

AFIR SECTION COMMITTEE

Minutes of Meeting

Held at the ETH, Zurich

Wednesday 7th September, 2005.

Present:

Jean Berthon (France, IAA Nominee, Chairman)
Eric Thorlacius (USA, Vice-Chairman)
Mike Barker (Australia, Secretary)
Andrew Cairns (UK, Editor)
Carla Angela (Italy)
Arnaud Clement-Grandcourt (France)
Alf Guldberg (Sweden)
Tor Eivind Hoyland (Norway)
David Wilkie (UK)

By Invitation:

Paul Embrechts (Swiss Actuarial Association, Organisers)
Harry Wide (Sweden, 2007 Colloquium)

The meeting opened at 7.00am.

1. Apologies:

The following apologies were noted:
Bill Chinery (Canada, Treasurer)
Peter Albrecht (Germany)
Robert Clarkson UK)
Tony Coleman (Australia, IAA Nominee)

2. Minutes of Last Meeting

The minutes of the last meeting were taken as read, and were approved.

3. Matters Arising from the Minutes

David Wilkie reported on his investigation of the web-site. He had e-mailed his detailed findings to Committee members, but summarised his overall view of the web-site in positive terms, with only minor recommendations for improvement.

4. Proposal to Expand AFIR Scope

The Chairman raised this agenda item next as it would impact on other items later. He reported that the IAA had indicated that it would like to designate one Section as the principal Risk Section of the IAA, and that AFIR was more suited to this than ASTIN, because of the latter's focus on Non-Life insurance.

Concurrent with this was the suggestion that AFIR broaden its scope to include all kinds of risk, particularly operational risk, but perhaps environmental risk and other types of risk.

A lengthy discussion ensued, with members expressing a range of views on how broad a scope was practicable. In particular, there was less enthusiasm for including environmental risk, as this appeared to be more appropriate in the ASTIN Section. Carla Angela made the point that AFIR should focus particularly on the *management* of risk.

Mike Barker queried the relationship of AFIR with the newly formed ERMII, and whether the two should cover a similar range of issues. The Chairman replied that the ERMII was a private education initiative, not part of the IAA, although there were common threads. It was not necessary for the two bodies to be completely aligned.

To conclude the discussion, Alf Guldberg volunteered to work with the Chairman and the Vice-Chairman to produce a new definition of AFIR's scope. It was agreed that this would be distributed to members so that a formal vote could be taken at the next General Meeting in Paris. It was noted that changes to Rules needed to be circulated at least two months before the General meeting.

In the meantime, it was considered appropriate for the organisers of the Stockholm Colloquium to work on the assumption of a broader AFIR scope, and to design their programme and call for papers accordingly.

5. Report from the Organisers of the 15th Colloquium in Zurich

Paul Embrechts reported on the Zurich Colloquium, commenting particularly on the programme of outstanding speakers for the joint day with ASTIN. He advised that there were 132 registrations for AFIR alone, including 46 academics. Additional numbers had registered for both ASTIN and AFIR. There were 50 accompanying persons for the AFIR delegates. A total of 24 countries were represented.

The call for papers had been very pleasing, with 32 papers accepted. The delivery of papers had all taken place on the internet, which had worked satisfactorily, and all papers had been made available on the Colloquium website. In response to a question from the Chairman, Paul stated that at least 20% of papers could have fitted into either ASTIN or AFIR programmes. This was noted by the Committee as reinforcing the logic of holding the two colloquia together.

The organisers were congratulated and thanked for their efforts, with particular comment made on the high quality of the guest speakers.

6. Review of Arrangements for General Meeting

6.1 Draft Agenda. The proposed agenda for the General Meeting was approved.

6.2 Treasurer's Report. The Treasurer's report was not yet to hand. The Secretary agreed to follow this up in order to obtain the report in time for the General Meeting on Friday.

6.3 Re-election of Committee Members. There were six members whose terms were expiring in 2005. Of these, Arnaud Clement-Grandcourt and David Wilkie had indicated their desire to stand for re-election. The other four, Peter Albrecht, Mike Barker, Bill Chinery and Robert Clarkson were not intending to stand.

There were five potential candidates who had indicated their willingness to stand. These were Pierre Devolder (Belgium), Josephine Marks (Canada), Raimond Maurer (Germany), Mike Sherris (Australia) and Shaun Wang (USA). Mike Sherris had also indicated that he did not mind deferring his candidature in the interests of achieving a smooth progression. It was noted that this would reduce the Australian representation on the Committee, but that Tony Coleman would still represent Australia whilst he continued to be an IAA delegate. Accordingly, the Committee decided to accept Mike Sherris's offer and endorse the other four candidates to be placed before the General Meeting.

Josephine Marks had agreed to be the new Treasurer and Tor Eivind Hoyland agreed to take over as Secretary from Mike Barker following the General Meeting.

6.4 Prize Ceremony. It was noted that the winner of the Bob Alting von Geusau Prize, Gary Venter, had been unable to re-schedule his appointments to enable him to be present to accept the prize in person. It was proposed to announce his name at the Closing Ceremony of the Colloquium, and plan a presentation to him in Paris next year.

It was also noted that the Prize Sub-Committee had recommended a special mention be given to Mogens Steffensen for his paper. This was endorsed by the Committee.

