MINUTES OF THE IAA COUNCIL MEETING  
HONG KONG - OCTOBER 7, 2001

Participants: See attached list

1. **APPROVAL OF AGENDA**
The agenda was circulated 90 days in advance of the meeting, as required by the Statutes. As indicated in Mo Chambers’ email of September 21, the intent was not to address the details of the committee appointments in agenda item 7, unless there was a specific request to do so. In the absence of such a request, the appointments would be dealt with in one motion.

It was noted that, since the posting of the agenda, the president had approved the following provisional committee appointments:

*Insurance Accounting Standards:* Ad Kok, Het Actuarieel Genootschap; and Craig M. Murison, Faculty of Actuaries (to replace William Robertson)

*Insurance Regulation:* Ibrahim Muhanna, Cyprus Association of Actuaries

Council approval of these appointments will take place at the meeting in Cancun.

The following motion was then presented.

**Motion: (simple majority vote required)**
That the agenda for the IAA Council meeting of October 7, 2001 in Hong Kong be adopted as presented.

*Proposed by: Bob Collett*
*Seconded by: David Hartman*  
*Carried*

2. **APPROVAL OF PREVIOUS COUNCIL MINUTES – ESTORIL, PORTUGAL, APRIL 7, 2001**

**Motion: (simple majority vote required)**
That the minutes of the IAA Council meeting held on April 7, 2001 in Estoril, Portugal, be adopted as presented.

*Proposed by: Jean Berthon*
*Seconded by: Curtis Huntington*  
*Carried*
3. **VOTING ARRANGEMENTS**
   The attendance at the meetings was broken down as follows: 86 delegates and 33 companions representing 23 associations, 2 Sections, 1 institutional member and 17 countries.

   - The voting rights represented at this meeting, including proxies, totaled 67.62%.
   - Ballots were received from Czech Republic, Denmark, Hungary, Netherlands, Philippines, Spain (Col.legi), Switzerland
   - Proxies were received from Australia, Cyprus, Germany and New Zealand.

4. **REPORT OF THE PRESIDENT**
   The highlights of the President’s report include:

   - A report on his participation in the following events: Casualty Actuarial Society Spring Meeting, Pension Seminar in Brighton, ASTIN and AFIR Colloquia
   - A report on the Executive Committee’s Strategic Planning Session of October 5
   - Reference to the IAA’s efforts with external organizations through the work of the Committees on Advice and Assistance, Supranational Relations, and Insurance Regulation
   - The development of international actuarial standards of practice

   The full text of the report is attached to these minutes.

5. **REPORT ON ICA 2002 – CANCUN, MEXICO**
   Luis Huerta reported on the Congress as follows:

   - to date, 718 registrations were received; the goal remained 1500 actuaries
   - 144 papers were submitted; only eight full member and three observer member associations had submitted their association reports; reminders would be sent

6. **STATUTES AND INTERNAL REGULATIONS**
   a. Statutes Article 10: Meetings
   Motion: (four-fifths majority vote required)
   That Council approves the following changes to the second paragraph of Article 10 of the Statutes:

   “Convening notices indicating the venue and date with detailed agenda, including motions on matters requiring decision, must be sent to Delegates of the Council 60 days in advance of the meeting, except for the approval of decisions requiring super-majority votes, which shall require 90 days notice, unless the Council, by ballot with 60 day notice, has acted to exclude defined categories of motions, or to shorten the time period of notice for a specific future meeting or ballot.”

   Proposed by: David Hartman
   Seconded by: Sam Gutterman Carried

   b) Committee Protocol – Committee Chairpersons and Vice-Chairpersons

Final March 16, 2002
Motion: (simple majority vote required)
That Council approves the following addition to the Committee Protocol approved on May 23, 2000 in Jerusalem:

“The terms of office for committee chairpersons and vice-chairpersons will be on a calendar year basis.”

Proposed by:  Curtis Huntington
Seconded by:  Jean Berthon  Carried

7. APPOINTMENTS
   a. Routine Committee Appointments

Motion: (simple majority vote required)
That Council confirms the following committee appointments:

Accreditation
Lawrence Johansen, American Academy of Actuaries
Edward Robinson, New Zealand Society of Actuaries

Advice and Assistance
Norm Crowder, Conference of Consulting Actuaries (replaces Jim MacGinnitie)

Education
Erik Alm, Svenska Aktuarieföreningen (replaces Helen Bjork Westin)
Erik Bolviken, Den Norske Aktuarforeningen (replaces Walther Neuhaus)
Paul Grace, Faculty of Actuaries (replaces Malcolm Murray)
Katsumi Hikasa, Institute of Actuaries of Japan (replaces Junzo Tanaka)
Erzsebet Kovacs, Hungarian Actuarial Society
Daniel McCarthy, American Academy of Actuaries
S. Raju, Actuarial Society of India

Financial Risks
Stephen Lowe, Casualty Actuarial Society

Insurance Accounting Standards
Ralph Blanchard, Casualty Actuarial Society (replaces Stephen Lowe)

