

For want of greater exposure, challenge

Two young persons tell **CHOW PENN NEE** why they are drawn to the general insurance field

A JOB in insurance might not appear to everyone to be a glamorous option, but quite a few young people are turning to insurance in preference to a career in banking. They say their job in the general insurance sector gives them exposure to the world of finance, along with specialised knowledge of accounting for risks and liabilities.

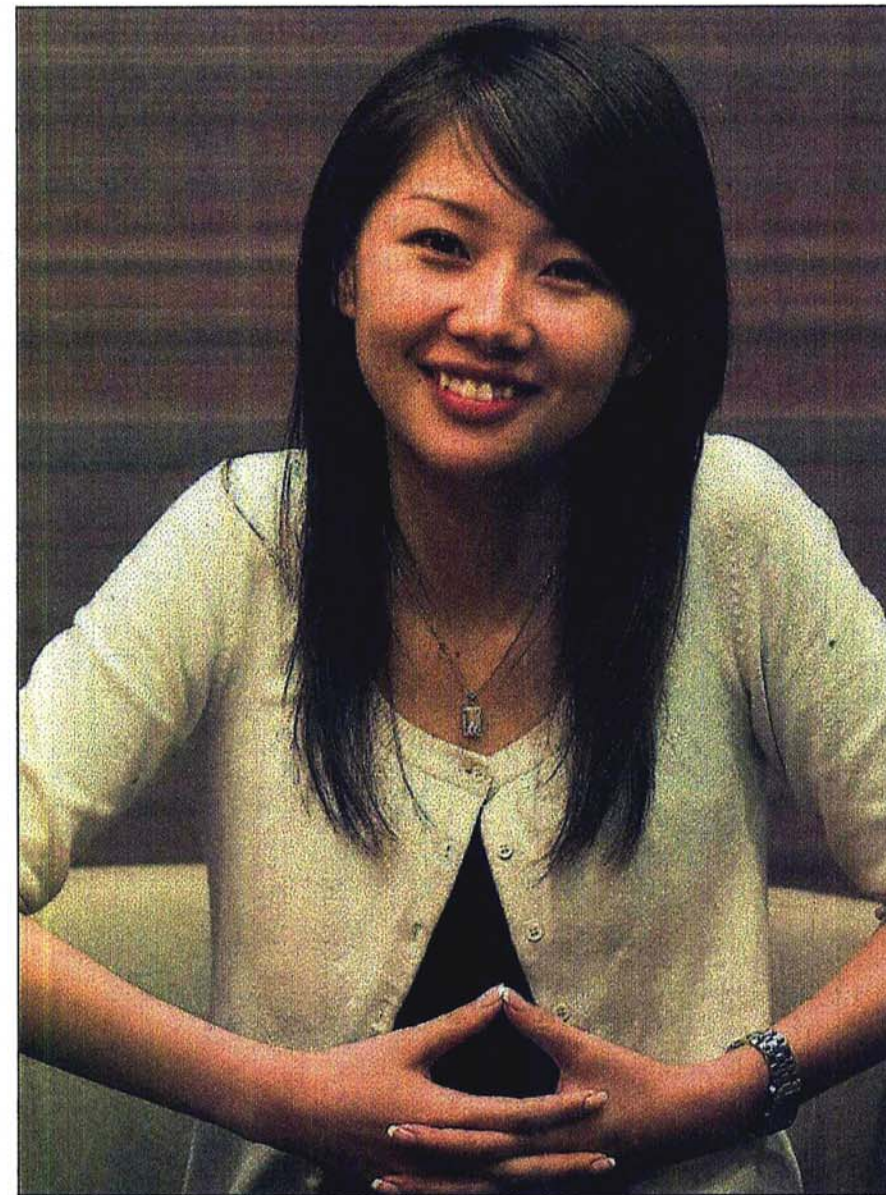
For Francis Lim, a manager for professional liability at an overseas general insurance & reinsurance group, the multi-billion dollar insurance trade acts as a "backbone" to businesses and individuals.

