



SOCIETY OF ACTUARIES

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## Pacific Rim Actuaries' Club of Toronto An International Club

by Paul Chow



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**T**oronto is blessed with two actuarial clubs—a regular one and an international one. The latter club was formed in 1993 for actuaries who have a special interest in business and financial issues related to countries in the Asia Pacific region. The club was named the “Pacific Rim Actuaries’ Club of Toronto.”

The club meets three times a year. Two of the meetings are dinner meetings with an invited guest speaking on some international topic. The other meeting is a social function in the summer, such as a barbeque at someone’s house. One of the dinner meetings is generally held around the Chinese New Year in late January or early February, as many of the club members are of Asian heritage. The other dinner meeting is held in September.

The club is not entirely international in that only countries in the Asia Pacific region are covered. However, over the last 10 years, the countries covered by the guest speakers have expanded to include not only China but also Indonesia, the Philippines, Malaysia, Thailand, Singapore, Japan, India and Australia. The guest speakers have included insurance company presidents, the heads of International Divisions of insurance companies and actuaries, all of whom have done a great deal of traveling abroad.

The Chinese New Year’s meeting has been very successful, not only with the large number of members attending, but also with sponsorships from insurance companies, consulting firms and other organizations, including the International Section of the Society of Actuaries. At the most recent meeting in February 2003, there were 14 sponsors who donated cash and five other sponsors who donated door prizes.

About 50 percent of the attendees ended up with a door prize to take home. The grand prize was a flat panel computer monitor. Along with a 10-course Chinese banquet and a great presentation from the guest speaker, it is not surprising that the Chinese New Year’s meeting is a very popular event for the Pacific Rim Actuaries’ Club of Toronto.

The club meetings have covered timely topics on the international scene. In the early days, the hot topics were about getting into the Chinese insurance market by engaging in joint ventures in China. Indeed, many of the club’s members have relocated overseas to China, Hong Kong, Malaysia and Taipei to help develop the insurance market overseas.

Later, there were reinsurers who visited the club and spoke about how to lose money and to make money in the overseas reinsurance market. More recently, “David Pelletier, a former president of the Canadian Institute of Actuaries, spoke about the collapse of the financial industry in Japan with possible short-term solutions for insurance companies such as demutualization, reinsurance, mergers and distribution alliances and long-term solutions such as flexibility in pricing and product design and increased focus on asset liability matching.

At the club’s February 2003 meeting, Gary Comerford, the General Manager of Sun Life India, spoke about Sun Life’s 1999 re-entry into the Indian insurance market when India re-opened their doors to foreign insurers after the

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long hiatus since 1956 when India nationalized the insurance industry. Sun Life felt that getting back into India was very important for the following reasons:

- It has the fifth largest economy in the world.
- The population is about one billion.

- English is widely spoken there.
- There is a growing middle class of between 50 and 200 million.
- They have a Common Law legal system.
- The GDP is projected to grow in the range of 4 percent to 6 percent.
- There are currently about 100 million in force life insurance policies.

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Sun Life was very quick in re-entering the Indian market and one of the reasons for their success was their partnership with the A.V. Birla Group, a financial conglomerate operating in India since 1947. Sun Life's global expertise in the areas of protection and wealth management was combined with Birla's knowledge of the Indian market to provide insurance, asset management, retail distribution and stock brokerage services. The Birla Sun Life Insurance Company is now the second largest foreign insurer in India.

The road to a successful merger with Birla involved a lot of negotiations and Sun Life shared the following advice with the club:

- The most important key of success is support and sign off from the CEO.
- It is normal to expect social, political and economic upheaval.
- It is not easy to manage scarce resources and build supply lines.
- It is essential to have a friendly "feet on the street."
- Nothing happens over the phone; face to face negotiations are required.
- The lead negotiator must have the authority to approve changes.
- Pay attention to culture, but don't let it drive your business. Create a compliant culture.
- Take advantage of synergies, such as shared services.
- Find and retain the right people.

The Pacific Rim Actuaries' Club of Toronto is an international alternative for actuaries in Toronto. Because of the strong interest in the overseas market, many of the members have relocated to the Pacific Rim countries. The largest gathering of transferred members is in Hong Kong where about 15 to 20 former members meet on a regular basis to talk about old times in Toronto. Some of them have revisited the club when traveling back to Toronto. The club also welcomes attendance from all actuaries visiting Toronto. Information on future meetings is available on the club's Web site ([www.pacificrimactuaries.com](http://www.pacificrimactuaries.com)). □