

## Global Positioning

### Expand Your Actuarial Horizons

**D**O YOU GET SATISFACTION FROM PASSING YOUR KNOWLEDGE on to an appreciative audience? Are you comfortable in environments that are, shall we say, rustic, and where the predictability and availability of certain conveniences can be quite different from what you are used to at home? How about dealing with the hustle and bustle of crowds or different foods and culture? Or communicating when neither you nor your audience can properly speak each other's language?

If you are OK in these situations, you are probably a great candidate for the work of Actuaries Without Frontiers (AWF). But even if your answer is either "Maybe, on really good days," or "Frankly, no," you might still want to know about AWF and how it is working to expand the profession's reach in developing nations.

Established in November 2003, AWF is a section within the International Actuarial Association (IAA). Its mission is to make actuarial services available on a short-term, voluntary basis to assist in the development of social security, pension, insurance, investment, or health care infrastructures. It focuses on countries that have an underdeveloped actuarial profession and insufficient financial resources to fund such services.

#### A World of Need

The IAA, an "association of associations" with origins dating back to 1895 (although it underwent a major restructuring in 1998), today boasts 60 full members representing 52 countries (or 53, depending on how Puerto Rico is viewed) and 25 associate members (with at least three joining in 2008—the Caribbean Actuarial Association, the Actuarial Society of Kenya, and the Actuarial Association of Sri Lanka).

The membership of the International Association of Insurance Supervisors (IAIS) comprises 140 countries (190 jurisdictions) in which representatives of developed markets such as the U.S., Canada, France, and the U.K. work with representatives of emerging-market countries such as Bhutan, the Republic of Maldives, El Salvador, and Lesotho.

With many newly independent countries (as well as some with longer histories) yet to join, it's clear that the lists for both organizations will only get longer in coming years. But even current numbers reveal the degree to which



Kazakhstan in winter (1,700 meters above sea level)

the global community is coming together, the growing level of sophistication in developing economies, and the importance of the role of insurance.

This is particularly true in the area of property/casualty insurance (or general, short-term, or non-life insurance, as it's known in many countries), with motor and fire insurance being the dominant product lines in developing countries, followed by employment-based life and health insurance and retirement programs. Many governments in developing countries are also in the process of establishing national financial security systems (retirement, unemployment, etc.) and health coverage programs with the involvement of major national and supra-governmental organizations such as the Germany's GTZ, the Canadian International Development Agency (CIDA), and the World Bank.

As a result, there's a growing awareness of the need for actuaries, both for their technical skills and for their ability to manage products, businesses, and programs. But the actuarial profession is still relatively small. Including those in various stages of completion of the fellowship process, the profession probably numbers under 100,000 worldwide, with the majority working in established economies. For many countries, particularly those with emerging economies, there's a significant void in the technical areas of the insurance and pension plan sectors and in national

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**Top: Visiting actuaries honored with ceremonial Kazakh gowns. Bottom: Shiraz Jetha (right) and other visiting actuaries dine with their Kazakh hosts.**



financial security programs—areas where actuaries, because of our long history of involvement, have deeply rooted skills and know-how.

### Professional Challenge

The challenge to the actuarial profession is not only to make our technical expertise more widely accessible but also to expand the profession in developing nations. Hence, AWF, which serves to link situations in need of actuarial skills with financial resources and actuarial volunteers who can meet those needs.

To date, much of the activity in this young section has revolved around UpLift Health, a health mutual with slum communities in India. But the pace of work is starting to pick up and to diversify to meet many needs. In 2008, AWF was asked on very short notice to provide actuaries who could offer two four-hour lectures at an actuarial school organized by the Kazakhstan Actuarial Society in Almaty and sponsored by the East-West Management Institute and the U.S. Agency for Interna-

tional Development.

While it wasn't the most opportune time for me and I had to prepare quickly, I volunteered for the project. My first lecture was an introductory treatment of enterprise risk management (ERM) and economic capital, and my second focused on non-life employer-based products in the U.S. My audience included the actuarial staff and industry management of insurers and reinsurers from throughout the region (including Uzbekistan, Tajikistan, Kyrgyzstan, Armenia, and Turkmenistan, in addition to Kazakhstan). My handouts had to be translated into Russian in advance, and I had a live interpreter for my lectures. It was quite an experience. There was a lot of interest in the topics, varying from the technicians (who favored the presentations on ERM and economic capital) to the management types (who seemed to prefer discussion of products, particularly employer-based health insurance in the U.S.).

I had some time for recreation, which combined exposure to the local culture

and sightseeing, as well as an opportunity to address a local class of MBA students on the actuarial profession in North America. I thoroughly enjoyed my stay in Kazakhstan and have nothing but fond memories of the experience (as well as a stack of business cards, should I happen to travel to these countries in the future).

### Many Ways to Volunteer

AWF projects currently on the table include a venture to provide short-term visiting lecturers (for a two- to four-week schedule) for actuarial science programs at Kenyan universities in Nairobi.

Volunteering abroad might not suit everyone. Being open-minded and flexible is important. Yes, there are some risks, although these come mostly from mosquito bites or food that disagrees with you. However, there are rewards. Personal growth is high on that list, along with visiting places you might otherwise never see, making new friends, and working with and learning from colleagues from different parts of the world. You will also be contributing to the growth of and respect for the actuarial profession as you showcase our skills and training in your work.

Even if you aren't available to take an assignment abroad, AWF could use your expertise in planning its database, building relations with donor organizations, and other section work.

Volunteering is easy. The first step is to join AWF (annual dues to join this section are a nominal \$20). For more information and to join, go to [www.iaa-awf.org](http://www.iaa-awf.org). Upon joining, you will be asked to fill out a form detailing your area(s) of expertise, the type of work that you do, whether you are interested in volunteering abroad and, if so, any geographical preferences that you have, and your availability for projects. This information will be put into the AWF database for use when suitable projects arise.

Still trying to decide whether this is right for you? Do consider it. The world needs your skills.