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INTERNATIONAL JOB OPPORTUNITIES

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- How do you identify international opportunities?
- How do you position yourself for those opportunities?
- What skills are needed?
- What skills do I have?

MS. LINDA M. KAHN: I'm chairperson of the Actuary of the Future Section, and I'm from San Francisco. We will first give you an overview of the mission of the Actuary of the Future Section, and why it was formed. We'll then have a brief introduction of each of the speakers. The balance of this session is to be your session, your participation. We need a volunteer to help us summarize the group's conclusions as to how we can best identify international job opportunities, how to position yourself to take advantage of these opportunities, what skills you need for international job opportunities, and how best to assess what skills you have for these opportunities.

The Actuary of the Future Section is a new section. It arose because of concern by a number of members in the Society about the changing job market. We were formed about one-and-a-half years ago primarily to identify and develop nontraditional roles and future opportunities for actuaries, to provide the needed interface with the Society of Actuaries, and to foster the grass-roots involvement needed to enable the Actuary of the Future effort. If you haven't yet joined our section, we hope you will do so. We do have applications here up front to join the section, as well as forms to indicate your interest in becoming involved in our activities.

The question of the changing job market is one of international concern. Our section has done some surveys here in the U.S. and the results of the surveys, the summaries, are also up here as handouts. This was a subject that was discussed at the 24th International Congress of Actuaries in Montreal in 1992.

We are pleased to have a panel of distinguished presenters. We have Roy Brimblecombe from the U.K., Catherine Prime from Sydney, Australia, and Barry Watson. Although we think of Barry as being a U.S. actuary, he's really from Canada, so we can truthfully say our distinguished presenters are all from outside the U.S. We will have Roy Brimblecombe start off. He is principal and director of specialists consulting services with Alexander Clay and Partners, Actuaries and Consultants. The business affiliation in the program for Roy is incorrect, so just disregard that. He has served on too many committees and councils in the U.K. to enumerate, but in particular, he is currently chairperson of the Wider Fields Joint Committee of the Institute and the Faculty of Actuaries. Now the Wider Fields Joint Committee is more or less a

*Mr. Brimblecombe, not a member of the sponsoring organizations, is employed at Alexander Clay and Partners in London, England.

parallel organization to the Actuary of the Future Section, and they have many of the same concerns that we have. Also as an interesting side note, he was awarded the CBE, the Commander of the British Empire for the Queen's Birthday Honors in 1990, for services to the insurance industry.

MR. ROY E. BRIMBLECOMBE: There are one or two distinguished English, after-dinner speakers who have two standard speeches that they use on practically all occasions with the first line or two simply directed to the audience. For not quite the same reason, I'm going to approach this subject from a slightly different point of view really to indicate possibly where we're going in the U.K. At the moment, we are looking for new domestic employment opportunities for actuaries. As elsewhere, we've had employment problems. Second, we're trying to help re-skill a lot of actuaries in the U.K., and that, in turn, will hopefully enable them, should opportunities occur overseas, to go there. Third, because we're trying to open up new fields for actuaries in the U.K., we can foresee that if we can, there will be opportunities for people from abroad to come and practice in the U.K.

So where do we start? First, there are threats to the actuarial profession in the U.K. In 1991, we had a significant number of actuaries who were unemployed for the first time since the Institute was founded in 1848. These weren't just actuaries who had just qualified, but they were actuaries who had been employed for some years. This obviously gave the Institute of Actuaries some concern, therefore, we started to address the issue. Second, there were threats to the actuary's influence in our core businesses. For example, in life insurance, actuaries were being involved less and less in management positions. We saw threats from accountants and other professionals, so that was a threat we had to address.

A feeling, I think, was that since the life insurance and pension industry had been in a no-hold-barred growth in the 1980s—for actuaries as well as others—no new initiatives were necessary.

We had almost gotten locked in a time warp. We were being prisoners of our past and rather backward looking. So what did we do? We started off by saying that a major goal, which was introduced by John Martin, our current Institute president, in his presidential address two years ago, that his major goal during his two years of presidency was to increase the role and influence of the profession in the U.K., particularly in what he deemed the Wider Fields, and I'll come to that in a moment. Clearly, the message is that any profession must always seek new challenges and new fields and to push out frontiers. Our predecessors did that in the early days of the actuarial profession in the U.K., and I guess elsewhere. And it's something that each generation needs to do from time to time. Again, it was a feeling that any profession that doesn't do so, doesn't always seek new frontiers, has a strong risk of diminishing in stature. We were certainly very concerned about that.

We starting out by asking, what special skills do actuaries bring? I think there are two, basic principles of the actuarial profession, very simple ones. One is the assessment of risk, and the other is the assessment of finance. The basic tenets of most actuarial professional exams are compound interest and investment on the one hand, and probability and statistics on the other. Now where we are unique is that we actually combine those two, and a simple, life insurance premium is calculated by

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a series of probability functions multiplied by a series of discount rates, if you think about it. And those two unique skills brought together, we think, had wide application elsewhere other than in our traditional fields.

The other area, which we think we can bring compared with other specialists, perhaps statisticians, possibly an economist, is that we're basically professionals. In the U.K. and elsewhere, we have a code of practice, which I think is very important when people use our services. We have a professional code to which every fellow of the Institute of Actuaries has to adhere, and we have various guidance notes, including mandatory guidance notes, on various aspects of our work. So that these two unique functions of risk and investment, coupled with professionalism, we think is a great selling point. Those are our goals and challenges.

What, in the U.K., did we feel that we ought to be looking at? We started off with non-traditional insurance fields like casualty insurance and health care. Now while actuaries in the U.K. have been involved for many years in casualty insurance, and they're increasing in number both in the company markets, in the London markets, and in Lloyds, it was felt that we were perhaps losing some ground. It was not too long ago that there was the suggestion that, like elsewhere in the world, particularly in North America, there would have to be actuarial opinions given in relation to the financial position of casualty insurance companies. That has slipped back, and we are concerned. But there are other people who feel that they can get involved in that particular area, such as statisticians and accountants. And again, we're trying to push a little harder on the casualty insurance side even though we have a fairly material role at the moment.

