



SOCIETY OF ACTUARIES

Article from:

# The Actuary

January 1995 – Volume 29, No. 1

# Actuarial education in Russia

by Yuri N. Tyurin

*This article is an edited excerpt of remarks made by Yuri N. Tyurin, professor of statistics and probability at Moscow State University, at the Society's October annual meeting in Chicago. He was on a panel in Session 8, "Actuaries in Eastern Europe." His visit followed a spring 1994 meeting in Moscow with Society leaders, MSU officials, and the MSU Financial and Actuarial Center at which the SOA signed an agreement in principle to help develop the actuarial profession in Russia.*

**R**ecent changes in the political, business, and financial life in Russia require new specialists prepared to work at banks, insurance companies, and pension funds to solve various actuarial problems. To meet those needs, special educational programs have been opened to offer short-term specialized training in related fields like accounting, insurance, banking, legal regulation, and computers. In the previous planned economy, there was no need for these ideas, but now we have a strong need for new knowledge.

Private retirement plans or any private insurance were virtually unheard of in Russia only two to three years ago. All these financial businesses were started very recently and from scratch, requiring a better qualified work force. My estimate is that in a very few years, world-class educated actuaries will be very much needed in Russia.

## **Establishing educational resources**

We faced many questions: how to teach these people, which subjects do they need, in what depth, in which order. Should there be a state standard for an actuarial diploma, or could it be awarded in any university independently?

Two years ago, those of us from academia, some members of Russian parliament, and some of President Yeltsin's advisors began addressing these issues. We resolved to use international experience. We studied the European schemes and the American one, and thought the American system would be the most appropriate for Russia.

Our colleagues from the Society of Actuaries helped us make this choice. Their visit to Moscow last spring was extremely important. We agreed that

Moscow State University will provide actuarial education following American standards. This decision is a matter "of state importance," because in Russia, whatever happens at Moscow State University will be copied all over Russia and the former Soviet Union.

The MSU Department of Computer Mathematics will offer a complete actuarial education program according to the current program of the SOA, beginning with 20 students who started in September. The Mathematical Department offers a sequence of courses like actuarial and financial mathematics, but we don't have a specialized program here yet.

The British actuaries are offering alternative programs to people already at work in these new businesses. Diploma courses have been conducted in St. Petersburg and in Kemerovo, Siberia. They may be considered as preliminary studies in actuarial science and are available to university graduates.

MSU's Financial Actuarial Center offers private classes to retrain insurance employees, various services in actuarial analyses, and other consulting assistance. The center also intends to print manuals.

## **Organizing the profession**

MSU recently hosted the opening conference of the Russian Actuarial Society, which was established September 14, 1994. Professor Shiriaev, a prominent scholar, was elected president. Those elected to the board include a member of parliament, Pavel Medvedev, and the rector of MSU, Victor Sadovnichii, as well as people from the insurance business and academia. We also adopted the Society of Actuaries Code of Professional Conduct. I am a member of the

Inspection Committee, which is responsible for making sure the Code is followed.

The two main objectives of the Russian Actuarial Society are:

- To establish the profession of actuaries in Russia: the systems of education, examination, and certification, as well as publishing books and manuals.
- To participate in the debate on the creation of the legal basis for insurance and financial activities. We would like to establish a legal basis for certified actuaries to participate in solving the most important problems.

Actuaries' involvement will protect the consumer in the shaky and chaotic Russian insurance and financial markets. The Russian Actuarial Society intends to work with the state insurance supervision committee (Rosstrakhnadzor). A representative of this committee is on the board.

The Russian Actuarial Society is concerned about the translation and publication of appropriate books. One of the most challenging problems is using the proper and standard terminology.

MSU is leading the effort to create standardized actuarial education in Russia, but this effort requires our joint participation. Thank you to the Society of Actuaries and all the world's actuaries for the help we are receiving in Russia.

