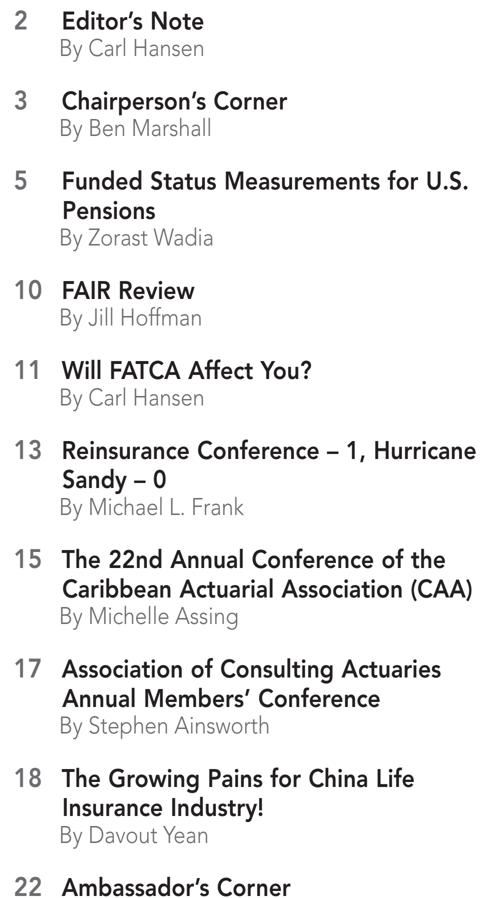
SOCIETY OF ACTUARIES International Section

International News

ISSUE 59 MAY 2013



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To join the section, SOA members and non-members can locate a membership form on the International Section Web page at http://www.soa.org/International/.

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Editor's Note

By Carl Hansen

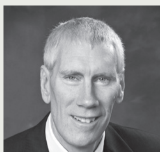
Recent information from the Society of Actuaries indicates that the organization is well on its way to becoming truly global, with members currently working in more than 60 countries and territories. Since 1995, the percentage of the membership outside the United States and Canada has increased from about 8 percent to nearly 14 percent of the total. This trend should continue to accelerate since four of the top 10 largest SOA examination centers are now located outside the United States and Canada—in Hong Kong, Seoul, Beijing, and Taipei.

For the past two years, I have been part of the 14 percent outside of the United States and Canada as I have been based in Guernsey in the Channel Islands. If you are also one of the 14 percent, I encourage you to give feedback to the SOA and International Section leadership so that the organization can be more responsive to your needs as it expands internationally. Wherever you are currently living or working, embrace the SOA's globalization and use it to expand your perspective and your business skills.

For all readers, this is the time of year to consider increasing your leadership activities in the profession by being a candidate in the SOA elections. Regardless of whether or not you are a candidate, please vote when the ballots are available.

This issue of *International News* includes a variety of articles on issues affecting actuaries in many jurisdictions. We also have brief reports from several international conferences. I hope that you have a chance to attend a similar conference somewhere in the world in 2013 (and please consider submitting a write-up of the conference to *International News* if you do!). They are an excellent medium for exchanging ideas with actuaries from other countries and for seeing the similarities in the issues we all face in managing financial risks. Please also take a moment to read the 2011 SOA International Experience Survey – Embedded Value Financial Assumptions that has just been posted under the publications category on the International Section Webpage.

Finally, I would like to thank Zorast Wadia for rising to the challenge to attempt to explain the vast array of ways for measuring the funded status of U.S. pension plans to our readers not normally dealing with this area. Maybe it is a cautionary tale for regulators in other countries! ☐



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Chairperson's Corner

By Ben Marshall

The International Section has been intensifying its collaboration with other SOA sections on education and research initiatives over the past several months. This partnership approach meshes well with the International Committee's strategy for globalizing the SOA as the provider of choice for actuarial education and research. The International Committee hopes to see an international strategy developed by each SOA section, and the International Section has become the conduit through which those efforts are being coordinated.

The focus of the global strategy is on several countries in eastern Asia, as well as some seed-planting closer to our traditional U.S./Canadian borders. In support of this strategy, the International Section is sponsoring several upcoming events and activities. Among these, the International Section is sponsoring the SOA Symposium in Macau on 24-25 June 2013. We are also expecting to partner with the Marketing and Distribution Section on an upcoming research study on the emerging stratified insurance markets in China. These are in addition to our annual co-sponsorship with the Financial Reporting Section of the Hong Kong IFRS seminar from August 27-29.

At the Life & Annuity Symposium in Toronto on May 6-7, we are providing speakers and sponsoring a session on longevity risk and capital markets solutions, and we are co-sponsoring a session on international actuaries in North America with the Management and Personal Development Section.

A new partnership initiative with the Actuary of the Future Section, with plans for long-distance mentoring of actuarial students internationally, is also under development. I expect further partnership opportunities with other sections to arise in the near future, as we have established liaisons from among the International Section Council members with each other SOA section. We will also be brainstorming together at this spring's Council of Section Chairs on additional ways to support the International Committee's strategic direction.

Beyond partnerships with other sections, we are also partnering with Actuaries Without Borders (AWB) on an actuarial seminar in Vietnam, as well as a life contingencies seminar offering in Colombia. We are also looking for ways to influence regulators and employers abroad in utilizing actuarial services and enhancing the role of the actuary.

Our International Section Ambassadors have been arranging educational and networking events in the United Kingdom, Japan and a host of other locations to provide CPD and career development opportunities for ex-pat and indigenous actuaries around the world.

Finally, we have voted to fund and send a representative to the Third African National Congress in Lome, Togo in April. Its theme is "The Actuarial Profession and Sustainable Development in Africa." I expect our representative at that event to write a related article for the next issue of *International News*. ☐

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Funded Status Measurements for U.S. Pensions

By Zorast Wadia

My mother recently received an annual funding notice from her former employer. That's the notice that U.S. defined benefit plan sponsors are required to send out each year to participants. The U.S. Department of Labor created it with the goal of informing plan participants about the general financial health of their pension plan by disclosing a measure of the plan's "funded status." Mom read the lengthy notice, tried to digest it, and then went on to ask her son, the pension actuary, a few questions. Her initials questions were fairly routine, and I was able to answer them quickly to her satisfaction. Finally, she asked me "So, son, what is the real funded status of my pension plan?" while emphasizing the word "real." I hesitated to give her the knee-jerk reaction that many actuaries may have done. Instead, I thought, perhaps her question could not be answered so quickly. Mom deserved a more thoughtful response.

I wasn't surprised by mom's question. Many plan participants and plan sponsors probably experience similar thoughts as they struggle to decipher all the numbers. It gets to a core problem of the annual funding notice—it offers too much information!

This information is hard to understand, counterintuitive, or ostensibly in internal conflict with other information presented in the same document. Several different measures of the pension plan's funded status are presented. And although one would logically think that information would be presented as of one snapshot date, the funding notice provides funded status details for multiple dates. It's no wonder there is no definitive answer to the question of what is the real funded status of the plan.

A plan's funded status is generally based on a comparison of plan assets and plan liabilities. Because several different ways can be used to measure a plan's asset and liability value, we end up with many types of funded status measurements applicable for U.S. pension plans. Understanding their definitions and what they are meant to represent is a key to understanding how "healthy" or "unhealthy" a pension plan is. This article offers a description of several types of funded status measurements and their applications under the rules mandated by the U.S. Internal Revenue Service (IRS) to fund private employer sponsored defined benefit pension plans.

