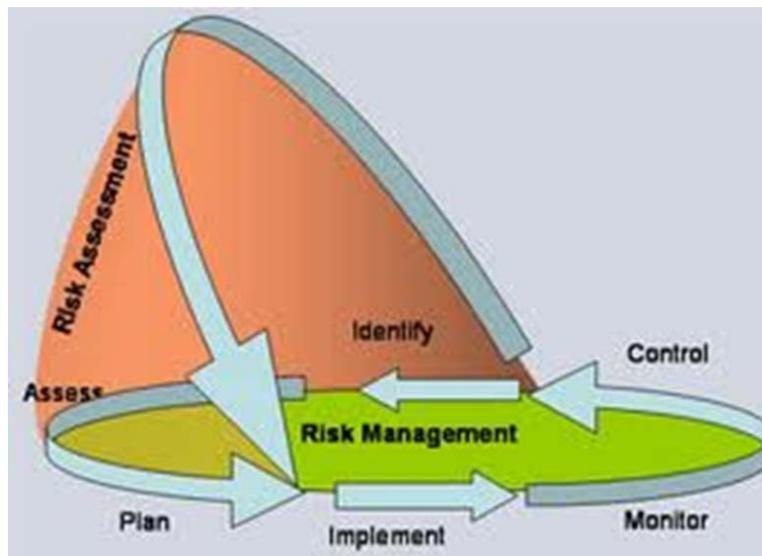


Welcome to the ninth newsletter for members of the Actuarial Educators Network. These newsletters are intended to provide information that we believe will be of interest to members of the network, and through this improve the quality of actuarial education, and global access to this education. This edition, focussing on the activities of actuaries in Latin America, welcomes Isabelle Larouche, Université Laval, as the new chairperson of the network, pending ratification at the upcoming IAA meetings in London.

## Risk Management, a lifestyle

**Author:** María Fernanda Jiménez Méndez, Founder & Coordinator of Mexican Committee.

Official news from TC Mexican Committee only at: <http://comiteisotc262.blogspot.mx/>



Nowadays Actuarial Science students in México and in the Latin American region can be internationally recognized as professionals after meeting high quality standards. As some of our members of the Technical Mexican Committee 262: Risk Management are members of the IAA, we strongly believe that our 3 years of experience together with the Risk Management knowledge we have gathered thorough this committee will allow us to help bringing to the IAA relevant tools for future Actuaries in Latin America.

The current educational plan approved by IAA (26<sup>th</sup> of May 2012) will expire on 31<sup>st</sup> December 2015

### What we offer? Perspectives on risk management

Enterprises committed to managing risk demand professionals able to manage risk effectively and maximizing opportunities in order to achieve corporate objectives.



Risk management is an integral part of good management. It is an iterative process of continual improvement that is best embedded into existing practices or business processes.

An effective risk management regime is a combination of the culture, processes and structures directed towards realizing potential opportunities whilst managing adverse effects.

An organization's culture is the sum of its people, symbols, stories, business experiences, power structures, control systems, organizational structures, rituals and routines that, when combined, make it unique.

The management system adopted must ensure that all risks have owners who are accountable for their management and who also have the authority and resources to make decisions with respect to the treatment of the risk.

Risk management practitioners are often their own worst enemy when it comes to championing the cultural change required in an organization if it is to effectively manage its risks.

Sadly, this is not a recent phenomenon as Felix Kloman - long-time commentator, prophet and philosopher on risk management- illustrates in "The Revolt of the Risk Manager", published in Bests Review, October 1971, is as fresh and applicable today as when first made 37 years ago:

*Until the Risk Manager can be completely free of his real and psychological ties to insurance and the insurance industry, he will not be able to perform the risk management function.*

The challenge facing today's risk management practitioner is not just breaking free of the mantra that "risk management is all about insurance, and if we have insurance, then we have managed our risks", but rather being accepted as a provider of professional advice and service to the risk makers and the risk takers at all levels within an organization. It is the risk makers and the risk takers who must be the owners of risk and accountable for its effective management.

A consequence of the uncertainty as to the place of risk management in an organization and the role of the risk practitioner has seen a plethora of persons and professional bodies presenting themselves as the true "risk managers".

The accounting and audit bodies are the latest to set themselves up as the arbiters of risk management through their active involvement in the development and promulgation of the framework document from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the USA with its heavy accounting, financial management and audit bias.

Those seeking to find the most useful processes and guidance on risk management are continually faced with the difficult task of deciding what to recommend to Boards and executive management.

