



SOCIETY OF ACTUARIES

Article from:

International Section News

September 1998 – Issue No. 17



INTERNATIONAL SECTION NEWS

NUMBER 17

SEPTEMBER 1998

Chairperson's Corner

by Michelle Chong Tai-Bell

The results are in ... Michael Gabon, Ronald Poon-Affat, and James Toole have been elected to our Council. As you can see from the following bios, the new members of our Council have been quite active as members of the SOA and of the International Section.

- **Mike Gabon.** Mike is a manager with KPMG Peat Marwick in New York. His major field of professional activity is in providing financial risk and reinsurance solutions for domestic and international life client companies. He has participated in numerous SOA activities having been a Financial Reporting Section panelist in 1996, a moderator/panelist for the 1997 Annual Meeting, and International Section Program Committee representative

continued on page 8, column 1

The Future of the Brazilian Health Market

by Ronald L. Poon-Affat

In the first week of June 1998, the Brazilian Senate passed the long-awaited Act that radically revises the regulation of the private health insurance industry. The importance of this passage should not be underestimated; the revisions will have an impact on a \$17 billion (U.S) industry encompassing 1,400 registered health carriers, 233,000 physicians, and 41 million private health clients.

This is understandably a very complex piece of legislation, which is still being hotly debated (even as this goes to press). The intention of this brief article is to give a general overview of the reforms and to highlight some of the main challenges, that now face the health industry.

The intention of the legislation is to effect the following revisions:

- To standardize the "product" that the health industry sells
- To level the "reporting requirement" playing field of the various players
- To place the industry on a stronger financial footing
- To allow health carriers to gain direct access to the capital of foreign partners
- To put into place a facility that will allow the government to receive financial compensation in the event that a person with a private plan uses the government's services.

The following develops each of these points in more detail.

continued on page 10, column 1

In This Issue

	<i>page</i>		<i>page</i>		<i>page</i>
Asia Committee Begins to Roar by Chelle Brody	9	The Future of the Brazilian Health Market by Ronald L. Poon-Affat	1	Minutes of the International Section Conference Call, Monday, July 20, 1998	27
Call for Papers	6	Insurance Regulation in Spain—Changes and Challenges by Daniel A. DeKeizer	23	Reforming Taiwan's NHI with Managed Competition by Chiu-Cheng Chang	16
Chairperson's Corner by Michelle Chong Tai-Bell	1	International Actuarial Workshop Held in China	13	Seminars in Asia Mark a First by Shirley Shao	14
Editor's Notes by Kevin M. Law	3	International Sessions at the Annual Meeting by Michael Gabon	31	SOA Ambassador List	29
The Equation for Success—Professionalism and Profitability: Part II: Focus on Asian Market by Thomas H. Kelly	12	The Italian Life Insurance Market by Alessandro Corsi	21	SOA Ambassador Program Evolves	2
Filipino Actuaries Attend Management Seminar by Angelica Michail	7	Life Assurance in Dublin's IFSC by Colm Fagan	25	Use of Embedded Values (Shareholder Value) by U.S. and European Insurance Companies by Allan D. Affleck and Steven I. Schreiber	19
Foreign Insurance Investors in Latin America: Can They All Survive and Prosper? By Camilo J. Salazar	3				

Chairperson's Corner*continued from page 1*

for the 1997 Annual and 1998 and 1999 Spring meetings.

- **Ronald Poon-Affat.** Ronald is Director and Vice President of General and Cologne Re Brazil Ltda. He is responsible for the management of the Life and Health Unit of the Brazilian operation. He has lived and worked in England, Puerto Rico, Trinidad, Tobago, and now Brazil. Ronald is a past Council member of the Caribbean Actuarial Association and currently SOA Ambassador to Brazil.
- **Jim Toole.** Jim has more than ten years of actuarial experience in the product development, bancassurance, and merger and acquisition areas, most recently spending two years working in South America and Australia from the Mexico City office of Tillinghast. He is a former SOA Ambassador to Mexico. His Society activities also include being instrumental in establishing a SOA exam center in Puebla, Mexico, a founding member of the Computer Science Section, Council member for four years, past editor of *CompAct*, the newsletter of the Computer Science Section, as well as a frequent SOA meeting session moderator.

As a result of this election, the newly elected International Section Council is as follows (terms expire):

- Joshua Bank (2000)
- Michael E. Gabon (2001)
- Richard J. Geisler (1999)
- Jeong S. Han (2000)
- Peter K.Y. Luk (1999)
- Angelica B. Michail (2000)
- Bruce D. Moore (1999)

- Ronald L. Poon-Affat (2001)
- James F. Toole (2001).

Outgoing members are Kevin Law, newsletter editor; John Nigh; and myself. The term of the new Council members begins at the Society's October Annual Meeting.

The internationalization of the profession is indeed accelerating. In 1998, in Birmingham, U.K., the General Assembly of the International Actuarial Association (IAA) voted to restructure the IAA into an association of associations. This umbrella association will provide the impetus to the creation of a truly global profession with common codes of conduct, minimum educational standards, and the like. What's more, the IAA will become the platform for our profession's voice on the world stage, forging relations with such bodies as the International Accounting Standards Committee, the International Social Security Association, the World Bank, and the International Monetary Fund.

The International Section, led by your new Council, has exciting times ahead. The mission of the Section—to encourage and facilitate the professional development of its members in the areas of international insurance, pensions, or social security programs, as well as international areas of practice—is becoming even more important in the lives of a growing proportion of Society members. In recognition of this, the Society has provided additional staff support to the Section. The Society recently reorganized with a view of facilitating coordination between the Sections and the practice areas. Most Sections have been assigned a staff Fellow or a managing director, providing

Fellows a communication link between the Section and the appropriate practice area and to the Board of Governors. In the case of the International Section, our staff liaison is Chelle Brody who has rejoined the Society as Manager of International Affairs. Chelle will provide a necessary point of contact between the International Section, the International Issues Committee, the Asia Committee, and the Board of Governors. It has been a pleasure working with Chelle, and I urge the new Council to make use of her support and advice.

Since this may be my last "Chairperson's Corner" as I welcome Mike, Ronald, and Jim to the Council, I wish to take the opportunity to thank Kevin and John for their yeoman's service over the years. Kevin is the longest standing and most experienced member of the Section, having been a member of the Council since 1993. He was Vice-Chair in 1995, Chairman in 1996, editor of six issues of our newsletter from December 1993 to August 1995, and resumed the position of editor with our last issue in June 1998. John, who joined the Council in 1995, has also had an illustrious career as editor of the Section newsletter, having been editor of six issues from December 1995 through to February 1998. I would also like to thank everyone on the Council and the membership for their support. It has been an enjoyable year chairing your Council.

Michelle Chong Tai-Bell, FSA, is Executive Director, Individual Insurance, Maritime Life (Caribbean) Ltd., in Trinidad and Chairperson of the International Section Council.