

**IAA Council meeting  
Dublin, October 28, 2007  
Report of the President**

Ladies and gentlemen, dear colleagues

What a year! I have always thought that nothing could exceed the hectic year of 1996 in my life. At that time, I was working in the Ministry of Social Affairs and Health, in charge of the reform of the solvency and corporate governance legislation for Finnish pension insurance companies. The project reached its peak with implementation at the end of that year. But I was mistaken; this has been an even busier year. This has been an exciting year for me and very rewarding both professionally and personally. I have enjoyed working with you and the challenges I have faced. I have felt that we are doing an important job together.

The purpose of the IAA is to represent the global actuarial profession on an international level and to promote the development of the profession. It is therefore important to the IAA to establish and maintain fruitful working relationships with major international organizations and to convince them of the value of our contribution to their work and to the public interest. To succeed in that purpose, it is important that we, as the representatives of our associations, are able to work together for common goals and to form joint views on issues relevant to our profession. We need to be able to listen to each other's views, to know each other well enough to understand the different circumstances we are dealing with, and finally to be able to see how the goals of the global profession also serve our national objectives.

To earn its right of existence and to work efficiently, the IAA needs to understand the various expectations of its member associations, as well as to explain clearly what the IAA does, how it operates and what it has to offer. A continuous dialogue between the IAA and its member associations is vital. The IAA works through its Committees and Sections. Therefore the chairpersons, the vice-chairpersons and the committee members play an important role. They are the channel from and to the member associations to have their voice heard. This is the key to influence. Our responsibility as the leaders of the IAA is to do what we can to keep that channel open.

Representation of the IAA at various events around the world is one of the key tools of the IAA in staying up to date with what is happening with the member associations, and to spread the knowledge of the IAA. As usual this year has included a lot of travel. In May and June, five of the seven IAA Sections held their Colloquium. I attended the 1<sup>st</sup> Life Colloquium and the AFIR Colloquium in Stockholm, Sweden, and the PBSS Colloquium in Helsinki, Finland (how convenient!). I also attended the 15<sup>th</sup> ISSA Conference for actuaries and statisticians in May in Helsinki. In addition Dave Hartman represented the IAA at the IAAHS Colloquium in Cape Town, South Africa, and at the ASTIN Colloquium in Orlando Florida, USA. Well over 800 actuaries participated in these events. A wide range of topics were covered from social security to insurance accounting, from new life products to the impact of global climate change. New actuarial practice areas such as enterprise risk management (ERM) were explored as well as more traditional fields like mortality. For all the subjects, both international and local flavors were given.

The mission of the IAA Sections is to promote research and the growth and sharing of actuarial knowledge. The Sections provide the actuaries with important forums for communication and cooperation on an international level; to participate in international networks with others having

the same interests. This supports us in our achievements toward continuous professional development and strengthens the intellectual capital of our profession. There is a lot of work for both national associations and the global profession. Once again, 2+2 is not always 4, it can be more.

The IAA has been represented in many other events around the world. I attended the Annual Meeting of Deutsche Actuarvereinigung e.V. (DAV) in April, Berlin Germany, and the Annual Meeting of the Society of Actuaries in October, Washington DC, USA. I thank Yves Guérard, Dave Hartman and all the others who have shared these duties with me.

These events have provided us an opportunity to meet leaders of our member associations and their members, and representatives from other organizations. We have been able to become familiar with the local and regional issues and to discuss the future needs and goals of the actuarial profession, both locally and globally. I have personally found these discussions most rewarding; they have given me insight into the actuarial world which I would not otherwise have been able to obtain. They have also raised many practical suggestions to further develop the working practices within the IAA.

Tomorrow's Presidents' Forum will discuss a survey made amongst the smaller member associations dealing with their topical issues. This survey will give us important knowledge to develop the IAA activities. Bigger member associations with their own large resources have different expectations. The challenge the IAA has is to keep pace with the changes in the world, to recognize the different needs of its members and find ways to serve them. This is the aim work on developing the IAA's strategic plan aims at.

The two issues I have been speaking for this year are the impact of the globalization on our profession and the importance of international cooperation. I have also written an article about these topics to be published next month in the International News, a publication of the Society of Actuaries (United States).

Regulation is becoming more international and it will focus more on risks than the traditional models. Different business lines in the financial sector are converging and there is an increasing need for access to comparable financial information of companies. All this creates big challenges for our profession, but at the same time offers us opportunities we may not have seen for a long time.

This global development forces us to face important questions: what is our position on globalization? Are we willing to create an international framework for the actuarial profession? How far and how fast are we willing to go, and is that sufficient enough? Are we able to find common ground large enough to bring us forward to be a successful global profession? These are the most strategic issues we need to answer. Today we have an opportunity to discuss a number of these issues, with items like the IAA CPD strategy, due process of standards and the strategic plan.

Two major areas where the presence of the international actuarial voice is now vitally needed are insurance regulation, solvency regulation in particular and financial reporting. Our responsible committees, the Insurance Accounting Committee and the Insurance Regulation Committee and their subcommittees and working groups have done an outstanding job. Not only have they provided high-quality responses to the IAIS and the IASB, but they have also gained the respect of these organizations. In its work plan for the years 2008-2012, the IAIS has ranked the IAA as a top priority partner and they want to maintain close communication with the

IAA, particularly with respect to standard development activities in solvency, accounting and actuarial issues.

The other IAA committees also have an important role within the IAA. There are a lot of activities going on in other fields such as education, professionalism, pensions and social security, not forgetting the promising new area of financial risk management. The reports of Committees and Sections are available on the IAA website. This has once again been a busy year. I want to take this opportunity to thank all of you, the chairpersons, the vice-chairpersons and the committee members for your hard work and devotion. Without your voluntary work there would be no IAA.

It has been an honor for me to serve you as your President this year. I would like to thank my employer, Ilmarinen Mutual Pension Insurance Company; without their support I would not have been able to accept this position. I would like to thank my Finnish and my international colleagues for your great support and help in my work. I want to thank my officers Jean-Louis, Dave and Yves for your advice and support. Finally, my warmest thanks go to the IAA Secretariat, who has done a wonderful job - with special thanks to you, Nicole.

Thank you.

Hillevi Mannonen, President 2007