



SOCIETY OF ACTUARIES

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Actuarial Profession and Education in the Egyptian Insurance Market

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Preamble:

The Egyptian insurance market was closed to foreign companies until May 1955. Foreign companies were able to operate as minority partners in eight free-zones. In 1998, legislation was passed allowing foreign companies to participate in forming insurance companies, abolishing the nationality stipulation for general managers and allowing privatization of public sector insurers. This has led to the entry of several major international insurers, including Legal & General (United Kingdom), Royal Sun Alliance and American International Group (United States).

Currently the Egyptian insurance sector consists of 22 companies, and insurance premiums have been growing rapidly as awareness has improved. We must take into account the government social security system which covers the working population and which provides pensions to workers and surviving dependents, which could reach 80 percent of the final salary up to a maximum. Over the past 25 years, the pensioners got a discretionary annual cost of living increase of 10 percent. The increase effective July 2005 is 15 percent. The increases are in keeping with the inflation rate.

The Actuarial Market

The Egyptian market is still suffering from a shortage in the number of actuaries; currently eight actuaries are working in the market after the death of a senior actuary (M.R. Hamamo, FIA) and including a young actuary who is an ASA.

A qualified actuary by the Egyptian law (since 1937 and subsequent modifications in 1950, 1980 and 1995) must be an Associate or Fellow from one of the following:

- The Institute of Actuaries (London)
- The Faculty of Actuaries (Scotland)
- The Society of Actuaries (United States)

A Department for Actuarial Science has been in existence within Cairo University since 1995 providing a B.Sc. in Actuarial Science. The course materials were planned to correspond to those of the U.K. Institute of Actuaries, and those who obtain satisfactory passing grades may obtain exemption from corresponding exams of the Institute. In a couple of cases, individuals who got enough exemptions applied to the Society of Actuaries to get credit from corresponding SOA exams and became ASAs and were thus admitted as actuaries in Egypt !

Some members of the Egyptian Society of Actuaries take an active role as lecturers for some courses.

To provide opportunities for university graduates who work in the insurance field, a diploma in Actuarial Science is given by Cairo University which covers material similar to the undergraduate program. This started in 2003 and the first groups are to graduate this year.

The number of graduates up to June 2004 was 75. About 40 are working with insurance companies and the supervisory authority. There are about 12 who are taking actuarial exams.

The American University Cairo (AUC) Actuarial Program

The AUC incorporated an actuarial program within the Math Department in fall of 2004. Some students are taking the SOA exams in Cairo at the Egyptian Society of Actuaries.

Additional facilities for Students

Cairo is the center for examinations of both the Institute of Actuaries (UK) and the Society of Actuaries (USA). Both exams are administered through the Egyptian Society of Actuaries. □



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