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Session 23PD Opportunities for the International Actuary

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Summary: Have you thought what it would be like to live and work in a foreign country? As domestic employers seek growth, crises occur in some foreign financial services sectors, retirement programs of some foreign countries are privatized, more and more of our members are working and living outside their home countries, etc. We may see ourselves as citizens of the world rather than citizens of our own countries.

A panel of international life actuaries describe their experiences living and working outside their home country. Attendees learn about opportunities that lie ahead for global actuaries.

Mr. Michael E. Gabon: We have three distinguished actuaries who have both lived and worked overseas.

First up we'll have Jim Toole. Jim's an actuary with the Latin American practice of Milliman & Robertson in their Denver office. He has about ten years of experience in the life insurance industry in U.S. and Latin America, including Mexico, Argentina, Brazil, and Chile. He's worked on projects involving product development, bank assurance, mergers and acquisitions activity, financial analysis, demutualization, and loss reserving. He's also the secretary/treasurer of the International Section, and a former SOA Ambassador to Mexico. He's going to plug the Ambassador program, so be warned.

Rejean Besner is a senior manager at Deloitte and Touche in their Actuarial Benefits and Compensation consulting practice. He's in their Philadelphia office. He's

worked and lived in three different countries, South Africa, the U.S., and Canada. He has worked on projects involving strategic planning, life reinsurance operations, sales and marketing, pension life, and health and disability income product development. He's been in the U.S. for about the past five years, but he continues to work on international projects, and over the past few years he's had the opportunity to work on projects in six different countries outside the U.S. I forgot to mention that Jim is fluent in Spanish, and Rejean is fluent in French.

Linda Emory is our hometown favorite and will speak last. Linda is currently executive vice president and chief administration officer for ING Financial Services International, North America. She has held several different roles within the ING organization, including strategy and product development. She is a member of National Nederland's Board Committee to look at management of operations in the U.S., Canada, Great Britain, Australia, and the Far East. She lived and worked in the Netherlands for two years. Linda will cover both her experience overseas and her experience in recruiting people within the ING/National Nederland Group for working overseas. She'll share her perspective; such as the characteristics of people who would do well in an international environment. She's also a past Vice President of the SOA and an editor of many issues of *The Actuary*, and she's currently on the SOA's Discipline Committee.

Mr. James F. Toole: I just returned from two years in Mexico and also did work in Latin America and Australia. By the way, I wanted to gauge quickly the audience level of participation. Are there ASAs in the crowd? OK. How many people here have a passport? That's excellent. Actually, it's my understanding that in the U.S. Senate 20–30% of the senators have a passport, so this crowd has done very well. Have people had an international assignment already? Some of you I know have. How many people work in a company with an international area? So the rest of you are just kind of interested in what happens. How many people speak a second language? That's very good.

Basically these are my talking points. We have pros and cons of going international, the types of positions, finding a job, interviewing the company, compensation and benefits, and my now no-longer-bonus-added-value mystery topic, the Ambassador program.

Some Pros

Well, you're here because you know that it's an increasingly marketable niche and right now it is more than niche, but I believe that it's going to be more the norm than the niche. Personal growth, I can assure. You can broaden your horizons. You're going to do things in different ways in very challenging circumstances. You will learn how to improvise; there really is more than one way of doing a balance

sheet. Adventure, which goes in the category of passport stamps and frequent-flyer points. Meeting interesting people. You will make new friends and have irreplaceable memories and experiences. It is a gateway to additional opportunity. I went to Australia, Argentina, and Brazil, and vacations were just unbelievable. You just can't get there from here. Experiencing local customs and eating local cuisine. I would have considered them to be inedible, but I had cactus, ant eggs, fried worms, and corn fungus. Additionally, you'll share cultural misunderstandings with your friends. A friend of mine was told that they were going to have all of the *pollo* that they needed, and they kept on wondering, "Why do I need more chicken?" Well, *pollo* means support, but it also means chicken, so you'll just have all sorts of ways to misunderstand people. You think it's hard here, it only gets worse there. And finally, this was just a teaser, becoming an SOA Ambassador.

Some Cons

You will not stay current with U.S. developments. Somehow, I don't feel like I've really missed that much. I'm no longer cutting/bleeding-edge on the day-to-day saga of the illustration actuary, triple X, and this year's change in risk-based capital. You can come back and pick up on that. You can lose your place in the company hierarchy, and, depending on the focus international is given within your company, you can be marginalized. For some people separation from their family and support network might be a pro, but really, it's hard. The adjustment and culture shock is a factor. Some people adjust more quickly than others. Likewise, your family might have a harder time adjusting than you do. You arrive, you have a job, you have friends, you have a support network, but for your spouse or significant other that can be very hard. I would suggest that the cons can outweigh the pros. It's not just la-di-da or a primrose path; you have to really want it to make it happen. Even some people who do want it and do make it happen find—after three months to a year—that they can't hack it. But it's worth it.