Insurance Regulation
Isagani de Castro, Actuarial Society of the Philippines
Gyula Horvath, Hungarian Actuarial Society

Professionalism
Isagani de Castro, Actuarial Society of the Philippines
Akira Kuriyama, Institute of Actuaries of Japan (replaces Ryoichi Nakamura)
**Social Security**  
Tamás Varga, Hungarian Actuarial Society

*Note: Full Member Associations can submit nominations for committee representatives (except for the following committees: Executive, Nominations, Audit and Services for Individual Members).*

Proposed by: Catherine Prime  
Seconded by: Paul Thornton  
Carried

b. **Recognition of Outgoing Chairpersons**  
The term of office for chairpersons is three years and one year for vice-chairpersons. It was not expected that the terms of committee chairpersons would automatically be renewed, although exceptions could be made in instances where the committee’s work required continuity in leadership until a particular project was complete. As to vice-chairpersons, their terms would normally be renewed for at least an additional term.

**Motion: (simple majority vote required)**  
That Council offers its recognition and gratitude to the following outgoing chairpersons for their service and commitment to the work of the IAA:

- Martin Balleer, Services to Individual Members
- Duncan Ferguson, Supranational Relations
- Allan Kaufman, Audit
- Junzo Tanaka, Public Statements
- Andrew Young, Social Security

Proposed by: Jean Berthon  
Seconded by: Curtis Huntington  
Carried

c. **Re-Appointments Recommended by the Nominations Committee**

**Motion: (simple majority vote required)**  
That Council approves the following re-appointments for a further term as of their respective term expiry date:

- Catherine Prime, Vice Chairperson, China Subcommittee
- Cecil Bykerk, Chairperson, Committee on Education
- Pál Lillevold, Vice-Chairperson, Committee on Education
- Manuel Peraita, Vice-Chairperson, Committee on Employee Benefits Standard
- Sam Gutterman, Chairperson, Committee on Insurance Accounting Standards
- Francis Ruygt, Vice-Chairperson, Committee on Insurance Accounting Standards
- Jean-Louis Massé, Vice-Chairperson, Committee on Professionalism
- Walt Rugland, Chairperson, Committee on Supranational Relations

Proposed by: Luis Huerta  
Seconded by: David Kingston  
Carried
d. Appointments Recommended by the Nominations Committee

Motion: (simple majority vote required)
That Council approves the following appointments:

- Yves Guérard as Secretary General for the year 2002
- Catherine Prime as Delegate to the AFIR Committee
- Catherine Prime, being the outgoing chairperson, as a member of the Nominations Committee for a one-year term
- Jean Berthon as a member of the Nominations Committee for a four-year term
- James MacGinnitie as Chairperson of the Committee on Services to Individual Members, to replace Martin Balleer whose term has expired
- Hillevi Mannonen as Chairperson of the Committee on Social Security, to replace Andrew Young who has resigned
- Bernard Dussault as Vice-Chairperson of the Committee on Social Security
- Stuart Wason as Chairperson of the Committee on Supranational Relations, to replace Duncan Ferguson who has resigned

That all appointments become effective at the beginning of the fiscal year, January 1, 2002.

Proposed by: David Hartman
Seconded by: Bob Collett Carried

e. Appointments Recommended by the Nominations Committee

Motion: (simple majority vote required)
That Council approves the following appointments:

- Edward J. Levay as President for the year 2002
- James MacGinnitie as President-Elect for the year 2002

That these appointments become effective at the beginning of the fiscal year, January 1, 2002.

Proposed by: Jean Berthon
Seconded by: Jukka Rantala Carried

Council endorsed the presidential appointments with a warm round of applause.

f) Ex-officio appointments

Motion: (simple majority vote required)
That Morris W. Chambers become Chairperson of the Nominations Committee, as Immediate Past President of the IAA, to replace Catherine Prime.

That Edward J. Levay become Vice-Chairperson of the Nominations Committee, as President of the IAA, to replace Morris W. Chambers.
That all appointments become effective at the beginning of the fiscal year, January 1, 2002.

Proposed by: David Hartman  
Seconded by: David Kingston  
Carried

8. COMMITTEES – TERMS OF REFERENCE

a. Actuaries Without Frontiers

Motion: (two-thirds majority vote required)
That Council establishes a Task Force on Actuaries Without Frontiers under the authority of the Advice & Assistance Committee of the IAA and its Chairperson reports to the Chairperson of the A&A Committee. Its purpose is to:

- Study the feasibility of the AWF project (number of eligible missions, costs, funding, availability of volunteers)
- Propose a workable structure (statutes, location, management, financing, links with the national associations)
- Submit recommendations to the IAA Council in the first semester of 2003

Proposed by: Edward Levay  
Seconded by: Catherine Prime  
Carried

b. Insurance Regulation

Motion: (two-thirds majority vote required)
That Council approves the addition of the following paragraph to the existing terms of reference of the Committee on Insurance Regulation to reflect the extra responsibilities of the Committee following the granting of IAIS Observer Member status:

“The Chairperson of the Committee will act as the Representative Observer Member to the IAIS on behalf of the IAA. This role will include attending such IAIS meetings as are appropriate, promoting the IAA within the IAIS and liaising with other Observer Members to further the interests of the IAA and the actuarial profession. The Representative Member will also encourage proactively other senior members of the IAA to attend or listen to IAIS and Observer meetings and conference calls as relevant topics emerge. This responsibility will include the circulation of papers and the dissemination of information on developing issues to interested actuaries.”