Health care is another, which I'll come to again later on. It's an area where we feel that actuaries can have an increasing role, as they have particularly here in the States.

The other role we looked at is a role in nontraditional fields, and we have looked at two particular areas that we're currently involved in a very heavy way in the U.K. One is capital projects, and I'll describe that in more detail later. Capital projects on the one hand, and involvement with banking and similar financial institutions on the other. Traditionally in the U.K., not many actuaries have been involved with banking and similar financial institutions, certainly compared with places like France and elsewhere in Europe, and particularly, again, in North America. So we started looking at that.

So what did we do? Like any good professional body, if you want to look at something, you set up a committee. So we set up in traditional, conservative British style, what we call the Wider Fields Joint Committee to look at various areas. Now what did we do? We started off by looking through the membership of the profession in the U.K. and trying to find actuaries who were working in nontraditional fields. Actuaries upon whom, possibly on the investment side, but also in other areas in industry we could call to help us push forward the actuarial profession in these wider fields. And it's amazing how many people we actually found, and they're all very keen to help the profession because, in some ways, they felt that perhaps the profession had left them behind because they weren't working in core actuarial fields. We also got together with the chairman of our core businesses; life, pensions, casualty insurance, and investment. We talk regularly on an informal basis to make

sure we were not losing influence in our core businesses and seeing areas where we could extend it.

So what areas are we looking at? The first area, as I said, is health care, to try and involve more and more actuaries in this field. Second is capital projects. Third, banking and other financial institutions. Those are the three main new fields that we're exploring.

Regarding health care in the U.K., the public health service is going through a period of change, and the U.K. government is very keen to put a lot of the public sector on a more commercial basis, self-governing trusts, and so on. And there is an increasing emphasis in the public health sector in the U.K. on running organizations on business lines. Actuaries, with their knowledge of statistics, morbidity statistics in particular, and other demographic elements, as well as the financial elements, can help in organizing business plans. We are also involved in what we call "Health Service Indicators," which are statistics so that local health authorities can ascertain the possible cost of treatment in particular geographic areas, particular diseases, and so on.

The second area is long-term-care insurance products. Again, this is an area of concern in the U.K. Only two or three commercial insurance companies are currently writing such business. But here again, there is more and more interest as people who work in the U.K. retire. What we call the "new wealthy." They're looking for ways to make their retirement more comfortable, and certainly one of the things that they're worried about is long term care. Not necessarily institutionalized, but nursing care in the home, when they start to have minor illnesses. Therefore, for long term care insurance products, actuaries are involved in designing those products, reserving, and so on.

The third area is care in the community. Again, there is increasing emphasis on community care—home visits by nursing staff and others. We can help in local trusts and so on. They want to set up arrangements for care in the community. Again, actuarial skills are very much in evidence, and we're pushing hard. We had several seminars in England to try and push this forward, and it's gradually having some success.

Capital projects I think is perhaps the most exciting thing that we're getting involved in. We have started a dialogue with government and the construction industry on how actuaries can assist in the assessment of capital projects. The British Government, at the moment, is very keen to have private finance in public sector work, and we think that actuaries have a major role to play on the team that assesses the viability of projects, the cost of the risk and, therefore, the cost of return that a private sector investor will need to get in order to make his getting involved worthwhile. In relation to the construction industry, we've had one or two memorable and major capital projects, notably the Channel Tunnel, and we're trying to say that the next time there's a capital project in the U.K., we should be very involved in it to add our skills to the process. As I said, the U.K. government is very keen to have private finance and public projects, but there's some discussion going on at the moment to the extent to which there is a transfer of risk from the public sector to the private

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sector. And again, actuaries can help very much here in trying to identify risks and quantifying risks.

We are producing a paper, which will be presented to the Institute of Actuaries this coming November, dealing with capital projects, which we hope will influence people in the construction industry and government. Again, this started up with a relatively small group of very enthusiastic individuals and it's developing very nicely, and we are actually trying very hard to make our influence felt there.

The last thing we're doing in this area is a case study of a large capital project. We're getting together with a group of professional engineers to revisit a couple of actual projects and we're hoping to get permission to use the data, just to see what effect it would have had on the assessment of the project if actuaries had been involved. Again, we've learned lessons. Actuaries are not the only professionals who get involved in that area, but certainly we can be very valuable members of the team.

Banking and other financial institutions is the other nontraditional area we are trying very hard to get involved in. It's quite difficult to get involved in this. Lack of risk assessment led to problems in relation to bank lending in the late 1980s and the early 1990s. With actuarial input, banks can assess risk and actually price their lending policy. That certainly needs to be done, we think, because at the moment there is a lack of finance of small companies, in particular, trying to get out of the recession. And this is an area that is very akin in some ways to the mortgage guarantee business of casualty insurers. And again, actuarial skills should be very useful.

Just briefly, core businesses. On the life side, we're still very much involved through the appointed actuary system for life insurance companies in the U.K. But again, we have to watch our involvement as these things develop. We're also involved more on the marketing side in terms of the disclosure requirements of the regulators under the Financial Services Act.

Pensions. Again, we are trying to maintain our influence. Recently there was a major review of pension fund operations in the U.K. resulting, as many of you may know, from the Robert Maxwell scandal. One of the recommendations is that there should be an appointed pensions actuary in the same way as there is an appointed life actuary. The involvement of the profession should increase job opportunities.

Investment. We're learning the lessons from other countries to try and get people more and more involved in this particular area, and trying to bring them back into the fold of the profession.

Casualty insurance. I mentioned that we're trying to get an increased role here.

