



INTERNATIONAL ACTUARIAL ASSOCIATION

Asia Subcommittee Meeting October 12, 2013 Pan Pacific Hotel—Singapore Minutes

Please find the attendance list at the end of these minutes.

1. Introduction and approval of agenda

The chairperson welcomed participants including the guest speaker, Arup Chatterjee, Senior Financial Sector Specialist from the Asian Development Bank (ADB).

The agenda was approved, with the suggestion that a topic on microinsurance be added under *Other Business*.

2. Activity updates for target countries

Updates were provided on activities in:

Bangladesh

Darryl attended the Global Conference of Actuaries in Mumbai in February, which was also attended by several people from Bangladesh including Mahfuz Ibn Mannan. It was noted that support is being sought on basic education. Simone Chen, a colleague of Darryl's at MetLife, has been enlisted to assist with relationship management as she is based in Hong Kong, travels to Bangladesh regularly on behalf of MetLife, and has met the regulator. Simone is planning to visit between November and January, and has been introduced via e-mail to Mahfuz.

Chris Daykin reported that, as many of the Bangladeshi actuarial students are sitting the exams through the Institute and Faculty of Actuaries (IFoA), and the Institute of Actuaries of India, he has previously provided support for representatives in Bangladesh. There could be a role here to develop some technicians through the new qualification of Certified Actuarial Analyst.

Mongolia

It was noted that the President of the Society of Actuaries of Mongolia is attending the IAA meetings, although no representatives from Mongolia were able to attend the IAA Fund event in Singapore. Chris Daykin reported that some courses have taken place in Mongolia; initial financing was provided by the United Nations Development Programme.

There will be some students who will be sitting exams written by the IFoA, and would benefit from face-to-face support. This may be an opportunity for the ADB to help, as there is very little actuarial capacity here and it needs to be built upon. Arup suggested that an estimated budget for a few projects in Bangladesh, Mongolia, Sri Lanka, etc. be sent to him; the amount of \$50,000 over two to three years was suggested.

Action Item

Chris Daykin to provide Arup with a written estimated budget.

South Korea

The Institute of Actuaries of Korea has just applied for full membership of the IAA; this is on the Council agenda for approval (*Secretarial note: the application was approved*)

Action Item

Asia Subcommittee to follow up on activities with South Korea.

Sri Lanka

AWB volunteers mentored three students for exam training. Thanuja Krishnaratna, secretary of the Actuarial Association of Sri Lanka, completed her masters in the UK and is now nearly qualified. The establishment of a program at the University of Colombo has been discussed, and education experts of the IFoA have been consulted regarding development of the syllabus.

Vietnam

Currently there is not a local actuarial association in Vietnam, as there must be a minimum of 30 local actuaries to form one, and most actuaries there are expatriates. However, there would be enough members with students/part-qualified actuaries to form an association. August Chow explained that a meeting had been arranged with representatives from the IAA, and Ministry of Finance (MoF) in Vietnam, which has now been deferred until the end of November. August sent a letter to George Kung (contact in Vietnam) to confirm either November 25 or 26 as possible meeting dates. Once a date has been agreed upon, an official letter will be sent by the Secretariat to confirm the meeting with the MoF.

The purpose of meeting with the MoF is to encourage them to agree that Vietnam has 30 local actuaries, and that a local association can be created, and also give them a perspective of other actuarial associations around the world. (*Secretarial note: Darryl and George Kung met with MoF representatives on November 25*).

The University Claude Bernard Lyon 1 has links with a university in Ho Chi Minh City, in Vietnam, where local people (who are therefore able to join the local association) are being trained. Updates are needed on this relationship; Thierry Poincelin would be the best contact person.

Arup reported that the Association of Southeast Asian Nations (ASEAN) Insurance Regulators Meeting will take place in the first week of December in Hanoi, Vietnam. Arup

is not sure if he will be attending, as outsiders are not invited unless asked to make a presentation. He offered to informally talk to the present chair from the Thai regulator to see if the IAA may also be able to present on actuarial capacity-building.

