President Paul Thornton welcomed all attendees to the Council meeting and expressed thanks to the Aktuarvereinigung Österreich (AVÖ) (Austrian Actuarial Association) for hosting these meetings.

1. VOTING ARRANGEMENTS AND PROCEDURES
Delegates were reminded of the voting procedures. The total attendance at these meetings was broken down as follows: 268 delegates and 59 companions from 33 countries representing 50 of 62 Full Member associations, all 7 Sections, 3 of 23 Associate Members, 3 of 4 Institutional Members and 1 of 2 Observer Members.

   a. The total of voting rights represented at this Council meeting was 129 from a total of 147 voting rights representing 87.8%.
   b. No ballots were received.
   c. Four proxies were received: Lithuanian Actuarial Society, Institut des Actuaires de Côte d'Ivoire, Actuarial Society of Hong Kong, and New Zealand Society of Actuaries.

Delegates were reminded to use the voting cards when voting on the various motions.

2. APPROVAL OF AGENDA
Following a request to move item C11 b) (approval of committee appointments) to the Business Agenda, the Agenda was adopted.

3. APPROVAL OF PREVIOUS COUNCIL MINUTES – CAPE TOWN, SOUTH AFRICA – MARCH 6, 2010
Motion: (simple majority vote required)
That the minutes of the IAA Council meeting held on March 6, 2010 in Cape Town, South Africa be adopted as presented.

Presented by: Juan Carlos Padilla
Seconded by: Malcolm Campbell  Carried

4. REPORT OF THE PRESIDENT
President Paul Thornton focused his report on the current and future activities of the Executive Committee and initiatives for implementing the strategic plan. Through a PowerPoint
He demonstrated the level of activity throughout the entire organization, highlighting the numerous outreach activities that had taken place with key target supranational organizations in recent months. He then offered a glimpse into upcoming issues for the profession. He concluded his report by highlighting two key strategic issues for the global actuarial profession: convergence of actuarial standards and education goals.

5. **PRESENTATION BY IAIS EXECUTIVE COMMITTEE CHAIRMAN, PETER BRAUMÜLLER**

*Challenges facing the insurance sector worldwide*

President Thornton introduced Chairman Braumüller and welcomed him to the Council meeting as the IAA’s special guest.

Peter Braumüller identified several areas for mutual cooperation between the IAA and IAIS during his address, highlighting the similarities of purpose of the two organizations in various areas including standard setting, standard implementation, financial stability and external interaction.

**IAIS Standard Setting Goal**

*Promote effective and transparent supervision of insurance markets through global, sustainable and coherent supervisory principles, standards and guidance, while minimising opportunities for regulatory arbitrage.*

**IAA Strategic Objective 3:** Promote common standards of actuarial education, common principles of professionalism and model standards of actuarial practice.

**IAIS Standard Implementation Goal**

*Promote the development of fair, safe and stable insurance markets through the implementation of supervisory principles, standards and guidance, the assessment of their implementation, and cooperation among insurance supervisors.*

Development of the actuarial profession in emerging markets is regarded by many as a pre-requisite to fair, safe and stable insurance markets.

**IAIS Financial and Insurance Market Stability Goal**

*Contribute to global financial stability and foster stable insurance markets for the protection of policyholders.*

Global financial stability is one area that would benefit from increased input of actuarial knowledge and skills.

**IAIS External Interaction Goal**

*Optimise the achievement of IAIS objectives and achieve recognition as the thought leader for insurance supervision by engaging with and managing relationships with external bodies.*

The IAA’s Strategic Objective 1 “Identify, establish, and maintain relationships with key supranational audiences” is very complementary to this goal.
In concluding, Mr. Braumüller remarked on the similarities in the strategic directions of the IAIS and IAA, and called on the IAA to “step up to the challenge of producing international actuarial standards”. He acknowledged that, throughout the IAIS’s history, the IAA had played an important role and he expected it would continue to play an even more important role in the future.

The full text of Mr. Braumüller’s address is available online.

To commemorate the event, President Thornton presented Chairman Braumüller with a copy of the IAA’s recently published book *Stochastic Modeling*, and Chairman Braumüller reciprocated with a copy of the IAIS’ Annual Report.