We're keeping an eye on these core businesses as well as new fields. We're doing a couple of pensions projects at the moment to raise the profile of the actuarial profession, both of which have evinced interest by the government. We are doing a macroeconomic study of the differences between funding and nonfunding state pensions in the U.K. and various other European countries. And we're doing a fair amount of work on book reserves.

Now, what are we doing to help our members on all of this? Clearly the senior members of the profession have to try and create these new opportunities in the U.K., but if we create new opportunities in wider fields, increasing our influence in our traditional fields, we have to make sure we have a pool of actuaries who are skilled. So we are embarking on a very substantial program of continuing professional development, which is in its infancy in the U.K., compared with other countries.

We think that there is much to be done here, and we're approaching this from two different angles. First, for unemployed actuaries in the traditional fields (for example, pension actuaries who feel that there are job opportunities in casualty insurance) we're providing facilities for them to retrain. Obviously, they've had the basic training, but that may have been 10, 15, 20 years ago when they took the examinations.

At the same time that we are taking a vertical approach, we are also taking a horizontal approach. For all actuaries, we're trying to arrange through the continuing professional development program for providing the necessary wider skills; management skills, skills in the areas we've been talking about, like capital projects and so on. We're training actuaries to communicate with non-actuaries, nonfinancial people. If you're involved in capital projects, not only do you have to communicate with bankers, investment houses, accountants, but you have to communicate with engineers. That is a skill that people need. It's going to take some time to acquire it. It's a very heavy resource problem for us in the Institute, but nevertheless we need at least to facilitate progress in these areas if we're to increase job opportunities.

And that's all I wanted to say by way of giving you a flavor of what we're doing in the U.K., in trying to raise the employment opportunity for actuaries, which we hope will enable actuaries from overseas to practice in the U.K., and provide skills for U.K. actuaries who want to practice abroad.

MS. KAHN: We have Catherine Prime with us. Catherine is an actuary, lawyer and businesswoman with extensive experience in the financial services industry. She's currently principal of the firm, P and K Actuaries, which she founded in 1987. Her listing in the attendance list shows her as Catherine Prime and Associates, which is another business she has, but she says most of the marketing is done through P and K Actuaries, so please keep that in mind. Before entering the consulting field, she had various roles in life insurance as well. She also has far too many credits to her career to mention in detail at this time. I will say that many of her clients are international financial groups, so I'm sure she'll be able to give us some insight as to how you get into some of this work. They're often looking for an appreciation of developments with a global perspective, which is an exciting role in fast-changing times. Catherine does have a lot of firsts to her name. She was the first woman to qualify as an actuary in Australia. She was the first woman president of the Institute of Actuaries of Australia. And she was the first woman principal of Towers Perrin Forster in Australia. She qualified as a barrister in 1983. She was awarded Actuary of the Year in 1989 by the Institute of Actuaries in Australia, so I'm sure we're looking forward to hearing what insight she can give us into this question.

MS. CATHERINE M. PRIME: I understand at one of the earlier meetings they were playing games, and all that can be heard in the tape is laughter. I don't want to do that, but I do insist that if we're going to discuss international job opportunities, we

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stretch our minds into a nice, rubbery elastic state because it does need some rethinking. The first thing to ask is, why are we interested in international job opportunities? Is it only because we can see the demand for actuaries in some traditional areas declining and perhaps expansion in new ones? Overall there's a view that, without some aggressive action, we will have more actuaries than can be used in the future, is that the reason? Maybe we see international job opportunities as a way of improving career prospects for existing actuaries and for those who are in the pipeline. This sounds rather self-interested. Indeed, the Society of Actuaries and most kindred bodies have expressed objectives of providing service to members and supporting them in meeting their professional responsibilities. However, as far as I know, all such societies have a more prominent objective to increase the value of the profession to the community it serves. So if we look at this wider objective, to increase the value to the community of the actuarial profession, we need to look at how actuarial skills are used and how they are applied to changing community needs, and applied in a way that moves with those changes. We must not allow ourselves to be fossilized with whole life insurance, or indeed even with defined benefit pension plans.

So what do we offer the community? Now it's important not to be too narrow. You could say actuaries apply mathematical, statistical, economic, and financial analysis, involving implications of risk assessment for financial arrangements to business problems. I think you'd have to read business in a wider sense there.

I'm trying to stress the need to focus on a broader picture of what we can offer. So that you don't think we're getting into definitions, I'll move on very quickly to a couple of suggestions that I just plucked out of the air at random from what people have said to me in the course of discussions like this on what other people think they can offer. You might remember that in Montreal, we were urged to think of ourselves as "masters of the uncertain." There are many young, aggressive actuaries in Australia. I heard one of them say that an actuary should be a financial markets expert and should be able to operate in any financial market. That person will be known anonymously simply as Mark at the moment, because he and his comments are a little controversial. But he is an example of the lateral thinking on the part of an ambitious and qualified actuary.

In any case, to even start thinking internationally, we need to identify our role in a visionary way. This is the question of entrepreneurial promotion. It's no use saying that we're very clever with commutation functions, or even statistical analysis to people who are not educated in what these skills can do for them. The traditional users of actuaries, say life insurance companies and pension funds in western countries, are educated in what actuaries can do. But if we're looking for fresh fields, these will be with people who have little idea of what an actuary is or does, and one of these fresh fields is geographic; taking our skills into the international arena and to *different countries*.

First, it's worth pointing out that the businesses we serve are themselves becoming international, much more so now than before. Second, I think another point is I've talked about entrepreneurial promotion. Everyone knows that public relations campaigns take a great deal of time and effort to carry out, and I say it's worthwhile. However, we have to collapse the time frame for this promotional effort so that

salaries and fees come soon enough to provide incentives now to invest careers in the international arena.

We also need the goodwill and resources of the established actuarial associations, and the personal voluntary effort of established actuaries to fast-track the program of promotion and image building. Of course, we're looking at a new, image-building campaign. It's important that these associations work together and don't compete. Roy has just referred to a resources problem in the London Institute, and it's for that reason and others, of course, duplication and inconsistency of effort will be counter-productive. There will not be sustainable creation of international opportunities if we think only in terms of exporting surplus actuaries to do exactly what they've been doing at home.

