



SOCIETY OF ACTUARIES

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countries. The one delivered at the Remin University of China was about the practical aspects of establishing actuarial reserves in life insurance business.

In late November, 1998, Danny Chung, another committee member of the GCC, also delivered lectures to students of Nankai University on topics of pricing and asset/liability matching.

Internship for University Lecturers

While university personnel that internship in an insurance company will help greatly towards the teaching of the 200 series SOA examinations, it is difficult, if not impossible, to muster adequate support from the insurance companies in Hong Kong for this type of program. However, AIA, where the Ambassador is working, is supportive of such a need. Internship has been in place for Yuenian Yu, a lecturer from the Fudan University who has set a record in the SOA by passing 200 credits in the 100 series examinations in one sitting. A similar arrangement is already in place for Xiufang Li, an ASA and a teacher of the Nankai University. Through GCC's efforts, more internships might be offered to other universities in the future.

Concluding Remarks

On looking back, 1998 could be described as a busy and rewarding year. It is obvious that the availability of resources, both manpower and financial, is the key to achievements. The GCC will need resources to spearhead its ventures in China. SOA is hence requested to give staunch support in this area. The Ambassador of Hong Kong will strive to further promote the causes of the SOA.

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Poland Ambassador Report

by Henryk S. Walerys

In 1995 a licensing system was established through the introduction of changes to the Insurance Act of 1990. Candidates write four exams entirely based on SOA's exams: 110, 120, 140, 150, 151. The examination system is administered by the Ministry of Finance. Actuarial licenses are issued by the State Insurance Supervisory Office (PUNU).

Only a Polish licensed actuary may calculate mathematical reserves. In reality, he/she signs off on quarterly financial statements that are submitted to PUNU, as well as annual financial statements. Currently there are approximately 55 licensed actuaries.

The Polish Society of Actuaries was established in 1990. There are approximately 100 members, including both licensed and non-licensed actuaries. Meetings of the Society are very infrequent, mainly due to the very busy schedules of the actuaries working in the fast growing Polish insurance market.

Actuarial Education

The Summer Actuarial School has existed since 1990. The educational program consists of intensive actuarial courses for five weeks each summer during a period of three years. Most basic actuarial material is covered. The faculty is partially Polish and partially foreign actuaries from life companies and universities. Most of the guest faculty is European.

Some universities have started to offer basic actuarial courses. The most advanced is the University of Warsaw, where the actuarial faculty teaches at the Summer Actuarial School. The other actuarial centers are Warsaw Politechnical Institute, Warsaw University of Commerce, and the University of Gdansk. There has been some interest in the CD-ROM on the product development process sponsored by the Product Development Section. As a result, I would like to request three copies of this CD-ROM.

Changes in Legislation

On April 1999, new social security legislation takes effect. Three tiers of the system will be introduced:

1. Reformed pay-as-you-go system
2. Defined contribution universal pension funds as in Chile and Argentina. Premiums are deductible from both income and social security taxes. Benefits are taxable.
3. Additional group arrangements including life insurance based on the variable life concept. Premiums are not income tax-deductible but social security tax-deductible up to 7% of gross income. Benefits are tax-free and disbursed after the age of 60.

On January 1999, the amendments to the Insurance Act were effective, which allow foreign (OECD) insurance companies to sell insurance products in Poland through branches. The requirements to set up a branch in Poland are similar to those for establishing a fully licenced insurance company. However, the capital requirements to cover the solvency margin are lower (50%) due to a more thorough screening of the parent company in the country of domicile. The licensing process is said to take much longer, as it is currently expected to require from six to twelve months.

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