



# Asian Actuarial Conference 2025 Bangkok

The role of the actuary in financial literacy

13 Nov | 16:10-16:50



## Hassan Scott Odierno

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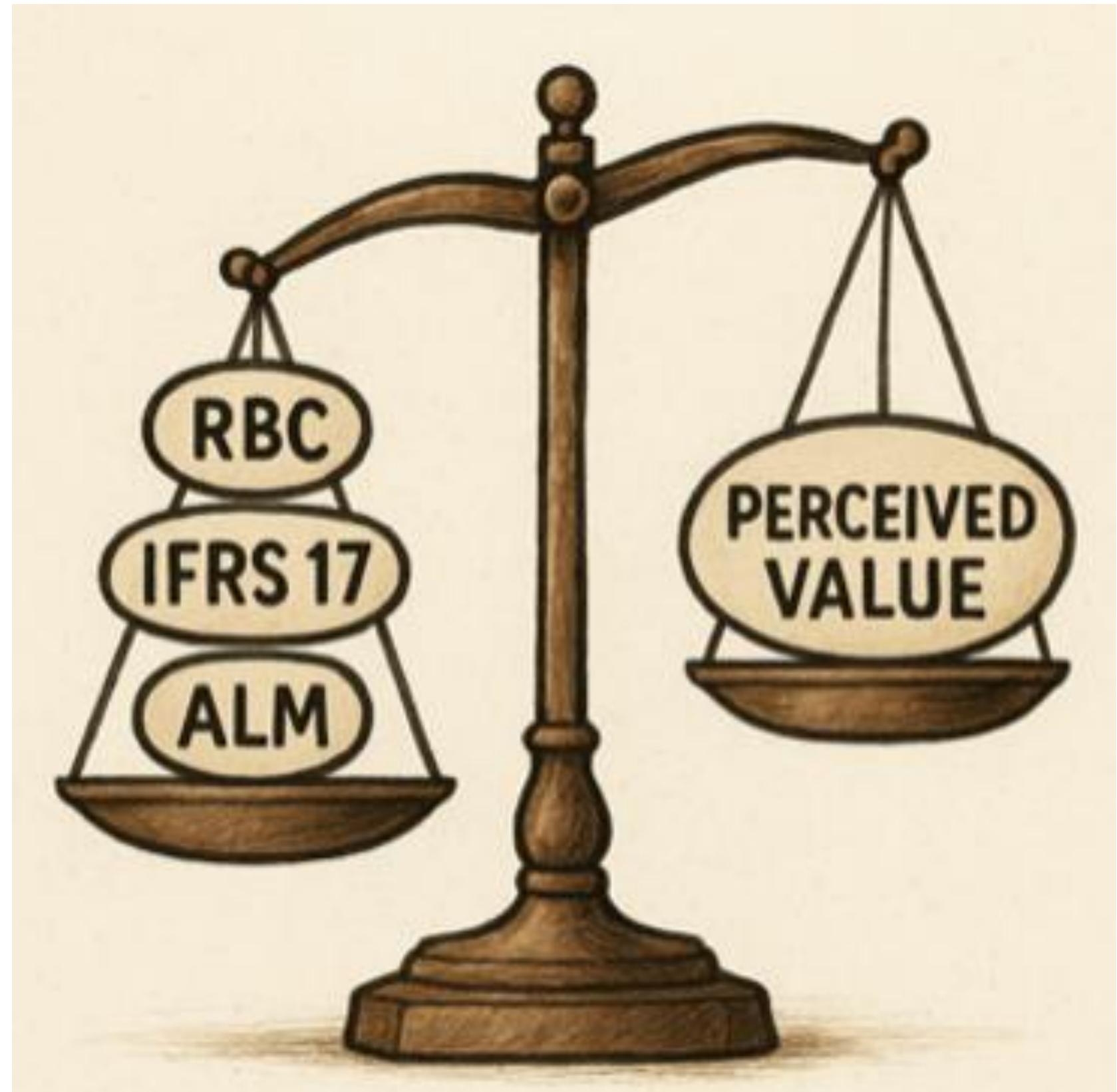
# Asian Actuarial Conference 2025

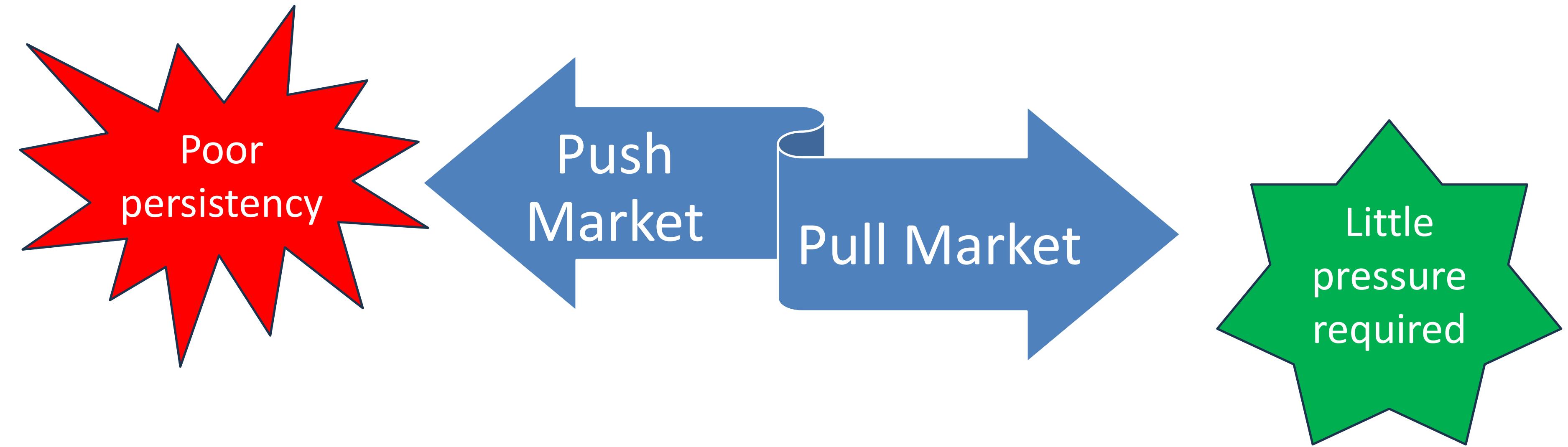
## The role of the actuary in financial literacy

Hassan Odierno, FSA  
November 2025

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What is the present value of a promise which is not understood?