Types of Positions

There are any number of ways to go international. You can be an expatriate, where you're a legal resident of another country, and you pay the local taxes. I have a social security number with Mexico; I could go there and retire and get benefits. The U.S.-based actuary, or what I call the armchair actuary, the fly-in, fly-out actuary, might spend a couple of weeks on the road, but they're looking at stuff from the outside. There's now a new group, the U.S. employee of the foreign subsidiary, which we'll hear a lot more about from Linda. Finally, I consider this to be a very important consideration, the company position versus the consulting position. They are very different. When I was a consultant, I worked in all these different countries and all these different situations, whereas, when you're with a company, then you are treated as more of an employee.

Finding a Job

Any one of those types of positions can offer rewarding international careers, but I personally believe in the value of total immersion. Going overseas will enable you to do a much better job once you're back in the home office. You know some of the challenges and hardships, and when people down south or wherever say, "We don't get what we need from the home office," you'll know what they're talking about. A real challenge for me was when I left for Brazil on five hours notice and did not inform my wife. She was not pleased. When I got to Brazil I left her a note. You have to remember what comes first. It can be tough on a relationship.

Finding That Job

Recruiters are not an advocate for your interests. If you use a recruiter, find a specialist who knows something about international. The main focus of most recruiters is to service their U.S. clients' needs. What are those needs? Domestic. They treat international as a sideline: "Oh, I'll do this as a favor." Well, they're not really doing you a favor. And you wouldn't hire a tech recruiter to get you a job in an insurance company. An international position is something different. You can, in fact, call around yourself if you have a network and some business cards and you let people know what you're interested in. If you're willing to wait more than a month, in three-to-six months the right opportunities can arise. Most companies have needs and are willing to hire opportunistically. Right now, unfortunately, the resume matching service is not really a good tool for international. The jobs aren't geared towards international, and it's hard to search to see if, say, somebody's looking for someone who speaks Spanish. But I can tell you, without a doubt, an FSA with any international experience and language skills is in very high demand. Five years ago, it was hard for me to find an entry position. I was an ASA with one more exam to go and spoke Spanish, but the market wasn't there. It has changed. If you can speak, are willing to travel, and have some skills, you will find a job in three months or less.

Selecting Your Company

Due diligence is a must. Companies and human resources new to the international game may not be familiar with the benefits and the support that you need to survive. But they can be educated. Here are some important questions for you to ask: What is the history of the division? Are they committed to that international venture? What percentage of revenue is it? Is it 1% or 10%? How long have they been doing it? How much have they invested, and why? Was it some marketing group who said, "Hey, we can sell you \$200 million of premium if you give us the opportunity?" You want to make sure that the reasons and the rationale have something behind them.

Where is the international division located? Is it part of the home office or is it located, say, in Miami? I mean, if you're located in Miami and you're not in the home office, you can have the same problems that you have if you're in Argentina—the communication can break down. Does this company have a long-term international strategy or are they just winging it year to year? Can you see the strategy? And if it doesn't exist, I would be concerned. Which isn't to say that there isn't an opportunity, but I would be concerned. Is communication with the home office regular—is it good or is it once a year when they come down, you know, to drink some local beverage or something? Finally, are the international lines part of the core business of the company? I've seen companies going international and buying other companies—say, a life company buys a health company. Well, that's not necessarily going to work, because they don't know anything about health. So look into that.

Compensation and Benefits

U.S. companies are inexperienced. Other industries are more sophisticated in their support systems; they've been doing it for longer. The benefits in U.S. insurance companies are less than in other industries. Oil and manufacturing companies have been international for 50 years or more. It's hard to find a U.S. insurance company with 10% of their revenue, much less profit, coming from international. The bulk of Coca-Cola's earnings are from overseas, so they pay more attention to that. But on the other hand, if they're making an investment overseas, it behooves them to keep their investment. So they should pay you a wage to keep you viable. Usually that wage is linked to the U.S. scale, so that it's in sync; if you come back, you don't make more than your peers. There are some inflation adjustments. When I was in Mexico, my salary was linked to inflation, and, likewise, in some countries, there is a hazardous duties pay increase by country. The other benefits include moving costs and accounting service. If this is the year you move, you're going to have two countries. While you're there, you're just in one country, but remember, when you come back, you're going to have two countries. This can be a \$1,000 accounting bill, so you want to make sure that's covered. It's important to have your home-office support so that you can have your mail forwarded to a U.S. post office—not a post office box, but your secretary in the U.S. or something—when you need bills paid because you're not going to get rid of all of them, so you have to have some people back home to help you. It's not fair to make your mom do it, much as that appeals to me. Some companies will pay for your housing costs or give you a stipend for that. Some companies will give you a car and driver. Other companies will pay for trips home. If they send you to Indonesia, they might take you home twice a year. And other companies, if you are sent somewhere for two weeks or more, might send your spouse home because it's not really fair to keep your spouse there while you're off doing something somewhere else.