Before getting into the various IRS funded status measurements, it is necessary to provide information on their three main components: (1) assets, (2) liabilities, and (3) credit balances.

ASSET MEASUREMENTS

The market value of pension plan assets is a snapshot value of a plan's financial balance sheet assets as of a particular measurement date. Under IRS funding rules, the market value of assets is allowed to reflect amounts receivable and payable for a particular plan year. Plan contributions for a given plan year can be deposited as long as 8½ months after the end of that plan year. Therefore, a plan's market value of assets determination can be subject to change during the plan year and not be made final until the plan's final cash contribution deadline has passed.

The market value of assets for a pension plan is subject to the behavior of the financial markets and therefore exhibits investment volatility. As a compromise, the IRS rules permit the use of a valuation method that smoothes the volatility over a selected period of time. The value is referred to as the actuarial value of assets. This measure, while also subject to investment volatility, is based on an averaged market asset value over a period as long as 24 months. The more data points used in the average, the smoother the asset measure will theoretically be. Some plan sponsors choose to

use the actuarial value of assets to be their basis for measuring their plan asset value for IRS funding purposes. The actuarial value of assets is based on the market value of assets measure and is also allowed to reflect receivables and payables. However, the actuarial value of assets may not be less than 90 percent nor greater than 110 percent of the market value of assets. This last condition is somewhat of a reality check and meant to not allow a plan's actuarial value of assets to stray too far from its real market value.

LIABILITY MEASUREMENTS

The liability measure, or "funding target" as it is referred to under IRS funding rules for a pension plan, is defined as the actuarial present value of accrued benefits based on current pay and service data as of a valuation date. The funding target ignores future increases in salary or service beyond the valuation date. It is generally the measure of a plan's liability based on standard actuarial assumptions, but may at times reflect more conservative actuarial assumptions based on a plan's funded status. But wait, that's getting a little ahead of myself, so I'll return to this point later. The Pension Protection Act of 2006 (PPA) is the governing U.S. pension law and mandates the funding method for measuring plan liabilities and also, with some limited exceptions, mandates the mortality assumptions to be used. However, the specific interest rate method to be used to compute the funding target is dependent on the plan sponsor's election.

Interest rate assumptions are derived from monthly U.S. corporate bond yield curves, published by the IRS. The funding target may be based on the full (spot-rate) yield curve for the month prior to a plan's valuation date, or it may be based on 24-month averaged segmented interest rates. The 24-month averaged segmented interest rates come in the form of three interest rate time segments, which are meant to represent a simplified alternative compared to using all the interest rate time segments in an entire yield curve. Furthermore, under the 24-month averaged segment rate election, a plan sponsor can choose the interest rate basis up to four months prior to a plan's valuation date. The election of which interest rate method to choose is generally motivated by a plan sponsor's funding and investment policy.

CREDIT BALANCE MEASUREMENTS

A credit balance is generated when a plan sponsor funds the plan more generously than is required by the IRS funding rules. For example, a plan sponsor may want to fund a plan beyond minimum IRS-required levels to bolster the funded status of a plan and/or enjoy a higher a corporate tax deduction. (Pension plan contributions are deductible to the U.S. employer and reduce the company's profit, which is subject to U.S. corporate income tax.) The excess funding results in the creation of a credit balance that may be used to offset future IRS minimum contribution requirements. Credit balances under IRS funding rules come in two forms: a carryover balance and a prefunding balance.

The carryover balance is the name designated for the credit balance that existed prior to the passage of PPA, while the prefunding balance is the name designated for the credit balance created since the passage of PPA. Some ground rules apply. Carryover balances must be used before prefunding balances can be used,

"... it is easy to see how a plan participant or nonpension expert can be confused or unsure about a plan's true funded status."

and a plan sponsor can choose whether or not to create additional prefunding balance in the future based on any potential excess contributions over minimum requirements. There are also times when a plan sponsor may choose or be required to forfeit a portion of a credit balance.

Funded Status Measurements

Several funding status measurements can possibly be derived from reading an annual funding notice. Each of the following funded status measurements involves comparing a plan's asset measure to its liability measure, and often the comparison is made with and without respect to the inclusion of credit balances. Exactly which components are used within a particular funded status measurement is quite important. The various permutations on funded status measurements that exist can make this subject a little complicated and somewhat burdensome to explain to the nonpension practitioner.

MEASUREMENT NUMBER 1: ACTUARIAL VALUE OF ASSETS COMPARED TO THE FUNDING TARGET

These results appear on the first page of the funding notice and are shown for the last three years. If a plan's actuarial value of assets is greater than or equal to a plan's target liability, the plan is generally considered well funded and free of potential benefit restrictions. Depending on their nature, benefit restrictions may limit distribution options, benefit improvements, or benefit accruals. If a plan's actuarial value of assets is less than the target liability, then things start to get a little more complicated, and this often leads to a more refined measure of the plan's funded status.

MEASUREMENT NUMBER 2: ACTUARIAL VALUE OF ASSETS REDUCED BY THE CREDIT BALANCES COMPARED TO THE FUNDING TARGET

This funded status measurement is shown on the funding notice and often results in a highly skewed funding measure, depending on the size of a plan's total credit balance. A plan may be only slightly underfunded when comparing just the actuarial value of assets with the target liability, but may be greatly underfunded when one subtracts credit balances from the asset value. This key measurement often determines whether a plan faces benefit restrictions. This measure may also determine whether a plan will need to make minimum funding contributions on an accelerated basis in the following year. Lastly, it can also have a great impact on the calculation of the amortization cost or credit component of the minimum funding requirement.

MEASUREMENT NUMBER 3: THE ACTUARIAL VALUE OF ASSETS REDUCED BY THE PREFUNDING BALANCE COMPARED TO THE FUNDING TARGET

While the result of this funded status calculation may not directly appear on the annual funding notice, depending on whether a plan's carryover balance is nonzero, it is still quite significant. If a plan's actuarial value of assets offset for the prefunding balance is not at least 80 percent of the funding target, a plan is not allowed to use any of its credit balance, no matter how large it is, to offset contribution requirements in the upcoming year. Situations may arise where a well-funded plan is not allowed to use its credit balance or in some cases even has to forfeit its credit balance depending on this funded status measurement.

MEASUREMENT NUMBER 4: THE MARKET VALUE OF ASSETS COMPARED TO THE FUNDING TARGET

These relative components are noted on page 2 of the annual funding notice. If participants decided to compute their ratios, they may find them to be in stark contrast to the funded status measurements shown on the first page of the annual funding notice. That is because the measurement on page 2 is based on more recent asset and liability measurements (12 months later than the values shown on page 1). Furthermore, the market value of assets and liability measurements do not reflect any actuarial averaging. The market value is a snapshot measurement, and the liability is based

on snapshot spot rates similar to valuing the target liability on a full yield curve approach compared to 24-month averaged segment interest rates. The comparison of the market value of assets to the funding target based on the current spot rates may perhaps give the most current picture of how well funded a pension plan is. This measure is going to be the most volatile because by definition it changes year to year depending on the plan's investment experience and the prevailing corporate bond interest rate environment.

