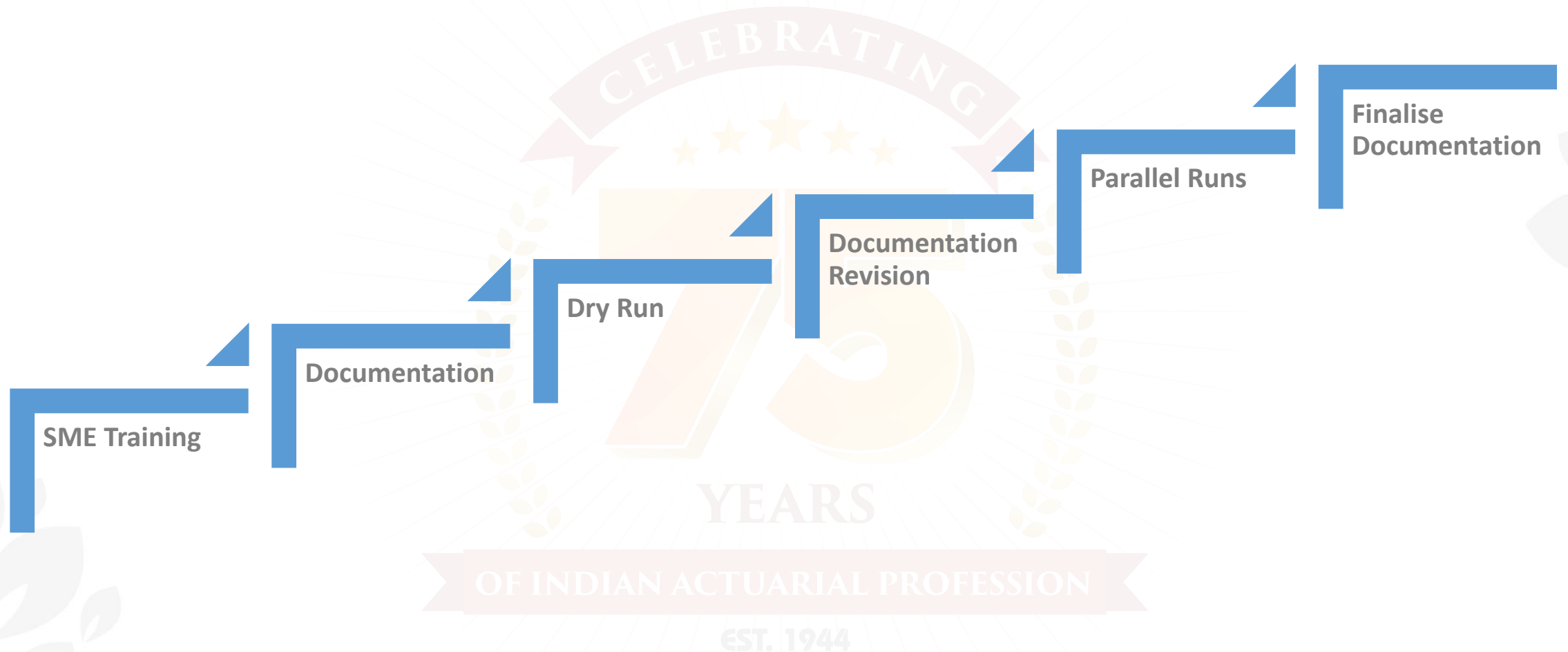
# Organisation Structure Design



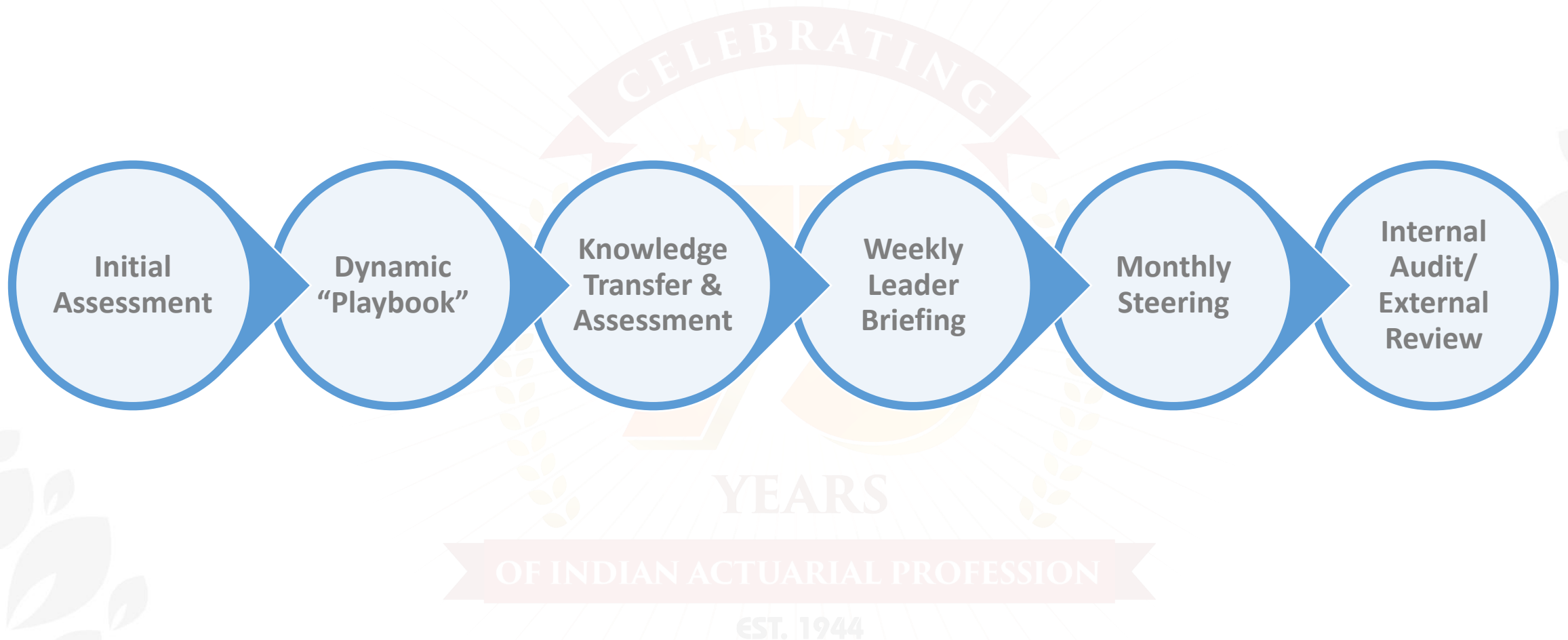
# Recruitment



# Knowledge Transfer



# Transfer Process Key Steps



# Practical Challenges

Maintaining BAU

Internal Stakeholders

Regulatory

Staff & Retention

Other Projects

Other Unexpected



# 21<sup>st</sup> Global Conference of Actuaries

17<sup>th</sup> - 19<sup>th</sup> February 2020 | Mumbai, India

# Thank You