And finally, the added-value mystery topic, the SOA Ambassador program. How many people have heard of it? That's good. When you go overseas, please consider becoming an ambassador. I think it's pretty cool, and it added a lot of value to my stay in Mexico. I became an Ambassador and used it as a springboard to meet more people and give some talks and that sort of stuff. But basically, I'm running it now, so I'm pushing it. The objectives are to assist in carrying out the international policy, such as it is; to identify needs of members, so there's an opportunity to contact other SOA members on site; to serve as a resource and link between the SOA and the local Ambassador organizations; and to help the profession grow. So by now, I'm sure you're thinking, what does it take to be an Ambassador, right? Special training? Exams? No. It's this easy. You must be a member of the SOA and live in the host country. We ask that you plan to be there two years to get some continuity. The other requirement is a willingness to perform the basic duties. People with language skills are preferred.

From the Floor: Is there another requirement that the country must still exist within two years?

Mr. Toole: Yes. The question was, does the country have to exist within two years? The Balkans are a current example. Duties are: submit a work plan, write an article for the newsletter, and prepare an annual status report. There is also this nifty new program called the Country Web Pages where you can get some information on some of the countries. We're not all there yet, but we have about ten different countries where the ambassadors have submitted information and you can go out there and look for information on the insurance market and the practice of insurance in those countries; we'd love to have you participate in that. Optional things include speaking engagements and special projects. If you have any ideas and want to start an exam center or get a grant to buy some books, then all you have to do is to ask. You can probably talk to me to about that. What are the benefits? You're meeting people and you're helping develop the profession, both in the host country and in the U.S. I actually enjoyed this. You get invited to the Board of Governors dinner and not only do you get a free meal, but they'll pay for your ticket or the cost of the fees to the annual meeting. That was pretty cool. And then finally, there's the world-famous International Section Breakfast, every annual meeting, where you tell your true tales. There is a lot of spirit in this organization.

Mr. Rejean Besner: My experience was slightly different from Jim's. I worked in South Africa for ten years. So I thought the first thing I should do is to give you an idea of my career. I grew up in Montreal and started working there for Towers Perrin. In 1984, I had an opportunity to move to South Africa. I was recruited by Swiss Re to work for their South African operation. In fact, at the time I was getting married. My wife and I decided that marriage was quite a change in any case, so

we might as well try to go through that change in a different environment. So we got married in December 1983 and then moved to South Africa in March 1984. We had our two children fairly quickly after that, at the end of 1984 and then in 1986, and so my children are South African as well as Canadian. I worked for Swiss Re for about seven years, most of that in South Africa, although some of it was working for them in New York. Then I left Swiss Re in 1991 and joined a South African consulting firm called Alexander Forbes. A lot of Jim's comments were related to getting an opportunity working for a U.S. company in a different country. I was now really working for a company that had no connection outside of South Africa, and that's a different experience altogether. I do not recommend that as a first job overseas. But once you've been in a country for a while, then obviously you get more comfortable. Then from there, I came back to the U.S. in 1994. I worked for Optimum Re, which is a reinsurance company based in Dallas and then joined Deloitte and Touche, who in fact relocated me last year from Dallas to Philadelphia.

For the purpose of this presentation, I thought it would be nice not just to bring my own perspective but to try to get some input from colleagues of mine who I know have shared a similar experience, have worked overseas, and, in a lot of cases, are still there. So I got some input from seven international actuaries, my definition of which is people working in a different continent than where they started their career. Those are the different points that I quizzed them on to get their perspective. In fact, if I add my own experience to my 7 colleagues, we get a total of 68 years away from home, which is quite a lot of time, so I think there's quite a lot of valuable input in there. Out of the eight people, one of them is back home, and my definition of home is where you started your career. Another one or two are considering going back eventually, but most of the people who have tasted the international side are saying, "I'm not going back ever." These seven have spent time in a wide variety of countries.

I also wanted to illustrate the current job responsibilities that these people have, and I think there are two important points to make from that. First, I think if you start a career overseas, more than likely that will give you quite a jump in terms of your career and the responsibilities that you can have. I mean, all the people who are there are probably, at the most, in their mid-30s, and I think they're, in general, holding fairly responsible positions in their companies. Second, there are quite a few positions that relate to reinsurance. Reinsurance is a very good way to get involved from an international point of view. Most, if not all, of the reinsurers are global organizations. Jim made the point that you should work for a company that knows what it is to work globally, and I fully agree with that. I was fortunate that my first experience was with Swiss Re, which was obviously a global organization.

They knew how to treat people in different environments. Reinsurance is a good way to get there.

