



# **INTERNATIONAL ACTUARIAL ASSOCIATION**

## **Statutes, Internal Regulations, Policies and Protocols**

**April 2011**

**SECRETARIAT**

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# Officers, Section and Committee Leadership

## OFFICERS

<b>President</b>	Cecil D. Bykerk
<b>Secretary General</b>	Jean-Louis Massé
<b>President-Elect</b>	Desmond Smith
<b>Immediate Past President</b>	Paul N. Thornton

## SECTION CHAIRMEN

<b>AFIR</b>	Eric Thorlacius
<b>ASTIN</b>	Harry Panjer
<b>AWB</b>	Vacant
<b>IAAHS</b>	Emile Stipp
<b>IACA</b>	Ken Buffin
<b>LIFE</b>	Kurt Wolfsdorf
<b>PBSS</b>	Chris Daykin

## COMMITTEE CHAIRPERSONS

<b>Accreditation</b>	Chris Lewis
<b>Advice &amp; Assistance</b>	Tarmo Koll
Africa	Giovanna Ferrara
Asia	Darryl Wagner
IAA Fund	Jim MacGinnitie
Latin America	José Luis Lobera
<b>Audit and Finance</b>	Mike McLaughlin
<b>Education</b>	Mary Frances Miller
Actuarial Educators	Andrew Gladwin
Syllabus Review	Vacant
<b>Enterprise and Financial Risk</b>	David Ingram
<b>Executive Committee</b>	Cecil Bykerk
Communications	Harry Panjer
Due Process	Fred Rowley
Interim Actuarial Standards	Dave Pelletier
Role of the Actuary	Thomas Béhar and David G. Hartman, Co-Chairpersons
Strategic Planning	Desmond Smith
Supranational Relations	Ken Buffin
<b>Insurance Accounting</b>	Sam Gutterman
Actuarial Standards	David Congram and Francis Ruygt, Co-Chairpersons
APOG Discount Rates	David Congram
<b>Insurance Regulation</b>	Toshihiro Kawano
ComFrame	Dave Sandberg
Reinsurance	Michael Eves
Solvency	Henk van Broekhoven
<b>Microinsurance</b>	Howard Bolnick
<b>Mortality</b>	Martin Stevenson
<b>Nominations</b>	Paul N. Thornton
<b>Pensions and Employee Benefits</b>	Gary Hibbard
Accounting Standards	Alf Gohdes
<b>Professionalism</b>	Michael Pomery
<b>Social Security</b>	Robert L. Brown
Population Issues	Vacant



## IAA Medallists

Hans Bühlmann, Switzerland (Awarded in April 2001)

† Max Lacroix, France (Awarded in April 2001)

W. Paul McCrossan, Canada (Awarded in June 2008)

Yves Guérard, Canada (Awarded in October 2010)

# Statutes

## I. Name, Vision, Mission and Official Languages

### **Article 1 Name**

The INTERNATIONAL ACTUARIAL ASSOCIATION, hereafter referred to as the IAA, has been constituted and incorporated as an Association in accordance with Swiss law. It is the continuation of the "Comité Permanent des Congrès d'Actuaires" established in 1895, which was renamed the "International Actuarial Association" in 1968.

### **Article 2 Vision Statement**

The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.

### **Article 3 Mission Statement**

The mission of the IAA, as the worldwide organization of actuarial associations, is:

- 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.

### **Article 4 Official Languages**

The official languages of the IAA shall be English and French.

## II. Membership

### **Article 5 Membership Structure**

The IAA is an association of actuarial associations comprised of voting Full Members, non-voting Associate Members, and other non-voting membership categories as may be further defined in these Statutes and the Internal Regulations.

### **Article 6 Association Membership**

Actuarial associations may become Full Members or Associate Members of the IAA, collectively referred to as "Member Associations". Actuarial associations that have satisfied the accreditation criteria of the IAA as set out in the Internal Regulations may apply to the IAA's Council to be accepted as Full Members. Actuarial associations that do not satisfy the accreditation criteria of the IAA as set out in the Internal Regulations may apply to be accepted as Associate Members.

The procedure and criteria for acceptance of Full Members and Associate Members, their rights, and the procedure and criteria for termination of their membership, and any other matters relating to these membership categories, shall be governed in accordance with the provisions in the Internal Regulations.

### **Article 7 Other Membership Categories**

The Council may create other non-voting membership categories. The procedure and criteria for acceptance of members in those categories, their rights and the procedure and criteria for termination of their membership, and any other matters relating to these membership categories shall be governed in accordance with the provisions in the Internal Regulations.

## III. Principle of Subsidiarity

### **Article 8 Co-operation**

The IAA will restrict its activities to strategies and programmes which require international co-ordination or direction, or can be handled more efficiently across national and regional boundaries. It will not become involved with actions at the level of the Member Associations or regional groups of actuarial associations, except at the express invitation of such an association or group.

The IAA will therefore take any measures necessary to avoid duplication or overlap with the activities of Member Associations or regional groups of actuarial associations.

## IV. Council

### Article 9 Duties of the Council

The Council is the governing body of the IAA in relation to achieving the IAA's Vision Statement and Mission Statement through the Strategic Objectives set out in the Strategic Plan adopted by Council from time to time.

Without limiting the generality of the foregoing, the Council shall have the following duties and responsibilities:

1. Approve the strategic direction and the scope of activities as proposed by the Executive Committee;
2. Amend these Statutes;
3. Establish and amend Internal Regulations;
4. Determine the accreditation process and criteria for Full Members;
5. Admit members of the IAA, including Full Members, Associate Members, and all other membership categories;
6. Establish and dissolve Sections and funds ;
7. Elect the Officers and members of the Executive Committee;
8. Appoint members to the Nominations Committee and the Audit and Finance Committee;
9. Determine the location of the Secretariat;
10. Approve the due process by which guidelines, recommendations or standards are to be approved and issued;
11. Approve the due process for issuance of public statements;
12. Determine external relations policies;
13. Determine annual membership fees;
14. Approve the policy regarding the purchase of assets and disposition of assets held by the IAA;
15. Approve investment guidelines
16. Receive the reports of the President, the Executive Committee and of the Secretary General and approve the audited accounts and the budget for each financial year; and
17. Appoint and remove auditors.

### Article 10 Composition of Council

(a) The Council shall consist of the following persons:

- (i) One Delegate appointed by each Full Member in writing, who may exercise the right to vote as provided in these Statutes and the Internal Regulations;
- (ii) One Delegate appointed by each Section in writing, who may exercise the right to vote as provided in these Statutes and the Internal Regulations;
- (iii) All Officers of the IAA ex-officios, without the right to vote, except for the President who shall have the right to a casting vote in the event of a tie vote; and
- (iv) All Committee chairpersons ex-officios, without the right to vote.

(b) Notwithstanding (a)(i) and (a)(ii) above, each Full Member and Section may also appoint one Alternate Delegate in writing, who may attend at Council meetings, participate and vote in the absence of the Delegate.

(c) A Delegate or Alternate Delegate to the Council must be a fully qualified actuary and a member of the Full Member or of the Section making the appointment.

### Article 11 Council Meetings

- (a) There shall be an annual meeting of the Council in the last four months of the calendar year at such date, time and place as determined by the Council, upon the recommendation of the Executive Committee.
- (b) Other Council meetings may be convened by the Secretary General at the request of the President or at the request of a number of Member Associations constituting at least one-fifth of the voting rights of the Council.
- (c) Other matters in relation to Council meetings not provided for in these Statutes shall be governed by the provisions set out in the Internal Regulations of the IAA.

## Article 12 Voting Rights

- (a) Each Delegate of a Full Member shall have the right to cast one vote which would represent the number of voting rights as set out in the table below in accordance with the number of fully qualified actuaries of the Full Member:

Number of fully qualified actuaries in the Full Member	Number of voting rights
up to 75	1
76 to 500	2
501 to 1,500	3
1,501 to 3,000	4
3,001 to 5,000	5
5,001 to 7,500	6
7,501 to 10,000	7
Over 10,000	8

- (b) Each Delegate of a Section shall have one vote which would represent one voting right.
- (c) In the event of a tie vote, the President shall have the right to make one single casting vote which would represent one voting right.
- (d) Other members of the Council and individuals at Council meetings have no voting rights.

## Article 13 Council Decisions and Votes to Govern

- (a) Matters dealing with terms and conditions for the dissolution and liquidation of IAA and the disposal of the available funds and of all documents, works and archives belonging to IAA shall be decided by Council at Council meetings, but not by electronic voting. All other matters may be decided by Council either at Council meeting or electronic voting, as determined by the Secretary General. A copy of every resolution decided by electronic voting shall be kept with the minutes of the meeting of the council on the website.
- (b) Except for matters otherwise provided for in these Statutes, decisions of Council shall be taken by a simple majority of the voting rights cast (excluding abstentions and spoiled ballots/votes), subject to the following:
- i. Matters relating to defining and amending accreditation criteria for Full Members shall require an affirmative vote of at least four-fifths of the voting rights cast by Delegates of Full Members. For greater certainty, Delegates of the Sections shall not have any right to vote in these matters.
  - ii. Matters relating to terms of reference of the Nominations Committee, membership fees, amendment to these Statutes, as well as terms and conditions for the dissolution and liquidation of the IAA and the disposal of the available funds and of all documents, works and archives belonging to the IAA, shall require an affirmative vote of at least four-fifths of the voting rights cast.
  - iii. Matters relating to membership admittance and sanctions, location of the Secretariat, terms of reference and delegation of power to Committees, length of notice period regarding motions on matters requiring Council decision, and amendment to Internal Regulations (that are not governed by (i) or (ii) above) shall require an affirmative vote of at least two-thirds of the voting rights cast.

## V. Officers

### Article 14 Officers

- (a) The Officers shall be the President, President-Elect, Immediate Past President, and Secretary General. They shall be ex-officio members of the Council and shall not represent any Member Associations. They must be fully qualified actuaries of Full Members.
- (b) If the President is absent or is unable to act, the President may appoint the President-Elect or the Immediate Past President to act in his/her stead. In case of death of the President, or of a prolonged

period of incapacity or failure of the President to carry out his/her duties, the duties of the President will be undertaken by the President-Elect or, if the President-Elect is unable to assume these duties, by the Immediate Past President.

- (c) The term of office and other matters in relation to the Officers not provided in these Statutes shall be governed by the provisions set out in the Internal Regulations.

## VI. Executive Committee

### Article 15 Powers and Structure

In order to advance the operations of the IAA, the Council shall elect an Executive Committee, which shall have the following roles:

1. To carry out the operational aspects of the IAA;
2. To prepare strategy proposals and material for consideration at Council meetings; and
3. To monitor the implementation of the Strategic Plan.

The specific duties of the Executive Committee are as follows:

1. Recommend to Council a Strategic Plan and updates to it as conditions warrant;
2. Report to the Council on its activities, including progress relative to the agreed strategic plan;
3. Establish and dissolve organizational structures, including Committees (except for the Nominations Committee and the Audit and Finance Committee) and other organizational structures, as necessary, and establish terms of reference for them, with such actions by the Executive Committee subject to ratification by the Council. At least once in a three-year period, review the terms of reference of each of these organizational structures as to their appropriateness in relation to tasks foreseen and activity realized in implementing the Strategic Plan;
4. Review periodically the governance and structure of the IAA and make recommendations to the Council in relation to any need for change;
5. Appoint chairpersons and vice-chairpersons of Committees (except for the Executive Committee, Audit and Finance Committee and Nominations Committee), taking into account the recommendation of the Nominations Committee, with such appointments subject to the ratification by the Council;
6. Appoint Committee members who are not delegates appointed by Full Member associations, taking into account the recommendation of the Nominations Committee, with such appointments subject to the ratification by the Council;
7. Provide oversight and coordination for the Committees and Sections;
8. Recommend external relations policies, for approval by Council, in accordance with the Strategic Plan;
9. Implement the due process policy for issuing public statements;
10. Implement the due process policy to enforce guidelines, recommendations or standards of the IAA;
11. Recommend to Council the budget and schedule of membership fees for each year for approval;
12. Implement the policy regarding the purchase of assets and disposition of assets held by the IAA;
13. Recommend to Council future Council and Committee meeting venues; and
14. Carry out such other duties and responsibilities as may be determined by the Council from time to time.

The Executive Committee shall consist of all Officers of the IAA and eight (8) additional members to be elected by the Council. The President of the IAA shall chair the Executive Committee.

The Executive Committee may transact business by holding meetings in person, or by means of a telephonic, electronic or other communication facility.

## VII. Other Committees

### Article 16 Other Committees

The establishment, composition, operation, terms of reference and dissolution of other Committees not addressed in these Statutes shall be in accordance with the provisions set out in the Internal Regulations.

## VIII. Sections

### **Article 17 Purpose and Establishment**

The Council may establish Sections to promote the role of the actuary in specific areas of practice; to encourage, facilitate and sponsor research of interest to the science and practice of the actuary; and to provide opportunities for the participation of individual actuaries and others in research and continuing professional development.

### **Article 18 Governance**

Sections are internal divisions of the IAA established by Council from time to time according to such criteria as may be determined by Council. The voting rights of the Sections at Council meetings shall be governed in accordance with the provisions set out in Article 12 of these Statutes. The governance of the Sections shall be in accordance with the provisions more particularly set out in these Statutes and the Internal Regulations.

## IX. Secretariat

### **Article 19 Location**

Until changed in accordance with criteria established by Council, the Secretariat (i.e. headquarter) of the IAA shall be in Ottawa, Canada.

### **Article 20 Operations**

The Secretariat shall be under the direction of the Secretary General, managed by an Executive Director, and is accountable to the Council. All other matters in relation to the operations and duties of the Secretariat, Secretary General and Executive Director shall be in accordance with the provisions set out in the Internal Regulations.

## X. Financial Statements and Budgets

### **Article 21 Management**

The Secretariat shall be responsible for managing the financial affairs of the IAA, maintaining all appropriate records, as well as preparing all financial statements and draft budgets, as more particularly described in the Internal Regulations.

### **Article 22 Financial Year**

The financial year end of the IAA shall be December 31 of each year.

### **Article 23 Annual Budget and Membership Fee Schedule**

The IAA's annual budget and schedule of membership fees in the next fiscal year shall be submitted by the Secretary General to the Executive Committee, which shall make a proposal to the Council for approval.

In the event that the Council does not adopt a new schedule of fees, the schedule of fees from the previous fiscal year shall continue to apply.

### **Article 24 Restricted Funds**

The IAA shall provide stewardship of its funds dedicated to specific uses or sponsored activities.

## XI Internal Regulations and Other Matters

### **Article 25 Internal Regulations**

Council may adopt Internal Regulations to govern the IAA's operations and activities, provided that such Internal Regulations are not inconsistent with these Statutes.

### **Article 26 Other Matters**

Matters not covered by these Statutes and the Internal Regulations will be governed in the sole discretion of the Council.

## XII. Execution of Documents, Financial Matters and Judicial Actions

### **Article 27 Execution of Documents**

All deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the IAA, except payment of financial obligations, shall be signed by two members of the Executive Committee, one of whom shall be the President or the Secretary General. They need not give evidence of their powers. Notwithstanding the foregoing, the Council may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed.

### **Article 28 Banking**

The banking business of the IAA shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business elsewhere as the Executive Committee may designate, appoint or authorize from time to time. The banking business or any part thereof shall be transacted by such persons as the Council may from time to time designate, direct or authorize.

### **Article 29 Judicial Actions**

All judicial actions, either with the IAA as plaintiff or defendant, will be administered by the President or by an Executive Committee member designated by the President. Prior consent of the Executive Committee is required for the IAA to proceed in a judicial action.

## XIII. Amendments to the Statutes

### **Article 30 Procedures for Amendments**

These Statutes may be amended by the Council from time to time. Amendments to these Statutes shall require an affirmative vote of at least four-fifths of the voting rights cast.

## XIV. Dissolution

### **Article 31 Procedures for Dissolution**

The terms and conditions for the dissolution and liquidation of the IAA and the disposal of the available funds and of all documents, works and archives belonging to the IAA shall be determined at a meeting of the Council called for the purpose of considering same. Such actions shall require an affirmative vote of at least four-fifths of the voting rights cast at a meeting of Council.

## XV. Transitional Provisions

### **Article 32 Individual Members**

Forthwith upon the adoption of these Statutes, there shall no longer be an individual membership category of the IAA and the term of membership for all individual members shall expire. However, all other membership categories of the IAA shall continue.

### **Article 33 Committees**

Upon the adoption of these Statutes, all Committees and Sections of the IAA shall continue with the same terms of reference.

*Adopted June 8, 1998; Last Revised March 6, 2010.*



# Internal Regulations

## SECTION 1. STRATEGIC OBJECTIVES

The Vision Statement and Mission Statement set out in the Statutes shall be achieved by the Strategic Objectives set out in the Strategic Plan adopted by Council from time to time.

## SECTION 2. MEMBERSHIP

### 2.1 Membership Requirements in General

Actuarial associations may adopt rules which have the same effect as the membership requirements set out below as applicable, although expressed in different words; and they may adopt additional rules, guidance notes or standards, provided that they are not inconsistent with these membership requirements.

