



# Asian Actuarial Conference 2024

Actuarial Training and the role of the actuary in ESG

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# Profits are good, but there is more to life than that...

ESG asks us to refocus our attention on environmental, social and governance issues

Promote sustainability

Manage relationships with employees and communities

Ensure the rights of all stakeholders

Evaluate assets based on sustainability and ethical impact





# ESG helps to improve sales as well as risk management for insurers

Insurance is based on trust. ESG increases trust


Leads to better long term returns

Comply with regulations

Assist in risk management







Increase sales through ESG reputation

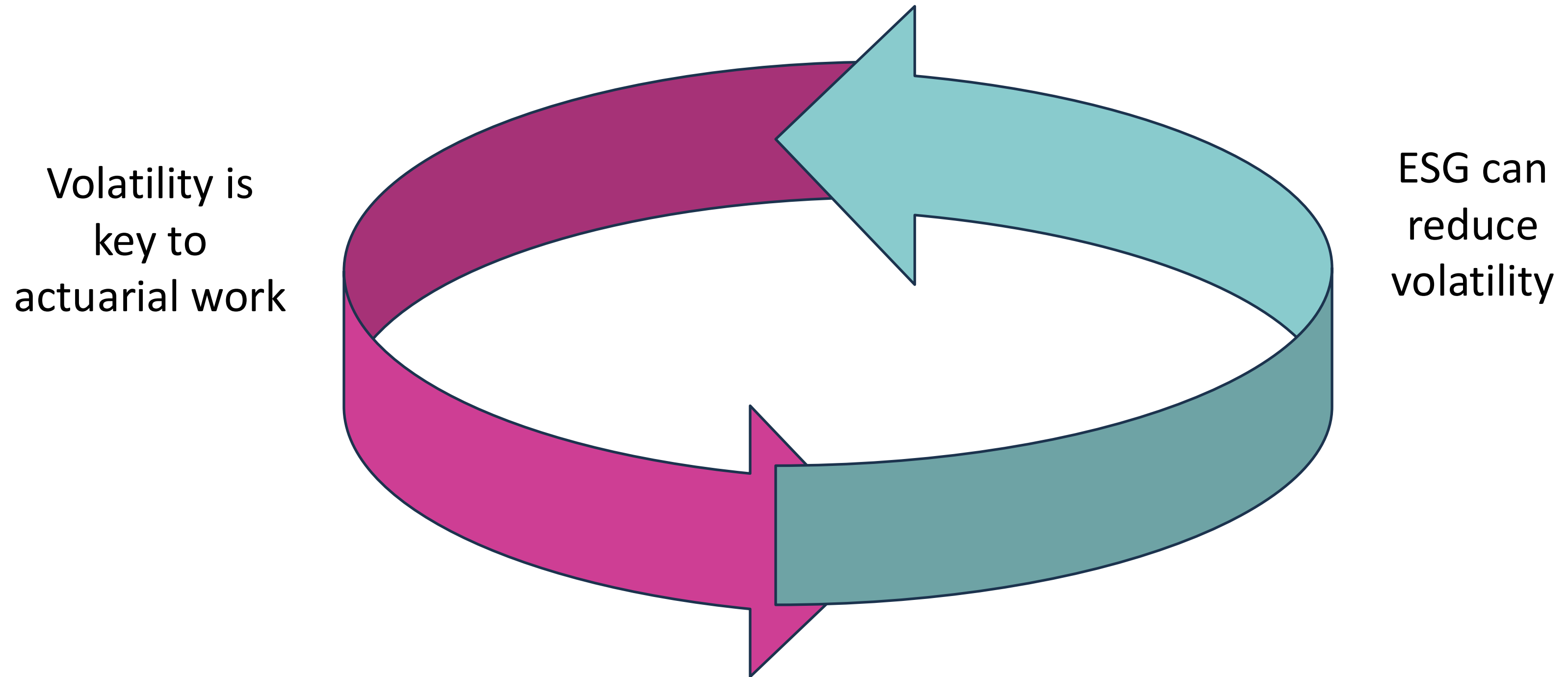
Improve risk management leading to lower volatility / stability in profits