Again, that's just the input from different colleagues. I tried to illustrate the different benefits of moving from a professional point of view. Jim has indicated a lot of these already, and I think they're the obvious ones when you go to a different country. Again, there are the bigger responsibilities. When I arrived in South Africa I was 24 years old. Most of the people who I was working with or interacting with were in their mid-to-late 30s. I was really in a position that I could not have had if I had continued to work in Canada or in the U.S. That's a very, very significant opportunity to give a big boost, I think, to your career. I think also the opportunity to create or to be influential is, again, much, much easier in a different environment. Again, relating to my own experience, one of the reasons for moving from Swiss Re to the consulting firm back in 1991 was that the health environment was changing very rapidly. Health insurance in South Africa is primarily a private system like we have here in the U.S., except that it's probably 15 years behind what we have. I was one of the first few actuaries to work in that environment in South Africa, which was a big challenge, but it was also incredibly motivational and interesting.

Also, I had the opportunity to work with a lot of products that were being introduced in that country for the first time. For those of you who are familiar with living benefits or dread disease products, those came from South Africa. We had to do all the research and development to bring those products to the market and analyze them. Same thing with many different aspects of disability insurance, which we introduced to the South African market for the first time. Those are opportunities that you just cannot have, I think, working here in North America. Once you've done it, the opportunities are incredible. I think the demand from employers for people who have international experience is very, very strong. Employers want to look at people who have done it. In a lot of cases, I have had approaches from companies who say, "We'd like you to consider this position because we know that you've done a move like that, you've made a success out of it, and you can do it again." It's a big risk for an employer to take somebody who's never been out of the country and put them in a different environment.

One of the great benefits of being an actuary is that the FSA designation is recognized all over the world. When I moved to South Africa, immediately I was recognized as an actuary over there. Again, just from input from my colleagues, I tried to assess the demand for actuaries in different parts of the world. I think it's probably a fair statement to say that it's pretty strong everywhere. Certainly in South Africa, which is probably still the place that I'm the most familiar with, I think anybody from here who wants to work there can get a job very easily.

Over and above the professional side, I think from a personal point of view there are, again, tremendous benefits in moving overseas. Jim has made comments relating to a lot of those. There is the opportunity to travel. I was fortunate in that my wife decided to work in the travel business in South Africa, so we did so many things that were just impossible to organize from here, if you don't know the country. I mean, it's just been an incredible experience from that point of view. We've touched on the financial benefits. Taxation is a very, very special area. I think you really need to get some proper advice on that because the tax system is so different, and especially going from the U.S., which has a relatively low level of taxation, you can get caught there. I remember looking at an opportunity to go to Australia, which has higher tax rates than the U.S. The package that was offered to me looked pretty attractive, but when I looked at it on an after-tax basis, it was quite a different story. And again, there is the benefit of making new friends. One of my colleagues met somebody overseas and got married, so for her that was quite a personal benefit.

There are lots of challenges. Let's not underestimate being away from friends and family. It is significant. If you are away for a long time, you will lose touch with people, even though you might say we'll always be friends. I know it's easier today with the Internet, but despite that, you cannot continue to be close to people when you're away for a long time. One of the big issues, also, when you move somewhere, is what kind of friends are you going to make in that new environment? Are you going to try to associate with people who come from the same background as you, or will you try to become friends with locals? That's something that my wife and I went through when we arrived in South Africa. We were approached by the Canadian Club, who had activities every weekend. But from the start, we said no, we're not going to do that. We're moving to South Africa because we want to have a different experience, and we're not going to spend our weekends with Canadians. It was a decision we made purposely on our side, and I think it was the right one.

The danger, I think, of associating only with people with the same background is that you tend to talk about home all the time and become homesick a lot more. I don't think that's healthy. Creating a new home is always a challenge. When relocating, there are so many things that you need to think about, such as banking, insurance, and a driver's license. I mean, the list is incredible. If you work for a good employer, you're going to get a lot of assistance with those things, but there's still a big weight, I think, on the people moving. Language, communication, basically anything that you took for granted before, you cannot take for granted in a new location, and that's true even when you come back. When I left South Africa, I could call my bank manager any time of the day and get an overdraft over the phone. I arrived in the U.S. and couldn't get even a credit card. That was a

frustrating experience. You do not expect such things to happen. Don't take anything for granted.

Obviously, there are some special issues if you move with a family. If your spouse is going to stay at home or work, that's a very, very important consideration; that's something that has to be in the equation right from the start. In a lot of countries that you go to, it's not easy, or sometimes it's even impossible, for the spouse to get a work permit. One of the first things that my wife and I checked was whether or not it would be easy for her to get a work permit. In some cases, the answer was no, so we didn't pursue that opportunity. The age of the children is also a big factor. I think young children move quite easily, and, in fact, in some cases, it's an advantage to bring up your children in a different environment. South Africa was great for us. We had a lot of help at home which, when you're bringing up small children, is a tremendous benefit. However, my children are now 14 and 12, and those are ages where it's very, very difficult to move children. That's something you need to take into account.

