

∫äś

STUDENTS'
ACTUARIAL
SOCIETY

PRESENTS

THE
ACTUARIAL
Watt

INSIDE:

CASTING THE NET

REELING IT IN

THE HUMAN COST OF AN
ENVIRONMENTAL DISASTER



FEBRUARY EDITION



HW Students Actuarial Society



hwsas2



hw_sas



hwsas.com

NOTE FROM THE EDITOR

So it's that time again. Back to the grindstone after a well earned break for Christmas. I hope everyone had a great holiday and a happy new year! Was it just me or does it always feel like holidays fly by too fast? Oh well... One thing that has been occurring at Heriot Watt lately was the dreaded exam results day. Fingers crossed that everyone has done as well as they wanted to as I'm sure you all have!

So what has SAS been up to since we've been back? Well, we had the return of the mystery bus tour where several unknowing students travelled the land while stopping at some very interesting bars. We also our annual competition which has had a makeover and is now called the Artificial Assessment Centre (very professional sounding I know). The event gave students a chance to speak with actuarial recruiters and find out how they can succeed at the assessment stage of job applications. You can find more about the events that have happened now or in the future near the end of this newsletter or on our website.

Now, onto the articles as there are many interesting topics inside that may pique your interest. Firstly, we have an article that looks into how important networking is when it comes to looking for a job and how it can help you strive to greater success. This article will hopefully help those who are maybe struggling to gain contacts within the actuarial industry. Moving on to a different kind of network, Brogan Howe dives into the world of cyber security where he investigates how businesses in the financial industry are protecting themselves against the ever developing threat of a cyber attack. Finally, Paarisha Emilie gives some insight into wildfires that have been destroying the homes of people and animals alike. Paarisha investigates the impact this has had on the economy of Australia along with their Insurance industry.

Hopefully there is something there for everyone so I'll try not give away too many spoilers! All that's left to say is thanks for making it this far, best of luck with the rest of the semester and happy reading!



FRASER ALBISTON

CASTING THE NET



Whether you are a student or a professional, networking is a useful way to progress in your career. If you are unsure about how you can build your network then this article may be able to help.

“would you believe that 80% of jobs are not even listed and are found via networking?”

For a graduate who is looking for a job or even those who are in a job and are looking for a new one, the first few places that they look would be online or an employer directory. However, would you believe that 80% of jobs are not even listed and are found via networking? The importance of getting to know many people in your chosen profession has never been greater.

WHAT IS NETWORKING?

Networking involves meeting and building relationships with professional contacts either face to face or on a web-based platform such as LinkedIn. There are many opportunities to establish a strong network. At Heriot Watt University alone, there is the Actuarial Careers Fair where many of the UK's leading Actuarial companies send representatives to speak to students about the career prospects available to them. This could give you access to contacts that you can speak to in the future. Moreover, seizing the opportunity to get involved with student groups such as the Student's Actuarial Society gives you the chance to make friends with students at different stages in their university lives. As they graduate and go on to employment, they can be used as contacts for the future.

Outside of University, there are plenty of events available. Many companies offer open days which lets those who are interested in pursuing a career gain an insight into how a company operates and see if it is the right place for you. Moreover, this is a perfect occasion to speak with people in the industry regarding application questions that you may have. There are also workshops and seminars offered which give further opportunity to meet with people in the

industry and allows you learn more about hot topics in the actuarial world too.

WHY IS NETWORKING BENEFICIAL?

Networking comes with a myriad of benefits for both interpersonal and professional development. Firstly, it allows people to reevaluate their current position and opens new opportunities. What this means is that you can look at those in your network in a similar position as you and take an in depth look at how you can improve and reassess your current position. Moreover, a larger network will result in more opportunities for progression to be made available to you which can be used to boost your career prospects.

Furthermore, the support and experience gained through networking will mean that you will become more comfortable with meeting new people of any background. This is a perfect way to build self confidence and improve your self-esteem. As a result, you will be able to perform better during assessment centres and other stages of the application process.

Overall, networking is a really important tool for any professional and those aspiring professionals. The benefits gained from growing the number of people in your network will improve your knowledge of the industry. Moreover, networking gives you many opportunities to improve on interpersonal skills and learn new skills. Always bear in mind however that building a network is a two-way street, you do not want to annoy the other person by taking up too much of their time or being rude to them.