Renata informed participants that in May 2013, AWB volunteers ran a seminar for students in Vietnam to help them to prepare for the Society of Actuary (U.S.) exams.

Action item

- Secretariat to update the presentation, and draft a letter to MoF to confirm a date/time (*done*);
- Renata to [provide link](#) (*done*); and
- Renata to follow up with Thierry.

3. Presentation by Arup Chatterjee

Arup expressed his thanks for the invitation to speak about some of the ADB's perspectives regarding insurance sector development, actuarial capacity-building, and the role that the actuary plays.

The ADB is looking at financial sector development in terms of making Asia and the Pacific free of poverty by 2020. The sector is bank-dominated, so the entry point is diversification to allow insurance and capital market development to play a role, and ensure that contractual savings and capital markets can be developed. Through that, long-term investments/infrastructure, etc., would be improved in Asia.

Asia, as the ADB defines it, includes the Pacific and the rest of Asia as we know it. Iraq, Iran, and other Gulf countries are not part of the ADB; Pakistan, Afghanistan, and the area up to Azerbaijan and the Georgian border, are. The state of development in many of these markets is very primitive; some have populations of only 10,000, no life company, and only 12,000 policies being sold over a period of five years.

The governments are trying to develop the markets, and a lot of assistance has been provided by the U.S. Agency for International Development (USAID). More reforms are due and many countries have requested the ADB's assistance, including the ASEAN, advanced states such as Singapore and Malaysia, and the LMCV countries (Lao, Myanmar, Cambodia, and Vietnam), which need more support. There cannot be a uniform approach as the needs are different.

To assess all sectors in these countries, the bank is embarking on a training exercise for each of its five sub-regions with the assistance of the International Association of Insurance Supervisors (IAIS). Over three years from 2014, they would be trained on insurance core principles and standards, plus how to conduct a self-assessment. Any further technical assistance that would be required would be addressed in phase two. There may be an opportunity to collaborate with the association, and it needs to be considered how best this should be done.

A second ADB program involves helping to develop inclusive markets via five sub-teams

looking at Small and Medium Enterprises (SME) insurance, agriculture and livestock insurance, mobile services, public/private partnerships, and mutuals and co-operatives. Using a diagnostic toolkit the sub-teams will each assess two countries before stakeholder consultations are launched. With regard to SME insurance, the ADB is looking at how insurance can help SMEs, not only covering their assets but also how it can work as a collateral so they can have better access to finance. A few products will be developed in consultation with local industry, and the ADB will provide assistance.

A similar diagnostic will be carried out 2015–2017 on disaster risk financing.

The ADB has been approached by the International Finance Corporation, which is ready to collaborate on a program specifically focused on capacity-building of actuaries in the ASEAN. This is an opportunity for the ADB to engage with the IAA for further discussion on the best way forward.

Other topics of interest are based on demands from the ADB's member countries, such as social security in Pakistan, regulatory capacity-building in Uzbekistan, and disaster risk pools elsewhere. The bank is also working closely with the Pacific Inclusion Working Group (PaIWG), as there is interest from the governors of the PaIWG central banks to grow microinsurance in their markets. There will be one program in the Pacific which will be more specific to current insurance regulations. Fiji and Papua New Guinea have expressed an interest in working on solvency and other actuarial-related issues. Diagnostics have been carried out with regard to access to insurance in Mongolia, China, and Thailand.

The IAA can play several roles in the above projects, including providing experts who can act as trainers, arranging back-to-back events with the ADB, product design for SMEs, and helping with the modeling of disaster financing.

Action items

Arup to check with the IADB on a request for proposals sent by the IADB six to eight years ago regarding disaster financing. Mike Smith asked if the study took place, as his firm prepared a first-stage proposal, but did not follow through. Mike will also check to see what he can find. In addition, Darryl Wagner will follow up with Arup on putting a team and project management plan in place around the areas where the ADB and IAA can work together.

