



SOCIETY OF ACTUARIES

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Pacific Rim Gala Banquet – Keynote Address

by Paul Chow

The International Actuarial Association (IAA) began in 1895 as an association of individual actuaries under the name the “Permanent Committee of International Congresses of Actuaries,” with a meeting held in Brussels. The name International Actuarial Association was adopted in 1968.

In 1998, a major restructuring occurred and the IAA became an organization of actuarial associations, rather than an association of individual actuaries. There are currently more than 50 Full-Member Associations (FMAs) that meet certain codes of conduct, a disciplinary process and minimum education guidelines. For example, the Society of Actuaries is an FMA of the IAA. Associations that do not meet FMA requirements can still participate as observers and are named Associate Member Associations. Actuaries who are members of a FMA are automatically members of the IAA.

Mr. Jean-Louis Massé is the current president of the IAA, and he was a guest speaker earlier this year at the Pacific Rim Actuaries’ Club of Toronto gala banquet. He spoke about “Building the Actuarial Profession Internationally,” and most of this article is based on his presentation.

The IAA helps to build the actuarial profession internationally by enhancing the reputation of actuaries in various geographic locations, promoting high standards of practice and promoting education of actuaries. With the restructuring of the IAA, some of the responsibilities are shared with various member associations.

The IAA works with the member associations to ensure that minimum education guidelines are met. There is a global core syllabus that is approved by the IAA. This is supplemented by local topics, such as social security programs, legislation and language. Smaller local associations can focus on country-specific education. In addition, there may be more conditions and



minimum local-experience requirements for actuaries rendering opinions.

With limited resources to develop comprehensive education and examination systems, education is one of the major challenges for new actuarial associations. They often rely on E&E systems that are available internationally so that they can focus on country-specific materials and examinations.

The IAA promotes international standards of practice among actuaries, and is therefore aligned with regulators and accountants in serving the international community. The IAA also recommends country-specific standards of practice to protect the local clients, local actuaries and the image of our profession both locally and internationally. Almost half of the existing actuarial associations have no formal standards of practice. Therefore, the IAA is trying to develop practice guidelines on an international basis. The IAA would like to move to a platform that allows it to set compulsory international standards.

With fewer than 50 countries served by IAA member associations, there is a lot of room to expand the services of our profession. Actuaries have the skills to help local economies to grow by developing public and private programs that promote savings. These financial programs need to be sound and to be operated by skilled and

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competent professionals. In most countries, actuaries work in insurance and pensions. However, our skills can be applied to wider fields such as enterprise risk management. Competence in our profession requires a global code of conduct, supported by top-level and up-to-date education, guided by strong standards of practice and subject to an objective disciplinary system.

As the audience had an interest in the Pacific Rim region, Mr. Massé also spoke about the growth of the actuarial profession in Asia. There are seven countries in Asia (Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore and Taipei) that have actuarial associations that are FMAs in the IAA. In addition, Kazakhstan, South Korea and Thailand have actuarial associations that have Associate Member status in the IAA.

In Asia, the current challenge is to get the actuarial profession in China involved. The IAA has formed a China Sub-Committee. It participated in the formation of an actuarial association in China, assists with educating actuaries in China and is helping to develop

professional standards so that they will eventually qualify to join the IAA. In addition, the Society of Actuaries of China is seeking registration with the Ministry of Civil Affairs as an independent professional association.

The Pacific Rim Actuaries' Club of Toronto thanks Jean-Louis Massé, president of the IAA, for his presentation on "Building the Actuarial Profession Internationally." There were more than 140 members in attendance, including a few actuaries from outside the greater Toronto area. In addition, the meeting featured many great door prizes made possible by more than 20 corporate sponsors. The club is very grateful for the many insurance companies, reinsurers, consulting firms, accounting firms and software companies who have been loyal supporters of the club for many years. To learn more about our club and future events, please visit our Web site at www.pacificrimactuaries.com. □



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