



SOCIETY OF ACTUARIES

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2.5 times the level of average income per capita. Vietnam's results, seen in this light, are exceptional.

Other ways to look at the achievements of the life companies include their impacts on other industries and on the general economy. On the human resource (HR) side, Prudential is now the single largest non-state employer in the country with 40,000 agents and 2,300 employees. Prudential is actually shaping the local behavior for the entire financial service sector by importing international standards for HR practices and compensation. The impact on the capital market is equally dramatic. Prior to last year, the longest government bond available was five years. Prudential, through its large premium income, plays the leading role in creating a market for longer government bonds and currently accounts for almost 80 percent of all long bonds issued. Vietnam now has seven-, 10- and 15-year bonds. For the first time in its history, the country has a yield curve.

For my part, I would not trade my experience at Prudential—building a start up

without any country expertise into a large organization serving 1.5 million customers—or anything in the world. Vietnam has been a wonderful secret and for those fortunate enough to be part of it, it has been an extremely rewarding and fulfilling experience. There are not many opportunities in the world where an actuary can play a significant role in the opening up of an entirely new market, can work closely with the regulators to draft the insurance laws and regulations, can spread the insurance knowledge far and wide within an embryonic industry, can claim some credit for the creation of a yield curve, can create thousands of much-needed well-paid jobs in a developing country, can direct millions of corporate dollar to support worthwhile social and charitable activities and can play the role of a mentor to numerous bright young professionals aspiring to become the first batch of actuaries for the country. Vietnam is still the exotic travel destination of Asia but also is the home of the most dynamic life insurance market in Asia at this moment. □

International News - Actuaries Meet in the Philippines

On the occasion of the 75th anniversary of the Actuarial Society of the Philippines, the East Asian Actuarial Conference (EAAC) was held in Manila on October 6-9, 2003.

The EAAC brings together actuaries from across the Asia Pacific region every two years. The regions included in the EAAC are Korea, Japan, Hong Kong, Taiwan, Philippines, Malaysia, Singapore, Thailand and Indonesia. In 2004, India will also join the EAAC.

The theme for this year's conference was "good governance." The opening plenary session focused on this topic with speakers representing regulatory, business and actuarial viewpoints. To give you a flavor of the conference, some of the other sessions were:

- Dynamic Solvency Testing for General Insurers
- Role of Embedded Value in a Balanced Scorecard for Insurers
- Coping with Low Interest Rates and

Shrinking Margins in a Volatile Environment

- Developing Bancassurance in Asia
- Innovations in Insurer Risk Management
- Epidemics and Insurer Risk Management
- The Need for Long Term Care Protection
- International Accounting Standards: Progress and Issues
- Corporate Governance and the Sarbanes-Oxley Bill in the United States
- Enterprise-wide Risk Management
- Insurer Solvency Assessment – Towards a Global Framework

I presented on the last topic mentioned as a result of my involvement with the IAA Working Party on this topic (SOA members Dave Sandberg, Harry Panjer and Allan Brender are also members of this Working Party). While certain topics presented during the conference appealed directly to the Asian markets, a great many of the topics were of international appeal.

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Consistent with my experiences at previous EAAC's, the actuarial program and conference organization was top notch. It is an ideal opportunity to sample what is happening in the insurance markets of the Asia region. A fun highlight of each EAAC occurs during one of the conference dinners when each delegation (i.e., Hong Kong, Malaysia etc.) steps on stage to present a number (a song, a recitation etc.) unique to their region. Showing their numerical skills in a humorous way, the Malaysian delegation counted to 10 in all the native languages of the EAAC members!

I was also present in Manila for an October 5, 2002 meeting between the IAA and the Asian Development Bank, which is based in Manila. This meeting was conducted under the auspices of the IAA's Supranational Relations Committee (to foster linkages between the actuarial profession and various supranational organizations such as the World Bank, International Association of Insurance Supervisors, WHO, etc.).

I brought greetings on behalf of both the CIA and the SOA.

The ADB is financed by periodic funding provided by member nations (including the United States) to support development throughout the region. The ADB operates in friendly competition with the World Bank in some sectors and regions. For example, the ADB tends to rely on the World Bank and the IMF to conduct the current series of financial sector supervisory reviews.

Some outcomes of our meeting were as follows:

1. Senior ADB staff attended an IAA IPEF (International Promotion and Education Fund) meeting on October 10-12, 2003 in Manila on the topic of actuarial education in the region.

2. A joint ADB/IAA working group has been established to discuss actuarial education needs in DMCs (Developing Member Countries) and the scope for cooperation between the ADB and IAA in sponsoring actuarial education.
3. Scope for cooperation and further work between the ADB and IAA will be discussed in the areas of:
 - financial sector development and support for insurance regulation.
 - pension and social security reform.
4. The ADB has been invited to become an associate member of the IAA.
5. The newly formed Health Section of the IAA will be in touch with the ADB regarding regional issues of health and social protection.

Several IAA leaders were present:

Jim MacGinnitie	President
Catherine Prime	Past-President; Chair, China Committee
Chris Daykin	Past-President; IPEF Trustee
Stuart Wason	Chair, Supranational Committee
Stuart Leckie	Member, Advice & Assistance and China Committees
Bob Conger	Member, Advice & Assistance and Supranational Committees
Won How Lo	President, Actuarial Institute of Taiwan
Graham Rogers	President-elect, Institute of Actuaries of Australia
Isagani de Castro	Past-President, Actuarial Society of the Philippines
Munisamy Poopalanathan	Sri Lanka