



Welcome to the fourth 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. We continue our global focus with a request to all of you to let us know what you want from the network, as well as including a humorous and enlightening article from China on the development of actuarial education there.

Developing The Network

The AEN has been operating for two years and has grown to 340 members, which is a very useful base to make a difference to actuarial education globally. It's now time for you to let us know exactly what you want from the AEN – we have set up a very short survey which should take less than five minutes of your time. You can find this survey at: <http://www.zoomerang.com/Survey/WEB22FREKVZR4Z>, and we would value every member's input.

As promised, we have set up the first part of our membership directory; you can find this at http://www.actuaries.org/AEN/Directory_Login.cfm and access it with the username and password issued in the e-mail accompanying this newsletter. Currently, it has a listing of those members who have completed their details; you can see these details if you click on the member's name. Further developments including individual login and search functionality will follow.

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

A reminder to all our members: we have our own website at www.actuarialeducators.org, hosted by the IAA. The website is intended primarily as a resource for educators and researchers, and we would like to populate it with useful papers and other materials. If you have a contribution to the website, please send it to [Christian Levac](mailto:Christian.Levac@actuarialeducators.org) – we would like to build a high-class resource base to improve actuarial education and research globally.

Martingale

When Professor Angus Macdonald, a well-known actuarial scholar from Heriot-Watt University, visited my school (SUFE), I presented him with a copy of *English-Chinese Glossaries of Actuarial Terms*, mentioning that it may be helpful to his Chinese students in Edinburgh. Although Angus didn't understand Chinese at all, he flipped through the book with curiosity. Quickly, he made an interesting observation: on average, an actuarial term in English, when translated to Chinese, requires quite a few Chinese characters, and some of them need even seven or eight. But for the word of 'Martingale', a term that carries extraordinary importance in the actuary's world, it literally takes only one character — 鞅 (pronounced "YANG"). So, he wondered: what is so special about this word 'Martingale' in Chinese?

It may not be surprising that such an odd question on Chinese comes from a highly intelligent person whose native language is not Chinese, like Professor Macdonald. However, I have to admit that I had no idea how to answer his question. My initial guess is that the Chinese translator who did the translation of this word in the first place must have been a Chinese statistician with a profound understanding of Archaic Chinese. This is because the ancient character of 'YANG' literally means the "martingale collars" used by French horsemen during ancient times.



On the other hand, what I am really sure though is that the true expert of the Martingale model in our global actuarial community is a Chinese actuary. Of course, I'm referring to Professor Elias Shiu of the University of Iowa. I have, on several occasions, sat in the audience while he presented all lines of 'Martingale trivia' during international seminars. Without fail, his audience would burst into laughter, hoping that he had more jokes up his sleeve.

I remember the first time I listened to Professor Shiu's introduction of Martingale. It was at the University of Hong Kong with a big group of actuarial students in the audience. His lines were:

"Which model is the most important one in actuarial science?"

"Definitely Martingale!"

"Why?"

"You are all members of SoA, so no matter whether you believe me or not, you must have faith in SoA, right?"

"So, where is the SoA headquartered at?"

"At North **Martingale** Road, Schaumburg, Illinois!"

"Why would the SoA be headquartered at such a location if the Martingale model is not of the utmost importance?!"

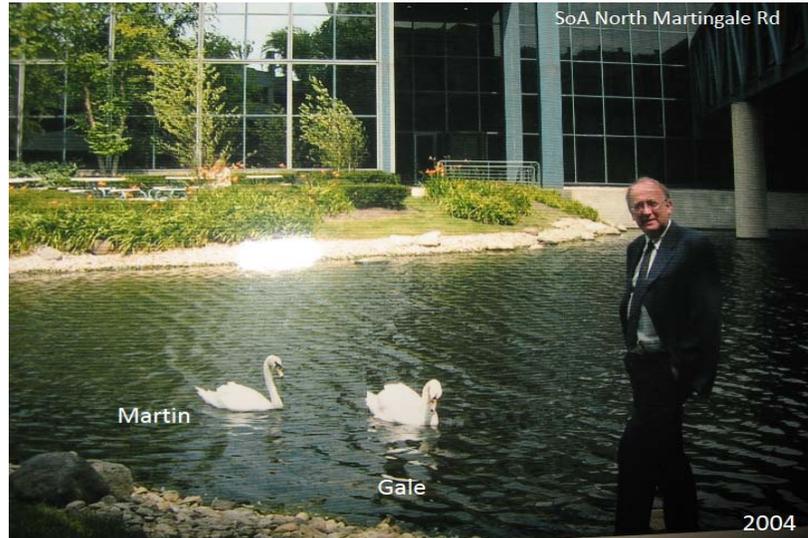
Professor Elias Shiu: Believe it or not, actuaries in Australia buy my words.

