

15th East Asian Actuarial Conference
Tuesday, October 13, 2009

Thank you for your kind introduction.

Before I proceed to my welcome address, I would like to take this opportunity to express my deepest sympathy to the families and friends of those who lost their lives and to each one of you who has been affected by the massive earthquake that struck off the coast of Sumatra, Indonesia last month. I sincerely wish the life of the victims and their families will go back to normal very soon.

Now, honored guests, distinguished speakers, and dear colleagues,

I feel privileged and honored to give this address at the opening ceremony of the 15th East Asian Actuarial Conference representing the International Actuarial Association - the IAA - in my capacity as its current President. It is my great pleasure to visit this great city of Seoul again. I also bring you greetings and best wishes from all the other Officers of the IAA.

As I was Chairman of the Organizing Committee of the previous EAAC, which was held in Tokyo in 2007, I understand fully how much hard work must have been involved in preparing for the Conference. On behalf of the IAA, I offer my congratulations and sincere thanks to all whose efforts made this Conference possible.

Since I assumed the presidency of the IAA in January, I have been particularly looking forward to an opportunity like this. Being the first IAA President of Asian origin, to give a welcome address at an event like this – one of the most important actuarial events in Asia, evokes a special feeling in me.

Indeed, the year 2009 has turned out to be a year which deserves special recognition in terms of relationships between the IAA and the Asian region.

Other than the IAA President being from Asia, the Institute of Actuaries of India will host the IAA Council and Committee Meetings in Hyderabad, India in November. Also, one of the Sections of the IAA, Pension, Benefit, Social Security Section - PBSS - held its 4th Colloquium in Tokyo, Japan just last week. Back in May, we were delighted to welcome the Asian Development Bank - the ADB - as an Observer Member of the IAA. There is great potential for the IAA to cooperate with the ADB in future.

Now, for those who may not be familiar with the IAA, let me spend a few minutes to give a brief outline of the IAA and its activities.

The IAA, founded in 1895, is a not-for-profit, non-political and non-governmental organization with its Secretariat in Ottawa, Canada. In 1998, the IAA reorganized its structure to become an association of professional actuarial associations worldwide. Last year, the IAA celebrated the 10th anniversary of its restructure. The Decennial Report, produced to commemorate this achievement, can be found on the IAA website.

There are currently 62 Full Member associations plus 23 Associate Member associations. I am happy to note that 10 actuarial associations among 11 EAAC members are full members of the IAA:

Institute of Actuaries of Australia
Actuarial Institute of Chinese Taipei
Actuarial Society of Hong Kong
Actuarial Society of India
Society of Actuaries of Indonesia
Institute of Actuaries of Japan
Society of Actuaries of Malaysia
Actuarial Society of the Philippines
Singapore Actuarial Society
Society of Actuaries of Thailand

I would like to acknowledge that the Institute of Actuaries of Korea - the IAK - is currently an associate member of the IAA and they are working hard to become a full member in the near future. On behalf of the actuarial profession worldwide, I sincerely hope that the IAA will soon welcome the IAK as its full member. We will provide all the necessary support to assist the IAK in the process of completing the membership requirements. Everyone within the IAA is very much looking forward to collaborating with actuaries in Korea to achieve our global vision and mission.

There are also 4 institutional members of the IAA: the International Association of Insurance Supervisors (IAIS), the International Social Security Association (ISSA), the International Accounting Standards Board (IASB), and the International Organization of Pension Supervisors (IOPS).

Virtually all fully qualified actuaries around the world belong to the IAA so that the IAA full member associations comprise about 45,000 qualified actuaries from 102 countries, to whom should be added a significant number of actuaries from Associate Member associations. The IAA serves its members through seven sections covering various areas of practice and 15 committees, plus many subcommittees and task forces.

The Sections are, in order of creation, Actuarial Studies in Non-Life or ASTIN, IACA – the International Association of Consulting Actuaries, Actuarial Approach for Financial Risks or AFIR, IAAHS – the IAA Health Section, PBSS – the Pensions, Benefits and Social Security Section, AWF – Actuaries Without Frontiers, and IAALS – the IAA Life Section.

These Sections regularly hold colloquia in various parts of the world. Such colloquia provide an excellent opportunity, like this Conference, to meet actuaries from around the world and exchange ideas about topics within or beyond the scope of your area of specialization.

Other than colloquia, the IAA holds an International Congress of Actuaries - the ICA - every four years where actuaries from all over the world and from every area of actuarial practice join together and share knowledge. Please plan to attend the next 29th ICA in Cape Town, South Africa, in March of 2010, only 5 months away. Cape Town may not be very close to

East Asia, but I assure you every ICA is an event worth attending which will provide everyone attending with an unforgettable experience.

Now, let me turn to the highlight of the recent activities of the IAA.

How to deal with the consequences of the global financial crisis is one of the greatest challenges the actuarial profession must address. This past February, the IAA published a paper entitled “Dealing with Predictable Irrationality – Actuarial Ideas to Strengthen Global Financial Risk Management” in order to demonstrate to the world the actuarial profession’s response to the crisis. As one of the highlights of this paper, the IAA has proposed four measures to be taken in order to prevent a future financial crisis. They are:

- Introduction of more counter-cyclical regulatory arrangements
- Creation of a Country Chief Risk Supervisor role
- Wider use of comprehensive risk management concepts in banks and non-regulated sectors
- Improved use of ERM & risk governance

The paper was presented to the IAIS and the Joint Forum with the aim of promoting the actuarial profession. Also, the paper received excellent media coverage, making the presence of the IAA and the actuarial profession felt more by the world outside the actuarial community. The most significant news is that the four recommendations that the IAA made in the paper are reflected in the proposals adopted by the G20 in April. This is a testimony about the role and influence of the actuarial profession.

Our February paper was more focused on the banking sector, but a follow-up paper entitled “The Global Financial Crisis – What Next?” issued in July focuses on the consequences for the pension and the insurance sectors.

Getting back to the Conference, when I looked over the program, I was impressed with the wide variety of topics covered. I am particularly grateful to the invited speakers for taking the time to participate in this Conference and to share their expertise with us. Again,

congratulations are due to the organizers for putting together such an interesting and stimulating program.

Let me stress that any goals that the IAA would like to achieve could not be accomplished without the firm support of the local actuarial associations and the voluntary effort of their individual members. Regional meetings such as the EAAC are quite important, not only to the local associations, but also to the IAA because they can greatly contribute toward enhancing recognition of the actuarial profession in a number of countries and raising the level of the local associations and their members, which the IAA must heavily rely on.

I strongly encourage every participant to make the best use of this opportunity and, not only passively listen to the presentations and lectures, but also actively engage in discussions.

Thank you very much again for inviting me and for your attention. I wish every participant a memorable experience over the next three days.