"In my opinion, insurance is a more recession-resilient sector in the financial industry as compared to banking and many others," he said. "Insurance products are now becoming a need more than a want, and during difficult times, it will become even more important for the company to have insurance because the tendency for a company or individual facing legal suits increases."

The 29-year-old graduated with a bachelor's degree in business (economics and finance) and a diploma in risk and insurance management. He is in charge of underwriting, marketing and managing professional liability insurance products. These include professional indemnity insurance such as errors and omissions cover for directors and officers, and medical malpractice, which covers errors of medical professionals and medical establishments. He is also in charge of other products such as clinical trials insurance which covers errors in clinical trials, Bankers Blankets Bonds, which protect against direct financial loss caused by fraud or criminal actions, and crime insurance, which covers losses following employees' fidelity and third party fraud.

Mr Lim said demand for his cho-

Ms Yin Mei:
Being an actuarial manager at a local insurance firm provides her with both pricing and reserving exposure



sen area of expertise has grown, with several high profile negligence cases such as the Nicoll Highway collapse.

"It is an area in general insurance that provides protection to individuals and entities for negligence acts, errors and omissions," he said. "Legal costs and expenses involving management/professional are often complex and expensive, and this area of general insurance will relieve the insured of financial stress and let them have peace of mind while working, knowing that there's insurance protection for work they are undertaking."

He spends most of his time on underwriting. "Mostly desk bound, and risk assessments of submissions received from intermediaries and direct

clients." This sometimes involves going down to a client's office to conduct interviews so he can get a better understanding of risks.

At other times, he works on marketing and business development, where he conducts training and presentation to intermediaries and direct clients, and managing and planning, such as management reporting, portfolio management, and claims management.

To him, the job is interesting because he said no two risks are exactly the same, and new risks keep coming up as the market evolves. "It is challenging, because no amount of premium collected is enough to pay off a large claim," he said. "Apart from being prudent on the risk assessment, I

have to be competitive in becoming an insurer of choice. This is a fine line that requires many years of experience."

He started off as an assistant executive, and says career prospects for him will progress towards a regional role for professional liability products and reviewing risks outside the Singapore market. One can also work towards expanding one's knowledge in other areas of specialty of the general insurance business, like marine, aviation, energy and trade credit insurance, he says.

Yin Mei, an actuarial manager at a local insurance firm, similarly believes that the insurance sector is where challenges lie. "I felt insurance provides a wider opportunity to a diversified actuarial role, in that it provides both pricing and reserving exposure," she said.

She is part of her company's actuarial team of the general insurance business, where she is in charge of pricing. "This is to ensure correct pricing to cover expected losses, expenses and provision for profit," the 27-year-old said. She is also in charge of reserving - which is the valuation of future liability to ensure sufficient funds are set aside for future claims payments.

Her other areas of focus include experience monitoring - which monitors the business performance against expectation to ensure future profitability, financial analysis (development of budgetary techniques), & reinsurance requirement.

She said her role as an actuary in general insurance is to provide advice to shareholders, potential shareholders and management. This is to help them define and quantify their corporate financial objectives and to control the company's financial operations to meet these objectives.

With businesses becoming increasingly complex, quality actuarial analysis is becoming more in demand, she



PHOTOS BY JOHN HENG

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says. "This calls for a technical ability to approach and solve new problems as well as keeping abreast of different aspects of business activities and further professional education."

Her job remains interesting and challenging as it involves using a significant amount of judgement and interacting with people from different parts of the business operations.

As the actuarial field is highly specialised, one's career progression usually starts from junior analyst, before moving on to senior analyst, then manager, and then to chief of actuary

and finally senior management. In terms of different fields, there are the traditional insurance sectors like life, health, pensions, annuities, investment advice, asset management and enterprise risk management.

The actuarial studies graduate said she chose to study this discipline in university as she is "better with numbers, and actuarial sciences is one of the most prestigious and challenging streams of study".

For both these young persons, the insurance sector still holds its attraction in terms of its many challenges.