Lower lapse rates from Increased customer loyalty

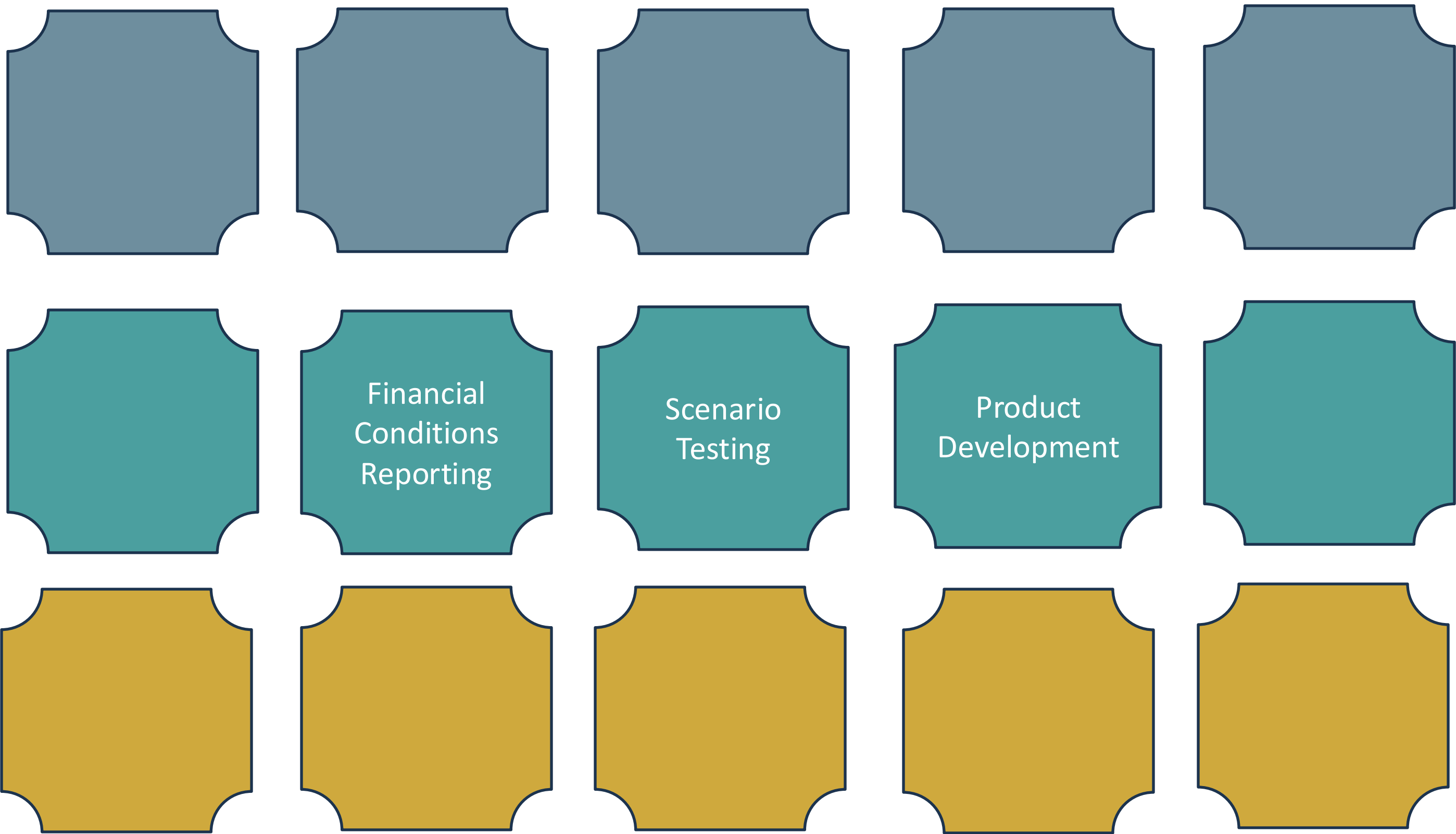
Build intellectual capital through Improved employee retention

Improved customer loyalty and employee retention are also vital in increasing company profits