6. **REPORT OF THE NOMINATIONS COMMITTEE**
   The Chairperson of the Nominations Committee (NC), Katsumi Hikasa, reported that the NC had been focusing its efforts on revising the NC Protocol, in particular to review the nominating process for members of the EC and of the NC. A discussion paper addressing the latter question would be discussed later in this Council meeting. He informed Council that the NC had taken seriously all comments received at previous meetings with respect to diversity in appointments and that they were taking this into account in making their recommendations to Council. He emphasized the importance for associations to ensure diversity in their own nominations when responding to the call for nominees that will be issued in January 2011.

7. **REPORT OF THE EXECUTIVE COMMITTEE (EC)**
   The report of the EC for the period March to September 2010 was circulated in advance and noted.

**CONSENT AGENDA**

In order to allow more time for discussion of those items that would benefit from a full debate, all items that had been previously discussed or that were expected to be non-controversial were regrouped in the first part of the agenda to form a Consent Agenda for approval through the adoption of a single motion.

**C8. RESULTS OF ELECTRONIC BALLOTS SINCE MARCH 6, 2010 COUNCIL MEETING**

Motions addressing the following matters were presented through an electronic ballot of Council on June 6, 2010. All of the motions were approved.

1. Approval of Council Minutes - Hyderabad, India
2. Approval of the level of dues for 2011
3. Admission of the Actuarial Society of Bangladesh as an Associate Member
4. Approval of the recommendation to host the 31\textsuperscript{st} International Congress of Actuaries in Berlin, Germany in 2018
5. Approval of the appointment of individuals to serve on the Nominations Committee (Curtis Huntington, Mary Frances Miller, Ibrahim Muhanna and Roland van den Brink)
6. Abolition of the internally restricted fund
C9. COMMITTEES

a. Member Services
   Motion: (simple majority vote required)
   That Council ratify the decision of the Executive Committee to disband the Member Services Committee.

b. Supranational Relations Committee
   Motion: (simple majority vote required)
   That Council ratify the decision of the Executive Committee to disband the Supranational Relations Committee.

   Note: a Supranational Relations Subcommittee reporting to the EC was created.

C10. UPDATED PROTOCOLS AND POLICIES
The EC approved the revised protocols and policies below that were updated to reflect the new Statutes and Internal Regulations.

   a. Creation of Sections
   b. Criteria for Bursaries
   c. Criteria for Recognition of Outgoing Chairpersons
   d. Expense Reimbursement Policy
   e. Role of IAA Committee Members
   f. Role of IAA Delegates to Council
   g. Role of IAA Delegates to Sections

C11. APPOINTMENTS AND RE-APPOINTMENTS
   a. Approved by the Executive Committee
      Motion: (simple majority vote required)
      That Council ratify the appointments and re-appointments approved by the Executive Committee, on the recommendation of the Nominations Committee, as indicated in the attached deployment chart.

C12. FUTURE MEETINGS
   Motion: (simple majority vote required)

   Motion: (simple majority vote required)
   That the IAA Council and Committees meet in the fourth quarter of 2013 in Singapore, at the invitation of the Singapore Actuarial Society.

   Motion: (simple majority vote required)
   That the IAA Council and Committees meet in the fourth quarter of 2014 in London, United Kingdom, at the invitation of the The Institute and Faculty of Actuaries.
Motion: (simple majority vote required)
That the Council accepts all Consent Agenda items below, including the approval of any motions contained therein.

Presented by: Juan Carlos Padilla
Seconded by: Mike McLaughlin  Carried

One delegate pointed out that, through the approval of the consent agenda, the Council was approving a change to the reimbursement policy whereby the Immediate Past President and President-Elect would be reimbursed for their expenses for attending at IAA meetings. Furthermore, the policy stipulates that reimbursement of travel is at the business class fare. He voiced his concern that expenses needed to be kept at a reasonable level and that business class airfare should not be reimbursed for all travel. Council was informed that the EC had created a task force to develop a more detailed policy that would set limits on reimbursements.

NEW BUSINESS AGENDA

The following item had been moved from the Consent Agenda in order to inform Council of a change in one of the appointments, prior to approval. Mike McLaughlin who was being nominated to replace Curtis Huntington as Chair of the Audit and Finance Committee had been recommended for a term of 6 years. However, in order to comply with the NC Protocol, the term would need to be 5 years to allow for staggered terms of all committee members. With this revision, the following motion was presented.