4. Association Relationships

It was explained that the term *mentorship* had been changed to *association relationships* as the latter covers a much broader range and is not so confining. It was noted that *mentorship* may be a more appropriate term for individual mentorship.

The Advice and Assistance Committee set up a Mentorship Task Force to focus on the concept of mentorship around the world. Following the IAA mandate to serve associations rather than individuals it was agreed that association to association and individual to

individual mentorship should be undertaken by the Advice and Assistance Committee (A&A), and the Actuaries Without Borders (AWB) Section, respectively.

Since the last A&A meeting, the task force has participated in internal discussion with regard to association relationships and has compiled the information gained from discussion with representatives from full member associations around the time of the meeting in The Hague. They were asked to describe association relationships within their regions, and share their experiences.

Associations are liaising with each other, but this is not very well documented, and very often advice is given from one association to another but the relationship is not sustained.

It was suggested that the IAA can help by holding association to association webinars; it was noted that funding would be needed for such activities. It was mentioned that joint regional seminars currently exist in three to four locations every year.

Some examples of association relationships

The Institute of Actuaries of Japan provides educational support to other associations in Asia. The Institute of Actuaries of Korea (IAK) receives assistance from the Canadian Institute of Actuaries and the Society of Actuaries, and thinks it could also be helped by the IAA, and associations in China and Japan. It was suggested that the IAA could give them an example of an International Standard of Actuarial Practice (ISAP).

Participants were informed that the IAK now has nearly 1,000 members, including associates; these figures will be confirmed.

Action item

- Secretariat to provide the IAK with an example of an ISAP; and
- IAK to confirm its number of members.

5. Meetings

a. IAA Fund Seminar

This event will take place on October 14 following the IAA Council and Committee meetings, with a reception on the evening of October 13.

b. International Congress of Actuaries (ICA) 2014

Representation at the ICA 2014 is still needed from Mongolia, Cambodia, and Nepal; applications for bursaries are invited from these countries.

Bob Conger, Chairperson of the ICA 2014 Organizing Committee, informed participants that this event is held every four years, with actuaries from all speciality areas in attendance. Such events are good opportunities for networking and building relationships. Receptions will be held for developing countries.

Action item

Renata to suggest potential bursary recipients from Nepal.

c. East Asian Actuarial Conference (EAAC)—Taipei, 2014

It was suggested that for future EAACs, the same system could be used as for IAA Fund events but with the EAAC providing the bursaries. Registration and bursary forms would be created by IAA Secretariat staff, but approved first by the conference organizers. Ruth Chu was advised to formally write to Tarmo Koll, Chairperson of the IAA Advice and Assistance Committee, for approval of this idea.

Action item

Ruth Chu to formally write to Tarmo to approve adoption of the IAA Fund forms.

6. Other Business

Microinsurance

Renata is currently part of a task force developing a paper for the IAIS on actuarial services for microinsurance providers. She has taken this on as she would like to add some input from the Asian perspective, for example, are there any actuarial services provided regarding microinsurance? The draft will soon be completed, and finalized by October 21.

7. Adjournment

The meeting was adjourned at 17:00.

Respectfully submitted, Carla Melvin

Attendance List**Subcommittee Members**

Darryl Wagner, Chairperson
August Chow
Yoshihiko Tsuji
Hideyuki Yoshida

Ex-officio

Chris Daykin Chief Executive, IAA Fund

Invited Guest

Arup Chatterjee, Senior Financial Sector Specialist, Asian Development Bank

Observers

Bob Conger, *Casualty Actuarial Society*
Renata De Leers, *Institut des Actuairens en Belgique*
Wim Els, *Actuarial Society of South Africa*
Sharon Huang, *China Association of Actuaries*
Mike Smith, *member of the Latin America Subcommittee*
Kyu-Suh Park, *Institute of Actuaries of Korea* (for second half)

Secretariat

Carla Melvin

Regrets

Estella Chiu, Vice-chairperson