# Risk management connects ESG to actuarial science



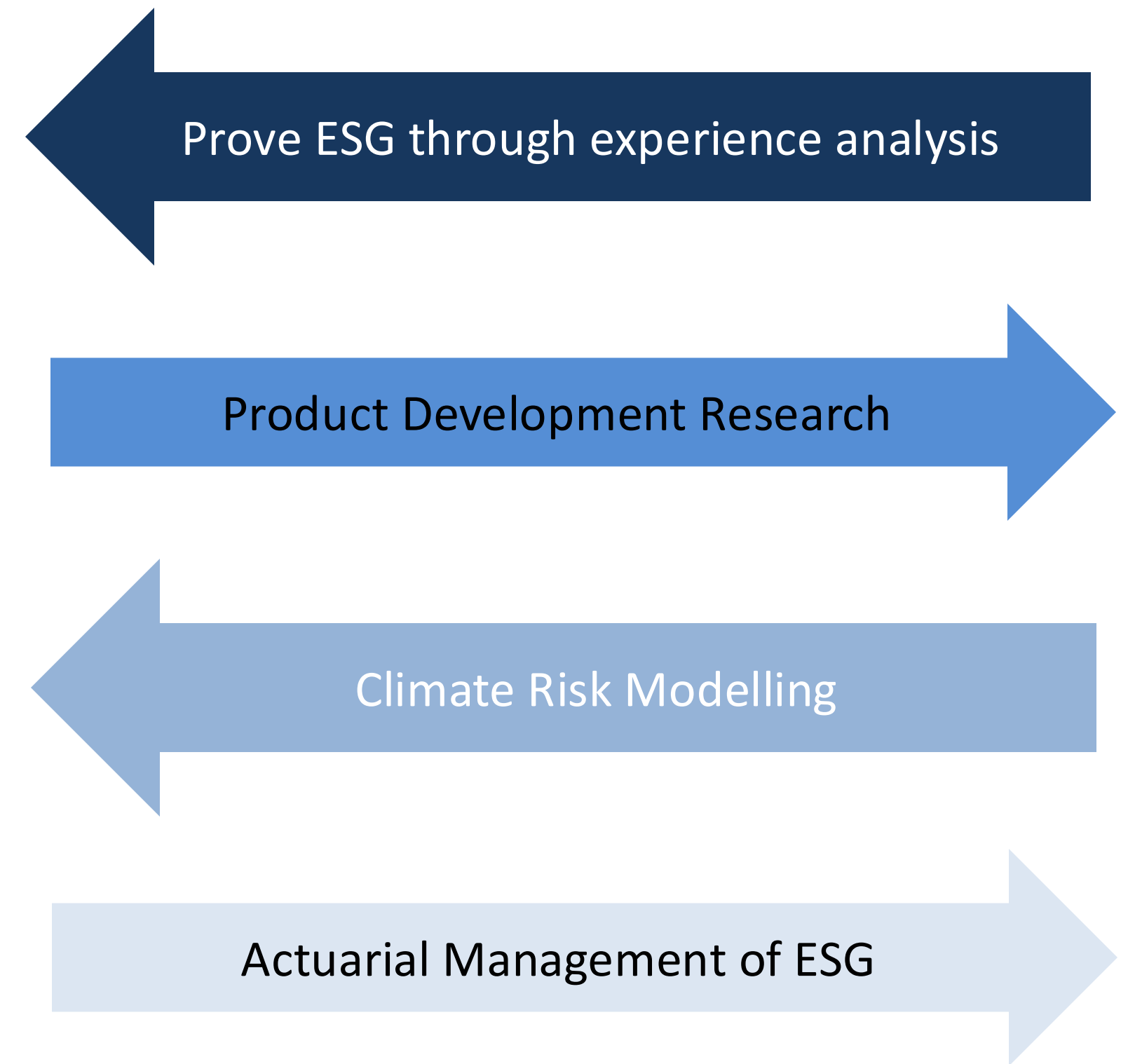
# ESG directly fits into the work of the actuary!







