MINUTES OF THE IAA COUNCIL MEETING
NOVEMBER 13, 2004

HOTEL RITZ-CARLTON
WASHINGTON, D.C.

Participants: See attached list

1. APPROVAL OF AGENDA

Motion: (simple majority vote required)
That the final agenda circulated in advance of the meeting, as required by the Statutes, be accepted subject to moving item C9 (Membership), to the Business portion of the agenda.

Presented by: Paul Thornton
Seconded by: Dave Hartman
Carried

2. APPROVAL OF PREVIOUS COUNCIL MINUTES – STOCKHOLM, SWEDEN, JUNE 5, 2004

Motion: (simple majority vote required)
That the minutes of the IAA Council meeting held on June 5, 2004 in Stockholm, Sweden, be adopted as presented.

Presented by: Paul Thornton
Seconded by: Dave Hartman
Carried

3. VOTING ARRANGEMENTS

The attendance at the meetings was broken down as follows: 135 delegates and 44 companions representing 27 Full Member associations, 5 Sections, 1 institutional member and 22 countries.

a. The voting rights represented at this meeting totaled 74.56%.

b. Six ballots were received, namely from the Estonian Actuarial Society (Estonia), the Actuarial Society of Hong Kong, the Actuarial Society of India, the Society of Actuaries in Ireland, the Latvian Actuarial Association (Latvia), the Association Suisse des Actuaires (Switzerland), the Actuarial Institute of the Republic of China (Taipei).

c. Three proxies were received, namely from the Cyprus Association of Actuaries, Lebanese Association of Actuaries and from Den Norske Aktuarforening (Norway).

4. REPORT OF THE PRESIDENT

President Luis Huerta reported on his participation at various meetings and events since the Council meeting on June 5 in Stockholm. His written report is attached to these minutes and is also available online covering all the details of his attendance at Section colloquia, meetings with external groups, events of member associations, and more.
CONSENT AGENDA
In order to allow more time for discussion of those items that would benefit from a full debate, all non-controversial items were regrouped in the first part of the agenda to form a consent agenda that, in the absence of a request to remove an item, would be approved through the adoption of a single motion. A request was made to move item C9. (Membership), to the Business portion of the agenda. Additions were made to the routine committee appointments and they appear in marked-up text. The following motion was presented.

**Motion:** That the Council accepts the Consent Agenda items C5 to C8, including the approval of any motions contained therein.

**Proposed by:** Edward J. Levay  
**Seconded by:** Curtis Huntington  
**Carried**

C5. STATUTES
The purpose of the following motion was to remove the category of individual membership post-1998, as recommended by the Member Services Committee.

**Motion:** (four-fifths majority vote required)
That Council approves the following changes to the Statutes, subject to the recommendation of the Member Services Committee:

**Article 6 – Individual Membership**
Remove the following sentence:

“All other individual members of Member Associations may be individual members subject to procedures established by Council. Council may grant membership to other individuals.”

**Article 9 – Duties of Council**
Remove point 7:

“All admit individuals who are not fully qualified actuaries of Full Member Associations as individual members.”

**Motion:** (four-fifths majority vote required)
That Council approves the following change to the Statutes, subject to the recommendation of the Nominations Committee:

**Article 33 – IAA Fund**
Contributions to the IAA Fund are earmarked as a special fund to support international activities promoting the actuarial education and the profession in actuarially developing
areas. The use of the Fund assets is restricted to these objectives and is implemented by the Advice and Assistance Committee.

Chairperson of the Member Services Committee, Peter Clark, confirmed the committee’s support for all recommendations.

C6. INTERNAL REGULATIONS  
Motion: (two-thirds majority vote required)  
That Council approves the following changes to the Internal Regulations, subject to the recommendation of the Member Services Committee:

Article 2.4.2 – Individual Members  
This article is modified as follows  
New text appears in bold and deleted text in strikethrough:

“Individual members who are fully qualified members of Full Member Associations as determined under Article 6 of the Statutes shall not be required to pay a membership fee to the IAA. Other existing individual members of the IAA as referred to in Article 28 shall be assessed for an annual fee as decided by Council.”

