



SOCIETY OF ACTUARIES

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TOGO or Not To Go

Carlos Arocha and Renata De Leers

“Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family.”— Kofi Annan

By any standards, the week of April 22–26, 2013 was a momentous occasion in the very short history of the Actuarial Association of Togo (AAT): the 17-member society hosted the Third African Actuarial Congress¹ in the capital city of Lomé. The AAT was founded in 2011, yet it audaciously organized the congress, a surprising achievement in the association’s short life. Currently an observer member, the AAT intends to become an associate member of the International Association of Actuaries (IAA) by 2014, when the international congress in Washington, DC takes place.

In the meantime, the outcome of the African Actuarial Congress was deemed a success: more than 130 participants from about 33 countries—including 23

African countries—attended sessions on a variety of topics, ranging from Solvency II, IFRS, and micro-insurance (a seemingly interesting development avenue for the industry), to recent initiatives to build actuarial capacity in the region. The congress was rounded out with another event earlier in the week: a two-day seminar on Social Security facilitated by the Actuaries Without Borders (AWB) section of the IAA. This seminar brought together delegates from CIPRES², the Inter-African Conference on Social Security.

One could see billboards in the streets of Lomé advertising both the African Actuarial Congress and the CIPRES/AWB seminar. This seemed a bit surreal—we do not recall having ever seen any advertisements of actuarial activities in any other city. The international delegates were seemingly impressed to see those ads. Furthermore, they were not disappointed by the enthusiasm shown by both organizers and sponsoring organizations.

The involvement of the SOA’s International Section at the African Congress came through AWB and was unanimously voted by the International Section Council (ISC), in an effort to reach out to less economically developed countries to share some of the experience gathered from previous international events. Carlos Arocha, the council’s Secretary, delivered two presentations at the congress: (1) Introduction to IFRS 4 Phase II; and (2) the SOA International Experience Studies Toolkit. Other speakers included Chris Daykin (CEO of the IAA Fund, past president of the Institute and Faculty of Actuaries, the *Groupe Consultatif*, and past government actuary in the U.K.), Jean-Claude Debussche (past chair of the Institute of Actuaries in Belgium), Dermot Grenhama (chief actuary, Insurance and Social Security, Government Actuary’s Department, U.K.), and Théophile Locoh





(chair of the Insurance Association of Togo), among others. In all, there were 16 sessions conducted in English or French, with simultaneous translation to the other language.

Among the sponsoring organizations were the National Insurance Commission (Ghana), the German Development Cooperation, *Institut des Actuaire*s (France), Institute of Actuaries in Belgium, Actuarial Society of South Africa, SCOR Global Life, CICA Re, CIPRES, and a host of local insurers.

The congress venue was the Hotel Mercure Sarakawa, whose gardens (that include an Olympic-sized swimming pool) were used for the welcoming reception. On the congress' closing day attendees enjoyed dinner at the *Côte Jardin*, a renowned Lomé restaurant that served a buffet composed of both Togolese and international delicacies. Local singers and dancers showcased the Togolese culture to the amusement of delegates. Two excursions were organized on Saturday, after the official part of the congress had ended. One group toured Lomé and had lunch at the beach, while a second, more adventurous group traveled by road to Kpalimé, some 60 miles north of Lomé, where the group wandered through the jungle, learning in the

process the names and features of some two dozen plants and flowers (in very hot weather, incidentally!)

All in all, the congress was very valuable for its networking opportunities.



A very important theme was the development of the actuarial profession in Africa—at least in the attending countries. Actuarial capacity building in Africa is made possible—in part—by international donations. Only a minority of students from French-speaking Africa has the chance to study in a Continental European university-based actuarial program. These students may be attracted by employers in France, Belgium or the French-speaking part of Switzerland, and if they secure a job, it is very unlikely that they will return to their home countries. Students from English-speaking countries (and only a few from other countries), on the other hand, usually pursue the examination route offered by the Institute and Faculty of Actuaries (IFA) and the SOA. The examination-based structure offers the clear advantage of distance learning, but poses other problems such as lack of incentives for actuaries-to-be. Besides South Africa, Ghana, with some 1350 actuarial university graduates, may be one of the promising countries

in terms of number of students (40) currently taking examinations.

Togo—Togoland up to 1919—is a French-speaking country in tropical sub-Saharan West Africa, and it is one of the continent’s smallest nations, with an area slightly larger than the U.S. state of West Virginia. Like in most African countries, the actuarial profession in Togo is in its infancy. There are currently no university actuarial science programs, but in October 2013 the “*Institut de Management Supérieur d’Adonai*” (IMS Adonai) will launch a bachelor’s degree in actuarial science. A similar program was successfully implemented in neighboring Benin in 2006, where 30 students have graduated. In the IMS Adonai program, courses in mathematics and statistics will be taught by local professors, most probably at the University of Lomé. The more specialized courses in actuarial science will be taught, on the other hand, by a combination of university professors and fully-qualified actuaries from Europe and North America. This will help expose the local community to international standards of practice. The program will provide an introduction to the subjects contained in the core syllabus of the IAA. It is hoped that ambitious graduates will write afterwards the examinations offered by the SOA, the Institute and Faculty of Actuaries (IFA) or any other association willing to organize the exams in Lomé.

Despite the advantage of distance learning, only a few students in African countries can write exams owing to onerous fees³, pricey study materials (including high shipping costs), exam tutorials, and the lack of sponsoring from employers and institutions. Insurers do not see the need to employ fully-qualified actuaries (in the sense of the IAA), despite that in certain countries (e.g., Ghana) the figure of “appointed actuary” has been introduced by local regulation. Many people called themselves “fully-qualified” because they perform some actuarial tasks, for example, the calculation of premiums and reserves. Their jobs would be perhaps threatened by students completing a formal actuarial education. For actuaries-to-be, embarking on an actuarial education path may be a gamble in the short- to mid-term, or may even not justify the effort.

Some education alternatives were presented at the Congress. A discussion of the IFA’s proposed new credentials of a Certified Actuarial Analyst and Student Actuarial Analyst (not yet approved by the membership), not being at the level of fully-qualified actuary, would nonetheless equip insurance professionals with basic actuarial skills. Also a Dutch consulting firm showed the “actuarial technician” training, well-established in the Netherlands, which can be made available on a distance-learning format. Finally, some fully-qualified actuaries have volunteered to act as mentors—one of them is even based in Lomé.

The AAT plans to enter an agreement with the AWB to conduct exam preparation classes as soon as a minimum number of interested parties is reached and the necessary funds to organize such classes are secured. AAT and other African associations also hope that the major actuarial organizations reduce exam fees for actuarially developing countries.

The decision to go was reached. The authors hope to be able to continue with their efforts to help develop the actuarial profession in the less economically developed countries of Africa. They invite readers to write with their suggestions. □

ENDNOTES

- ¹ The first and second congresses held in Abidjan, Ivory Coast (2009), and Nairobi, Kenya (2011) respectively, were actually preceded by international meetings in Accra, Ghana (1999), Lagos, Nigeria (2003), and Casablanca, Morocco (2003). It must be stressed the existence of a “divide” between English- and French-speaking countries, which might have influenced the selection of venue for these events.
- ² CIPRES (*Conférence Interafricaine de la Prévoyance Sociale*) has a format very similar to that of CIMA, but focuses exclusively on social security.
- ³ The SOA, however, features an Examination and Study Material Fee Discount Program. Approved candidates may not register for more than two examinations per six month period under the discount program, for a total of four exams per year. Standard fees are assessed on registrations which exceed this limit.