



SOCIETY OF ACTUARIES

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# International Section News

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## Editor's Notes

by Kevin M. Law

Once again the *International Section News* is fortunate to include a wide variety of material of interest to actuaries working in the international arena.

Before proceeding to provide an overview of the lineup of material for this edition, I would like to encourage Section members to share their international experience and expertise by contributing an article to *International Section News*. As is typically the case, we have already begun attempting to acquire material for the subsequent issue, simultaneously with developing and finalizing this edition of the newsletter. While some progress has been made in obtaining articles and commitments for the next issue, plenty of space is still left for additional articles. So, if you might

be inclined to submit an article, but haven't done so thinking that it could be overlooked or not considered for publication, please don't be concerned about that possibility. While we commonly have a significant amount of very good material, we never have an excess of articles for the newsletter. We look forward to receiving your contribution!

Chiu-Cheng Chang and Geraldine Chen collaborated to contribute our lead article: "A Social Security System for the 21st Century." Their paper has been divided into two parts for newsletter publication, with the second half to appear in the subsequent issue. In this first installment, the authors describe a number of major trends that are expected to continue into the next century that will affect the viability of social security systems.

Section Council member Jim

Toole describes an initiative by the International Section in "Country Web Pages Take Shape" that has the potential to develop into a valuable resource for our members. The idea is to compile, with the assistance of our Ambassadors, pointers on the SOA website that lead to country-specific insurance industry information and statistical data of use to actuaries. This is a very positive development that I hope will be supported and utilized by the membership. It directly addresses what is frequently a difficult challenge in international actuarial work, which is obtaining



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pertinent data and information about other countries.

One aspect of actuarial involvement in the international financial services sector that differs from purely domestic actuarial roles is the requirement to periodically work with distinct currencies and to address financial issues that require currency conversions. Ken Mungan's insightful article "Valuation of Cross Border Insurance Ventures" presents, by way of a numerical example, the importance of properly matching currencies and discount rate assumptions in the process of computing actuarial present values.

Ronald Poon-Affat, also currently a Section Council member, continues his series of articles on Brazil (see page 18). Ronald presents the results of an interview with Stefan Keene, who is currently with CIGNA's Brazilian operations in the health field after working in the United States for a number of years. This article will be of interest to actuaries who have either previously worked overseas or are contemplating doing so in the future.

"Wing Walking in Russia" by Mark Mariska on page 13 presents a comprehensive overview of the private insurance industry in Russia during the decade of the '90s. The industry has grown rapidly in a period of significant political change and economic turmoil, having to adapt rapidly and face many challenges. I am confident that many of our members will find this article to be

interesting and informative reading.

One of our fellow SOA Sections, the Financial Reporting Section, sponsored a successful seminar last August in Buenos Aires, Argentina. A summary of this seminar, provided by Ed Robbins, is included in this issue. Incidentally, the International Section Council is considering the possibility of sponsoring a seminar in conjunction with the SOA annual meeting, as reported in the minutes of the 4/5/99 Section Council meeting published in this newsletter.

We have also taken the liberty, with permission of course, to borrow material from another SOA Section, the Investment Section. Nino Boezio presents in "The Euro Will Eventually Lead to Global Instability" a series of thought provoking analyses and conclusions.

The new SOA exam structure that will be implemented next January features a Professional Development (PD) component that is the final hurdle to be cleared in order to receive an invitation to attend the Fellowship Admission Course and acquire the FSA designation. The requirements and process for completing the PD plan are succinctly summarized in the article contributed by August Chow. According to my understanding, the PD aspect of the new SOA exam structure is advantageous for actuarial students working outside Canada and the United States, as it may be tailored to reflect the countries in which they work. Much of the detailed U.S. and Canadian exam material

that such students have previously been required to learn has not been relevant to their environment.

Angelica Michail is currently serving double duty as a member of both the International Section Council and the SOA Committee on International Issues (CII). Her "Clearinghouse Scholarship Program" article describes an initiative of the CII to assist students in low-income countries with the expenses associated with SOA exams.

The number of actuarial educational programs outside of North America has grown significantly in recent years. Michael Hubbart informs us in his article on page 23 of a program at Cairo University in Egypt that has just produced its first graduating class.

Finally, Patrick Cichy, SOA Coordinator of Asian Services based in Hong Kong, provides an update on two recent activities of the China Region Committee (CRC): the establishment of SOA Reference Centers at various universities and the results of a recent CRC membership survey.

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## Questions from Hong Kong Abound on New PD Systems

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managing director of core studies and global initiatives, participated by phone to help answer questions on the spot.

Mr. Chow also met with the China Region Committee and members of the Southeast Asia Committee by conference call to discuss ways in which they can provide seminars in their respective regions to qualify for the professional development credit. Mo Chambers, director of SOA International Affairs, has

requested the SOA Board of Governors provide financial support for the presentation of professional actuarial educational programs outside North America that will count toward the PD requirement. The Board is sensitive to the appropriateness of this kind of support. Watch for announcements later in the year of PD programs slated to be presented in areas outside North America, particularly in the Asia region.

If you have any questions or comments on the PD program, you can contact the Professional Development Committee at ([pdcomments@soa.org](mailto:pdcomments@soa.org)).

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