



SOCIETY OF ACTUARIES

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NEW DIRECTIONS

THE SOA IN CHINA

With the guiding principles in place to expand SOA services in China, the strategy will focus on professional development for members, university visits, practice research, and building relationships with local partners.

BY JOAN BARRETT AND EMILY KESSLER

The Society of Actuaries (SOA) is a member association. As a member association, we're best known for providing pre-qualification education, and our credentials are a mark of actuarial excellence around the globe. But our services to members don't stop once they earn their credential: The SOA, through its member volunteers, provides insight and education long after a member earns an ASA, CERA or FSA: through publications, special interest sections, continuing professional development opportunities and research.

That may sound straightforward, but when you consider that the SOA has over 26,000 members spread across 78 countries,

that gets a bit more complicated. What does it mean to provide insight and education to members who may be practicing outside of North America, the SOA's traditional home base?

ESTABLISHING FIRST PRINCIPLES

The SOA's International Committee and Board of Directors have put into place specific strategies for ensuring that all of our members and other stakeholders—including candidates, employers and others who rely on actuarial services—are well served by the SOA, no matter where they live. In 2013, the board and the International Committee decided to develop strategies for the SOA in mainland China,¹ Asia excluding mainland China, and Latin America. Most of our members who

are not in the United States or Canada are in Asia; Hong Kong and mainland China are the third and fourth largest countries/regions, respectively, for members. Because of its size (i.e., population and economy) and political and economic structure, the International Committee recommended that a separate strategy be developed for mainland China versus the rest of Asia.

In 2014, the International Committee developed, and the board approved, a plan to expand the services we're able to provide members and other stakeholders in China and to support the growth of the profession there. In developing services for members, candidates and other stakeholders, the SOA and its volunteers will be driven by three principles:

- 1. Tailoring services to members' needs.** Almost all of our content (e.g., professional development sessions, research papers, newsletter articles) is generated by volunteers (or, in the case of many research projects, contractors hired by the SOA and overseen by volunteers). With most of our volunteers based in the United States



Did you know?

- In 2014, the SOA had 748 members in mainland China (excluding Hong Kong and Macau), about 2.9 percent of total members.
- In 2014, we had 866 serious candidates in China (candidates who already had at least two exams), about 6.6 percent of the total number of serious candidates.
- Beijing is one of the 10 largest SOA exam centers.
- Most SOA members in China are located in one of three cities: Beijing, Shanghai or Shenzhen.
- The SOA's formal role in China goes back to 1987 when we first partnered with Nankai University to develop a master's degree program in actuarial science.

and Canada, that means most of our content is developed by these members and for these members. But, that's not necessarily of much value to members outside the United States and Canada. So, a key part of the China strategy will be to make sure that members, candidates and other stakeholders have access to information that is focused on their needs. The best way to do this will be to get members in China creating content.

- 2. Create collaborative, respectful, mutually beneficial and productive relationships with our partners.**

One of our most important partners will be the China Association of Actuaries (CAA), the national association that qualifies actuaries in China, sets practice standards and professional discipline, and works to provide continuing education and research to support actuaries in China. The CAA has just under 1,000 member actuaries (it also has about 100 institutional members). We want

to work with the CAA in a variety of ways to build the actuarial profession. As the profession continues to develop in China, we will identify other communities that share our interest in developing strong financial security systems.

- 3. Promote and enhance the profession.** Our work in China should highlight and demonstrate the value of actuaries (and the SOA). One way we do this today in North America—and we hope to do in China—is through research that shows the value actuaries can bring to the measurement and management of risk. We also provide high-quality professional development programs—developed by members for members—to ensure that all actuaries continue to provide high-quality professional services.

With these three principles in place, the strategy will, for the first few years, focus on four specific tactics: professional



development for members, university visits, practice research, and building relationships with local partners, particularly the CAA. Key to getting all of these activities underway will be to build a group of volunteers in China who can respond to the needs of members, candidates, employers and other organizations. A full program of services in China will need to be created by members in China—a committee of members based in China who can speak the local language, are up-to-date on local developments, and can be the face of the SOA in China. Member volunteers in North America are the face of the SOA in the United States and Canada and drive much of the content that we provide to members and candidates. SOA members in China need to have the same opportunities—and the same responsibility—for helping their fellow members in China grow and develop.

