



SOCIETY OF ACTUARIES

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Actuaries ready for NAFTA

By Curtis Huntington

North American actuaries will be among the first professionals recognized for international practice under the North American Free Trade Agreement (NAFTA). Less than a year after the treaty's ratification, representatives of the profession in the United States, Canada, and Mexico will apply to their respective governments for NAFTA recognition.

Our profession's quick response to the NAFTA challenge was highlighted at an international conference — the Globalization of Higher Education and the Professions: The Case of North America, May 18–21, in Cancun, Quintana Roo, Mexico.

The conference was hosted by the National Association of Universities and Higher Education Institutions of Mexico, the Center for Quality Assurance in International Education, and the Association of Universities and Colleges of Canada, with major support from the Ministry of Public Education of Mexico.

The meeting was organized to increase North American awareness of professional globalization. The 500 representatives of professions from Canada, Mexico, and the United States discussed two subjects: the compatibility of the three countries' educational and accreditation standards and the linkage between higher education and professional certification and licensure.

The actuarial delegation was:

Canada —

- Morris (Mo) W. Chambers, past president of the Canadian Institute of Actuaries (CIA)
- Kurt von Schilling, 1993-94 president-elect of the CIA

Mexico —

- Hector Hernandez Llamas, president of Colegio Nacional de Actuarios de Mexico (CONAC)

- Jose Luis Salas Lizaur, president of the Asociación Mexicana de Actuarios Consultores
- Oliva Sanchez Garcia, vice president of CONAC and professor and director of the actuarial program at Universidad Anahuac

United States —

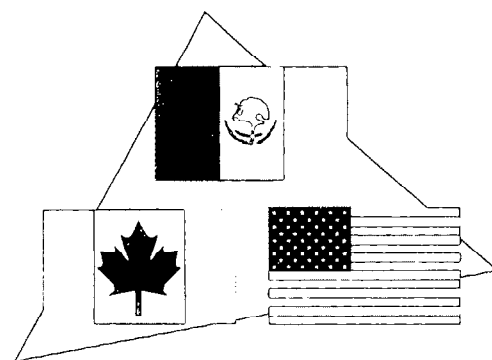
- Barnet (Bob) N. Berin, 1993-94 president-elect of the Society of Actuaries
- Curtis E. Huntington, chair of the SOA Committee on International Issues and the Academy Committee on Future National Relations
- James J. Murphy, executive vice president of the Academy

Although the actuarial contingent was probably the smallest of the 12 professions represented at the conference, we were recognized as one of the most advanced in developing standards acceptable to professionals in all three countries. In fact, we have already submitted a joint application for recognition under NAFTA, which is being considered by the appropriate governing bodies.

Council of Presidents

How did the actuarial profession get so far ahead of the other professions represented at this conference? It was through the efforts of the Council of Presidents and, more specifically, the Working Agreement Task Force, which comprises the presidents-elect of the North American actuarial organizations.

Seven professional organizations representing actuaries in North America — the Academy, the American Society of Pension Actuaries (ASPA), the CIA, the Casualty Actuarial Society (CAS), CONAC, the Conference of Consulting Actuaries (CCA), and the SOA — have been working together on important trilateral issues since September 1992. The U.S.-based organizations have



authorized the Academy to act on their behalf in negotiations with the CIA and with CONAC, which speaks for the Mexican profession.

Education and accreditation task force

In early 1993, the Academy, the CIA, and CONAC formed a joint task force, consisting of two members from each country, to review the coordination of actuarial education and accreditation among the three countries. The final report of the task force, presented at the Cancun conference, recommends recognizing two levels of actuarial credentials for actuaries wishing to practice under NAFTA. Level 1 qualifications would apply to individuals wishing to do income-earning work. Level 2 would be for those wishing to sign statutory statements in another NAFTA country.

The task force identified six criteria to determine whether an applicant should be eligible to sign statements of opinion in a host country. Level 2 applicants must:

- 1) Demonstrate the achievement of knowledge in actuarial science
- 2) Show practical experience in their home country
- 3) Prove knowledge of the host country by passing a practice examination
- 4) Meet continuing education requirements
- 5) Meet the host country's legal, regulatory and membership requirements
- 6) Complete a professional course in the host country

For residents of the United States, the first criterion is satisfied by membership in the Academy and the

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Six U.S. high school students will go down in mathematical history as the first team in the 35-year history of the International Mathematical Olympiad (IMO) to achieve a perfect score. Eight top scorers in the U.S.A. Mathematical Olympiad were honored in June in Washington, D.C., before the six (marked with *) left for Hong Kong to compete with teams from 68 other countries. From left to right: Christopher Chang; Jonathan Weinstein*; Jacob Rasmussen; Noam Shazeer*; Walter Mientka, executive director of the American Mathematics Competitions and team leader; SOA representative Brian Hearsey, Aleksandr Khazanov*; Stephen Wang*; Jeremy Bem* and Jacob Lurie*. The top five teams in the 1994 IMO were the United States, China, Russia, Bulgaria, and Hungary.

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designation of Fellow of the CAS or the SOA. For residents of Canada, it is satisfied by the designation of Fellow of the CIA.

Conduct and standards task force

The three organizations formed a second joint task force later in 1993 to review actuarial codes of conduct to ensure that the codes of all three jurisdictions will not be in conflict.

This task force compared the Rules of Professional Conduct of the CIA, the Código de Ética del Gremio Actuarial of CONAC, and the Academy's Code of Professional Conduct and concluded that there is no material conflict among the codes of conduct and that they are essentially consistent.

Nevertheless, the task force recommended that each North American actuarial organization amend its code of conduct, bylaws, and standards of practice to require its members to follow the code of conduct and standards of practice and qualification of the country in which they are practicing.

This task force now will turn its attention to documenting existing standards and procedures for establishing and amending standards in each country.

Professional discipline

A task force on codes of conduct and standards of practice will document the disciplinary procedures and practices already in existence in each country. It also will develop protocols to extend the current agreements among the six U.S. and Canadian organizations to include our Mexican colleagues.

Future events

We look forward to our profession's inclusion on the initial list of professionals officially recognized under the North American Free Trade Agreement.

Curtis Huntington is professor of mathematics and director of the actuarial program at the University of Michigan, Ann Arbor.

Concordia U. has opening

The Department of Mathematics and Statistics at Concordia University, Montreal, Quebec, seeks to fill a tenure track position in actuarial mathematics at the assistant professor level, starting August 15, 1995. Duties will include undergraduate and graduate teaching, research, and participation in the administration and expansion of the actuarial programs.

Interested candidates should send a curriculum vitae and a brief description of the field of interest and arrange for three letters of recommendation to be sent before December 1, 1994, to Dr. M. Belinsky, Chair of the Department of Mathematics and Statistics, Concordia University, 7141 Sherbrooke St. W., Montreal, Quebec, Canada H4B 1R6. In accordance with Canadian immigration requirements, priority will be given to Canadian citizens and permanent residents of Canada.