REELING IT IN



With more companies making the most of the latest technology available, are they under greater threat from cyber-attacks and what are they doing to combat the risks?

Don't click the link. That is what we are told when we receive phishing emails, seeking to extract our personal information or spread viruses and malware. For companies all around the world, cyber security is a rising concern and especially in the finance and insurance industry in the UK today. The finance industry, in 2018, accounted for around £132 billion to the UK economy, and as a result is a prime candidate for cyber-attacks.

Investment in cyber security by UK finance and insurance companies has increased by £4,150 on average, to a total of £22,050 per company for the years 18/19. This increase in investment is fully justified considering that it was found that cyber-attacks on financial and insurance firms have risen by a massive 480% in 2018. In addition to this, the law firm Reynolds Porter Chamberlain (RPC) found that in 2018 the Financial Conduct Authority was informed of 145 data breaches, this increased by 120 from the figure in 2017. These statistics show a worrying trend of increased cyber-attacks and this prompts the question, are financial and insurance companies in danger of having severe data breaches?

The good thing for companies is that insurance against cyber-attacks exists and is called Cyber Liability Insurance Cover (CLIC). This helps businesses by covering legal fees and regulatory fines, money theft and the cost of informing customers of the attack. However, the problem that companies still face is a loss of reputation as a result of any data breaches. This will result in customers leaving the company and will make it harder for the company to attract new customers.

“Investment in cyber security by UK finance and insurance companies has increased by £4,150 on average, to a total of £22,050 per company”

However, very few companies actually have specific cyber liability insurance cover, only 25% of UK companies in the finance sector have it. This shows that many finance and insurance companies are exposed to cyber risk, and face losing, potentially, millions of pounds as a result of a cyber-attack.

Cyber-attacks can be categorised as un-targeted or targeted. For un-targeted attacks as many people, organisations and services are attacked at once, whereas for targeted attacks a specific person, organisation or service is the one that the attack focuses on. A key point on targeted cyber-attacks is that those wishing to carry out attacks, will search for information about the company on technical support forums and social media, including LinkedIn and Facebook. They hope they can exploit user error and find out extra information, such as file locations and storage, which in turn will aid them in their efforts to extort information or disable services.

A cyber security company Specops Software outlined key areas for companies to focus on in order to avoid cyber-attacks. This included reviewing IT equipment, education and government of employees, and finally safeguarding the company using up-to-date anti-virus and anti-malware software. This demonstrates the paramount importance for company employees working in the finance and insurance industry, being fully aware of the things they are not allowed to do, in order to prevent potential cyber-attackers receiving information, which is then utilised to harm the company. Unfortunately, with around 1.1 million people working in the finance industry, there is a lot of people for hackers to unearth sensitive information from.

BY **BROGAN HOWE**

REFERENCES
AVAILABLE ON THE WEBSITE



THE HUMAN COST OF AN ENVIRONMENTAL DISASTER

The effects of the Australian bushfire has been catastrophic not just to the environment but also for many homeowners. How has the insurance industry been affected?

“...more than 8,200 claims worth about \$644 million had been lodged by affected homeowners and other policyholders.”

Australia is being ravaged by the worst wildfires seen in decades, with large areas of the country devastated since the fire season began in July 2019. The blazes have burned through an area almost three times the size of Wales. A total of 27 people have died nationwide, and in the state of New South Wales (NSW) alone, more than 2,000 homes have been destroyed or damaged.

INSURANCE IMPACT

According to the Insurance Council of Australia, more than 8,200 claims worth about \$644 million had been lodged by affected homeowners and other policyholders. The ratings agency S&P said that the claims were likely to reduce the profitability of insurers, which leads to an increase in premiums and make insurance products less affordable.

Global reinsurance firms such as Swiss Re and London-listed Hiscox, will eye the rising claims warily. Though most are likely to be limited to Australian firms, reinsurers take on risk from policies worldwide. Lloyd's of London said it is too early to put a number on the impact the blazes will have on its members.

ECONOMIC IMPACT

The economic impact has been particularly severe on Kangaroo Island, off the coast of South Australia.

Tourism industry has taken a significant hit during what is normally peak season. The visitor numbers are low due to smoke haze and safety uncertainty. Koala tourism will also be severely affected as up to 30% of the koala population

from NSW is expected to have been lost in the fires, alongside 50% from Kangaroo Island – the last remaining wild population not infected by deadly chlamydia. A 2014 study suggests koala tourism could now be worth as much as \$3.2 billion to the Australian economy and account for up to 30,000 jobs. Therefore, the wildfires may disrupt job security in the area affected by the wildfires.