A new article 2.5 is added as follows:

Article 2.5 - Web Site Access for Non-Members  
For those actuaries who are members of a Full Member association of the IAA, access to the Members’ Web site will only be given to the individual on the recommendation of that member’s association. For those actuaries who are not members of a Full Member association of the IAA, access to the Members’ Web site will only be given to the individual on the recommendation of the Committee on Advice and Assistance.

For members of a Section who are not IAA members, the access will be limited to the relevant modules of the Web site, unless granted wider access under the previous paragraph.

Chairperson of the Member Services Committee, Peter Clark, confirmed the committee’s support for all recommendations.

C7. COMMITTEES  
a. Audit and Finance Committee (Internal Regulations 3.5)  
Motion: (two-thirds majority vote required)  
That Council approves the following name change and revised terms of reference for the Audit Committee, as recommended by the Nominations Committee.

The Audit and Finance Committee is responsible for the audit, monitoring and review of all IAA financial reporting, and in conjunction with the Secretariat, recommendation of related policy and operational guidelines. These include but are not restricted to review of policy and financial outcomes relating to:
• budgets and delegated authorities;
• investments, expenses, Sections, and Congresses;
• reimbursement of internal expenses, gifts from the IAA, and terms of financial contracts.

The Committee shall recommend to the Council the approval of the annual financial statements of the IAA and the appointment of the Auditor. The Committee shall also provide appropriate annual certification in relation to specific financial matters and delegated authorities.

The Committee shall produce an annual certification of all released public statements.

The Committee may meet with the Secretariat, the Auditors, any IAA Officer or Section Chairperson, as deemed necessary for the discharge of its responsibility.

b. Latin America Subcommittee
The Latin America Subcommittee of the Advice and Assistance Committee (A&A Committee) had been created by the A&A Committee in order that the International Actuarial Association (IAA) may better meet its responsibilities and help achieve the objectives of actuaries in Latin America with respect to the consolidation of the actuarial profession in that region. The Latin America Subcommittee will help that region to realize its goal for a thriving actuarial profession serving the Latin American communities in areas such as education, insurance, finance and investment, healthcare, retirement and social security.

Motion: (two-thirds majority vote required)
That, subject to the recommendation of the Nominations Committee, the Council approves the creation of the Latin America Subcommittee of the Advice and Assistance Committee with the following terms of reference.

• To identify needs in Latin American (LA) countries to which the IAA could respond either at the individual, national or regional level.
• With due regard to the Subsidiarity Principle (Article 8 of the Statutes - Cooperation), to liaise with the authorities and actuaries of the selected countries/regions to assist in the development of the actuarial profession and actuarial education.
• To provide a forum for interaction between actuaries having a particular interest in the development of the profession in the region and to coordinate the response of the international actuarial community to requests for assistance from LA.
• To ensure that the international actuarial community is kept well-informed about the development of the actuarial profession and actuarial education in LA.
• To work with IAA Member Associations and their corresponding committees and task forces to promote the coordination and harmonization of the contributions of each entity.
• To carry out its responsibilities in conjunction with the Advice and Assistance Committee and to prepare recommendations to be submitted to the IAA Council.

Chairperson of the Nominations Committee, Jim MacGinnitie, confirmed the committee’s support.

c. Task Force on the Review of the Public Statements Approval Process

Motion: (two-thirds majority vote required)
That, on the recommendation of the Nominations Committee, the Council disbands the Task Force of the Nominations Committee on the Review of the Public Statements Approval Process and that Council expresses its gratitude to Mo Chambers for leading this initiative through to fruition.

d. Committee on Supranational Relations

Motion: (two-thirds majority vote required)
That Council approves the following addition to the terms of reference for the Committee on Supranational Relations, subject to the recommendation of the Nominations Committee.

“To initiate discussions with supranational organizations and other eligible entities about the various categories of membership possible within the IAA.”

Chairperson of the Nominations Committee, Jim MacGinnitie, confirmed the committee’s support.

e. IAA Fund Subcommittee

Motion: (two-thirds majority vote required)
That, subject to the recommendation of the Nominations Committee, the Council approves the creation of the IAA Fund Subcommittee of the Advice and Assistance Committee with the following terms of reference.