You're going to have to deal with being homesick. Even if you do all your homework and you're very excited about the opportunity, that is going to happen. When we were in South Africa, we had a great time there, we loved it, but I'll tell you, every Christmas, whatever I did, or whatever we did as a family, it would end up being a disaster. I couldn't get my wife to stop crying. The crime rate is also an important consideration. I consider feeling secure as a basic need, and that's something that you cannot, again, take for granted in different environments. I think that was an issue when Jim was talking about Mexico. It was a big issue for us when we decided to leave South Africa.

In summary, I think it's very, very important that you make a very realistic assessment of who you are, who your family members are, what you can achieve, and what you think you can do realistically and be happy. You can push that a little bit, but not too much. If you and your wife have been spending the last ten years going every Saturday and Sunday to your in-laws for lunch, moving overseas might be a challenge. Jim also referred to getting information. I think that's also extremely important. Know that country where you're going to very well. Know the company that you're joining. If it's a new environment, or even if it's a move within your organization, you're going to be working with different people, and you have to be sure that the commitment is there. Consider working conditions. When we agreed to go to South Africa, we'd never been there before. That's not something I would do again. Think of scenarios and what could happen. What if we get there and this happens or that happens? What if we get there and somebody close dies in your family? What are you going to do? Think of those things ahead of time.

We arrived in South Africa in March 1984, and by July 1984, the Rand, which is the South Africa currency, had lost 50% of its value. You need to think about these things and say, "Can we handle that, and how are we going to react to that?" I think it's a tremendous opportunity. To me, I couldn't have done anything better in my career than to pack up and go to South Africa when we did it. But, again, it's something you need to think about; you need to make sure that it's for you. And in a family situation, you need to make sure that it's right for the family. That's an area where you cannot be selfish because things are not always going to be all right. And if the family is not happy, it's pretty difficult to be happy, I think.

Ms. Emory: I think it's good that James and Rejean have covered all the basics because the basics are not so different when you go to a foreign country even from inside a company that you know. My company, ING, is a Dutch company; 60–70% of the profits still come from the Netherlands. North America is right now, although it depends on the year, the next largest organization outside the Netherlands. But there is a tremendous advantage, when you're in a situation like ours, to have people who work at the home office and learn the culture, the people, and the processes, including the way they think and the way they make decisions. My company loves U.S. and Canadian actuaries and Australian and U.K. actuaries. And I think that's because the actuaries from the Netherlands have a much more narrow role, and they're trained in a much more narrow way. Historically, they were mathematicians. We're trained very, very broadly and learn to participate very effectively as part of a senior management team. It's that kind of know-how that we bring, as well as the broadness of our education, that's very attractive. That's changing, of course.

I think the role of the actuary in Europe will get broader as the companies get more international, so that won't always be true. But in ING I worked for Life of Georgia, as probably most of you know, from 1963 on. We were acquired by National Nederlanden in 1978. The first U.S. person who was asked to come on board, to the Netherlands in 1982, was an actuary. He was a brand-new FSA and happened to marry a young lady who was an ASA, so they sort of got two for the price of one. They then went on to Japan, helped start our Japanese life operation, came back to the U.S., and now they've just gone back over for another three-to-five-year tour and have taken their children. It is not unusual that people who go to our home office come back to the U.S. and look forward to accepting another opportunity. That shows you, at least from a personal point of view, and to some extent, from a career point of view within the same company, how successful it's been. That was the first actuary. There have been U.S. or Canadian actuaries over in the home office every year since.

Now, I am probably the highest level actuary that's ever been over there. I went between 1988 and 1990, and my title was international actuary. What I had was the whole world outside of continental Europe, and I was there to help make American acquisitions, so we doubled our size in the U.S. I worked in the Netherlands and with teams over here in the U.S. and Canada. That was a very effective way to get the job done and to learn the decision-making process. I was in a very enviable position to work with most of the executive board members. They very much welcomed my view of the world and made me feel very important. Of course, I couldn't come back to this country and have been made the north american actuary, if I hadn't had this rapport with the parental group. I can say all kinds of good things about how positive the experience was for me.

