

The Fifth International Professional Meeting
of Leaders of the Actuarial Profession and Actuarial Educators
in Asia and the Pacific
Thursday, 6 September and Friday, 7 September 2007
InterContinental Hotel, Bangkok, Thailand

BUILDING UP THE ACTUARIAL PROFESSION IN ASIA
Welcoming remarks from
Yves Guérard,
Secretary-General, International Actuarial Association

Chairman,
Honored guests and dear colleagues,

I feel privileged to be here to-day as Secretary General of the International Actuarial Association to welcome you to this- Fifth International Professional Meeting of Leaders of the Actuarial Profession and Actuarial Educators in Asia and the Pacific, convened by our IAA Fund. Its most recent activity in the region goes back to the meeting- held in Bali, Indonesia just after the 13th EAAC almost exactly two years ago in September 2005. The IAA has also participated regularly at actuarial meetings in China and, last February, our President was in Mumbai for the 9th Regional-Global Conference of Actuaries, an activity we have been co-sponsoring since 2003.

The IAA was born in Brussels in 1895 as an association of individual actuaries having as a prime objective the organization of International Congresses. The last one, the 28th ICA, was held almost exactly a little over a year ago, the 28th ICA in Paris starting on

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May 28th 2006. The next one ~~is~~will be in CapetTown, South Africa in
just under~~but over~~ 3 years from now, in May 2010 and the 30th, four
years later in May 2014 in Washington DC.

In June 1998, three years after celebrating its Centenary, the
IAA was restructured as an association of actuarial associations to
respond to the accelerating evolution of the global socio-economic
environment. ~~the IAA was restructured as an association of actuarial~~
~~associations.~~ It ~~could~~ be described as a federation of local or
national independent professional associations of actuaries serving
as a bond between actuaries and the associations of actuaries
throughout the world. The IAA is now the unique international
professional, educational and research organization of actuarial
associations that represents the profession internationally and
supports member associations in ~~responding~~ to the needs of ~~the~~
society by ensuring the availability, around the world, ~~of~~ actuarial
services meeting high standards of quality and professionalism. The
IAA is a non-profit-making and non-political Non-Governmental
Organisation that is on the Roster of the Economic and Social
Council of the United Nations Organisation (UNO) and on the Special
List of the International Labour Office (ILO). There are 3 Institutional
~~members~~Members of the IAA: the International Association of
Insurance Supervisors (IAIS), the International Social Security
Association (ISSA), and the International Accounting Standards
Board (IASB).

Virtually all fully qualified actuaries around the world belong to
the IAA. The ~~55-56 full~~Full member~~Member~~ associations comprise
over ~~40-45~~000+ qualified actuaries distributed in ~~97~~nearly 100
countries, to whom should be added a significant number of actuaries

in ~~24-23~~ Associate ~~member~~ Member associations. What makes the IAA unique is that the local associations are not subsidiaries of the International Association, but are the stakeholders that sit and vote at the Council which governs the IAA. Thus, it is the associations that collectively “own” the IAA.

It is through its Committees and Sections that the IAA helps enhance the efficiency of its member associations in developing and optimizing the use of the pool of scientific knowledge of the global actuarial profession. By leveraging the combined capacity of its members, it can more efficiently serve the public interest and facilitate the expansion of the intellectual capital of the actuarial profession and the scope, quality, and availability of actuarial services. It is the member associations that ~~are~~ also appointing the representatives ~~that~~ who are voting members of the 15 or so Committees that serve the profession, propose standards, define the syllabus and education requirements, and prepare briefs and public statements for international regulatory bodies like the IAIS, the IASB, and the OECD.

The actuarial profession could not reliably deliver high quality services world wide without the support of strong local associations in each jurisdiction to provide an adequate professional environment for practicing actuaries. To be regarded by the global profession as a qualified actuary, a person must be recognized as a fully qualified member of a local association that has complied with the requirements for full membership in the IAA which comprise education, code of professional conduct, formal discipline process, an

Comment [HR1]: Yves, I have amended your wording slightly here as the IAA doesn't really "recognize" actuaries per se

acceptable process for the adoption of standards of practice and soon Continued Professional Development criteria.

Actuaries cannot as individuals directly become ~~directly~~ members of the International Actuarial Association by paying a membership fee, but need to be qualified members of a local association that is a full member and pays the required aggregate membership fee.