C11b. For approval by the Council
Motion: (simple majority vote required)
That Council approve the various appointments and re-appointments, on the recommendation of the Nominations Committee, as indicated in the attached deployment chart.

Presented by: Fred Rowley
Seconded by: Curtis Huntington  Carried unanimously

B13. MEMBERSHIP
Chris Lewis, Chairperson of the Accreditation Committee, presented the following motions.

a. Motion (two-thirds majority vote required)
That Council admit the Actuarial Association of Azerbaijan as an Associate Member, subject to the concurrence of the Accreditation Committee.

b. Motion (two-thirds majority vote required)
That Council admit the Actuarial Society of Mongolia as an Associate Member, subject to the concurrence of the Accreditation Committee.
c. **Motion (two-thirds majority vote required)**
   
   *That Council admit the Actuarial Society of Tanzania as an Associate Member, subject to the concurrence of the Accreditation Committee.*

   **Presented by:** Malcolm Hamilton  
   **Seconded by:** Steve Lehmann  
   **Carried unanimously**

Secretary General, Yves Guérard, mentioned that the China Actuarial Association was in the final stages of submitting its application for Full Member status of the IAA. He advised Council that a letter was being sent to China to identify minor issues which could be rectified within a short period of time. An electronic ballot will be sent in the coming weeks to admit the China Actuarial Association as a Full Member and Delegates were encouraged to respond as soon as possible.

**B14. INTERNATIONAL CONGRESSES OF ACTUARIES**

a. **Final Report on ICA 2010 – Cape Town, South Africa**

   Desmond Smith reported that he had submitted the final report to the Secretariat on July 30 and that the highlights of that report had been featured in the special Congress newsletter issued by the IAA Secretariat in September. He noted that the Congress had been a success on many levels and that, financially, after having met their obligations to the IAA for the costs of the IAA meetings and travel, additional funding would be available for the work of the IAA Fund in Africa.

   He thanked Council, on behalf of the Actuarial Society of South Africa, for having entrusted the 29th International Congress of Actuaries to them. He also thanked the Member Services Committee for their support over a period of 8 years. Finally, he thanked Yves Guérard, Nicole Séguin and Christian Levac for their advice and support during this time.

   In closing, he wished Bob Conger and his team much success with the 30th International Congress of Actuaries that will take place in Washington in 2014.

   President Thornton congratulated Desmond and his team, and emphasized that the Congress had been an enormous success on many levels.

   Council expressed its gratitude through a warm round of applause.


c. **Confirmation of ICA 2018 – Berlin, Germany**

   The 30th International Congress of Actuaries was confirmed for 2018 in Berlin, Germany.

**B15. NOMINATIONS ISSUES**

a. **Proposal for the Nominations Process for EC and NC Members**

   Cecil Bykerk, Chair of the Strategic Planning Subcommittee, introduced the discussion paper on the nominating process for EC and NC members.
In discussing the paper, the following comments were made:

- Preference for a shorter period than the proposed 16 months.
- Competitive elections for NC: agreed that it would then become difficult to find the right people to stand for election.
- We should not fear going forward with more competitive elections.
- Support longer term of 4 years than shorter term of 3 years.
- Minimum of 10 votes: prefer to eliminate the requirement as it forces smaller associations to obtain more votes.
- Find the proposal too complex; we already have a protocol and process.

It was agreed to address the various components of the nominating process via a Zoomerang questionnaire. Based on the results, a revised process will be suggested.

_Secretarial Note: The Zoomerang questionnaire was issued in November and a revised process, based on these results, is on the agenda for discussion at the Council meeting in Sydney. An electronic vote will follow._

### b. Revised Nominations Committee Protocol

The [revised Nominations Committee Protocol](#), reflecting the new governance, was presented. It will be submitted for an electronic ballot of Council for approval.

_Secretarial Note: the revised protocol was approved by electronic ballot of Council closing on March 16, 2011._

### B16. REPORT FROM THE TASK FORCE ON THE CONVERGENCE OF ACTUARIAL STANDARDS

Chair Michael Pomery reported that the Professionalism Committee had unanimously supported the objectives in the paper and was recommending them to Council.