In many cases Boards and executive management are influenced by the views of those outside the organization. Risk management is no exception and the following comment on the new ISO Risk

Management Standard as well as Felix Kloman’s views on the COSO document provides perspectives on the two current approaches on offer to Directors and CEO’s as to how they should manage the risks confronting their organizations.

We would like to thank Kevin Knight for allowing us to share some ideas from his text “Risk Management, a journey, not a destination” 2013.

We have developed 2 major events:

- 1) *Primer Foro Nacional: ¿Conoces qué es ISO 31000 sobre Administración de Riesgos?*  
Organized in collaboration with the Ministry of Economy on 12 September 2012



Coordinator of TC 262 Risk Management  
Act. Ma. Fernanda Jiménez



Chief Executive Officer Corgesol  
Act. Israel Avilés

- 2) *Jornada sobre la Aplicación Práctica de Sistemas de Evaluación y Gestión de Riesgos en las Entidades Aseguradoras*  
Webinar Madrid-Mexico



PhD Isabel Càsares San Martin and Act. Ma. Fernanda Jiménez M.



## First Academic Actuarial Symposium in Mexico City

Last April, **The Academic Actuarial Network (RAA)** and the **Actuarial Sciences School of the Anahuac University** in Mexico City organized the **First Academic Actuarial Symposium** for students and educators. It was a great experience! During three days (April 28<sup>th</sup> to April 30<sup>th</sup>) students and professors from several universities, had the opportunity to discuss about different topics related to the actuarial profession. The Scientific program included talks about Risk Theory, Mathematical Finance, Life Contingencies, Pension Funds, Demography, Probability and Statistics. There was also a special session dedicated to Prof. Wojciech Szatcschneider who retired last January. It is worth mentioning that this symposium was part of the celebrations for the 50<sup>th</sup> anniversary of the Anahuac University, and for the 40<sup>th</sup> anniversary of its Actuarial Sciences School. The Second Academic Actuarial Symposium will take place in Merida Yucatan next year. It will be organized by the Autonomous University of Yucatan and the Academic Actuarial Network. We look forward to see you during the conference.



## First International Congress on Actuarial Science and Quantitative Finance

The [First International Congress on Actuarial Science and Quantitative Finance \(ICASQF\)](#), spearheaded by Mr. Jaime Alberto Londoño, was organized by the Universidad Nacional de Colombia, at the Bogota campus, from the 17 to the 20 of June. The event enhanced the relations between academic and industrial communities from Colombia and the Andean Region with communities from North America and the rest of the world.

Actuaries from Argentina, Brazil, Canada, Colombia, Costa Rica, Europe, Mexico, Venezuela and USA participated as main lectures in a 4-day program that also offered short courses, general presentations and parallel sessions from an academic and from a professional point of view.



The IAA was represented by Eduardo Melinsky through a presentation entitled “Financial Statements and Actuarial Reports in the Governance of Social Security Institutions – International Standards of Actuarial Practice of the IAA and Guidelines on Governance of ILO – ISSA”.

This year the faculty of sciences at *Universidad Nacional de Colombia* launched the Maestría en Actuaría y Finanzas Cuantitativas.



Eduardo Melinsky with Dave Ingram (SOA)



Eduardo Melinsky, Dave Ingram (SOA), José Garrido (Concordia University) and other participants at the Congress

### Future Meetings of Actuarial Educators

Region	Event	Dates	Host
Austria	European Actuarial Journal Workshop	8-9 September 2014	Actuarial Association of Austria and Vienna University of Technology <a href="http://www.fam.tuwien.ac.at/eaj2014/">http://www.fam.tuwien.ac.at/eaj2014/</a>
Austria	2 <sup>nd</sup> European Actuarial Journal (EAJ) Conference	10-12 September 2014	Actuarial Association of Austria and Vienna University of Technology <a href="http://www.fam.tuwien.ac.at/eaj2014/">http://www.fam.tuwien.ac.at/eaj2014/</a>
Honduras	Foro “Seguridad Social en Honduras”	25-26 September 2014	
Taiwan	18 <sup>th</sup> East Asian Actuarial Conference	12-15 October 2014	Actuarial Institute of Chinese Taipei <a href="http://www.actuariesasia.org/">http://www.actuariesasia.org/</a>
Argentina	XV Jornadas Actuariales Nacionales y Latinoamericanas	19-21 November 2014	Facultad de Ciencia Económicas Universidad de Buenos Aires <a href="http://www.econ.uba.ar">www.econ.uba.ar</a>
Australia	6 <sup>th</sup> Australasian Actuarial Education & Research Symposium	8-10 December 2014	Curtin University of Technology, Perth, Western Australia <a href="mailto:AAERS2014@curtin.edu.au">AAERS2014@curtin.edu.au</a>

## Involvement in IAA Fund Meetings

This year the IAA will sponsor the meetings listed below. Their focus is on equipping emerging actuarial societies to become full members of the IAA, and education and the work of the Actuarial Educators Network is a key component in achieving this.

