



SOCIETY OF ACTUARIES

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Globalization of the actuarial profession: Response from Mexico

by Sofia Romano

Let me point out a few reasons why we in Mexico are able to agree with Sam Gutterman's thesis that the world is shrinking.

NAFTA

With this agreement, insurers of the three signing countries will be able to invest in the other two and establish wholly owned subsidiaries. Actuaries will be traveling around practicing in the three countries, applying universal principles and, at the same time, complying with local regulations.

Mexican Social Security privatization

The Mexican Social Security System will experience a profound reform starting in January 1997. Private entities will play a significant role in this new scheme. Individual savings accounts will be created for each worker from funds that are identified as his. Special private organizations

will manage and invest these funds. Insurance companies will pay all of the Social Security annuities.

Actuaries will face new challenges dealing with new risks and uncertainties, but other countries have gone through this process in the past. For example, Chile, Argentina, and Colombia have previously privatized their Social Security systems. Why reinvent the wheel?

IFAA

The Colegio Nacional de Actuarios is a founding member of the International Forum of Actuarial Associations. IFAA is clearly a response to globalization needs. We all will have to try to unify our standards, education programs, codes of ethics, and disciplinary processes.

Foreign investment

Besides NAFTA, Mexico is clearly open to foreign investment. An important proportion of the insurers

operating in Mexico have some investment coming from abroad.

In summary, I want to mention the following:

- Globalization is not part of the future; it exists today.
- We have to use all modern technological tools available today in order to improve communication.
- We must take advantage of all the different congresses, meetings and seminars that includes global themes. The International Congress of Actuaries (ICA), sponsored by the International Actuarial Association (IAA), plays a key role in this aspect. The next two ICAs are in Birmingham, England, in 1998 and in Cancun, Mexico in 2002.

Sofia Romano is secretary of the Colegio Nacional de Actuarios, Mexico.

Fall 1996 exam preparation seminars

Waterloo Actuarial Seminars

Waterloo Actuarial Seminars will offer preparation courses for most Society of Actuaries courses during October. Prof. F. G. Reynolds, FSA (519/886-5232) teaches the following courses in Waterloo: 151, 160, 161, 220, I-342C, P-362U, F-385, F-485, I-545, P-566U, F-590, V-595. He teaches the following courses in St. Louis: 220, G-320, I-343U, I-441U, and I-542. Prof. K. P. Sharp, FSA, (416/975-1850) teaches Course 210 Chicago and Hartford. Prof. G.E. Willmot, FSA (519/886-5734) teaches Course 150 in Hartford.

S. Broverman Seminars

Exam preparation seminars for the November 1996 exam period will be held during September and October in Chicago, New York, and Toronto for courses 120, 130, 135, 140, 150, 151, and 160. For details, please contact Prof. S. Broverman, University of Toronto, at his *Directory* address or call 416/978-4453 or 416/966-9111.

Temple University Actuarial Institute and CAMAR Seminars

Intensive review seminars will be offered in Philadelphia, Penn., by Temple University Actuarial Institute

during September and October for courses 140, 151, 160, 165, 210, 220.

CAMAR (Casualty Actuaries of Mid-Atlantic Region) offers these review seminars of interest to SOA students in September and October: 100, 110, 120, 135, 4A, 4B (Credibility Theory & Loss Distributions). For more information, contact Bonnie Averbach, Program in Actuarial Science, Ritter Annex 475 (004-00), Temple University, Philadelphia, PA 19122, 215/204-8153.

Globalization de la profesion actuarial

para Sofia Romano

Nos gustaria, a través de este medio, señalar solamente algunas razones por las cuales, en México, consideramos totalmente válida su tesis acerca de que el mundo se esta volviendo cada vez mas pequeño:

NAFTA

Con la puesta en marcha de este tratado, las compañías aseguradoras de los 3 países participantes pueden invertir en las otras dos y establecer subsidiarias que posean totalmente. Los actuarios van a estar viajando a los otros países, debiendo aplicar principios universales y al mismo tiempo cumpliendo con las regulaciones locales.

Privatización de la seguridad social en México

La privatización de la Seguridad Social en Mexico experimentará una profunda reforma, la cual empieza en Enero de 1997. Entidades privadas jugarán un papel significativo en este nuevo esquema:

- Se crearán cuentas individuales de ahorro para cada trabajador, las cuales serán constituidas con sus propias aportaciones. Organizaciones privadas especializadas administrarán e invertirán estos fondos.

- Las compañías de seguros pagarán todas las anualidades que se deriven de la Seguridad Social.

Los actuarios enfrentarán nuevos retos al tratar con riesgos totalmente diferentes a los que se usualmente se han manejado.

Sin embargo, otros países han pasado por este proceso en el pasado. Por ejemplo, Chile, Argentina, y Colombia han privatizado ya, sus sistemas de Seguridad Social. Porque inventar el hilo negro y no aprovechar la experiencia que ya se tiene?

IFAA

Nuestra organización actuarial es un miembro fundador del Foro Internacional de Asociaciones Actuariales. IFAA es una respuesta clara a las necesidades de globalización. Todos tendremos que tratar de unificar nuestros standards, programas de educación, códigos de ética y procesos disciplinarios.

Inversión extranjera

Además de NAFTA, México esta claramente abierto a la inversión extranjera. Una proporción importante de aseguradoras que operan en México tienen participación extranjera dentro de su capital:



En resumen me gustaria puntualizar lo siguiente:

- La globalización no forma parte del futuro, la estamos viviendo.
- Tendremos que usar todas las herramientas tecnológicas modernas disponibles en la actualidad, de tal forma que optimicemos la comunicación.
- Tenemos que sacar provecho de todos los diferentes congresos, juntas y seminarios para incluir temas de la globalización. El Congreso Internacional de Actuarios (ICA) organizado por la Asociación Internacional de Actuarios (IAA) juega un papel clave en este aspecto. Los siguientes dos, serán, Birmingham, Inglaterra, 1998; Cancún, México, 2002.

Sofia Romano, Secretario de Organizacion del Consejo Directivo, Colegio National de Actuarios, México

Opportunity (continued from page 2)

You might even find some new opportunities down the road.

An often overlooked and under-utilized area for learning is the SOA meetings. Check out the many facets of actuarial practice today as illustrated in the program for this year's annual meeting in Orlando. What a variety of learning opportunities and a bounty of new realms to explore. Of course, there are great excuses not to go:

- "My company won't pay my way." (Are you too frugal to invest in your own education and future?)
- "There aren't any sessions on my detailed area of expertise." (Maybe you're the expert and should be presenting. Or better yet, what a great opportunity to take a look at something different or new.)
- "I only go for the networking." (Great! Building relationships can really pay off when you're looking

for technical help or to change jobs someday. But sneak into some of the sessions; you'll be surprised what you'll learn. And, networking goes on there, too.)

However you choose to do it, prepare for your future. Learn new things. See new opportunities where you are or elsewhere. Go to a place where you've never gone before and gain new knowledge. And keep doing it your whole life.