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Interview with Emma McWilliam, Editor of Longevity Risk

By Emma McWilliam and Richard Jennings

Editor's Note: *Emma McWilliam, FIA, FSA, MAAA, is a consulting actuary with Milliman in London, United Kingdom. McWilliam is the editor of Longevity Risk published by Risk Books (www.riskbooks.com). Longevity risk is fast emerging as a financial sector in its own right and this new book from Risk Books, provides cutting edge practitioner insight and research around longevity risk in a practical and accessible way. According to the book's publisher, Philip Jackson at Risk Books, Longevity Risk has proved to be a very popular title. It is currently in their top five best selling books of 2011. In addition, there has been a lot of interest from the industry around the time of publication with numerous requests for reviews from universities and insurance publications. Longevity Risk is available from Risk Books for GBP145.00. Risk Books will give SOA members a 20 percent discount on any orders for Longevity Risk—use the code SOA20 on the Risk Books website, www.riskbooks.com.*

REINSURANCE NEWS: HOW DID YOU GET INTO THE INSURANCE/REINSURANCE BUSINESS? TELL US A LITTLE BIT ABOUT YOURSELF.

For getting into the actuarial/insurance/reinsurance world, thanks have to go to my Dad when I was around 15 for taking me to the local greyhound racing stadium—well, to the careers fair being hosted there! From that point, it was not the odds on the dogs that interested me but the prospect of an exciting life filled with mathematics that secured my interest in becoming an actuary. Soon after, I was awarded a university actuarial sponsorship at Swiss Re (formerly Mercantile and General Reinsurance) and the rest is history.

I am now an actuary and consultant at Milliman in London. I always like something big going on in my life and consultancy is a great way to live by this mantra. Over time, I have had the lucky opportunity to travel and work with many interesting and inspiring individuals not only in the United Kingdom but also the United States, Australia, Singapore, Switzerland, Germany, the Netherlands, France, and Belgium. I have also acquired particular expertise in longevity and annuities working on the first bulk annuity transfers

in the market, advising on the acquisition of blocks of annuities, setting longevity pricing bases, assisting on the risk management of annuities, and developing longevity bond and swap structures for the transfer of risk to the capital markets. I also enjoy sharing information with others through writing articles and presenting at conferences on a range of topics including longevity risk, Solvency II, and International Financial Reporting Standards.

REINSURANCE NEWS: WHERE DID THE IDEA OR GENESIS COME FROM TO WRITE THIS BOOK? WHAT INSPIRED YOU?

Living a long life is something we all wish for and it is becoming increasingly likely that we will achieve this. However, this raises challenges on how individuals manage wealth and how society can provide a backstop for those living beyond their means. Managing longevity risk also requires an understanding of the full range of issues from pricing, reserving and capital requirements to risk management and capital market developments. But this information is rarely found in one place.

During my work, I have met a number of exceptional people who are also leading in their fields on longevity risk, from actuaries to investment bankers to lawyers, doctors and professors. Therefore, it struck me that we could help others in the market by bringing together a balanced view of the full gamut of issues in managing longevity risk—from reinsurance to capital markets to law and academia in one book, *Longevity Risk*. Furthermore, it would help to address the wider challenges facing insurance companies, pension schemes and governments of the extraordinary demographic shift occurring, which is due to an aging population.

REINSURANCE NEWS: HOW LONG DID IT TAKE TO WRITE THE BOOK? GETTING SUBMISSIONS FROM ALL OF THESE AUTHORS MUST HAVE BEEN QUITE THE EXERCISE.

In total, we spent around 15 months on the book from its embryonic stage to completion. All of the authors



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worked exceptionally hard preparing their submissions and ensuring the highest quality of work.

REINSURANCE NEWS: WHAT HAS BEEN THE REACTION TO THE BOOK SINCE ITS RELEASE?

The reaction has been overwhelmingly positive. We aimed for the book to appeal to a wide audience including (re)insurance professionals, finance managers and directors, actuaries, corporate sponsors, investment bankers, and graduate students and academics.

In one of our first reviews, Baroness Sally Greengross, Chief Executive of the International Longevity Centre, who is also an independent Cross Bench Member of the House of Lords in Westminster, concluded that “this valuable book goes a very long way towards fulfilling that important need” of gaining a comprehensive understanding of how to price and manage the longevity risk we all face.

The book has sold to a large number of companies and also libraries internationally. In addition, I am personally pleased that we have raised a significant sum for charity as all editor royalties go straight to the Anaphylaxis (severe allergies) Campaign.

DO YOU HAVE ANY PLANS FOR A FUTURE UPDATE?

In the longer term, the publishers are keen to work on a second edition when there have been more fundamental changes in the market—so watch this space. But for now, we worked very hard to ensure that the shelf life of the book and its content would be relevant for a number of years.

REINSURANCE NEWS: WHAT ARE YOUR PLANS GOING FORWARD?

In addition to being at the forefront of longevity, given the rapidly evolving regulatory landscape in Europe, I will continue to be actively involved in Solvency II implementations. This will no doubt keep me very busy for the foreseeable future working with my colleagues internationally at Milliman. I also hope to live a long and very happy life combining the three things of most importance to me—my work, friends and family! ■