So to get practical, there are a few particular opportunities that seem to jump out at me. The first one, move international with organizations already familiar with the use of actuaries, as they follow the internationalization trend is the easiest and obvious opportunity to pick up. There are a number of those situations at present. A word of caution, however. What is the most valuable kind of actuary to an organization, say a life insurance company, that is going international, which might be looking at a joint-venture operation in an overseas country, a green field start, or even an absolute takeover of a local company? The most valuable actuary to that organization is an actuary who understands both the organizations who are doing business and the culture of the country. Perhaps there are some nontraditional actuarial skills required here.

The next one: look for work directly in traditional areas in countries that acknowledge that they are short of actuarial resources, or that their actuarial resources are not sufficiently developed, or when the actuarial resources are acknowledged to be not fully developed enough. The caution here is that actuaries from developed countries with long-established and prestigious professional associations tend to underestimate the role, the status, and the aspirations of the actuarial profession in these developing countries. Sometimes the core of the local actuarial profession is made up of fellowship members of overseas bodies; FSA, FIA, FFA, FIAA, and this is seemingly a good start for fellows of those bodies to walk in with equal status. While it's true that this is a good start, it's wise not to underestimate the sensitivities to local conditions. Legislation may require a period of residence, practicing certificates, and may require specialist expertise.

Carry emerging areas of activity to countries where these simply have not been seen as an area of actuarial involvement. Examples here are asset/liability management and even property and casualty insurance for many countries. You can argue that this is the most solid expansion opportunity in current circumstances. It's in developing countries as well as developed countries, I might add. If I elaborate a bit on the examples, you could say that although there are a number of factors operating to reduce the liability side of actuarial work, not just to zero, I hope, I wouldn't like to see that emphasis go that far. There's no sign of contraction on the asset side, and many new fields are opening up. Indeed, it's very clear that the asset/liability management area is a major opportunity that can be addressed now. However, these changes bring with them, and this is in all countries, the necessity to educate the finance industry concerning the skills that actuaries can bring to them.

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In developing countries, local actuaries have virtually never seen themselves as investment specialists, and there's a real chance to tackle green fields there. In developed countries, it depends; although the U.K. had a good tradition of using actuaries in this area. I had an idea that in the U.S. it wasn't done a lot, and there are many countries in between. No one is better placed than actuaries to understand the essential link between asset strategies and the liabilities they support. This suggests an advantage that should be marketed.

I'd like to throw in another quote that came from an unnamed Australian actuary who was set in working in this sort of work. "If life offices devoted as many resources as banks to asset/liability management (hopefully actuarial resources, and hopefully, the banks would use more of those), then we would more than utilize our supply of young actuaries."

My last point is actuarial education. This is something that is in demand in nearly all countries. It's a sale that has been made, so I think there's an opportunity there.

I'll just sum up by making some general comments. The first is very important. In other countries, we will be welcomed only if we give in order to get. This applies particularly to countries with financial systems less developed than those to which we are accustomed. In these development phases, the government tends to be very important and responsible for much of the initiatives of industrial development. These governments have programs and aspirations for industrial development.

It's necessary to work with these aspirations. It's necessary to work in a way that enhances the skills of local people, and transfer to them the skills we offer. Few countries would welcome involvement of foreign actuaries who regard their skills as always exclusively theirs.

The next general point is a repetition. Transfer of actuarial skills involves marketing and education for customers who, in some sense, can be regarded as naive. Not in a general way, perhaps, but about what we can do. The trouble is that image development campaigns need five to ten years to work properly, hence the need for resources. As with other issues concerning this profession, we need to handle the "permanent white water." A move to working in the international arena is just another change in a fast-changing world. There's a major task ahead for the professional actuarial associations, and particularly those in the more developed countries.

There are also questions concerning educational strategies, particularly specialization versus diversification. For instance, does specialization, which is common in many countries, in the area of life insurance and pensions, preclude focusing on the wider field? Does it hamper, and this is only one example, the advising of the pension industry in countries where there is, say, a different starting point for the balance of requirements for defined benefit and defined contribution pension schemes, and their integration with Social Security? If education is so constraining, we may be at a disadvantage.

Just one other point, and I believe that Roy has alluded to it: continuing professional development, as we call it in Australia. I think the promoters of this initially had in mind keeping up with specialties, developing specialties. I think that, of course, we

must do this, but cannot continuing professional development also be used to change actuaries and make them into more flexible export commodities?

MS. KAHN: Next, we have Barry Watson. Although he's well known here in the U.S., he's actually from Canada, as I mentioned earlier. He was the first executive director of the Society of Actuaries and the American Academy of Actuaries. He has served as a member and/or chairperson on numerous professional committees in all the major North American actuarial societies. And he has had numerous multinational employers as clients in his last years as a practicing actuary in the North American continent. You notice he has on one of those purple ribbons, which says he's now an FSA for thirty-five glorious years. So we look forward to hearing Barry's comments and insights on how we can get into the international job market arena.

MR. CHARLES BARRY H. WATSON: We've had two speeches which have covered a great deal general material. I'm going to try to present some practical comments and considerations, but I am going to have to set the stage a bit. So bear with me if I go over any ground you've heard before.

Why should you, as actuaries in the U.S., be interested in international opportunities?

Well, the most obvious reason is your employer tells you to. "Ah, yes, Sheila. You're just the person to open that office in Croatia." You might have a mid-career crisis of identity: "There is more to life than Schedule B or the NAIC blank." You might feel a need to take on some professional responsibility, to do something for others. Or you might just be curious, excited about the prospect of travelling, in four days to London, Stockholm, Paris, and Berlin, rather than your usual round of Columbus, Youngstown, Cincinnati and Erie.