7. The ASTIN Bulletin

Andrew Cairns provided a report on the ASTIN Bulletin. He stated that the latest two volumes contained 185 and 319 pages respectively and contained a total of 15 articles and 9 workshops. There had been a strong and steady flow of papers. The distinction between articles and workshops was to be removed, to counteract an impression that workshop papers were of lesser quality, as this was certainly not the case.

Efforts had continued to gain inclusion in the International Citation Index, but to no avail so far.

Paul Embrechts was retiring as Editor after 10 years, and being replaced by Shaun Wang.

The Bulletin was being broadened to accept papers from other Sections of the IAA, and additional Board members would be appointed from the other Sections. The sub-title of the Bulletin would change to “The Journal of the IAA”.

8. Report on AFIR Regional Seminar

Andrew Cairns provided a written report on the “Workshop on the Interface between Quantitative Finance and Insurance” which had been held in Edinburgh in April 2005, partly sponsored by AFIR with a contribution of CAD 15,000. Administration had been by ICMS, a subsidiary of Heriot-Watt and Edinburgh Universities.

The workshop ran over five days, with 16 invited talks and 16 contributed talks. It had attracted 80 participants, including 36 from outside the UK. Non-academic participants had totalled only 24, which had been a slight disappointment, but otherwise the workshop had been considered a success.

Andrew offered to act as an adviser to anyone else who wished to organise a regional seminar in future.

9. Report on 16th AFIR Colloquium in Sweden, 2007.

Harry Wide distributed promotional postcards welcoming members to Stockholm for the 16th Colloquium to be held 12 – 15 June 2007.

An Organising Committee had been formed, chaired by Harry Wide, and a Scientific Committee which included David Wilkie. The Colloquium was planned to commence on the evening of Tuesday 12 June. An excursion was planned for the Thursday afternoon and the General Meeting proposed for Friday 15 June. The administration would be carried out by an external professional organisation, the Stockholm Convention Bureau, which had also organised the recent IAA meeting.

A concurrent meeting was being held in Stockholm by the Committee European d'Assurance (CEA). This was seen as a positive feature. The CEA had offered to host a joint Gala Dinner.

The Committee expressed satisfaction with the proposed arrangements.

Adjournment of Meeting

At this point the meeting was adjourned, and reconvened the next day, Thursday 8 September at 8.00 am.

The Chairman opened the reconvened meeting by announcing that the Treasurer's report had now been received. This showed net assets at 31 December 2004 of CAD 380,000, a rise of CAD 35, 000 over the year.

10. Report on AFIR Day at ICA in Paris, 2006.

The Chairman described plans for the Paris ICA. The AFIR Day had been set for Thursday 1 June 2006, in parallel with meetings of other Sections. About 20 papers were expected for AFIR. Members wishing to attend AFIR but not the balance of the ICA could register for the second half of the week only.

The issue was raised of the need to encourage younger academics to attend. It was suggested that bursaries be offered for this purpose, and also for attendees from developing countries. Based on AFIR's healthy financial situation, it was agreed that CAD 35,000 would be earmarked for bursaries, and this would be conveyed via the IAA to the Paris organisers. It was noted that similar action was being taken by ASTIN.

11. Review of Rules

The Chairman suggested that the Rules needed reviewing in conjunction with the proposed broadening of AFIR's scope. It was noted that any changes would require approval of a General Meeting, with two months' notice.

David Wilkie pointed out that the current Rules appeared as though they may be a translation from an original set in French, and that some improvements could be made on this score.

He also suggested that provision could be made in the Rules for Committee members to appoint Alternates. After discussion, it was agreed that this was not necessary, as Committee members were elected as individuals rather than appointed to represent the viewpoint of their particular national body.

It was considered desirable to re-define the membership categories, with the particular aim of encouraging participation by non-actuaries. Jean Berthon and Tor Eivind Hoyland agreed to re-draft this aspect. It was agreed that a revised set of Rules would be prepared in time for the next General Meeting.

12. Review of Business Plans

Discussion focused on the need to promote additional regional seminars, following the successful example set in Edinburgh. It was agreed that the General Meeting would be used as a forum for promoting the concept, with the offer of CAD 15,000 as sponsorship for suitable events.

Carla Angela suggested:

- (i) leveraging off other organisations who may be organising events, in order to maximise coverage

- (ii) utilising seminars to address issues which are “hot” in any particular country or region.

Arnaud Clement-Grandcourt particularly supported this second suggestion, giving examples of ALM and VaR.

The Chairman supported both concepts, and added that AFIR should also be pro-active on new or upcoming issues.

Eric Thorlacius suggested that decisions to support any particular prospective seminars could easily be dealt with by e-mail circulation amongst members.

13. Proposals for 2008 Colloquium

It was noted that ASTIN had decided to hold its 2008 Colloquium in Oxford, UK. The Committee discussed the merits of holding further joint Colloquia with ASTIN, and unanimously agreed that it was a good idea. It was decided to convey to the organisers of the Oxford ASTIN Colloquium that AFIR would be very receptive to an offer to hold both Colloquia together again.

14. Other Business

David Wilkie mentioned that availability of data was a common problem amongst researchers, and that he had built up an extensive set of monthly data on a variety of non-US markets and economic variables, which he was happy to share with other AFIR members. This was received very positively by the other Committee members.

Closure of Meeting

The meeting concluded at 9.00 am., with the Chairman moving a vote of thanks to the retiring Secretary, Mike Barker and Treasurer, Bill Chinery, for their contribution during their terms of office.