I can also tell you, on a work basis, that it was a very challenging experience for me because I went from being the corporate actuary in an insurance group in the U.S., where I felt very much in charge of my own destiny and competed for all the big things going on in our company, to a situation where I didn't quite know how we were operating on a day-to-day basis. The culture was very, very different. As was already mentioned, the kind of support I had was strange, to put it mildly. Maybe I should have been a little smarter, but it sounded good—I'm going to be the international actuary. I was going to have the whole world outside continental Europe. The salary was fine. We went through all the benefits, and I asked Coca-Cola, what do they pay expatriates? I certainly got my own data there; I didn't do as well as Coca-Cola expatriates, I have to tell you. I think it's important to check out everything and do it in a very businesslike way. Because in my company, they were saying, "You don't trust us? We're going to take care of you." That is the culture for the management trainees in the Netherlands; they very much go on board thinking, "I trust ING to take care of me." That's just not my American way of doing business, and I felt very good that I had negotiated a good contract, that I knew what was expected to happen, and that I had everything pretty much tied down before I went. I would always recommend that you go through that process.

We went over one time before I even considered going to work, and they were so hospitable and such great entertainers and treated us so royally that I thought, this is heaven over here. We went back for the first visit to look for housing. I'm sure it has gotten better for everybody since I've negotiated my contract, but they had this company apartment, maybe ten miles from the office, and they thought it would be fine if I rode my bicycle to the train station, took the train to The Hague, took the tram to the office, and maybe, if it was too far to walk, I could ride another bicycle. And I just said, "I don't think so." I mean, I was not young at the time. The previous couple had bicycles, they were young enough in their careers, and they were comfortable doing that kind of thing. That may be an extreme example, but

you really should go over there and negotiate to where you get some place where you're comfortable living.

I can't tell you how important it is to have a spouse and a family who are supportive of the move because what we see in our organization is when it doesn't work, when they go back in a few months and they've been miserable the whole time, it's usually because the spouse was not supportive in the first place and was dragged into something he or she really couldn't support. One more thing I would recommend—it's really good to have a mentor, someone who you have a good relationship with inside that company to go to when you are feeling a little bit at a loss because the way they manage is a little bit more laissez-faire. The hierarchy is not quite the same, the way the duties kind of come and go and flow, but at least it's good to have someone you can go and talk to who can help you position yourself. And you should always go in figuring you have to manage yourself and be responsible for your destiny. That's true in the U.S., but I found it's really true on foreign soil. If you get yourself in a situation you're not happy with, you really need to do something about it, but you need to think it through and try to do it within the culture that you're living in, which may not be quite the way you've behaved and gotten things done in the U.S.

Actually, the working environment was the biggest challenge for me. There were two things that were a big challenge for me: one, the fact that I was temporary and they didn't consider me particularly competition. That was tough for me to deal with. Maybe you weren't in the same situation, but within your own company knowing that you're just there temporarily means they kind of ignore you in a lot of situations that wouldn't have happened on your home turf. The other challenge was that the pace was a lot slower than what I was accustomed to. So when we weren't doing a gigantic acquisition, which was fast-paced and exciting and got the adrenaline flowing, there were spaces in between where things weren't moving as fast as I was accustomed to, and I had a terrible time just dealing with that. They'd ask, "Why don't you relax?" And my answer was, "I don't think I know how to relax." What I would usually do was go to my mentor, the chief actuary of the organization, and say, "I'm going crazy. What I'm working on is not very interesting, not very challenging," and he would usually be able to find me a project where I could be involved. Before we did the big merger with the bank, we were also looking at a potential big merger with another international insurance company, so I got to participate in those kinds of projects just because I went and said, "Hey, you know, here I am, somebody needs to use me."

The other thing, though, is the personal experience, which I wouldn't take anything for. I think the personal experience is why people go back over and over. If you have a good marriage and your spouse is supportive, it's like a two-year paid

vacation where you can go to all kinds of exotic places on the weekend and have a six-week vacation. When I was negotiating my contract, they said, "Well, Linda, you're going to get six weeks of vacation." And I said, "Big deal, I get six weeks of vacation in the U.S." And they said, "Ah, but over here, we're going to let you take it." That's a big difference when you're working on a project. In the U.S., when we get our group together, we say, "OK, this job has to be done in x days." And the expectation is that everybody acclimates their whole life to get the job done. In Europe, at least in my experience, we'll actually get the group together and the first question you ask is, "Well, who's going to be here?" If people aren't going to be there, well, you make other arrangements. That's a big difference in the way you prioritize things. And so from a personal point of view, that was a wonderful thing to be able to know that when you planned a vacation you could actually take it. So, lots and lots and lots of personal benefits. It's just a personal benefit to get through the little things in life. When we first moved over there, we needed a plumber in a hurry on the weekend—just little challenges. Once you get through them, it gives you all kinds of self-confidence that you can get through almost anything in the rest of your life. So that's an important thing.

Since our company loves U.S. and Canadian actuaries and would take more, we would like to build a network of people who we could move into, say, the chief actuary spots in the Netherlands. That's our recruiting challenge. The positions used to come up in a hurry. You'd go around and say, "Hey, how would you like to go to the Netherlands next week?" Well, hardly anybody would like to go to the Netherlands next week or next month. So what we're trying to do is to build an inventory of people who would consider an international assignment. The other thing is we don't like to go outside the company and hire new people to move to Europe because it's an incredibly expensive proposition, and a risky one, for the company. We would rather have someone inside the company who's proven and is a high-potential individual who you want to invest a lot of money in and keep within that organization so that they will be valuable when they come back—they're valued highly in their company.

