



# Challenges and Opportunities for Actuaries in China

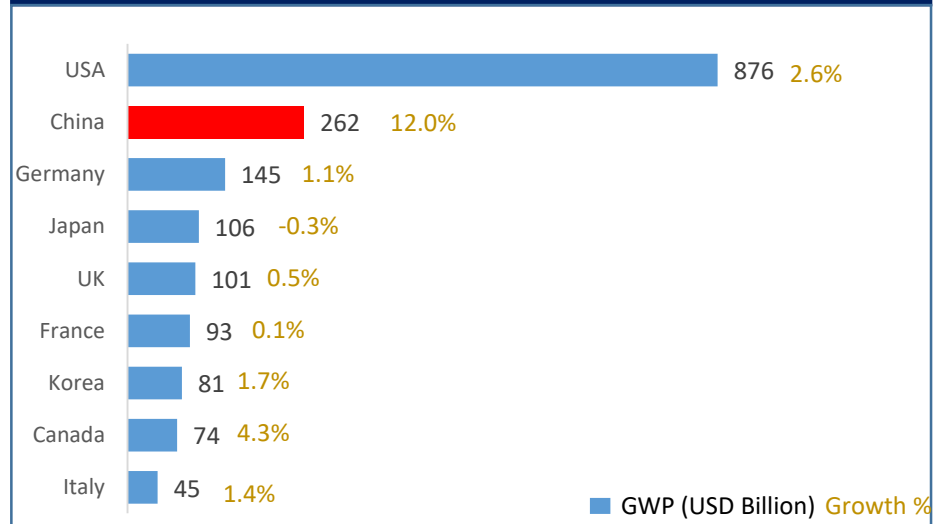
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# China market overview

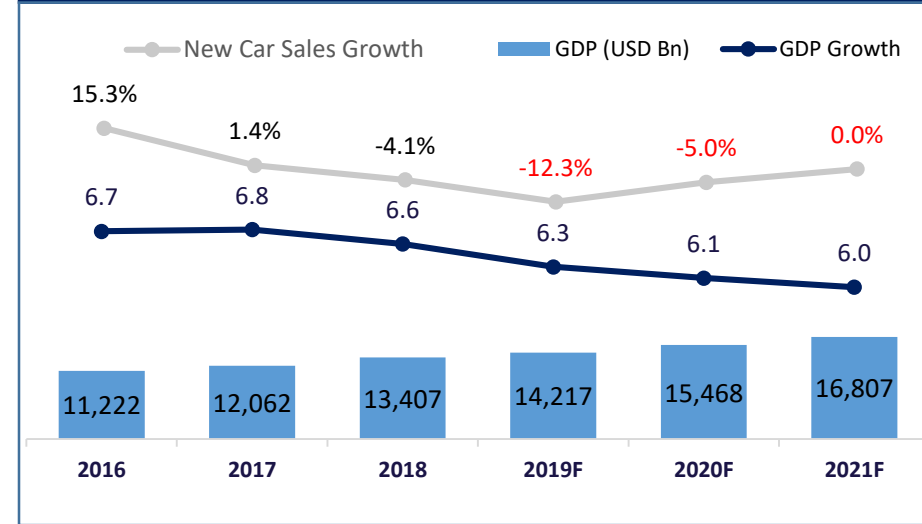
2018 Non-life GWP rank of countries



China Non-motor GWP Growth

GWP Growth	2016	2017	2018
Health	28.7%	34.0%	44.4%
Liability	20.0%	24.5%	30.9%
Credit	-11.5%	106.0%	70.1%
Others	7.1%	12.9%	17.9%
<b>Non-motor</b>	<b>9.3%</b>	<b>24.2%</b>	<b>29.8%</b>