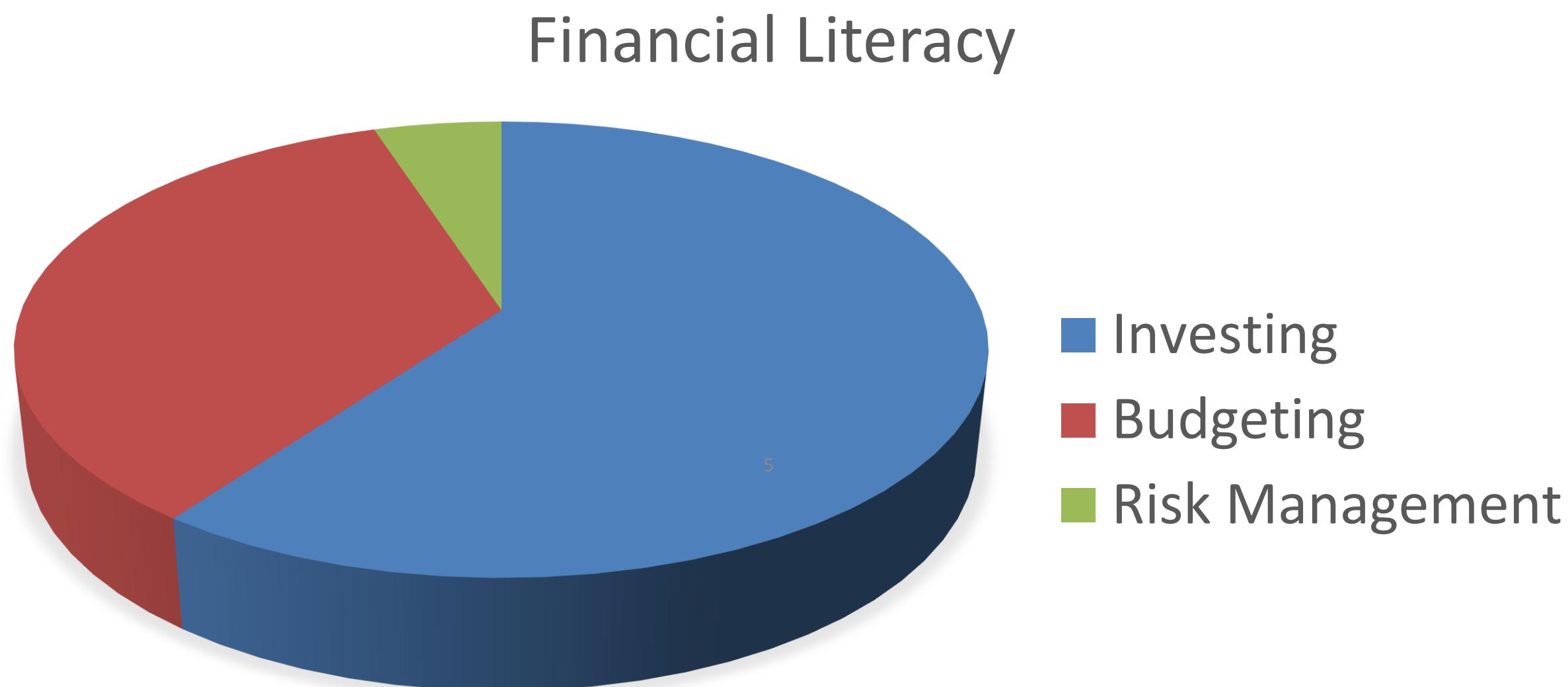
Imagine if instead of constantly segmenting the market to focus on places where people already understand the need for insurance, we expanded our market segments through improving awareness of the value of insurance in risk management.

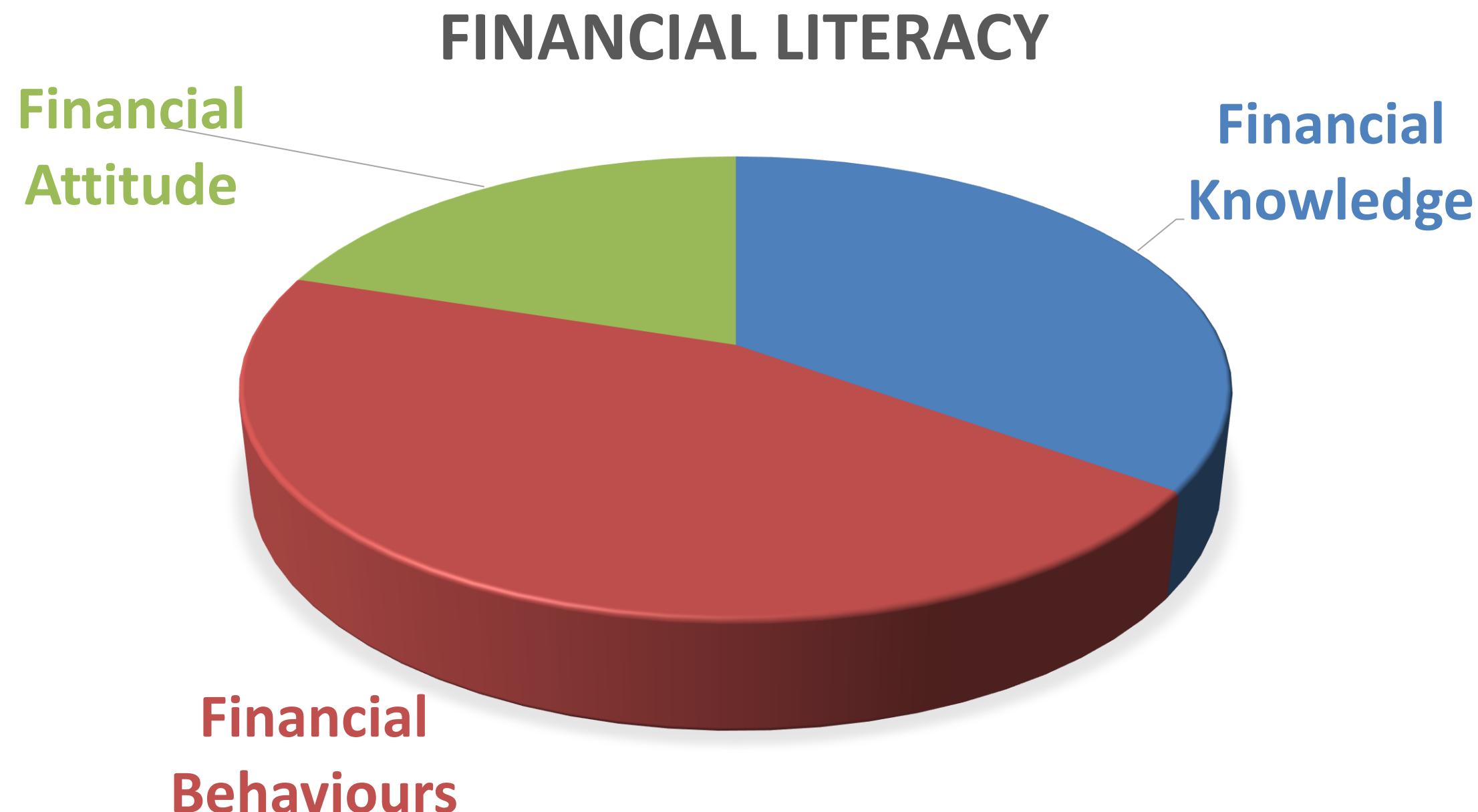
$$\sum_t^{PT} \text{Commission Rate}(t) * \text{Ave GrossPremium} * \text{number of sales}$$

An agent's income must connect to the market segment they are targeting, and is directly related to financial literacy. Malaysian sample:

Months since becoming an agent	Monthly income (RM)
1	300
12	3,400
24	5,600
36	6,800
48	7,500

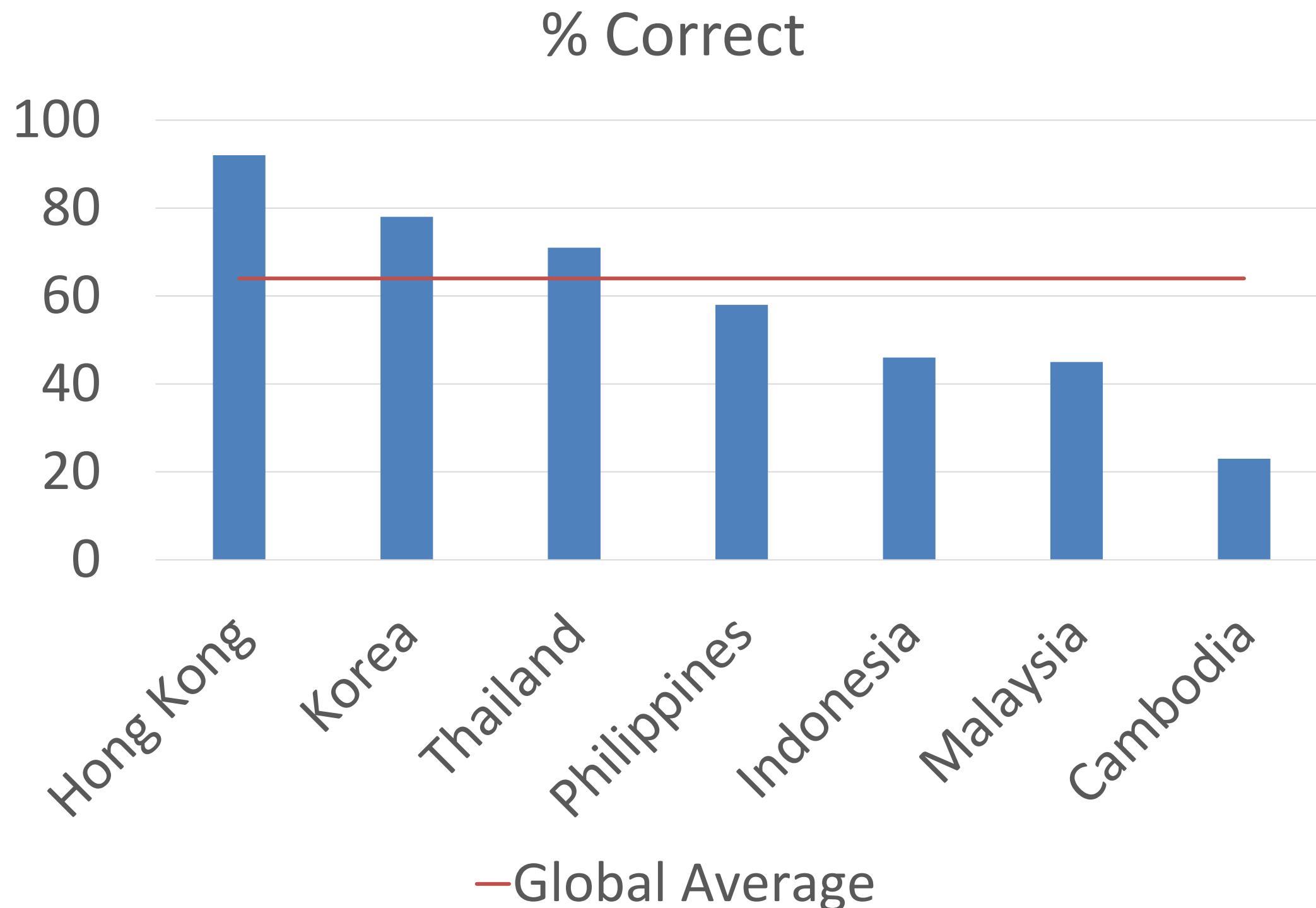
Risk management is the most overlooked aspect of financial literacy, the strength of the actuary