The problem with that is if they're valued highly in their company here, and we are incredibly busy and our resources are stretched, it's really hard to pull them out of the business units. I did find that as a part of the annual review process, we'll rank our people and see if they're interested in international assignments and so forth, and position it so that we're working one to two years out. That is working better, but I wouldn't tell you that we have this really licked because of two factors. At lunch, I heard a guy at the next table say, "My wife thinks the world is centered around Michigan." That's not an unusual American attitude; in fact, it's the quintessential American attitude. Secondly, there are very few people who really want the opportunity—and it really is a tremendous opportunity—of an international

assignment, and that's also something that's very American. Not only do we have only one language, but we also don't have a very adventuresome mentality, whereas in the Netherlands, I guess because they've been doing it for centuries, they're very willing to go on international assignments. I think that's also definitely true of Australians because every time a position becomes available there will be about 18 volunteers from Australia. We have trouble coming up with even one—that's the situation. But, anyway, that's what we're doing. We're trying to develop the people and to move them faster.

We do have, though, a new program that has been developed to bring in actuarial management trainees. This is someone who would be willing to go, usually right out of school, into an international actuarial program. They probably would be moved into Europe immediately. Since they would be in an international program, the expectation is that they would stay in that program. We're trying that route to also build more international actuaries. That's my bird's-eye view of international assignments.

Mr. Gabon: I want to add just a few points before we take some questions. I think one thing you have to consider is the time frame that you'll be outside of your home country. Is this intended to be a one-year stint, or are you envisioning this as a permanent change? Again, it depends whether you're within a company or you're acting as a consultant. I think both Linda and Rejean have worked on some things that have had worldwide impacts or are recognized worldwide; for example, Linda's involvement with the merger of National Nederland Bank, which has operations that span the world. That was probably one thing that they did that ensured a very high success rate for the entity.

Likewise, Rejean was working on living benefits. I guess it was a rider initially, and later became a full-fledged product.

The third point is your life stage. I work for a reinsurer, and we just hired someone who is in his early 50s. His two children have just gone off to college, so it just couldn't have been a better point in his life. He and his wife are coming down, and it's a new adventure for both of them.

A fourth point, in terms of how to get one of these international assignments. When I was at my first company back in Toronto, I became the caretaker of the student guidelines. I wrote in (and had management buy-in) to the guidelines that there should be an exchange program available, or the ability to work and rotate between any and all entities and subsidiaries, worldwide. About eight months after that, my boss said there's an opportunity available, and it turned into an exchange program.

Another point is if you can do a preworking visit, to where you're planning to be working, that's important. Rejean, it seems, just went on a flyer. I did that when I worked in England. So, some of us take risks. But that's pretty important. It's nice to know and become comfortable with your new living environment, especially if you're going to be living there full time, as opposed to acting in a consulting capacity.

All these issues are mainly broad-based; they're not the technical aspects. And I think that they really outweigh the technical aspects. As one small final point, and this goes back to Linda's research, find out how other organizations, even beyond the insurance industry, treat or compensate their employees. One issue is the exchange rate. Depending on where you're going, if you're getting paid in the local currency or what have you, if you plan to be converting your funds, try to lock into the exchange rate with your company before you go.

Mr. Tracy Alan Anderson: Linda, you talked about the difference in working culture between countries, and I guess I was just wondering, as more and more insurance companies are looking globally, do you or any of the panelists see an Americanization or an impact on those cultures in other countries?

Ms. Emory: Since 1990, when I was there, the goals driving the company have become much more Americanized and the pace is much more American, I'm sure. But a lot is different, so I think you're going to expect differences in the countries you've had some experience with. But, yes, I definitely think we're moving more toward the business values that I understood and kept explaining to them. Well, I was right, but it didn't get me any brownie points at that particular time. My timing was a little off but, you know, it is becoming more American. I'm sure the two actuaries who are over there right now see a tremendous difference. It is true you get more authority, that type of thing. We have a hierarchy of sorts in our organization in the U.S. At certain levels, we think you can do certain things, and you run the course. For the actuaries we send over to the Netherlands, I think if you spell your name a-c-t-u-a-r-y, you're sort of all the same, which I have a little problem with. I usually counsel my actuaries to ask themselves if they are really competent to do what they're asked to do because in some cases, if you aren't very sophisticated, you can get pushed into things that you shouldn't be pushed into. But, at the same time, as long as you're comfortable with what you're doing, that's great. Some of the actuaries we've had over there have designed all of the products to go into a certain country, such as Japan or Poland, for example. That's a pretty heady experience. The other challenge is when they come back to the U.S. and reacclimate to our system, which they more or less have to do. But, yes, it's getting closer to the same all the time as we globalize, I think.