The proposed wording of revised Strategic Objective 3 needs clarification to recognize that, in some jurisdictions, standards are set by the regulator. The smaller associations were generally very supportive of model standards and indicated that it would be helpful to them for the IAA to move in this direction, even though it may take some time to produce standards.

The Chair of the Task Force, Hillevi Mannonen, was recognized for having led this effort and for producing a very comprehensive and thorough report in so little time.

The President underlined that this was a good example of how the IAA could move quickly on issues.

It was noted that the Executive Committee had had an opportunity to review the report.

During the discussion, the following comments were made:

- It is important that standards remain voluntary for now.
• Need to revisit how we produce standards.
• IAA should start to consider how it will finance the production of standards. Do not see why the IAA should bear the cost of this and should go to regulators, employers, etc. for support.
• One delegate expressed difficulty with the wording “irrespective of jurisdiction” in article 7.3 re professional conduct.
• Several delegates were of the view that if the IAA did not take on the development of standards, someone else would.
• Should create a standards Board or committee within the IAA to be consistent with the IAA’s strategy.
• It is important that actuarial standards are consistent throughout the world.
• It was noted that the G20 would be looking for the IAA to deliver consistency in actuarial standards.
• The question of cost-effectiveness needs to be addressed. We need to identify what we would like to do then determine the budget.

A show of hands of Council Delegates indicated that 29 supported medium convergence while 6 supported higher convergence.

The EC will consider a possible structural change to accommodate this.

B17. PROPOSAL TO LINK SECTIONS TO COMMITTEES
The proposal was supported and the necessary steps for implementation will be brought back to Council for adoption.

B18. PROPOSAL ON THE ROLE OF THE ACTUARY IN ENTERPRISE RISK MANAGEMENT (ERM)
Task Force Chair Malcolm Campbell presented the report to Council, which had been commented and supported by the EC. Council thanked Malcolm for his task force’s work and supported moving forward with the various recommendations made in the report.

The EC will monitor the implementation of the various recommendations.

B19. INTERNATIONAL ACTUARIAL STANDARD OF PRACTICE – STATEMENT OF INTENT
Council had received in advance of the meeting the report of the Professionalism Committee, a communication from President Paul Thornton and a minority report from the US organizations.

Michael Pomery, Chair of the Professionalism Committee, introduced this topic.

It had been proposed that a new standard on general practice should move forward in parallel and dovetail the content of the three subject specific standards to ensure there is no overlap.

It was reported that on this basis members of the Professionalism Committee who had originally voted against the Statement of Intent were now supportive.
During the discussion, the US associations indicated that they strongly supported the general model which would be useful particularly for associations with no standards to ensure that all actuaries work with standards. The UK delegate said that he was still unconvinced of the move to international standards and did not think the IAA could get beyond international actuarial notes.

The EC recognized that due process needed to be addressed and it was planning to establish a task force to take on this review.

The Insurance Accounting Committee had approved the statement of intent, although not unanimously.

It was suggested that we revisit how we can accelerate the process going forward and that this may require eliminating the need for a statement of intent.

The following motion was presented, on the basis that a generic standard would be prepared in parallel to this one.

Motion: (simple majority vote required)
That, on the recommendation of the Insurance Accounting and Professionalism Committees, Council approve the attached Statement of Intent for an International Actuarial Standard of Practice.

Presented by: Thomas Béhar
Seconded by: Micheline Dionne  Carried unanimously

B20. MEMORANDA OF UNDERSTANDING (MOU)
A discussion paper from the Executive Committee outlining the concept of entering into memoranda of understanding with key target supranational organizations was presented. A sample MOU was attached to demonstrate how this would be implemented.

The Council welcomed this initiative and the following motion was presented.

Motion: (simple majority vote required)
That Council delegate to the Executive Committee the power to enter into Memoranda of Understanding (MoU) with other organisations when considered appropriate to achieve the strategic objectives of the IAA.

Presented by: Ken Buffin
Seconded by: Roland van den Brink  Carried unanimously

B21. SPECIAL ASSISTANCE FUND
The President reported that the Executive Committee had introduced a special assistance fund whose objective was two-fold: support delegates from smaller associations for whom it was difficult to accept appointments as committee leaders given the lack of financial support to attend the IAA meetings. The second objective was to help smaller associations integrate into the work of the IAA by offering partial support for attending IAA meetings in close proximity to their
geographic region. The Fund will be administered by the Officers in accordance with a policy developed by the Executive Committee.

