



SOCIETY OF ACTUARIES

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## Letter From The President

# A STRONG GLOBAL PRESENCE

BY MARK J. FREEDMAN

**AS PRESIDENT** of the Society of Actuaries (SOA) my three top priorities over the past year were to explore and develop new opportunities for the SOA and the actuarial profession; to cultivate research supporting public policy; and to foster international development. In my final letter to you as SOA president, I will outline our work in international development and look ahead to potential future opportunities.

### WE ARE GLOBAL

International development is one such priority that I want us all to reflect upon, as it has been an important journey. About 14 percent of our members and one-third of our candidates are outside of North America and most of the non-North American members and candidates are from Asia.

This increase of our presence in the Asian markets has helped strengthen our global efforts as an organization and on behalf of the profession as well. It is important to understand factors impacting economic issues around the world to do our jobs better. The fact is that current economies, investments and knowledge are global; companies merge and acquire assets transcending boundaries; and many of the companies where we work are increasingly becoming even more global in nature.

In particular, China is an interesting story for the SOA. Since the SOA launched a project in Nankai University in 1988 to address the shortage of qualified actuaries in mainland China, the number of actuaries and SOA members in the Asia-Pacific region has increased significantly. In addition, China has the third-largest concentration of SOA members and candidates in the world, right after the United States and Canada.

### GROWING MIDDLE CLASS, GROWING INSURANCE NEEDS

The SOA recognizes the economic growth impacting the insurance industry and the resulting increase of demand for actuarial services. In an interview published by *Sima.com* in early August, I noted that as a result of the steady growth of the middle class in the region, we will see a steady growth in Asia's general insurance market over the next decade and an increased demand for general insurance actuaries. In the mid-1980s there were only a limited number of private cars in China. Today there are about 120 million cars. Ernst & Young, in a publication titled "2014 Asia-Pacific Insurance Outlook," predicts that by 2020, that number will grow to 200 million.

I also noted that there will be increased demand for health care insurance, as well as investment products and life insurance.

Significant growth is taking place in health care insurance with three core factors powering development: an aging society, reductions in areas of public resources and the rise in Chinese citizens' spending power.

In June this year, the SOA released a research project on the "Changing Middle Market for Life Insurance in China." The survey included 2,000 family households across 16 metro centers in China. Results indicated that 70 percent of those interviewed agreed that having life insurance to protect the family in case of death was more important now than it was in the past.

### REACHING OUT

The SOA is very interested in partnering with other actuarial organizations in productive, constructive and mutually helpful ways to address different issues. An example of this is our work in strengthening our involvement with the International Actuarial Association (IAA), because a strong and vital IAA is critically important to the actuarial professional. The relationships the IAA is building with supranational organizations like the International Association of Insurance Supervisors and the assistance they provide to small national actuarial associations are important to growing the profession globally.



**Mark J. Freedman**

To extend our global reach even further, I have traveled to many different areas of Asia to visit students, members and employers. These travels have helped us refine the services we provide to our members and candidates in Asia. Noteworthy examples include:

- We met with the leadership of the Actuarial Institute of Chinese Taipei to discuss the success of the e-Learning module on Taiwan insurance regulation and the SOA's involvement in the upcoming East Asian Actuarial Conference to be hosted in Taiwan.
- In July, the SOA co-sponsored the Joint Regional Seminar that took place over a two-week period in Hong Kong, Beijing, Taipei, Shanghai and Singapore. This seminar, with more than 750 attendees, and titled "The Future

of Insurance," covered some of the main issues affecting the insurance industry in the Asia-Pacific region.

At four of the five events during the Joint Regional Seminar, I was the keynote speaker and took the opportunity to highlight the importance of deploying products to meet the changing needs of consumers, staying ahead of regulatory developments and implementing data analytics for a competitive advantage.

- I met with the China Association of Actuaries leadership to discuss avenues for the SOA to collaborate with them to strengthen the profession in the area.
- We offered a general insurance seminar in Singapore, which we designed to explore leading practices and recent trends related to general insurance topics in the Asia-Pacific region.

Moving forward, we will continue to have a strong global presence. Most recently, we participated in both the IAA meeting in London and the annual meeting of the China Association of Actuaries in September. Looking ahead, we formed a task force to assess the possibilities of expansion into Latin America. I am confident the SOA is on the right path for continued growth in key markets throughout the world.

My year as president is drawing to a close. The global initiatives, and all of the other initiatives, are being carried out by dedicated members, candidates, volunteers and staff. Thanks to everyone for your support during this incredible journey. This has truly been a memorable experience. **A**

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