



SOCIETY OF ACTUARIES

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Chairperson's Corner

by Angelica Michail

Coming together is a beginning, staying together is progress, and working together is success.

— Anonymous

After each Council Meeting, I confess I am overwhelmed by many emotions. Relief — that in two hours we managed to go through much of what is listed on the agenda. Exhausted — since we don't take any breaks. But most of all, elated because I realized, once again, that I belong to a team that takes seriously the responsibility to serve the interests of the Section and the SOA.

The Section Council has four meetings a year — a face-to-face meeting in October and teleconference for the others. Meeting attendees include nine

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Life Insurance Tax Down Under

by Greg Martin

It is said that death and taxes are the only two certainties in life. However, in Australia one would probably have to add change as a third certainty. So it is inevitable that the life insurance income tax basis in Australia would be undergoing considerable change at present.

The impact of the changes will be significant in both absolute terms, but also relative to the industry's competitors. This article provides a brief overview of the current situation.

What's Happening?

The new regime is expected to apply as from June 30, 2000, but full details are not currently finalized. The following is an indicative summary of the current regime and the changes expected.

The Current Income Tax Regime

- Tax is generally not applied to "profit," but is based on "Investment Income — Expenses," similar to the basis operating in the UK.
- Investment income is all life insurer investment income earned (i.e. both policyholder and company investment income).
- Deductible expenses are those related to generating investment income, or writing and administering investment (savings) type business.
- Different tax rates apply to different business lines:

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companies. Ram Mulgund was eager to share an overview of these developments with our readers. We also have an article by Norm Crowder on Georgia (no, not Atlanta) and its fledgling insurance market. Rounding out our articles on insurance in various countries is "New Lease on Life," regarding the tumultuous recent insurance history in Korea — reprinted with the kind permission of Watson Wyatt.

As Angelica mentions in her Chairperson's corner, the Council members dedicate much of their time to serving the International Section members. We have reprinted the minutes from the January 2000 teleconference to update our readers on some of the work going on in the section. Chelle Brody has written about a survey on the exchange of SOA publications with other actuarial organizations and educational institutions around the world. Pat Kum has described the implementation of the new professional development requirement in Asia. Finally, the IAA has given permission to reprint a portion of the draft minutes from their December 1999 Council meeting, including addresses by the past and present president, an article on the 2002 meeting in Cancun, and some notes on their Web site.

I again want to thank the writers for being generous with their time and their knowledge.

Randy Makin, FSA, MAAA, is vice president and reinsurance actuary at Business Men's Assurance Company in Kansas City, MO. He can be reached at RMakin@bma.com.

Chairperson's Corner

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Council members, the newsletter editor and assistant editor, and SOA support staff. For close to two hours, we discuss, decide, laugh, listen, question, and think. In between meetings, we act on decisions, follow-up on assignments, write e-mails/ memos/articles, and talk on the phone.

In this issue, Section members have the opportunity to read excerpts of the minutes of our recent meetings. However, meeting minutes often contain only a small portion of what actually transpires at a meeting — a list of attendees, decisions, assignments, and maybe a sentence or two about each agenda item. Not much is written about the difficulty in arriving at the decisions. There is no accounting of the hours spent on the phone and the number of e-mails to implement a decision. There is no description of the use of persuasive skills to seek support for an idea or expedite a decision. There is no indication of the network that was tapped to get to the right person.

Throughout the year, during and in between meetings, participants of the Council meetings give Section members many gifts, in particular gifts of time, talent, and commitment.

Time is a scarce commodity, especially since many participants have heavier than normal travel schedules. Unfortunately, Council work can only be accomplished with frequent communication and quick turn-around time. Fortunately, e-mail has facilitated the process since it can be accessed almost anytime and anywhere. It takes time to explore issues and make decisions.

Talent is not scarce among the Section members. In a world that keeps changing, they have plenty of ideas to handle the new situations and challenges that face our profession. The gift is in sharing those ideas. And the generosity does not stop with the sharing. Included in the gift are the energy and the use of a variety of



personal skills and resources to follow them through to completion.

But the gift of commitment is the most precious of all. There are so many demands for everyone's time and talents yet each chose to use them to serve the Section. As the person chairing the meeting, I have observed that for every agenda item considered, every decision made, every suggestion given, there is a clear message of caring for the International Section members and their issues.

It is a privilege to work with this year's team. Thank you for the gifts!

Angelica Michail, FSA, MAAA, is consulting actuary at National Actuarial Network, Inc. in Rowland Heights, CA. She can be reached at amplus@aol.com.