The above four measurements can differ greatly from plan to plan, depending on individual circumstances and a plan sponsor's interest rate and asset valuation method. In addition, there is no requirement to reflect or not reflect receivable plan contributions in the plan's current market value of assets that appears on page 2 of the annual funding notice. Furthermore, depending on the results of some of the above funded status measurements where the funding target was based on standard funding assumptions, the annual funding notice may also disclose a plan's funding target based on more conservative funding assumptions known as an "at-risk" funding target. The at-risk liability measure has the potential to introduce more permutations of funded status measurements.

But that's not all. For very eager pension plan participants who look forward to reading about their plans in their companies annual financial statements, they will find even more funded status measurements. These measurements could include a comparison of the plan's market value of assets excluding all receivables to the projected benefit obligation on a U.S. Generally Accepted Accounting Principles (GAAP) basis. The projected benefit obligation is a liability measure that would reflect current service and *projected* pay. The projected pay component could render this measurement completely different from a liability measure based on the present value of accrued benefits such as the funding target measure mandated by the IRS. Moreover, the interest rate basis for determining the funded status for employer accounting requirements on a U.S. GAAP basis is based on a spot-rate basis without respect to any interest rate averaging or smoothing. This can result in a plan simultaneously showing a well-funded ratio on the annual funding notice while showing a large funding deficit on its employer's financial statement balance sheet.

Yet another funded status measurement that may be available to a plan participant within an employer's financial statement is the required U.S. GAAP accounting results for the pension plan itself. For this measurement, the plan's market value of assets may reflect receivable contributions. Here the plan's liability measure is based on an interest rate equal to the expected rate of return on plan assets. Therefore, a plan that is more aggressively invested in equities may be permitted to use a higher interest rate assumption to determine its liability. The resulting measurement may provide an overly optimistic funded ratio compared to its PPA or U.S. GAAP balance sheet counterpart measurements. I suppose one takeaway here is that the annual funding notice is not the only participant disclosure that may contain conflicting or obscure funded status measurements; financial statements have been doing so since the beginning of time!

In conclusion, based on the bevy of funded status measurements that exist for a pension plan, it is easy to see how a plan participant or nonpension expert can be confused or unsure about a plan's true funded status. Focusing back on mom's quandary about the "real" funded status of a pension plan, the answer is simply that there is not a single measure that can generally be cited and equated to the overall health of a pension plan. Instead, it is important to understand what components are being used in a funded status measurement and what implications a particular funded status measurement may have for plan participants. It may also be instructive to look at the various applicable funded status measurements of a pension plan before coming to an opinion on the overall funded status. Moreover, it makes a significant difference whether one is viewing a pension plan under the lens of an ongoing plan or that of a plan with the potential to terminate; the assumptions

used for either of those determinations are vastly different. Thus, the resulting funding status determinations will be quite apart as well.

Mom's pension plan turned out to be decently funded with no imminent concerns of having benefit restrictions. Having learned this and also having a better understanding of the content thanks to our discussion, mom was no longer feeling so bad about the funding notice. Well, that was until I gave her a final thought regarding the new format of the annual funding notice she could expect to be receiving next year.

Last June, President Obama signed the Moving Ahead for Progress in the 21st Century Act (MAP-21), which brought about some much needed funding relief for plan sponsors. If plan participants were confused by the various funded status measurements in the annual funding notice in the past, they had better hang on to their seats, because next year's funding notice will be even more challenging. That's because of the reflection of the additional funded status measurements under MAP-21. MAP-21 may have brought about pension funding relief, but there is no relief in terms of understanding what is conveyed in participant notice requirements! Hopefully, the IRS will provide some guidance on exactly which funded status measurements are necessary for disclosure in this new participant notice, which is due to be sent to plan participants by Apr. 30 for calendar year plans. A word of advice: less is more. And, mom, you can call me anytime. □

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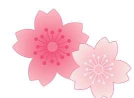

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FAIR Review

By Jill Hoffman

In 2012 the Monetary Authority of Singapore (MAS) created a Financial Advisory Industry Review (FAIR) panel to review the practices of the financial advisory (FA) market. The aim of the panel is to increase the standards and professionalism of the FA industry in the distribution of life insurance products in Singapore. The panel focused on the following main areas:

- Raising the competency levels of the FA representatives
- Raising the quality of the FA firms
- Making financial advising a dedicated service
- Lowering distribution costs and
- Promoting a culture of fair dealing.
- With these goals in mind, the panel has made the following recommendations:
- Raising the competency levels of the FA representatives

The minimum barrier to entry was raised from four "O" levels to "A" levels; however, existing FAs will be grandfathered in. This is reflecting the increased percentage of the Singapore population that has higher education. As well, the minimum number of hours for continuing professional development is set at 30 hours (which is higher than the Singapore Actuarial Society at 20 hours!).

1. Raising the quality of the FA firms

This will be achieved by setting in place minimum years of experience for the CEO and the senior staff. In addition, compliance will take on larger prominence, with firms over a certain size needing to have a dedicated compliance officer. The minimum base capital and continuing financial requirements were also reviewed and realigned. This may have the impact of consolidation within the FA industry.

2. Making financial advising a dedicated service

While this may sound obvious on the surface, approximately 20 percent of FA representatives engage in economic activities other than financial advising. The panel recommends that FA firms should recruit only representatives whose professional focus is primarily on their FA role.

3. Lowering distribution costs

A study commissioned by the panel found that distribution costs for life insurance products in Singapore tended to be higher when compared to the United States, Italy, and Germany. The removal of commissions and caps was explored by that panel but ultimately rejected because Singaporeans surveyed said they would not pay a "fee for advice," which may lead to the population being underinsured.

Instead the panel concentrated on the improving the comparability of products via a Web aggregator for life insurance and critical illness. The panel has also recommended that customers be given the choice to purchase basic life insurance from the Internet, without the use of a FA, for a lower distribution cost.

4. Promoting a culture of fair dealing

In order to align the long-term interests of customers and FA representatives, first-year commissions on regular premium whole life will be made level, to be paid out over a minimum period of six years. The first-year commission payable would be capped at 40 percent, with the intent of increasing early duration cash surrender values to policyholders.

The panel also recommends moving to a balanced score-card framework for compensation, including nonsales key performance indicators such as quality of the advisory and sales process and suitability of recommendations.

The above is only a snapshot of some of the recommendations of the panel; for a complete list, please see the *full report* on the MAS website.

It will be interesting to see how this develops and the impact on the FA market. Other regulators are most likely watching these developments, and if they go well, they may be imported into your home country. □

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Will FATCA Affect You?

By Carl Hansen

With the recent headlines from the United States dominated by the presidential election and the economic impact of their "fiscal cliff," it is easy to miss progress on a lower-profile U.S. development, the Foreign Account Tax Compliance Act (FATCA). However, FATCA must not be disregarded because it has the potential to transform tax transparency and disclosure globally.

FATCA IN A NUTSHELL

FATCA requires non-U.S. entities deemed to be financial institutions (Foreign Financial Institutions or FFIs) to report information on certain accounts held by U.S. taxpayers in an effort to detect U.S. tax evasion. Many pension plans, insurance companies, and trusts will also fall under the U.S. Internal Revenue Service (IRS) definition of FFI, but most may be deemed to be compliant. The level of scrutiny generally increases with the value of the holdings, with exemptions for account values of less than $50,000. If an FFI does not comply with the FATCA reporting requirements, then "withholding agents" must deduct and withhold 30 percent of U.S. source withholdable payments to these FFIs.