We will highlight those aspects related to actuarial science and show the wide variation in results in Asia.

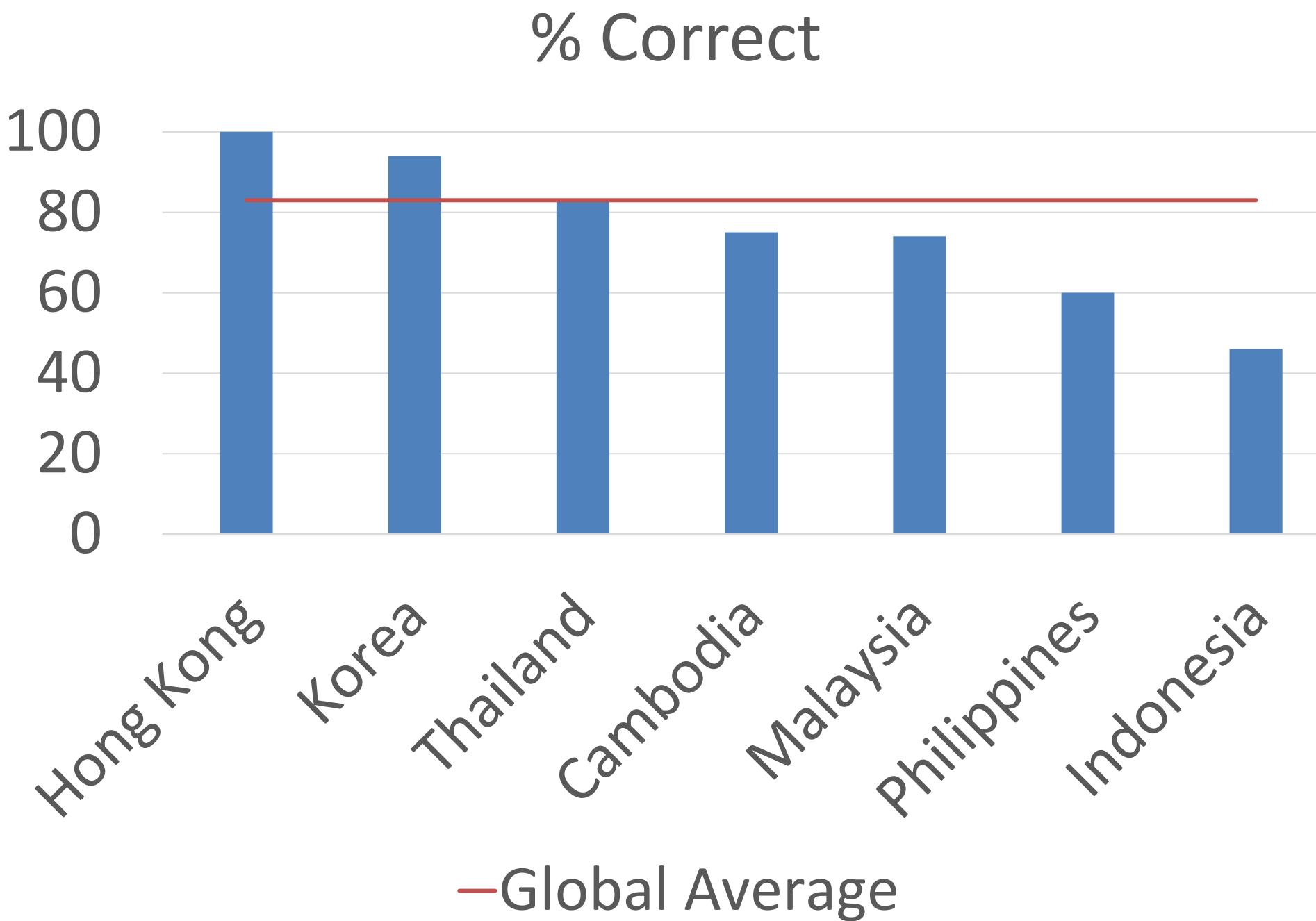
## Time value of money



If people do not understand the time value of money, how will they understand how to manage the risks of not saving regularly?

