

**SPEECH OF THE HONOURABLE DHARMENDAR SESUNGKUR**  
**MINISTER OF FINANCIAL SERVICES AND GOOD GOVERNANCE**  
**IFOA's AFRICA CONFERENCE 2018**  
**HILTON HOTEL**  
**FLIC EN FLAC, 23 APRIL 2018**

Marjorie Ngwenya, President of the Institute and Faculty of Actuaries

Shafique Bhunnoo, President of the Actuarial Society of Mauritius

Distinguished Guests, Delegates and Speakers

Ladies and Gentlemen

Good morning

Thank you Marjorie Ngwenya for your very eloquent opening remarks and presentation. And thank you for having extended to me such a warm invitation to address you this morning.

Ladies and gentlemen,

It indeed is a privilege to welcome the Institute and Faculty of Actuaries to Mauritius for this Conference. We are delighted that you have chosen our small, beautiful island state tucked away in the Indian Ocean to host the Africa Conference 2018.

At the risk of sounding pretentious, allow me to humbly say that your statistical model was Right in choosing Mauritius as your port of first calling for this weeklong roadshow across Africa. Right because, by and large the international community recognizes that Mauritius is the 'Gateway to Africa'. The visibility and good repute of the Mauritius International Financial Centre both in the region and on the international scene will be a definite vantage point in your endeavours. Mauritius is

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very active in building partnerships with African states with whom we are bound by ties of geography, trade, shared values and common interest. While the giants of this world such as the United States and China are already so dominant, in Mauritius we are protecting our interests by building strong linkages with our African brothers and sisters. We are cooperating with the Continent based on our proximity just like the Nations of Europe have done. Therein lies our strength. So, yes indeed you were Right in electing Mauritius as your first stop on this African tour.

Your statistical data was also accurate in choosing Africa for this Roadshow. Africa is in the middle of a process of massive transformation. In recent years, many African jurisdictions have been breaking barriers of political and civil instability, poverty, weak infrastructure, poor governance and moving forward towards strong macro-economic growth and rapid financial regulatory reform. The once small African insurance market is now growing at a steady pace. Marjorie Ngwenya will surely agree with me that our Continent is now home to many of the world's Top Ten fastest growing economies. While the more developed economies are grappling with financial crisis and uncertainty, Africa is characterized by macroeconomic and growing political stability, bountiful natural resources, a growing customer base, strong markets and a young population of investors. The clever ones have an eye on Africa and tuning in to the promises it holds. The time is therefore Right to scout the Emergent African terrain and for you to explore potential alliances with counterparts.

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I am therefore pleased to begin this morning by warmly congratulating you on your choice of venue, and for correctly reading the relevant statistical model and data on the appropriate time of year to be here! We are edging away from summer and entering cooler winter days. It is such a nice time of the year to be here. I have no doubt that Shafique Bhunoo and my colleagues from the Mauritius Society have extended a warm welcome to you and have ensured you savour the diversity of Mauritian flavours and colours during your short sojourn on the island. Ladies and gentlemen, if there is any Constant these days, it is Risk and the only certainty we can vouch for today is our very unique Mauritian Hospitality! So, on behalf of my Government, I wish you a very warm welcome and a very pleasant stay with us.

We are happy that you have chosen to partner with the Actuarial Society of Mauritius at a time when it is formally taking off as a full-fledged Association. I have always been a proponent of bilateral relations and close collaborative links between institutions and associations for it is in Partnership and Sharing that we rise. I had an opportunity to glance through the Agenda of today's Conference. It holds the promise of interesting exchanges and knowledge-sharing which will be invaluable to all of us.

I understand the official launch of the Actuarial Society of Mauritius is scheduled this evening and I take the opportunity to wish the Society a profound and meaningful existence at the service of their members and the population. As much as I would have wished to be present this evening, sadly, it will not be possible for

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me to disengage myself from previous commitments to be in your midst. I take this morning's opportunity to share some thoughts with you.

First, I would urge you to communicate more about what you do, more specifically your role in areas of public interest. When I was asked to address you, I have given some thought to this highly-coveted, almost Elite Club of Actuaries. I vividly recall my late teens years in my village when the young boys and girls were dreaming of higher studies abroad. Only a handful would dare fantasize of becoming an Actuary. The profession was shrouded in wonder, in mystery for many of us. Ladies and gentlemen, have these days changed very much? In all fairness, do non-Actuaries truly understand what being an Actuary means? Because of your ability to make financial calculations and projections, you have touched peoples lives in more ways than you may know. Unlike other professionals such as lawyers, and accountants, you are relatively invisible in the community. Actuaries are, in fact, very often referred to as social mathematicians! I think that much work needs to be done to educate the population on what you do. It is indeed true that actuarial subject can be complex and difficult to explain. This does not take away our responsibility to communicate beyond impenetrable jargons, to raise awareness among the population and educate.

