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In and Out of Kazakhstan in Four Days in February

by Shiraz Jetha

On Friday, Jan. 18, 2008 at 8:32 a.m. an e-mail hit my inbox informing me of a “volunteer” opportunity for an actuary to present a series of four lectures on “non-life” topics in Almaty for the First Actuarial School of the Kazakhstan Actuarial Society (KAS). The school was scheduled for the week of February 18 through February 22. All travel and other expenses would be paid.

At the time I had been a committee member of the Actuaries Without Frontiers (AWF) Section of the International Actuarial Association (IAA) for a whole two and a half months! My first reaction was “what a wonderful opportunity!” But then I realized that a volunteer actuary would have to be found, topics agreed upon, lecture prepared, handouts translated (into Russian), travel documents set up and lectures delivered—all in a month.

AWF is in its early stages of establishing an infrastructure to support volunteer activities including a database of volunteers which would have otherwise been very helpful in quickly screening the membership for availability and expertise, and linked with the KAS staff. With short time-span to the start date, a search exercise for volunteers did not seem feasible without a proper database.

As I forwarded the email to my AWF colleagues, I remember thinking that while I would have liked to put my name in the hat along with any others who we might have iden-

tified; the timing just wouldn’t work for me. Besides, if I remember correctly, the daytime high in Almaty around that time of the year was a frigid 10 °F!

But it also did not seem right to turn the request down in view of the near impossibility of finding a resource. And so when one of the committee members offered to volunteer for the opportunity, it felt good. Over the next few days, this volunteer and the KAS official discussed and concluded that the lecture topic would be on the new and emerging area of Enterprise Risk Management (ERM). Shortly afterwards, work “got in the way” and the opportunity had to be turned down by the committee member. Anticipating no other volunteers or way to resource this initiative, I slowly put my hand up, hoping desperately that someone else would “dive in” before me. Before my hand was fully up, I was in! I still hoped that I would be able to wriggle out but as each day went by with e-mail discussions (negotiations) taking place over a 14 hour time zone difference, I quickly found myself one day having to choose between three flight schedules out of (and back to) Seattle.

After reluctantly accepting my fate, I worked furiously to prepare my lectures on two topics—“Introduction to ERM and Economic Capital” and “Non-Life Group Products in the United States.” Each four hour lecture had to be translated into Russian. The handout material had to be sent a week in advance for translation.



Shiraz Jetha, FSA, FCIA, MAAA, is an actuary at the Office of Insurance Commissioner in Olympia, Wash. He can be reached at SJetha@Nooractconsulting.com.

Actuaries Without Frontiers (AWF)

AWF is a section within the International Actuarial Association (IAA). It started in 2003 and its mission involves enabling the provision of actuarial resources, on a voluntary basis, for short term assignments in mainly “actuarially emerging” countries. It has around 200 members from 23 countries with United States, United Kingdom, Canada, France, South Africa, and Japan being the main ones. Its main project to date has been resourcing a Community Medical Scheme for the very poor in India and it is presently entertaining a request for a series of lectures in Nairobi, Kenya in spring/summer of 2009.

Membership for the section is only \$20. SOA members can easily include it with their annual dues. The section is working to establish a database of volunteers and donors and if the work of the section interests you, please consider joining and volunteering.

East West Management Institute

The First Actuarial School in Kazakhstan was co-sponsored by the East West Management Institute in New York; beyond their sponsorship of the event, their role involved working with the visiting lecturers in their home countries to ensure the completion of necessary paperwork, handling the travel arrangements and visa requirements and other related matters. Their involvement was so effective that it made the entire planning process for me, including the flight arrangements, go remarkably smoothly and thereby enabled me to spend my time focusing on what was important from my end—planning and preparing quality material for my assigned lectures. The tickets arrived by mail, my hotel was booked in Almaty and the visa was ready in time. I just showed up at Seattle-Tacoma International airport on the evening of February 18, and started my trip; my lectures were scheduled for February 21 and 22.

A Little About Almaty and Kazakhstan

The history of Kazakhstan is rich and dates back to the thirteenth century (and even earlier) when the country was part of the Mongol Empire. During the mid 1800s, the country became part of the Russian empire and later a state of the former Soviet Union; with the dissolution of the latter in 1991, Kazakhstan became an independent country, the largest in Central Asia (ninth largest in the world). The Silk Road, a trade route of much historical significance, linking the near east to China, passed through the southern parts of the country.

Kazakhstan has an estimated population of over 15 million in an area four times the size of Texas and is rich in oil. It borders China, Russia, Kyrgyzstan, Uzbekistan, Azerbaijan and extends to the shores of Caspian Sea in the East.

Almaty, in the south eastern part of the country at the foothills of the Zailliski Alatau mountains of the Tien Shan range, is the former capital of Kazakhstan and its financial, economic and cultural center. As would be expected, skiing is a major recreational activity bringing skiers from many European countries. With the growth that the city is experiencing, real estate prices have increased significantly and the cost of living is comparable to many European capitals.



View riding up the Chair Lift at Chimbulak ski resort, Zailliski Alatau mountains, near Almaty

The city intends to become a major business center for the Central Asia region. The insurance sector serves an important role in the economy in the Central Asia region since its beginnings in the late 1990s. KAS was formed in 2000 and was admitted as an associate member of the International Actuarial Association in October 2001.

Three Days in Almaty

At around 6:30 a.m. local time on Wednesday, my flight landed in Almaty where I was met by a representative from the KAS. I had been preparing for a very cold few days; however the weather had warmed up considerably and the outlook was for highs of around

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25. Thinking I had a day to catch up before my duties, I soon found out that there had been a glitch and the lecturer for the afternoon session on that day had not yet arrived. So, at lunch I was asked if I would mind exchanging my assigned time for the now open slot for the afternoon—which I did. The lecture was aptly titled, “Introduction to Risk Management and Economic Capital.” My presentation was in English with simultaneous translation into Russian. The audience included professional and industry leaders from countries in the region including Tajikistan, Uzbekistan, Armenia, Georgia, Azerbaijan, Kyrgyzstan, Turkmenistan and of course, Kazakhstan.

On Thursday, my official duties were completed with a second four hour lecture session. That evening, with only one more day to go for the school, the KAS held a grand reception for the lecturers and the attendees. It was a memorable “Kazakhstan spiced” event

consisting of a grand dinner and filled with informal speeches, gifts for the visiting lecturers, lots of dancing, beautiful music and songs from local artists, and generous portions of local spirit served in the special ambiance of Central Asian hospitality.

The following day, a sightseeing trip was arranged for me and a fellow lecturer—an actuary from Belgium—in the morning. In the afternoon, I was invited to address an MBA class at the Kazakhstan Economics University on the actuarial profession. This was followed in the evening by an invitation to all the attendees to a local opera performance and a dinner at a Chinese restaurant.

I left Kazakhstan early Saturday morning after three packed days several thousand miles from home. What is my regret? I wish I had had time to visit the other neighboring countries, particularly the historic cities in Uzbekistan. □



Seminar attendees, lecturers and officials of the Kazakhstan Actuarial Society at the Grand Reception Feb. 21, 2008