Actuarial Association Life Cycle

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May 10, 2012

AICT Overview

- The Actuarial Institute of Chinese Taipei (AICT) is the national organization of actuarial profession in the industries of insurance, pension and the relevant fields.

- Founded in 1969, AICT has built its reputation around the world.

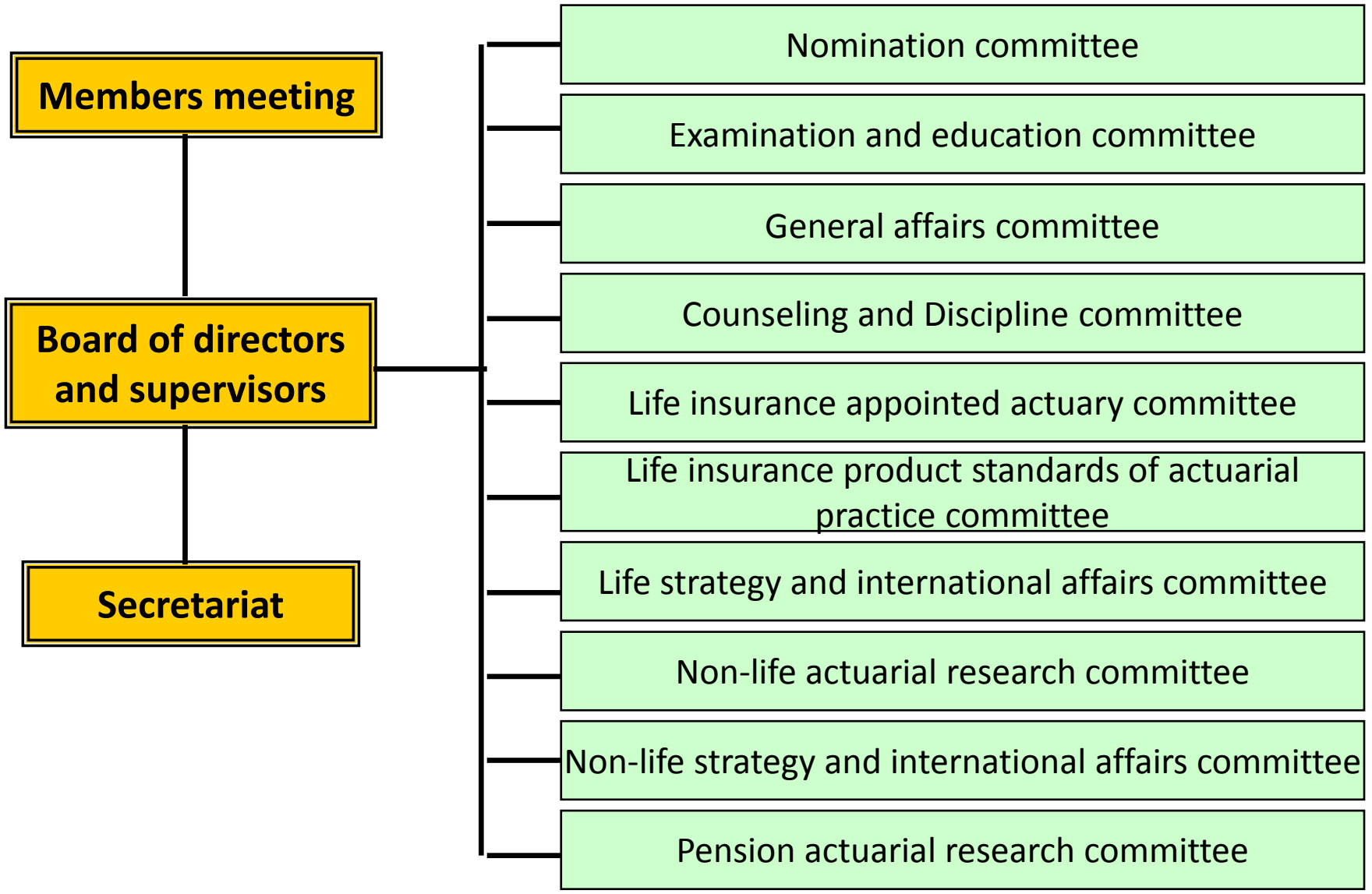
  -A full member of International Actuarial Association(IAA) since 1998.