# Actuaries need to continue to upgrade their skills for ESG



# Experience analysis needs to be fine tuned to provide the proof behind ESG initiatives



Effect of avoiding certain segments on assumptions

Effect of ESG positive industries on assumptions

Incorporating climate risk into investment analysis

Cost benefit analysis of climate risk systems

Assessing the affect of ESG initiatives on lapse rates

Effect of improved staff retention on productivity



# **Product development and research needs to include ESG**

Assess protection gaps

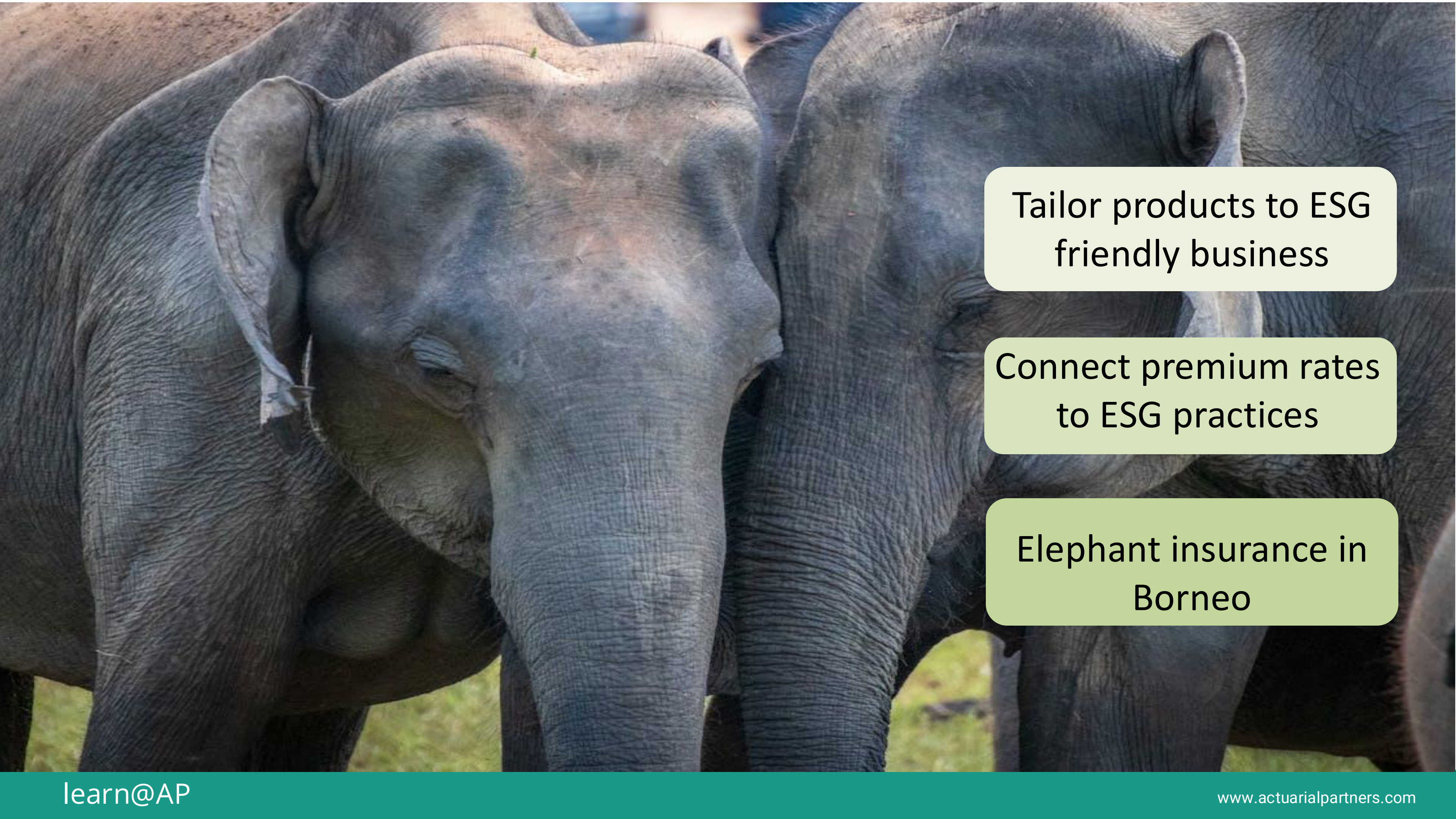
Actuarial control cycle to close the gaps