In the macroeconomic aspect, chief economist Shane Oliver from AMP Capital, a global investment management company, estimated the fires will wipe off 0.25% to 1% of Australia's GDP growth this year. This affects the Australian government's nearly-decade-old goal to return the federal budget to surplus.

GOVERNMENT INTERVENTION

Australian Prime Minister Scott Morrison has announced the establishment of a \$2 billion National Bushfire Recover Fund, which will assist in rebuilding efforts over the next two years following the current nightmare fire season. The funds will go towards supporting small businesses, supporting local councils, providing mental health support, investment in social and economic infrastructure, as well as providing environmental protection and protection for local wildlife.

The Prime Minister also said that the surplus was not his government's current primary focus as he is prioritising the human cost and ensuring that his government will meet whatever cost they need to meet.

BY PAARISHA EMILIE

REFERENCES
AVAILABLE ON THE WEBSITE

EVENTS AND ENTERTAINMENT

SAS have hit the ground running with the start of a new decade! Firstly we had our annual bus tour which was enjoyed by all. We also hosted our newly named Artificial Assessment Centre which gave students the chance to better prepare for the dreaded final stage of many recruitment processes. Other events coming up in the future include many more careers talks and some more cultural and social events.



BUS TOUR 2020

An amazing start to the semester! Many students were whisked away to a mystery location (I won't give it away) with a few stops for drinks in between. Everyone had a great time and one of the stops on the way even had a bowling alley and mini golf course which I just had to try. Many thanks to the social directors and everyone else who made the event possible!

ARTIFICIAL ASSESSMENT CENTRE

One of the most useful events for being successful in obtaining a job offer. The artificial assessment centre gave students a first hand experience of what to expect when applying for a graduate position or internship. Those who took part had to work in groups to understand several pages of information regarding which location was best to look for oil. Students then had to prepare a 7 minute presentation that was given to real actuarial recruiters that were kind enough to help out at the event. There were even cash prizes for the winner in each group!

SUDOKU CHALLENGE

				3				
			8	2			9	
			4					2
		5	7			6		
	2							7
3			6		9			1
					1	7		8
4		8				1	5	
		3	5					

Complete the puzzle above for a chance to win a £10 voucher of your choice! Just scan or take a picture of the completed puzzle (making sure that it's readable) and send to fja3@hw.ac.uk. We'll select one lucky winner from all the correct submissions and we will email you if you won.

CONTEST ENDS 29TH FEBRUARY 2020



STUDENTS'
ACTUARIAL
SOCIETY

EDITOR

Fraser Albiston

WRITERS

Brogan Howe
Paarisha Emilie

PRESIDENT

Joanne Day

VICE PRESIDENTS

Lauren Bailie
Lesley Nicol

SECRETARY

Hanshu Tang

TREASURER

Jordan Nisbet

IT DIRECTOR

Seung-Hwan Hahn

CURRENT AFFAIRS DIRECTOR

Fraser Albiston

CONFERENCE DIRECTOR

Keshana Thinakaran

COMPETITION DIRECTOR

Alfred Lau

EDUCATION DIRECTOR

Kang Xu Yu

CAREERS DIRECTOR

Jun Khang Lee

SOCIAL DIRECTORS

Dhavhesh Balakrishnan
Khalid AlHayki

MARKETING DIRECTORS

Callum Brown
Chris Campbell

DIRECT ENTRANT LIASON

Xingya Wang

ADVISORS

Amit Parekh
Liam Fiddes

This was produced and published by the Students' Actuarial Society of Heriot-Watt. All articles are written by either members or alumni. We have stated if otherwise. All opinions contained are those of the writer, and do not represent the views of the Students' Actuarial Society. All articles contain references to sources of data and research for the article. Any sources for graphs and other images have been stated clearly. Images throughout the newsletter have been taken from sources with open content licences such as Unsplash, Pixabay, and Wikimedia Commons. Some images used not from copyright-free sources have bought and paid for. If however, an image incorrectly or without permission, contact us and we will work to correct the issue. Logos for companies are trademarks and property of their respective companies. All information in this newsletter is verified to the best of our ability. If you have any questions or concerns, whatsoever, email info@hwsas.com.