OECD 2023 Study

## Interest on a loan

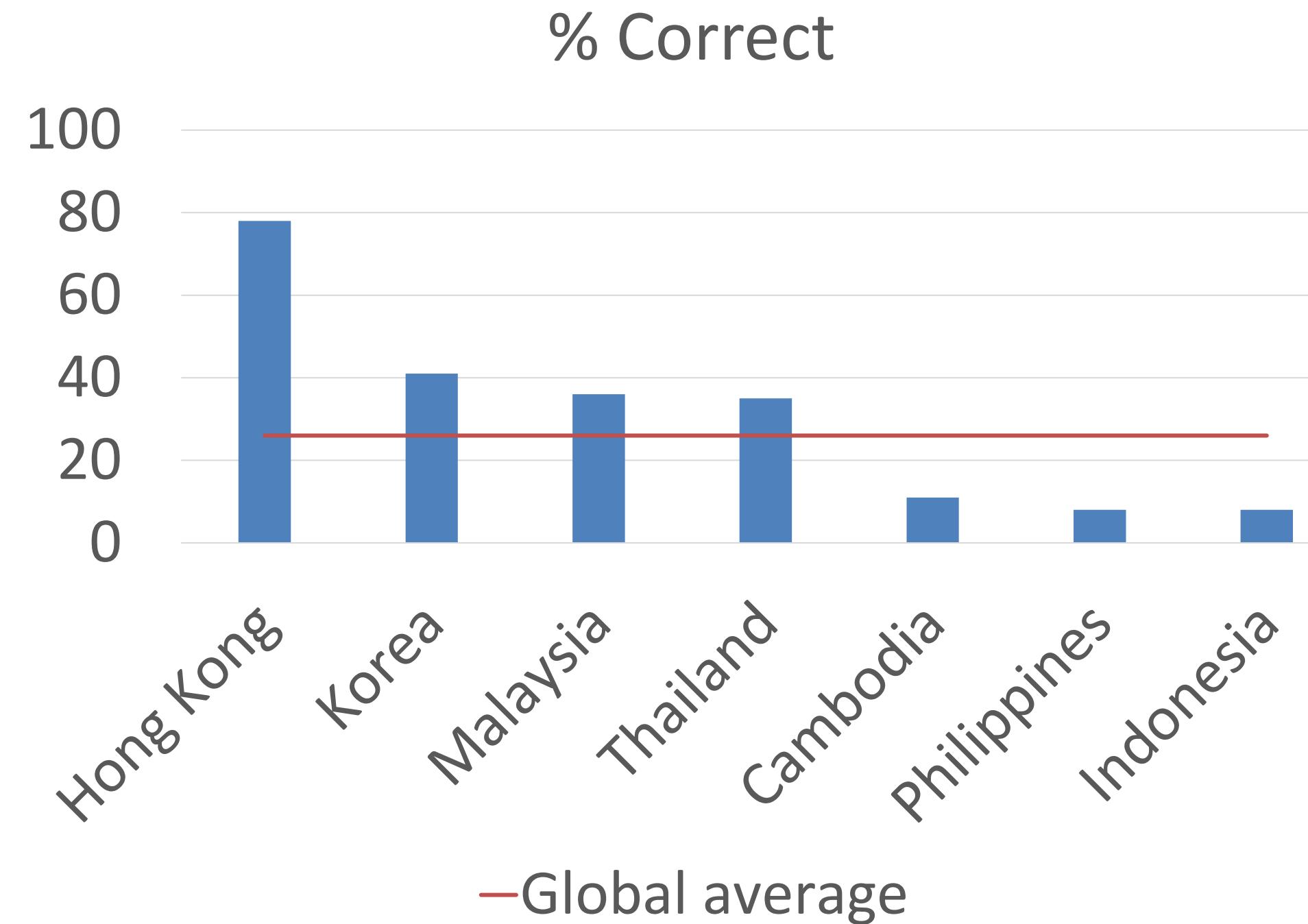


Problems with buy now pay later is in the news now, but if people don't understand how interest on a loan work, this risk is a ticking time bomb!

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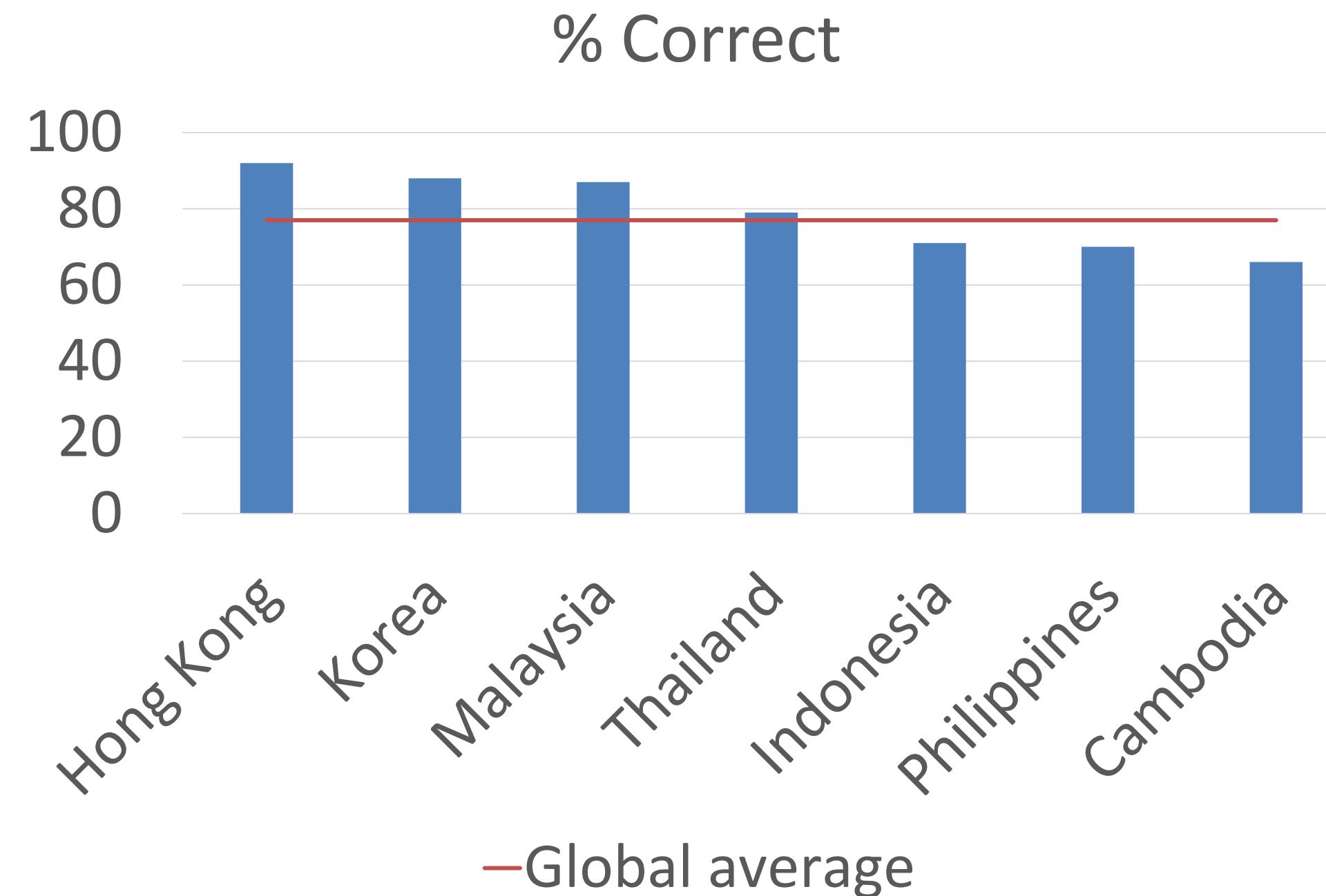
# Simple and Compound Interest

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If people don't understand the value of interest earning interest, how can we expect them to value savings policies?

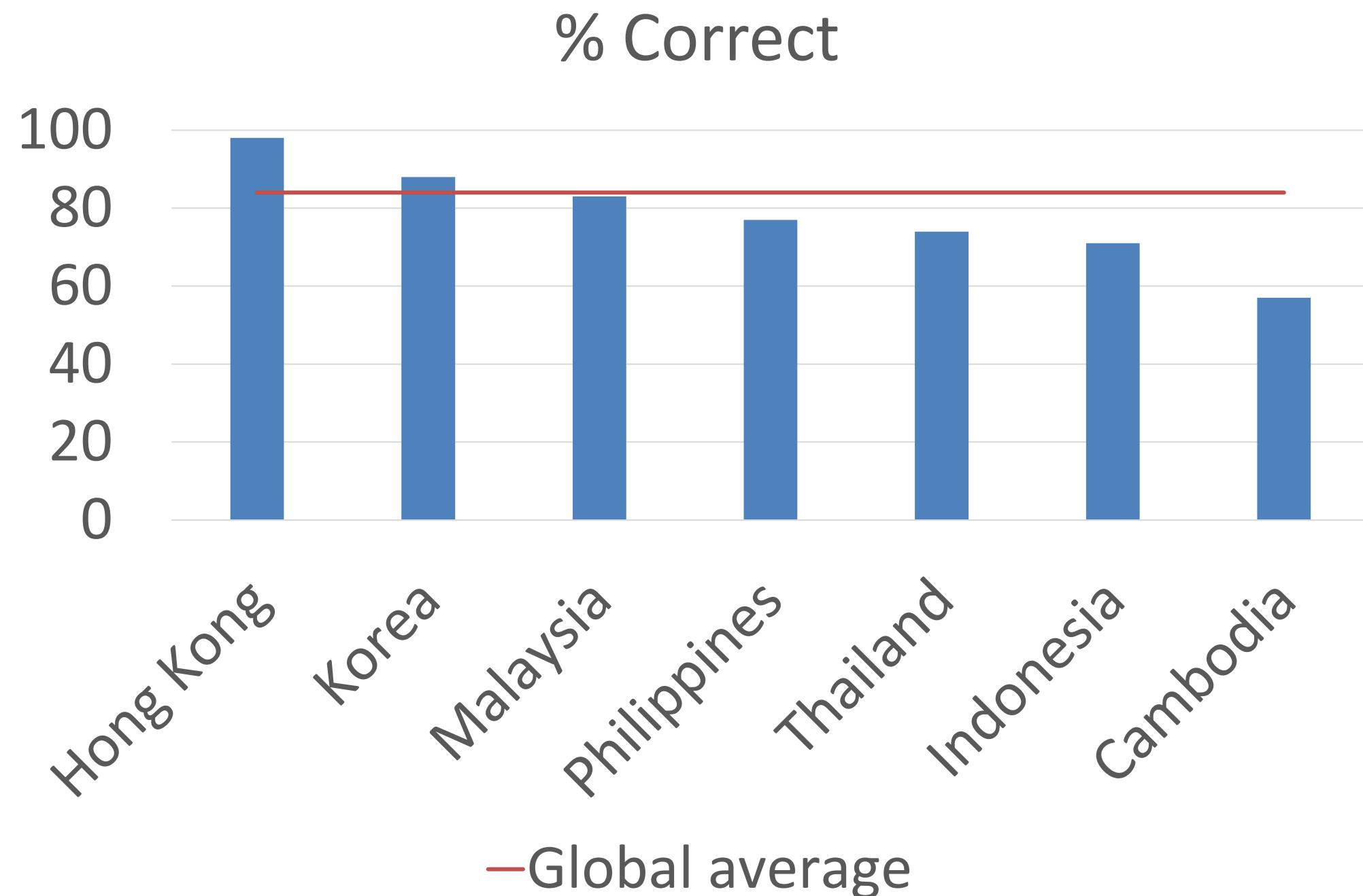
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People generally understood that in order to get more returns you need to take more risks.