Design KPI for social impact

Include emerging experience

Ensure products support ESG vision





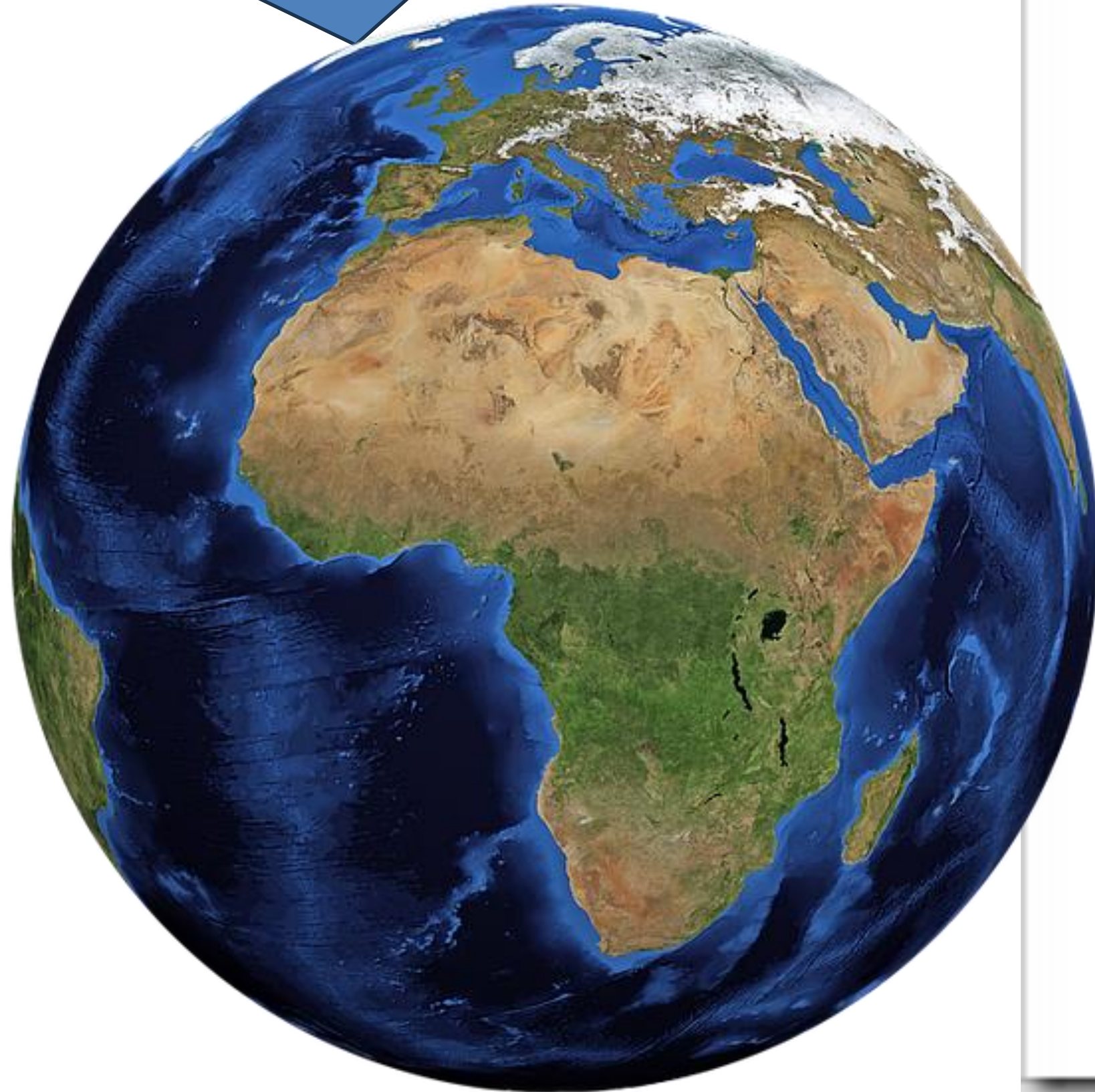
Tailor products to ESG  
friendly business