WILL PENSION PLANS AND INSURANCE POLICIES BE AFFECTED?

Potentially yes because non-U.S. pension plans and insurance companies are considered FFIs. However, the IRS has already identified certain exceptions that can be deemed to be compliant with the FATCA rules (although exceptions may still need to certify their exempt status).

WHEN DOES FATCA COME INTO FORCE?

FATCA comes into force from January 1, 2014, and there are different requirements, depending on when an arrangement was set up.

ACCOUNTS IN FORCE AT DECEMBER 31, 2013

FFI existing accounts at December 31, 2013, held by individuals with a balance of not more than $50,000 do not need to be reported. In addition, existing accounts held by entities and insurance contracts with a value that does not exceed $250,000 can also be ignored. However, existing accounts or contracts with a value exceeding these lower thresholds up to $1,000,000 must have electronically searchable information that can be reviewed for U.S. indicia, such identification as a U.S. citizen or taxpayer, a U.S. place of birth, or a U.S. address or telephone number.

Existing accounts or contracts over $1,000,000 also need to have paper records reviewed for U.S. indicia (unless a database or electronic records hold the information) and gather any additional information known by a "relationship manager."

If any of the U.S. indicia are found, the account is treated as a U.S. account subject to reporting unless the account holder can provide additional documentation that they are not a U.S. taxpayer (such as an IRS Form W-8).

NEW ACCOUNTS SET UP FROM JANUARY 1, 2014

New accounts or insurance contracts set up on or after January 1, 2014, with a value up to $50,000 are generally not subject to reporting until their value exceeds this threshold. For larger accounts, the opening process should include identifying whether or not the account holder is a U.S. taxpayer.

INTER GOVERNMENTAL AGREEMENTS

More than 50 countries and territories are currently negotiating joint Inter-Governmental Agreements (IGAs) with the U.S. authorities to become FATCA reporting partners. This basically means that any FATCA registration and reporting of accounts and income for U.S. taxpayers will be done locally. This should simplify data collection and reporting. It may allow greater reliance on data already collected for other purposes (such as anti–money laundering and combating financial terrorism), without having to gather additional information.

The United States and the United Kingdom have already signed the first IGA. Annex II to the agreement details the locally exempt accounts, products, and other arrangements. The general thinking is that to be included in Annex II, an arrangement should pose a low risk of being used for U.S. tax avoidance.

Reporting under FATCA is expected to be a requirement in many jurisdictions with IGAs, so local FFIs must register. While the IRS will set up a Web site for direct registration, it is not yet clear how the local registration process will work (and it will likely vary by jurisdiction).

TIMETABLE

FFIs should register with the IRS or locally under an IGA by October 25, 2013. The first reporting will be in early 2015 (for 2013 income). Documentation for existing accounts at December 31, 2013, will need to be done during 2014. Data collection procedures for new accounts should be in place starting in 2014.

The detailed arrangements for FATCA compliance will not be known until the details of the IGAs are released. In the meantime, those affected may want to start planning for FATCA, since it is coming whether we are ready or not! □

FATCA Jargon Buster	
FFI	Foreign Financial Institution
IGA	Inter-Governmental Agreement
IRS	Internal Revenue Service
U.S. indicia	FATCA terminology for evidence or other indications than an account holder may be a U.S. person
U.S. person	An account holder who is a U.S. citizen or taxpayer, including U.S. entities
Withholding agent	An individual or other entity, including foreign intermediaries who control receipt, custody, disposal, or payment of any withholdable payment
Withholdable payment	Any payment of interest, dividends, rents, salaries, wages, premiums, annuities, etc., from sources within the United States and the gross proceeds from the sale of property that can produce interest or savings from U.S. sources

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Reinsurance Conference – 1, Hurricane Sandy – 0

By Michael L. Frank

The first international reinsurance conference to take place in the Dominican Republic happened during the week of October 22. Its purpose was to share expertise with the local insurance community. The event was sponsored by domestic and international organizations that are active in a variety of fields such as insurance, banking, education, legal counseling, and actuarial consulting. Most presenters spoke English, some spoke Spanish, but with the help of translators all attendees had the opportunity to participate.

Despite Hurricane Sandy's attempt to sabotage the event, there were about 100 participants, including approximately 40 insurance professionals and a large number of high school and college students from two prominent local universities (Universidad Iberoamericana (UNIBE) and Grupo Corporativo (GC) New Horizons).

The conference kicked off with press coverage, followed by television (Metropolos and El Dia) and radio (95.7 FM) interviews. The topics covered in the three-day seminar included reviews of international insurance and reinsurance systems with a focus on the following areas:

- Overview and history of reinsurance
- Review of the markets in the United States, London, Bermuda, Brazil, China and other countries
- Review of reinsurance company structures including the structures of captive insurers
- Financial reporting, reserves and cash flow testing
- Turnkey solutions, including underwriting and claims management
- Review of specialty products and hybrid reinsurance solutions
- Social media strategies and new products in the reinsurance market
- Sample transactions and case studies in life, health, annuity, and property/casualty
- Use of trusts and other creative financial solutions
- Discussions of catastrophic coverage and bonds
- Review of regulations and opportunities in the Dominican Republic

There appears to be significant interest to grow the local reinsurance market. The blend of tourism and commerce makes the Dominican Republic a potentially attractive market, although developing the infrastructure of a true insurance economy has many challenges such as the creation of an efficient tax system. (Currently, consumer taxes can be high for life insurance products).

Improving the professional insurance education in the Dominican Republic through the transfer of international expertise and training is essential, but this initiative must be coupled with plans to promote the organic growth of insurance professionals. More specifically, the attainment of this goal—improving the professional insurance education—can be facilitated by strengthening continuing education programs for insurance brokers, claims adjusters, actuaries, underwriters and other professionals, and standardizing licensing requirements. Partnerships with universities could be a good starting point.

The feedback of attendees highlighted the need for operational and regulatory changes to encourage compliance and promote the utilization of insurance products within the society. An idea worth considering is the creation of organizations similar to the Association of Bermuda Insurers and Reinsurers (ABIR) and the National Association of Insurance Commissioners (NAIC) to help regulators and local companies to set guidelines in areas such as public policy and market conduct. A first step in this direction could be the establishment of local work groups blended with volunteers from outside the Dominican Republic to work on this area.

SPECIAL ACKNOWLEDGEMENTS

In addition to the sponsors, we offer a special thank you to the staff of Universidad Iberoamericana (UNIBE) and Grupo Corporativo New Horizons for hosting the event and helping manage the chaos that Sandy created. I would also like to Fauntly Garrido (GC New Horizons), Luis González (CRC), Jose Flores (LICAS) and their teams for making the conference a success.

THE FUTURE

The instructors (Michael Frank and Donald Rusconi) will be teaching similar courses in China and Puerto Rico during 2013. □

REQUEST FOR RESEARCH PROJECT INPUT

We need your examples of your experiences with regulatory risk, from the eyes of both those practicing and supervising.

The North American Actuarial Council (NAAC) Collaborative Research Group has recently initiated a study of regulatory risk conducted by Tom Herget and Dave Sandberg. The risk is the unintended results of regulations enacted to achieve supervisory objectives (or the lack thereof) on the market participants (whether policyholders, shareholders or regulators acting on behalf of taxpayers). This study will include examples of regulatory risk.