“The activities financed from the assets earmarked as the IAA Fund under Article 33 of the Statutes are implemented by the IAA Fund Subcommittee of the Advice and Assistance Committee (“the IAA Fund”). The Chairperson and Vice-Chairperson(s) of the Subcommittee are designated as Chairperson and Vice-Chairperson of the IAA Fund.

The objective of the IAA Fund is to stimulate and support the development of the actuarial profession and actuarial education in actuarially developing countries, in particular where there is no professional association or where the local association is at an early stage of development.

The IAA Fund supports the strategic development of the profession worldwide through selective and catalytic interventions.

The IAA Fund cooperates with actuarial and non-actuarial organizations to achieve its
objectives and optimize the availability of resources.

The IAA Fund elicits financial support for its activities in the form of monetary gifts and donations of time and skills from the global actuarial community and other interested parties.

The IAA Fund acts as a vehicle for identifying and providing a channel for funding sources which can underwrite more significant activities to develop the profession or support actuarial education initiatives.

Chairperson of the Nominations Committee, Jim MacGinnitie, confirmed the committee’s support.

C8. APPOINTMENTS
a. Re-Appointments Recommended by the Nominations Committee

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

Tony Coleman, Vice-Chairperson, Committee on Financial Risks
Sam Gutterman, Chairperson, Committee on Insurance Accounting
David Kingston, Chairperson, Financial Risks Committee
Esko Kivisaari, Vice-Chairperson, Committee on Pensions and Employee Benefits
Hillevi Mannonen, Chairperson, Committee on Social Security
Paul McCrossan, Co-Chairperson, Subcommittee on Actuarial Standards of the Committee on Insurance Accounting
Paul McCrossan, Co-Vice-Chairperson, Committee on Insurance Accounting
Ibrahim Muhanna, Vice-Chairperson, Advice and Assistance Committee
Francis Ruygt, Co-Chairperson, Subcommittee on Actuarial Standards of the Committee on Insurance Accounting
Francis Ruygt, Co-Vice-Chairperson, Committee on Insurance Accounting
David Sandberg, Vice-Chairperson, Committee on Insurance Regulation
Paul Thornton, Chairperson, Committee on Pensions and Employee Benefits
Simon van Vuure, Vice-Chairperson, Professionalism Committee

That all appointments become effective at the beginning of the fiscal year, January 1, 2005, except where specified.

b. Appointments Recommended by the Nominations Committee

Motion: (simple majority vote required)
Taking into account the restructuring of the IAA Fund, the appointment of Max Lacroix is modified from "Delegate" to "Delegatus Emeritus". The Council expresses its gratitude to Mr. Lacroix and thus wishes to recognize his sustained contribution to the outreach of
the IAA, in particular his remarkable support to the advancement of the profession in actuarially developing countries.

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

Carla Angela, Chairperson, Education Committee
Robert L. Brown, Vice-Chairperson, Committee on Social Security
Tony Coleman, Delegate to the Committee of the AFIR Section to replace Catherine Prime
Stephen Handler, Chairperson, IAA Fund Subcommittee of the Advice and Assistance Committee
Luis Huerta, Chairperson, Latin America Subcommittee of the Advice and Assistance Committee
Luis Huerta, Delegate to the Committee of the Section on Actuaries Without Frontiers
Jim MacGinnitie, Member, Nominations Committee (for a one-year term)
Philippe Maeder, Chairperson, Supranational Relations Committee
Helen Martin, Chairperson, Professionalism Committee
Ibrahim Muhanna, Vice-Chairperson, IAA Fund Subcommittee of the Advice and Assistance Committee
Juan Carlos Padilla, Chairperson, Accreditation Committee
Edward Robinson, Vice-Chairperson, Accreditation Committee
Graham Rogers, Vice-Chairperson, Supranational Relations Committee
Paul Thornton, Delegate to the Committee of the Pensions, Benefits and Social Security Section

That all appointments become effective at the beginning of the fiscal year, January 1, 2005.

The term of a chairperson is normally for a three-year period, and that of a vice-chairperson for one year.

