



SOCIETY OF ACTUARIES

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Teaching in China

by Allen Wu

How do you identify China? To some of us, China is the last existing communist empire.

To others, China's 5,000 years of continuous history has entered an unprecedented economic frontier. To a few, it's an unknown entity.

Before leaving Canada to teach at Nankai University, I thought of China as a big jigsaw puzzle. Its pieces include socialism, capitalism, authoritarianism, egalitarianism, imperialism, feudalism, repression, freedom . . . and insurance?

The idea of insurance is not new in China. More than 2,500 years ago, boats preparing to enter the treacherous currents of the Yangtze river would redistribute their cargo among smaller boats, thus reducing cargo loss. This is known as risk management. The foreign insurance professionals and insurance companies coming to China are not introducing the concept of insurance, but are introducing the tools needed for modern insurance.

From September 1994 to June 1995, I had the opportunity to teach actuarial science and risk management graduate students at Nankai University, Tianjin. When I arrived at Tianjin International Airport on August 28, 1994, I knew my thoughts, impressions and assumptions about China would change over the next 10 months.

Dr. Kailin Tuan, retired professor of insurance and international business at Temple University, has been the main force behind China's insurance and actuarial science education. With support from the Society of Actuaries (SOA), a graduate program in actuarial science was established at Nankai University beginning in 1987. Since then, many undergraduate and

graduate actuarial science programs have been established at various universities throughout China.

In 1994, with support from the Life Office Management Association (LOMA), a graduate program in risk and insurance management has been established at Nankai. Undoubtedly, many risk and insurance management programs will be established at various Chinese universities over the next few years.

The SOA and LOMA have helped ease the burden of expenses for these graduate students by providing textbooks and waiving exam fees. Many foreign insurance corporations also are contributing to China's insurance education by providing grants, training current insurance professionals in China, and setting up internships for insurance students.

On my first day of teaching, I began class by asking these future actuaries and risk managers why they chose their main field of study. The response was unequivocal. They all wanted to contribute to China's growing insurance market.

Chinese students are similar to American students, believing that investing in their education will provide a better future. I was very impressed by how dedicated these students are to their studies. To describe them as studious would be an understatement; they yearn for knowledge.

Although English is their second language, the students do not see this as a barrier to passing their actuarial and risk management exams. Since January 1994, 19 individuals have received their associate designations of the Society of Actuaries. I am confident we will see mainland China's first Fellow of the Society of Actuaries

(FSA) and a Fellow of the Life Management Institute (FLMI) before the turn of the century.

I am convinced these young students will be at the helm of China's future insurance industry. However, like any other commercial industry, a professional code of conduct must be instituted to serve the public's interest. As established insurance professionals, we should offer guidance, education, and support to these young actuaries and risk managers as they seek their own professional code of conduct.

Like any developing country, China needs time to mature. However, China needs all socioeconomic walks of life to nurture its growth. This includes insurance, banking, securities, education, manufacturing, agriculture, and technology.

On a personal note, my experience in China was very rewarding, considering that I grew up as a Chinese American/Canadian. I absorbed some of my Chinese heritage and culture and also had the opportunity to share my American/Canadian traditions with students. My students can now add "knowledge of insurance" to their curriculum vitae and I can now proudly add "knowledge of China" to my resume. I would like to thank many people for this experience: Dr. Kailin Tuan, Dr. William Rabel, Barnet Berin, Luo Yu, Liu Mao Shan, Li Xiu Feng, and Wu Hong Bao. A special thank you to all my actuarial and risk management students who gave me insights about China, and congratulations for passing all their actuarial and LOMA exams.

Allen Wu is currently in Taipei studying Chinese.