Proposed by: David Hartman  
Seconded by: Catherine Prime  
Carried

Nigel Masters encouraged delegates to keep informed of IAIS activities and announced that their next General Meeting would take place from October 9-11, 2002 in Santiago, Chile. A continuation of the September 20, 2001 General Meeting was planned for January 9, 2002 in Tokyo, Japan.
9. MEMBERSHIP

a. Individual Members

Motion: (two-thirds majority vote required)
That Council admits Yuri Krvavych, Ukraine, as an individual member, on the recommendation of the Committee for Services to Individual Members.

Proposed by: Curtis Huntington
Seconded by: Rainer Fürhaupter Carried with 1 abstention

b. Full Members

Motion: (two-thirds majority vote required)
That Council admits the Union Strasbourgeoise des Actuaires (France) as a Full Member, on the recommendation of the Accreditation Committee.

Proposed by: Curtis Huntington
Seconded by: Rainer Fürhaupter Carried with 1 abstention

Motion: (two-thirds majority vote required)
That Council admits the Estonian Actuarial Society (Estonia) as a Full Member, subject to recommendation by the Accreditation Committee at its meeting of October 6, 2001.

Proposed by: Curtis Huntington
Seconded by: Rainer Fürhaupter Carried with 1 abstention

Mo Chambers reported that the Accreditation Committee had reviewed the application for Full Member status by the Estonian Actuarial Society and recommended its admission.

Council was advised that some revisions were needed to the supporting documents submitted by the Academia De Actuarios De Puerto Rico (Puerto Rico) and the Lebanese Association of Actuaries (Lebanon) with their applications for Full Member status. It was expected that motions for admission of these two actuarial associations as Full Members would be re-submitted at the Council meeting in Cancun.

c. Observer Members

Motion: (two-thirds majority vote required)
That Council admits, on the endorsement of the Accreditation Committee, the Ukrainian Actuarial Society (Ukraine) as an Observer Member.

Proposed by: Paul Thornton
Seconded by: Rainer Fürhaupter Carried
Motion: (two-thirds majority vote required)
That Council admits, on the endorsement of the Accreditation Committee, the Actuarial Society of Kazakhstan (Kazakhstan) as an Observer Member.

Proposed by: Jean Berthon
Seconded by: Luis Huerta
Carried

Motion: (two-thirds majority vote required)
That Council terminates, for non-payment of dues, the membership in the IAA of the Türkiye Aktüerler Derneği (Turkey) as an Observer Member.

Proposed by: Paul Thornton
Seconded by: Jean Berthon
Carried with 1 abstention

10. ADVICE AND ASSISTANCE – PROPOSAL CONCERNING IAA PROGRAMS AND RESOURCES
Bob Collett referred to the discussion at the Estoril meeting which concluded with a request that part 4 of the motion presented on April 7 be reworded and resubmitted to Council. On behalf of the A&A Committee, he presented the following revised wording for Council’s consideration and approval.

Motion: (two-thirds majority vote required)
That Council approves the following revised point 4 of the proposal concerning IAA programs and resources:

"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."

Proposed by: Jean Berthon
Seconded by: Luis Huerta
Carried
Jean Berthon reported that the French associations were very pleased with the new wording and that responded to all their concerns voiced in Estoril.

11. MUTUAL RECOGNITION AND OTHER CROSS-BORDER ISSUES

Background
Chris Daykin referred to the Professionalism Committee’s paper, “Mutual Recognition and other Cross-Border Issues”, which was circulated in advance of the meeting. The paper was on the subject of mutual recognition by IAA member associations of their respective members, for the purposes of them practising outside their home or native countries. The Professionalism Committee recommended to Council that the paper be made available on the IAA web site as an educational paper, with the understanding that IAA members might find the material useful. It was intended only to be regarded as generally advisory, with associations being free to make whatever modifications they felt appropriate to the proposals contained therein in order to suit their own specific circumstances. In order for the document to be accorded this status, the Professionalism Committee did not consider that further due process was necessary, and it should not be stated or implied that the document was officially endorsed by the IAA and/or its members.

Chris Daykin added that the Committee was working on a supplement that would address mutual discipline agreements.

The following motion was presented.

Motion: (simple majority vote required)
That Council authorises the Professionalism Committee paper to be posted on the public section of the IAA web site as a resource for actuarial associations on how to approach cross-border practice and recognition issues.

Proposed by: Jean-Louis Massé
Seconded by: David Hartman Carried with 3 abstentions

The Committee wished to have the document on the public site in order to make it as widely available as possible.

The mutual agreement issue was a subject of general interest that would promote the image that the profession was ahead of the game. Should make it clear on the website that it was not an official document. Chris Daykin added that it should state specifically that it was not a policy or public statement of the IAA.

