



SOCIETY OF ACTUARIES

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Exclusive Interview with Tommy Pichet

By Pairor Lerdviram

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While many people try to stay away from Math, Tommy views it as his cup of tea. His exceptional skills in mathematics have helped him create an opportunity to step into the world of "Actuary," an engine role that drives the insurance industry. Tommy is one of a few Thais as of now who are qualified as a fellow of an international actuarial organization. Also, Tommy was, at the time of this interview, the only Thai on the actuarial team at AIG Hong Kong, where hundreds of products have been developed and distributed to over 10 countries around the world.

To be a top actuary working with a top insurance company is not just a "fluke." It is because Tommy Pichet, an actuarial manager of AIG Hong Kong, has drawn his own path and created his own opportunities to reach for it.

Strong determination, hard work, and visions have turned his career life from mere Engineer to Actuary; a career that makes financial sense of the future value of today's money.

The actuarial role is like a key engine that drives an insurance company. Thus, all hard skills, business acumen, and strong self motivation are required for succeeding in this career path. The most accurate projection and assessment possible are crucial for pricing insurance products. Any mistakes from pricing structures would lead to significant losses for the company in the future.

Tommy gave us an example of what is needed for designing a life insurance product with 20 years of coverage. There are a lot of assumptions involved. These include estimation of mortality rates and survival rates that requires payback returns. As a result, actuarial roles are to set product prices, returns for customers, compensation for insurance salespeople, and the related operating expenses over the insurance coverage period.

Tommy also told us that, prior to developing any products, one needs to comprehensively understand business operational processes, and requires excellent interpersonal skills to deal with various departments in order to thoroughly understand the company's selling points and customers' needs.

Actuaries have played a role in most of the corporate tasks which are related to money and investment. For example, an actuary assists in setting products prices, designing commission schemes for salespeople, and managing investment and other risks. Therefore, an actuarial career provides a fast track to become a CFO indeed.

Actuary is one of the most demanding careers in the insurance industry. In the United States and China, this career is ranked in the top five of the most wanted jobs. However, to become a qualified actuary you need to take a series of concrete actuarial exams and acquire, the so called, Fellowship in the Society of Actuaries (FSA) which is an international qualification. Presently, there are only a few Thais who are qualified for this designation. Tommy is one of them.

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The FSA is one of the most difficult credentials to obtain. Before the exam redesign, the exams only offered twice a year. On average, people take 7-10 years to pass all the exams, while Tommy spent only four years to complete the whole exam process.



Tommy Pichet, FSA, FSAT, FRM, MBA, MScFE (Dist), B.Eng (Hons) is currently working in Hong Kong as an actuarial manager of American International Assurance for Asia-Pacific region, and he can be reached at Tommy.Pichet@AIG.com.

Tommy gave us some information about the exams that actuarial candidates need in order to have a clear understanding of actuarial science. They also have to be able to combine all skills ranging from microeconomics, macroeconomics, statistics, calculus, corporate finance, accounting, and even law.

Since there are a few qualified actuaries in Thailand, the company recruits expatriates from Malaysia and Hong Kong, for example. As a result, in order to feed more qualified professionals into the market, AIG has encouraged potential employees who would like to take the exams by supporting study materials and rewards.

At the age of 25, when he was close to receiving the FSA qualification, he was offered an opportunity to join the AIG regional office in Hong Kong. He started as a Management Associate and was promoted to fulltime actuary afterwards.

It has been more than four years since he first joined AIG Hong Kong where he has developed

and reviewed many insurance products executed in over 10 countries in Asia Pacific and the Middle East.

One of his most successful products is “Variable Universal Life” selling in Singapore on which customer needs are based.

Tommy’s career objective is to develop the insurance industry in Thailand to grow flourishingly, and offer varieties of products. Admittedly, market of insurance products in Thailand is mostly for sale (by salespeople), not for buying (by customer awareness). Thus, embedded costs are likely higher than in other countries in the region.

He mentioned that this career path is truly in demand. In Hong Kong, there are about 100 qualified actuaries. In the United States, the average annual salary for this career reaches to or above USD 100,000.

Although working in Hong Kong in the actuarial field is difficult and requires a high level of responsibility, Tommy has found it truly challenging and enjoyable.

Useful tips from Tommy for those desiring to enter into the actuarial arena: they have to be well rounded, determined, and good at numbers. Lots of people think that an actuary is all about crunching numbers; however, Tommy values logical thinking and creativity as more important. For a seasoned actuary, one should focus on interpreting the numbers to form a meaningful story. Inspiring to compose and play an instrument, Tommy also metaphorically compares playing music to interpreting and making figures easy to understand and to comfort an audience when making any important financial decisions. □