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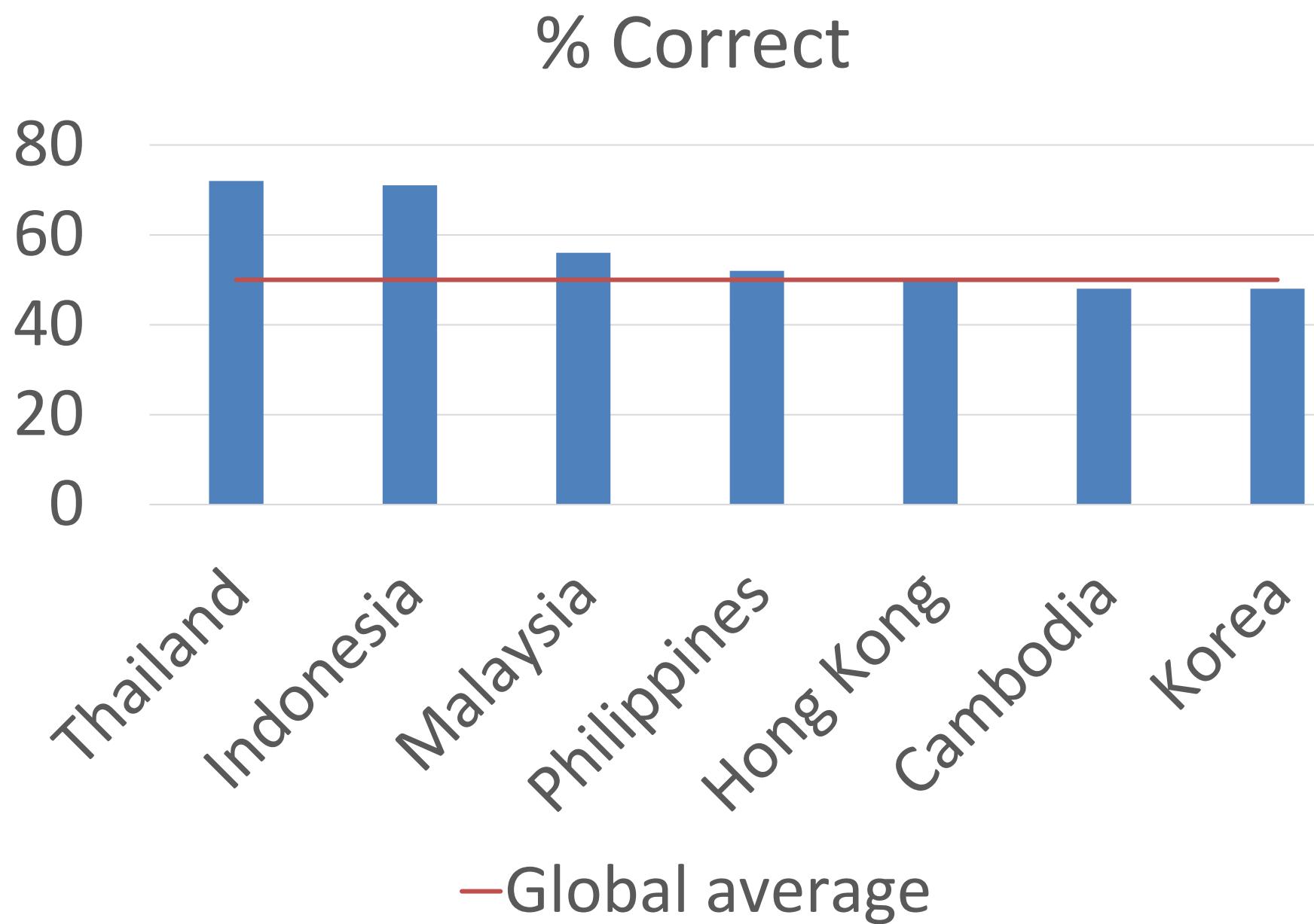
# Inflation



Inflation affects how much insurance we need today, and what our savings goals for the future should be.

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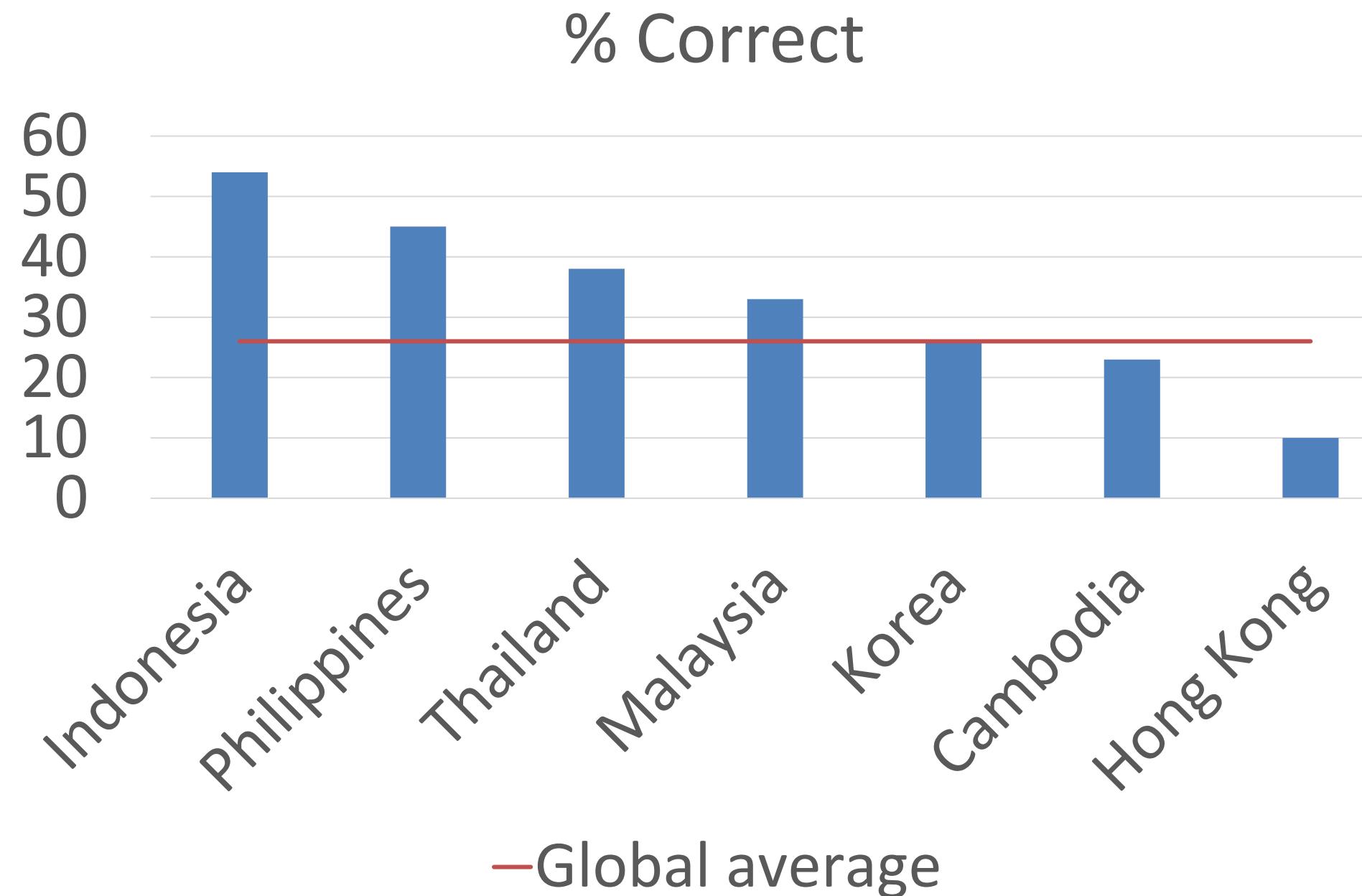
# Sets long term financial goals



Moving from knowledge to practice, people in even more developed Asian markets are not planning sufficiently.