While the researchers will be contacting individuals in the US, Mexico and Canada, they would also welcome contributions from a wider pool of contributors who can provide their personal examples of regulatory risk both within and outside of North America.

The researchers would appreciate any contributions section members could make. Please email descriptions of regulatory risk to Barb Scott *(BScott@soa.org)* for consideration by the researchers. Detailed descriptions are encouraged.

Michelle Assing, ASA, is senior examiner, Actuarial Unit – Financial Institutions Supervision Department at the Central Bank of Trinidad and Tobago. She can be reached at *massing@central-bank.org.tt.*

The 22nd Annual Conference of the Caribbean Actuarial Association (CAA)

"CONNECTING THEORY WITH PRACTICE" NOVEMBER 15–16, 2012, SHERATON HOTEL, BAHAMAS

By Michelle Assing

This year's conference was history in the making as the Caribbean Actuarial Association (CAA), a full member of the International Actuarial Association (IAA) since 2008, had the unique opportunity of hosting its annual conference concurrently with the council and committee meetings of the IAA. This was the first time the IAA meetings were held in the Caribbean, during which the CAA's membership was afforded the opportunity to not only observe these technical discussions but also to network and exchange ideas with actuaries from all over the world.

In keeping with this year's theme, the CAA's planning committee secured an array of skilled panellists and presenters who catered to the various facets of the profession. The programme also included the customary professionalism skills course, this year conducted by the Institute and Faculty of Actuaries. Consistent with its mission of becoming the region's standard-setting body for the actuarial profession, a CAA Advisory Council meeting was held comprising regulators, actuaries, accountants, and industry representatives. The various chairs of the committees provided status updates on their specific actuarial standards with the main feature being a presentation on the discussion paper on setting discount rates for the Caribbean.

The conference was officially opened by our president, Neil Dingwall, followed by the president of the IAA, Desmond Smith. Public commendations were made for the contribution to the IAA's educational monograph on discounting, and the CAA was encouraged to continue participating in other areas of development and leveraging off the efforts of the IAA in pursuit of its own goals. The feature address by Ryan Pinder, Minister of Financial Services and Investments of Bahamas, discussed the international competitive landscape and the strategic developments necessary for growth and strengthening of Bahamian industry. Clyde Mascoll of Barbados aptly followed with a presentation on the Caribbean economies and the way forward.

CAA President, Neil Dingwall

Over the course of only two days, there were a number of informative, thought-provoking, and interactive discussions on topics and issues relevant to the region's practitioners in all specialty areas, including international updates and developments. These sessions were led by actuaries, accountants, auditors, regulators, and other field experts. Overviews were provided on the new requirement impacting our Caribbean companies, the Foreign Account and Tax Compliance Act aimed at reducing U.S. tax evasion, and company perspectives on Solvency II, enterprise risk management, and the internal assessment process of risks and solvency, otherwise known as Own Risk and Solvency Assessments. Risk management tools such as stress testing and ALM, catastrophe modelling, and key ratios were also shared. Concurrent pension sessions incorporated issues in the Caribbean, the changing landscape in Canada which could reflect the

See you at our next annual conference in December 2013 … "Let's go to Jamaica, mon!"

future of our plans and the importance of governance and the failures without it. There was also a focus on stakeholders' expectations and customer relationships and a presentation on the most recent results of the CAA mortality study being developed with the SOA.

Another first-time event for the CAA was the international leadership forum and round-table discussion with the presidents of the various actuarial associations—the SOA, CIA, AIA, Institute and Faculty of Actuaries, CAS, and CAA—on the issues facing actuaries and professional bodies. The technical discussions concluded with concurrent sessions for students on passing exams by the Institute and Faculty of Actuaries and an unexpected twist of comedic improv performances by our own members as they were introduced to the art of improvisation for developing communication skills. For some, it required stepping out of their comfort zone, but for others it seemed like second nature. You just had to be there!

The formal part of the conference ended with the Annual General Meeting, in which the revised CAA practice standards for pensions and social security were adopted along with a revision to the code of conduct. Deserved recognition was also given to our new Fellows, Jennifer Straughn, FIA, and Britta Hay, FSA, our new Associates, Dirk Ackbar, Josanne Mohammed, Shamus Persad, Sarah-Jane Pilgrim, and Nirvan Singh, and our most recent CERA, Monique McBean. In addition, we were provided with a report on the past year's activities, which included contributions to the public sector pension reform and IFRS4 guidance notes in Jamaica, recommendations on the new legislation and National Insurance Scheme in Trinidad and Tobago, continued support of the actuarial science programs at the University of the West Indies (UWI), leadership representation at the IAA's president's forum in Los Angeles, and a successful joint conference with IPEBLA, to name a few.

Once again, the CAA did not fail to deliver with its three days full of informative content, opportunities for technical interactions, and social events in true Caribbean style. Following each day's sessions, attendees and guests were treated to the local culture and cuisine, with the first being a cocktail reception with live entertainment poolside, a leisurely dinner and cruise around Nassau Harbour, culminating with a gala dinner meant to be under the stars that was instead met with untimely showers of rain! But as the skies cleared, it took no time for the evening's festivities to resume with performances by local artists and a showcase of the Bahamian carnival, Junkanoo, during which many danced and unwound to the rhythms of our sweet Caribbean music.

As always, the continued success of our annual conference would not have been possible without the commitment and hard work of our Bahamian planning committee and the generous support of all our sponsors: Eckler Ltd, Guardian Life, COLINA, Morneau Shepell, Sagicor Jamaica, Sagicor Life Inc., Barnett Waddingham, Deloitte, AXIS, IRM, KPMG, Munich Re, Oliver Wyman, Swiss Re, Towers Watson, SOA and the SOA International Section, IACA, Horizonow, BAF Financial, D.W. Simpson, J.S. Johnson, McCarthy Tetrault, ICB, McLaughlin Glazeware, and Bykerk Consulting.

See you at our next annual conference in December 2013 … "Let's go to Jamaica, mon!"

Presentations from this year's conference and details for the next can be found at our website. □

Stephen Ainsworth FIA, ASA
is Senior Partner of the BWCI Group in Guernsey in the Channel Islands. He can be reached at *sainsworth@bwcigroup.com.*

Association of Consulting Actuaries Annual Members' Conference

By Stephen Ainsworth

More than 400 actuaries from all over the United Kingdom descended upon the Gatwick Hilton south of London on February 7 and 8 for the Association of Consulting Actuaries annual members' conference. The conference included a wide variety of presentations on U.K. and international issues, as well as an after-dinner routine from comedian Shappi Khorsandi featuring quite a few words and topics not normally heard at actuarial conferences.

This year, the ACA partnered with the U.S. Conference of Consulting Actuaries to include an afternoon of presentations from the U.S. perspective. Society of Actuaries Fellows David Kausch, George Wagoner, and Adam Reese all journeyed across the Atlantic to present topics. David led a discussion on mortality improvement from the U.S. perspective. George gave an overview of developments in U.S. health care, especially the array of local clinics that are appearing in the United States to provide more convenient care at lower costs. Adam's presentation focused on using actuarial skills and modeling to address practical business issues. The enthusiasm of the audience during the discussion periods following each presentation reinforced the value of actuarial exchange across borders.