### 2.2 Full Members

**2.2.1 Application for Full Members Status** - Actuarial associations that have satisfied the accreditation criteria of the IAA as set out below may apply to the IAA's Council to be accepted as Full Members. Once accepted as a Full Member, they may appoint a Delegate (and Alternate Delegate as required) to be represented at Council, as well as receive such services and privileges as determined by Council from time to time.

**2.2.2 Accreditation Criteria** A Full Member association must satisfy the following accreditation criteria at all times.

- (a) The Full Member must provide, upon request of the Secretariat, such forms and information as may be required by the IAA to assess compliance with the accreditation criteria as a Full Member.
- (b) The Full member must pay fees when due.
- (c) The Full Member must not have any aim or purpose that is in conflict with the Vision Statement and Mission Statement of the IAA as adopted by Council from time to time.
- (d) The Full Member shall provide a copy of its constitution, by-laws or similar governing documents setting out its purpose and organizational structure.
- (e) The Full Member must not act in a manner that damages the reputation of the actuarial profession.
- (f) The Full Member must have a code of professional conduct in place which may be modified from time to time. A copy of the Full Member's current code of professional conduct must be made available to the actuaries who are members of the Full Member. The code of professional conduct must be consistent with the principles described in the provisions below, but the provisions contained in the code do not need to be identical with the provision below. The code does not need to include optional or permissive language set out below, such as "An Association may" or "for example". The Full Member may provide additional guidance in its code of professional conduct, provided that the additional guidance is not inconsistent and does not lower any of the obligations set forth below.
  - i. An actuary shall perform professional services with integrity, skill and care. An actuary shall fulfil the actuary's professional responsibility to any client or employer. The Full Member may provide more specific guidance if it wishes to do so (for example, it may indicate that an actuary could consider advising a client or employer where a proposed course of action would, in the opinion of the actuary, be contrary to the public interest).
  - ii. An actuary shall act in a manner that fulfils the profession's responsibility to the public. An actuary shall act in a manner that upholds the reputation of the actuarial profession. An actuary shall not engage in any advertising or business solicitation with respect to actuarial services that the actuary knows or should know is false or misleading.

- iii. An actuary shall co-operate with others serving the actuary's client or employer. An actuary shall not disclose to another party (unless authorized by the client or required by the discipline process of the actuary's association, but subject to what is required by applicable laws) confidential information (that is, client information that is not in the public domain and of which the actuary becomes aware as a result of providing actuarial services).
- iv. An actuary shall perform professional services only if the actuary is competent and appropriately experienced to do so. The Full Member may permit its actuaries to operate otherwise in defined and specific circumstances (for example, where an actuary is working with another actuary who is fully competent and with the appropriate experience, or where the client would be disadvantaged if available advice was denied).
- v. An actuary is responsible for ensuring that the actuary's work conforms to applicable practice standards in the actuary's area of work. An actuary must take into account relevant mandatory practice-related guidance issued or endorsed by the actuary's association, and may take into account any non-mandatory practice-related information that is so issued or endorsed. An actuary must be familiar with the current requirements of the applicable code(s) of professional conduct.
- vi. An actuary shall, in communicating professional findings, show clearly that the actuary takes responsibility for them. An actuary shall indicate the extent to which the actuary or other sources are available to provide the client or employer with supplementary information and explanation about scope, methods and data in relation to the work performed.
- vii. An actuary shall, in communicating professional findings, identify the client for whom these findings are made and the capacity in which the actuary serves.
- viii. An actuary shall not perform professional services where the actuary is involved in an actual or potential conflict of interest, unless the actuary's ability to act fairly is unimpaired and there has been full disclosure to the client and all principals of the actual or potential conflict. The Full Member may also require that an actuary may not perform professional services under these circumstances unless the client and all principals have expressly agreed that the actuary may do so.
- ix. When an actuary is asked to take on professional services previously provided by another actuary, the actuary shall consider whether it is appropriate to consult with the previous actuary to ensure that there are no professional reasons to decline taking on this new responsibility.
- x. An actuary shall disclose to the actuary's client the sources of material compensation or income from any other source that is related to any service provided for a client as soon as such a source is identified.
- xi. An actuary shall be subject to the disciplinary procedures prescribed in the rules of the actuary's association, and, subject to the right of appeal within those rules, shall accept any judgment passed or the decision of any appeal procedure.

- (g) The Full Member must have a formal discipline process in place, including the following:
- i. There is a complaint process accessible to anyone affected by an actuary's work and the actuary's professional peers.
  - ii. There is due process of defense available to the actuary complained against, and the actuary's rights are fully respected.
  - iii. There is an objective formal appeal process independent of the body that has ruled at the prior level.
  - iv. There are available sanctions appropriate to the seriousness of the violations committed, including termination of membership in the association.
  - v. The process shall enable the association to give appropriate notice and information to the public of the results of the complaint process where any penalty is imposed, including providing information to other actuarial associations. Any notice to the public shall be consistent with the discipline process.

- (h) If the Full Member adopts standards of practice, it must have in place a formal process for adoption which meets the criteria set out below. If the Full Member does not have a standards of practice process in place, any standards of practice adopted at a later time must meet the following adoption criteria.

The criteria for an acceptable process for the adoption of standards of practice are:

- i. The proposal to consider a possible standard follows an established process.
- ii. The proposed standard is available to actuaries who are members of the association, and where relevant, to third parties for comment.
- iii. Comments on the exposure draft shall be duly considered.
- iv. Upon adoption of the standards, they are to be disseminated by an authority vested with such powers.
- v. The standards are published and made available to practicing actuaries who are members of the Full Member.

- (i) The Full Member shall require all of its actuaries who are recognised as having attained fully qualified actuarial status on or after January 1, 2006 to successfully complete an education programme compliant with the 2007 IAA Education Guidelines and the 2007 IAA Education Syllabus. In addition, a Full Member may also impose additional education or experience requirements:
- i. before the completion of a professional actuarial qualification; and/or
  - ii. for qualification to provide advice in relation to specialized areas of work or practice areas; and/or
  - iii. to work within a particular jurisdiction; and/or
  - iv. for other reasons.

Components of the Education Syllabus may be given different weight by different actuarial associations, and subjects may be arranged and material from various topics within the Education Syllabus may be combined in an education system as appropriate. An education system may be assessed based on the overall balance between depth of coverage and breadth of coverage, rather than a narrow focus on each part of the Education Syllabus.

**2.2.3 Temporary Dispensation from Compliance** – A Full Member that does not fully comply with the accreditation criteria may be granted temporary dispensation from one or more specific accreditation criteria for up to three years by the Accreditation Committee without terminating its status as a Full Member, provided that the Accreditation Committee is satisfied that:

- (a) the Full Member has made, and is taking all reasonable steps to comply with the accreditation criteria as soon as practical;
- (b) an earlier non-compliance is effectively outside the control of the Full Member ; or
- (c) in the opinion of the Accreditation Committee, it would be unreasonable to require immediate compliance.

The Full Member must report on its progress towards compliance with the accreditation criteria as required by the Accreditation Committee; and in the case of education requirements, the Accreditation Committee will consider the advice and assessment of the Education Committee.

## **2.3 Associate Members**

- a. Actuarial associations that do not meet the accreditation criteria as a Full Member may apply to be Associate Members. If a Full Member does not comply with the said accreditation criteria, it may request the Secretariat to change its membership status to become an Associate Member until such time that the association can re-apply to be a Full Member. Once accepted as an Associate Member, it may appoint a non-voting representative to attend Council meetings as more particularly set out in the Statutes, as well as receive such services and privileges as determined by Council from time to time.
- b. An Associate Member must satisfy the following requirements at all times:
  - (i) The Associate Member must provide, upon request of the Secretariat, such forms and information as may be required by the IAA to assess compliance with the criteria for membership as an Associate Member.
  - (ii) The Associate Member must have a minimum of five members residing at three or more different addresses.
  - (iii) The Associate Member must have been in existence for a minimum of one year.
  - (iv) The Associate Member shall provide a copy of its constitution, by-laws or similar governing documents setting out its purpose and organizational structure.
  - (v) The Associate Member must pay fees when due.
  - (vi) The Associate Member must not have any aim or purpose that is in conflict with the Vision Statement and Mission Statement of the IAA as adopted by Council from time to time.
  - (vii) The Associate Member shall not act in a manner that damages the reputation of the actuarial profession.
  - (viii) The Associate Member shall not engage in any advertising or solicitation of new members, funding or business services that the association knows or should know is false or misleading.

## **2.4 Institutional Members**

- (a) The Council may accept as Institutional Members of the IAA important institutions that especially concern themselves at the international level with matters of concern to actuaries.
- (b) Each Institutional Member may appoint a non-voting representative to attend Council meetings, provided it agrees to invite an observer from the IAA to meetings of its governing body or at other meetings of particular relevance to actuaries. Institutional Members may obtain IAA publications at no charge and have privileged access, subject to applicable rules, to IAA electronic communications and such other services as appropriate. Institutional Members may participate in the IAA's International Congresses subject to payment of the Congress registration fees.

## **2.5 Observer Members**

- (a) The Council may grant Observer Members status to organizations upon acceptance of an invitation by the President, with the mutual intent of enhancing communications, liaison, exchanges and strategic support. Such invitations may be addressed to public, academic or industry institutions of relevant interest for the global actuarial profession, particularly those active at an international, supranational or regional level.
- (b) Observer Members may obtain IAA publications at no charge and have privileged access, subject to applicable rules, to IAA electronic communications and such other services as appropriate. Observer Members may apply to participate in the IAA's International Congresses, subject to payment of the Congress registration fees and acceptance of the application to participate. Observer Members shall not be entitled to appoint any representatives to attend Council meetings.

## **2.6 Benefactor Members and Special Benefactor Members**

- (a) The Council may grant Benefactor Member or Special Benefactor Member status to entities that wish to provide regular financial support to the work done by the IAA in developing the body of knowledge of actuarial science, enhancing the quality of services, the professional standards and in general ensuring that the public interest is well served.
- (b) Benefactor Members and Special Benefactor Members must not have any aim or purpose that is in conflict with the Vision Statement and Mission Statement of the IAA as adopted by Council from time to time; shall not act in a manner that damages the reputation of the actuarial profession; and shall not engage in any advertising or solicitation of business services that the Benefactor knows or should know is false or misleading. Benefactor Members and Special Benefactor Members may obtain IAA publications at no charge and have access, subject to applicable rules, to IAA electronic communications and such other services as appropriate. Benefactor Members and Special Benefactor Members shall not be entitled to appoint any representatives to attend Council meetings.

## **2.7 Termination and Reinstatement of Members**

**2.7.1 Resignation of Members** - Members may resign from the IAA by notice in writing at any time.

**2.7.2 Termination of Full Members** - If it is determined by the Accreditation Committee that a Full Member does not meet the accreditation criteria set out above, this shall be drawn to the attention of the Full Member. Unless the Accreditation Committee subsequently determines that the Full Member meets the accreditation criteria, the association will cease to be a Full Member and become an Associate Member, effective from the later of (a) three months after the date of the next Council meeting, and (b) the end of any period of temporary dispensation which may have been granted by the Accreditation Committee as provided above.

**2.7.3 Termination of Associate Members** – If it is determined by the Accreditation Committee that an Associate Member association does not meet membership requirements, this shall be drawn to the attention of the Associate Member. If an Associate Member fails to pay the applicable dues, the Associate Member’s membership status shall be terminated effective at the end of three years from the due date of any outstanding dues. Unless the Accreditation Committee subsequently determines that the association meets membership requirements (other than the non-payment of dues as provided for above), the association will cease to be an Associate Member effective from the later of (a) three months after the date of the next Council meeting, and (b) the end of any period of temporary dispensation which may have been granted by the Accreditation Committee.

**2.7.4 Termination of Other Members** – The Council may terminate the membership of other members at any time.

**2.7.5 Notification of Council and Appeal Rights** - Council shall be notified of any pending change in the status of membership at the next Council meeting. If a dispensation from membership requirements has been granted by the Accreditation Committee, Council shall be notified at the Council meeting before the change would take effect. The members affected may appeal to the Council for a determination of the Accreditation Committee.

## **2.8 Membership Fees and Contributions**

### **2.8.1 Member Associations**

Full Members and Associate Members shall pay such membership fees as determined by the Council.

### **2.8.2 Other Members**

Other categories of membership shall pay such fees or contributions as determined by the Council.

### **2.8.3 Fees Non-Refundable**

All membership fees and contributions paid shall be non-refundable.

## **2.9 Website Access**

Full Members, their actuaries and staff shall have access to the section of IAA’s website that is dedicated to Full Members. Sections, their members and staff shall have access to the section of IAA’s website that is dedicated to the Sections. Other membership categories may have access to such sections of IAA’s website as determined by Council.

## **SECTION 3. COUNCIL MEETINGS**

### **3.1 Attendance at Council Meetings**

(a) Only those persons listed in Article 10 of the Statutes shall be entitled to attend Council meetings. One representative from each Associate Member, Institutional Member, and such other membership categories as may be permitted by the Statutes or the Internal Regulations, may also attend Council meetings, but without the right to vote. Other individuals may attend at Council meetings as observers at the invitation of the President, and such individuals may not participate in the meeting discussions, unless explicitly invited to do so by the President.

(b) The Council may hold in camera sessions, wherein attendance would be restricted to those persons listed in Article 10 of the Statutes and invitees, if any, of the President.

### **3.2 Notice**

The convening notice for each Council meeting must indicate the place, date and time for the meeting, with a detailed agenda and proposed motions. The convening notice must be sent by the Secretariat by mail, facsimile or e-mail to all persons who are entitled to attend at Council meetings at least 60 days in advance of the meeting. The notice and all relevant documents must be available electronically.

### **3.3 Agenda and Business to be Transacted**

Only business set out in the agenda for a Council meeting may be transacted at the meeting.

### **3.4 Amendments to Agenda Items**

Amendments to the business on the agenda may be made upon recommendation of the relevant Committee, where applicable, up to 30 days before the Council meeting, by delivering a notice to the Secretary General, provided that such amendments are not substantive in nature. The Secretariat shall make available at the Council meeting a document indicating clearly the amendments introduced after the delivery of the notice of the meeting.

### **3.5 Business to be Delayed**

At a Council meeting, a motion, duly seconded, requesting that an amendment to an item on the agenda be carried to the next meeting's agenda for vote or for a follow-up electronic vote after the meeting will be accepted by the chairperson.

### **3.6 Method of Holding Council Meetings**

A Council meeting may be held in person, or by means of a telephonic, electronic or other communication facility.

### **3.7 Determination of the Quorum**

A quorum at any meeting of the Council shall be a simple majority of the total voting rights. For changes to the Statutes or dissolution of the IAA, the quorum shall be two-thirds of the total voting rights. For the purpose of determining quorum at a meeting, a Delegate (or Alternate Delegate) may be present in person, by proxy, by telephonic or by other electronic means. If a quorum is present at the opening of a meeting of the Council, those present (in person, by proxy, by telephonic or by other electronic means) may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

A quorum for electronic voting ballots of Council shall be a simple majority of the total voting rights to have been expressed by the deadline for voting. For changes to Statutes by electronic voting ballot, the quorum will be two-thirds of the total voting rights.

### **3.8 Voting by Delegates and Alternate Delegates**

Where a Delegate of a Full Member or Section is unable to attend at a Council meeting, the Alternate Delegate appointed by the same Full Member or Section may attend, participate and vote at such Council meeting in the absence of the Delegate.

### **3.9 Proxy Votes**

Where the Delegate is unable to attend at a Council meeting and an Alternate Delegate has not been appointed, or where the Alternate Delegate is unable to attend at a Council meeting, the Delegate (or Alternate Delegate as the case may be) may appoint in writing a proxyholder or one or more alternate proxyholders who must be Delegates or Alternate Delegates representing other Full Members or Sections, as nominee for the Delegate (or Alternate Delegate as the case may be) to attend and act at the meeting in the manner and to the extent and with the authority conferred by the proxy. Proxies must bear the original signature of the Delegate or Alternate Delegate appointing the proxyholder. Such proxies in writing must be submitted to the Secretary General prior to the meeting and be attached to the original minutes of the meeting. The Secretary General may accept a facsimile or an electronic transmittal of a proxy.

### **3.10 Other Means of Voting**

In addition to voting in person or by proxy by the Delegates (and Alternate Delegates), every Delegate (and Alternate Delegate as the case may be) may also vote by any of the following means:

- (a) by using a mailed-in ballot in the form provided by the IAA and in the manner prescribed by the IAA;
- (b) by means of a telephonic, electronic or other communication facility, if the facility enables the votes to be gathered in a manner that permits their subsequent verification and permits the tallied votes to be presented to the IAA.

### **3.11 Minutes**

Minutes of Council meetings shall be reported and endorsed by the chairperson of the Council meeting. The original shall be kept and maintained at the Secretariat along with copies of documents distributed at the meeting. The minutes shall be prepared and available electronically within forty-five days of the meeting.

## SECTION 4. COMMITTEES

### 4.1 Nominations Committee

#### 4.1.1 Members of the Nominations Committee

Members of the Nominations Committee shall be proposed by the Nominations Committee and appointed by the Council. They shall consist of:

- (a) The Immediate Past-President of the IAA, who shall be the chairperson of the Nominations Committee;
- (b) The President and the President-Elect of the IAA;
- (c) The Secretary General of the IAA, who shall not have the right to vote ; and
- (d) At least five additional persons chosen from among delegates or former Delegates of the Council or former chairpersons of an IAA Committee or Section in order to ensure a proper geographical, linguistic, and cultural balance and reflect indications of interest from Full Members.

#### 4.1.2 Terms of Reference of the Nominations Committee

The terms of reference of the Nominations Committee are as follows:

- (a) The Nominations Committee shall be responsible for recommending to Council suitable candidates for election as:
  - i. President-Elect;
  - ii. Secretary General;
  - iii. Members of the Audit and Finance Committee, Executive Committee and Nominations Committee; and
  - iv. President, if the incumbent President-Elect is unable to take up the position.
- (b) The Nominations Committee shall be responsible for recommending to the Executive Committee suitable candidates for appointment as, with such appointments subject to the ratification by the Council:
  - i. Delegates of the Council to Section Committees and to external organizations; and
  - ii. Chairpersons and vice-chairpersons of Committees and other positions as determined by the Council.
- (c) In all its recommendations, the Nominations Committee must seek to achieve geographical, linguistic and cultural balance, as well as an appropriate range of skills and practice areas.
- (d) The Nominations Committee may put forward more than one candidate for a position, but not more than three, when it is considered that each of them would, if elected/appointed, carry out the responsibilities and fill the position with equal distinction and the choice among them will not disrupt orderly guidelines of the Nominations Committee with respect to balance. The Nominations Committee must provide to the Council (or Executive Committee, as the case may be) a description of the merits of each candidate.
- (e) The Nominations Committee may operate by means of a telephonic, electronic or other communication facility, and need not have a face-to-face meeting to determine its recommendations, provided that the chairperson ensures that the views of all the members of the Nominations Committee are considered.

#### 4.1.3 Protocol for Nomination of President-Elect

- (a) Nominations of the President-Elect shall aim to achieve cultural, geographical and linguistic diversity in the leadership.
- (b) As an objective, the presidency of the IAA over an eight-year period shall, to the extent possible, be rotated so that two Presidents would be from Europe, two from the United States or Canada, two from the rest of the world, and two from any of these categories.
- (c) The candidate must be a fully qualified actuary of a Full Member and shall be functionally competent in English or French.
- (d) The candidate must, if possible, have served either as a chairperson of an IAA Committee or in leadership capacities in a Section of the IAA.
- (e) The candidate must have experience as a leader within his/her own actuarial association and have the support of the said actuarial association to aspire to the positions of President-Elect and President in the IAA.

#### **4.1.4 Protocol for Election of President-Elect**

The Council shall sit in camera to consider the recommendations of the Nominations Committee for the positions of President, Secretary General and President-Elect; the proposed candidates shall be excused from the meeting.

#### **4.2 Audit and Finance Committee**

##### **4.2.1 Members of the Audit and Finance Committee**

Members of the Audit and Finance Committee shall be appointed by the Council.

##### **4.2.2 Terms of Reference of the Audit and Finance Committee**

- (a) The Audit and Finance Committee is responsible for auditing, monitoring and reviewing all IAA financial reporting, and making recommendations to Council of related policy and operational guidelines in conjunction with the Secretariat, including the review of policy and financial outcomes relating to:
- (i) budgets and delegated authorities;
  - (ii) investments, expenses, Sections, and Congresses;
  - (iii) reimbursement of internal expenses, gifts from the IAA, and terms of financial contracts.
- (b) The Audit and Finance Committee shall recommend the annual financial statements of the IAA and the appointment of the auditor to the Council for approval. The Audit and Finance Committee shall also provide appropriate annual certification in relation to specific financial matters and other matters delegated to the Audit and Finance Committee.
- (c) The Audit and Finance Committee shall produce an annual certification of all released public statements.
- (d) The Audit and Finance Committee may meet with the personnel of the Secretariat, the auditors, Officers of the IAA or Section chairpersons, as necessary, for the discharge of its responsibility.

#### **4.3 Protocol for Establishment of Committees, Subcommittees, Task Forces and Working Groups**

(a) Committees

- (i) The IAA shall have an Executive Committee, an Audit and Finance Committee, and a Nominations Committee. The terms of reference for these Committees are in accordance with the provisions set out in the Statutes and Internal Regulations. For purposes of the Statutes and Internal Regulations, the term "Committee" shall not include "Section Committees", which shall operate in accordance with the applicable rules of each Section.
- (ii) From time to time, the Executive Committee may establish such other Committees as it determines necessary, and establish terms of reference for them, subject to ratification by the Council. These Committees shall comply with the terms of reference set out below.
- (iii) Committees are normally established for an indefinite period.
- (iv) Each Full Member may designate a delegate to each Committee, except to the Audit and Finance Committee, Executive Committee and Nominations Committee. A Committee delegate shall be:
  - a fully qualified actuary of the Full Member making the appointment; or
  - an actuary that has complied with the IAA education guidelines as applicable from time to time, whether or not he/she has been classified as a fully qualified actuary by a Full Member; or
  - an actuary or fully qualified actuary appointed by an association of which he/she is not a member.

- (v) The Full Member of which a Committee chairperson or vice-chairperson is a member may nominate another person as delegate to the Committee.
  - (vi) The chairperson, vice-chairpersons and other Committee members who are not delegates appointed by Full Members shall be appointed by the Executive Committee, subject to ratification by the Council.
  - (vii) Individuals nominated as chairperson or vice-chairperson of Committees shall be fully qualified actuaries of a Full Member and be functionally competent in English or French.
  - (viii) If a Committee chairperson is absent or is unable to act, a vice-chairperson of the Committee shall act in the stead of the chairperson.
  - (ix) Chairpersons of Committees may permit other individuals to attend and participate as observers at Committee meetings, including staff members of Full Members and other non-actuaries.
  - (x) Committees shall report to the Executive Committee, which approves their terms of reference and Committee members, subject to the ratification of Council.
- (b) **Subcommittees and Task Forces**
- (i) Subcommittees and task forces are means by which Committees and Section Committees may pursue efficiently specific objectives. Committees and Section Committees may appoint their own subcommittees and task forces, and establish their terms of reference (as long as these are contained within the scope of the main Committee/Section Committee), membership, time line and target dates, all subject to subsequent reporting to the Executive Committee. The appointing Committee/Section Committee is responsible for coordination and reporting arrangements.
  - (ii) Members of subcommittees and task forces shall not represent particular Full Members, but are selected on the basis of their expertise needed to achieve the specific goals of the subcommittees and task forces.
  - (iii) Subcommittees should be appointed where the nature of the work is for a longer term.
  - (iv) Task forces should be appointed where the nature of the work is of limited duration and for a specific task. They should be disbanded when the task is complete.
  - (v) Subcommittees and task forces should, where possible, carry out their work between meetings of the Committee/Section Committee to which they report.
  - (vi) Members of subcommittees or task forces do not need to be delegates to the main Committee/Section Committee, other than the chairperson.
  - (vii) The chairperson of a subcommittee or task force will be an ex-officio member of the Committee/Section Committee to which he/she reports with the exception of the Executive Committee, Nominations Committee and Audit and Finance Committee.
- (c) **Working Groups**
- Working groups are complementary to the basic structure of Committees, Sections, subcommittees and task forces; they are created to pursue specific objectives that may overlap with several Committees/Sections areas. Working groups may be established by any Committee or Section Committee, provided that the terms of reference shall be approved by the Executive Committee or a Committee or Section approved by the Executive Committee. Working groups shall report to the relevant Committee/Section Committee. Members of working groups are selected based on the interest, expertise and representation of the relevant Committee/Section Committee. A working group is presumed to be established for an indefinite period, unless the terms of reference for the working group provides otherwise. The chairperson of a working group shall be an ex-officio member of the Committee/Section Committee to which he/she reports.

#### **4.4 Committee Meetings**

Committee meetings shall be held in accordance with the provisions set out below. Meetings of subcommittees, task forces and working groups shall be conducted in accordance with the rules and other requirements prescribed by the Committee or Section Committee that established them.

- (a) Committee meetings may be held in person, or by means of a telephonic, electronic or other communication facility. Committee members may also be given the opportunity to express a view orally or in writing.
- (b) If a Committee member is unable to attend a Committee meeting, the member may cast a vote by mail, facsimile or e-mail, or appoint a proxyholder to vote by proxy.
- (c) *Committees shall attempt to make decisions by consensus where possible. However, where necessary, decisions may be made by a simple majority of the Committee members.*
- (d) Convening notices for all Committee meetings must be sent by mail, facsimile or e-mail by the Secretariat to all persons who are entitled to attend at such meetings. They must include the date, time, place and agenda and proposed resolutions for the meeting. They must be available electronically.
- (e) Minutes of Committee meetings shall be reported and endorsed by the chairperson of the applicable Committee meetings. The original shall be kept and maintained at the Secretariat along with copies of documents distributed at the meeting. The minutes shall be prepared and available electronically within forty-five days of the meeting.

## **SECTION 5. SECRETARIAT**

### **5.1 Responsibilities and Duties of the Executive Director**

The Executive Director is responsible as head of the administration for the management of the human and financial resources of the Secretariat and of its operations with the objective of ensuring an efficient and cost-effective delivery of the services required by the IAA to implement its strategic objectives.

The duties include the coordination of the activities of the Secretariat for the accomplishment of its detailed duties and the support to the Officers, the Council, the Committees and the Sections of the IAA, in compliance with the Statutes, Internal Regulations and applicable legislation.

### **5.2 Responsibilities and Duties of the Secretary General**

The Secretary General serves as an Officer of the IAA and also acts as Treasurer. The Secretary General has the strategic and executive responsibility for the Secretariat. All duties and responsibilities devolved to the Secretariat are under the direction of the Secretary General.

### **5.3 Duties of the Secretariat**

The Secretariat shall be responsible for the day-to-day management and financial administration of IAA, as more specifically set out below.

### **5.4 Working Languages**

The Secretariat shall arrange for translation of official IAA documents into English and French.

### **5.5 Financial Administration**

#### **(a) Accounts**

On a quarterly basis, the Secretariat shall prepare the applicable accounting records and schedules as required by the auditor or Audit and Finance Committee, produce internal management reports to monitor actual results compared to budgets, and prepare account analyses for the Secretary General.

#### **(b) Budgeting**

The Secretariat shall annually obtain projected annual expenses from all IAA Committees and other areas of activity in a manner which assures timely and accurate budget preparation, and submit a draft budget and cash flow projection to the Secretary General.

**(c) Administration**

The Secretariat shall:

- (i) Invoice membership fees and monitor collections for IAA, including the Sections.
- (ii) Supervise all banking activities and manage assets as directed by the Council.
- (iii) Review regularly short-term cash requirements and timely investment of excess funds.

**5.6 General Administration**

**(a) Records**

The Secretariat shall maintain all membership records and support the activities of Committees which have membership management responsibility.

**(b) Publications**

The Secretariat shall co-ordinate all printing, editing, and design of publications, including those of the Sections.

**(c) Communications**

The Secretariat shall manage all communications from the IAA to its members or third parties.

**5.7 Meeting Support and Organization**

(a) The Secretariat shall co-ordinate and support all meetings, including notification, preparation and distribution of agendas and supporting documents, and distribution of minutes.

(b) The Secretariat shall arrange meeting logistics for Council, Executive Committee and all other Committees, utilizing, as may be needed, the assistance of the host actuarial association, where applicable. A representative from the Secretariat, as designated by Council or the Executive Committee or the Secretary General, failing which as designated by the Executive Director, shall attend meetings of the Council, the Executive Committee, and the Nominations Committee.

(c) The Secretariat shall liaise with the Full Members selected to hold the Congresses and the Sections holding Colloquia regarding IAA's policies and standards, especially in relation to the format of meeting, organization, advertising, registration and funding.

**5.8 Expenses**

The reimbursement of expenses shall be in accordance with rules determined by the Council from time to time, provided that the expenses for reimbursement are submitted in a timely manner with the required documentation.

## **SECTION 6. OFFICERS**

6.1 The term of office for the President and a President-Elect shall be one year, commencing on January 1 and ending on December 31. Upon the completion of the term of office for the President and the President-Elect, a minimum of a six (6) years' absence is required before eligibility for re-election to be an Officer.

6.2 The term of office for the Secretary General shall be four years. There is no maximum term of office for the Secretary General and as such, the Secretary General will be eligible for re-election by the Council to the same position at the end of the term on a consecutive basis.

6.3 The term of an Officer may be terminated at any time by a simple majority of the voting rights. Unless so removed, an Officer shall hold office until the earlier of the following:

- (i) the expiry of the then current term of office;
- (ii) the effective date of the appointment of the Officer's successor;
- (iii) the Officer's resignation; or
- (iv) such Officer's death,

whichever shall first occur. If the office of any Officer shall be or become vacant, the Council may, by a simple majority of the voting rights cast, elect a person to fill such vacancy, and the Council may decide whether to fill the vacancy for the balance of the term or for a full term of office.

- 6.4 The Officers, under the leadership of the President, are responsible for optimizing the contribution of the IAA to the progress of the actuarial profession globally through the pursuit of the strategic objectives as defined in the Strategic Plan. In the interest of efficiency, the Officers may make decisions in response to immediate needs of a strategic or operational nature that may arise between meetings of the Council and the Executive Committee.

## SECTION 7. SECTIONS GOVERNANCE

- 7.1 Each Section shall be governed by a Section Committee. Two of the members of each Section Committee shall be appointed by the Council to represent the Council, based on a recommendation from the Nominations Committee. The other members of each Section Committee are appointed by the Section in accordance with its rules.
- 7.2 Each Section Committee may establish its own rules, which are not inconsistent with the Statutes and the Internal Regulations of the IAA, in relation to the operations of the Sections. All rules established by the Sections shall be subject to approval by the Council.
- 7.3 Individual actuaries may join any Sections of their choice in accordance with the rules established by the Sections. Each Section may determine membership criteria for such individuals, but these individuals are not deemed to be members of the IAA by virtue of their Section membership.
- 7.4 Each Section shall be responsible for ensuring stewardship for their finances and activities. Their financial statements shall be subject to audit and approval by the Audit and Finance Committee of the IAA. The Sections shall report semi-annually to Council on their activities and financial position.

## SECTION 8. CONGRESSES

- 8.1 International Congresses shall be held once every four years, as much as possible, to be organized by one of the Full Members of the IAA.
- 8.2 The place and date of each International Congress shall be fixed by Council, depending on the suitability of the various countries expressing an interest in holding the Congress and the level of support of the actuarial associations in those countries.
- 8.3 In the year of the Congress the Council shall schedule Council meetings and Committee meetings, and Section Colloquia to take place in conjunction with the Congress. For clarity, Section Colloquia are annual conferences held by Sections of the IAA.
- 8.4 The Full Member in a country chosen to host a Congress shall establish an Organising Committee. The President, Secretary General, chairperson of the Member Services Committee and the Executive Director shall be members of the Organising Committee.
- 8.5 The Organising Committee shall make all arrangements for the Congress (including advertising, registration and funding). The Organising Committee shall be responsible for developing regulations for the Congress and determining programmes of action and topics for discussion at the Congress; and the Organising Committee shall submit the same to the Council for approval at least two years before the date of the Congress. The Organising Committee shall arrange for the publication (digital or by other means) of those papers submitted and chosen for presentation at the Congress.
- 8.6 The Organising Committee shall ensure that all expenses of the Congress and related publications are paid. A final report on the outcome of the Congress, including financial results, must be submitted to the IAA Council within nine (9) months following the Congress. The Regulations of the Congress must stipulate how the Organising Committee plans to dispose of any surplus that may be generated by the Congress.

## SECTION 9. CORRESPONDENTS

For the purpose of on-going continuity of relationships between Full Members and Associate Members and the Secretariat, each Full Member and Associate Member shall designate a Correspondent as a contact person with the Secretariat. In the case of Full Members, the Correspondent shall not be the same person as the Delegate designated by the Full Member.

## SECTION 10. AMENDMENTS TO THE INTERNAL REGULATIONS

These Internal Regulations may be amended by the Council from time to time. Amendments to these Internal Regulations shall require an affirmative vote of at least two-thirds of the voting rights cast.

*Adopted June 11, 1998; Last Revised: January 14, 2011.*



# Strategic Plan

## Vision Statement

The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.

## Mission Statement

The mission of the IAA, as the worldwide organization of actuarial associations, is:

- 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.

## Values Statement

The IAA adheres to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public.

## Strategic Objectives and Priorities/Action Plans

### Strategic Objective 1

Identify, establish, and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.

#### *Priorities/Action Plans*

1. Identify and prioritize relevant supranational organizations with whom to establish and maintain key relationships.
2. Bring key relationship bodies into contact with the relevant actuarial groups.
3. Build and maintain key relationships.

### Strategic Objective 2

Facilitate the use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.

#### *Priorities/Action Plans*

1. Identify and prioritize fields of practice and develop a program to support each area.
2. Create strong links with non-actuarial international organizations in “wider fields”. (links to Strategic Objective 1)
3. Promote the development of actuarial practice in Enterprise Risk Management, including the development of a global designation/credential.

#### **Strategic Objective 3**

Establish, maintain and promote common standards of actuarial education, common principles of professional conduct. Promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards.

#### *Priorities/Action Plans*

1. Periodically review basic education standards to ensure they remain up to date.
2. Develop a recommended set of voluntary continuing professional development (CPD) guidelines.
3. Achieve a common understanding of the principles of professionalism, including code of conduct and disciplinary procedures.
4. Develop model standards of practice.

#### **Strategic Objective 4**

Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.

#### *Priorities/Action Plans*

1. Help emerging and existing actuarial associations to develop.
2. Examine the feasibility of constructing and managing an International Actuarial Education Program.
3. Facilitate the access to information and experiences from other countries, especially for countries with a developing actuarial profession.

#### **Strategic Objective 5**

Provide a forum for discussion among actuaries and actuarial associations throughout the world.

#### *Priorities/Action Plans*

1. Encourage forums for actuaries to discuss global actuarial issues.
2. Encourage discussions between association Presidents.
3. Encourage not only worldwide, but also regional contact and cooperation among member associations.

*Adopted 4 November 2008; Last Revised January 14, 2011*



## IAA Delegates

#### **SECTIONS**

AFIR:	Chairperson, Enterprise and Financial Risk Committee ( <i>currently David Ingram</i> ) Nino Savelli
ASTIN:	Glenn Meyers Jukka Rantala
AWB:	Bob Conger A. David Pelletier
IAAHS:	Junichi Sakamoto Ulrich Stellmann

IACA:	Nick Dumbreck Mike Toothman
LIFE:	Malcolm Campbell Andrew Chamberlain
PBSS:	Chairperson, Social Security Committee ( <i>currently Robert L. Brown</i> ) Chairperson, Pensions and Employee Benefits Committee ( <i>currently Gary Hibbard</i> )

## EXTERNAL ORGANISATIONS

ISSA:	Chairperson, Social Security Committee ( <i>currently Robert L. Brown</i> )
IAASB Consultative Advisory Group	Sam Gutterman
IASB:	Sam Gutterman
IASB Standard Advisory Council	Francis Ruygt
IASB Insurance Working Group	Sam Gutterman
IASB Employee Benefits Working Group	Manuel Pareita
IAIS:	Chairperson, Insurance Regulation Committee ( <i>currently Toshihiro Kawano</i> )



# Role of IAA Delegates to Sections and Outside Organisations

1. Appointments are made by the Executive Committee (EC) on the recommendation of the Nominations Committee, with post-event ratification by the Council.
2. Terms of appointments are for three years and are subject to reappointment by the EC.
3. Barring exceptional circumstances, an individual shall not serve more than two consecutive terms of appointment for the same Section or organization.
4. An individual can be appointed as Delegate to more than one Section or organization.
5. A delegate should not be an elected member of the Section Committee or the governing body, or serve in a leadership position, of the organization to which he/she is appointed.
6. A delegate represents the interests of the IAA and of the actuarial profession at relevant meetings, ensures continuity and reports on relevant developments within the IAA to ensure coordination of activities between the IAA and the Section or outside organization; in the case of a Section Delegate, he/she oversees the election process of the Section Committee.
7. A delegate to a Section must provide a written report to the EC as soon as an issue arises of which the leadership of the IAA should be aware of.
8. A delegate to an outside organization must provide a written report to the relevant IAA committee(s) on developments within the organization (for example, for IAIS to Insurance Regulation Committee).
9. A delegate normally assumes his/her own expenses

*Adopted by Council on 19 November 2005; Revised: by the EC September 7, 2010*



# Role of IAA Council Delegates

## 1. **Participate**

Delegates should personally attend as many meetings of Council as possible. If they are unable to attend personally, they should be represented by their Alternate Delegate whom they have briefed on the issues. If neither the Delegate nor the Alternate are able to attend, Council Delegates can, for each item on the agenda, either submit an electronic voting ballot or assign a proxy to another Council Delegate in accordance with Article 3.9 of the Internal Regulations.

Delegates should read and familiarize themselves with the issues on the agenda prior to the meeting. The agenda usually has two parts: a consent agenda and a new business agenda. While each item of the new business agenda will be addressed and discussed individually at the meeting, the consent agenda items are normally issues that have been discussed for some time within the IAA and/or that are expected to be non-controversial; these items are approved in bulk without discussion. However, Delegates may, at any time after the Council agenda has been issued and up until the start of the meeting (*see point 2 below*), request that an item be moved from the consent agenda to the new business agenda. In order to ensure the good conduct of the meeting, it is preferable that such requests be received in writing in advance of the meeting. Delegates should come prepared to represent their member association or Section (*see point 2 below*) and to participate in Council discussions.

## 2. **Represent their member association or Section**

Prior to a Council meeting, Delegates should have discussed with the appropriate parties in their member association or Section the items on the 60-day and 30-day Council agendas. Delegates should share agendas and minutes of meetings with such appropriate parties. If there are any concerns about an item on the 60-day or 30-day agendas, Delegates should ensure that the concerns are transmitted in writing to the IAA Secretariat as soon as possible. Delegates should come to meetings prepared to express the views of the entity they represent, to have the delegated authority to do so and to ensure those views are conveyed at the meeting. Delegates should report to their member association or Section on the discussions and decisions of the meeting (*see point 4 below*). If action is requested between meetings, all Delegates are expected to transmit the views of the entity they represent in an accurate and timely fashion.

## 3. **Be active between meetings**

Delegates are expected to support the work of Council between meetings. This involves following actively all e-mail correspondence to Delegates, responding to questionnaires, and voting on electronic ballots.

## 4. **Report to their member association or Section**

Following each Council meeting or interim action, all Delegates should report, ideally in writing, to the entity they represent on the actions the Council has undertaken and identify which items remain under discussion and/or require input from their member association or Section. Newsletters are prepared by the IAA Secretariat within two weeks of the meetings to assist in that communication process.

## 5. **Bring new initiatives to the IAA**

Delegates are encouraged to bring new initiatives suggested by their association or Section to the attention of the President or of any other Officer.

## 6. **Communicate about public statements**

Member associations are always invited to participate in the drafting of public statements. Under the commonly used fast track procedure (FTP), silence by member associations is deemed consent. It is important that Delegates arrange for the voices of their member association to be heard through active participation in the development of the public statement in question. In order to achieve this, it is the responsibility of all Delegates to ensure that the item is raised for consideration within their member association when it first comes up in a committee. If the member association is not represented on the relevant committee, it can appoint a temporary representative to participate in the development of the response and to share with the committee any concerns the member association may have.

## 7. **Assist in staffing IAA committees**

Delegates are expected to work with the leadership of their association to ensure that their association exercises its right to appoint a representative on each open IAA committee, where possible. Member

associations influence the work of the IAA by selecting and appointing committed and eager representatives to the various IAA committees and Council.

#### **8. Brief their successor Delegate**

Delegates should brief their successor on all current and recent issues relevant to the IAA and Council, and other matters relevant to their participation as a Delegate. Successor Delegates should be encouraged to participate in the “Introduction to the IAA” session offered in conjunction with the IAA meetings, even if they are not new to IAA meetings. Delegates should be familiar with the IAA website. Delegates should explain to their successor how best to perform the roles in items 1-7 above.

*Prepared by the Nominations Committee, December 2007; Revised by the EC September 7, 2010*



## Role of IAA Committee Chairpersons, Vice-Chairpersons and Members

*(This document also applies to subcommittees, task forces and working groups, except for points 6, 7, 8 and 9 under the role of the Committee Chairperson.)*

### **Committee Chairperson**

1. Ensures that the committee’s terms of reference are clear and are continually updated to reflect the strategic objectives of the IAA, utilizing the model terms of reference.
2. Ensures that the committee follows the IAA’s goals, implements a plan of action and stays on focused track.
3. Conducts effective meetings as required to meet the plan. This requires:
  - adequate notice and meeting schedules
  - effective working agendas circulated in advance
  - meeting management (coach but do not dominate)
  - encouraging a participation style that produces results on time
  - encouraging the participation of all committee members by making sure that each member has sufficient time and opportunity at meetings to express his/her association’s views; this may mean giving priority to those who have not spoken or spoken little at the expense of those who have spoken a lot or spoken at length
  - allowing the participation of observers provided that priority for commenting is given to committee members. In this regard, it may be desirable to ask committee members (or their alternates) to take seats at the meeting table and to ask observers to take a seat away from the meeting table
  - encouraging participation of non-native English speakers by following the guidelines established by the IAA
  - facilitating the participation by telephone of committee members unable to physically attend a meeting, by ensuring that all presentation materials are circulated at least one week in advance of the meeting, where possible
  - ensuring that, where applicable, the IAA Secretariat is utilized properly, participates, and is informed on all phases of activity
  - submitting a report to Council on committee activity twice a year in conjunction with Council meetings and a supplementary report shortly after each meeting for newsletter purposes
  - producing minutes of the meeting and making them available electronically within 45 days of the meeting (*Internal Regulations, Article 4.4 (d)*)
4. Ensures that a Committee's decision reflects a consensus position, but, if necessary, is subject to a simple majority of the Committee members. (*Internal Regulations, Article 4.4 (c)*)

5. Makes effective use of the vice-chairperson(s) in leading projects, running portions of meetings and other tasks as appropriate.
6. Participates in the meetings of Section and Committee Chairpersons.
7. Submits a detailed annual budget of anticipated committee expenses, for approval by the EC.
8. Serves as an ex-officio member of Council with no voting rights.
9. Assists, in conjunction with the IAA Secretariat, with the effective integration of new committee members
  - welcomes new committee members to the committee
  - explains the usual functions of the committee (terms of reference) to the new member
  - provides new members with background material on any ongoing projects or issues, including reference to recent agendas and minutes on the committee website
  - informs the new member of any items that may be temporarily off the agenda, but that are expected to return
  - encourages the new member to attend the "Introduction to the IAA" session held in conjunction with IAA meetings
10. Considers succession planning issues and discusses them with the Nominations Committee.

### **Committee Vice-Chairperson**

1. Assists the committee Chairperson in the management of the committee's work
2. Is prepared to assume the interim chairmanship of the committee in the absence of the Chairperson

### **Committee Members**

Each member of a committee (*except for those committees identified in Article 4.3 (a) (iv) of the Internal Regulations*) is appointed by an IAA Full Member association to represent that member association on the committee. Committee members should be primarily working for what they consider is best for the actuarial profession and the IAA. As such, the expectations, or duties, of each committee member are as follows.

#### **2. Participate**

Each member should personally attend as many meetings of the committee as possible. They should have read and familiarized themselves with the issues on the agenda prior to the meeting. If they are unable to attend personally, they should provide comments to the Chairperson of the committee in advance, or send an alternate whom they have briefed on the issues. If they are presenting at a meeting, they should circulate their presentation material by email at least one week prior to the meeting, to facilitate more effective participation by committee members phoning in to the meeting.

#### **3. Be active between meetings**

Each member is expected to support the work of the committee between meetings. This involves following actively all e-mail correspondence on the committee list server, volunteering to draft any necessary documents or public statements that the committee is issuing, serving on task forces, working on committee projects, and voting on electronic ballots.

#### **4. Represent their member association**

Prior to a meeting, each member should have discussed with the appropriate parties in their member association the items on the agenda. During the meeting, members should communicate the views of their member association, but also actively express their own views on matters and new ideas that arise during the meeting. If action is requested between meetings, each committee member is expected to transmit the views of their member association in a timely fashion.

#### **5. Report to their member association**

Following each committee meeting or interim action, each member should report to their member association on the actions the committee has undertaken and identify which items remain under discussion and/or require input from their member association.

#### **6. Bring new initiatives to the committee**

Each committee member is encouraged to discuss issues within their member association and to bring any new initiatives to the attention of the committee.

#### 7. **Communicate about public statements**

It is important that any public statement be approved by member associations in a timely fashion, whether issued in accordance with the Guidelines for Making Public Statements (revised April 2001) or through the Fast Track Procedure (FTP) for Making Public Statements in Response to a Time-Bound Specific Request (revised May 2006). In order to achieve this, it is the responsibility of each member to raise the item for consideration within their member association when it first comes up and then to share any concerns with the Chairperson of the committee prior to the deadline.

#### 7. **Brief their successor**

Members should brief their successor on all current and recent issues relevant to the committee, and other matters relevant to their participation as a Member. Successors should be encouraged to participate in the "Introduction to the IAA" session offered at the beginning of IAA meetings, even if they are not new to IAA meetings. Members should be familiar with the IAA website. Members should explain to their successor how best to perform the roles in items 1-6 above.

*Prepared by the Nominations Committee, December 2007; Revised by EC September 7, 2010*



## Criteria for the Creation of Sections

*Upon recommendation of the Executive Committee, the criteria for the creation of additional sections, as stipulated in Section VIII of the Statutes, are determined as follows:*

- A section must consist of a homogenous, internationally relevant association of actuaries or persons working in the actuarial field with a clear purpose and well-defined goals.
- It must be independent in terms of organisational structure and financing and have an independent management structure, membership, budget and rules.

It should run relevant activities such as colloquia, seminars, publications, representation of the profession, etc.

*Adopted by Council August 29, 1999, revised by the EC September 7, 2010*



## Protocol for the Nominations Committee

### Preamble

The Nominations Committee's (NC) duty is to be concerned about two operational issues:

- Is the IAA developing an adequate leadership pool for the future?
- Are the IAA committees and leaders meeting expectations?

The Internal Regulations of the IAA establish the NC's terms of reference as recommending to Council and the EC suitable candidates for leadership positions within the IAA. The NC has set down the following protocols for its operations.

#### 1. **DUTIES**

The NC shall be responsible for recommending to Council suitable candidates for election as President-

Elect; Secretary General; members of the Audit and Finance Committee; Executive Committee; Nominations Committee; and President, if the incumbent President-Elect is unable to take up the position. (*Reference: Internal Regulations, Paragraph 4.1.2(a)*)

The NC shall be responsible for recommending to the Executive Committee suitable candidates for appointment as, with such appointments subject to the ratification by the Council: Delegates of the Council to Section Committees and to external organizations and chairpersons and vice-chairpersons of Committees and other positions as determined by the Council. (*Reference: Internal Regulations, Paragraph 4.1.2(b)*)

## 2. GENERAL GUIDELINES

With regard to all nominations made by the NC, the following general protocols apply:

- a. In all its recommendations, the NC must seek to achieve geographical, linguistic and cultural balance, as well as an appropriate range of skills and practice areas. (*Reference: Internal Regulations, paragraph 4.1.2(c)*)
- b. In order to achieve greater diversity, the NC also takes into consideration: size of association, gender and mother tongue of candidate. The NC also takes into consideration the ability of the candidate to attend meetings in person.
- c. At the beginning of each calendar year, the Chairperson of the NC sends a letter to each Full Member Association inviting them to suggest names of potential candidates, in particular with regard to positions expected to be vacated at the following year-end. The NC keeps a list of such suggestions. Suggestions more than four years old are automatically dropped from the list. Associations are asked for an update of their list of suggestions. A name dropped from the list may be added back to the list.
- d. The NC discusses those suggestions and may add other candidates for consideration.
- e. Before finalizing its decision, the NC will confirm the interest and availability of the selected candidate before submitting its recommendation to Council or the Executive Committee for approval.
- f. The NC informs Council once a year of positions filled or to be filled by nominees along with additional information such as name of the incumbent, date of initial appointment, date of re-appointment, and expiry of the term.
- g. The NC arranges for the publication of same information in the administrative booklet and on the web page in the Members' section of each committee.
- h. Barring exceptions with proper justification, terms of office should be on a calendar year basis.
- i. The NC arranges for recognition of outgoing chairpersons (award of a plaque and pin), as per the policy approved by Council and with a letter of thanks and appreciation for other outgoing nominees upon expiry of their term of office.
- j. The NC may operate by means of a telephonic, electronic or other communication facility, and need not have a face-to-face meeting to determine its recommendations, provided that the chairperson ensures that the views of all the members of the NC are considered. (*Reference: Internal Regulations, Paragraph 4.1.2(e)*)

3. **With regard to the positions of President-Elect, Secretary-General, members of the Audit and Finance Committee, Executive Committee, Nominations Committee, Chairpersons and Vice-Chairpersons of other committees, President (if the incumbent President-Elect is unable to take up the position) and Delegates of the Council to Section governing bodies**, the NC may put forward more than one candidate for a position, but not more than three, when it is considered that each of them would, if elected/appointed, carry out the responsibilities and fill the position with equal distinction and the choice among them will not disrupt orderly guidelines of the Committee with respect to balance. The NC must provide to the Council (or the Executive Committee, as the case may be) a description of the merits of each candidate. (*Reference: Internal Regulations, paragraph 4.1.2 (d)*)

4. **With regard to the selection of a President-Elect**, the following considerations are taken into account:

- a. Nominations of the President-Elect shall aim to achieve cultural, geographic and linguistic diversity in leadership. (*Reference: Internal Regulations, Paragraph 4.1.3(a)*)
- b. As an objective, the Presidency of the IAA over an eight-year period shall, to the extent possible, be rotated so that two Presidents would be from Europe, two from the United States or Canada, two from the rest of the world, and two from any of these categories. (*Reference: Internal Regulations, paragraph 4.1.3(b)*)
- c. The candidate must be a fully qualified actuary of a Full Member and shall be functionally competent in English or French. (*Reference: Internal Regulations, paragraph 4.1.3(c)*)

- d. The candidate must, if possible, have served either as Chairperson of an IAA Committee, or in a leadership capacity in a Section of the IAA. (*Reference: Internal Regulations, paragraph 4.1.3(d)*)
- e. The candidate must have experience as a leader within his or her own actuarial association and have the support of the said actuarial association to aspire to the positions of President-Elect and President in the IAA. (*Reference: Internal Regulations, paragraph 4.1.3(e)*)
- f. After deliberations, the committee decides to approach a number of potential candidates, on a confidential basis, in order to discuss their interest and their availability, with the clear understanding that the committee is examining various candidacies and has not yet made its final decision. Given the desirable eight-year rotation, it may be necessary to discuss the interest and availability of a candidate more than once over the years.
- g. Once its decision is made, the NC conducts a reference check and obtains confirmation from the chosen candidate as to interest and availability before announcing its recommendation for president-elect to Council.

**5. With regard to the membership of the Executive Committee,** the Executive Committee (EC) shall consist of all Officers of the IAA and eight (8) additional members to be elected by the Council upon recommendation of the NC. (*Reference: Statutes, Article VI*), and the following considerations are taken into account:

- a. The eight at-large members are to include, although they will not be representatives of, at least one member from amongst the Committee chairpersons, at least one from amongst the Section chairpersons, and at least two from each of the three geographic regions of the IAA – Europe, United States/Canada and the Rest of the World. The at-large members of the EC who are Committee or Section chairpersons need be so at the time of their election and are not expected to resign from the EC if they are no longer serving as chairpersons.
- b. The eight at-large members of the EC shall be elected to four year terms. These terms are to be staggered such that two new members are elected each year. Once a full or partial term is served by someone on the EC, they are not eligible to be re-elected to the EC again as an at-large member.
- c. All candidates for the EC must have the support of their home association.
- d. Should an at-large member of the EC be unable to fulfill their term, the NC will recommend to Council someone to be elected to fill the unexpired portion of the term.
- e. For transition purposes, of the members elected to serve at-large on the EC starting in 2010, four were elected to a term of two years each, two were elected to a term of three years each, and two were elected to a term of four years each. Thus, the transition will entail electing at the end of 2011 two new members for a term of three years (ending the end of 2014) and two new members for a term of four years (ending the end of 2015). Thereafter, starting at the end of 2012, two new members of the EC will be elected each year replacing those whose terms expire.

**6. With regard to the Nominations Committee:**

- a. Members of the NC shall be proposed by the NC and appointed by Council. They shall consist of:
  - i. The Immediate Past-President of the IAA who shall be the Chairperson of the NC;
  - ii. The President and President-Elect of the IAA;
  - iii. The Secretary General of the IAA, who shall not have the right to vote; and
  - iv. At least five additional persons chosen from amongst delegates or former delegates of the Council or former Chairpersons of an IAA Committee or Section to ensure a proper geographical, linguistic and cultural balance and reflecting indications of interest from Full Members (*Reference: Internal Regulations, paragraph 4.1.1*)
- b. Non-ex-officio members always total more than ex-officio members. (If a penultimate past president or president-elect is on the committee, they are considered ex-officio).
- c. Non-ex-officio mandates are for four years and are staggered. Ex-officio mandates are for one year and are renewable subject to Council approval.
- d. Non-ex-officio nominees must have relevant IAA exposure and experience consisting of knowledge of what the duties of the Committees are, as well as what the duties of the President, President-Elect and Secretary General are. In addition, they must - have acquired a detailed and varied knowledge base of the leadership qualities, technical expertise and interpersonal relationships of a large subgroup of the people involved within the IAA and/or within their respective geographical location.
- e. Upon expiry of the term of a non-ex-officio member, this person cannot be elected for a subsequent term as a non-ex-officio unless a period of at least two years separates the two terms.
- f. Members of the NC agree to discuss among themselves only, and using means to preserve confidentiality, the committee's agenda items, documents, minutes and deliberations.

- g. When the NC discusses the candidacy of one of its members as a potential nominee to a position, the individual in question is excused from the deliberations of NC on that matter.
7. **With regard to the Audit and Finance Committee**, membership terms are staggered with a maximum term of six years. The Committee should have three members with one member being changed every two years.
8. **With regard to the committee chairpersons and vice-chairpersons:**
- a. Individuals nominated as Chairperson or Vice-Chairperson of Committees shall be fully qualified actuaries of a Full Member and be functionally competent in English or French. (*Reference: Internal Regulations, paragraph 4.3(a)(vii)*)
  - b. The Full Member of which a Committee Chairperson or Vice-Chairperson is a member may nominate another person as delegate to the Committee. (*Reference: Internal Regulations, paragraph 4.3(a)(v)*)
9. **With regard to committee chairpersons:**
- a. The initial mandate is to be three years, with service as chairperson always at the pleasure of Council.
  - b. After the initial mandate, renewal of mandate for up to three years (or longer in cases of exceptions with proper justification) upon recommendation of the NC and with Council approval.
  - c. Barring exceptions with proper justification, an individual should not hold more than one chairmanship of a committee, nor should an individual be the chairperson of a committee and the vice-chairperson of another committee, nor be chairperson of a subcommittee or a task force that reports to the committee. In other words, “double hat” situations should be avoided as much as possible.
10. **With regard to committee vice-chairpersons:**
- a. The NC takes into account the suggestions, if any, of the relevant committee chairperson.
  - b. When the preferred candidate is not on the list of recommendations of the relevant committee chairperson, the Nominations Committee seeks the views of the chairperson.
  - c. The initial mandate to be two years.
  - d. After the initial mandate, renewal of mandate for up to four years (or longer in cases of exceptions with proper justification) upon recommendation of the NC and with Council approval.
  - e. The NC considers succession to chairperson as well as overall diversity.
  - f. Most committees will have two-co-vice-chairpersons.
  - g. Vacant positions may be appropriate.
11. **With regard to IAA Delegates to Sections and Outside Organizations:**
- a. Appointments are for three years and are subject to reappointment by the EC and to the rules of the outside organization or Section.
  - b. An individual shall not serve more than two consecutive terms of office for the same Section.
  - c. A delegate can be nominated to more than one organization or Section.
  - d. A delegate may be a member of the Section or organization to which he/she is appointed, but should not be an elected member of the governing body or serve in the leadership of that entity. (*Reference: Role of IAA Delegates to Sections and Outside )*
  - e. Individuals nominated as Delegates to Sections and outside organizations shall be fully qualified actuaries of a Full Member and be functionally competent in English or French.  
The NC may determine that the Chairperson or a Vice-Chairperson of a relevant IAA committee should normally be nominated as a Delegate to a Section or to an outside organization.

Approved by Council June 14, 2008; Revised March 15, 2011



# Committee and Section Mandates

## Committees

**Accreditation:** to examine applications for membership, to monitor continuing compliance, to review membership requirements, and to bring recommendations forward to Council on a timely basis. In circumstances where a member fails to maintain compliance with membership requirements, to recommend appropriate action to Council. To liaise with other IAA committees, as needed, on issues related to membership requirements and admission criteria.

Task Force: Self-Assessment

**Advice and Assistance:** to provide advice and assistance when requested by member associations, associations seeking to become members, and to those wishing to establish new associations. This committee is also responsible for recommending to the IAA various initiatives with respect to its mandate.

**Subcommittees:** Africa; Asia; Latin America; IAA Fund

**Audit and Finance:** responsible for the audit, monitoring and review of all IAA financial reporting; recommendation of related policy and operational guidelines; review of policy and financial outcomes (including budgets and delegated authorities; investments, expenses, Sections, and Congresses; reimbursement of internal expenses, gifts from the IAA, and terms of financial contracts.

**Education:** to determine whether the education system or program meets the standards set down in the IAA Education Guidelines; to establish a process for membership applications; to review and report on the IAA syllabus guidelines; to facilitate developments in the globalization of education systems; to maintain a database on the education guidelines of member associations; to provide a consultative forum for associations; to encourage the development of internationally oriented actuaries; to facilitate the exchange of information about CPD opportunities available in countries of member associations.

**Subcommittee:** Actuarial Educators / **Task Force:** Syllabus Review

**Enterprise and Financial Risk:** to consider, from the point of view of the actuarial profession, matters relating to matters relating to enterprise, financial and investment risk, to report to the Council and to recommend initiatives.

**Executive:** To carry out the operational aspects of the IAA, to prepare strategy proposals and material for consideration at Council meetings; and to monitor the implementation of the Strategic Plan

**Subcommittees:** Communications; Interim Actuarial Standards; Strategic Planning; Supranational Relations / **Task Forces:** Due Process; Role of the Actuary

**Insurance Accounting:** to coordinate the IAA's response to documents of the IASB and the International Federation of Accountants (IFAC) related to insurance financial reporting and auditing; to address professional issues of international relevance for actuaries, accountants and auditors, including development and maintenance of IAA actuarial standards of practice relating to insurance financial reporting and auditing; to liaise with IASB and IFAC, and to assist the IAA Insurance Regulation Committee in its liaison role with the IAIS.

**Subcommittee:** Actuarial Standards; APOG on Discount Rate Issues

**Insurance Regulation:** to liaise with the regulators and other interested bodies at the international level on issues relating to the regulation and supervision of insurance companies and to assist in the development of international guidelines or standards.

**Subcommittees:** Reinsurance; Solvency / **Task Force:** ComFrame

**Mortality (Working Group):** To conduct a study of current data collection efforts internationally and to create guidelines to ensure that appropriate data is available. To conduct a survey of current international research on mortality to determine future needs in this area and begin to facilitate a process to enhance future efforts of actuaries in this area.

**Microinsurance (Working Group):** To serve as the IAA body that coordinates the micro- insurance efforts of the various IAA Committees and Sections and provides a focal point for IAA efforts to help facilitate the development of microinsurance and actuarial involvement in this rapidly growing, and socially meaningful area.

**Nominations:** to recommend to the Council the names of suitable candidates to assume the duties of the key positions in the IAA and determine the mandates of committees, subcommittees, task forces and working parties.

**Pensions and Employee Benefits:** to coordinate the IAA's response to the IASB Employee Benefits Accounting standard and to deal with matters arising out of the promulgation of that standard; to address any professional issues of international relevance for actuaries working in the field of employer-provided pensions and employee benefits; to establish links into other worldwide pension organizations as may be appropriate; to coordinate with the Committee on Social Security.

**Subcommittee:** Accounting Standards

**Professionalism:** to identify and discuss issues relating to the professionalism of actuaries worldwide, to provide guidance to the associations in the interpretation and implementation of IAA standards, if any, and to monitor experience with the IAA standards.

**Social Security:** to liaise with the International Social Security Association (ISSA) and other relevant organizations; to seek to reflect the views of the worldwide actuarial community at the international level on social security issues; to support actuaries working in the social security field; to raise the profile of the actuarial role in relation to social security organizations.

**Working Group:** Population Issues

## Sections

**AFIR** (Actuarial Approach for Financial Risks) was founded in 1988 and has as its objective the promotion of actuarial research in financial risks and problems.

**ASTIN** (Actuarial Studies in Non-life Insurance) was created in 1957 and has as its main objective is to promote actuarial research, particularly in non-life insurance. ASTIN is continually working to further develop the mathematical foundation of non-life insurance and reinsurance.

**AWB** (Actuaries Without Borders) was created in 2003 to implement an exciting new volunteer program that would push forward actuarial involvement in developing economies.

**IAAHS** (International Actuarial Association Health Section) was created in 2003. The IAAHS promotes and facilitates international exchange of views, advice, research and practical information among actuaries involved with public and private health issues. These issues include policy and program design, research and planning, adequacy and services delivery, sustainability, insurance, pre-funding, and other financing methods.

**IACA** (International Association of Consulting Actuaries) was founded in 1968, independently of the IAA, to promote and facilitate sharing of ideas amongst international consulting actuaries. It was admitted as a section of the IAA in 1999.

**LIFE** was created in 2005 to promote actuarial research and the exchange of knowledge in the field of life insurance around the world.

**PBSS** (Pensions, Benefits, Social Security) was created in 2003 to serve actuaries around the world with personal, professional, educational, or research interests in social protection as well as actuaries with interests in the commercial, social, and public policy issues concerning the provision of pensions and other benefits. The scope of the PBSS covers public programs and private pension plans, mutual benefit organisations, commercial insurance and pension company contracts, annuities, share options, and other employee benefit provision.



# Membership Categories, Lists and Dues

## 63 Full Member Associations

**Dues: lump-sum amount based on association size: \$15.00 CA\$ per fully qualified actuary (FQA) (2011)**

Caribbean Actuarial Association  
Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Argentina)  
Institute of Actuaries of Australia (Australia)  
Aktuarvereinigung Österreichs (AVÖ) (Austria)  
Institut des Actuairens en Belgique (Belgique)  
Instituto Brasileiro de Atuária (IBA) (Brazil)  
Bulgarian Actuarial Society (Bulgaria)  
Canadian Institute of Actuaries/Institut Canadien des Actuairens (Canada)  
China Association of Actuaries (China)  
Actuarial Institute of Chinese Taipei (Chinese Taipei)  
Institut des Actuairens de Côte d'Ivoire (Côte D'Ivoire)  
Hrvatsko Aktuarsko Društvo (Croatia)  
Cyprus Association of Actuaries (Cyprus)  
Česká Společnost Aktuárů (Czech Republic)  
Den Danske Aktuarforening (Denmark)  
Egyptian Society of Actuaries (Egypt)  
Eesti Aktuaaride Liit (Estonia)  
Suomen Aktuaariyhdistys (Finland)  
Institut des Actuairens (France)  
Deutsche Aktuarvereinigung e. V. (DAV) (Germany)  
Hellenic Actuarial Society (Greece)  
Actuarial Society of Hong Kong (Hong Kong)  
Magyar Aktuárius Társaság (Hungary)  
Félag Islenskra Tryggingastærðfræðinga (Iceland)  
Institute of Actuaries of India (India)  
Persatuan Aktuaris Indonesia (Indonesia)  
Society of Actuaries in Ireland (Ireland)  
Israel Association of Actuaries (Israel)  
Istituto Italiano degli Attuari (Italy)  
Institute of Actuaries of Japan (Japan)  
Japanese Society of Certified Pension Actuaries (Japan)  
The Actuarial Society of Kenya (Kenya)  
Latvijas Aktuaru Asociācija (Latvia)  
Lebanese Association of Actuaries (Lebanon)  
Lietuvos Aktuariju Draugija (Lithuania)  
Persatuan Aktuari Malaysia (Malaysia)  
Colegio Nacional de Actuarios A. C. (Mexico)  
Association Marocaine des Actuairens (Morocco)  
Het Actuarieel Genootschap (Netherlands)  
New Zealand Society of Actuaries (New Zealand)  
Den Norske Aktuarforening (Norway)  
Pakistan Society of Actuaries (Pakistan)  
Actuarial Society of the Philippines (Philippines)  
Polskie Stowarzyszenie Aktuaruszy (Poland)  
Instituto dos Actuários Portugueses (Portugal)  
Academia de Actuarios de Puerto Rico (Puerto Rico)  
Russian Guild of Actuaries (Russia)  
Udruženje Aktuara Srbije (Serbia)  
Singapore Actuarial Society (Singapore)  
Slovenska Spoločnosť Aktuarov (Slovakia)  
Slovensko Aktuarsko Društvo (Slovenia)  
Actuarial Society of South Africa (South Africa)  
Col.legi d'Actuaris de Catalunya (Spain)  
Instituto de Actuarios Españoles (Spain)  
Svenska Aktuarieföreningen (Sweden)  
Association Suisse des Actuairens (Switzerland)

Society of Actuaries of Thailand (Thailand)  
Institute and Faculty of Actuaries (United Kingdom)  
American Academy of Actuaries (United States)  
American Society of Pension Professionals & Actuaries (United States)  
Casualty Actuarial Society (United States)  
Conference of Consulting Actuaries (United States)  
Society of Actuaries (United States)

**26 Associate Member Associations: CA\$50**

Instituto Actuarial Argentino (Argentina)  
Actuarial Association of Azerbaijan (Azerbaijan)  
Actuarial Society of Bangladesh (Bangladesh)  
Association des Actuaire Beninois (Benin)  
Aktuarsko Drustvo U Bosni I Hercegovini (Bosnia and Herzegovina)  
Institute of Actuaries - Cameroon (Cameroon)  
Instituto de Actuarios Matemáticos de Chile (Chile)  
Asociación Colombiana de Actuarios (Colombia)  
Association of Actuaries and Financial Analysts (Georgia)  
Actuarial Society of Ghana (Ghana)  
Actuarial Society of Kazakhstan (Kazakhstan)  
Association Luxembourgeoise des Actuaire (Luxembourg)  
Macedonian Actuarial Association (Macedonia)  
Asociacion Mexicana de Actuarios, A.C. (Mexico)  
Asociatia de Actuariat Din Moldova (Moldova)  
The Society of Actuaries of Mongolia (Mongolia)  
Nigeria Actuarial Society (Nigeria)  
Asociación de Actuarios de Panamá (Panama)  
Asociatia Romana de Actuariat (Romania)  
Institute of Actuaries of Korea (South Korea)  
Actuarial Association of Sri Lanka (Sri Lanka)  
Actuarial Society of Tanzania (Tanzania)  
Actuarial Society of Turkey (Turkey)  
Society of Actuaries of Ukraine (Ukraine)  
Channel Islands Actuarial Association (United Kingdom)  
Actuarial Society of Zimbabwe (Zimbabwe)

**5 Institutional Members:** a fee as determined by Council on a case-by-case basis

International Organization of Pension Supervisors  
International Association of Insurance Supervisors  
International Social Security Association  
International Accounting Standards Board  
Organization for Economic Co-operation and Development

**1 Observer Member: CA\$5000**

Asian Development Bank

**Benefactors:** CA\$2500 or more, but under CA\$5000

**Special Benefactors:** CA\$5000 or more per annum

**SECTION DUES (2011)**

**AFIR, ASTIN, AWB, IAAHS, IACA, LIFE, PBSS**

FQA's and Other Individuals: CA\$50

Other Members, Full Member Associations and Donation Members: CA\$100



# Expense Reimbursement Policy

## Officers and IAA Representatives

### General Overview

When traveling on IAA business that cannot be combined with other travel, members eligible for reimbursement are expected to obtain the lowest available convenient fare using a reputable carrier. IAA officers and other official representatives are requested, wherever possible, to seek reimbursement for travel expenses from other parties that might also benefit from the trip, such as the employer or local association.

### Guidelines

Each traveler is expected to make his or her own travel arrangements. In order to avoid increased rates which typically apply to reservations made close to the departure date, travelers are requested to book their travel arrangements no later than two months prior to the trip, whenever possible.

Reimbursement is made once travel has taken place and upon submission of the completed claim form and supporting documents.

Only expenses approved in advance by the Officers, Executive Committee or the relevant Committee Chairperson are reimbursable.

The travel website Orbitz will be the benchmark used by the Secretariat in verifying the reasonableness of a claim.

### Reimbursement for Airfares

Officers will be reimbursed for air travel as follows:

- Actual cost of flight
- Flights exceeding seven hours (based on the fastest available service), at the business class rate
- Flights lasting seven hours or less, at the economy class rate. A business class fare would be acceptable if it is no more expensive than an economy class fare.

IAA representatives other than Officers will be reimbursed for air travel as follows:

- Actual cost of flight
- Reimbursement will be at the economy class rate. A business class or premium economy class fare would be acceptable if it is no more expensive than an economy class fare.

Alternatively, a fixed budget covering all expenses could be envisaged if acceptable to the traveler in circumstances determined by the Secretariat. This might apply for example if the traveller wished to stay over a Saturday night in order to benefit from a reduced airfare, or to combine IAA business with a vacation.

### Reimbursement for All Other Expenses

As for expenses other than airfares, such as hotels, meal expenses, train, taxi fares and car rental, these will be reimbursed at cost. Reasonable rates will be acceptable – this will normally include hotels up to 4 stars and second class rail travel. Registration fees for meetings or conferences at which an IAA representative has been invited to speak will not normally be eligible for reimbursement.

### Procedure

An [Expense Reimbursement Claim Form](#) must be submitted to the Director of Finance within 30 days after the end of the trip. Proper supporting receipts must accompany the claim and can be submitted by regular mail or electronically. The Expense Reimbursement Claim Form can be found on the IAA Website under Governance Documents.

*Adopted by Council March 16, 2002; Revised by the EC 1 March 2011.*



# Expense Reimbursement Policy (under revision)

- A. The Secretariat is authorized to reimburse the President, President-Elect, Immediate Past President and Secretary General for personally incurred costs with respect to Council and Committee meetings based on "C" class or comparable airfares and actual documented disbursements. The same rule shall apply when an individual is appointed to represent the IAA officially at a meeting hosted by the IAA, by another actuarial organization or by an eligible external organization. The list of eligible organizations shall comprise Institutional Members and such other organizations designated by the Council from time to time.
- B. External organizations identified by the Supranational Relations Subcommittee as key target supranational organizations, including Observer and Institutional Members of the IAA, are eligible under the reimbursement policy for representation expenses of an official IAA representative.
- C. Committee expenses
  - 1. For each committee, eligible expenses are limited to logistical expenses incurred for meetings held outside the regular IAA meeting schedule, including conference calls, up to the budget allocated by the Executive Committee.
  - 2. The Executive Committee may approve a nominal amount for each committee to be expended as deemed necessary by the Chairperson of each committee.
  - 3. Expenses incurred for travel by committee chairpersons or delegates to attend committee meetings or IAA events are not eligible for reimbursement under point 1 above.
  - 4. Amounts in excess of expenses that may be covered under points 1 or 2 above may be approved by the EC upon the merit of each case.
  - 5. Every effort will be made to keep expenses to a minimum. Travel expenses are reimbursable up to economy class level.
- D. Only expenses approved in advance by the EC or the relevant Committee Chairperson are reimbursable and receipts or other proof of expenses must be submitted to the Secretariat within 60 days.

*Adopted by Council March 16, 2002; Revised by EC September 7, 2010.*



## Financial Assistance Policy

### Background

A Special Assistance Fund has been established to facilitate participation in the work of the IAA and to ensure diversity in IAA leadership, in particular from smaller associations.

The purpose of the Fund is two-fold, as described below.

#### 1. Individuals

To provide financial support to actuaries who:

- a. have been identified by the Nominations Committee as leadership candidates at the level of Chair or Vice-chair of a Committee or Chair of a Subcommittee, Task Force or Working Group
- b. are from associations that are both small and from a low GDP per capita country
- c. require financial assistance to attend IAA statutory meetings outside of their geographic location

The support may be ongoing to ensure continuity, but the amount of support would vary by the location of the meetings.

## 2. Associations

To provide limited financial support to some smaller associations, preferably those located close to the venue of an IAA statutory meeting, that require significant support for travel expenses.

- a. Such support will be distributed across a range of associations over time.
- b. The Secretariat shall identify potential recipient associations for each venue.
- c. Recipients will be asked to report to the IAA on the benefit to the profession in their country, and to their local association, from such assistance.

It has been agreed that disbursement should be at the discretion of the Officers.

A sum of C\$10,000 has been included in the budget for 2011.

This protocol does not apply to the use of the Advice and Assistance Committee budget to facilitate attendance at regional meetings.

### Principles

1. There should be a demonstrable benefit to the IAA from the disbursement.
2. Disbursements shall be at the discretion of the Officers, who will follow the following broad guidelines, where possible.
  - a. For each case, the precise arrangements will be determined according to the circumstances.
  - b. The amount and basis for disbursement shall be confidential between the Officers and the candidate.
  - c. Costs will be subsidised, not met in full.
  - d. Airfares should be as economical as possible.
3. In the case of #1 – Individuals, no assistance will be provided for attendance at statutory meetings in the recipients' geographic region.
4. Costs for more distant meetings will be assisted up to a maximum of the additional cost over attendance at a meeting in the recipient's geographic region.

### Status

These provisions are to be reviewed at least annually.

### PROTOCOL

As a rule, and barring exceptional cases as determined by a consensus of the Officers in the application of the above-mentioned guidelines, the reimbursement by the IAA for airfare would be:

- With respect to financial assistance to individuals attending statutory meetings,
  - “A” minus CDN \$400, where “A” is the cost of a return economy class direct flight, and
- With respect to financial assistance to smaller associations,
  - the lesser of “A” minus CDN\$400, and CDN\$1 000, where “A” is defined as above.

In all cases,

- no reimbursement by the IAA for hotel and other ancillary costs, and
- the reimbursement is payable upon receipt of proof of payment, copy of boarding passes and the usual claim form completed and submitted within 60 days of the completion of the trip; associations must also submit a report as described in 2c) above.

*Approved by the EC: February 21, 2011.*

# Policy for Signing of Contracts, Purchase Orders, or Other Commitments

- Commitments for venues of meetings of the Council or Committees as determined by Council, and for procurement of meeting material and facilities up to CAD \$100,000, are signed by the Executive Director after consultation with the Secretary General.
- Payment of financial obligations are signed by two persons, as authorized by the banking resolution.
- Unless specified otherwise, other commitments are signed (facsimile signatures are acceptable) by two persons out of the Officers and the Executive Director, with the provision that one signatory be either the Secretary General or the Executive Director.

*Adopted by Council October 21, 2002; Revised May 17, 2003; June 16, 2005*



## IAA Programs and Resources

1. That Council hereby directs the Committee on Advice and Assistance to use its Discussion Paper on Programs and Resources (dated December 18, 2000) to present a case for funding projects and administrative support aimed at expanding international effort to develop the actuarial profession in actuarially developing countries.
2. That Council encourages the Committee on Advice and Assistance to work closely with IAA member associations to enhance the IAA's abilities to deliver an expanded actuarial developmental program as described in the Discussion Paper.
3. That Council authorizes the members of the Committee on Advice and Assistance, under the direction of its Chairperson and subject to the authorization of the president, to contact appropriate national and international organizations, government bodies and private enterprises.
4. That Council authorizes the Chairperson of the Committee on Advice and Assistance, and Committee members under his direction, to have exploratory discussions with potential external donors [who are willing to support actuarial education and the development of the actuarial profession], within the scope of the business plans approved by Council.

Subject to the agreement of the President in any specific case, communications with potential donors may discuss possible terms of contracts between the IAA and external donors, IAA member associations or individual actuaries.

However, the terms and conditions of any contract expressed as being between the IAA and any other body or person, or which implies any approval or commitment by the IAA, must be brought to the IAA Council for approval unless the President decides, in a particular case, that the commitment implied is not sufficiently material to require Council's involvement, in which case the approval of the officers shall be obtained. Once a proposed contract or commitment has been approved by the Council or the Officers, the President and the Secretary General may enter into the contract or commitment on behalf of the IAA.

Council authorizes the establishment of one or more restricted or earmarked accounts within its financial records, if and as necessary, to carry out the expanded actuarial development activities contemplated by the previous motion on IAA programs and resources.

*Adopted by Council April 7, 2001; Revised October 7, 2001*



# Dates of Future Meetings, Colloquia and Congresses

<b>ASTIN/AFIR Colloquium</b>	19-22 June 2011 Madrid, Spain
<b>PBSS Colloquium</b>	26-27 September 2011 Edinburgh, United Kingdom
<b>IAA Council and Committee Meetings</b>	September 29-October 2, 2011 Zagreb, Croatia
<b>LIFE Colloquium</b>	20-22 November 2011 Liverpool, United Kingdom
<b>Joint IACA/IAAHS/PBSS Colloquium</b>	5-7 May 2011 Hong Kong
<b>IAA Council and Committee Meetings</b>	23-26 May 2012 Los Angeles, USA
<b>Joint ASTIN/AFIR/LIFE Colloquium</b>	1-4 October 2012 Mexico City, Mexico

*Details for all of these events are available through the IAA Web site in the UPCOMING EVENTS section of the home page or the appropriate Section button.*

## **Long Range Planning**

The International Actuarial Events Calendar is the perfect tool for your long range planning. Visit it often through the *UPCOMING EVENTS* area on the IAA's home page. Member associations are encouraged to post their events in the calendar to make the tool as useful as possible.



## Policy for the Selection of Meeting Venues for IAA Council and Committee Meetings

1. Venues will be chosen with the aim of achieving diversity and balance, both geographically and by size of local association<sup>1</sup>.
2. The cost of the venues will be taken into consideration to ensure a reasonable financial balance by fiscal year, both for the delegates and the IAA.
3. Every effort will be made to select venues that are easily accessible from several major cities. In addition, there should be a reasonable gap between meetings that require more travel than European or North American destinations<sup>2</sup>.
4. Security and health considerations should be taken into account in selecting venues<sup>3</sup>.
5. Consideration should be given as to how meeting in that particular part of the world fits in with the strategy of the IAA.
6. Consideration should be given as to the value added, both to the local association and to the IAA, from the IAA's presence in that particular part of the world. The host association will be asked to indicate how

the meeting will benefit the actuarial profession, to make a proposal for a value added event they could organize, describing organization at the local level, intended attendees and the format, and to outline the follow up that would be undertaken after the meeting.

7. The IAA Secretariat will consider fallback locations and contingency plans in the event that a meeting needs to be relocated at short notice<sup>4</sup>.

*Adopted by the Executive Committee, June 2010.*

<sup>1</sup> *Some additional weighting will be given to larger associations in achieving an appropriate balance, but this will be broadly related to number of delegates rather than number of members.*

<sup>2</sup> *In practice this means that consecutive meetings in the "Rest of the World" area should be avoided if possible.*

<sup>3</sup> *But this should not preclude holding meetings in locations with an above-average security or health risk from time to time.*

<sup>4</sup> *Canada may be suitable for this purpose as meetings can be organized by the Secretariat independently of local sponsorship. If a meeting had to be cancelled at extremely short notice, an electronic meeting might have to be considered.*



## Participation of Non-Native English Speakers

"I was sitting in one of the IAA Committee meetings and listening to the discussion. Suddenly I thought that the meeting was missing an essential point and I started to plan an intervention. It took a few minutes to prepare myself, especially to find the right English words etc., and suddenly I realised that the discussion had moved on to another subject."

"I was in the middle of an intervention talking about that interesting subject when in the middle of a sentence I realised that I had forgotten the correct English word to use."

These are just two of a number of situations a non-native English (NNE) speaker finds himself in every now and then.

Of course, if you are an intrepid speaker you continue with a homemade translation, but we must admit that a fair number of us would more and more hesitate to speak publicly.

Are there any remedies or solutions to this problem that most probably results in a predominance of the Anglo Saxon views being forwarded?

### Reasons Why Non-Native English Speakers do Not Play a More Active Part in the IAA

There are a number of reasons why NNE do not play a more active part in the IAA, to mention a few:

#### **1. Cultural**

There are differences in working styles and many members must be given enough time to consider the issues in question, perhaps to discuss them with colleagues and then to formulate their reply in an actual meeting.

Sometimes you are even used to listening to the more senior ones and accept their proposals etc.

#### **2. Organizational**

In a number of countries the future actuary is educated more or less exclusively at a university, and/or actuarial organizations are more loosely knit organizations compared to the Anglo-Saxon way.

A fair number of the IAA member associations are comparatively small and many of them are NNEs. On top of the language problem, the small associations have the problem of resources. The limited resources explains why the small associations cannot participate so extensively in the IAA work as they might have wanted to, but must concentrate only on issues or committees etc., that are of higher importance to them. Sometimes a better understanding from the "big brothers" towards the small ones would also be helpful.

### 3. Language Barrier

This is an evident problem. The knowledge of the English language varies quite a lot from fluent to barely understandable.

To change some of these reasons/causes is of course, if not impossible, but a very long term project and frankly we think that this diversity is important for the development of the IAA as an international organisation.

The language problem is an important one to solve because, if we cannot communicate, then how can we expect to work together?

At the same time, we would all like to improve the situation right now as much as is practically possible. As far as we can see, it is the **oral** language barrier that we must try to lower as much as possible.

The **written** language barrier is usually lower and easier to remedy e.g., when you receive an email you usually have enough time to think about what word to use and/or look it up in a dictionary. We also think that a number of members are still not used to working by email (which, however, will be a passing problem). Using email gives NNE members an increasing possibility to be able to participate actively in the IAA work.

## Changes Which Could be Made to Improve the Position

The IAA is an international organization i.e., everybody interested shall be able to participate under acceptable conditions. All delegates are representing their various organizations/countries and must really feel that everything possible is done to ensure that their ideas will be listened to/commented on at its own merit, even if it is not delivered in flawless English.

Our view is that the IAA will flourish and develop in the best way if, in the future, we better adapt our way of working together with the different backgrounds that we come from.

One obvious solution would be to use more interpretation, but we rule out that possibility as being too expensive as well as impractical.

Another solution would be English language courses that we know have been used in the past.

However, there are a number of easy (and quick) solutions at our disposal that could be communicated as of today to all concerned when a meeting is announced.

## IAA

The IAA has now, after the discussions in Berlin, organized an introduction for new participants to the IAA meetings which I believe is a very good way to give both information about what is and how is the IAA organized and working. An important part would be also to emphasize and explain to the native English speakers how to make it easier for the NNE to become active participants by following the advice further down this paper.

## Member Associations

Probably for financial reasons, most associations send only enough participants to cover the committee-meetings that are of special interest to them. Our member associations should be encouraged to send representatives to more than one set of IAA meetings.

Furthermore, "at home" member associations should support their representatives to take a more active role in their respective committee's work between the actual committee meeting. This could be done, for example, by providing help to understand the finer points of distributed material that is usually written in English. A well-prepared participant will have a lower threshold to pass even as regards to making oral interventions during any session. In this context, one must not forget that the IAA Website provides a translation tool that is continuously improved and developed.

Many English-speaking associations are big and have a non-negligible asset in their multi-cultural membership which could be used as a valuable pool for appointing representatives which can bridge the gap to the NNEs.

# Members

## General

At any meeting, be it actuarial or not, social events like get-togethers, luncheons and/or dinners are organized. These events are very useful, not just to meet old friends and to have some decent food, but to provide a valuable opportunity to exercise your English both with native English speakers and NNE.

The tendency to cling together in mutual language groups is natural but must be avoided if possible, e.g. by seating arrangements at dinner parties that mix people from different lingual backgrounds and experience.

### For native English speaker a short list could include

- Speak slowly and loudly enough
- Use simple words
- When possible try to provide, at least beforehand, a written summary of what the speaker intends to say.

### For the non-native English speaker a short list could include

- Try to rehearse if possible
- Bring a dictionary / write down keywords you anticipate will be used
- Do not hesitate to ask when you do not understand (you are probably not the only one who has not understood what it is all about).

### For any meeting chairperson a short list could include

- Try to speak before the start of any meeting with the NNE present to establish whether there are any particular areas they would like to contribute to.
- Make sure that the seating arrangement is well adapted for the number of expected participants.
- Most meetings are on more or less technical subjects so an introduction by the chairperson on different technical terms/abbreviations that might be used would be very helpful (one solution is that they are written on a billboard for everyone to see)
- Remind all present (especially native-English speakers) about what to think of when making an oral contribution, i.e., speak slowly and loudly enough (without shouting).
- Give any NNE speaker ample time to speak.
- Be very active in encouraging especially the NNE to participate in the discussions.
- Give positive feedback (try to actively help the NNE find the right word and/or summarize the statement in a few words to give the NNE a second chance to be certain that the true meaning of what the speaker really wanted to say has been understood).

**Finally we think that we must hope/expect that everybody will use common sense.  
What purpose would any oral comment have if part of the audience does not understand it?**

*Document submitted to Member Services Committee, November 2004*



# Communications Policy

The IAA Communications Policy comprises a **Publications Policy** and a **Public Relations Policy**. Implementation is the responsibility of the Executive Committee.

## Publications Policy

### ***Categorization of publications***

Responsibility for originating publications rests with several committees and sections, although a number of the publications are requested from external supranational organizations. To ensure adequate oversight (technical and editorial) and to ensure that they are appropriately communicated outside the IAA, the types of IAA publications are split into five categories:

1. *Public Statements.* These include statements submitted to multi-national organizations, such as those dealing with regulatory, legislative, professional and investigative issues. These statements are normally developed by an IAA committee and are subject to the Guidelines for Making Public Statements on Behalf of the IAA. The Fast Track Procedure can be used depending on time constraints and the nature of the Public Statement.
2. *Professionalism and Actuarial Practice related publications.* These include the Minimum Code of Professional Conduct (for IAA Full Member association accreditation purposes), currently the responsibility of the Accreditation Committee, and International Actuarial Standards of Practice and International Actuarial Notes, for which the Professionalism Committee currently has oversight responsibility. The responsibility for the content of these publications lies with the relevant committee, with their development and management subject to the Due Process as approved by IAA Council.
3. *Research and education related publications.* These include the *ASTIN Bulletin – The Journal of the IAA*, Transactions of the International Congresses of Actuaries and presentations and papers of section colloquia.
4. *IAA Policy.* The responsibility for documents, such as the IAA Internal Regulations, lies with the IAA Secretariat, as approved by Council.
5. *Other publications.* These would most typically, but not exclusively, relate to committee or section activities. It also includes public relations material, such as press releases, and the IAA Annual Report

### **Other elements of the Publications Policy**

1. *Website.* Publications are normally made directly available from the IAA website. Once completed or approved, as applicable, all IAA publications are available on the publicly available website. In most cases during their development they would be appropriately indicated as being draft and either not be available on the website or available only on the Members-only website.
2. *Languages.* The working languages of the IAA are English and French. Article 4.1 of the IAA Internal Regulations indicates that “The Secretariat shall arrange for translation of official documents into English and French.” In some cases, IAA member associations have prepared translations of other IAA documents into other languages. Although the IAA should disclaim liability associated with such translations, these should be encouraged, as appropriate, with links from appropriate places in the IAA website.
3. *Copyright.* The IAA claims copyright wherever practical on all of its publications and papers; this is achieved by adding ©, the year and the IAA name. The IAA copyright may be exclusive or non exclusive, according to whether the paper originates from an individual or from an IAA entity such as a committee, or is a sponsored paper.
4. *Pricing of publications.* Although electronic publications are usually provided without charge (with a few exceptions, such as the *Blue Book*), some printed publications are made available for a price at or near cost. Pricing is proposed by the IAA Secretariat in consultation with the applicable committee, where appropriate. In some cases, external funding of the development of a publication is appropriate; this is dealt with on a case-by-case basis.
5. *Form of documents.* Although in many cases the publications are in pdf form, some are in other forms, such as Word documents. Official documents in their electronic form should be in a non-modifiable form, the primary example of which is the pdf. Standard formats are used that vary by category of document, to make them easily distinguishable. On a case-by-case basis, it can be decided to make a publication available in print form.
6. *Authorization.* Authorization to quote, reproduce or translate IAA material, with requirements to indicate its source, may be provided according to the circumstances (e.g. for teaching purposes or to our member associations).
7. *Official publications.* A significant distinction may be needed between an official IAA publication and that of a section or committee.
8. *Production cost.* The cost of producing IAA publications should be managed in an economic manner, subject to the desired level of quality and type of publication. In some cases, particularly for books and relatively lengthy monographs and papers, it may be appropriate to publish them in print in addition to electronically. If in print form, an appropriate charge for these publications may be levied, considering production cost and expected sales.

9. *Archiving.* Documents are kept on the IAA website for an appropriate length of time. The IAA Secretariat maintains an archive of all official IAA documents.

## Public Relations Policy

### **Overall policy**

The role of the IAA in public relations (PR) is

- to promote the actuarial profession internationally
- to promote the IAA itself
- to coordinate public relations activities internationally when appropriate
- to provide material aimed at an international audience to assist Member Associations.

Defining the profile or branding of the actuarial profession should be primarily a matter for the Member Associations rather than a strategic objective of the IAA.

The focus of IAA PR activities should be on key supranational target organisations, rather than the media. The media will normally best be handled by the Member Associations, although exceptions to this will arise, for example in the case of international publications such as the *Financial Times* or *The Economist*; exceptions should be dealt with in collaboration with the relevant Member Association.

### **Public Relations Support**

- The IAA Secretariat should arrange for suitable PR resources to be available as needed, probably by making use of staff resource already available in some of the larger associations
- PR activity should be consistent with the IAA Publications Policy.
- Many IAA and Member Association publications, as well as speeches by the President and Officers, should be considered for PR purposes. The IAA will engage with Member Associations in discussions on how and when this would occur.
- The IAA should publish an Annual Report on its activities.
- The IAA website should be used to support Public Relations activity.

*Adopted by Council March 6, 2010*



## Guidelines for Making Public Statements

### 1. What constitutes a Formal Public Statement?

A formal public statement is an oral or printed presentation of a written statement presented on behalf of the IAA to an external group.

Public statements include:

- statements submitted to multi-national regulatory, legislative and investigative bodies. On some occasions statements to single country national regulatory bodies (e.g. emerging nations) may also be appropriate.
- statements to other professional groups (e.g. accountants and lawyers).

### 2. The Scope of Formal Public Statements

The IAA is clearly qualified to make such statements if they relate to matters involving normal fields of actuarial expertise. A public statement by the IAA may also be desirable on broad conceptual issues of public policy in which the actuary has relevant but not exclusive expertise. (e.g. taxation on pension arrangements)

A public statement by the IAA should not normally deal with a matter outside the accepted fields of actuarial expertise. Nonetheless, there may be instances where the IAA would like to take a position on an issue where

an actuarial viewpoint can reasonably and usefully be put forward, even though it is an issue on which actuaries may not have recognized expertise.

Public statements that appear to be self-serving will be less effective, but the IAA should not hesitate to speak out on matters that involve legitimate professional interests.

Statements should reflect the expertise of the profession. They need not be limited to statements of fact, but where an observation is based on opinion rather than facts, the opinion should represent a certain degree of consensus within the profession. The same concern should be reflected in the case of inference based on facts.

A public statement generally should not take positions on the social and political implications of issues. It may be appropriate, however, to point out social and political implications insofar as these implications may be objectively determined. In certain circumstances, it may not be possible to divorce social or political implications from actuarial considerations.

### 3. Authority to Proceed

Once an issue has been identified from inside or outside the IAA, a member of the IAA Council will discuss it with the IAA officers who will decide whether to proceed. If so, they will nominate an actuary or, exceptionally, another appropriate person to proceed with the development of the statement. Normally, the appropriate committee will be delegated the task of drafting the public statement, or an ad hoc committee will be formed specifically for the purpose consisting of recognized experts in the subject area broadly representative of the range of views within the IAA membership. The nominated person will act as chairperson of the ad hoc committee.

When the public statement is in response to a call for comments on technical matters relating to a particular practice area, it may not be necessary to have members on the ad hoc committee representing other practice areas. However, when the public statement is in response to a call for comments on a broad conceptual issue of public policy, an attempt should be made to receive input from several practice areas so that the statement may be representative of a broad range of actuarial opinion.

### 4. Notice to Members

Whenever a decision is taken to develop a statement, the Executive Director of the IAA will inform all member associations as a matter of urgency. The IAA Executive will maintain a list of contacts within each member association to receive such notification and each member association should have a procedure for ensuring that the notification is passed as quickly as possible to the appropriate persons within the member association.

The notification will give a brief explanation of the issue involved, the manner in which it is being handled, the name of the person responsible for the statement's preparation, the name of the appropriate Committee or ad hoc committee (the relevant committee) and, if possible, the names of the proposed members of the ad hoc committee.

If an ad hoc committee is formed, it will be the responsibility of the chairperson to ensure that as wide a range of views as possible is represented. If a member association feels that its views are not likely to be adequately represented, it should respond immediately nominating a representative to sit on the ad hoc committee.

### 5. Development of Statements

The relevant committee will prepare the public statement and any supporting background material in keeping with the scope outlined in Section 2. The chairperson may invite contributions from people outside the relevant committee to participate in the preparation of the statement if it is felt this will provide additional expertise or give access to diverse points of view.

The draft statement will be distributed by the Executive Director of the IAA to the appropriate contact within each member association. The member association will normally have two months in which to comment. In certain circumstances a shorter comment period of not less than two weeks may be agreed to by the President of the IAA. Member associations which do not respond within the comment period will be deemed to have endorsed the statement.

If no adverse comments are received, then the statement may be presented as submitted. Any adverse comment or objections should be addressed to the Executive Director of the IAA who will copy them to the chairperson of the relevant committee. Where possible, the member association should suggest appropriate amendments.

It will be the responsibility of the chairperson of the relevant committee to resolve any disputes. This may involve a minor rewording of the statement or it may involve reconvening the relevant committee in order to reconsider the proposed statement. While unanimity is desirable, any member association which has serious

reservations about the proposed statement may request that a brief indication of the sources of its disagreement be included. If the disagreement bears on a major issue of the proposed statement, this must be re-submitted to all member associations for approval.

If the relevant committee is unable to develop a satisfactory statement, or to reconcile differences between member associations, the draft statement will be submitted to the Executive Committee who will make a definitive decision.

## 6. Presentation of Statements

The Chairperson of the relevant committee will normally present the statement.

A statement should always identify the source of the opinions expressed along the following lines:

“This official statement of the IAA has been developed by the X committee of the IAA, the members of which are listed below by name and association. The member associations of the IAA are also listed below.”

*Adopted by the Committee of the IFAA on August 11, 1997; Revised by the Council of the IAA on July 1998, April 2001*



# Fast Track Procedure for Making Public Statements in Response to a Time-Bound Specific Request

- The fast track procedure is available for public statements that must be prepared in response to a third party and must be submitted within a timeframe that the IAA does not control.
- At the request of a Committee Chair, the Secretariat will notify the President and all Full Member associations that a specific public statement may be prepared and released by an IAA committee under the fast track procedure.
- The Notice shall indicate the name of the committee responsible for the specific public statement, the intended date of submission of the statement to the third party, and the date up to which objections may be registered; this latter date shall be five days prior to the intended date of submission. The intended date of submission cannot be set less than ten days from the date the Notice is circulated.
- Full Member associations participate in the development of the response through their delegates, but observers can be added to the relevant list server to further facilitate real time monitoring of a statement as it is being developed. This is the only opportunity to influence the development of the statement as it will not be circulated outside the committee for a vote.
- Full Member associations are encouraged to participate in the development of the response through their delegates. An association not represented by a delegate to the committee, that wishes to nominate an observer to assist with drafting the response, or to facilitate real time monitoring of the statement as it is being developed, can contact the Secretariat to nominate a delegate or an observer.
- Up to five days prior to the intended date for submission, a Full Member association can object to the release of a public statement by expressing a negative vote indicating the reasons for the objections to enable the committee chairperson to address the issues and to mitigate the differences of opinion, if possible.
- The chairperson shall inform the President of the nature and significance of any objections; after consultation with the Officers, the President may confirm the authority of the committee to proceed or request the committee chairperson to eliminate the objectionable parts or to withdraw the statement.
- In the absence of an instruction to the contrary from the President, the Secretariat will submit the response prepared and approved by the committee as an IAA public statement and post it on the IAA website as an IAA document unless negative votes have been received from Full Member associations representing more than one-fifth of the total voting rights.

*Adopted by Council on June 5, 2004; Revised May 28, 2006*

# Due Process for International Actuarial Standards of Practice

## Introduction

A Standard of Practice is a statement of behaviour expected of actuaries operating within a specified context. It sets minimum standards on matters such as the methodology to be employed, the approach to be used in setting assumptions, the contents of the resulting report or opinion, and the way in which the report or opinion should be presented. The intention of a Standard of Practice is to achieve greater consistency of approach to actuarial practice in a given situation, so as to increase the confidence of clients and the public in the actuarial work product, but without stifling the exercise of actuarial judgment or creativity.

## 1. Definition and Applicability

- 1.1 An International Actuarial Standard of Practice (IASP) is a Standard of Practice that is adopted as a model by the IAA for consideration by (1) its member associations; (2) other standard-setting bodies that establish standards of practice for members of such associations; and (3) the members of such associations themselves.
- 1.2 Member associations and standard-setting bodies are encouraged to give serious consideration to accepting each IASP in a manner that is consistent with the needs of their members or those who are subject to the body's standards. A member association or other body that wishes to act upon an IASP can do so in any of the following three ways:
  - Adopt the IASP in the exact form in which it is issued, except possibly in a language other than one of the languages in which the IAA adopts and promulgates it;
  - Endorse the IASP; that is, it may declare that the IASP applies to its members or to those who are subject to its standards;
  - Modify the IASP in any way in which it sees fit (bearing in mind the wish of the IAA to encourage convergence of actuarial standards of practice), and then adopt it in its modified form.

The word "model" is intended to convey that the effect of IASPs on individual actuaries is as follows:

- a) If a member association or standard-setting body accepts an IASP in any of the three ways described above, then the version of the IASP that is so accepted is applicable to actuaries who are members of such associations or subject to the standards issued by such bodies in the same way as any other standard of practice (by whatever name) that the association or standard-setting body adopts.
- b) If an actuary issues an actuarial report or opinion in which he or she states that the opinion is consistent with an IASP, then the IASP is applicable to that actuary to the extent of that opinion. (Note: This includes the situation in which the entity commissioning the work has instructed the actuary to comply with an IASP.)
- c) If neither (a) nor (b) applies, then the IASP does not apply to the work of an individual actuary.

## 2. Due Process

- 2.1 As the IAA issues IASPs, it is important to ensure an adequate due process. Most member associations will wish to consult their individual members and comply with their own due process, which may include consulting other bodies, such as national standard-setting bodies, regulatory authorities, industry bodies and legal counsel. With this in mind, adequate time should be given for consultation during the development of an IASP.
- 2.2 In order to forestall major problems at the final exposure stage, it is important to involve member associations as actively as possible in the IASP development process, including active involvement of representatives of member associations in the development of the draft of the IASP, any earlier first stage exposure of the broad intended content of the IASP and even informal circulation of

drafts, or parts of drafts, prior to the formal due process exposure. At the start of the process, the principle of whether or not to consider issuing a particular IASP should be well discussed and formally agreed before proceeding to the development of a preliminary exposure draft.