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# Compared financial products among different providers

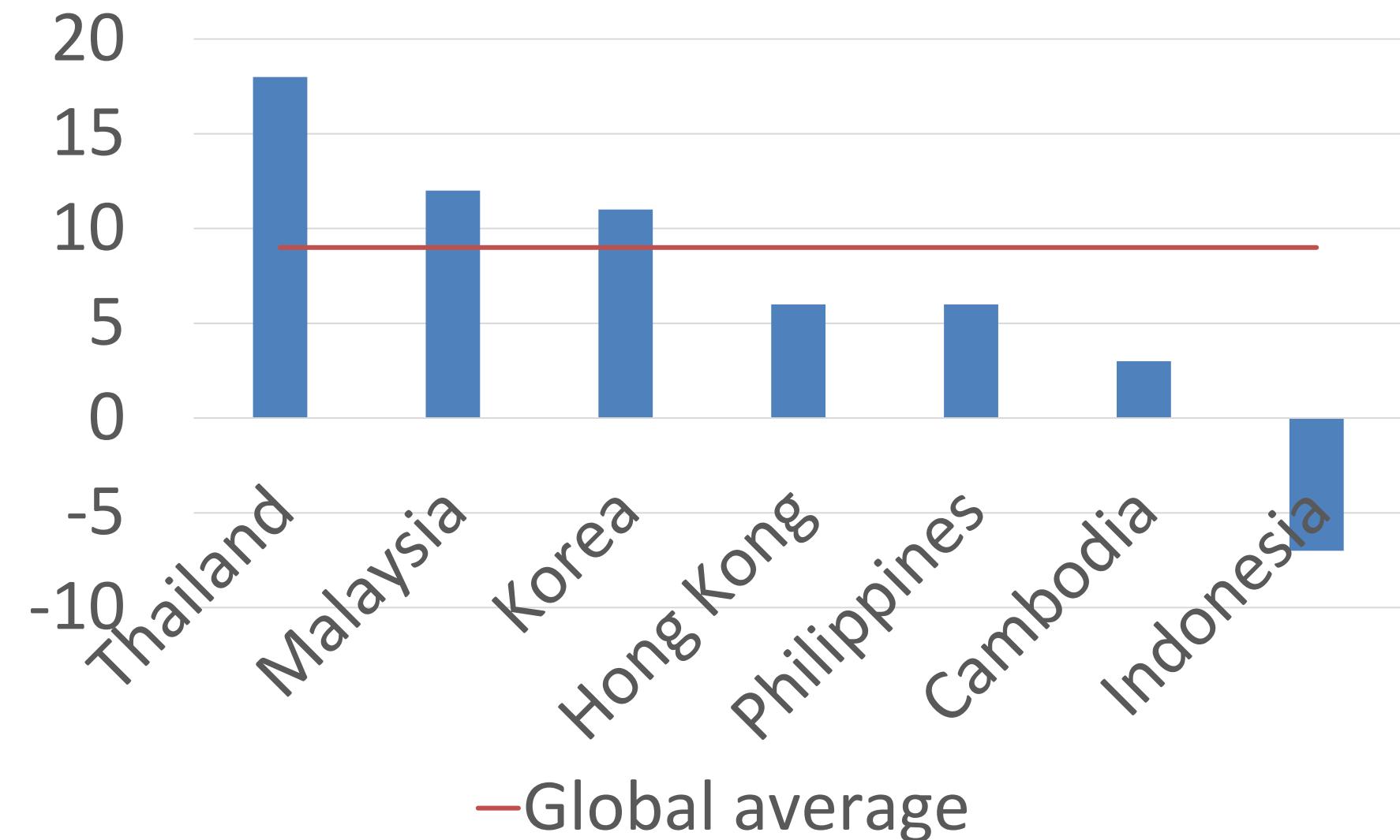


Comparing financial products is a good foundation for becoming a pull market.

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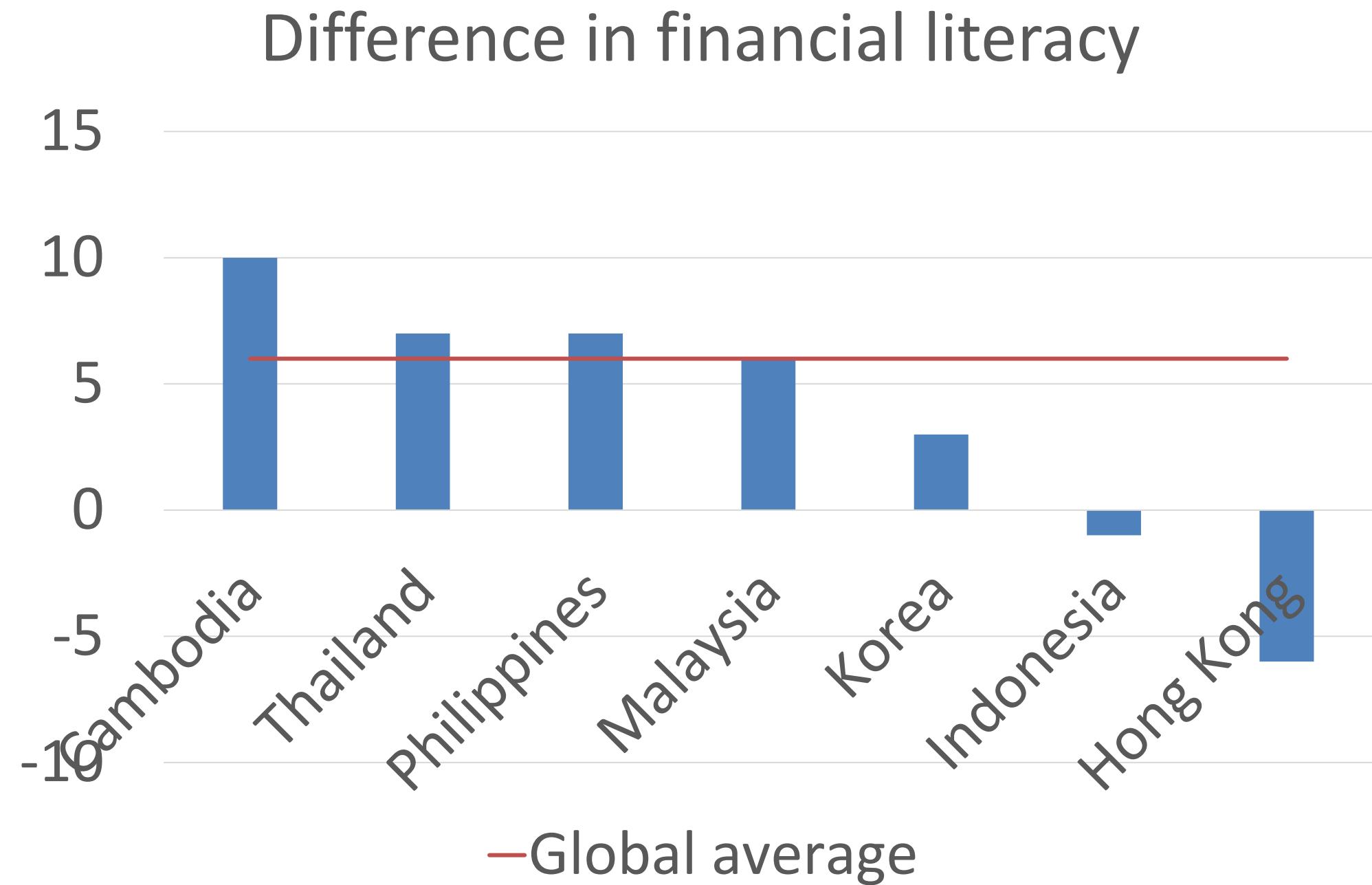
## Secondary education – less educated

Difference in financial literacy



- There is quite a diversity by country, implying that financial literacy efforts need to be focused by country.