  -A member of East Asian Actuarial Conference (EAAC)

  -As of April 2012, the AICT has over 200 fellows and about 200 associate fellows.

AICT Introduction

Organization of AICT



Organization of AICT

Since 1969, there are 21 presidents.

Term	President	Appointed Date	Duration
1	Ming Li	1969.06	2.5
2	Yen-Lung Chou	1971.11	2
3 | 5	Chao-Fui Lan	1974.01	5.5
6 | 7	Su-Tsang Liao	1979.09	4
8 | 10	Chao-Fui Lan	1983.09	5.5
11 | 12	Ted R. Z. Chung	1989.01	6.5

Term	President	Appointed Date	Duration
13	Jung-Hui Huang	1995.09	**3**
14 | 15	Won-How Lo	1998.10	**6**
16	Kenneth Shih	2004.11	**3**
17 | 18	Alfred Cheung	2007.11	**2**
19	Kuei-Hsia Ruth Chu	2009.11	**1**
20	Tsai-Ling Chao	2010.11	**1**
21	Hong-Yi Yang	2011.11	**1**
Total			**43**

Organization of AICT

- Committees Development in 1980, 1990, 2000, and 2010

1980	1990	2000	2010
1. Examination 2. Research 3. General Affairs	1. Examination 2. Research & Education 3. General Affairs 4. Pension Study 5. Non-Life Actuarial Study 6. Financial Actuarial Study 7. International Relation	1. Examination & Admission 2. Education 3. International Relation 4. General Affairs 5. Life actuarial 6. Non-Life actuarial 7. Annuity study 8. Finance actuarial Study 9. Pension actuarial Study 10.Professional Conduct Stipulation 11.Review Committee on Qualifications for the Statement of Financial Accounting Standard Number 18-Accounting for Pension 12.Claims	1.Nomination 2.Examination and Education 3.General Affairs 4.Counseling and Discipline 5.Life insurance appointed actuary 6.Life insurance product standards of actuarial practice 7.Life strategy and international affairs 8. Non-Life actuarial 9. Non-Life strategy and international affairs 10.Pension actuarial Study

Membership of AICT

- As of April 2012, the AICT has
  - 4 honorary members
  - 5 individual sponsor members
  - 47 group sponsor members
  - 220 fellows
  - 187 associate fellows
  - 331 actuarial students

Membership of AICT

- Fellows and Associates Development

	1980	1990	2000	2010	2012.4
Life Fellows	37	56	139	160	178
Non-life Fellows	0	0	6	36	42
Life Associates	81	100	205	159	166
Non-life Associates	1	1	18	22	21

Membership of AICT

- Requirements for Fellows of AICT:

1. (a) Pass all exams of AICT or be eligible for exemption from all exams according to the exam exemption rules of AICT

   (b) Actuarial work experience in Taiwan for at least one year

2. (a) Fellowship from a foreign actuarial society recognized by AICT

   (b) Having actuarial work experience in Taiwan for at least one year or passing the exams of AICT on four subjects – *Actuarial practice standards, Insurance laws and regulations, Consulting and disciplinary rules and Self-regulatory rules*

Membership of AICT

- Current requirements for Associate of AICT :

1. Pass at least 4 exams of AICT including one on insurance mathematics or be eligible for exemption from all exams according to the exam exemption rules of AICT.
2. Pass at least half of all actuarial exams given by a domestic or foreign actuarial institution, including one on insurance mathematics
3. (a) Working as a full-time assistant professor or higher at a domestic college or university and
   (b) Teaching experience on the subject of insurance mathematics for at least two years.
4. Extraordinary contribution to AICT or the actuarial science, which is acknowledged at a board of directors meeting by at least three quarters of the directors present.

→ AICT is in the process to change the qualification of Associate member.

Exam education development of AICT

1974
- AICT started holding life actuarial exams since 1974.

1993
- AICT started holding non-life actuarial exams since 1993

1994
- AICT started providing pension actuarial exams since 1994

1998
- The whole actuarial exams system was completed in 1998.