We also know that we need to learn more about what members, candidates, employers and other organizations need from the SOA in China. The Chinese insurance market, for example, is growing rapidly (see chart). In 2005, China was the seventh-largest life insurance market (\$48 billion). By 2020, it is projected to be the

second-largest life insurance market, after an eightfold increase in expected gross premiums. By providing more services in China, on a more regular basis, led by local members, we hope to learn more directly about member and other stakeholder needs

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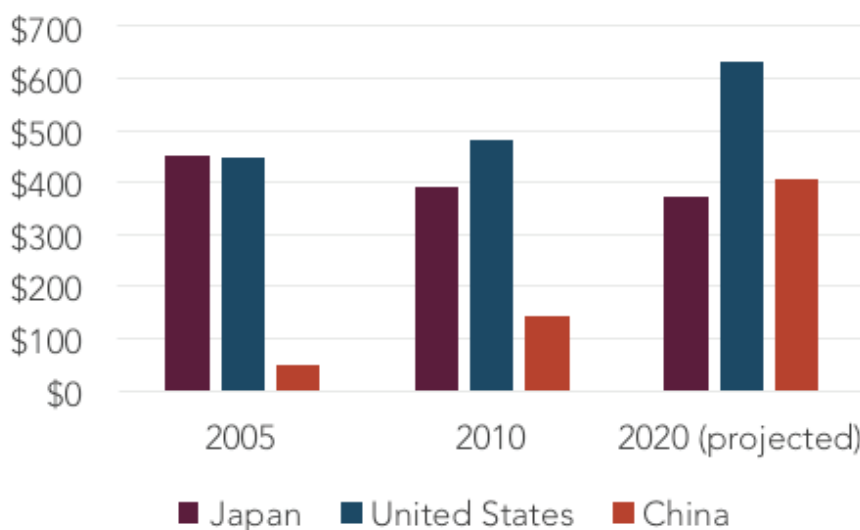
they do, they get an opportunity to visit with members and candidates and gather feedback. In today's fast-paced world, we need more frequent and organized feedback loops. Today our member volunteers gather feedback constantly, either through formal mechanisms overseen by SOA staff—such as surveys on professional development seminars—or informally by talking to their colleagues about newsletter articles or research papers. We need the same formal and informal mechanisms in China to learn more about what to do to serve members, candidates, employers and other stakeholders there.

SOA SERVICES IN CHINA

Providing professional development tailored to members in China. We've been providing professional development to members in China and throughout Asia for years, such as our Asia Pacific Symposium, now entering its fifth year, and the SOA has also become a regular presence at other major events such as the East Asian Actuarial Conference and the CAA's annual

TOP 10 LIFE INSURANCE MARKETS (EXCERPT)

Gross premiums, US\$ billions



Source: *Life Insurance in Asia* (2013), Figure 2.1



SOA MEMBERS OUTSIDE THE UNITED STATES AND CANADA (3,707)



- Mainland China
- Hong Kong & Macau
- Rest of Asia
- Africa, Europe, Rest of North America, Oceania, and South America

meeting. But we need to provide more content, more frequently, to members in China. What will this mean?

- **Events where members live and work.** China is a very big country, but with members concentrated in three cities (Beijing, Shanghai and Shenzhen) we hope to have events more frequently in those cities. While we will continue to have regional seminars, we will supplement these with events in these cities to provide more options for members who are not able to travel around Asia.
- **Events at a time convenient to members in China.** Today, most of the SOA's 70+ annual webcasts are offered at a time that's convenient to actuaries in North America—but the middle of the night in China. As more webcasts are developed by members in China for members in China, they can be offered at a time convenient to members in China.

- **More information about what's changing in China today.** While much of the content we've prepared to date has focused on international developments, we hope to be able to also provide more information about what specifically is happening in China—just like we do for members in the United States and Canada.

Building a program of university visits.

Today, SOA presidents regularly visit universities whenever they go to China. But until SOA members elect our first China-resident president, the distance is too far for the president to make many trips. Our plans include regularly visiting universities in China. Volunteers, resident in China, can then meet with university students and faculty. These volunteers will be able to answer questions about the profession and the SOA. These relationships are important as we work to ensure a vibrant pipeline of talent into the profession.

Developing practice research. In 2014, the SOA completed the study "Understanding the Changing Middle Market for Life Insurance in China." Our goal is to find more projects like this that SOA members can do in China that will be of value to those in the region.

Building relationships with the CAA. Finally, the SOA will look for partnership opportunities with the CAA, particularly for professional development programs and research. This will allow both organizations to better serve actuaries in China—be they SOA or CAA members—to benefit the profession in China.

We are excited to be able to develop a wider range of opportunities—services for members, candidates and other stakeholders to take advantage of, and opportunities for members to volunteer to strengthen the profession in China. **A**

END NOTE

¹ Mainland China excludes the special administrative regions of Hong Kong and Macau. "China" will refer to mainland China unless otherwise noted.

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