Then, of course, there is the job crunch and what that might make you do. We've heard from Roy about what the job crunch involves and what its causes are. Some of the causes carry over to the international arena, and in particular the skills competition, where you're up against economists, accountants, and other people who believe that they can do your job equally as well, and the cost competition. There are, after all, "para-actuaries" and people working in lower wage countries, who may be able to do our work for less than we charge. Both of these threats to our employment you're going to run up against internationally as well, and you might as well be prepared for them.

Now there are really four solutions to the job crunch, and Roy outlined them quite well. First, to use an agricultural analogy, would be greater involvement in your old fields of endeavor. Plowing a broader and a deeper furrow and getting more work out of the same techniques.

On the other hand, you might try new methodology and technology in the same fields; try taking sonograms of the land to see where you should put the seeds. In the actuarial area, I think that dynamic solvency testing and fuzzy logic, are examples of new thinking and new methodology that may help us find more and more profitable employment.

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Third, you might try some new crops; planting arugula instead of iceberg lettuce. As an actuarial example, we've had some interesting comments in a recent issue of *The Actuary* about the wine cask problem, where you try to work out how much liquor evaporates. Another example I've seen is using actuarial methods to allocate the revenues from the television contract for baseball. The illustration I have always liked was a distinguished English actuary named Metzler, who spent his entire working career with the London Transit System. I guess he dealt with stationary populations of buses. So there you see the potential of the future for us: booze, baseball and buses.

Or, number four, you might try moving shop. You might go across the water. New geography. Well, if you are going to change geography and move somewhere else, what are the sources of your work? One, and we've heard it discussed already, is an employer expansion. Your employer, whether it be an insurance company or a consulting firm, might start doing work outside the U.S. or Canada. You might get an overseas assignment from a client. This little firm that has never ventured more than ten miles outside Cripple Creek, Arkansas suddenly decides it wants to establish a plant in Hungary, and you get asked to help them out. Or you might be asked to do something in a country where there are no actuaries; perhaps there is an unmet local need.

You might have to administer subcontracted services. This is something that's becoming fairly common. In other words, if your employer is operating outside the country, there's a tendency to put the services that can be done on a low technology in cheaper areas, and you may be asked to administer that kind of work.

You may be called upon to assist in the education and training of new professionals in actuarially underdeveloped countries. Or, and this is quite common, you might get an assignment from foreign governments or quasi-governments (such as the World Bank, IMF, OAS, and the various development banks).

How do you find these kinds of assignments such as in the case of your employer who wants to open the Croatian office? Your employer may ask you to do it. You may get a request from a client. I come basically from the benefit consulting area and I have had clients ask me to do these things. What the client really wants is centralization, i.e., control over what's going on, but with a familiar face, i.e., your face. Then again, you may get referrals from your clients or your peers. Sometimes even your competitors may say, "Ah, yes, so and so knows something about that. Why don't you go and talk to him?" You may get a Request for Proposal (RFP). This approach is particularly common with governmental and quasi-governmental organizations. You will receive a letter saying "We want to look at Somalia and develop a pension plan, or a health system for some group of people over there. Give us a proposal." You may see an advertisement if you're reading through the front page of a foreign paper or journal like *The Economist*, saying that someone is looking for an actuary in some foreign country, with luck a tropical island, and paying well. Or you may just hear about an assignment by word of mouth. That can happen. You can be walking around an actuarial meeting like this one and run into a friend who says, oh, have you heard that they're trying to do something over in some country or other and need an actuary. It does happen.

Well, what is the work that you'll be doing overseas like? Usually it's a continuation of what you're doing here, but with certain very significant differences. You're really going to be asked to operate or administer the operations of insurance companies, or to design and cost benefit plans, or to insure regulatory and reporting compliance both locally, overseas, and presumably back here, if the client is a U.S. or Canadian multinational. Despite anything you may have heard, it is far less common in the international area to be asked either to enter new fields of endeavor, despite what's been said, or to use new technology. Basically, you're going to be asked to replicate what you are doing in this country, but within a different environment, which creates different problems. For example, if you're a pension actuary, you will commonly be dealing with savings-type plans, or provident funds as they are often called, rather than defined benefit pensions. Your work assignments can have different durations and be carried out in different locations. Any assignment could be either short term, long term, or permanent. Short term could be as brief as a few hours. You can do the work here at home. In other words, you can take on international assignments and never leave this country, or you can travel overseas, or you can live overseas. All these alternatives exist for international assignments. And the preparation, the legal requirements, and the outlook you adopt, differ for each of them.

What sort of background do you need to take on an international assignment or job opportunity? You need to be familiar with the subject matter, and that includes all local peculiarities. You need to be familiar with the country and the culture involved, because country and culture are very significant. There was an excellent session given, a training session on how actuaries should prepare to meet the challenges of the international work place. It will be repeated tomorrow. If any of you have the time to attend, I would highly recommend it to you.

You need to be familiar with your client, whoever that client may be: an insurer, a multinational or local company. What you will be doing is trying to meet the needs of your client, and this means you need to understand what those needs are. If you're doing work for a multinational organization that has a local operation, you will be, in effect, representing the multinational, not the local operation. If, of course, you move overseas and you work for the local operation, then you are representing the local operation. You need to know who you're working for and what they want. This may sound simplistic, but it is often difficult to understand and apply in an international structure.

You need to have acceptable professional and academic credentials; they must be acceptable to the local actuarial profession, to the extent there is an organized profession in that country, acceptable to the regulators in the country, and acceptable to your general audience, the person you're working for, the people you'll be working with, and even the general public. You need to be recognized as a qualified, competent professional.

You need to be familiar with the local language to the fullest extent possible. It is possible, in some countries, and I think England is still one, where you can use English. You can't use American there, but you can use English. And you can use it to some degree in other countries because, after all, English has become the lingua franca of business and economics. Now there's a contradiction in terms.

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Nevertheless, the ability to speak the local language so you can actually understand what people are saying to you, or about you, will be immensely helpful.

