



SOCIETY OF ACTUARIES

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# The Actuary

## The globalization of the actuarial profession Why be concerned with other countries?

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It is accepted wisdom that the world is shrinking. Not geographically, of course, but in every other way imaginable. Is it something that affects you and me? I believe that the answer is: yes, without a doubt.

A number of factors have contributed to this shrinkage:

- Improved communications and technology
- Globalization of many industries, including financial services and financial markets
- Increased market share of multi-national corporations
- Common or similar problems worldwide
- More coordinated international financial reporting in the future

I believe we can greatly benefit from knowledge of the variety of approaches to problem solving and of historical perspectives that different cultures provide.

Among the reasons you should be interested in international topics are the following:

1. Your country does not have a monopoly on good ideas and best practices, including cutting-edge products, techniques, and solutions to social, business, and regulatory issues.
2. Your employer/client is, or might be in the future, a multi-national or "foreign" company.

3. You might practice in more than one country during your professional lifetime or later in "retirement."
  4. Due to improvements in communication, the actuary in Taipei, London, Buenos Aires, Capetown, Tokyo, or Tel Aviv may be just as accessible as the actuary down the block, and in some cases, more accessible.
  5. In other countries, actuaries may practice more widely in certain practice areas, such as in banking, investments, computers, and politics. You could change practice areas in the future.
- The next question is, how do you respond to this challenge? I believe you should try to stay abreast of important developments throughout the world. Unfortunately, you probably don't feel you have enough time to keep up with your own practice area in your own country, let alone that of others. This

is the reason sessions with a non-Canadian/U.S. perspective at Society of Actuaries' meetings are sometimes

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# Worldwide definition of 'actuary' needed

by Roger Corley

I think that those of us who have had the privilege of meeting and conversing with actuaries from many countries would readily endorse Sam Gutterman's theme that it is "something worth doing." My own experience amply bears this out.

He gives a list of reasons for actuaries to become involved with international actuarial topics. I think another set of benefits should be considered. His list might be classified as "benefits to the individual" (and thereby to his employer). I would also wish to see extolled the benefits to the community of actuaries to which we all belong.

Clearly, if we can all set our experience against a broader base through giving a better understanding of actuarial thought and practice in other countries, the whole profession will benefit. This hardly needs stating. However, what I would like to uncover is the potential for some quite tangible, but very long-term, group benefits for ourselves and for others.

Take the altruistic "for others" first. Many countries in the world are now establishing a need for longer-term financing and thereby for the concepts

and skills that actuaries can provide. The actuarial associations of the United Kingdom, the United States, and some other countries with long-established national associations are doing much to provide training and guidance. However, resources inevitably fall short of the requirements. To reinforce this work, informal contacts, meetings, invitations, and visits can all be turned to good account. Perhaps it is natural that those who have learned to think internationally are at the forefront of the efforts to establish actuaries in new territories.

The protectionist "for ourselves" is linked with this, because as the globalization of the actuarial profession becomes more evident, so the pressure for common standards and practices increases. There will, eventually, be a single definition of an actuary worldwide. We must start considering at what level that definition should be set. Is it to be set only in technical terms, or is it to embrace the essence of professionalism and the taking of responsibility? To make sure that it is set at a level acceptable to us, we need to mix with others to check that their ambitions are aligned with our own.



Of course, "world standards" is what the new International Forum of Actuarial Associations (IFAA) is all about. But as individual members of our respective associations, we cannot just leave it to them. They need active support, and they will need successors. And, if the IFAA is to fulfill the promise of its very successful launch, those successors will be actuaries who have taken a constructive interest in the international scene.

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## Globalization (continued from page 1)

not well attended. We will, however, continue to provide our members with the opportunity to experience such topics, because it is important. However you do it, you can only gain from adding a new international perspective to your knowledge. Think about the ways and means to become more informed; everyone will give it a different priority. I encourage you to

think about it and act on it.

Earlier this year, the Society of Actuaries removed reference to its predominantly binational nature from its Mission Statement. This was done in recognition of the increasing percentage of non-North American members and the fact that most significant intellectual and professional ideas are international in application and scope. We will

continue to emphasize this increasing globalization of the profession through our communications, research and education, and our International Section and International Relations Committee. I welcome your ideas on how to accomplish this. You can e-mail me at [73462.27@compuserve.com](mailto:73462.27@compuserve.com).