12. PROCEDURES AND CRITERIA FOR SPECIAL RECOGNITION

The following procedures and criteria adopted by the Executive Committee on May 23, 2000 were submitted for discussion, modification or ratification.

Motion: (simple majority vote required)
That Council ratifies the following procedures and criteria for special recognition.

Special recognition of individuals who have made a significant contribution to the
international actuarial profession will be by award of Medals. There will be two levels: IAA Medal and IAA Medal of Distinction.

Criteria
A significant contribution to the development of the profession, other than in the field of research (which is recognized in other ways) or involvement in the leadership of the IAA itself, although exceptionally these could be recognized.

Contributions might be in education, promotion of the profession, development of local or regional actuarial activities, representation of the actuarial profession in other bodies, or in other ways.

Recognition
Recognition will be by award of the title "Medallist of the IAA “or "Distinguished Medallist of the IAA” and presentation of a medal.

Medals will normally be awarded at Congresses. Medals of Distinction will be awarded following a career of distinction, not necessarily at a Congress.

Process
Medallists
- Secretary General solicits nominations for Medallists from member associations one year in advance of each Congress.
- Nominations are considered and approved by the Nominations Committee.
- The Medals are awarded at the Congress.

Distinguished Medallists
- Nominations are brought forward by a member association with the support of four other member associations.
- Nominations are considered and approved by the Nominations Committee
- Council approval is required with a two-thirds majority.

Entitlements of Medallists
Medallists would be identified in listings etc and the fee for the Congress at which the award is made would be waived. Distinguished Medallists would have a lifetime waiver of Congress fees.

Proposed by: Paul Thornton
Seconded by: Edward Levay
Withdrawn

During the discussion of the motion, the following comments were made.

• There were some concerns, not regarding the award that had been unanimously approved in April 2001, but particularly with the process to be followed, the two categories of awards and the frequency of the awarding of the medals, although it was noted that the intent was to award the medals toward the end or at the end of one’s career.
• Another question raised concerned whether or not a nominee for the distinguished medal could have previously received the regular medal. Perhaps only one category of medals would be required: the distinguished medallist award.

• The Faculty reported it had had a long discussion on this. It would like to see medals of distinction, but not necessarily to be awarded only at the end of one’s career. It was suggested that the IAA consider a president’s award.

• It was not clear if the award of the medals was restricted to actuaries.

• Post-hummus awards should be included.

• The chairperson noted strong support for distinguished medals and encouraged further comments by email for consideration in the review of the procedures and criteria.

• The Secretary General will prepare two separate documents for consideration.

13. FINANCES AND REPORT OF THE SECRETARY GENERAL

a. Report of the Secretary General

The highlights of the Secretary General’s report include:

• Presentation of blown glass globes depicting IAA logo and colours to hosting associations
• Update on the on-line translation project and other information technology issues
• Report on finances, including second quarter statements, year-end projections and liability insurance

The full text of the report is attached to these minutes.

b. Belgian Bonds

The IAA holds two series of Belgian bearer bonds for a combined value on March 31, 2001 of $240,537 CDN: one maturing in March 2002 and the other in November 2004. In order to cash in the interest coupons and the bonds themselves, the Secretariat must send them to Brussels, by secured courier, at a cost of approximately $1,000-1,500 CAD each time (the interest coupons are due each November and March). The investment broker for the Canadian Institute of Actuaries, Nesbitt Burns of Toronto, Canada, has offered to transfer the bonds and coupons for the IAA to Brussels to be registered with Euroclear. Once in the Euroclear system, the coupons and bonds will automatically be cashed in when due. This will be done at no cost to the IAA, except for the one-time cost of shipping the coupons and bonds to Toronto by secured courier. In order for Nesbitt Burns to register the IAA’s bonds with Euroclear, they require a Council resolution granting them power of attorney to transfer.

The following motion was presented.

Motion: (two-thirds majority vote required)
That Council authorizes the Secretary General, Yves Guérard, and the Executive Director, Nicole Séguin, to sign a “Power of Attorney to Transfer” authorizing Nesbitt Burns Prime Brokerage in Toronto, Canada to register with the Euroclear system, on
behalf of the IAA, the Belgian bearer bonds series maturing in March 2002 and November 2004.

Proposed by: Curtis Huntington  
Seconded by: David Hartman         Carried with 1 abstention

The Audit Committee was also working on developing investment guidelines to be presented for Council approval in Cancun.

c. **Budget 2002**  
**Motion: (two-thirds majority vote required)**  
That a dues rate increase for Full Member organizations, in each of the next three years (2002, 2003, 2004), of $0.50 CAD per year per fully qualified individual member and the proposed budget for the year 2002 be approved as presented.

Proposed by: Jean Berthon  
Seconded by: Curtis Huntington         Carried with 1 abstention

It was noted that, although Council was adopting a schedule of fees for three years, it should not be interpreted as a guarantee of no further increases for future years. A request to further increase the dues could be presented for the years beyond 2002, especially if more resources were required to support the activities of the IAA pursuant to the strategic review just undertaken.

d. **Auditors**  
**Motion: (simple majority vote required)**  
That Council appoints the firm of Ouseley Hanvey Clipsham Deep as the IAA auditors for 2002.