Mr. Besner: Yes, I'd like to comment on that also, because I think as we become global, the environment is becoming more American. But I think it is also dangerous to think that the American way is the right way because I think as you move into a different environment (obviously, in a lot of areas we're far more advanced), you still have to adapt to the local environment. I know in South Africa there are some U.S. organizations that have made a pretty significant move there to implement managed care, which is badly needed, but they tried to do it the American way and it just did not work at all. I mean, you have to recognize the cultural differences.

Mr. Toole: I'm of the opinion Americans should get, and could use, more vacation. I think this idea that everybody should take two weeks and try to schedule weddings and other things one has to do is absurd. Go take a walk about; have some fun. The Australians know how to do it.

From the Floor: I'm the recruiter. And right now, and you may know this already, the demand for actuaries has never been higher here in the U.S. The competition is just unbelievable. So to get people to go abroad who don't really have an inkling to do so makes it even tougher. With that said, Jim, I have a question for you. One of the things that we work with quite beautifully is the North American Free Trade Agreement (NAFTA). Canadian actuaries come down to the U.S. with just a simple TN visa. You've been to Mexico. Is there a burgeoning group of Mexican actuaries learning the actuarial trade who eventually can come across the border and work in the U.S.?

Mr. Toole: One of my pet projects, when I was Ambassador, was to start an exam center. I feel that the actuaries in Mexico, right now, have a college system. They're technically competent, but once they get into the working environment it's not a U.S. style, and they're not necessarily trained towards the U.S. goals. However, they're very intelligent and many of them are bilingual, so I feel and hope, because there are so few Hispanics taking the exams in the U.S., that we can start incorporating some of these Mexican actuaries. I encourage them to take those exams up to the essay level. I don't think necessarily they need to get the FSA because all the reading is so hard. The new exam system may change that, but I do believe that they're going to fill a need, and with NAFTA, it's only going to get stronger.

Ms. Emory: The bilingual actuaries in Mexico are in incredible demand down there, aren't they?

Mr. Toole: No, actuaries with U.S. experience are in demand down there.

Ms. Emory: Yes, because we try to train our actuaries down there to the U.S. system, but we also had trouble recruiting because the price tags were really high.

Mr. Besner: Mike, there was one point, I think, that was mentioned that I wanted to come back to. We were talking at some stage about short stays, if you go somewhere for a year or two. Now, that's something that I personally think you have to be very careful about because if you go somewhere for a short period of time, you're not going to try to integrate into that environment, and that can become pretty tricky. I've seen people in that situation who go somewhere and don't make an effort to integrate because they know they're there only for a short stay. And they actually become miserable pretty quickly.

Ms. Emory: We were sort of like you. We didn't want to sit around with the U.S. or Canadian expatriates because there is this tendency just to sit around and complain about things, rather than looking on the positive side.

Mr. Gabon: What if the population of the area where you're going to live in has fewer locals than the expatriates who are in that location? What do you do then?

Mr. Besner: That's a good question. I think if you make friends with other expatriates, that come from different parts of the world than your country, then I think it's a different story. Certainly when we arrived in South Africa, there were a lot of British and South African, Irish, Scottish, and Germans, so we had friends from all over the world. And that was fine. I think what's dangerous is to stick with people who come from your part of the world because that's where I think there's a tendency to talk about home.

From the Floor: This is just a comment. I'm the president of the Mexican Society of Consulting Actuaries, so I really appreciate your words about Mexican actuaries, and I just wanted to comment that we're working with your Society in trying to establish requirements, or whatever you want to call them, in order to have the same expectation about the examinations. As you know, in Mexico we do not have these types of exams, but we do have universities that are teaching actuarial science on their campus. And so, what we want to have is the same level of knowledge or requirements. And, as you mentioned, you have to make your knowledge topical, being in different countries. But I think there are signs all over the world that we're becoming global. We are working very hard with the SOA and the CIA within this NAFTA agreement to have more or less the same level in Mexico as you have in the U.S. and Canada.

Mr. Gabon: There's an initiative right now, at the International Section, with translation of some of the articles, etc., that are in our section newsletter. The first

language is Portuguese; one of the Fellows on the council has undertaken that responsibility. Perhaps we'll have somebody come forth with Spanish. I think what you're getting at is trying to be able to communicate on the same wavelength so you can share ideas, and it's very difficult to do that when the language barrier gets involved.

Mr. Toole: One of the things that's interested me is that we do offer the exams in French because there's support in Canada for it. How do we generate the support to do it in other languages? What does it take? I don't know, but that's something I would like to find out in the next couple of years.