More information on the Association of Consulting Actuaries is available at www.aca.org.uk. ☐

17TH EAST ASIAN ACTUARIAL CONFERENCE
15 -18 October 2013
Resorts World Sentosa, Singapore

The Singapore Actuarial Society is the host of the 17TH EAST ASIAN ACTUARIAL CONFERENCE (EAAC), "Redefining Risk, Creating Value" being held at Resorts World Singapore from **October 15 - 18, 2013**. The EAAC brings together actuarial professionals in the Asia-Pacific region to discuss various international and topical issues.

If you are not familiar with Singapore, Resorts World is the premier destination in Singapore, with Universal Studios located on site. Other attractions include the casino, shopping and famous Singapore food. For more details see **www.rwsentosa.com.** We will continue to provide more details closer to the date. *www.actuariesasia.org*

Online registration is now open! *www.actuariesasia.org* or follow us: *Facebook.com/17thEAAC*

Davout Yean, FSA, is assistant president at Taikang Life Insurance Co Ltd in Beijing, China. He can be reached at *tofu.yean@gmail.com*.

The Growing Pains for China Life Insurance Industry!

By Davout Yean

Since China recreated the insurance market in the early 1990s, the life insurance industry experienced rapid growth. This phenomenon can be easily demonstrated by the speed of the premium growth. Since 1996, the compound annual growth rate reached 28 percent. Even during the period of global financial crisis and recession, the annual growth rate still remained above 10 percent.

Conventional wisdom may say, as an emerging market, this long sustaining rapid growth in the China life insurance industry is not a total surprise. However, China needs to be prepared because no market can keep such a high growth rate for a long period of time, and certainly it will all come to an end. In 2011 the glory did seem to fade a little, and several worrisome situations started popping up.

First of all, the premium growth slowed down. China Insurance Regulatory Commission (CIRC) showed, 2011 life insurance premium income experienced a sharp decline of 9 percent. One of the reasons is that the definition of premium changed in 2011. After 2010, the income of a non-risk contract was no longer counted as premium income, this change artificially pushed the premium income down quite a bit. After we exclude this factor, the growth rate of premium was 8.7 percent, which still fell by 22 percent. In 2012, the situation did not improve, with the growth rate at only about 4 percent. Even if we remove the renewal premium effect, clearly the market was still not out of the woods yet.

Secondly, bancassurance, a main premium income source, is going through a serious setback. The China life insurance industry has already established a multi-channel distribution system. However, captive agents and banks are the two largest distribution channels accounting for more than 90 percent of the total business. Since 2005, banks became a major distribution channel. In the past few years premium from banks and post offices was close to 50 percent of the total premiums. In 2011, for the first time the premium growth rate in bancassurance turned negative and the bleeding continued in 2012. Most people believed the release of "Regulation No. 90" and the fact that banks offer short-term, high-yield products were the two main causes. In November 2010, China Bank Regulatory Commission (CBRC) issued the controversial "Regulation No. 90," which required that each bank and its branches can work with no more than three insurance companies. This new regulation also prohibited insurance company employees from selling insurance on a bank's premises. Obviously, Regulation No. 90 created a huge problem for bancassurance. On top of that, a couple of months later, short-term, high-yield products issued by bank started to gain momentum. Because typically bancassurance sells short-term saving products whose annual yields

are much lower than other similar bank products, there is no way to avoid cannibalization. In 2011, the sales volume of bank issued short-term, high-yield products increased by 65 percent, and it raised three times the funds in 2010. A large portion of them were considered as life insurance replacement business, or "cannibalized" business.

The other major distribution channel was in trouble as well. From 2007 the captive agent force started to decline, and finally in 2011 the turning point showed up. The number of captive agents was 288 million in the end of 2010. It decreased to 238 million in May 2011. In 2012 the speed of reduction slowed down but the trend remained. Low commission income for the agents was the main reason for the deterioration. A CIRC report showed, from 2009 to2010 captive agent monthly income dropped from US$249 to US$217. Captive agent was ranked second to the bottom in terms of professions. What made it even worse was that CIRC decided to raise captive agent education requirements. As we know, the low income and high qualification requirements don't mix well. Further deterioration of the captive agent force is highly possible.

On the financial side, it did not look great either. In 2011 many smaller companies turned profits into losses, and at the end of the third quarter of 2011, company solvency ratios declined by 60 percent on average compared with the beginning of 2011. Quickly, solvency became a concern for almost every company. Many companies started to initiate capital infusion processes and some companies began to reevaluate their market expansion strategy.

Now the entire industry finds itself in a very unfamiliar territory and starts to wonder whether the good times are over. Or maybe this is just the growing pains, after this point it will become smooth again? Or like many other things, the truth lies somewhere in between? Before jumping to any conclusion, let's take a look at the causes and hope they will reveal what we want to know. Without surprise, in the life insurance industry there are many discussions about the causes. The most popular explanations blame the sluggish capital markets that steal all the profits, high labor costs that killed the captive agent force, and finally the previously mentioned problems with bancassurance. On the surface, this does seem to make sense, but if we look at it from a different angle, there are some other things that disturbed the market as well.

We all know that the ups and downs in capital markets is a norm, and to smooth the ups and downs is what we do. When ups come, you try to capitalize as much as you can. When downs show up, you just can't say it is a total surprise or use it as an excuse. Furthermore, interest rates are heavily regulated by CIRC in China. While the pricing interest rate was capped at 2.5 percent, by CIRC, the industry overall investment return rate was 4.2 percent in 2011 and 3.9 percent in 2012. Based on these two figures, blaming the capital market as a cause for poor financial performance doesn't seems fair.

As mentioned above, the number of captive agents shrunk in both 2011 and 2012.This situation might have some connection with the fact that the commission income level for captive agents was flat for many years and in consequence a captive agent's income now was way behind other professions. But considering the poor financial performance for these couple of years, adding more cost to maintain a captive agent force was not a good choice. It seems that the existing captive agent model is at the begging of a deadly spiral situation.

In theory, bancassurance is a non-direct contracted distribution channel. It is simply just the gun for hire by the insurance company. On the bank's side, the motivations to sell insurance are commissions and bringing in insurance long-term products to supplement the bank products, which are short-term

by nature. But if we take a closer look, most of the bancassurance products have shorter terms than five years and more than half of them are single premium products. Selling insurance in banks can be similar to moving customer's money from one account to another account. This movement is incentive to the bank because of a pretty high fee. In the insurance world we have a term for this type of movement—"churning." I believe we would all agree that it is not wise to rely on churning as your major business source, and it is insane to expect churning can last forever.

Actually, the difficulties we encounter today are not necessarily the result of some mistakes. These difficulties are more likely the symptoms of living in a hazardous environment for too long. Following are the hazards which I think have polluted the life insurance industry in the past.

From the beginning, market expansion was always the top priority. This allowed the life insurance industry to ignore one of their major responsibilities—making a profit. On top of this impairment, in 1999 CIRC capped the pricing interest rate at 2.5 percent. In practice, this restriction gave permission to the life insurance industry to overcharge their customers. For many years these excessive profits facilitated the life insurance industry to acquire the habit of using high investment income to feed underwriting losses. Moreover, encouraged by this excessive profit, the industry carried on the thirst for more assets for a long time. Insurance policies became a tool to accumulate assets. This behavior eventually weakened the core value of the insurance industry.