Region	Dates	Host city and country	Topics
Asia Pacific	11-12 October	Taipei, Taiwan	Professionalism, Standards of Practice, Public Affairs, Actuarial Science Research, among other topics.
Latin America	27-28 November	Lima, Peru	Role of the actuary, Insurance, pension, Health, Social Security, Mortality, among other topics.

## Opportunities around the World

### *University of Saint Thomas*

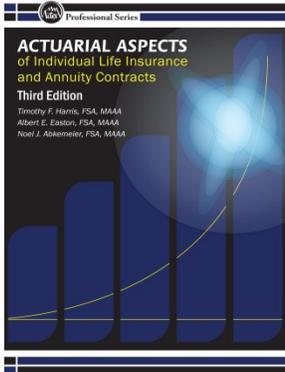
The Department of Mathematics at the University of St Thomas invites applications for an [open track position in Actuarial Science](#), to begin in September 2015. Applicants must have or be near completion of a Ph.D. in actuarial science or in a closely related field with emphasis in financial mathematics or statistics. ABDs nearing completion of the Ph.D. will be considered, with the initial appointment to be made at the rank of instructor. Applicants must be able to demonstrate a commitment to excellence in teaching and show strong potential for productive research/ scholarly activities in actuarial science or a closely related field. Preference will be given to applicants who possess (or are near completion of) actuarial credentials from any of the professional societies.

Any questions regarding the position should be sent to either the search committee chair Patrick Van Fleet ([pjvanfleet@stthomas.edu](mailto:pjvanfleet@stthomas.edu)) or the Director of the Actuarial Science Program, Heekyung Youn ([hkyoun@stthomas.edu](mailto:hkyoun@stthomas.edu))

To receive full consideration for the position, all application materials should be received by November 1, 2014; however, the position will remain open until filled.



## Recent Publications



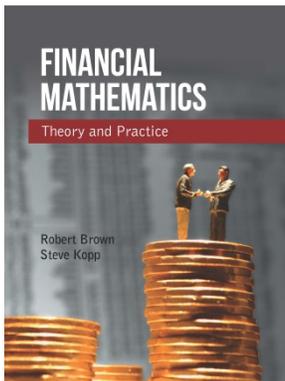
### **Actuarial Aspects of Individual Life Insurance and Annuity Contracts (Third Edition)**

**Author:** Harris, Easton and Abkemeier

**Publisher:** ACTEX Publications, Inc

**Date:** 2014

**Description:** Actuarial Aspects of Individual Life Insurance and Annuity Contracts provides a comprehensive overview of the features and financial aspects of traditional, indexed, and variable products and their related rider benefits. Product development, pricing, financial reporting methods, and regulatory requirements are addressed for all products, including those with derivative-based guarantees. This provides an introduction to actuarial techniques and the relationships among various financial values for the student and provides a comprehensive summary of current practices on more recent products for the experienced actuary. Spreadsheets are available on the ACTEX website to demonstrate profit testing alternatives



### **Financial Mathematics: Theory and Practice**

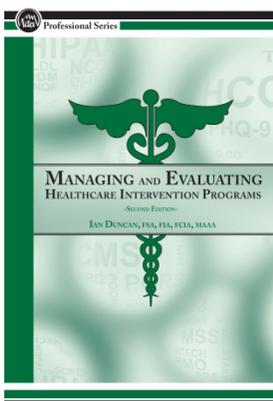
**Authors:** Robert L Brown and Steve Kopp

**Publisher:** McGraw-Hill Ryerson Limited

**Date:** June 2014

**Description:** Following their 68 years of experience teaching actuarial science, Robert L. Brown, former Professor at the University of Waterloo and current President of the IAA, and Steve Kopp current Professor at the University of Western Ontario, published *Financial Mathematics: Theory and Practice*. This textbook is designed for mathematics / actuarial students with a strong grounding in, and understanding of, a basic first-year calculus curriculum. Our target audience contains students who plan to write the established actuarial examinations as made available around the world and, some day, to have a career in the actuarial or finance professions.

This textbook provides the reader with a generic approach to understanding financial mathematics with respect to a wide range of financial transactions, including annuities, mortgages, personal loans, and bonds, as well as a limited knowledge of advanced topics such as duration and immunization.