Connect premium rates  
to ESG practices

Elephant insurance in  
Borneo



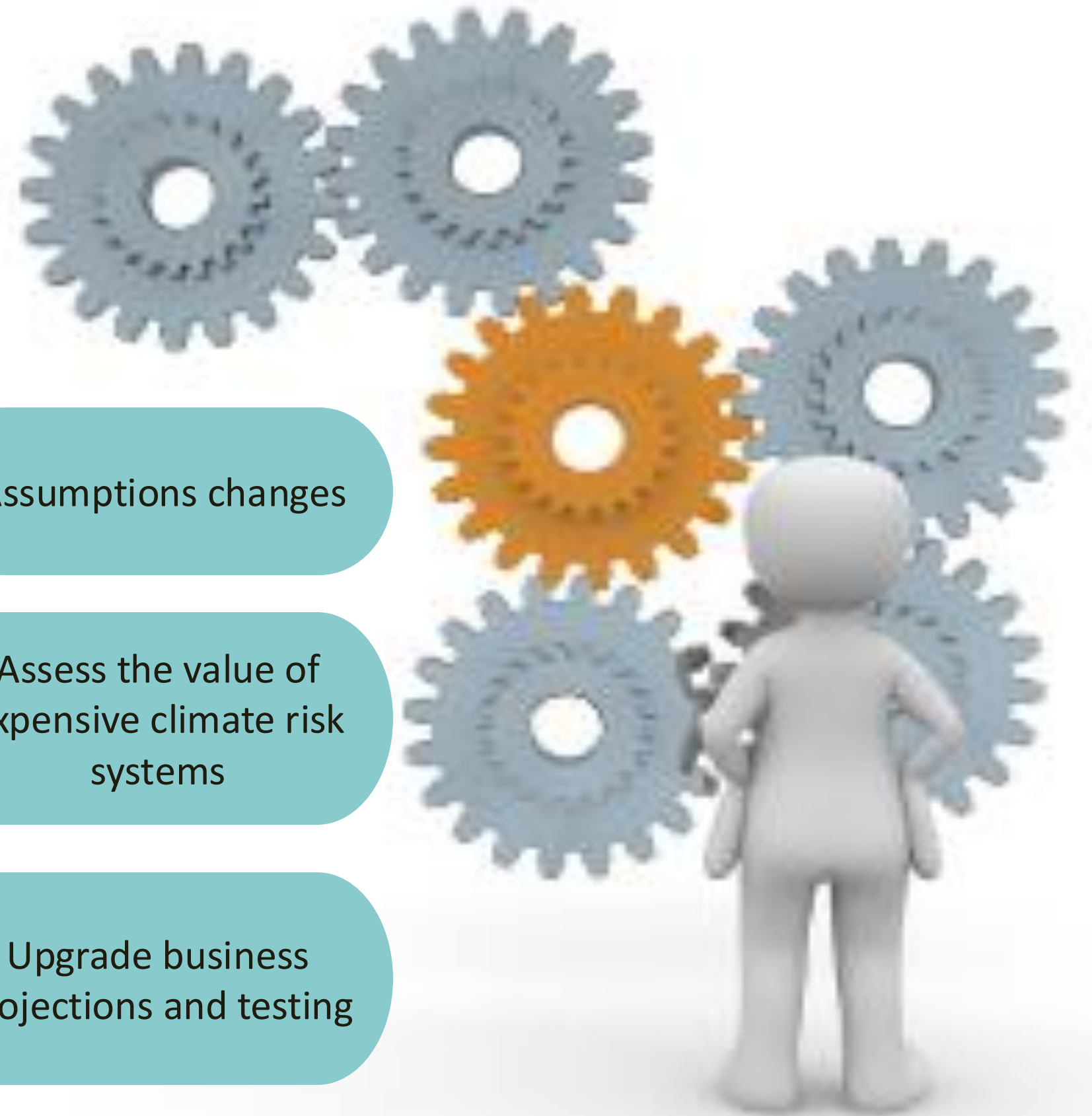
# Technical modelling needs to include climate risk



