

Global life insurance/reinsurance actuarial outsourcing: New Milliman survey report available

Insurers and reinsurers have been outsourcing actuarial work to captive units or third-party service providers for several years. Recently the industry has witnessed renewed interest in actuarial outsourcing, with an increasing number of companies either setting up new outsourcing units or expanding their existing ones. This trend is especially true for life insurance companies, especially in light of increasing regulatory and reporting requirements, including International Financial Reporting Standard (IFRS) 17, long-duration contracts targeted improvements (LDTI) and new risk-based capital regimes in Asia.

Milliman's report captures findings from a first-of-its-kind survey which assesses trends in life insurance actuarial outsourcing. The survey covers outsourcing units of life insurers and reinsurers with operations in the Americas (North and South), Europe and Asia Pacific. The report entitled '*Global life insurance / reinsurance actuarial outsourcing survey*' is available for download [here](#).

A few key insights from the report, which focuses on outsourcing units in Asia Pacific:

- While life insurance actuarial outsourcing units are located around the globe, a large concentration of them are located in Asia Pacific.
- The size of outsourcing units varies. Whereas 29% of our respondents had teams of less than 25 staff members, around 24% of our respondents had team sizes exceeding 100.
- 95% of our respondents have plans to increase their team sizes over the next three years. This is driven largely by new regulatory/reporting requirements.
- Around 75% of respondents report that they are they are satisfied with the local talent available, whereas 10% were not satisfied.
- Outsourcing units continue to provide cost advantages; around 33% of our respondents reported cost savings of 25% to 50%.
- Apart from cost reductions, relevant expertise and communication skills are key factors for the success of an outsourcing engagement.

For more details, please contact:

- Shamit Gupta in India at +91 124 464 1507, shamit.gupta@milliman.com
- Heerak Basu in India at +91 22 6784 8484, heerak.basu@milliman.com
- Richard Holloway in Singapore at +65 6327 2301, richard.holloway@milliman.com