

**IAA Council meeting  
Mexico City, April 18, 2007  
Report of the President – Hillevi Mannonen**

Dear colleagues

These first months as President of the IAA have been very busy and exciting, full of new questions and hours of hard work. I am very thankful to my colleagues, the Officers, and the IAA Secretariat for their help and support.

In February, I represented the IAA at the 9<sup>th</sup> