

Actuarial Society of the Philippines

Category: Opinion 12 October 2016
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INSURANCE FORUM

The Actuarial Society of the Philippines (ASP) is the only professional organization of actuaries in the Philippines. It is expressly recognized under Sec. 345 of the Amended Insurance Code (it is also mentioned in Section 189). Its objective is to develop and qualify professional actuaries and to advance actuarial science. Its membership is classified into Affiliates, Associates, and Fellows. Actuaries serve in various fields such as the life insurance industry, non-life industry, pre-need industry, HMO industry, social security, banking and finance, and various consultancies. More than 50% of the Fellows of the ASP are employed by insurance companies. As of April 2011, it has 246 members with 64 Fellows, 58 Associates, and 124 Affiliates. The ASP became a member of the International Actuarial Association in 1998.

Actuaries “determine the chances of future risks, like birth, disability, accidental injury, fire, damage to property, need for medical care, or premature death, and calculate the cost of financing these uncertain events by insurance or other related means. They use scientific actuarial principles so that the financial aspects of these uncertainties can be exchanged for the certainty of a premium payment.”

On March 12, 1953, the Philippine Actuarial Society was formed with eight charter members. Among the founders were Dr. Emeterio Roa, Dr. Luis Salvosa, Mr. Exequiel Sunico Sevilla and Dr. Manuel Hizon. Dr. Emeterio Roa was the first Filipino actuary. He was an actuarial *pensionado* at the University of Michigan. Upon his return to the Philippine in 1924, he served for one year at the Office of the Insular Treasurer, then the ex officio Insurance Commissioner. He later joined the Insular Life Assurance Company Ltd. in 1925 as its Actuary. He served as the first President of the ASP from 1954 to 1955.

Exequiel Sevilla, on the other hand, is renowned for having the highest general weighted average (GWA) in the history of the University of the Philippines (U.P.) with a GWA of flat 1.0. He graduated summa cum laude in 1927 with a bachelor's degree in commerce. He was later sent to the University of Michigan in Ann Arbor as a government scholar for a master's degree in actuarial mathematics. He graduated in 1929. He trained for one year with the United States Life Insurance Co. in New York. Upon his return to the Philippines, Sevilla worked as actuary in the Office of the Insurance Commission up to 1933 before transferring to National Life Insurance Co.

At that time, there were only four actuaries in the Philippines. He also co-founded the Philippine Statistical Association in 1951. At National Life, he served as general manager and later as President in 1955. He passed away in 1985 at the age of 81.

The name Philippine Actuarial Society was later on changed to Actuarial Society of the Philippines (ASP) in 1960. In 1969, it was formally incorporated before the Securities and Exchange Commission as a non-stock, non-profit organization. The Society gave its first examinations for Associateship (then a new designation) in 1969. Before 1969, it recognized membership in actuarial societies of other countries or required, for membership, college actuarial studies and actual work experience.

Before 1994, the ASP gave six examinations of which the first three were for Associateship. It covered the mathematical side of actuarial science and covered such topics as numerical analysis, compound interest, probability and statistics, life contingencies, risk theory, graduation, and measurement of mortality. After 1994, associateship exams were replaced by examinations of the Society of Actuaries (SOA) over the same topics. The ASP continues to give Fellowship examinations. Among the subjects covered are 10 specific courses: Valuation of Liabilities (Course 510), Life Insurance Accounting (Course 520), Investments and Finance (Course 530), Selection of Risks and Reinsurance (Course 540), Pre-need Plans (Course 550), Gross Premiums, Asset Shares and Other Pricing Considerations (Course 610), Retirement Plans (Course 620), Social Insurance (Course 630), Group Insurance and Health Benefit Systems (Course 640), and Life Insurance Law and Taxation (Course 650).

Other professional qualifying steps would include the Fellowship Admission Sessions which includes topics on professional ethics and the Professional Credit Point System.

To be an Affiliate of the ASP, a candidate must pass at least one of the five Society of Actuaries (SOA) preliminary exams. To be an Associate, a candidate must pass all five preliminary exams, complete three Validation by Educational Experience (VEE) requirements and attend the Associateship Admission Course (AAC) offered by the ASP. To be a Fellow, an Associate must pass two Fellowship exams and attend the Fellowship Admission Session (FAS) administered by the ASP. The Associate must also complete the SOA Fundamentals of Actuarial Practice, at least two Fellowship modules and at least one Fellowship exam.

The ASP also has a Code of Conduct which is administered by its Professional Standards and Review Council which was constituted in 1988. From the time of its inception in 1953, the Actuarial Society of the Philippines continues to be a pillar of the ever-growing Philippine insurance industry.

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