



SOCIETY OF ACTUARIES

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Tips on going international

by Kevin Law and Carolyn Geigerman

Many insurance companies and consulting firms are “going international” — expanding their operations beyond the borders of their own nations and increasing the number of countries in which they operate. As various countries form economic alliances (for example, NAFTA) and advancing technology improves communications, actuaries will face a growing number of challenges and career growth opportunities. Here are some tips for actuaries interested in jumping on the international bandwagon.

Develop a strong foundation in general actuarial concepts

Focus on basic principles in your actuarial studies. The underlying concepts and methodologies are likely to apply to other countries’ markets. However, the specifics you will encounter — types of products, sources of reliable statistics, financial reporting requirements and regulatory environments — could vary significantly from North American norms. Know the general principles, and be prepared to use some creativity in applying those principles to the economic and regulatory conditions in other countries.

Learn about the international insurance environment

International insurance and employee benefits present issues and challenges that are relevant for actuaries, particularly in product development and investments. The varying demands of different markets and regulatory environments allow actuaries to design and work with products that have features unlike North America’s. It is important to keep an open mind when you encounter products and practices that would be considered unconventional in the United States and Canada.

Some government policies, such as limitations on the flow of currency across borders, can present complications for multinationals. Investment strategies and

requirements may vary where multiple economies and currencies are involved. Special techniques need to be applied for managing the risks associated with fluctuations in exchange rates, inflation, and interest rates.

Join the SOA’s International Section

Recognizing the growing importance of international issues, the Society of Actuaries (SOA) formed the International Section in October 1991. The *International Section Newsletter* contains information on the actuarial profession, the insurance industry, and employee benefits in other countries. Attending Section-sponsored sessions at SOA meetings and volunteering for Section activities and projects affords you the chance to meet actuaries with similar interests and to learn more about international topics.

Network with actuaries practicing in the international arena

Many actuaries already engaged in international business are happy to share their personal experiences and offer advice. Networking with them greatly increases your chances of learning about job opportunities and being considered for available positions.

Also, consider reestablishing contact with former classmates from overseas pursuing careers in the financial services sector who may be able to offer helpful suggestions and provide contacts.

Contact actuarial organizations in other countries

The SOA maintains a list of actuarial organizations abroad. The SOA is closely associated with the Institute of Actuaries in England, the Institute of Actuaries in Australia, and the Faculty of Actuaries in Scotland, but there are many others. Publications from foreign associations can provide insights into the issues facing actuaries in those

countries. Their literature may also list available positions. If possible, attend meetings of the actuarial organizations to take advantage of their educational and networking opportunities. It’s also important to learn what qualifications and work permits are required to practice as an actuary in other countries.

For more information on international actuarial organizations, contact the SOA Reference Library or consult *Actuaries Online*.

Become familiar with cultural differences

Social protocols differ among countries and regions. Knowing the regional business etiquette can greatly enhance working relationships and prevent embarrassing mistakes. Certain customs may vary considerably: the emphasis placed on punctuality, whether business meetings are combined with cocktails or meals, and the amount of social conversation expected before business begins, among others. You can learn more about the subtleties of customs by reading books and articles or by consulting someone with experience in the country of interest.

Learn a second language

Bilingual actuaries are in demand. Knowledge of a second language can open the doors of international business. Recruiters have even been known to look for Spanish surnames in the *Directory* in search of bilingual actuaries to work with insurance portfolios located in Latin America. However, you don’t need to go so far as to change your name to get a position. Just be sure to include your foreign language skills on your resume.

Although some effort and dedication are required to learn a foreign language, the benefits are many. Actuaries have an advantage. They are not strangers to hard work and disciplined study. You might find that

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The Committee on Health Benefit Systems Research has agreed to contribute \$25,000 toward a study of alternative health care being conducted by David Eisenberg, M.D., assistant professor of medicine at Harvard Medical School.

The working group on the Definition of Measuring Managed Care Effectiveness is drafting a monograph outlining the issues involved in defining a framework for evaluating the effectiveness of managed care.

Life insurance

In response to a request from the Mexican actuarial organization, Colegio Nacional de Actuarios (CONAC), the SOA is providing assistance in setting up life, annuity, and disability experience studies. Faye Albert, Albert Associates, has prepared a report detailing the scope and depth of the assistance required.

The study of Long Term Bond Yields of Life Companies with Junk Bond Portfolios has been extended to include data through 1995.

The Individual Annuitant Valuation Mortality Table has been approved by the project oversight group and is being reviewed by the Committee on Life Insurance Research. It is expected to be approved before the September NAIC meeting.

Retirement systems activity

The data collection phase of the GATT Mortality Study is complete. The total exposure collected is almost 15 million life-years. The researchers, led by Kathy Elder of Frostburg State University, are now constructing the mortality tables.

The data collection phase of the Turnover and Retirement Rates project is complete. Steve Kopp, University of Western Ontario, leads the research team that is constructing decrement tables from this data.

The project oversight group for the Macrodemographics Model Feasibility Study has approved the sample draft report submitted by Capital Research Associates. Work is proceeding on the final report for phase 1.

Committee news

The Experience Studies Oversight Subcommittee has drafted guidelines to help those involved in preparing experience studies carry out their responsibilities.

Guidelines for charging for research project products have been developed and were submitted to the Executive Committee for consideration. Work is progressing on developing guidelines to create and distribute public use databases.

In July, the members of CAS and SOA Principles committees met to develop a joint statement of general actuarial principles. Work on this project continues.

SOA monograph series

The first four monographs in the SOA monograph series are based on SOA research projects: "Public Employee Retirement Plans Research: Experience Studies, Valuation Reports and Unfunded Liabilities"; "Public Financial Guarantee Programs"; "Valuation of Interest Sensitive Financial Instruments"; and "A Comparative Analysis of Methods of Health Risk Assessment."

Keep in touch with Research

The "Resources from Research" brochure is available from Judy Yorc, 847/706-3573 or 76041.2336@compuserve.com. It consolidates information about SOA research activity products.

Remember to check Actuaries Online, the SOA's electronic bulletin board, for requests for proposals, calls for papers, research reports, and other research information. You can also contact the Research Department at the Society's office at 847/706-3500.

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intensive courses — in which little or no English is spoken — are very effective and a lot of fun.

Be ready to seize opportunities when they occur

Consider carefully in advance the characteristics of the most desirable position for you. Do you want to live in the United States or a foreign country? How much do you want to travel? Do you prefer a "start-up" opportunity or established operation? If you have

preferences for particular countries or regions, be sure to learn about social and cultural differences. It is also a good idea to visit an area before making a final decision. The perfect opportunity may only come around once. Be prepared by thinking ahead about these important decisions.

¡Buena suerte! Bon chance!
ご成功を祈ります Viel glück! 祝您好运
Good luck!

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