**Motion: (simple majority vote required)**
That Council elects the officers, Section chairmen and committee chairpersons as members of the Executive Committee for 2005.

c. **Routine Committee Appointments**

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

**Accounting Standards (Subcommittee of the Pensions and Employee Benefits Committee)**
Joan Angel Verges, Col.legi d'Actuaris de Catalunya

**Accreditation**
Katsumi Hikasa, Institute of Actuaries of Japan (to replace Motoyuki Terasaka)
Angie Felipe Checa, Col.legi d'Actuaris de Catalunya

**Actuarial Standards (Subcommittee of the Committee on Insurance Accounting)**
Manuel Peraita, Instituto de Actuarios Españoles

**Advice and Assistance**
Tomio Murata, Institute of Actuaries of Japan (to replace Masaaki Yoshimura)

**China (Subcommittee of the Committee on Advice and Assistance**
Tomio Murata, Institute of Actuaries of Japan (to replace Masaaki Yoshimura)

**Education**
M. Merce Claramunt, Col.legi d'Actuaris de Catalunya (to replace Angie Felipe Checa)

**Financial Risks**
Lars Pralle, Deutsche Aktuarvereinigung DAV
Antonia Maria Sanchez, Col.legi d'Actuaris de Catalunya
Tom Ross, Faculty of Actuaries (U.K.)

**IAA Fund (Subcommittee of the Advice and Assistance Committee)**
KC Chan
Peter Clark
Robert C. Collett
Chris Daykin

**Insurance Accounting**
Angie Felipe Checa, Col.legi d'Actuaris de Catalunya (to replace Félix Arias Bergadà)

**Insurance Regulation**
Göran Ronge, Svenska Aktuarieföreningen (Sweden)
Antonia Maria Sanchez, Col.legi d'Actuaris de Catalunya (to replace Félix Arias Bergadà)

**Latin America (Subcommittee of the Advice and Assistance Committee)**
Howard Bolnick
Alvaro Castro-Gutierrez
Bob Collett
Chris Daykin
Ignacio del Barco, Instituto de Actuarios Españoles
Jose Luis Lobera
Antonia Maria Sanchez
Roberto Westenberger

**Pensions and Employee Benefits**
Malcolm Campbell, Svenska Aktuarieföreningen (Sweden) (to replace Gunnar
Brännstam)
Ignacio Del Barco, Instituto de Actuarios Españoles (to replace F. Javier Guijarro Malagón)
Colin Southey, Actuarial Society of South Africa (to replace Janina Slawski)
Martin Stevenson, Institute of Actuaries of Australia (to replace Helen Martin)
Joan Angel Verges, Col.legi d'Actuaris de Catalunya

Professionalism
Aisling Kennedy, Society of Actuaries in Ireland
Walter Rugland, Society of Actuaries (U.S.) (to replace Neil Parmenter)

Reinsurance (Subcommittee of the Committee on Insurance Regulation)
Marc Bastien, Actuarial Society of India

Social Security
G N Agarwal, Actuarial Society of India
Ignacio del Barco, Instituto de Actuarios Españoles (to replace José Luis Achurra Aparicio)
John Reilly, Society of Actuaries in Ireland

Solvency (Subcommittee of the Committee on Insurance Regulation)
Maria Jesus Romero, Col.legi d'Actuaris de Catalunya (to replace Félix Arias Bergadà)
Teus Mourik, Het Actuarieel Genootschap

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

BUSINESS AGENDA

B9. MEMBERSHIP
This item was moved from the Consent Agenda to the Business Agenda at the request of the Accreditation Committee. Vice-Chairperson, Juan Carlos Padilla, explained that the committee had been working with the Nigeria Actuarial Society for some months now on their application for Full Member status. The committee was now waiting for some final documents and recommended that Council adopt the following motion.

Motion (two-thirds majority vote required)
That Council admits the Nigeria Actuarial Society as a Full Member, subject to the recommendation of the Accreditation Committee, effective as of the date confirmed by the Accreditation Committee.

Proposed by: Juan Carlos Padilla
Seconded by: Sam Gutterman
Carried
(Secretarial Note: Subsequent to the meeting, the Nigeria Actuarial Society withdrew their application for upgrade to Full Member status for the time being.)