During the discussion, there was support for facilitating the participation of individuals from low GDP countries in the work of the IAA.

**B22. FINANCES AND ADMINISTRATION**

**a. Report of the Secretary General**

The Secretary General’s PowerPoint presentation focused on the following issues:

- Overview of Secretariat activity during the last seven months and the need for more personnel to meet the demands of support for an increasing number of entities.
- Requests for proposals for: audit services; asset managers; IT security audit.
- Review of insurance coverage.

The full presentation is available online.

**b. Budget for 2011**

_Motion: (simple majority vote required)_

That Council approve the proposed budget for 2011, as presented.

Presented by: Juan Carlos Padilla
Seconded by: Steve Lehmann
Carried with 1 abstention

**c. Audited Financial Statements**

_Motion: (simple majority vote required)_

That Council approve the audited financial statements for the year ended December 31, 2009.

Presented by: Ibrahim Muhanna
Seconded by: Carla Angela
Carried unanimously

**d. Auditors for 2011**

_Motion: (simple majority vote required)_

That Council appoint the firm of Watson Folkins Corey LLP as the IAA auditors for 2011 for the audit of the financial statements at December 31, 2010.

Presented by: Curtis Huntington
Seconded by: Mike McLaughlin
Carried unanimously

**B23. CHANGE OF OFFICERS**

This portion of the meeting was held in camera with Council Delegates only.

Katsumi Hikasa, Chair of the Nominations Committee, reviewed the qualifications of the candidates being recommended for election to serve as Officers of the IAA for 2011. The résumés of each had been circulated in advance of the meeting.
He then presented the following motions.

**a. Motion: (simple majority vote required)**
That Council elect:

Cecil Bykerk as President for the year 2011  
Desmond Smith as President-Elect for the year 2011  
Jean-Louis Massé as Secretary General for a four-year term

Presented by: Ibrahim Muhanna  
Seconded by: Cathy Lyn  
Carried unanimously

**b. Ex-officio Appointments**

**Motion: (simple majority vote required)**
That Cecil Bykerk becomes Chairperson of the Executive Committee, as President, to replace Paul Thornton.

That Paul Thornton becomes Chairperson of the Nominations Committee, as Immediate Past President of the IAA, to replace Katsumi Hikasa.

That Cecil Bykerk becomes Vice-Chairperson of the Nominations Committee, as President of the IAA, to replace Paul Thornton.

That Desmond Smith becomes Chairperson of the Strategic Planning Subcommittee as President-Elect of the IAA, to replace Cecil Bykerk.

That Cecil Bykerk becomes an ex officio member of the Strategic Planning Subcommittee as President of the IAA, to replace Paul Thornton.

That Paul Thornton becomes an ex officio member of the Strategic Planning Subcommittee as Immediate Past President of the IAA, to replace Katsumi Hikasa.

That these appointments become effective at the beginning of the fiscal year, January 1, 2011. The terms are for a one-year period.

Presented by: Malcolm Campbell  
Seconded by: Peter Doyle  
Carried unanimously

President Paul Thornton reported to Council that the secret electronic vote that had been conducted in advance of these meetings had been unanimously adopted. The purpose of the vote was to award the IAA Medal to outgoing Secretary General Yves Guérard, a medal rarely awarded. Yves had been the first Secretary General of the IAA since its restructure and had served in the position for 13 years. He was the fourth recipient of the award. Yves was presented with the medal, which was confirmed by a standing ovation from the Council. Yves thanked Council for their confidence in his work during these important years for the IAA and indicated that he looked forward to continue to volunteer in other capacities.
B24. NEXT MEETINGS – SYDNEY, AUSTRALIA – APRIL 7-9, 2011
The hosts of the next meetings in Sydney, Australia made a brief presentation on the venue.

B25. ADJOURNMENT AND NEXT MEETING
There being no further business to discuss, the President thanked all Delegates for their participation. The meeting was adjourned at 13:30. The next meeting will take place in Sydney, Australia on April 9, 2011.

Paul Thornton, President          Yves Guérard, Secretary General