



MEMORANDUM OF UNDERSTANDING

BETWEEN

INTERNATIONAL ACTUARIAL ASSOCIATION (IAA)

AND

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS)

PARTIES TO THE MEMORANDUM OF UNDERSTANDING

1. The International Association of Insurance Supervisors (IAIS) represents insurance supervisory authorities globally, and welcomes insurance professionals as observers - including industry associations, professional associations, insurance and reinsurance companies, consultants and international financial institutions.
2. The mission of the IAIS is to promote effective and globally consistent regulation and supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to contribute to global financial stability.
3. The International Actuarial Association (IAA) is the worldwide association representing local professional actuarial associations and their individual actuaries. The IAA exists to encourage the development of a global profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served.
4. The goals of the IAA are to represent the actuarial profession and promote its role, reputation and recognition in the international domain; and to promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.
5. The IAIS and IAA (hereinafter "Parties") have agreed to the following:

PURPOSE

6. The purpose of this Memorandum of Understanding is to create the framework for co-operation that will enable each group to benefit from the common activities in their respective strategies. This will further mutual understanding, and, where areas of joint interest have been identified, close coordination between the Parties. Greater cooperation will help both organisations pursue their respective goals and will help avoid any unnecessary duplication or inconsistency of work and publications.
7. The collaboration of both organisations should enable each organisation to better achieve its objectives. As a consequence, the IAA and IAIS agree to have a program of cooperation, which will include agreed actions and initiatives (meetings, sharing and exchange of information, ad hoc task forces etc.) to enhance their respective impact on issues and topics where both organisations have common interest.
8. Each Party agrees that they will comment in a timely manner on the work programmes and publications of the other Party in order to identify the work that is of mutual interest. Where the work of one Party also has particular applicability to the other, closer co-operation will be considered. Both Parties will seek to shape such co-operation in as efficient and effective a manner as possible.

AREAS OF COMMON INTEREST

9. Several areas of interest are currently shared. These include:
 - a) Solvency frameworks and methodologies for insurance entities and insurance groups
 - b) Financial stability issues affecting the insurance sector
 - c) Supervision of internationally active insurance groups
 - d) Macroprudential surveillance and stress testing
 - e) Reinsurance and related forms of risk mitigation techniques
 - f) Accounting, auditing and disclosure issues for insurers
 - g) Risk management and corporate governance for insurers
 - h) Education on and implementation of IAIS principles and standards
 - i) Encouragement of training and skill development of actuaries, especially in emerging markets

CO-OPERATION PROCESS

10. To facilitate the development of activities of mutual interest, the IAA and IAIS will make arrangements appropriate to the respective activities, including:
 - Achieving awareness of the nature of each organisation's activities of mutual interest. This mutual awareness will be achieved principally through attendance at working party and other meetings, as appropriate, and through communication between relevant staff and/or volunteers of the organisations.
 - Developing appropriate output or publications which may be either co-branded or with an agreed form of support by one organisation for the work of the other, subject to specific approval by both parties of each publication.

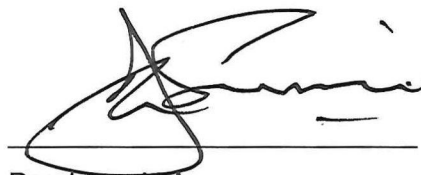
11. Various mechanisms can be undertaken to support initiatives in regards to activities of mutual interest.
12. The activities above will be monitored and the achievements assessed on an on-going basis and reported to the designated IAA and IAIS liaison persons respectively who shall be the Chairperson of the Supranational Relations Subcommittee for the IAA and Secretary General for the IAIS.

PARTICIPATION IN MEETINGS

13. Each Party will provide the other with the opportunity for agreed representatives to participate in its meetings of the relevant working parties in the most productive and efficient way. Agreed representatives will be subject to the usual conditions that apply to Observer or Institutional Members of each Party, including agreed confidentiality policies, working party procedures and internal regulations. In particular, the chairs of meetings will retain the discretion for some meetings or parts of meetings to be restricted to Members only. All agreed representatives are required to act with integrity and honesty, and in a manner that respects the reputation of each Party and avoids any conflicts of interest.

COMMITMENT

14. This agreement shall be reviewed regularly by both parties, with the first review during 2015. This Memorandum of Understanding signifies our commitment to working for the mutual benefit of our respective organisations.



President IAA

Date 21 June 2012



Chair IAIS, Executive Committee

Date 21 June 2012