From YRT Life to the Variable Annuity, the China life insurance industry brought in all the existing products in the world in only 15 years, while these products took more than 100 years to develop in other countries. It might look like a miracle and the abundance of product selection was not a bad thing. We know that certain products only make sense under certain conditions, such as tax code provisions, the investment environment, related social programs, and pension plans, etc. In China many of the conditions did not necessarily fit some of these products brought in to the market in the past 15 years. In a way, many existing products only brought benefit to the insurance company, but did not bring value to the customers. Under this situation, it fueled and made market conduct and misrepresentation a serious issue in the Chinese insurance market.

At first glance, the premium growth was very healthy and the premium growth rate was faster than the growth rate of the size of the captive agent force. But putting these two things together, it did not translate into a healthy income growth for the captive agent. That was because the vast majority of the existing products were savings or investment products. Not only was the risk premium a small portion of the total premium, but also the growth rate was much lower than the total premium growth rate. As a result, the income increase for captive agents was behind inflation and behind other professions.

With all these hazards discussed above, the insurance industry is in danger when the capital market slows down, inflation speeds up, customers become more educated, and the insurance market becomes more mature.

With all the pain and suffering the insurance industry went through in the past two years, I go back to my previous question: is this just the growing pains? It might be. Although the growth rate for premium income slowed down in 2011 and 2012, the Chinese life insurance industry can still be qualified as a fast growth market compared to the average increase of 3 percent globally. The density of Chinese life insurance was $106 in 2010, which was far lower than the world level of $365; the depth of life insurance was 2.5 percent, which was also lower than the worldwide level of 4.0 percent. If we look at the big picture, in the next 10 years the GDP growth in China will probably stay at 6 percent-8 percent, therefore the buying power should be the same or stronger than the past 15 years. All of this information suggests that the Chinese life

insurance market is still one of the most promising markets in the world. That is why I have concluded that what the China life insurance industry went through in 2011 and 2012 was just growing pains. Then the most important question is how to grow out of it. I believe if the industry could quickly implement the following four actions, it might soon bounce back.

1. Enforce the solvency requirement
CIRC currently is in the process of introducing a modified version of Solvency II to the Chinese market. Understanding there are many debates around the advantages and short falls of Solvency II, whether to continue the old system or to bring in the new system is not a key issue. In fact, whether CIRC is willing and able to strictly enforce the rules is the key. I firmly believe that to enforce the solvency requirements is an easy way to bring the financial discipline back and push the industry in the right direction.

2. Remove the cap on pricing interest rate
Sufficient but at the same time not excessive premiums are important. Today, using convoluted Participating Product Regulations to mitigate premium sufficiency problems creates many unexpected and unfavorable consequences. We should trust the market, and believe the power of fair and free competition. Finally, it is time to set the pricing interest rate free or take the safer approach to just simply raise the cap.

3. Embrace the core value and return to the basics.
When the wave comes, it is OK to catch a ride and make some short-term money in the capital market as long as it is not at the customers' expense. The core value is still intact. No industry could ever survive for long if it does not create value for the customer and society. Using a pooling mechanism to offer protection to the individual is the main reason for insurance to exist. The Chinese life insurance industry overly emphasizes saving, therefore investment products are hurting the momentum for the industry to go further. It is time to return to the basics and embrace the core value of life insurance.

4. Develop multiple distribution channels.
Captive agents and banks are the two most important distribution channels now. It is highly possible for this situation to continue. But it should never hinder the development of multiple distribution channels. The purpose is not to look for other distribution channels to replace the existing ones but to find a better, cheaper, and easier way to distribute products while creating a healthy competition environment among all the distribution channels.

In the business world, we consider growing pains as somehow inevitable in the beginning or growth stage of any enterprise. I hope, the issues discussed above are just symptoms of rapid grow and not associated with any serious problems. If this is the case, the Chinese life insurance industry will eventually mature beyond its "growing pains." □

THE NORTH AMERICAN ACTUARIAL COUNCIL (NAAC) Collaborative Research Group has recently initiated a study of regulatory risk conducted by Tom Herget and Dave Sandberg. This risk is when the regulations used to achieve supervisory objectives (or the lack thereof) have a negative impact on the market participants (whether policyholders, shareholders, or regulators acting on behalf of taxpayers). This study will include examples of regulatory risk.

While the researchers will be reaching out to specific individuals in the United States, Mexico, and Canada, they would also welcome contributions from a wider pool of contributors who can provide their personal examples of regulatory risk both within and outside North America.

The researchers would appreciate any contributions section members could make. Please e-mail descriptions of examples of regulatory risk to Barb Scott (BScott@soa.org) for consideration by the researchers. Detailed descriptions are encouraged.

Javier Campelo, ASA, is the ambassador for Argentina and regional ambasador coordinator for Latin America and the Caribbean.

AMBASSADOR'S CORNER

Presentation of the Argentinean Strategic Plan for the Insurance Industry at the Fourth National and Latin American Actuarial Conference held at the School of Economic Sciences at the University of Buenos Aires

By Javier Campelo

On November 1 and 2, the Fourth National and Latin American Actuarial Conference was held at the School of Economics at the University of Buenos Aires (FCE-UBA). Javier Campelo, the Society of Actuaries´ ambassador for Argentina and regional coordinator for Latin American and Caribbean, presented the Argentinean Strategic Plan for the Insurance Industry (PlaNeS 2012–2020) to an audience of about 50 attendees, including the directors and professors of the actuarial department at FCE-UBA as well as representatives of the actuarial community in Argentina.

PlaNeS 2012–2020 is driven by the Superintendence of Insurance (the regulatory body for the insurance industry in Argentina), with the invaluable support from the Ministry of Finance. The main objective of the plan is to design the most appropriate policies for facilitating growth and the extensive development of the industry for the next decade. All the relevant parties, from both the public and the private sector, are actively participating in this project. This includes the authorities of the different insurance and reinsurance chambers in Argentina, as well as the associations of loss adjusters, the insurance workers' unions, the consumer association bodies, the various sales associations, and different legal experts in this field. One of the main objectives of PlaNeS is to increase the annual premium income in Argentina from 45 billion Argentine pesos in 2010–2011 to 149 billion Argentine pesos by 2019–2020 (measured in constant values of June 2011), growing the insurance penetration rate from 2.73 to 5.07 percent (the annual world average is 6.6 percent, according to Swiss Re Sigma. No. 3/2012, "World Insurance in 2011").

On October 22 (the National Insurance Day) the Argentine president, Cristina Fernández de Kirchner, along with the Minister of Finance, formally unveiled the Strategic Plan for the insurance industry to the Argentine nation. The event was held at the presidential palace and was extensively and positively covered by the Argentine media.

Ambassador Program Regional Ambassador Coordinators

By Jill Leprich

The Society of Actuaries International Section has 33 appointed ambassadors around the globe. This International Section initiative began in 1993. The Ambassador Program was created so that members in countries outside North America could assist in carrying out the SOA's international programs, identifying and developing subjects of international interest for communication to SOA members, identifying special needs of SOA members in different areas of the world, helping the actuarial profession to grow in underdeveloped areas, and functioning as a valuable resource and link between the SOA and national actuarial organizations and actuarial clubs.

