



SOCIETY OF ACTUARIES

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Chairperson's Corner Happy New Year

by Angelica Michail

On behalf of the International Section Council, I wish you a Happy New Year as the year 2000 begins. I hope this year will be a happy one in all aspects of your life, including that aspect which we will try to enhance — your professional life as a practicing international actuary.

For this reason, our Happy New Year greeting this year includes a commitment to the NEW. Since the Council's year of service starts with the October 1999 annual meeting to the day before the next annual meeting, I will describe some of the NEW activities that have been implemented since October and those still in the planning stages.

On October 20-21, 1999, we sponsored our first seminar "Financial Reporting for International Actuaries." It

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SOA Board Approves Changes to Global Initiatives Policy

by Mo Chambers

At its meeting in October, the SOA approved changes to the Global Initiatives Policy that were intended to define better the relationships that SOA has with other actuarial organizations around the world. The policy addresses the SOA global role in education, qualification, continuing professional development, code of conduct, discipline, research, and public service.

Education and Qualification

The SOA encourages and supports national organizations that choose to use its education qualification system. The Canadian Institute of Actuaries (CIA) has been developing its own professional development component of the new education system to provide the Canada-specific training that the CIA believes is necessary and appropriate. A parallel approach would be available to other national organizations. Under this approach, SOA exams provide the general qualification and, where desired, the local organization can develop SOA-conforming programs that, at the same time, meet its own local training needs.

Continuing Professional Development

While the SOA has not imposed a minimum level of continuing professional development, it has emphasized to its members that they have a professional responsibility to

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SOA Board Approves Changes to Global Initiatives

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continue life-long learning and to maintain currency of professional knowledge. In support of that encouragement, the SOA provides the world's broadest spectrum of actuarial continuing education. However, it is the exclusive prerogative of the national organization to determine whether or not it wishes to impose a minimum continuing professional development requirement on its members.

Code of Conduct

All members of the SOA, regardless of where they are performing actuarial services, are required to conform to the SOA code of conduct. Local national organizations can certainly adopt the same code if they so choose. The SOA should encourage such organizations to adopt a code of conduct that is not in conflict with the SOA code and meets the minimum code requirements of the International Actuarial Association (IAA).

Discipline

The Code of Conduct would be meaningless without a formal discipline process. While local national organizations might adopt a discipline process similar to the SOA's if they choose, it is unlikely that the process they adopt would follow that pattern precisely. This is because the bulk of SOA membership is resident in the United States, and because of the multiplicity of U.S. actuarial organizations, the investigative stage of the SOA discipline process has been delegated to the Actuarial Board for Counseling and Discipline (ABCD) and to the CIA in Canada. There is some possibility that a local national organization might seek to utilize the SOA discipline process but such undertaking would require the agreement of the ABCD. Because, only the local organization can impose penalties upon its members, a local national organization should be encouraged and aided by the SOA to develop its own discipline process that does not conflict with the SOA and meets the minimum requirements of the IAA.

The SOA recognizes the difficulty that a small national organization can face in operating an effective discipline process and will support local efforts. At the same time, the cooperative use of the SOA discipline process by a small national organization might facilitate such an organization in meeting the requirements for full membership in the



IAA and, therefore, should be implemented where possible.

Research and Public Service

The SOA mission statement clearly places the interest of the public ahead of the interest of its members. The SOA should encourage emerging actuarial associations to develop research and expert advice and apply them to societal problems to the extent possible. Again, cooperative efforts between the SOA and national actuarial organizations are encouraged.

Range of Contact

Key Associations

The SOA is interested in pursuing and maintaining discussion and written agreements to formalize liaison between the SOA and key, established national actuarial organizations. Such liaison extends to mutual recognition of qualification.

Developing Countries

Past experience has shown that any set

procedures will need to be modified to enable the SOA to provide assistance that is consistent with the requests made from developing actuarial organizations. Often a local champion who is an SOA member is needed to forge new relationships and maintain contact with the SOA leadership.

SOA assistance in each case needs to be evaluated and customized. For example, relationships with an IAA Observer association such as the Caribbean Actuarial Association will differ substantially from a relationship with an organization that is just developing in a country such as China.

Policy

The above discussion led to the approval of the following Global Initiatives Policy for the SOA.

- The SOA is interested in pursuing and maintaining discussions and written agreements to formalize liaison between the SOA and key national actuarial organizations, including the Canadian Institute of Actuaries and the American Academy of Actuaries.
- Knowledge of and participation in the international actuarial arena enhances the future of the profession and acknowledges the expanding global environment affecting the work of many members. The International Policy Committee, Committee on International Issues, IAA Committee, China Region Committee and SE Asia Committee, with support from the International Section, have been assigned by the Board to meet the following objectives for the Society's activities worldwide.

Internal Objectives

- To enhance and encourage the education and training of all Society members on international subjects

and facilitate the worldwide communications of ideas.

- To enhance, facilitate and communicate actuarial research worldwide and to make research conducted by members of actuarial associations worldwide available to Society members.
- To address the international needs of Society members.
- To enhance recognition of the Society globally and create additional opportunities for actuaries.

☞ By entering into agreements concerning the SOA Code of Conduct and providing support for Discipline Procedures

☞ By providing mutual recognition as deemed appropriate, when such involvement is requested

- To allocate resources to the worldwide actuarial profession, encouraging the promulgation of respected codes of conduct, standards of practice and discipline for the profession.

- The SOA Delegate to the IAA is recommended by the International Policy Committee and confirmed by the President. The term is three years. The Alternate Delegate is a presidential officer for a one-year term. SOA IAA Committee representatives will be appointed by the President per the recommendations of the International Policy Committee. The Society's Manager of International Affairs serves as IAA Correspondent. The incumbent Director of International Affairs serves as IAA Liaison.

“...To expand relations with actuaries in all countries, with particular emphasis in Latin America, Asia, and the Caribbean....to allocate resources to the worldwide actuarial profession.”

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External Objectives

- To expand relations with actuaries in all countries, with particular emphasis in Latin America, Asia and the Caribbean.
- To encourage the worldwide development of the actuarial profession with appropriate consideration of local conditions and practices

☞ By supporting national organizations who choose to use the SOA education and qualification system

☞ By providing assistance to students

☞ By providing local Fellowship exam support

☞ By providing opportunities for continuing professional development either locally or through on-line means

☞ By providing organizational assistance to developing actuarial associations

The International Section identifies ambassadors from overseas worldwide to help carry out the above initiatives. Ambassadors must be SOA members and should be located in the country or region they are representing. The term is one year, renewable.

International Actuarial Association (IAA)

- SOA policy in respect of relationships that have been long established or are newly developing should serve to support, advance, and promote the development of the actuarial profession in concert with the IAA.

- The SOA is a full member of the International Actuarial Association (IAA) and a contributing member to all its sections.

- The Society may provide funding to the International Promotion and Education Fund, China Region Development Fund and the SE Asia Development Fund.