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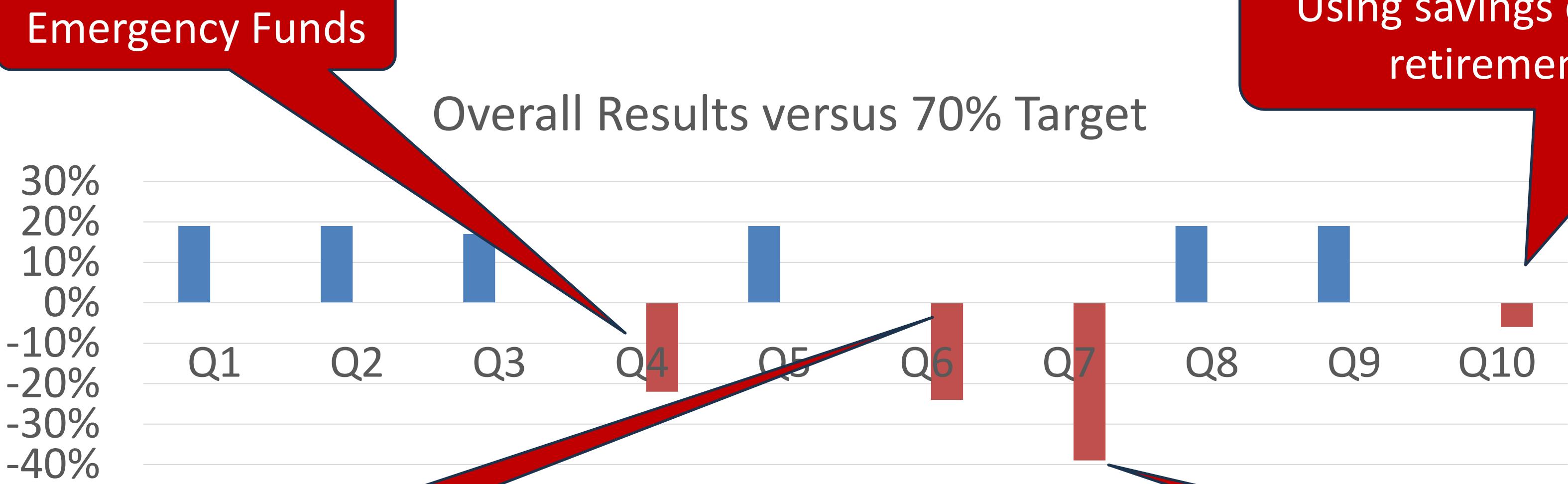
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## Final thoughts on the survey

- Men had better financial literacy than women, but the difference was much lower in Cambodia, Indonesia, Thailand and Philippines.
- Globally people aged 30-59 had the highest financial literacy, but in Asia outside of Korea and Philippines younger people had better financial literacy.
- Older people had lower financial literacy, but in Thailand and Malaysia older people had significantly lower financial literacy.

# AP survey on financial literacy

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Emergency Funds  
Actively purchased  
insurance