B10. FINANCES AND ADMINISTRATION

a. Report of the Secretary General
Secretary General Yves Guérard reported on the finances, the Secretariat and the web site. A few key points include:

- The slow response to the call for Bursary funding, which was now showing signs of encouragement with the announcement by the ASTIN Section of a $25,000 CAD contribution and their intent to match other contributions to a maximum of $15,000 CAD.
- The increasing level of activity, both within the Secretariat and at the committee and leadership levels.
- A report on the number of submissions, ballots and fast track procedures utilized since June 2004.
- A report on finances to date.

The full text of his report is attached to these minutes and is available online.

The activities of the IAA Fund often require that funds be available locally in cash in hard currencies to settle expenses and provide for bursaries to participants from developing countries. To overcome practical constraints and limited banking facilities, the Secretariat was making arrangements to provide the appropriate persons with advances or credit facilities to reduce the risks and the temporary burden on their personal cash flow.

The following resolution was presented to authorize the process:

Motion: (simple majority vote required)
The Secretariat may provide advances or credit facilities not exceeding in aggregate C$50,000 for implementing the activities of the IAA Fund as approved by the Advice and Assistance Committee.

Proposed by: Curtis Huntington
Seconded by: Dave Hartman Carried

With the removal of the individual membership category post-1998, for administrative purposes, it was recommended that the pre-1998 individual members be offered life membership in the IAA upon payment of a one-time lump-sum payment of $75 CAD, thus eliminating the administrative burden of collecting dues on annual basis from a select few. In this respect, the following motion was presented.
**Motion:** (simple majority vote required)
That the Secretariat be authorized to invoice a pre-1998 individual member a lump-sum amount of $75 CAD for a life membership in the IAA.

Proposed by: Curtis Huntington  
Seconded by: Dave Hartman  
Carried

**b. Budget for 2005**

**Motion:** (four-fifths majority vote required)
That Council approves the proposed budget for 2005, as presented.

Proposed by: Curtis Huntington  
Seconded by: Juan Carlos Padilla  
Carried

**c. Auditors for 2005**

**Motion:** (simple majority vote required)
That Council appoints the firm of Watson Folkins Corey LLP as the IAA auditors for 2005.

Proposed by: Curtis Huntington  
Seconded by: Dave Hartman  
Carried

**d. Investment Guidelines**
Council was informed that the following modification had been incorporated into the Investment Guidelines:

“To facilitate the collection of contributions and minimize exchange costs for expenses in other currencies, the Secretariat will maintain an appropriate balance of the Operating Funds in U.S.$ and Euro accounts.”

**Motion:** (simple majority vote required)
That Council adopts the Investment Guidelines, as presented.

Proposed by: Curtis Huntington  
Seconded by: Angie Felipe  
Carried

**B11. REPORT ON ICA 2006 – PARIS, FRANCE**
Jean Berthon reported that all venues had now been secured for the special activities planned in conjunction with the Congress. The committee was currently focusing its efforts on building a strong scientific program, which would begin on Monday morning with plenary sessions. It was expected that the program would include a session on the development of the actuarial profession in developing countries to be hosted by the A&A Committee and the IAA Fund. The final plenary would be reserved for a session on actuaries without frontiers.
The committee was expecting to receive approximately 200 papers, all of which will be posted to the website. The deadline for the call for papers had been extended to December 31, 2004, while the deadline for written papers was set at September 2005.

The committee had been in contact with IAA sections and committees, as well as member associations, to determine their interest in co-organizing sessions. To date, all sections, 8-10 national associations and certain IAA committees had expressed an interest. This was seen as an ideal opportunity for developing the professional side of the congress.

The organizing committee was working on a second Congress brochure, comprising additional details and the registration form, which it hoped to send in the coming months.

One area of concern being addressed by the organizers was ways of reducing the registration fee for the Congress. In this respect, they had been successful in securing some sponsorship.

**B12. STATUS OF INTERNATIONAL ACTUARIAL STANDARDS OF PRACTICE**

Sam Gutterman reported that the Actuarial Standards Subcommittee had issued three class four practice guidelines in September 2004 and four the first week of November. An additional four practice guidelines were under consideration and were expected to be distributed in December. A four-month exposure period would apply to each set of practice guidelines and the subcommittee was looking forward to receiving comments from Full Member associations and other interested parties. Sam stressed the importance for Full Member associations to communicate this information to their individual members. The committee anticipates posting all formal comments to the website, unless comments indicate otherwise.