### **Managing and Evaluating Health Care Intervention Programs (Second Edition)**

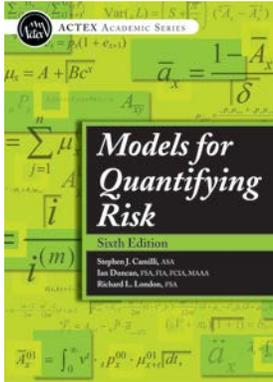
**Author:** Ian Duncan

**Publisher:** ACTEX Publications

**Date:** 2014

**Description:** Since its publication in 2008, *Managing and Evaluating Healthcare Intervention Programs*, has become the premier textbook for actuaries and other healthcare professionals interested in the financial performance of healthcare interventions. The Accountable Care Act, together with some exciting new developments in ACOs, Bundled Payments and Medication Management have driven the updates to this second edition. This edition includes chapters on Clinical Foundations and Measurement of Clinical Quality in order to guide professionals in this field bridging the areas of medicine, economics and actuarial science.

This is the first textbook of its kind devoted to financial management and evaluation of healthcare intervention programs and promises to provide a significant Return on Investment for those professionals seeking to improve their organization's Return on Investment in care management programs.



**Models for Quantifying Risk (Six Edition)**

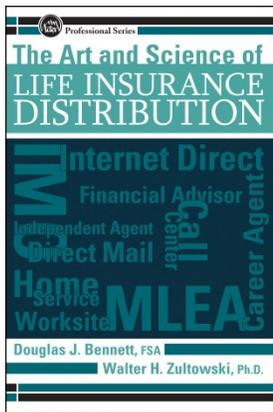
**Authors:** Stephen Camilli, Ian Duncan, Richard L. London.

**Publisher:** ACTEX Publications, Inc.

**Date:** 2014

**Description:** The Sixth Edition of this textbook presents a variety of stochastic models for the actuary to use in undertaking the analysis of risk. It is designed to be appropriate for use in a two or three semester university course in basic actuarial science. It was written with the SOA Exam MLC and CAS Exam LC in mind. Models are evaluated in a generic form with life contingencies included as one of many applications of the science. Students will find this book to be a valuable reference due to its easy-to-understand explanations and end-of-chapter exercises.

In 2013 the Society of Actuaries announced a change to Exam MLC's format, incorporating 60% written answer questions and new standard notation and terminology to be used for the exam. There are several areas of expanded content in the Sixth Edition due to these changes.



**The Art and Science of Life Insurance Distribution**

**Authors:** Douglas J. Bennett, Walter H. Zultowski.

**Publisher:** ACTEX Publications, Inc.

**Date:** 2014

**Description:** This book presents a complete discussion of life insurance distribution from an actuarial perspective. It begins by putting life insurance distribution within the broader context of distribution and marketing in general, thus demonstrating why life insurance distribution is different. It then goes on to discuss the history of how distribution, as we know it today, developed, and the ten primary distribution channels that exist in the business. With all of this as background, the book continues with more detail and discusses the various functions performed by distribution, and how distribution systems are managed today. It also goes into more specifics regarding the compensation and the economics of distribution. The text concludes with a discussion of managing distribution channel conflict, and how distribution of life insurance is expected to evolve in the near future.

## Final Comments

Remember that we have now further developed the membership directory to allow search functionality; you can now search for all educators in a particular country, university, teaching area or other specialisation. You can find this at [http://www.actuaries.org/AEN/Directory\\_Login.cfm](http://www.actuaries.org/AEN/Directory_Login.cfm) and access it with the username and password issued in the e-mail accompanying this newsletter.

If you don't see your own name in the directory, this means you haven't entered your details on our website. Please then take the opportunity to enter your details; this can be done at <http://www.actuaries.org/AEN/Membership.cfm>.

If you know of any educators, or people interested in actuarial education, who would be interested in the network, please encourage them to join by filling out this online form (<http://www.actuaries.org/AEN/Membership.cfm>)



Finally, you are receiving this newsletter because you are currently on our e-mail distribution list. We would very much like you to remain part of the network, but if you do want to opt out, or are receiving this e-mail in error, please inform Karla Zúñiga ([karla.zuniga@actuaries.org](mailto:karla.zuniga@actuaries.org)) who will remove you from the distribution list.

Please note that we welcome any education news article, information on future education conferences or publications on actuarial science. Should you have any such information, please do not hesitate to forward it to Karla Zuniga ([karla.zuniga@actuaries.org](mailto:karla.zuniga@actuaries.org)) for consideration on future newsletters. We are looking forward to receiving your material.