



SOCIETY OF ACTUARIES

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a future actuary who has spent, say, five years at your organization, how he or she likes being thought of as a “student.” The Society’s exam statistics confirm that the profession isn’t growing — the number of new fellows in May 1998 was 140. Ten years earlier, in May 1988, the number of new fellows was ... 140. And the next decade doesn’t look much better — the number of candidates writing exam 100 or 110 has declined by almost 40% in the last 10 years. (Part of this decline may be due to a tightening up of the standards for these two courses which has discouraged some people from writing them.)

- The E&E system is a huge drain on actuarial resources. The volunteer time spent by the E&E committee and the study time spent by students could better be used by our employers, in other actuarial committee work, and with our families.
- Historically, the E&E system has been very successful in teaching students how to become exam takers.

It has been less successful in teaching them how to think, integrate material, and solve broad problems.

Changes made in the last decade have improved the situation significantly. However, I doubt whether it’s possible for any home-study program to adequately teach these critical skills. Isn’t that one of the key roles of universities in society?

In light of the above, you might ask why the SOA is one of the few actuarial organizations in the world that does not recognize university actuarial credentials. One actuarial body, the Institute of Actuaries of Australia, has nearly made the change. Also, the British Institute and Faculty of Actuaries work cooperatively with a number of universities and give exemptions for their exams to graduates with appropriate marks in the relevant courses (and consulting with an external examiner who sets the standards for the exemptions).

One possible reason the SOA hasn’t built closer bonds with academia is that many SOA members may fear a university-based approach will lower our

standards. I and many others believe it will change, not lower, the standards, as different skills than those needed in the past will be taught and tested — skills that will be critical to the growth of the profession. In addition, some members may continue to believe, “I had to pass the exams, so you have to, also.”

A second reason we haven’t changed is a concern that many actuarial programs do not adequately teach the necessary mix of technical and business skills. However, if we change the focus of our E&E system, universities will change their approach to actuarial education. Because of the size of our profession, it may be best to designate a small number of universities in North America as qualified to grant actuarial degrees recognized by the SOA. These universities would develop robust programs, as they would be assured of sufficient enrollment to make their programs viable.

It’s time we changed. Good luck, Howard.

SOA donates books to Chinese actuarial group

by *K.C. Chan*

It was inevitable with China being recognized as the largest insurance market with its 1.2 billion people that the importance of the actuary would quickly emerge. Not only is this a critical time for the development of China’s insurance industry, but also for the actuarial profession. The Chinese government has recognized the need to train actuaries under its own system and is in the process of forming the Chinese Actuarial Association (CAA). To help develop its curriculum and symbolically support its efforts, the Society of Actuaries recently donated a substantial collection of actuarial

education materials to the CAA.

In September, Howard Bolnick, as SOA president-elect, presented the books in a ceremony in Beijing to members of the Preparatory Committee of the CAA, Ying Ning Wei, deputy general and senior economist of the People’s Bank of China’s Insurance Department, and Lufu Pan, executive vice chairman of the Insurance Institute of China. Zhenghuai Li, vice chairman of the Preparatory Committee and advisor on Chinese actuarial matters to the SOA Greater China Committee (GCC), coordinated the ceremony. Also representing the SOA were K.C. Chan,

Dominic Lee, and Danny Chung. Other representatives from the CAA and the Insurance Institute of China were also in attendance.

This truly was an important step to building the relationship between the CAA, what may one day be the world’s largest actuarial association, and the SOA and the international actuarial community.

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