Jean-Louis Massé, speaking as chairperson of the Professionalism Committee, reported that the current process called for a number of choices for member associations. For example, they could adopt a standard and impose it on their membership, or they could modify and adapt it to local needs. Notwithstanding the principle of subsidiarity which states that the IAA does not become involved in actuarial affairs at the national level, should an association choose not to adopt the standards as published, they should not issue standards that are in conflict with them. Similarly, they should advise of any deviations from the IAA standards.

Another area of concern with issuing standards was the reference in the IAA Statutes to the membership category of individual members, which included Fully Qualified Actuaries (FQAs) of Full Member associations. Although the primary membership of the IAA was that of actuarial associations, there was some concern that many actuaries would not realize that they are individual members of the IAA through their membership in a Full Member association, and therefore subject to standards developed by the IAA. The subcommittee was aware of this concern, which it proposed to further investigate, in addition to seeking legal advice as to any possible implications.
An important part of producing guidelines was their translation into other languages. Jean-Louis Massé and Jean Berthon had undertaken to lead the effort on the French side, while the Japanese had already started their translation, and Mexico and Spain had agreed to work together on the Spanish version. Given the lack of funds for this part of the project, we will rely on volunteer translations. It was pointed out that the translation tool available on the IAA web site could be of assistance.

B13. UPDATE ON ACTIVITY
All committees, sections and institutional members were asked to submit a written report on their activities in advance of the meeting. At this point, any group wishing to verbally supplement their report with new information were invited to do so.

a) Committees

Accreditation
Vice-Chairperson Juan Carlos Padilla reported as follows:

- Seven Full Member associations had not yet submitted their completed annual confirmation form for 2003, a requirement for Full Member status in the IAA. The chairperson will write to the president of those organizations in questions, reminding them of their commitment to do so on an annual basis in order to maintain their membership.
- The committee confirmed that all changes made to codes of conduct and discipline processes by Full Member associations continued to meet the criteria established by Council.
- The confirmation form for the year 2004 will be sent in the next month for completion by Full Member associations.
- All Full Member associations have paid their dues for 2004.
- The Secretariat is in communication with six Associate Member associations with respect to their outstanding dues.

The committee also met joint with the Education Committee to discuss the process for implementing the education guidelines in 2005 and how to deal with those associations that do not comply with the syllabus. As a result, a subgroup was created to develop a procedure, to be presented in Rome, for Full Member associations not in compliance with the membership criteria. Juan Carlos Padilla took this opportunity to stress the importance in 2005 of completing and returning the final assessment or questionnaire to be sent shortly.

Advice and Assistance
Chairperson Stephen Handler reported that, in conjunction with these meetings, the IAA Fund had been involved in meetings earlier this week with representatives of the USAID and the World Bank on the topic of actuarial education in actuarially developing countries. The outcome appeared promising and the committee will be continuing its discussions over the coming months in the hope of reaching a mutually acceptable
agreement.

During the actuarial forum held in Xi’an, China, in September, it was proposed to broaden the terms of reference of the China Subcommittee to include Hong Kong and Taiwan.

Education
Chairperson Cecil Bykerk reported that the committee had finalized the details of the assessment working group and process document, which should be sent to member organizations shortly and posted to the Web site. The subgroup has a very tight timeframe to clear all organizations through the process within the next year. Although this process will resemble what was done a few years ago, it is a bit different. The subgroup will attempt to do as much of the work as possible by email and conference call to meet their deadline.

The committee agreed to form a working group to come up with topics for ICA 2006.

Cecil Bykerk thanked the Council for their support during his chairmanship over the past six years and indicated that he would continue to work on the self-assessment subgroup.

Executive Committee
Secretary General Yves Guérard reported that the EC had met yesterday and that most of the topics had been or would be covered by this Council meeting.

Financial Risks
Chairperson David Kingston reported that the committee had established a task force on risk management, led by Tony Coleman, which had now produced a report. The task force concluded that the IAA should consider working on the expansion of the actuarial profession so that it becomes the risk profession or that it work with the Enterprise Risk Institute. Its final recommendation was that the IAA undertake both initiatives and that the role of the AFIR Section be expanded to encompass a wider definition of risk.