The International Section Council takes a great effort to coordinate all of the activities and events the ambassadors organize. Toward that end, the Council has appointed Regional Ambassador Coordinators. The Regional Ambassador Coordinator communicates on a regular basis with the ambassadors in their designated region. They help advise, assist, and inspire the ambassadors to ensure that they are successful in their role. This year we have two new Regional Ambassador Coordinators and one continuing Ambassador Coordinator. In addition, Sunil Sen is the Coordinator of the Regional Ambassador Coordinators, keeping track of the regional ambassador activity and ensuring consistency and dedicated attention to our international members. □

The Regional Ambassador Coordinators are the following:

Carlos Arocha, Regional Ambassador Coordinator for Europe and Middle East

Warren Rodericks, Regional Ambassador Coordinator for Asia-Pacific

Javier Campelo, Regional Ambassador Coordinator for Latin America and Caribbean

Sunil Sen, Coordinator of Regional Ambassador Coordinators

We look forward to another successful year with our Ambassador Program!

Jill Leprich is a section specialist at the Society of Actuaries in Schaumburg, Ill.

LIVING to 100

SOCIETY OF ACTUARIES
INTERNATIONAL SYMPOSIUM

Living to 100 Symposium

The international Living to 100 Symposium will be held Jan. 8–10, 2014 in Orlando, FL. Thought leaders from around the world will once again gather to share ideas and knowledge on aging, changes in survival rates and their impact on society, and observed and projected increases in aging populations.

With the support of more than 50 organizations from around the world, past symposia brought together thought leaders from as many as 17 countries including a diverse range of professionals, scientists, academics, and practitioners. These professionals are expected at our prestigious 2014 event to discuss the latest scientific information.

The outcome of each Living to 100 Symposium is a lasting body of research to educate and aid professionals and policymakers in identifying, analyzing and managing the potential needs and services of future advanced-age populations. Questions may be directed Ronora Stryker, SOA research actuary, at ***rstryker@soa.org***.

Visit ***livingto100.soa.org*** to learn more.

Actuaries
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Become a Sponsor/Participating Organization

More than 30 distinguished organizations are already supporting this Symposium. Check out our site to view the list of sponsors: ***livingto100.soa.org.***

Become a sponsor of this Symposium. Contact Denise Fuesz at ***dfuesz@soa.org.***

Become a participating organization. Contact Jan Schuh at ***jschuh@soa.org.***

Lyon June 24-26, 2013
Espace Tête d'Or

IAA
Colloquium in Lyon, France
AFIR/ERM - PBSS - LIFE

The *Institut des actuaires*, with the support of ISFA, kindly invites you to attend the Colloquium of the International Actuarial Association held in Lyon, France, from the 24th to the 26th June 2013. This colloquium is a joint collaboration of three IAA sections : Actuarial Approch for Financial Risks/ Enterprise Risk Management (AFIR/ERM), Pension Benefits and Social Security (PBSS), and Life.
Program will include formal adresses by keynote speakers and topical presentations by experts on topics related to AFIR-ERM, PBSS and LIFE... as well as lot of social activities in the beautiful area of Lyon.

www.actuaries.org/Lyon2013

2013 Country Feature Article Competition Deadline Extended—Cash Prize of U.S. $1,000!

Do you want U.S. $1,000 for writing about something you find fascinating and become a published author? Read on:

The International Section Council (ISC) is pleased to announce we are running our Country Feature Article Competition again this year. Here is a chance for you to win a cash prize of U.S. $1,000 for first place, or U.S. $500 for second place. If you are not an International Section member yet, simply join the section for U.S. $25 and then submit an entry. You do not need to be an SOA member to join the International Section so please pass the word on to others who may be interested. The deadline for entries has been extended to June 30, 2013.

Markets vary by country due to such local factors as history, economic system, regulations, consumer behaviors, social values, and culture. The Country Feature Article Competition provides you with a forum to share your experiences, interesting facts, or statistics that reflect your country's distinctive qualities.

Your article can be about any non-U.S. topic or topics that you find informative and interesting. For example, it might be about local actuarial organizations and activities, the actuarial profession in traditional or wider fields, financial products, social security reforms, employee benefit practices, or the insurance sector in your country. It could be about market trends in pensions or insurance products. It could be technical or informal. The choice is yours!

Eligible Authors:

- Any International Section member

Rules:

- The article must be a previously unpublished article.
- The write-up should be no more than 2,000 words.
- Photos, charts, tables or graphics are encouraged for illustration. Any photo sent should be in either .jpeg, .tif, or .eps format with a print resolution of at least 300 dpi. We accept photos taken by you or photos with permission to use provided by its original owner.

Deadline:

Please e-mail your submission to Jill Leprich (jleprich@soa.org) by June 30, 2013. Please give full contact details for the author.

Selection and Announcement: The ISC will select and advise winners in August 2013, using criteria such as "That was so riveting" or "That explains what I always wondered about XYZ," etc.

We look forward to receiving your entry.

Ben Marshall
Chair of the International Section Council

Knowledge On The Go

Insightful podcasts are now available to listen to anywhere!

The Society of Actuaries is offering topical podcasts for those interested in insight and perspectives from fellow members. The podcasts are free to download and can be listened to from your computer or any portable audio device. Check back often as new podcasts sponsored by various sections are released.

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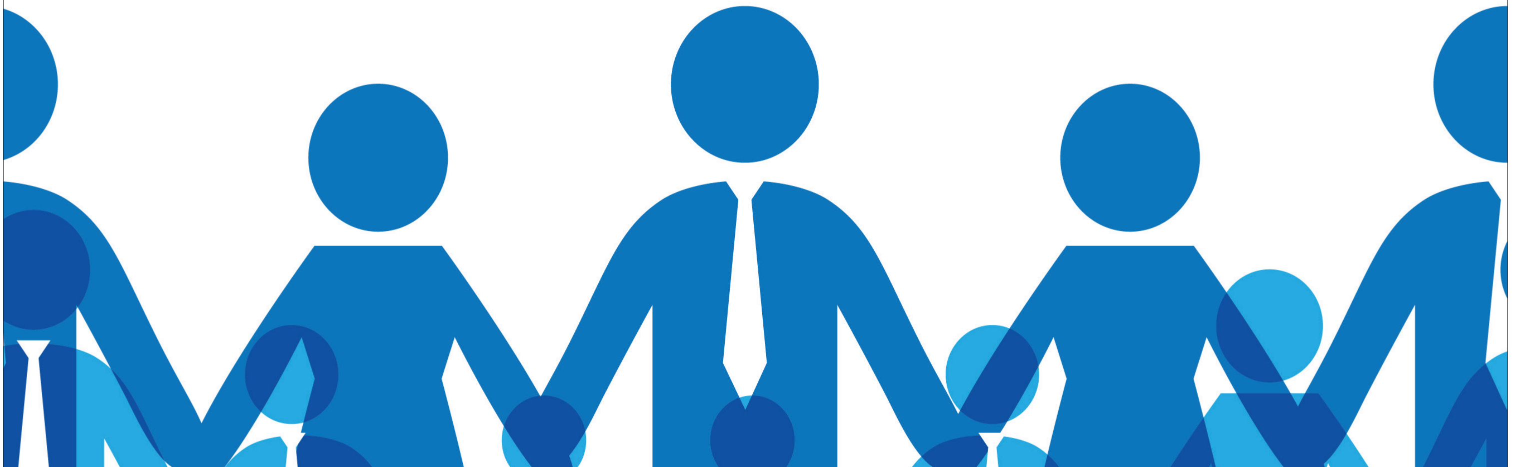

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