Proposed by: Curtis Huntington  
Seconded by: Rainer Fürhaupter        Carried

14. **FUTURE MEETINGS**  

**Motion: (simple majority vote required)**  
That the IAA Council and Committees meet on June 3-5, 2004 in Stockholm, Sweden at the invitation of the Svenska Aktuarieföreningen.

Proposed by: Jukka Rantala  
Seconded by: David Hartman        Carried
15. INFORMATION REPORTS

Sections

a) ASTIN
Edward Levay, Chairman of ASTIN, provided Council with a report on ASTIN activities since April 2001. Highlights of his report include a report on the XXXII\textsuperscript{nd} ASTIN Colloquium held in July 2001 in Washington, DC and organized by the Casualty Actuarial Society, changes to the ASTIN Committee (resignations of Jim Stannard and Greg Taylor, and election of David Hartman), the editor’s report, no change in dues for 2002, the organization of an ASTIN Health Seminar in Estonia, and dates of future ASTIN colloquia. The full text of the report is attached to these minutes.

b) AFIR
Jean Berthon, Chairman of AFIR, reported on AFIR activities as follows.

- At the end of the year 2000, the AFIR membership totaled 1990 members. The current membership was over 2000 with representation from 41 countries, which meant that all associations at the IAA level were also represented at the AFIR level.
- The last committee meeting and general assembly were held during the AFIR Colloquium in Toronto on September 5 and 6. A full report on the colloquium is available on the IAA web site \url{www.actuaries.org} in the AFIR section.
- The mandates of the following committee members were renewed: Arnaud Clément-Grandcourt, Robert Clarkson and David Wilkie. Peter Albrecht of Germany was elected as a new member to replace Gunther Segurer who retired last year.
- The Committee decided to allocate resources on an annual basis for the granting of scholarships for the participation in a colloquium by individuals from emerging countries.
- The Committee has launched a program for the publication of colloquia papers on the website. The project will begin with the posting of summaries, followed by the content of all papers for each colloquium, starting with the Toronto papers.
- In view of AFIR’s healthy surplus, the dues will remain the same for 2002.
- The Committee reconsidered its position and will hold a colloquium in Cancun during the first half of the congress, March 18 and 19, 2002. Future colloquia will be held in the Netherlands in 2003, in Barcelona in 2004, and in Switzerland in 2005.

c) International Association of Consulting Actuaries (IACA)
Paul Thornton reported on IACA activities as follows.

- IACA will hold a shared session in Cancun in conjunction with the Congress. The session will be split into two parts: one for accounting for pension costs and the second on a broader consulting theme.
- The next conference is being planned for Amsterdam on June 24 and 25, 2002. The theme will be “Consulting Actuaries in a Changing Environment” and will feature Sir David Tweedie, Chair of the IASB, as one of the keynote speakers. The promotional material was recently sent out.
- The 2004 conference will be held in Sydney, Australia.
Committees

a) Accreditation
In the absence of chairperson Norbert Heinen and acting chairperson for this meeting Howard Webb, Cecil Bykerk reported on the Accreditation Committee activities as follows.

- Only one Full Member association had not yet paid its dues for 2001. The payment of the 2001 dues of five Observer Member organizations were outstanding, one of them being two years in arrears. Appropriate communications would be sent to the associations in question.

- The second part of the meeting revolved around the relationship between the Accreditation and the Education Committees. It was determined that the Education Committee would invite four or five member organizations with diverse education requirements to volunteer to submit an analysis or demonstrate that they comply with the IAA guidelines. Other than the high-level framework that will be developed for these organizations, the volunteering members will have to develop a process and a procedure to demonstrate their compliance with the 2005 education requirements. As the committee evaluates these demonstrations, it will not take action or make recommendations against any of the volunteering organizations if their demonstration suggests a deficiency. To date, ARAB (Belgium) and AAA (US) had volunteered. The Committee hoped to have two or three more volunteer associations.

b) Advice and Assistance (A&A) including IPEF and China Subcommittee
A&A Activities
Chairperson Bob Collett reported as follows.

- The Committee was made aware of the seminars on the role of the actuary, which were conceived and organized by the Muhanna Foundation. These seminars constituted a general awareness one-day program for regulators, insurance executives, and to some extent actuaries in countries where the profession was not well-known. The seminars were likened to marketing seminars for the profession, focusing on the role of the actuary, the role of the IAA, the education system, and the role of, or the need for, a national association for actuaries. The A&A Committee viewed these seminars as precursors to the meetings organized by the IPEF and decided to co-sponsor the next one in Beirut in November 2001 and to recommend to the IPEF trustees the allocation of up to $1500 US for the attendance of an IAA speaker.

A further seminar was being considered for Turkey in 2002. IAA co-sponsorship of that seminar would be dependent on the satisfactory outcome of the Beirut seminar and the identification of the appropriate contacts in Turkey.