On the topic of financial economics, the committee was recommending the creation of a task force to establish the position of the actuarial profession in this area and to inquire what was going on within Full Member associations. The committee’s goal was to produce something for consideration in Rome.

Member Services
Chairperson Peter Clark opened his report by drawing attention to the report on the participation of non-native English speakers, as outlined on page 22 of the IAA Handbook distributed at this meeting. He noted that more than one third of the participants at this meeting were non-native English speakers and reminded all present to speak slowly and clearly.
Peter Clark then thanked Council for the approval of the change in status for the category of individual members. He noted that out of the approximately 38,000 fully qualified actuaries, most likely only 25% realized they were individual members of the IAA. He strongly encouraged Full Member associations to inform their members that they were individual members of the IAA.

With respect to ICA 2006, it was important that the IAA target the right people to attend the Congress on a bursary. He encouraged delegates aware of individuals who would be eligible for a bursary or who should be encouraged to attend, to communicate such information either to himself or to the Secretariat.

The committee was also working on defining the rules of the current six sections of the IAA. He reported on a separate meeting with section chairpersons to discuss tax and legal issues. A life section was now in prospect with the identification of two volunteers to help lead this effort, namely Stuart Wason of Canada and Kurt Wolfsdorf of Germany.

**Pensions and Employee Benefits**
Chairperson Paul Thornton reported that the OECD had been developing guidelines and other documents which required committee members to prepare responses.

He informed Council that the International Organization of Pension Supervisors (IOPS), a parallel organization to the IAIS, had recently come into existence.

In concluding, Paul Thornton drew Council’s attention to a recent article in The Economist titled “Time to End the Scandal”, in which actuaries were referenced. The Pension and Employee Benefits Committee had decided to respond to The Economist through a very short fast track procedure.

**Professionalism**
Chairperson Jean-Louis Massé thanked those who had participated in the preparation of the IAA response to the Morris Review that was sent in September. He reported on a very interesting session with Sir Derek and Nikki Cleal during their committee meeting here in Washington. The Morris Review has undertaken to produce a preliminary report by the end of the year. The Professionalism Committee will monitor the publication of this report in order to prepare an IAA response.

Jean-Louis, who was attending his last Council meeting as Chairperson of the Professionalism Committee, thanked Council for their support during his term and informed them that Helen Martin would take over as chairperson starting in January.

**Social Security**
Chairperson Hillevi Mannonen reported that she had participated in a second meeting with representatives of the World Bank which had provided a good opportunity to exchange views on issues of common interest, in particular with respect to social security protection issues.
She mentioned that the Social Security Committee had agreed to organize a session in conjunction with ICA 2006, with the collaboration of the PBSS, the Pensions and Employee Benefits Committee and IACA.

Supranational
Chairperson Stuart Wason reported that the Supranational Relations Committee initiative to organize meetings with outside organizations in conjunction with our meetings in Washington had been successful and he thanked all IAA representatives to these meetings.

In an effort to better manage the IAA’s external relations, Stuart encouraged delegates who had contacts with outside organizations to keep the committee informed of their activities.

b) Sections
AFIR
Chairman Jean Berthon reported that a written report was not available given that AFIR had just held its colloquium in Boston earlier in the week. He expressed his gratitude to the Society of Actuaries and the Canadian Institute of Actuaries for having organized a successful event.

The AFIR Committee is working on the implementation of a business plan for the coming years and proposes to incorporate the recommendations of the Financial Risk Committee to expand to risks other than financial. A progress report will be made in Rome.

AFIR is planning to launch its own publication in a couple of months and will continue to develop its Web site.

PBSS
Chairman Chris Daykin reported that the section had held its first conference in Sydney one week ago and thanked the conference staff of the Institute of Actuaries of Australia, Brent Walker and the IACA Committee for inviting them to participate and for organizing the event. He then briefly reported as follows:

- The section is currently investigating the introduction of an online discussion group.
- They have opened lines of communications with economists.
- During the elections, Chris Daykin was re-elected as Chairman, Neil Parmenter was elected as Vice-Chairman, Michael Codron was elected Secretary and Junichi Sakamoto as Treasurer.
- They will have a track at the Paris Congress.
- The section is considering the possibility of sharing a meeting with the Conference of Consulting Actuaries in 2005.
AWF
Chairman Jean Berthon reported that the AWF would be holding its first general assembly and first committee meeting following this Council meeting. He invited Council delegates to join them.

