



SOCIETY OF ACTUARIES

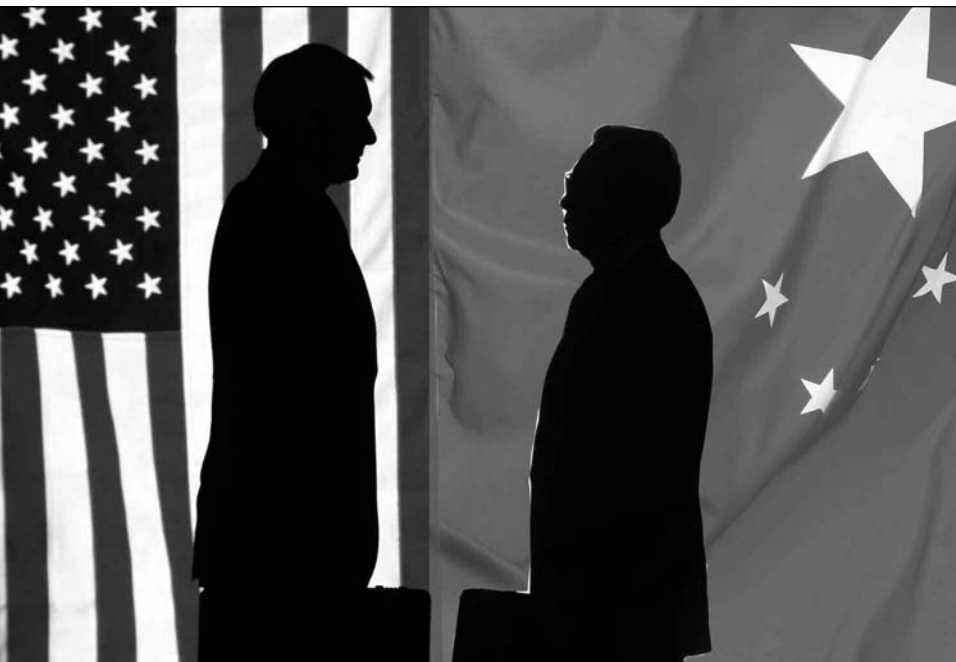
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The Far East—A Texan's Perspective

by Robert M. Beuerlein, President of the Society of Actuaries



A few months ago, I had the opportunity to visit some of the magnificent lands of the Far East ... a destination 14 time zones away and many times the size of my home state of Texas. What might a president of the SOA learn about the actuarial profession in Shanghai, Beijing, Hong Kong and Taipei...locations that contain more than 6 percent of the SOA membership? And what might a Texan learn about a part of the world with a population of about 70 times the number of people in Texas?

Global Profession

In December 2005, it became immediately apparent to me as I spoke with actuaries in Shanghai and attended the International Mortality Conference in Beijing that the actuarial profession is global. Although we may speak different languages and come from different backgrounds, the thoughts and concerns of actuaries are universal. For example, at the Beijing conference, presentations were made by high-ranking Chinese government officials and actuaries as well as by actuaries from the United Kingdom, Hong Kong and the United States. The commonality of our thought processes for developing mortality tables to be used for regulatory purposes

was remarkable. In spite of the fact that the United Kingdom has been considering this topic since the days of the Northampton Tables, and the Chinese actuaries are relatively new to this arena, the discussions felt amazingly comfortable from an actuarial standpoint. Oceans may separate us, but our core ideas about dealing with large amounts of data and solving intricate problems span the globe.

In Hong Kong, I was impressed by the thoughts of some regulators as we explored ways that actuaries can benefit society. Their views of the actuarial profession affirmed my beliefs that actuaries are more than mathematically adept business people. Actuaries have the ability to influence the direction and stability of the financial security of all people. We can do this if we will accept the challenge and work with elected officials and the business leaders to provide this service. And in Taipei, a symposium for Appointed Actuaries highlighted the importance that the actuarial profession continues to play in conjunction with the regulators...ensuring the long-term stability of the insurance industry as it provides guaranteed security to policyholders.

Image of Actuaries

As I spoke to a number of university actuarial classes and local groups of actuaries, there was a continued grassroots interest in the image campaign that the SOA has spearheaded. Similar to the sentiment in North America, there is a great thirst and hunger from actuaries to understand what our profession can be in the 21st century, which may be vastly different from the actuarial profession of the 20th century. Young actuaries, with their entire career before them, are wondering how they can make a bigger difference in the world than some of their predecessors in the profession have done. The opportunities are great! In the People's Republic of China, we have hundreds of actuaries now, but we need thousands of actuaries and possibly tens of thousands of actuaries to address the opportunities

available. The vision of being an integral part of the global business community is being embraced by actuaries in all parts of the world.

International Actuaries

Numerous times during my trip, I had discussions with actuaries, both students and veterans, about the need for “international actuaries” in our profession. In this context, an international actuary is one who has worked as an actuary in numerous countries and cultures. Thus, this person has had the opportunity to become immersed in the day-to-day thought processes of the actuaries and business leaders in that specific country. In these discussions, we decided that an actuary with good, general enterprise risk management skills could adapt to a wide range of these situations.

What does an international actuary look like? An example of such an actuary might be a person from Hong Kong who attends school in the United States or the United Kingdom, then moves to Texas for five years, then to New York or Toronto for five years and then back to Hong Kong. Similarly, a North American actuary might work for several years each in Shanghai, Hong Kong, London and New York.

Do we have many actuaries currently with this background? No. Will the global economy encourage more actuaries to do this? Yes. I suspect that in the next 10 to 15 years, multi-country insurance companies (and non-insurance companies) and consulting firms will see the value in developing international actuaries.

What Can We Do?

Many members of the SOA International Section have already had the experiences that I have mentioned. Whether you have or not, there are many opportunities for the global actuarial profession:

- Language and location should not be barriers to the development of our profession globally. We are a relatively small profession, in terms of numbers, that can have

an enormous impact on the world if all actuaries around the globe can work together in developing new ideas, research and techniques. The SOA International Section is a great focal point for developing these synergies.

- The image of the actuary could use some improvement around the globe. The SOA has done a wonderful job of getting this initiative started in North America. Now we need to get actuaries from all locations and all backgrounds involved in the campaign. I am pleased to report that in the last few weeks, the China Region Committee has requested more information on how they can build on this campaign, and I am sure they will be successful.
- International actuaries currently are a rarity, although the group reading this article may be an exception. North American actuaries must experience the world and cultures outside of North America and actuaries from the Far East must do similarly in the West. Enterprise risk management offers a common framework to provide these opportunities for the development of truly international actuaries.

Texas versus Far East

At the beginning of this article, I posed the question about what a Texan might learn from traveling to the Far East. Texans take great pride in many things, particularly Tex-Mex food and Texan hospitality. In my travels the food was phenomenal. Although I did not always know what I was eating, the cuisine was exquisite and very enjoyable. And at the risk of losing our Texas citizenships, my wife and I would rank the hospitality of all of our hosts—the actuaries, the SOA staff and my AIG colleagues—at a level a notch above our famous Texan hospitality. □

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