- The second major topic of discussion focused on whether or not existing actuarial diploma programs should be identified as IAA programs. The next step is to have an independent look at the content of the existing programs. Discussions have begun
with the Education Committee, the most appropriate group to arrange for such review on behalf of the IAA. There is some sense of urgency with respect to the sponsorship issue. The regulatory authorities in Jordan are very interested in having this type of program and would be prepared, if they obtain their own source of funding, to go ahead without IAA identification, but would prefer to have the IAA as a sponsor. Norm Crowder has had discussions with USAID about Romania and other locations on this type of extensive program on behalf of the profession. If the committee reaches a point that sponsorship would be appropriate, the matter will be brought to Council for approval.

**China Subcommittee**

The China Committee met on October 6. Its activities are as follows.

- There are a number of actuarial conferences being organized and managed within mainland China.
- Stuart Leckie, chair of the China Committee, will again offer to the Chinese Actuarial Association help from the IAA in an attempt to increase the IAA’s visibility amongst Chinese actuaries.
- A number of educational activities are taking place in China. The Hong Kong staff will prepare an inventory of the educational university programs in China so that the committee is aware of all of them and their current status and activities.
- Stuart Leckie will work with Luis Huerta to ensure that Chinese actuaries are aware of the possibility of bursaries for attendance at the Cancun Congress in March 2002.

**International Promotion and Education Fund (IPEF)**

The IPEF’s activities include.

- Renewal of its financial support for the Warsaw actuarial summer school.
- Future meetings for leaders of the actuarial profession are being planned for Vilnius in 2002, possibly Morocco also in 2002, the Philippines in 2003, and hopefully in Latin America if contacts can be established during the Cancun Congress.
- The current balance in the IPEF Fund is approximately $150,000 CAD.

**Actuaries Without Frontiers (AWF)**

The group has had two meetings to date focusing on the feasibility of this kind of organization and the processes and structure that might be appropriate. The meeting on October 6 addressed mainly pilot projects that might be good ways to field test some of the task force’s ideas, in particular the possibility for micro loans and micro insurance in Mali or Cambodia. The task force was also continuing to look at other entities through which the actuarial volunteers might work in lieu of creating a duplicate structure and its inherent responsibilities, e.g., the International Executive Service Corps in the U.S.

c) **Audit**

Chairperson Curtis Huntington reported that the majority of the Audit Committee’s activities were reported by the Secretary General.
He noted that, through its search for a Directors and Officers Liability Insurance policy, the committee had been looking more closely at who made decisions with a financial responsibility impact on the organization as a whole, e.g., organizing a seminar, signing contracts, etc. At the request of the Executive Committee, the Audit Committee will be developing a protocol for consideration by Council, hopefully in Cancun, as to how those events should be allocated in terms of responsibilities and how the processes should be working.

d) Education
Chairperson Cecil Bykerk reported on the committee’s activities as follows.

- The committee received a number of status reports regarding the various revision efforts going on around the world; the Belgian association made a presentation on what they were doing.

- The committee discussed the current survey form that is now part of the annual requirement for membership in the IAA and concluded that it needs to be revised and simplified. In response to a request, the committee will consider whether completion of the survey will be mandatory for member organizations. The committee also concluded that a separate form would be required for the demonstration of compliance with the 2005 requirements.

- The committee will organize four sessions in conjunction with the Cancun Congress: two in the first half and two in the second half. The committee will be inviting posters from the various member organizations. A poster prototype will be sent by email as a guideline. He encouraged the delegates of member organizations not represented on the Education Committee to bring this to the attention of their education committees.

- The committee has written a paper for Cancun, which is at the stage of revision.

- The committee continues to be concerned by the lack of participation by member organizations other than by the English-speaking exam-based organizations.

e) Executive Committee
President Mo Chambers reported earlier in the meeting on the EC planning session. He indicated that the issues discussed at the meeting of October 7 were routine in nature.

f) Employee Benefits Accounting Standard
Chairman Paul Thornton reported that IAS 19 was introduced a few years ago and that it was likely to be revisited in another 2-3 years, therefore the committee needed to stay in place. In the meantime, the committee had been asked by the IASB to comment on the implementation issues, in particular transition issues.

The committee was planning a shared session in Cancun.

The committee has reviewed its terms of reference and a proposal to broaden its mandate
will be sent to the Nominations Committee.

g. Financial Risks
It was reported that David Kingston had agreed to assume the chairmanship of the committee as of July 2002 and that the committee would hold its first meeting in Barcelona in October 2002.

h. Insurance Accounting
Chairperson Sam Gutterman reported on the following activities.

- The IAA submitted a list of five nominees for consideration by the IASB for the membership of its standards advisory committee. One of our nominees, Paul McCrossan, was selected.

- The IASB was reorganized earlier this year and was seeing a significant increase in exposure in the world, in particular as a result of the European Union’s decision to implement international financial reporting standards (the new name for international accounting standards) beginning in 2005.

- The committee had an independent committee meeting in June in Paris. All of the IAA’s recommendations to the IASB steering committee were adopted.