Another occasion when Professor Elias Shiu talked about his 'Martingale lines' was at the 35th ASTIN Colloquium in Switzerland, hosted by Eidgenossische Technische Hochschule Zürich (ETH). This time, Elias found a strong supporter in the Colloquium host — Professor Paul Embrechts, another top actuarial academic. Paul had found a special photo and enthusiastically showed it to the audience. The picture showed a pair of swans, paddling in a pond at ease. Paul told the audience that this photo was taken by the pond in the backyard of the SoA's headquarter. Interestingly, for this lovely swan couple, the husband was named Martin and his wife was called Gale. Since they were such a lovely match, 'Martin-gale' was just the right word to describe their romantic relationship.



With support from the story by Professor Embrechts, Elias became even more confident on “Martingale”, so, he told the audience: 'Believe it or not, actuaries in Australia buy my words!', in just the same tone used by the spokesman of the Chinese Ministry of Railways a few years later, which became something of a social satire.

The Institute of Actuaries of Australia (IAAust) has always been devoted to building its profound connection with “Martingale” since its establishment in 1897. Where there’s a will, there’s a way! Finally, in 2002, president Martin (H.R. Martin) was elected, only to be succeeded by president Gale (A.C. Gale). After all, we got another match of Martingale. The only minor imperfection, compared to the lovely swan couple, is that for this 'Martingale' duo, Martin was female while Gale was male. In order to address this issue, in 2008, our Australian colleagues



Professor Paul Embrechts at the SoA with Mr. Martin and Ms. Gale

elected another president of Martin, a male one, Mr. G.C. Martin. So, I guess that they are now expecting another Ms. Gale to lead them in the future.

After the Australian actuarial community got their 'Martingale' as their leaders, they have been performing extremely well and have made significant contribution to our profession. The principle and framework of the Actuarial Control Cycle has become widely acknowledged by the international actuarial society, including UK, USA, China, and others. Indeed, they are truly the rainmakers of education in actuarial science.

Zhigang, Xie, Shanghai, 15th November 2011

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Appreciation: The author appreciates the assistance of Professor Elias Shiu, Professor Paul Embrechts, Professor Angus Macdonald and Mr. Peter Wu, for providing me 2 photos and for smoothing my writing.



Involvement In IAA Fund Meetings

An IAA Fund seminar has been set up in Hong Kong on the 10th May 2012 with a focus on education and developing actuarial associations in that part of the world. Desmond Smith, the current President of the IAA, will do a short presentation on the AEN.

Future Meetings of Actuarial Educators

Please note this updated list of upcoming conferences for Actuarial Educators –we hope that you will be able to take part in some of these opportunities from around the world.

| Region | Event | Dates | Host |
|---------------|--|-----------------|--|
| North America | 47 th Actuarial Research Conference | 1-4 August 2012 | University of Manitoba, Winnipeg, Manitoba (Canada) |
| North America | 48 th Actuarial Research Conference | 1-3 August 2013 | Temple University, Philadelphia, Pennsylvania (USA) |

Actuaries Without Borders

In conjunction with Actuaries Without Borders (AWB), a section of the IAA, the AEN would like to support the development of education in emerging actuarial associations. We would encourage all AEN members to support the education work of the AWB in helping with the following two initiatives.

On-line Education Initiative

A committee has been set up to investigate opportunities to provide on-line education, using webinars or other similar technology, as a cost-effective way to provide education to countries where there are limited opportunities for face-to-face education with suitably qualified teachers. We would appreciate any ideas on how this could be made to work – if you have any input, please contact Andrew Gladwin (agladwin@oldmutual.com).

Course Catalog

The Education Subcommittee of Actuaries Without Borders is currently in the process of compiling a catalog of courses that their members are willing to teach as volunteers in other countries. To participate in this project, you need to be an AWB member and complete a questionnaire sent out by the IAA Secretariat. If you are interested in participating and are not a current AWB member, please go to http://www.actuaries.org/SECTIONS/SECTION_MEMBERSHIP_EN.cfm and choose AWB under section selection. Once you have joined, you will receive a cover letter and the questionnaire.



Actuarial Educators Network



Final Comments

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 the 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 Christian Levac (christian.levac@actuaries.org) who will remove you from the distribution list.