I am glad that the Actuarial Society of Mauritius is gearing itself to take on a more active role. I would wish to see you more vocal in society, organize more events such today's, hold workshops and school outreach programmes to deepen public

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understanding of your profession. I would wish to see your Society available and responsive to public enquiries on a range of issues from finance and investment, to general insurance, healthcare, life assurance and pensions.

My Ministry will soon be launching a new project, Une Nation d'Investisseurs. I look forward to your continued collaboration in this project particularly educating investors as from a young age on investments products and options in a low-interest environment.

In Mauritius, as is the case in other jurisdictions, actuaries are uniquely recognised in legislation pertaining to insurers. Traditionally, actuaries have a unique position within insurance companies. On one hand, you have to carry out analysis to make insurance products viable and on the other hand, you need to protect insurance policyholders. You, actuaries, in fact help prevent insurance companies and pension plans from insolvency. However, over the past decade or so, the world has witnessed several major risk events: the 9/11 terror attacks, the global financial crisis and natural catastrophes. The failure of many financial institutions to identify and manage risks has been well-documented particularly in the aftermath of the financial crisis. We have witnessed that the sweeping effects of these events have galvanized governments, regulatory bodies and industry leaders to set new standards for risk management. Old paradigms are giving way.

In the financial services sector in particular, regulatory reforms are in full swing and Actuaries are being called upon to assume greater responsibilities in risk

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management. Regulators have introduced requirements for insurers to establish a robust Enterprise Risk Management (ERM) framework that addresses all relevant and material risks. The actuarial function is playing an increasingly hands-on role in shaping the ERM framework. In August 2017, the Financial Services Commission in Mauritius issued a letter to Regulatees in respect of the Insurance (Risk Management) Rules 2016. The Rules set a new culture for licensees. The Rules aim to enhance the observance of the International Association of Insurance Supervisors' core principle 16: 'Enterprise Risk Management for Solvency Purposes'.

We are also embracing other international standards to guard against risks. In an industry where promises of the insurer to the insured can last for decades, confidence and trust in the insurer is vital. This is where Regulation comes in. The Regulator plays a key role in ensuring that only those insurers which have a good probability of standing by their promises are allowed to conduct business. And the Regulator's job is becoming more complex as the market has become more intricate and nature of risks have compounded. So, in response to these heightened exposure, the Regulator is turning to Solvency II to buffer against these risks. Implementation is intended for 2021 and this will lead to stronger and better run insurers. Furthermore, the future implementation of IFRS 17 Insurance Contracts will also increase demand for actuarial input in insurance accounting. IFRS 17 introduces fundamental changes to accounting for insurance contracts with new actuarial models.

There is a common thread linking these new standards whether Risk Management Rules, Solvency II or IFRS 17. They all generate a massive amount of data. And,

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technological development is making actuarial analysis increasingly dynamic. Times have changed since the actuarial process was focused on static models. New technologies now collect new sources of real and dynamic data which are made available through telematics, wearables and social media. Big data is reshaping traditional insurance business. This is an exciting journey and I see that data analytics is on the agenda today. I hope I could have stayed on to participate in these interesting discussions.

Before I end this morning's address, I wish to mention that the Financial Services Institute Ltd is now operating as a full-fledged Training Institute operating under the aegis of my Ministry. Dedicated training programmes have already started in IFRS with sessions on Solvency II and Understanding Risk Management Rules planned in the near-term. The Institute is offering courses tailored for various audiences right from the Boardroom to operational levels.

I now leave you with these few words. I came across a comment which I wish to share with you:

**“Wherever there is risk, there are opportunities for actuaries.”**

In this day's risk-strewn financial world, the only constant is Risk. This opens boundless opportunities for actuaries to add value to the communities they serve.

On this note, I wish you all a rewarding and fruitful conference. Long Live Inter Actuarial Society Co-operation.

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International delegates who have taken a long trip to be with us today, I wish you safe travels to Kenya and Nigeria and look forward to welcoming you again soon on Paradise Island.

I thank you for your attention.