Assumptions changes

Assess the value of  
expensive climate risk  
systems

Upgrade business  
projections and testing





# Actuarial Management will need to include ESG

Financial Conditions Reports

Dynamic Solvency Testing

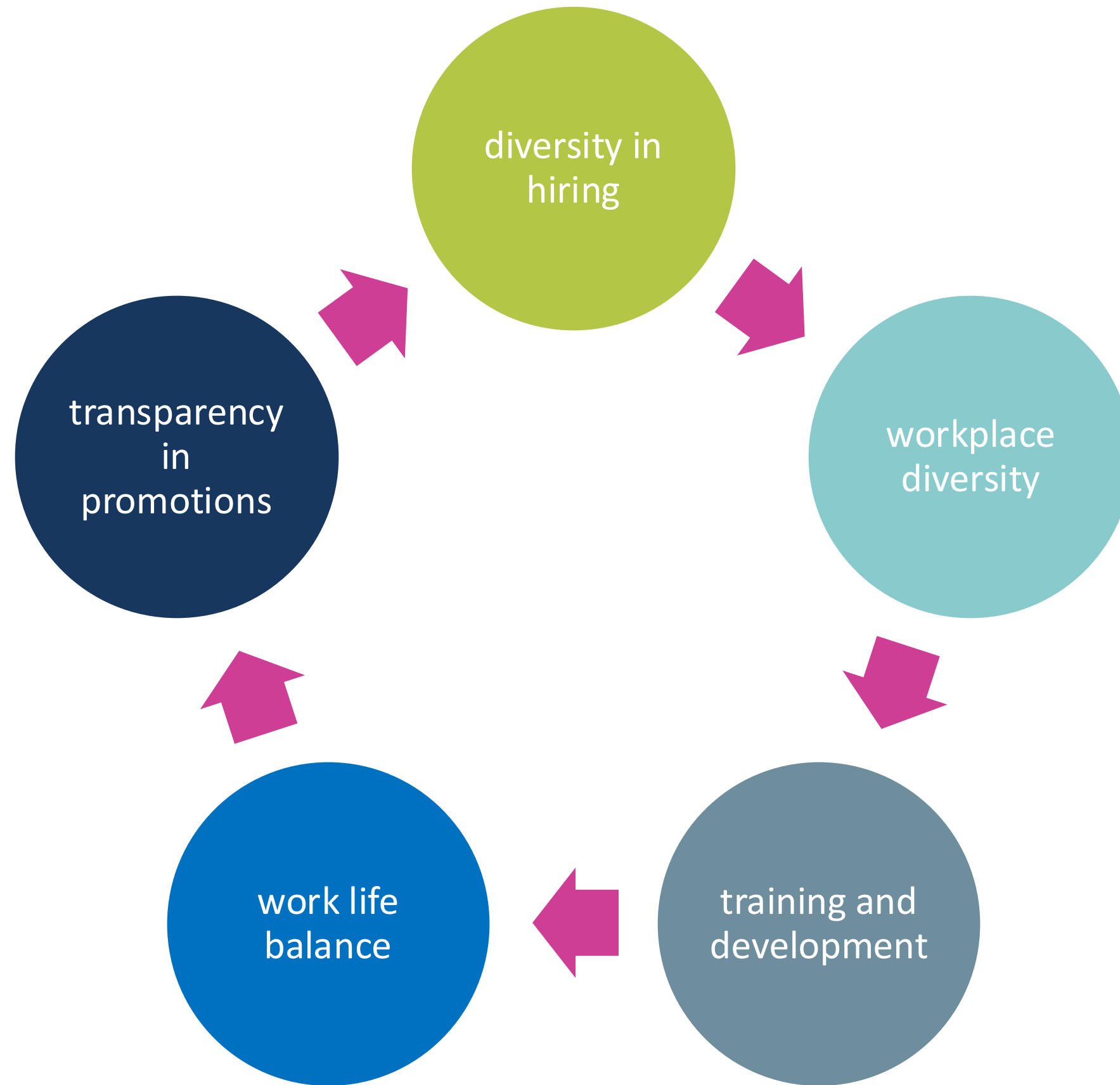
Business Plan Modelling

Look at the bigger picture, are sales  
illustrations fair?  
What about bonus rates?





