



SOCIETY OF ACTUARIES

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# THE Actuary

## International update

by Allan D. Affleck

Today an increasing number of Society of Actuaries members are either employed by companies with international links or work for clients with international business activities. Clearly what happens abroad is of growing importance to our employers and clients of international business. Even for companies without international insurance operations, the need for access to international investments is clear. The changing international scene, including the push toward a common market in Europe, the political changes in Eastern Europe, the rapid growth of strong Asian economies, and the Hong Kong 1997 situation, creates the need to understand the related business implications, both here and abroad. This applies to investment, insurance, and employee benefits.

The Society is responding to these trends by providing more international educational opportunities, and many of our current SOA activities are related to the growing involvement our members have in international business. Here is a brief review.

### Annual meeting

This year's annual meeting theme will be "International Opportunity." Our keynote speaker is James Schlesinger, currently with Georgetown University's Center for Strategic and International Studies, and formerly a Cabinet member under Presidents Nixon and Carter. Sprinkled throughout the meeting, to be held in Orlando, are sessions on international insurance and employee benefits plans designed to give actuaries the

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## Society, CIA maintain healthy relationship

by Peter C. Hirst

First I'd like to thank the Society for inviting me to write this article for *The Actuary*. This is a particularly auspicious time to do this, since the Canadian Institute of Actuaries (CIA) celebrates its 25th Anniversary this year. We have grown significantly as a profession over these 25 years and, while we still have a way to go, we have reason to celebrate many achievements.

We also have reason to thank many who have helped us along the way, not the least of these being the Society of Actuaries. We enjoy a close working relationship with the Society, which I believe has been mutually beneficial. We were proud to join with the Society (along with the Casualty Actuarial Society, the Conference of Actuaries and the Academy), as co-hosts of the Washington Centennial Celebration in June 1989.

Our annual meeting this year, to be held in Quebec City, will in part be a celebration of our 25th Anniversary. However, while we will reminisce and recognize the sound leadership we

have had in the past, the main theme of the meeting will be to look forward. The centerpiece for discussion will be a report on the future of the CIA prepared by a task force chaired by Dick Crawford. Earlier this year, the CIA Executive Committee approved the release and distribution of this document as a discussion piece without endorsing or rejecting any of its recommendations or proposals.

We already had some preliminary discussion of this report at our March general meeting, and in-depth discussions will commence at our annual meeting. I understand reports will be printed in future editions of *The Actuary* covering these discussions, so I will just touch on two aspects of the report that may most immediately interest Society members.

These two areas are summarized in the first two recommendations of the report. The first deals with one of the main themes in the report. It is: "that the CIA adopt a new statement of purpose which gives prece-

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## Society, CIA cont'd

course, also applies to our relationship with other organizations.

The relationship between our two organizations has evolved over the last 25 years, and it is certainly different now than it was when the CIA was founded. All that is required in the future is goodwill, understanding and cooperation. There has been an abundance of this between the CIA and the Society up to the present, and without it, neither organization would have the same strength that it has today. To talk of harming or destroying this relationship is nonsense; but to talk of changing the nature of the relationship is inevitable; indeed, to do otherwise would be unhealthy and foolish.

We should move forward together, and I am confident we will — but we must move forward.

Peter C. Hirst is Immediate Past President of the Canadian Institute of Actuaries and President, Actrex Partners Ltd.

## International update cont'd

opportunity to learn about current international developments.

### China program

Under the direction of our International Relations Committee, we have been helping Nankai University in Tianjin, China, establish an actuarial science program within the university's finance department. Courses in the program are being taught by SOA and CAS members.

After the events of last June, we initially suspended the program until September 1990. We have reinstated the program this spring, however, since all the actuarial students returned safely to the university to pursue their studies. This was necessary so that the students could complete the actuarial course within the time they had available.

### International Relations Committee

This committee, established a few years ago, recommends policy to the Board and oversees implementation of that policy regarding activities of an international nature. These activities include:

- Hosting a luncheon for foreign actuaries who attend SOA meetings
- Responding to requests for assistance from foreign actuarial groups
- Giving direction to the SOA President for his international activities
- Providing support as needed to SOA members living abroad

If interest among SOA members in international issues continues to grow, we may find a need to create an International Section.

### Relationships with foreign actuarial organizations

One of the SOA president's primary responsibilities is to maintain contact with actuarial organizations in other countries. At the present time our emphasis, as recommended by the International Relations Committee, is on the following:

- Attending the dinners of the Faculty of Actuaries in Scotland and the Institute of Actuaries in England every other year. I was pleased to represent the SOA at the Institute dinner last fall. While in the United Kingdom, I also met with leaders of the Faculty to discuss common interests and with educational leaders of the Institute to discuss their programs.
- Strengthening our relationship with actuaries in Mexico. It is important to build close ties to the other actuarial organization and its members here in North America.

Building on contacts established by Harold Ingraham, SOA President in 1986-87, I have been invited to visit and make a presentation to the Mexican Actuarial Association this summer. One or two Mexican actuaries will participate in our annual meeting program this fall.

- Continuing to develop relationships with actuarial organizations in the Pacific Rim. To further this goal, I accepted invitations to visit the Korean Actuarial Association and the Institute of Actuaries of Japan. Both organizations invited me to make presentations this spring, and the topics they selected indicated that actuaries worldwide are interested in similar issues. In Korea my talk was on the "Role of Actuaries in a Newly Developing Market." In Japan, I spoke on the "Role of Actuaries in a Changing Financial Environment."

### General

The percentage of students taking Exam 100 who live overseas has increased from 2.3% to 4.1% over the past five years. Approximately 5% of all SOA members now reside outside Canada and the United States, and that percentage also is increasing. It would be interesting to know what percentage of actuaries in our two

countries work for insurance companies that have international operations or work for consulting firms whose clients have foreign business activities.

Our goal over the next few years is to provide the support needed by our members who practice in the international arena, just as we do for members practicing in other specialties. For a few members, international work may take a substantial part of their time. Many more members are tangentially involved in international work, but the majority of our members have no direct involvement in international projects. However, even for those who currently do not have international responsibilities, we believe it is valuable to provide education and support so we can all broaden our outlook and be better prepared for the future. In the past year or two, *The Actuary* has included many articles on international activities and will continue to be a forum for discussion about our members involved in international issues and projects.

If anyone has suggestions for additional activities we should be undertaking, please send them either to the chairperson of our International Relations Committee or to me.

Allan D. Affleck, SOA President, is Consulting Actuary with Milliman & Robertson, Inc.

## Deadline nears for comments on Fundamental Principles

The Society of Actuaries Committee on Actuarial Principles distributed a Discussion Draft of Fundamental Principles in late March. The deadline for comments is July 2. Any comments received will be considered in the development of the Exposure Draft, which is expected to be ready for distribution in late 1990.

If you have any questions or would like a copy of the Discussion Draft, please call Warren Luckner, SOA Research Actuary, at 708-706-3572.

## Problem workshops for Course 110 and EA-2

Intensive problem-solving workshops for Course 110 (two days) and for the EA-2 exam (three days) will be given by Actuarial Study Materials in October in New York City. For details, write to A.S.M., P.O. Box 522, Merrick, NY 11566.