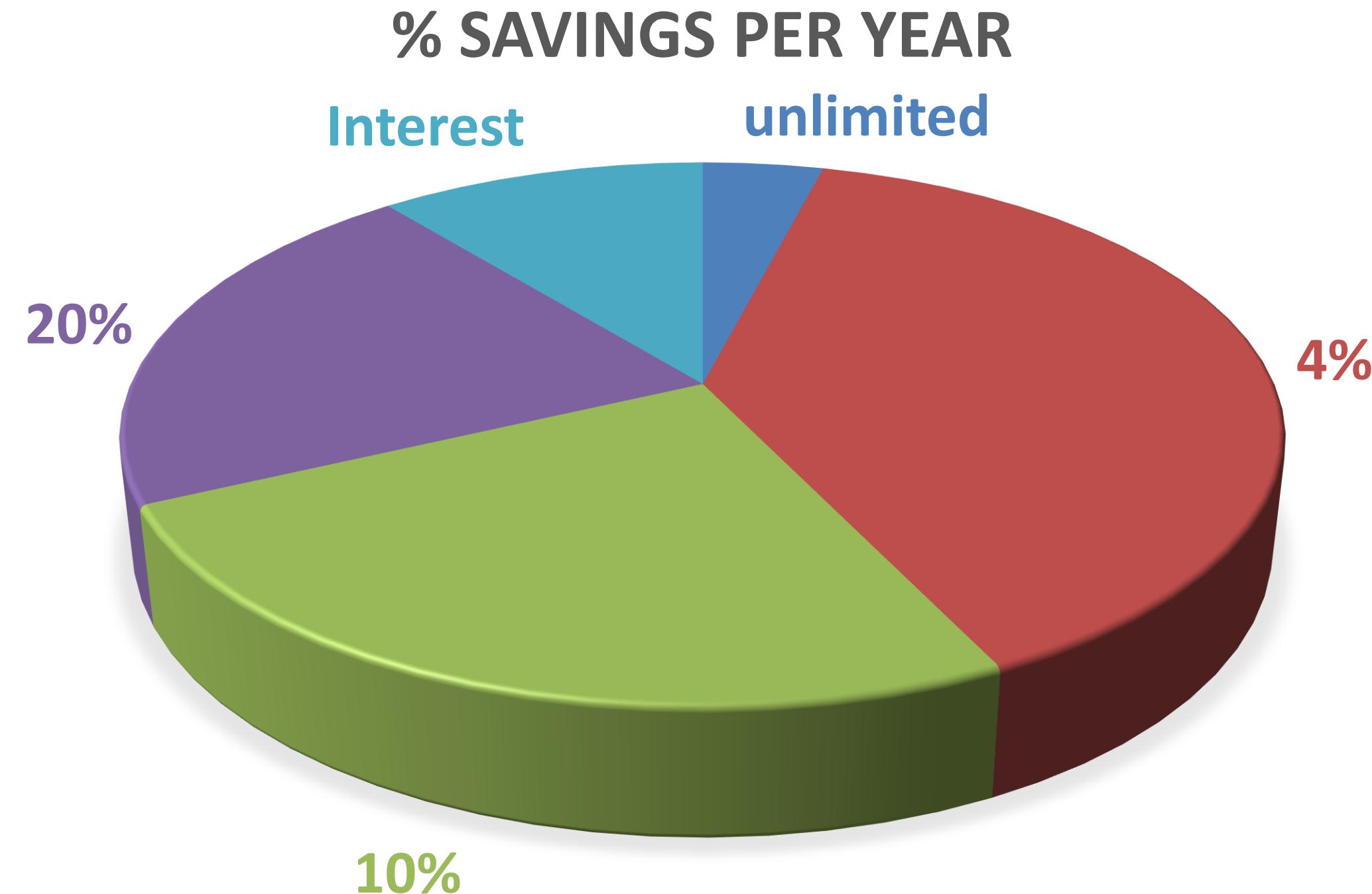
■ Above Median ■ Below Median

Using savings during  
retirement

Digital Security

# Using savings during retirement (175 responses)

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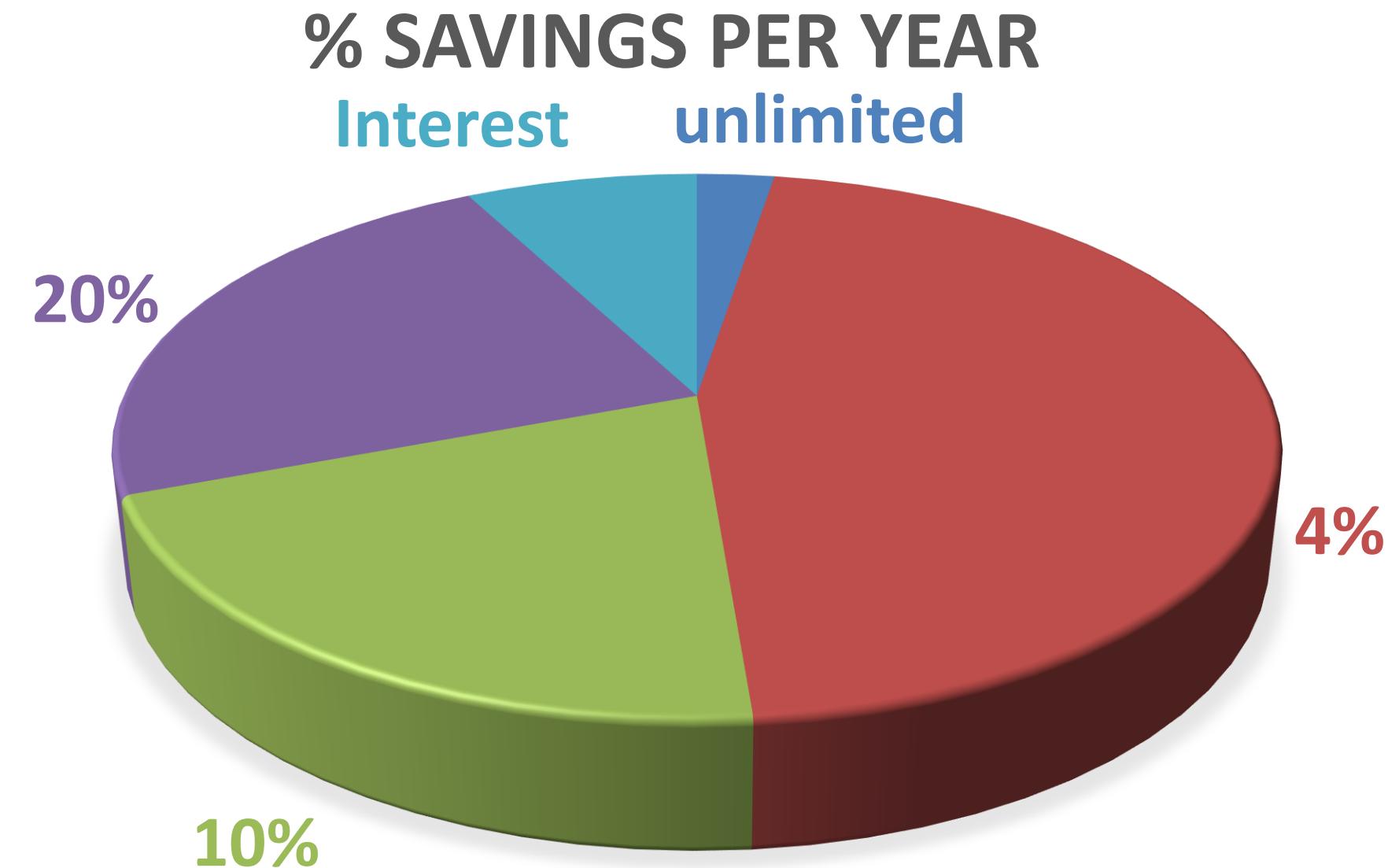


Not only do many people not plan for retirement, they use too much of their retirement savings in the early years.

AP Survey

# Using savings during retirement (39 actuarial responses)

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Was expecting better  
to be honest!

AP Survey

# Actuaries are good at financial literacy, but ...



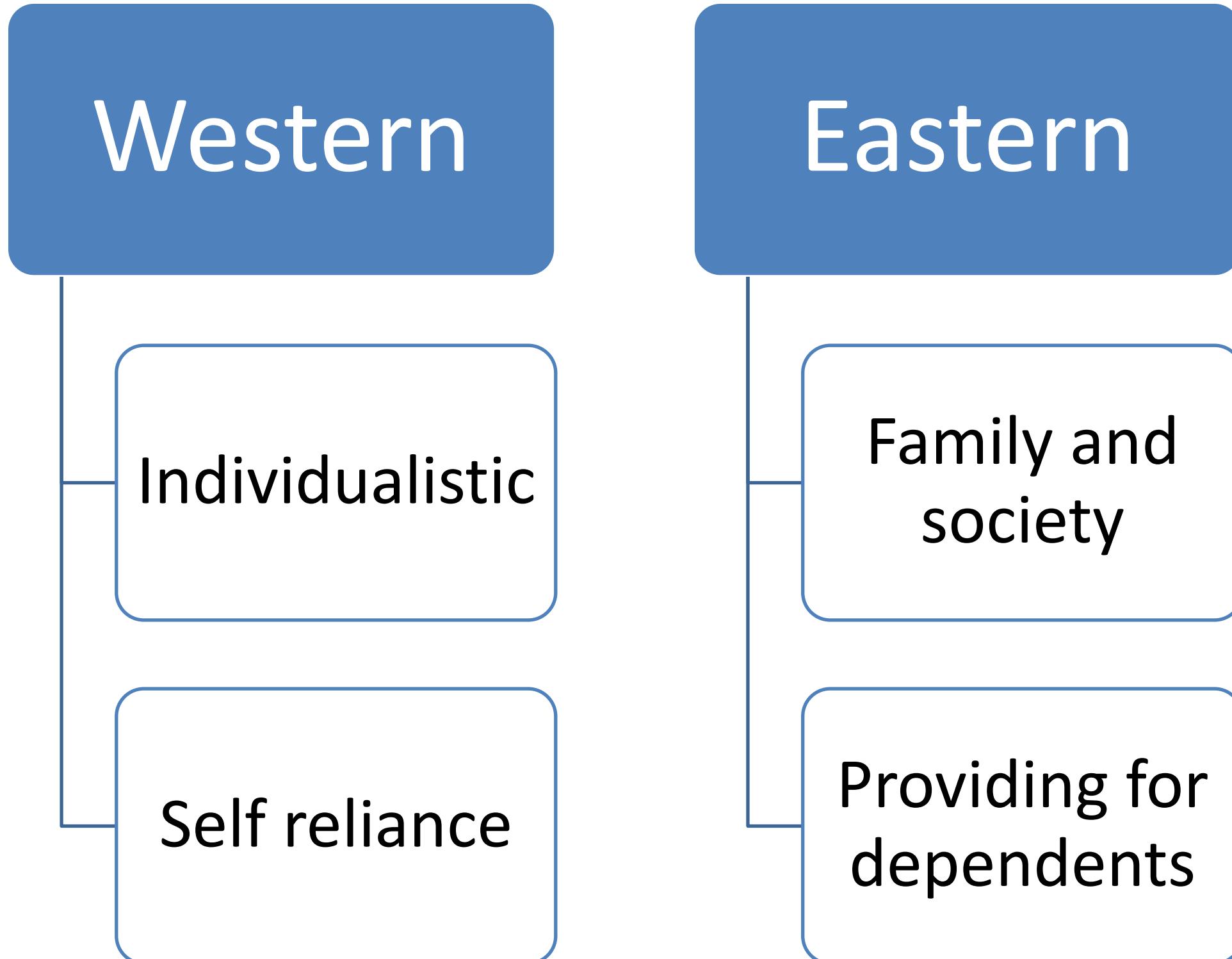
Red and green cells are more than 25% from the average.

AP Survey

## Suggestions from the survey participants

- Introduce financial literacy to secondary school content and let young people make financial decisions in the family.
- Social media campaign, public and private programs.
- Education via gamification with no buying pressure.
- Design an app to teach financial literacy.
- Consider each generation separately.
- Teach people to question more.

## Eastern versus western thinking



Case studies need to focus on managing risks to maintain harmony rather than for personal gain

As actuaries we can focus on risk management and segmenting the population to ensure our actuarial organizations can provide case studies which resonate with eastern thinking. Together we can increase the value of insurance to our communities, increasing insurance penetration and profit along the way.

# Questions?

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