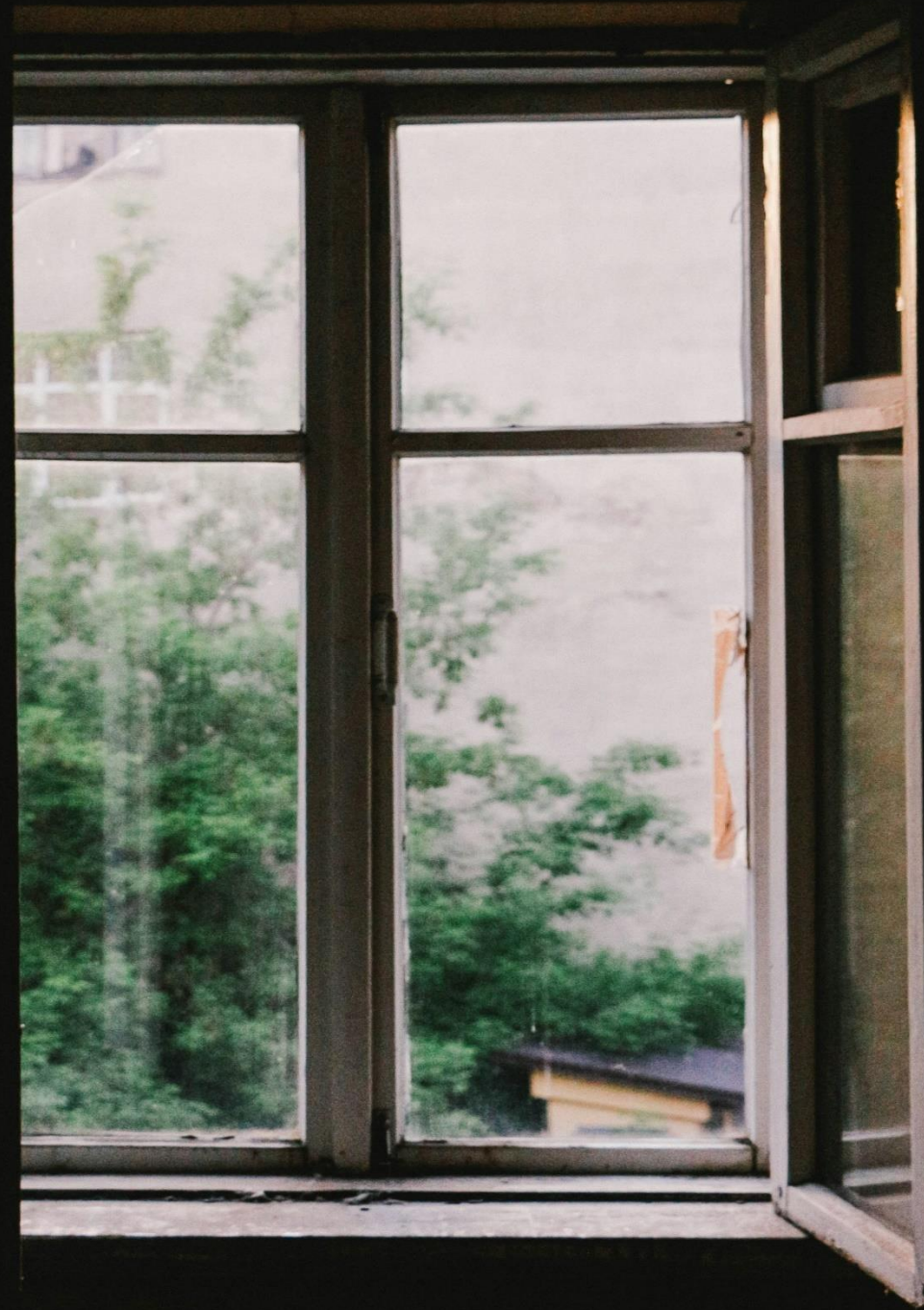
# Employees and potential employees need to be treated fairly



**What makes an amazing actuary?**



**Investors need transparency in  
order to make decisions**



**Have we treated IFRS17 as a  
compliance exercise or have we  
worked to ensure transparency?**



## Current regulatory practices related to ESG

### Environmental risk management



### Sustainable business practices



### Climate related disclosures



### Climate risk testing





# It is our duty to balance the scales

We need practical training to help all  
actuarial staff prepare for this new  
world

Our actuarial university training is  
excellent, especially for rich people  
who can go to the best global  
universities





# Questions?

We would be happy to discuss this in more detail with you, at  
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