



SOCIETY OF ACTUARIES

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Editor's Notes

by Kevin M. Law

This issue of *International Section News* is arriving later than was planned, as the original publication schedule would have resulted in the newsletter being mailed a couple of months earlier. However, on the intended date for finalizing the material and beginning the printing and newsletter production process, the quantity of available articles was much less than for prior editions. Therefore, it was decided to postpone the issue for a few weeks in order to acquire additional articles. Fortunately, we were successful in obtaining a sufficient quantity of material to permit proceeding with this edition. Thanks are due to the Section Council members for their assistance with this endeavor.

The purpose of pointing out this delay to the membership is not to offer excuses for the time elapsed since our last publication, but rather to attempt to encourage Section members to submit articles for publication. Our membership is involved in many diverse aspects of international insurance, investments, healthcare financing, employee benefits and social insurance programs. I am certain that the international experiences and knowledge of many Section members could potentially form the basis for interesting and informative articles.

It isn't more difficult, I believe, to write a newsletter article than a typical business memo or report of about four to five typewritten pages. Since in the great majority of situations the author is already quite familiar with the topic as a result of his/her work responsibilities, there is little or no additional research required.

So, I'm asking Section members to share their experiences and thereby assist in producing future newsletter editions at more frequent intervals. Please identify an international topic within your areas of expertise, organize your thoughts on paper (actually in an electronic word processor format—Microsoft Word preferred), and e-mail

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Hong Kong Ambassador's Report

by Dominic Lee

The period of this report covers the 12 calendar months of 1998.

Designated Roles

Dual roles that I assumed during the reporting period were

- the Hong Kong Ambassador of Society of Actuaries (SOA); and
- the Chairperson of the Education Subcommittee, Greater China Committee (GCC) of SOA.

Objectives of the 1998 Activities

The primary objectives of the 1998 activities launched in China were:

- to promote the presence/image of SOA and to enhance the relationship already established in the past with related organizations
- to promote actuarial education in China

Projects Achieved

China remained the main focus of attention in 1998. This decision was made as continuous efforts are necessary to sustain the momentum and deepen the impact that has been effected in China by different SOA personnel in the past period.

An account of the various projects achieved in the year is summarized in the following paragraphs.

The First Fellow of the Society of Actuaries (FSA) in China

The most exciting event in the actuarial development in China is the attainment by Wei Ming Bo as the first FSA who obtained his designation through examination conducted in China. Bo got qualified after sitting for the spring 1998 examination in the Shanghai Examination Centre.

Bo started his SOA examinations in 1994 when he was a student of the Fudan University and the AIA-Fudan Actuarial Centre in Shanghai. After he graduated from the Fudan University,

he joined the American International Assurance Company (AIA) wherein he continued with and completed his examinations.

Subsidy on examination fees

Up to the present moment, students from the University of Science and Technology in Keji, Anhui Province, China had participated in four rounds of SOA examinations. For the first three rounds of examination, five \$200 awards and three \$100 awards were won in the Examination 100 Contest for university students. This is indeed very impressive performance. Sponsorship is provided by AIA for students taking the latter three rounds of examination, while the first round of examination was sponsored by Yuan Chang out of funds from the SOA.

Setting Up the Shanghai Actuarial Profession Committee

The Shanghai Actuarial Profession Committee, a subcommittee of the Life Insurance Institution of Shanghai, was set up in July 1998. The Committee was chaired by Professor Hanji Shang of the Fudan University. Members of the Committee came from a number of universities and also some insurance companies. Its goal is to provide a forum for exchange of views among professionals and personnel of related disciplines. Yuan Chang and the Ambassador are among the honorary advisors.

Howard Bolnick's Visit to China in September 1998

Support was provided to SOA President Howard Bolnick to materialize his goodwill and promotional visits to China in September 1998. The SOA delegation, headed by Bolnick, officiated at a book donation to the Preparatory Committee of the Actuaries

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the resulting article to me at: kmlaw@palic.com.

Changing the subject to the content of these pages, this issue not only contains an article by Jim Toole on page 20 about the continually developing and expanding Ambassador Program, which is managed by the International Section, but also a significant amount of material contributed by SOA Ambassadors in various countries. Our lead article by Janet Sharp, the SOA Ambassador in Jamaica, is one such example. Janet describes the series of conditions that developed during the early-to-middle 1990s that caused a serious crisis in the life insurance and financial services sectors of Jamaica's economy, and the rehabilitation steps that are being taken to restore soundness and solvency to the industry.

Ronald L. Poon-Affat, our Ambassador in Brazil, has contributed material on his host country for the third consecutive issue of this publication. In this edition, Ronald reports on the anticipated opening of the reinsurance market in Brazil. This market has been closed for almost 60 years due to legislation that has permitted the transaction of reinsur-

ance business only with a monopolistic state company.

A trio of authors, Yves Guerard, Shu Yen Liu, and Bruce Moore, collaborated to contribute an interesting and timely description of major changes that are in the process of being implemented in the provision of pension benefits in China.

The increasing importance of international actuarial issues to the Society of Actuaries is highlighted by two articles that cover recent SOA Board decisions. Chelle Brody of the SOA staff describes the Board action in the fall of 1998 that created three new committees charged with specific international responsibilities. Mo Chambers, the Chair of one of these new committees (International Policy Committee), documents the January Board decisions that resulted in the establishment of two development funds to support and promote the actuarial profession in China and Southeast Asia.

The International Section has historically attempted to provide a series of sessions at each SOA meeting dealing with global issues. This year's spring meetings are no exception, as there are

six Atlanta and four Seattle meeting sessions of this nature. Michael Gabon provides an overview of these sessions in the article below.

On the subject once again of contributions from SOA Ambassadors, Dominic Lee (Hong Kong) has written two pieces: a description of his recent teaching experiences at China's Nankai University, plus a report covering events of interest during 1998 in Hong Kong. Two additional Ambassadors have also submitted reports that have been included in this edition: Richard Geisler (New Zealand) and Henryk Slawomir Walerys (Poland).

One final item: feedback and comments in the form of a "letter to the editor" are welcome. We would like to hear from you!

Kevin M. Law, FSA, is Vice President Group Actuary at Pan-American Life Insurance Company in New Orleans, LA, a former chairperson of the International Section Council, and editor of International Section News.

Spring SOA Meeting Sessions with Significant International Content

by **Michael Gabon**

Following are summaries of sessions planned for the Atlanta and Seattle spring SOA meetings, respectively, which will be of interest to actuaries practicing in the international field. Plan to join us for these interesting and informative sessions.

Atlanta Meeting May 24-25, 1999

FOREIGN INSURER REORGANIZATIONS

*Session 9 Interactive Forum, Monday,
May 24, 10:30 am - 12:00 noon*

Several U.S. and Canadian insurers have announced their intention to reorganize, within permitted regulations, primarily to access capital and further company growth.

Are foreign-based insurers undergoing reorganizations? What forms of reorganization are permitted? What perspectives do regulators have? These questions are answered as the issues faced by foreign insurers considering a reorganization are discussed.

OPPORTUNITIES FOR THE INTERNATIONAL ACTUARY

*Session 23 Panel Discussion, Monday,
May 24, 1:30 pm - 3 pm*

Have you thought what it would be like to live and work in a foreign country? As domestic employers seek growth, crises occur in some foreign financial services sectors, retirement programs of some foreign countries are privatized, more of our members are working and living outside their home countries. We may see ourselves as citizens of the world rather than citizens of our own countries.

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