



SOCIETY OF ACTUARIES

Article from:

# International Section News

February 1999 – Issue No. 18

# 1998 New Zealand Ambassador's Report

by **Richard J. Geisler**

Ambassadors are generally to assist in:

- carrying out the Society's international policy
- identify subjects of international interest for publication or presentation
- identify special needs of members
- help the profession to grow in underdeveloped countries
- function as a resource and link between the SOA and other national actuarial organizations and clubs.

Here in New Zealand, the role for the Ambassador is most likely to be one of keeping in touch with the New Zealand Society of Actuaries and to be a point person for non-SOA members seeking information about the Society. This is not an underdeveloped country and I do not see that there are any special needs of New Zealand and SOA members.

In the past year I have written to all 22 SOA members in New Zealand, most being Associates having joined through membership in another organization. The letter introduced the Ambassador Program here in New Zealand, emphasizing my role of finding speakers and topics for SOA meetings. I outlined the Correspondence

category of membership and expressed my willingness to assist in any way practical in locating information or providing service to members.

Apart from a few inquiries relating to the profession, there has been no official Ambassador activity to report during the year. There are only two industry-related developments worthy of mention in this report.

## Privatization of Workers Compensation

There is new legislation opening a significant market to private insurers. The workers' compensation scheme has been a government monopoly but will allow private insurers to offer accident cover to employers and self-employed

*(continued on page 6, column 1)*

## INTERNATIONAL SECTION NEWS

Issue Number 18, February 1999

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This newsletter is free to Section members. A subscription is \$10.00 for nonmembers. Current-year issues are available from the Communications Orders Department. Back issues of Section newsletters have been placed in the Society library, and the Table of Contents are on the SOA website, [www.soa.org](http://www.soa.org). Photocopies of back issues may be requested for a nominal fee.

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## 1998 New Zealand Ambassador's Report

*continued from page 2*

persons starting July 1, 1999. This is a huge market for New Zealand amounting to over \$1 billion in annual premiums. Several companies both here and in Australia are making the commitment to provide the statutory benefits.

There are several differences to workers' comp in other countries. New Zealand's workers' comp is provided by statute with limited recourse to common law. The right to sue for benefits is very limited. Also, all persons in New Zealand are covered by the 24-hour no-fault accident benefit. Workers' comp is the only piece of the scheme being privatized at present but more will follow.

### Consolidation of Insurers

Mergers and takeovers are running at a feverish pitch as companies try to attain critical mass. There are some 30 companies operating in what is a small market by world standards and consolidation of companies is inevitable. In the past year or so, NZI Life was purchased by Prudential which, in turn, was recently purchased by Colonial Life. Tower Life is demutualizing while fending off a takeover bid by Guinness Peat Group (Tyndall Life). Guardian Life was purchased by Royal and Sun Alliance while Sovereign Assurance has had a friendly purchase of 90% of its outstanding stock by ASB Bank. Rumors are rampant and some may even be true.

*Richard J. Geisler, FSA, is Manager and Marketing Actuarial at National Mutual Life Association in Wellington, New Zealand, and a member of the International Section Council.*

# Management Changes to Improve SOA International Structure

by *Chelle Brody*

Last fall the SOA Board approved a new management structure for the SOA international area in order to assure accountability for global initiatives and to assure that volunteer resources are being used productively and efficiently.

The changes include the creation of three new committees. These committees and their charges are outlined below.

### International Policy Committee

This committee's purpose is to encourage the development of actuarial science throughout the world, to facilitate the global communication of actuarial ideas by formulating and recommending global policy for the SOA, to discuss policy issues of new and existing global initiatives, and to oversee all SOA international activity under the direction of the Board. The committee facilitates good relations between the SOA and actuarial organizations located outside the United States and Canada.

### International Actuarial Association (IAA) Committee

This committee consists of the SOA delegate to the IAA Council, a vice chair who will be in line to become the next delegate, the alternate delegate who is a presidential officer and each SOA IAA committee representative. Under the direction of the Board, the committee coordinates and manages SOA activities within the IAA, seeking input on IAA issues and representing SOA interests accordingly.

### SE Asia Committee

This committee represents SOA interests in Malaysia, Singapore, Indonesia, Thailand and the Philippines.

These three new committees join the Committee on International Issues, the China Region Committee (formerly the Greater China Committee or the Asia Committee), and the International Section in meeting the needs of SOA members who practice internationally and in promoting actuarial practice worldwide.



The full charges and membership of all international committees can be found in the 1999 SOA Yearbook.

Mo Chambers is the Operations Committee member who is charged with management of the SOA international area, as Director of International Activities and Chair of the International Policy Committee.

*Chelle Brody is Manager of SOA International Issues.*