



SOCIETY OF ACTUARIES

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Chairperson's Corner

by Marc Slutzky



Marc Slutzky, FSA, MAAA, is a consulting actuary at Milliman Inc. in New York, N.Y. He can be reached at marc.slutzky@milliman.com.

It is hard to believe that it is already time for me to write my column for the International Section newsletter again. To date it has been a very busy year.

The Society of Actuaries is making great progress on the section and practice area evolution. Our section now has Shu-Yen Liu, a member of the SOA Board of Governors, as our board partner. This will enhance two-way communication between your Section Council and the BOG. The SOA has also enhanced training for the Section Council members and other volunteers such as the newsletter editor and SOA meeting representative by using more face-to-face training, webcasts and written materials. We have all learned more about reaching out to our members and finding out what their needs are.

I believe that the key to the future success of our section is volunteering. This includes both volunteering your ideas as well as your time. We have lots of room for people who have

ideas for seminars, webcasts, meetings and other ways of serving our widely dispersed membership. If you would like to organize one of these activities yourself or partner with a local actuarial club, please let us know and we will help to make it a success. If you would like to volunteer your time or talent for other activities not mentioned here, or if you have other ideas you feel would positively impact the section membership, please let us know. If you are an ambassador, please let us know how we can help.

We had a great session at the the SOA Meeting in New Orleans, and we have great activities planned for the Annual Meeting in New York in November.

I look forward to seeing you at a meeting or hearing from you by e-mail. Let's discuss your ideas! □

Vietnam Life Insurance Regulation Update

by Huynh Thanh Phong

The new regulations issued on October 19, 2004 by the Ministry of Finance (MoF), the regulatory body of the insurance in Vietnam, have wide-ranging implications on the Vietnamese life insurance market and are presenting big changes for practicing actuaries. They include:

- 1) A minimum reserving requirement, based on the Zillmerisation method
- 2) Separation of funds for policyholders and shareholders
- 3) Profit sharing between policyholders and shareholders in participating business
- 4) New limits on commission remunerated to the sales force
- 5) Financial condition reports, to be submitted quarterly and annually
- 6) Introduction of Appointed Actuary's role, with responsibilities to sign off financial condition reports, product submissions and other actuarial reports to the MoF

All of these changes became effective on a phased approach starting January 1 with some key regulations only effective one year later. Life companies are feverishly preparing themselves to comply with the new regulations.

For large multinational companies like Prudential Assurance plc and AIA, these new regulations are welcome developments which will undoubtedly strengthen the industry and limit unhealthy practices among life companies in Vietnam.

However, it is questionable whether smaller and newly formed companies will have the necessary resources to comply within such a short implementation timeframe. This may affect the pace of the industry's growth in the short run. □



Huynh Thanh Phong, FSA, FCIA, is a consulting actuary at Prudential Insurance in Vietnam. He can be reached at ht.phong@prudential.com.vn.