



SOCIETY OF ACTUARIES

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## 1997 Hong Kong Ambassador's Report

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Shanghai. Their activities included officiating at the contract-signing ceremony in Tian Jin and delivering talks at an actuarial seminar in Shanghai. I went to Tian Jin and Shanghai to meet with Dave Holland to show my support of his activities in China. At the actuarial seminar in Shanghai, Dave Holland, Yuan Chang, and I chaired a discussion session. Dur-

ing his stay in Shanghai, the AIA also provided logistic support.

In September 1997, Howard Bolnick visited Hong Kong. He encouraged the Asia Committee to promote actuarial education and to expand the presence of the SOA in the Far East, especially in China. I, as the Ambassador to Hong Kong and a member of the Asia Committee, will plan

my future activities in accordance with Mr. Bolnick's guidelines.

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## Korea Ambassador's Report—June 1997

*by Stephan Rajotte*

The SOA members in Korea (total of 14) have met on a bi-monthly basis since the beginning of this year. The average number of attendees has been eight members. The discussions are mostly social and about recent happenings in the insurance industry.

- At the last meeting, I did a verbal survey of members requesting them to suggest activities, events, and other ideas where the SOA can provide support in Korea. The response was that not much else can be done due to the language situation in Korea.
- Jack Taylor (Prudential) suggested organizing a seminar for government actuaries sponsored by the SOA and consulting firms. The purpose would be to "train" local actuaries on new products, reserves, and solvency issues in North America. Jack and I have not had time to pursue this idea further. We would be interested in receiving SOA support with this activity.
- I made a presentation to the annual meeting of the Korean Association of Actuaries. About 200 people were present. Following my presentation, the president of the Association asked me (and the SOA if possible) for

support in planning the organization of the Asian Actuarial Society bi-annual meeting in 1999, which will be held in Seoul.

- I believe this meeting, even though still far away, could be a good opportunity for the Society of Actuaries to show good support to the development of Asia's Society of Actuaries.
- During my presentation, I emphasized the importance of joining the SOA through correspondence status.
- We also administered for the first time CAS exams in Korea this year. The non-life industry is also very important in Korea.
- The main priorities will be:
  - To continue supporting existing members to share ideas through informal meetings,
  - To continue administration of exams
  - To consider a seminar focused on product development and solvency issues.

### Status of Industry— Summary of Current Issues

- Solvency continues to be on the top of the agenda.

- The Financial Reform Committee is planning to bring down many "walls" between financial institutions, that is, banks, securities, and insurance (life and non-life companies).
- An important "power" struggle is going on between different regulatory bodies. At this time, we cannot predict the final outcome. The only certainty is that there will be some changes.
- Many believe that President Kim has lost power to make meaningful changes and that real changes will be made following the election of a new president in late 1997.
- The government is mentioning that it may approve more liberalization in product development in 1998. Independent agency systems will be allowed in April 1998.
- The government is showing strong signs of impatience with regard to lax management of insurance companies and lack of improvement of the solvency problems. Mergers and acquisitions are now openly encouraged by the government.

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