- Early in October, the committee submitted comments to the IASB on the paper produced by the Joint Working Group of Independent Accounting Setters on the accounting for financial instruments and related items.

- The committee reviewed the draft SOP and will be making further informal comments to the drafting group for the November version of the statement of principles.

- The development of actuarial standards of practice is expected to be a difficult, complex, and potentially controversial topic. It will affect insurance companies worldwide and the actuaries who work for those companies. Because of the timeframe, this project will have to be done very quickly, especially given the exposure requirements of the IAA. This will be forging new ground. As a result of all that, the committee will be attempting to go on a fast track that will likely require some form of paid help, although it may be possible to get volunteers from actuarial organizations or actuarial firms in support to this effort. An individual with experience in the development of standards was being sought to lead the project.
h. Insurance Regulation
Chairperson Nigel Masters reported on the committee’s activities as follows.

- The IAA was invited to attend the IAIS’ Solvency and Actuarial Matters Committee meeting on November 6 in Sydney to present the paper prepared by the Solvency Working Group under Stuart Wason. Harry Panjer, Nigel Masters, Stuart Wason and David Sandberg planned to attend. If adopted, the paper would provide a fundamental conceptual basis for risk-based capital systems and technical provisioning. Member organizations will be asked for their comments and approval in the usual due process manner in a few weeks’ time.

- The committee had prepared comments on the IAIS paper on the supervision of reinsurance programs. This had completed due process and was on the website.

- The committee had also drafted comments on two other papers: Capital Adequacy and Solvency, and Public Disclosure by Insurers. Both responses were going through the due process.

- An agreement was reached within the committee that, before a draft response is sent to member associations for vote, the committee could vote internally so that it could say with confidence that the paper was approved by the committee.

- The committee had now reached agreement on a final draft of the vision paper, The Role of the Actuary in Prudential Supervision, which would be circulated within the next month to member organizations for comments and approval. The paper did not necessarily reflect current practice, but was intended to be a visionary document. The paper will be presented at the Congress in Cancun during some sessions on life, health and pensions.

i. Nominations
Chairperson Catherine Prime reported on the committee’s activities as follows.

- The committee reviewed the stream of nominations for future presidents and the deployment of committee chairpersons and vice-chairpersons. The committee’s recommendations as a result of this review will be presented in Cancun. The current policy is to appoint committee chairpersons for three years and vice-chairpersons for one year. The Council just approved a resolution that these appointments will be aligned to the calendar year. The expectation is that the terms for chairpersons are not usually renewed. The committee will be looking at recommending a rotation of committee chairpersons in the interest of broadening the experience of chairpersons and increasing the pool of members with committee chairmanship experience. Exceptions to the rule would be considered when a particular committee’s work requires continuity of leadership beyond the appointment expiry date.

- The Committees on Services to Individual Members and on Insurance Accounting have been asked to review their terms of reference for the next meeting in Cancun.
• Following the report given by the Nominations Committee at the Council meeting in Estoril, few email comments were received by member organizations on the proposed protocol for attendance by non-IAA delegates at meetings. At present, Council meetings were open to all, while committee meetings were open to nominated committee delegates, Council delegates and alternate delegates. This suggested that others could not attend committee meetings. However, there were many reasons for including visitors, but at present there was no guideline supporting the chairperson’s exclusion of any visitor. Since Estoril, the committee had considered several drafts of a proposed protocol and expected to agree on a version for presentation to Council and consideration in Cancun.

j. Professionalism
Chairperson Chris Daykin reported on the committee’s activities as follows.

The committee had been discussing a paper on a model of an approach to mutual discipline agreements, intended as a supplement to the paper on mutual recognition. This was of immediate relevance to several member organizations who had entered into mutual recognition agreements which pre-supposed the creation of a mutual discipline agreement.

The committee had a preliminary discussion on the possible structure and process for the development of an actuarial standard, in parallel with the Insurance Accounting Committee giving consideration to this matter.

The committee also had a preliminary discussion on the question of how the profession could safeguard and ensure the quality of actuarial work and compliance with the profession’s standards. The committee briefly reviewed a paper being submitted to the Cancun Congress on peer review and compliance review.

k. Services to Individual Members
Incoming chairperson Jim MacGinnitie reported on the committee’s activities as follows.

• Reviewed the preparations for the Congress.
• Reviewed a report from the Secretary General on the implementation of the online translation project and approved funding.
• Discussed the pension seminar in Brighton and approved the funding of the loss on the seminar from the CSIM fund. The committee encouraged the group to continue its work towards the development of a pension section.
• Discussed the possibility of a Health Section and the steps being taken in conjunction with the Cancun congress to develop that section.
• The committee spent some time discussing the general rules for how many sections the IAA should have, what they might look like, what the viability requirements should be, etc. The committee will continue its discussions on this topic.
• The committee has an outstanding responsibility to look at the future of congresses, which it will address after Cancun.
l. Social Security
Chairperson Hillevi Mannonen reported on the following committee activities.

