The main purpose of this report is to present a brief overview of the actuarial profession in Mexico, focused on the relationship and influence that actuaries have with other professionals and different entities.

The most important distinctive characteristic of the Mexican actuary, with respect to actuaries in other parts of the world, is the widespread field of activities where the actuary is involved. In order to understand how this situation came about, perhaps it might be helpful to provide a brief description of the actuary's evolution in Mexico.

First of all, the actuarial profession in Mexico can be considered to be in its infancy, especially when it is compared with the actuarial profession in other countries like Great Britain or the United States. The actuarial profession in Mexico had its origin in the insurance industry when one of the oldest insurance companies hired a British actuary, Mr. Frederic L. Williams, at the beginning of this century. In 1937, Mr. Williams founded the first actuarial association in Mexico under the name "Mexican Institute of Actuaries". The Mexican Institute of Actuaries had as its basic goal the promotion of actuarial investigation and the training of new actuaries through a series of lectures and seminars which, to a very great extent, delineated the role of the actuary.

With the foundation of the Institute, the actuarial profession began to acquire a separate identity and reputation. It was officially recognized in Mexico with the enactment in 1946 of the General Law of Professions in Practice. In 1962, the first actuary obtained the official qualification, "Degree of Actuary", through a program of studies at the National University of Mexico. The first graduates of that program occupied prominent positions in insurance companies and, as a result, the actuary was soon recognized as a highly reputable professional.

At first, the academic program was directed totally towards the practice of insurance. The actuarial school was located in the Faculty of Science which comprised, among others, the school of Mathematics and Physics. As the actuarial program included a great many mathematics courses, the mathematical and actuarial programs were then quite similar.
A number of factors caused the diversification of actuarial interest. First of all, the program graduates realized that their strong mathematical ability and their background in probability, theory of interest and evaluation of random events enabled them to help with the solution of problems in many diversified fields. At the same time, industries other than insurance recognized the usefulness of the application of actuarial methods. This, combined with the fact that the insurance industry was no longer as rewarding as it had been previously, mainly because of its small size, led actuaries to seek other fields of endeavor. Consequently, as a result of the relatively small insurance industry and the socio-economic condition of Mexico as a developing country which needs the talents of highly qualified professionals in many areas, actuaries have tended to apply their skills in a variety of fields of activity. The academic program for actuaries has therefore been reviewed from time to time in order to adapt it to the real necessities of the business world for actuaries, and now includes such topics as operations research, econometrics, finance and programming.

Special mention should be made of the process to qualify as actuary. In order to achieve qualification, a candidate must attend a designated university for a full four years. At present four universities offer actuarial training. During the first three years, the actuarial program covers advanced mathematics, probability and statistics, theory of interest, and life contingencies; after this study of fundamentals, candidates select a field of specialization and concentrate on the subjects relevant to that field. After completing university, the candidates must work free for the government (social service) for six months and take two examinations in foreign languages, mainly English, French or German. Finally, the candidate must write a thesis on any topic related to his specialization and sit for an open examination before he is officially qualified. There is a strong tendency among actuaries to obtain graduate degrees, either in Mexico or abroad.

The relationship of the actuarial profession with the government has improved markedly in recent years. Indeed, there are now a number of consulting actuaries occupying high positions within government. To the extent that actuaries are involved in more varied fields of activities, they work very closely with economists, accountants and administrators. Moreover, in recognition of the merits of an actuarial background, many of these other professionals are actually requesting actuarial advice for certain projects. Traditionally, the closest relationship has been with lawyers. This is especially true, and important, in the case of
consulting actuaries working with employee benefit plans, and it is a complementary relationship.

One notable achievement of the profession is that the legislators took into account the opinion of actuaries regarding employee benefit plans in arriving at amendments to the income tax regulation that appeared last February, resulting in positive modifications. These will expedite the implementation of a benefit program.

In recent years, there has been a strong tendency among actuaries to take on substantial responsibilities with respect to investment matters. Many of the investment advisors of the stock market are actuaries. Similarly, actuaries have made major contributions to computer applications in the insurance and employee benefit areas.

No matter what the particular field of activity in which the actuary might be involved, the most important problem of all is the impact on his work of the high rate of inflation that Mexico has experienced during the last two years. Therefore, the great challenge to the actuarial profession in Mexico is to find ways to cope with this inflation.