2008
- However, AICT has changed its qualification for its fellowship and associateship since 2008 and has stopped holding actuarial exams since then except for the Nation-specific exams including
  (a) AICT Exam 6GA3 on Actuarial Standard of Practice and Accounting
  (b) AICT Exam 6GB3 on Insurance Regulations and Discipline
- Currently, the AICT adopts the requirements based on the exams held by Society of Actuaries (SOA) and Casualty Actuarial Society (CAS) for qualifications of its fellow and associate member
- Besides, the AICT holds activities and professional courses for the continuing professional education.

Actuarial Practice

- Actuarial Standard of Practice (ASOP) and Actuarial Practice Note (APN) review

Non-life ASOP and APN	1980	1990	2000	2010	2012.4
Expense Factors ASOP				○	○
Statement of Financial Accounting Standard Number 40-Actuarial Practice ASOP					○
Product Filing ASOP				○	○
Reserving ASOP				○	○
Ratemaking ASOP				○	○
Premium Insufficiency ASOP				○	○
Reinsurance ASOP – Significant Insurance Risk Transfer				○	○
Insurance Expense Exhibition APN				○	○
Actuarial Opinion and Memorandum APN				○	○
Case Reserving ASOP				○	○
Reinsurance Arrangement ASOP				○	○
Expected Profit ASOP				○	○

Actuarial Practice

Life ASOP and APN	1980	1990	2000	2010	2012.4
Interest Sensitive Annuity ASOP				○	○
Interest Sensitive Life Insurance ASOP				○	○
Life Insurance Appointed Actuary ASOP				○	○
Traditional Nonparticipating Life Insurance ASOP				○	○
Traditional Participating Life Insurance ASOP				○	○
Statement of Financial Accounting Standard Number 40- Liability Adequacy Test ASOP					○
Reinsurance ASOP – Significant Insurance Risk Transfer				○	○
Foreign-Currency-Based Nonparticipating Life Insurance ASOP				○	○
Foreign-Currency-Based Participating Life Insurance ASOP				○	○
Foreign-Currency-Based Interest Sensitive Life Insurance ASOP				○	○
Foreign-Currency-Based Interest Sensitive Annuity				○	○
Foreign-Currency-Based Universal Life Insurance ASOP				○	○
Universal Life Insurance ASOP				○	○
Long-Term Health Insurance ASOP				○	○
Long-Term Care, Disability and Waiver Premium Insurance ASOP				○	○
Guaranteed Minimum Benefit Investment-Linked Life Insurance ASOP				○	○
Investment-Linked Insurance Non-structured Notes ASOP				○	○
Investment-Linked Insurance Structured Notes ASOP				○	○

Continuing education

- Since 2002, AICT has held Professional Ethics course annually and developed more topics on continuing education.
- In 2010, the required credits of continuing education increase from 15 credits to 30 credits in order to keep pace with the changing and developing knowledge and actuarial practices.
- For example, in 2010, AICT provides more than 50 credits seminars on continuing education in non-life insurance.

Continuing Professional Education

- A brief summary of the AICT Continuing Professional Education (CPE) requirement:.
- Every fellow that provides Appointed Actuary Services must complete 30 credits of professional development every year or 60 credits for 2 years in a row.
- Among the requisite 30/60 credits,

- members must earn at least 50 percent of their credits in *organized activities* such as attending actuarial conferences held by international or local organizations.

- The rest part can be earned from *other activities* (and must be counted less than 6 hours each) such as attending conferences held by the AICT committee

- At most 8 credits per year of the activities on the topic of Principle of Actuarial Practice or Professional Ethics can be counted

Challenges

- Appointed Actuary (AA) system was launched at year 2003.
- Non-life Pricing Deregulation was launched at year 2009.
- IFRS4 phase 1 was launched at year 2011.
- However, CAS-certificated fellows and associates in Taiwan doesn't increase as the rate of demand so there is a talent gap problem in Taiwan.
- ……

→ Demands for qualified non-life actuaries are increasing year by year, especially from non-life Insurance Industry and regulation in Taiwan.

→ The skilled and experienced actuaries would Never be enough.