B14. UPDATE ON STRATEGIC PLANNING
Chairperson Jim MacGinnitie reported that the proposal circulated to the EC in advance of the meeting had been updated to reflect discussions of the Task Force on Strategic Planning during its meeting earlier in the week. The task force was not recommending changes to the aims of the IAA, but rather it was proposing the adoption of a vision statement, strategic objectives/actions, and the structure/operations needed for the IAA to move forward. He noted that the views on the structure and operations were less well-defined.

The EC made some constructive comments that the Task Force will take into account in its revisions. A revised document will be re-circulated for a short round of discussions among the task force and EC. The vision statement and strategic objectives will then be distributed to Council delegates for discussion in advance of the meetings in Rome. The task force will then work on refining the structure and operations for presentation in Rome for further discussion.

Jim stressed the importance of first settling the vision statement and strategic objectives and actions. The structure will then follow the agreed strategy.

B15. FEEDBACK ON THE USE OF THE FAST TRACK PROCEDURE FOR MAKING IAA PUBLIC STATEMENTS IN RESPONSE TO A TIME-BOUND SPECIFIC REQUEST
President Huerta invited Council delegates to share their feedback and reactions to the fast track procedure that had been in place since June 2004.

In general, the feedback to this new procedure was quite favourable, with the caution that it be used carefully. One reaction that was expressed more than once was the stipulation that objections to the use of the fast track procedure had to be registered no later than five days before the stated deadline. Some organizations felt that this did not provide them with sufficient time to fully consider the intended response. In response to this concern, it was pointed that member organizations were being asked whether or not they objected to the use of the fast track procedure, and not to the proposed response. This stressed the importance of member organizations becoming involved in the preparation of the response as soon as an announcement was made, and not to wait until the response had already been drafted. It also highlighted the importance of good communications between committee members and their association. All committees using this process viewed it as a positive improvement.

In concluding, it was agreed not to make any changes to the wording of the fast track procedure at this time.
B16. NEXT MEETINGS – PRESENTATION BY THE ISTITUTO ITALIANO DEGLI ATTUARI (ROME, ITALY)
Carla Angela conveyed to the Council the Istituto’s pleasure at having been accepted to host the IAA meetings in Rome in June 2005. She gave a very lively presentation on the history of the actuarial profession in Italy, as well as on the many sights of Rome, and encouraged all delegates to join them at the Sheraton Roma in Rome from June 13 to 16, 2005.

B17. CHANGE OF OFFICERS

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

Alf Guldberg as President for the year 2005
Jean-Louis Massé as President-Elect for the year 2005
Yves Guérard as Secretary General for the year 2005

Proposed by: Jean Berthon
Seconded by: Dave Hartman
Carried unanimously

b. Ex-officio Appointments
Motion: (simple majority vote required)
That Luis Huerta becomes Chairperson of the Nominations Committee, as Immediate Past President of the IAA, to replace W. James MacGinnitie.

That Alf Guldberg becomes Vice-Chairperson of the Nominations Committee, as President of the IAA, to replace Luis Huerta.

That these appointments become effective at the beginning of the fiscal year, January 1, 2005.

Proposed by: Dave Hartman
Seconded by: Juan Carlos Padilla
Carried unanimously

Incoming President, Alf Guldberg, thanked the Council for its confidence in his abilities to lead the IAA in 2005. His full address is available online.

Immediate Past President Jim MacGinnitie formally thanked Luis Huerta, on behalf of all Council delegates, for his successful leadership of the IAA during 2004. He mentioned that Luis first came on the international scene by organizing one of the best and most diverse congresses, and that he had gone on to represent the actuarial profession worldwide. Council showed their deep gratitude with a warm round of applause and the presentation of a commemorative replica of the president’s medallion.

B18. ADJOURNMENT AND NEXT MEETING
There being no other business to discuss, the meeting adjourned at 12:50 pm. The next Council meeting will take place in Rome, Italy on June 16, 2005.

___ Luis Huerta  
President

___ Yves Guérard  
Secretary General

President’s report
Secretary General’s report
President-Elect address