The committee continues to work on the guidelines. To date, it has managed to follow the schedule agreed to in Estoril.

- the proposal was finalized by the end of May, beginning of June
- the provisional exposure draft was submitted to member organizations, ISSA, ILO and World Bank for comments
- several favourable replies were received
- final comments, excluding ISSA’s, are expected by end of October
- the guidelines will be on the agenda of the Council meeting in Cancun for approval as an exposure draft

Hillevi Mannonen indicated that she planned on attending the ISSA meeting in November.

The committee was organizing a shared session in ICA on the theme “Social Security around the world – Where are the actuaries?” The session will focus on social security reforms and the role of actuaries. The preparations were going well and 10-11 speakers had already been recruited.

The committee discussed creating a network for social security actuaries which would be available on the IAA site for committee purposes, but also for all actuaries working in this area.

m. Supranational Relations
Stuart Wason, the incoming chairperson, thanked Duncan Ferguson (who could not attend) for his leadership of the Committee during his term of office.

He reported that the committee’s key event was a seminar with the World Health Organization (WHO) and International Labour Organization (ILO) coming up on November 8-9, 2001 in Geneva. He thanked Philippe Maeder and Howard Bolnick for their leadership in arranging the logistics and the program. A smaller group than the World Bank Seminar of 2000 was expected, with 10-15 representatives from the WHO and ILO, and similar numbers from the IAA. Additional participation was welcome. A number of themes would be covered: life tables, demography, pensions, disease models, epidemiology, genetics, new developments in AIDS modeling, and health care and its financing.

The committee was looking at which organizations it wished to focus on for 2002-2003.

Institutional Members
a. International Social Security Association (ISSA)
Chris Daykin, the ISSA Delegate to the IAA, reported that the IAA was represented by Marie-Thérèse Lance at ISSA’s recent general assembly in Stockholm.
ISSA welcomed the opportunity to comment on the IAA’s social security guidelines, which would be considered at its meetings in November in Montevideo.

ISSA looked forward to further cooperation between the IAA and ISSA on many issues, in particular on the annuitization and evaluation of the cost of minimum pension guaranties.

b. **International Accounting Standards Board (IASB)**

No report.

c. **International Association of Insurance Supervisors (IAIS)**

Tom Karp, a representative from the IAIS, reported on the IAIS’s activities as follows.

- The IAIS’ annual conference was held in Bonn on September 20. Because many of the delegates could not attend, it was decided to continue the general meeting in Tokyo in January to make decisions with respect to the papers put forth in Bonn.

- The IAIS will be revisiting and updating some of the core principles of insurance supervision adopted last year in view of the feedback from the Joint Forum, a body looking at financial conglomerates. He explained that the core principles were actually developed on the back of earlier insurance principles and were developed quickly to help the IMF and the World Bank in their processes for assessing countries’ regulatory systems as part of their financial sector assessments.

- The work of the IASB on accounting has occupied much of the IAIS’ work and will continue to do so. The IAIS will be looking at a whole range of international accounting standards, not just insurance. The solvency work has been focused on developing principles on solvency and capital adequacy, which were presented to the Bonn meeting. The work from here will move on to more detail and possibly the development of standards.

- The IAIS was also looking at how it interacted with its observer members, a relatively new aspect of its organization. In particular, the IAIS was addressing how it could allow its observers to interact with the rest of the body in a more active way and earlier in the stages of the IAIS’s processes, while at the same time still allowing the regulators enough time on their own to discuss their own particular issues. It was quite likely that the IAIS would make a decision on this early in 2002.

Chris Daykin raised the issue of the recent movement by some IAIS Observer Members to seek to generate a consensus or to say that they were representing the views of all observers. He expressed concern on behalf of the IAA because it had a special relationship with the IAIS and needed to retain its distinctiveness. It was important that the IAA’s views not in any way be wrapped into those of observers generally. Mo Chambers indicated he would be meeting with the chairman of the IAIS, Snr Aguilera, the week of October 15 and that he would raise the issue with him at that time.
16. **CHANGE OF OFFICERS**

   **a. Presentation by the President**
   Mo Chambers expressed his thanks to the representatives of the member organizations, to his employer, to his colleagues, to his family, and in particular to his wife Mary, for their support and indulgence during his term as president of the IAA. He then passed the medal to the incoming president for 2002, Edward J. Levay, and wished him much success during his year of presidency and assured him of his support.

   **b. Statement by the President-Elect**
   Edward J. Levay then addressed the Council. The full text of his statement is attached to these minutes.

   He concluded his report by offering, on behalf of Council, sincere thanks to Mo Chambers for his outstanding presidency year with the great hope that he would continue with the same energy and enthusiasm to lead the IAA until the end of 2001. Council supported these wishes with a warm round of applause.

   Secretary General Yves Guérard presented Mo Chambers with the half-size replica of the President’s medallion and the past president pin, in recognition of his term as president.

17. **OTHER BUSINESS – for discussion only**

   There being no further business to discuss, the meeting was adjourned at 17:30.

_Mo Chambers_  
President

_Yves Guérard_  
Secretary General