China GDP & New car sales growth

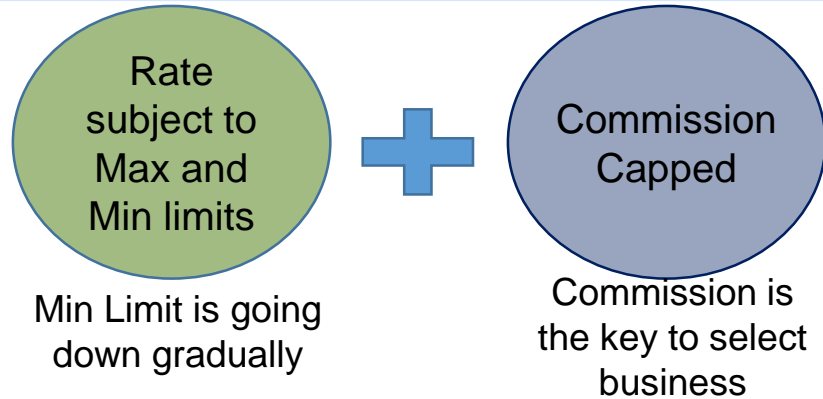


- China P&C market is big, but still having great potential with high growth rate.
- China non-life GWP rank moved from 6<sup>th</sup> in 2011 to 2<sup>nd</sup> in 2014 and is expected to rank 1<sup>st</sup> in 2030s.
- P&C industry needs to make transformation as GDP growth is slightly slower and new car sales decrease in short term.
- Motor growth ratio is slowing down in short term, meanwhile, non-motor keeps high growth ratio in recent years. Non-motor product mix is 33% in 2018, which is lower than most developed countries.
- More actuaries are needed in China!



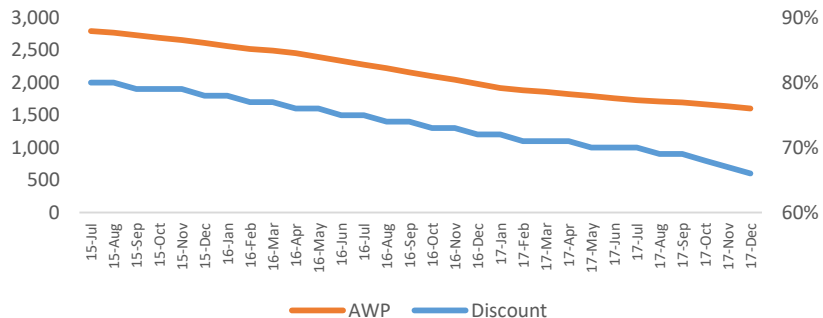
# Challenges

## Motor Detariffication

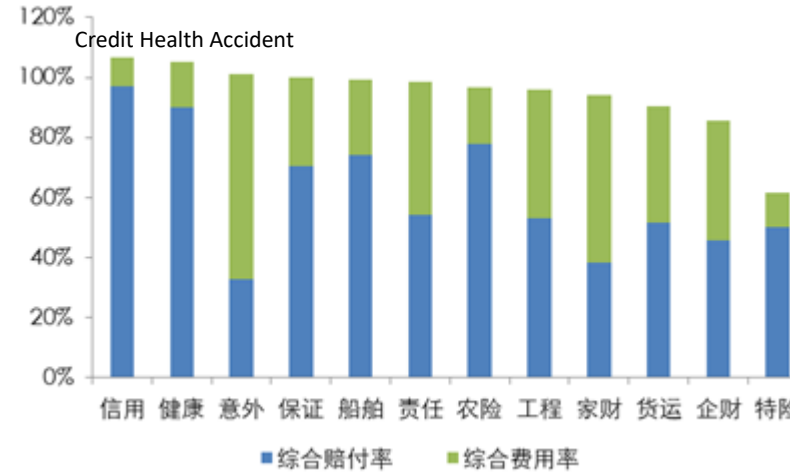


## Average Price and Discount

### Private Motor Trend R12



COR



- Motor insurance is going through de-tariffication. Market growth ratio is slowing down due to rate reduction and negative new car sales growth ratio. Competition is intensive. Regulators are implementing double constraints on price and commission, which makes it very sophisticated to adapt pricing model into practices.
- In general, non-motor market keeps growing very rapidly in recently years, at around +20%. But the fastest growing lines such as credit, health have the highest COR compared with other lines.
- How can actuaries play important roles in such sophisticated market situations?