In relation to many areas of actuarial practice, the development of one standard which covers the possible (legal) implications in all countries would not be possible to achieve in practice and the same is true for the enforcement of a code of ethics and for country specific qualifications. ~~To be recognized within the global profession as a fully qualified actuary, a person must be recognized as a fully qualified member of a local association that has complied with the requirements for full membership in the IAA which comprise education, code of professional conduct, formal discipline process, an acceptable process for the adoption of standards of practice and soon Continued Professional Development criteria. The actuarial profession could not reliably deliver high quality services world wide without the support of strong local associations in each jurisdiction to provide an adequate professional environment for practicing actuaries.~~

Hence, But authority also entails responsibilities for the local or national associations. The IAA establishes, maintains and promotes high standards of education and professionalism -for actuaries worldwide, but it is the member associations that conduct the

examinations or recognize the exams that are the basis for the professional qualification, that manage the Continued Professional Education process, and that -adopt and enforce the standards, codes of conduct and -discipline requirements.

In 2006, the IAA started a major initiative to develop an International Actuarial Education Program (IAEP). This program is intended to assist member associations in providing high-level actuarial education and to open new opportunities for students around the world by providing access to that education. This is an ongoing project that will continue for years to come and should be of assistance to small or medium size associations that cannot develop and run their own examination system. Currently, 2 under your new constitution, the SOAT fellows are qualified on the basis of exams from UK, Canada, USA, and Australia. The IAEP would offer you an additional choice, 2 but it will-would still be your association, not the IAA, which will-would be granting the qualification.

The IAA and its member associations s must work together and complement each other to achieve their common objectives. The IAA does not compete with its members but aims at being complementary, relying on them as its primary resources to avoid duplication and therefore unnecessary expenses. Our Statutes include an article stating a Principle of Subsidiarity whereby the IAA restricts its activities to strategies and programmes which require international cooperation or direction. The IAA could not represent the global profession and provide the level of services that is

necessary at a cost per capita as low as C\$ 13,50 per year - if -a large part of the work was not done at the level of the member associations. Maybe because of their small numbers, the actuarial professiones hasve been motivated to pool efficiently its~~their~~ resources and isare truly organized on a global basis in a way that optimizes the synergy within the actuarial profession.

We are all living in a more risky society where, from Chernobyl to tsunamis, natural catastrophes and man-made disasters seem to be on the rise. But in a less dramatic way, we are facing a greater variety of ordinary risks associated with ~~the~~ new technologies and bio-technologies, new materials, new food and new living-life styles. The IT revolution has dramatically transformed not only the financial world, but the way we operate trading networks and distribute distributing goods and services. Our more sophisticated world is efficient and productive, but it has also become more complex and vulnerable to a wide variety of new risks as the recent sub-prime crisis has demonstrated.

Actuaries take seriously their responsibility to the public and recognize that their unique blend of skills can be enormously beneficial when applied to the general public good. In many countries, the financial sustainability of key programs is at stake due to demographic and economic changes. Actuaries possess significant expertise in analyzing and modelling the financial implications of risks. This expertise plays an important role in several fields, for example life and non-life insurance, pensions and social security. Rapid development is also occurring in other fields. Banking and other financial sectors are converging and new products and business innovations are taking place. Risk management has widened to Enterprise Risk Management, a new concept of

examining the various risks of entities as a whole. ~~The IAA's~~ Our ERM strategy aims to *“further and establish the position of the actuarial profession as the ~~preeminent~~pre-eminent profession in the field of enterprise risk management”*.

On behalf of our President Hillevi Mannonen₂, who asked me to convey her best wishes to you, I offer my congratulations and sincere thanks to all those whose efforts made this meeting possible, to all the volunteers from the IAA Committee and from the local associations, to the speakers and to all of you in anticipation of your active participation. Thank for having accepted the invitation extended by the IAA Fund Executive Director, Chris Daykin, to meet in this beautiful city and respond in a timely manner to a top priority_{ies} for the IAA and a challenge of strategic importance for Thailand and other countries in the region: the development of the actuarial profession in your region.

This cannot be achieved in Thailand without the support of a strong local association. The future of the profession is in your hands. I am confident that together we can succeed in developing the appropriate synergy.