And, of course, the Catch-22 requirement. You need past experience, except you can't get past experience until you have a first experience. So past experience has to be transplanted from someone else, initially. How do you get this necessary background?

Your employer can help. The employer can give you assignments. You might be asked to work outside your home country for a while. The employer can give you competent peers who will talk to you about what they've done and what they know.

Academia helps. There are many college courses that you can take, and there are a lot of learning experiences that you can participate in through the profession that will help you to understand the world around you and prepare you for international opportunities.

And then, finally, self-help. Use the media. Read newspapers, for heaven's sake. You must know something more than local news if you're going to go outside the country. Go to meetings. Read journals. Take courses in language and culture. Travel. There are many things you can do yourself to prepare for an international job opportunity.

There are three inevitable problems, though. Culture, credentials and cash. As for culture, you need to be familiar with where you are. You have to leave your preconceptions on the doorstep. You must meet and understand the local requirements and expectations, but you also need to preserve your foreign outlook. Remember, you have been hired because you are bringing something specific to this job opportunity. And what you are bringing is the training and background that you have acquired outside the country where the job is located. That's usually the case. Sometimes it may not be. But it is important that you do not go so "native" that you bring nothing additional to the job.

As far as credentials are concerned, what qualifications are needed to practice is an important question. It's a reciprocal professional problem. We have it in NAFTA. We have it in the European Community, where it has basically been resolved, or it's being resolved. The McCrossan group is considering it from a worldwide perspective. The question is, are you entitled to practice within the foreign country and, if you are, whose code of conduct, standards of practice, etc., do you follow? You need to work all this out. Beyond that, there are certain peculiarities. You have what I call the "herr doctor" syndrome. When you go over to Europe, it is extremely important to have labels. You need to be a "doctor." Ideally, you're a "professor." It's even better if you can call yourself "professor doctor." And if you have three doctorates, use them all, and they will use them all in talking to you. Another "culture" problem is you may not be "*echt Deutsche*" enough. In other words, you may be okay, but you're not really German. In fact, the worst fate is that you're not really Swiss. And, by the way, do you exist? The Japanese believe that there is no such thing as a consulting actuary, so it's very difficult to persuade them that they should pay you to do anything because they're used to getting all their services provided through insurance companies or trust banks, which conveniently belong to their own corporate

organization and so "never charge anything." Now, these problems you can't do much about except by getting a lot of credentials, and advertising everything you've got.

Cash. What's the cash problem? Well, often you'll be dealing with what we used to call the Third World until the Second World vanished. In developing countries, and for that matter, in many developed countries, the level of pay is lower than it is here. Of course, in some developed countries, it's considerably higher than it is here. That's not so much of a problem. But you may not be able to be paid adequately for your services, particularly if you're trying to operate out of the U.S. rather than living in the country itself. If you live in the country itself, you can usually adapt. You're also often confronted by what I call "organizational thrift." Many organizations with which you will deal, particularly governments and quasi-governments, believe that it is such a honor to work for them that they should never have to pay you enough. More fundamentally, will your employer see the project as being worth the time and the money it's going to take? If your employer is expanding into a foreign country, it's going to take a long time to build up an adequate practice, and maybe even to make any money whatsoever. Is the effort worth it? But there are many people who do make money, so don't give up. I'm just cautioning you that you need to be very concerned about pricing your services adequately if you're going overseas.

Well, what do you bring to the overseas assignment? You must bring your knowledge. You must bring your experience. You must bring language skills, and you must bring enthusiasm. Is all this effort justified by the results? Well, it depends on you.

The pros include opportunity, excitement, the challenge of the job. The cons include the effort and study. There will be a lot of travel involved. Maybe you don't want the travel. Maybe you don't want to live overseas. There is cultural shock, and there can be financial problems. But I think it's worth it, and I think that a lot of you will find it's worth it. I wish you luck.

MS. KAHN: Now we come to the nuts and bolts of the program. And for this portion, I'm going to need a volunteer to help write down the good thoughts. We're going to develop an action plan now. The first thing we need to do is list ways that we can identify international job opportunities. Now our distinguished presenters here have given us their observations and comments, so let's see if we can bring some of these together and make a list here that will be useful for our own information. Any ideas? Some of you have said you've already worked internationally. How do you identify these opportunities? Any thoughts? Nobody does any marketing? Nobody thinks about it?

MR. MARTIN JOHN HALL: I'm currently working for Ernst and Young here in the U.S., but I'm originally from Australia. I got the job here through somebody I knew at Ernst and Young in Australia. And I had a couple of other job offers, which I got here in the U.S., just by coming over here and interviewing with people.

MS. KAHN: As well as attending international actuarial meetings, and economic meetings, and finance meetings, attend, or join IACA, the International Association of

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Consulting Actuaries, that is, if you're a consultant. Any other suggestions? Anybody out here?

MR. ALLAN BRENDER: Sell them on better ideas and get them to implement things that you know how to do.

MS. KAHN: And how do we sell other countries on other ideas, better ideas?

MR. BRENDER: By example.

MS. KAHN: By example. Be creative. Sell ideas. Any other suggestions, how to speed that process up? How to make the example hit home quickly?

MR. RICHARD B. AMUNDSON: It seems to me that our value as actuaries and the value of the actuaries in the countries where some of us might want to go would be greatly enhanced by swapping places. That is, if we had some experience in other countries, whether we intended to remain international or not, or whether the company we worked for was international or not, our understanding of other approaches to some of the problems we deal with would be greatly enhanced. If we could change places with an actuary that came from another environment, that would be a win-win situation, and it might be possible for the various umbrella societies under which we function to facilitate that.

MS. KAHN: How about exchange programs or internship programs? Very good. Any other ideas how to identify international job opportunities? Presenters, do you have any other suggestions?