# Challenges

## High-tech Development



## Internet+



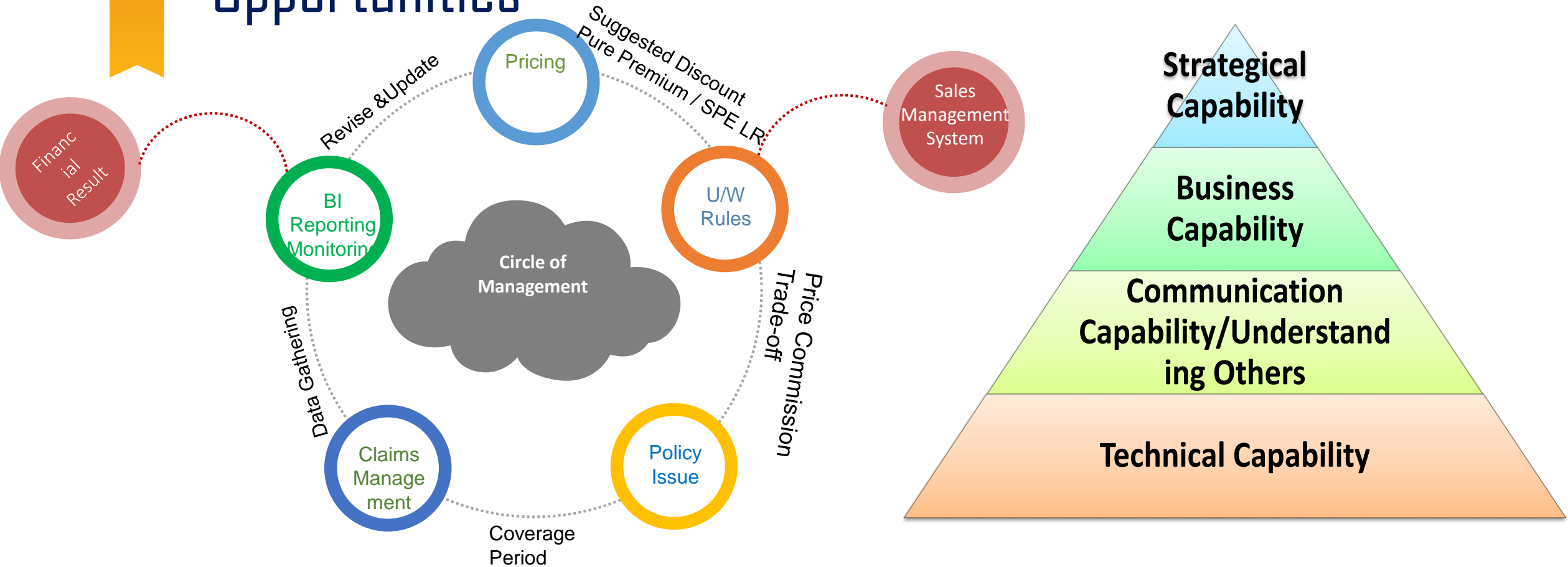
## Social Media



- New technology, Internet, AI etc. are booming, which are changing the risk and product, making traditional way of Product designing/pricing/reserving invalid.
- Social media/Internet Giants etc. are changing our view for data -- and big data technologies are prosperous.
- In above background, staffs with Mathematical/Statistical/IT educations are taking the job opportunities from actuaries(they are easy to find and cheaper)



# Opportunities



- Analytical opportunities are everywhere in the company and actuaries are the best candidates to do better
- More actuaries are needed in areas such as claims/distribution, as compared with traditional pricing/reserving.
- Actuaries have the potential to take business roles and do better in the data-driven world but actuaries need to act courageously and take risks.



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