### 3. First Stage – Should the IAA Consider Issuing an IASP on a particular topic?

- 3.1 The presumption should be that the IAA would not issue an IASP unless a persuasive case has been made for issuing one. This is a matter for Council decision, in accordance with the normal notice and voting requirements.
- 3.2 Conditions that should be fulfilled for the Council to agree to the principle of issuing an IASP might include:
  - a) The proposal to develop an IASP is in response to a request from an appropriate body at the international level (e.g., the International Accounting Standards Board, the International Social Security Association or the International Association of Insurance Supervisors) or in response to the development of a related international professional standard;
  - b) There should be a clearly demonstrable need for an IASP;
  - c) There is a general consensus among the member associations that the IASP is needed.
  - d) There should be no conflict with the principle of subsidiarity in regard to member associations and regional groupings of member associations;
  - e) The scope of the IASP should be defined clearly and as narrowly as possible to address the specific need and should be no more prescriptive than necessary;
  - f) It is expected that each member association will give serious consideration to adopting, endorsing, or modifying each IASP, and that thereby, IASPs will have a significant impact on work done by actuaries, without being unduly burdensome or in conflict with professional behaviour;
- 3.3 A committee wishing to issue an IASP may, by action at an in-person committee meeting or by an e-mail vote of committee members, approve a Statement of Intent that indicates its intent to develop an IASP. It shall describe, in general terms, the objectives and intended scope of the IASP. The committee shall send the Statement of Intent to the Professionalism Committee and to the Secretariat for posting on a Council agenda. Council shall be asked to vote on approving the Statement of Intent. In particular, the Council should consider, in light of all relevant factors in a particular instance, whether it would be more appropriate for the IAA to issue an IASP or an International Actuarial Note (IAN) to satisfy the need expressed in the Statement of Intent.
- 3.4 When asked to vote on a Statement of Intent, Council should receive a report from the Professionalism Committee on the proposed objectives and scope of the IASP and on whether the relevant conditions in paragraph 3.2 are fulfilled. If it is not clear from the Statement of Intent, the Professionalism Committee report should also identify the committee that should be responsible for drafting the IASP.
- 3.5 The Council decision should be publicized to member associations and to appropriate international bodies. Member associations will be invited to communicate the Council decision to relevant national bodies such as national standard-setting bodies, regulatory authorities, applicable industry bodies and legal counsel.

### 4. Second stage – How Should the IAA Develop an IASP?

- 4.1 The relevant committee should begin to develop the IASP and should start by preparing a preliminary exposure draft for discussion. (The committee may take this step prior to the Council action described in paragraph 3.3, but if the Council disapproves the Statement of Intent, the process shall stop or shall continue in an appropriately modified way.) The preliminary exposure draft does not necessarily need to have all relevant issues fully decided, but could include alternatives and questions requesting comment. Some parts of the expected IASP might be available in fuller version at this stage, possibly with alternatives for comment, in order to give an indication of how certain issues might be dealt with.

- 4.2 Once the relevant committee has prepared a preliminary exposure draft, that committee should take the decision to proceed to a period of exposure and consultation. The President of the IAA will promulgate the preliminary exposure draft, and the promulgation notice should indicate the time limit for comments. The preliminary exposure draft will be posted on the relevant IAA committee list-server and will be published on the IAA website, with comments invited from member associations and relevant international bodies. Member associations should consult with their own individual members, the actuarial standard-setting bodies in their jurisdiction (where these are distinct from member associations) and, as appropriate, their legal advisers and applicable national bodies. The relevant IAA committee may also decide to seek views from certain individual actuaries and non-actuaries. The usual exposure period shall usually be four months, to enable member associations to have time to consult widely.
- 4.3 The committee should report to the Secretariat and to Council at the earliest opportunity that the preliminary exposure draft has been issued and which organizations and individuals (other than member associations of the IAA) have been invited to comment.
- 4.4 At the end of the exposure period for the preliminary exposure draft, the relevant committee should respond to the consultation by promulgating, on the list-server and the website, a report on the comments received and the committee's response. If substantial changes must be made to the substance of the preliminary exposure draft as a result of the comments received, a second round of exposure will be necessary before proceeding to the detailed drafting of the final IASP. This will also be necessary if significant differences of view remain, such that near unanimous support for the principles of the IASP seems unlikely to be achievable. Such differences would, in any case, need to be considered carefully by the relevant committee before proceeding to the next stage. The decision whether or not to re-expose is a decision made by the committee, subject to confirmation by the Professionalism Committee. If re-exposure is necessary, the committee chair will approve the promulgation of a subsequent draft and provide the draft to the Secretariat for circulation, and to the Professionalism Committee for its information. The promulgation notice should indicate the time limit for comments, which should usually be two months.

## 5. Third stage – How should the IAA adopt an IASP?

- 5.1 After the preliminary exposure process described above (which may have involved one or more exposures) the relevant committee should develop the detailed final IASP and seek Council's approval of it at a Council meeting. Such approval requires the affirmative vote of at least 80% of the votes cast. The final draft of the IASP should be part of Council's 60-day agenda, and should be accompanied by a report on how areas of difference in views have been resolved, the conclusions reached on issues on which views had been sought at the previous stage, and the rationale for what is now proposed for inclusion in the IASP. The committee preparing the final draft should have the option to amend the last version presented to Council for voting, if the technical and straightforward drafting amendments would, in their view, increase the quality of the IASP and the likelihood of consensus being achieved at the meeting of the Council. In that case, the revised draft should be submitted to Council in time to be included on Council's 30-day agenda.
- 5.2 In the case of each IASP proposed, the Professionalism Committee should report to Council, prior to the Council vote, on the proposed scope of the IASP and on whether the relevant conditions (see paragraph 3.2) are considered to be met. In so doing, the Professionalism Committee should:
  - verify compliance with due process,
  - confirm that established policies have been followed or, if not, in what way they have not been followed and the reasons therefore, and
  - confirm, prior to the vote on adoption of an IASP, that it is consistent with the standard IASP format (see paragraph 7.2).

## 6. Implementation of an IASP

- 6.1 Once adopted, an IASP should be posted on the IAA website and also promulgated to member associations and to interested international parties. Member associations are expected to inform

their own individual members and other interested national parties. Member associations should be asked to advise the IAA of the actions that they (or standard-setting bodies that adopt standards of practice applicable to the Association's members) have taken with respect to each IASP. Actions such as those described in paragraph 1.2 should be encouraged unless there is a specific reason why a member association believes that local conditions do not warrant such a step.

## 7. The role of the Professionalism Committee in the IASP Due process

- 7.1 The Professionalism Committee has the ongoing responsibility to make recommendations to Council regarding the due process for adopting IASPs.
- 7.2 The Professionalism Committee will develop a format in which IASPs will be issued. The objective of a standard format is to provide the drafters of an IASP with guidance as to the desired style and layout of an IASP; using a consistent style and layout is expected to assist the users of IASPs. The format will include a description of the nature of an IASP, consistent with the introduction and paragraph 1.1 herein, the responsibility of member associations to consider taking one of the actions described in paragraph 1.2 regarding each IASP, and other information that can be expected to be similar or identical for each IASP. Such format is not intended to limit in any way the practice-related information that is conveyed in the IASP.
- 7.3 The Professionalism Committee has an overall responsibility for monitoring whether the IASP process is working well and whether the process should be updated from time to time. This includes monitoring
  - whether the due process has been followed in the preparation of an IASP;
  - how effectively the IASPs have been promulgated and publicized;
  - the actions taken by member associations with respect to each IASP;
  - whether the IASPs are meeting their objectives with regard to the IAA's external "stakeholders".
- 7.4 The Professionalism Committee shall ensure that IASPs that have been adopted are reviewed regularly, and shall work with the committee that developed each IASP to have the review carried out. Normally, an IASP should be reviewed every three years; however, the Professionalism Committee may request more frequent review of an IASP if it believes such review to be advisable.

## 8. Changes to Existing IASPs

- 8.1 If a change to an existing IASP is fundamental in nature, it will be subject to the same due process as a new IASP. (If there is disagreement whether a proposed change is fundamental, the final decision shall rest with the Professionalism Committee.)
- 8.2 However, from time to time, it may be appropriate to make non-fundamental changes to existing IASPs. For example, such changes might be in the nature of technical corrections, or they might involve updating references to documents that are referred to in the IASP, or they might be caused by a changed pronouncement of a body such as the International Accounting Standards Board. If a committee that has developed an existing IASP believes that such a minor change is not fundamental and is not controversial, it may propose to the Professionalism Committee that the change be implemented under an expedited procedure rather than through the normal due process. If the Professionalism Committee concurs that the change is not controversial, it may authorize an expedited procedure, under which the change is proposed directly to Council for a vote. If such a change receives an affirmative vote of at least 80% of the votes cast, it is thereby adopted.

## 9. Transition Process

- 9.1 Prior to the adoption of this due process document, the IAA had issued several documents that were denoted as Class 4 standards of practice. These were described as "Practice Guidelines" and, further, as being "educational and non-binding in nature". It is the IAA's objective that these

documents be converted to be either model International Actuarial Standards of Practice or International Actuarial Notes.

- 9.2 If the committee that prepared a Class 4 standard believes that it should, in whole or in part, be reissued as an IAN, the committee should re-configure the document as an IAN in the format developed by the Professionalism Committee. No other due process is required unless the technical content of the document is changed.
- 9.3 If the committee that prepared a Class 4 standard believes that it should, in whole or in part, become an IASP, then the due process set forth herein should be followed, starting with the Statement of Intent in section 3 above. However, the “preliminary exposure” step described in section 4 above does not have to be followed unless the committee feels it advisable. Preliminary exposure should be considered if the committee believes that substantial changes in the technical content of the previously approved document are being made.
- 9.4 Each IASP in existence at the effective date of this Due Process document will remain in effect as a Class 4 standard of practice under the previous Due Process until it has been re-issued under this transition process (or withdrawn). The relevant committees are encouraged to handle the transition in an expeditious manner.

## 10. Effective Date

The date this document was approved by Council is November 4, 2008.



# Due Process for International Actuarial Notes

## 1. Definition and Applicability

- 1.1 An International Actuarial Note (IAN) is an educational document on an actuarial subject that has been adopted by the IAA in order to advance the understanding of the subject by readers of the IAN, including actuaries and others, who use or rely upon the work of actuaries. It is not an International Actuarial Standard of Practice (“IASP”) and is not intended to convey in any manner that it is authoritative. IANs may be issued for any of several purposes. For example:
  - a) an IAN may describe an emerging topic that is of interest to practicing actuaries; and
  - b) an IAN may offer practical examples of ways in which actuaries might implement the guidance of an IASP in the course of their work.
- 1.2 Because an IAN is not intended to be authoritative, its language will be chosen carefully. It will not contain words such as “should”. Rather, its style will be descriptive or will convey meaning by the use of examples of actual practice, without suggesting that these examples are comprehensive.

## 2. Due Process

- 2.1 Because an IAN is not intended to be authoritative and because (unlike an IASP) it is not intended for possible use by member associations as the basis for issuing Standards of Practice for their members, it seems reasonable that the Due Process for issuing an IAN should be more abbreviated than for an IASP.
- 2.2 On the other hand, it is also possible that the drafting of an IAN will cause differences of opinion to surface, so some due process is needed.

- 2.3 In addition, because it is important to ensure that the wording of an IAN is consistent with its non-authoritative nature, the Professionalism Committee has an oversight role in terms of the language used in IANs.

### 3. First Stage – Announcement of Intent to Issue an IAN

- 3.1 Any IAA committee, subcommittee, or task force may, by action at an in-person committee meeting or by an e-mail vote of committee, subcommittee, or task force members, adopt a Statement of Intent to develop an IAN. The Statement of Intent should describe the objectives and scope of the proposed IAN and, once adopted by the committee, subcommittee or task force, should be sent to the Professionalism Committee and to the Secretariat.
- 3.2 In addition, Council may, in accordance with its normal notice and voting requirements, direct a committee, subcommittee, or task force to develop an IAN.
- 3.3 In either event, the Secretariat shall communicate the Statement of Intent promptly to member associations. The communication should provide member associations with a point of contact if they wish to become involved in the process or if they have questions concerning it.

### 4. Second Stage – Development and Issuance of an Exposure Draft

- 4.1 The committee, subcommittee or task force that is developing the IAN should issue an exposure draft of the IAN and submit it to the Professionalism Committee and to the Secretariat.
- 4.2 The Secretariat should communicate the exposure draft to member associations. The communication should indicate the deadline for comments (normally three months from the date of the communication) and should indicate to whom comments should be sent.
- 4.3 During the exposure period, the Professionalism Committee should review the exposure draft in terms of language and format, and should provide comments to the developers of the exposure draft. The Professionalism Committee's review should also include consideration of any apparent overlap or conflict between the proposed IAN and existing IANs.

### 5. Third Stage – Issuance of the IAN

- 5.1 The committee, subcommittee or task force that is developing the IAN should review all comments received and consider whether and how to reflect them in the IAN.
- 5.2 The committee, subcommittee or task force should approve the final version of the IAN by action at an in-person meeting or by an e-mail vote of its members.
- 5.3 The Professionalism Committee should approve the IAN from the aspects of language and format and should confirm that the prescribed due process has been followed.
- 5.4 Upon its approval by the committee, subcommittee or task force that developed it, and after confirmation by the Professionalism Committee that the language and format are appropriate and that the appropriate due process has been followed, the Secretariat should publish the IAN, distribute it to member associations, and post it on the IAA website. The Secretariat will develop a numbering system and will assign numbers to IANs when they are distributed and posted.

### 6. The Role of the Professionalism Committee in the IAN Process

- 6.1 The Professionalism Committee has the ongoing responsibility to make recommendations to the Council regarding the process for adopting IANs.
- 6.2 The Professionalism Committee will develop a format in which IANs are to be issued. The format will include a description of the nature of IANs, consistent with the definition set forth in paragraph 1

hereof. The objective of a standard format is to provide the drafters of an IAN with guidance as to the desired style and layout of an IAN; using a consistent style and layout is expected to assist the users of IANs. The format shall include the definition of the term “International Actuarial Note”, and other information that can be expected to be similar or identical for each IAN. Such format is not intended to limit in any way the technical information that is conveyed in the IAN.

- 6.3 The Professionalism Committee will – as described in paragraphs 4 and 5 hereof – provide comments on exposure drafts of IANs and shall confirm that an IAN is appropriate as to language and format. To expedite the issuance of IANs, the Professionalism Committee may establish a working group to carry out this function.
- 6.4 The Professionalism Committee has an overall responsibility for monitoring whether the IAN process is working well and whether the process should be updated from time to time. This includes monitoring:
  - whether the correct Due Process been followed in the preparation of an IAN;
  - how effectively the IANs have been publicized;
  - whether member associations are making IANs available to their members;
  - whether the IANs are meeting their objectives.
- 6.5 The Professionalism Committee will ensure that IANs that have been adopted are reviewed regularly, and will work with the committee that developed each IAN to have the review carried out. Normally, an IAN should be reviewed every three years; however, the Professionalism Committee may request more frequent review of an IAN if it believes such review to be advisable.

## Transition Process

- 7.1 With respect to documents previously issued as “Class 4” standards of practice, if the issuing committee believes that a previously issued Class 4 standard should be re-issued, in whole or in part, as an IAN with no material change in technical content, it should re-configure the document to meet the language and format guidance given by the Professionalism Committee.
- 7.2 The Professionalism Committee should approve the IAN from the aspects of language and format.
- 7.3 The Secretariat should distribute the IAN as set forth in paragraph 5.4 above.
- 7.4 If, however, the technical content of the previously issued document is changed fundamentally, the proposed IAN should be treated as an exposure draft, and its development should follow the due process set forth beginning with paragraph 4 herein. A decision by the issuing committee that the technical content is not changed fundamentally is subject to review by the Professionalism Committee, which has ultimate authority concerning such a determination.

*Adopted November 4, 2008.*



# Acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
AFIR	Actuarial Approach for Financial Risks (Section)
AM	Associate Member
ASTIN	Actuarial Studies in Non-Life Insurance (Section)
AWB	Actuaries Without Borders
BIS	Bank for International Settlement
CEIOPS	Committee of European Insurance and Occupational Pensions Supervisors
EC	Executive Committee
FM	Full Member
FQA	Fully Qualified Actuary
FTP	Fast Track Procedure
GC	Groupe Consultatif Actuariel Européen
IAA	International Actuarial Association
IAAHS	IAA Health Section
IAALS	IAA Life Section
IACA	International Association of Consulting Actuaries (Section)
IADB	Inter-American Development Bank
IAIS	International Association of Insurance Supervisors
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IASP	International Actuarial Standard of Practice
ICC	International Chamber of Commerce
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IMF	International Monetary Fund
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organization of Securities Commissions
ISSA	International Social Security Association
OECD	Organization for Economic Co-Operation and Development
PBSS	Pensions, Benefits, Social Security Section
TOR	Terms of reference
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

# International Actuarial Association

## Organisational Chart