MS. PRIME: Well, you could join an international organization to begin with. Secondly, express your interest in the international sphere to your employer. If your employer doesn't know you're interested, you are not likely to be given opportunities. Volunteer.

MR. BRIMBLECOMBE: Yes. I'd go one stage further than that. Join an international organization and show your skills as an actuary in fields other than your core skills, and then ask them to send you abroad.

MS. KAHN: Join international organizations and demonstrate actuarial competence in nontraditional fields.

MR. BRENDER: I just want to remark that some of the things, in fact, not just pie-in-the-sky ideas, they exist. Internship programs, for example. I used to teach at a university that had a big, cooperative program. I've even had the experience of walking into a company office in Sydney, Australia and finding some of my students there who, three weeks later, I ended up teaching. We had co-op students working in Germany, in France, and U.K., and Australia. So this kind of thing certainly goes on, and it is possible, incidentally, to get other countries to buy your ideas and then go and service it.

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MS. KAHN: Are there any more suggestions on how we identify international job opportunities, or shall we move on to how we position ourselves to take advantage of these?

MR. WATSON: One would possibly be the teaching opportunities that are now available, where they're usually looking for people to do that teaching on a short-term basis, or extended, but temporary basis. You could volunteer for that. Go to the country, and that would enable you to identify, hopefully, some opportunities in that country.

MR. BRENDER: Except for one little caveat, I believe that your previous statement about qualifications still apply. And some of what you said, sometimes many people think you can always go and teach, no matter who you are, and then look around. And I've seen universities, in general, are going to want you to be qualified in their terms, as well as in professional terms. And too many of us sometimes assume that when we're through doing what we really want to do, we can always go teach. I don't think that's quite acceptable in the academic field.

MR. WATSON: No Allan, I was really thinking about programs like those in Poland and Hungary. Because they're so desperate for actuaries, I think they would relax their normal requirements. But you're right, in general.

MS. KAHN: If there are no more suggestions as how we should identify, then why don't we move on the next topic. How do we position ourselves to take advantage of these opportunities? I think some of the ones in the first section may also apply here. Any suggestions on how can you position yourself for these opportunities?

MR. KENNETH MITCHELL*: I think everyone leaving here should select a button from the front actuarial display. Walter Rugland, the Society of Actuaries' President last year, had a wonderful program called "Ask An Actuary." And if everyone leaving today wore an "Ask An Actuary" button, I think this would raise the consciousness of everyone in the world as to what actuaries can do.

MS. KAHN: Ask an actuary. Any other suggestions as to how we can position ourselves in international job opportunities?

MR. BRIMBLECOMBE: Certainly a need to read widely about other countries, their social and cultural background, and economic background.

MS. KAHN: All right. Learn the culture. Learn the history.

MR. WATSON: Learn the language. I'm very serious about that. And particularly expertise in certain language areas. But if you have any expertise in eastern European languages, at this point in time, you've got an opportunity. I know that my former

*Mr. Mitchell, not a member of the sponsoring organizations, is President of the Mitchell Group in Scarsdale, NY.

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employer spent a long time building up a language skills resource bank, and the ability to speak, say, Rumanian or Hungarian was valued immensely. Now, you know, not everyone can do it, but if you can learn any sort of language, it helps.

MS. KAHN: All right. Now let's suppose it's the same language. Here I am. Linda Kahn, F.S.A., speaks only English and I want to go to Canada. I was given this great opportunity in Canada. Can I practice in Canada? Can I go out there and be an insurance company actuary?

MR. WATSON: You can only speak the language?

MS. KAHN: What about credentials? Do I need any credentials?

MR. WATSON: Yes. You would need to be an FCIA, wouldn't you?

MS. KAHN: Oh, dear. You mean I have to get credentials some place?

FROM THE FLOOR: Under the NAFTA agreement, the way we negotiated, hopefully, it's not quite in effect yet, but there's two levels of qualification.

MS. KAHN: Let's change the example to the U.K.

MR. BRIMBLECOMBE: That's easy. You come across to the U.K. You apply to the Institute of Actuaries to become an affiliate of the Institute and, therefore, you're bound by our professional code.

MS. KAHN: So I have to get some local credentials. What about period of residency. Might I need a period of residency in some of these places?

MR. BRIMBLECOMBE: It would certainly vary, but I don't think so.

MS. KAHN: So what we should do is learn what the requirements are?

MR. BRIMBLECOMBE: You'll certainly need all the visas and work permits, and things like that. But that applies to doing anything. That's not a problem, but there's a slight caveat to what Catherine says. If you came to the U.K. to sign certificates as the appointed actuary, to a U.K. subsidiary of an American company, the authorities would like you to be around a little bit in the U.K. to understand the background. There's no way you can just jet in, sign the statutory returns, and jet out again.

MS. KAHN: Well, how else can we position ourselves for these opportunities?

MS. KELLEY MCKEATING: I would also think that you would need to understand the local business environment and the political environment in order to function.

MS. KAHN: A very good point. So perhaps we should add listen as well as learn.

MR. BRIMBLECOMBE: Perhaps there's a role for the international actuarial associations to do a thumbnail sketch of the economic and political background in each of

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our countries, and make that available for people who are thinking of international job opportunities.

MR. WATSON: You're referring particularly to actuarial aspects because you can get thumbnail sketches of other aspects in many ways.

MS. KAHN: How is somebody going to know that I might be interested in this? How can I position myself for an international job opportunity? How can you position yourself? How is somebody going to know that you're willing to do this?

MR. WATSON: Well, you would attend meetings. You would, within your own company, tell your peers of your interest, and volunteer.

MR. BRIMBLECOMBE: On occasions such as this, you know, make it clear that you'd like a job in England.

MR. WATSON: You should make it clear you'll change employers overnight.

MS. KAHN: It helps to know if you're available or not. Any other suggestions as to how you can position yourself for an international job opportunity?

DR. KRZYSZTOF STROIŃSKI*: I still don't understand if we are doing this on a theoretical basis or a practical basis. If it's practical, and if someone wants to do something in Eastern Europe, he or she could contact me about education.

