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# Interview with the Society of Actuaries of Indonesia / Persatuan Aktuaris Indonesia (PAI)

By Christian Bettels

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The ASHK International Committee is established with the objective to keep our ASHK members informed of significant developments in the actuarial profession in Asia through liaison with other professional actuarial bodies in Asia, in particular regulatory and policy changes, market news and career opportunities. We are bringing to you articles about our connections with various Asia actuarial societies as the Committee connects to each of them. We conducted a phone interview with Mr. Fauzi Arfan (FA), President of the Society of Actuaries of Indonesia or Persatuan Aktuaris Indonesia to enhance the understanding of the PAI.

The PAI was founded in 1964 with 25 actuaries. Its membership is limited to Indonesians only. As of December 2017 there are 255 fellows, 259 associates and 1925 students. The PAI has been a full member of the IAA since 2006. The Society's mission is to become a professional body and gain international recognition. An Executive Director is being recruited and is expected to come on board by March 2018.

**ASHK: What are the major recent involvements of the actuarial society in the insurance industry?**

FA: There are many changes in the regulations issued related to actuarial practice. The actuarial society provides recommendations to Indonesia's financial services authority [Otoritas Jasa Keuangan (OJK)] regarding, for example, pricing and reserving regulations. As the majority of insurance companies is in the



Mr. Fauzi Arfan, President of the Society of Actuaries of Indonesia (PAI)

general insurance sector (82 general insurance insurers and 56 life insurers), more improvements are needed on the casualty side and the society is currently engaged in helping in this. It is a major challenge to find qualified general insurance actuaries to fulfill the high demand in this area as most qualified actuaries work in life companies.

The industry is still digesting regulations and guidance issued by the government. Example for general insurance products include the standardised premium for motor insurance and gross premium valuation.

**ASHK: What is the latest development in the insurance industry? How do you see the future development and growth opportunities in the market?**

FA: A major focus is and will be to enter the digital channels due to the change in behaviour of the new generation. Also the enhancement of Enterprise Risk Management (ERM) is an ongoing hot topic.

The Canada government and University of Waterloo support actuaries in Indonesia through the Risk Management, Economical Sustainability, and Actuarial Science Development in Indonesia (READI) project aiming to increase the number and

quality of Indonesian actuarial-science graduates to address the country's growing demand for actuaries.

**ASHK: Are there any current “hot topics” for the actuaries in Indonesia?**

FA: IFRS17 is a hot topic for actuaries in Indonesia, even though the implementation will be in January 2022. The PAI has started to set up a task force team.

**ASHK: Which are the dominating practice areas of Indonesian actuaries?**

FA: While most qualified actuaries work in life companies there are actually more general insurance companies in the market, especially the casualty area must be improved.

**ASHK: What is the mix of local and foreign players in the market? / Could you give the top 5 life and top 5 general insurance players by e.g., market share by premium or other measure?**

FA: Top 5 life insurers: Prudential / Axa Mandiri / AIA / Allianz / Inhealth Indonesia (owned by Bank Mandiri).

Top 5 general insurers: Major players are local: Jasindo, Asuransi Sinar Mas, Asuransi Astra Buana, Tugu Pratama dan ACA.

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Axa Mandiri
AIA
Allianz
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Top 5 general insurers
Jasindo
Asuransi Sinar Mas
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Tugu Pratama dan ACA
(major players are local)

**ASHK: Where would you see areas of future collaboration with the ASHK?**

FA: There are a lot of topics for further engagements such as the implementation of IFRS17 in Asian countries. Although it's still in the early stages and implementation in Indonesia is likely to take place only in 2022, MNCs and JVs have already started providing training to their staff. The PAI has an IFRS task force dedicated to working closely with the local accounting profession. Also, referring to the above mentioned challenge in the development of general insurance, especially casualty area, the Indonesian Actuarial Society can certainly benefit from connection with the ASHK and its committees.

**ASHK: Does your society have a homepage / other social media presence for actuaries interested to keep up to date with your society and recent developments?**

FA: Yes (the link: <http://www.aktuaris.or.id>). The homepage is not yet in English. ■

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