



SOCIETY OF ACTUARIES

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The Journey to Asia

by Norm Crowder, SOA Past President

In late summer, I undertook a trip to the Far East to visit Society members in four countries: Singapore, Malaysia, Taiwan, and China — both Hong Kong and the mainland.

In total, there are 700 SOA members in this emerging area. Other reasons for this trip were to assist in the development of the profession locally and to help raise the visibility of actuaries in these countries. The latter consisted of meetings with insurance regulators and government officials to discuss current issues and to encourage more involvement of actuaries in insurance and pension policy matters.

Singapore, Malaysia, and Taiwan

Singapore is a stable, growing, and well-developed insurance market. So is Taiwan. Malaysia is just developing a market of local insurers. There were a variety of issues they wanted to discuss with some common themes.

In each country, I found a strong interest in risk-based capital approaches.

Both actuaries and regulators are studying this methodology for use in their markets. The regulators are also considering greater oversight of non-life companies. Pension and social security reforms are major concerns in Taiwan due to an aging population and past underfunding. Singapore and Malaysia have a shortage of qualified actuaries, especially in

the latter where there may be only 15 or 16 qualified actuaries with some 15-20 life companies.

Malaysian companies also tend to be short of capital and management talent.

Hong Kong and Mainland China

Hong Kong is a well-developed and growing market, with a variety of equity products in place. We have about 200 members there, working in numerous insurance and consulting firms.

We visited three cities in Mainland China: Beijing, Tianjin, and Shanghai. There, we found a rapidly evolving insurance industry, with both emerging local companies and foreign companies eagerly waiting to enter this vast market.

American International Assurance, the original member of the AIG, is the largest life insurer in China and the largest employer of actuaries. We visited three large universities: Peking, Nankai, and Fudong. I observed

the rapid development of actuarial education in these universities. For example, the Nankai University actuarial program has 100 undergraduates, 45 master's candidates, and 12 Ph.D. candidates.

At Nankai, I gave the keynote address at a seminar marking the opening of the Nankai Research Centre, which the Society helped fund. In each city, I spoke to groups of actuaries and industry leaders, e.g., the Insurance Forum of the American Chamber of Commerce in Beijing, which has 21 major North American

company members in the process of entering the China market. In Beijing, I also met with several governmental groups and ministries to discuss social security reform, pensions, and regulatory issues.

The China Insurance Regulatory Commission (CIRC) is the government body designated to oversee the development of the insurance markets, to develop their regulatory framework, and to direct the evolution of the actuarial profession in China — quite an agenda, with a small and relatively inexperienced staff.

Our China Region Committee and other Society members have been helping the CIRC on several of these tasks, including the first set of actuarial exams given last fall. The CIRC is planning a second round of exams in December, which will add life insurance, economics and non-life insurance topics to the two initial mathematics exams.

In closing, I'd like to acknowledge the China Region Committee, under the leadership of K.C. Chan, which has been working very hard to bring the Society resources to our members and students in the Far East. They, along with Pat Kum of the Joint Actuaries Office, have organized and sponsored a local Course 7 seminar, exam and reference centers, an ASTIN seminar, and other professional development offerings. The group also worked very hard to make my visit to China both visible and productive for the Society and actuaries.

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