MS. KAHN: Network.

MR. WATSON: For those of you who don't know, Krzys is the key person to contact, particularly about Poland, but with respect to other countries, such as Russia. He is certainly a key person. Would you not agree with that, Krzys?

MR. STROIŃSKI: I might add personal contacts, or probably like a lot of people present here, such as Barry.

MR. WATSON: Are you still the president of the Polish Actuarial Society?

MR. STROIŃSKI: I came in the interim.

MS. KAHN: If there aren't any other suggestions about how to position yourself for these international job opportunities, let's go on to the next item on our action plan. And that is, what skills might we need for these international job opportunities?

FROM THE FLOOR: Communication skills. To be able to communicate with more actuaries.

*Mr. Stroiński, not a member of the sponsoring organizations, is Assistant Professor at the University of Western Ontario in Ontario, Canada.

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MS. KAHN: Speak the lingo of nonactuaries. What other skills might we need for international job opportunities?

MR. WATSON: Obvious qualifications in the sense that it isn't just that you can do things, but that you do have the little pieces of paper. And even in countries where there is no particular prohibition against you practicing, they will still pay you far more attention if you are a fellow of some organization, or if you have a doctorate, or whatever. The pieces of paper are important.

MS. KAHN: What other skills might we need for international job opportunities?

MR. STROINSKI: I think it's very important, at the first entrance, to have a qualification, to have the fellowship of the society. But later on, it's the ability to solve the problems that sell you, because usually the jobs that you have there that are of relatively short term. They're not well-established companies there, so they're judging your track record. If you think that you can continually sell yourself every week or every month for a new job, then this is probably the area for you.

MS. KAHN: When you say ability to solve the problems, do you mean analytical skills?

MR. BRENDER: I'm not sure exactly how to say this. But I think you need a certain kind of clarity of mind, a mind set where you're not wrapped up in your local way of thinking. You don't say about financial reporting, are we talking statutory or GAAP? You start talking about, what is financial reporting in that environment? What are we trying to measure? What are the fundamental principles? You shouldn't carry along your own baggage with you.

MS. KAHN: Stick to the basics. Yes. An open mind and an ability to stick to the basics.

MR. WATSON: I agree with Allan. I think that's very important because in many of these countries, the problems you're going to get to solve are not the sophisticated type of problems that you have to solve over here. They're very practical, gut problems, and you need to be able to apply your skills quickly and efficiently at that level, and be able to explain what you're doing to the people who will be using the results.

MS. PRIME: I would agree with that, too. It's a very good point.

MR. BRIMBLECOMBE: I was going to say that in these areas, gray hairs are essential. In other words, you know, being businessmen of long experience, you can solve these problems more readily.

MS. PRIME: I think that's changing.

MS. KAHN: I think Ms. Prime's associate wouldn't agree with you.

MR. WATSON: Let's be honest. In some countries, the age and maturity of the individual is valued more than here, but I think it can be and is increasingly being

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overcome. But, yes. If you're a 45 or 50-year-old person, you'll be accepted more readily than someone who's 21.

MS. KAHN: One point that was inherent in some of these comments, which really is a duplication of communication, and that is to be able to educate. Be able to educate others. We don't have much more time. One more and then we'll move on to the last section.

MS. McKEATING: To follow up on what Barry said, are there countries where your gender matters?

MS. KAHN: Where women are not as accepted in business as men, to put it bluntly.

MR. WATSON: Yes. Although, interestingly, in some countries where you think that gender might be important, it isn't. For example, we always think of the Latin countries as being rather macho, and yet in Mexico, in South American countries, and in Spain, there are a lot of highly successful and well-placed women actuaries. I'm sure that there are countries, I think in Japan, for example, where it would be more difficult for a woman to work. Now keep in mind, there's a difference if you're coming over as a person on assignment to solve their problem as contrasted with getting a job locally. If I were a woman, I wouldn't try to get a job in Japan at this point. Maybe ten years from now I would. But it's different if you're coming in on a consultancy basis; you have greater acceptability.

MS. KAHN: We'll move on to the last section, and that is how to assess whether or not I have these skills, or the degree to which I have these skills. How would anybody suggest we go about assessing the skills we possess, to take advantage of international job opportunities?

MR. WATSON: You know, that's right. We obviously have the skills. Just look at us.

MS. KAHN: Compare yourself to the experts. Well, with respect to language skills, that should be very easy. With respect to knowledge of the culture, or how they do business, that should also be relatively easy. I mean, you can always take a course and pass the test if you are looking to improve in a specific area. Do you have any other suggestions as how to assess whether or not you have the skills?

MR. WATSON: Do you insist on eating hamburgers and French fries? If you do, I would view this as a demerit. More generally, if you expect the world around you is going to be the way it is where you live right now, you're not well equipped to go on international assignments.

MR. WILLIAM C. CUTLIP: Talk to someone who has had international experience and describe your skills. Perhaps you get them to know your work in some way and see if they can help identify where you already have skills that are useful, where you could improve those skills, and where you could gain new skills. And if you want to gain new skills, one way to do it, this is a commercial coming up, is through the Society of Actuaries. The Management and Personal Development Committee for several years has put on programs and expanded those programs to help actuaries

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gain skills beyond the technical skills that we obtained through the syllabus. So there are communication skills that are taught there. There are management skills, problem solving skills, and creativity skills. Expand your mind, and any time you get the chance to get hold of something like that, it feeds right into what we were talking about here. The list of skills are not unique to international opportunities.

MS. KAHN: I would briefly summarize our suggestions in three statements:

(1) Network with those already in the international area. (2) Go to a career counselor. (3) Pursue SOA programs. With regard to (3), I understand the Society's marketing director is working on a skills assessment program. This may be able to help you. Although I don't know how long it's going to take for this thing to be developed, it should help you assess what skills you have with respect to your career options.

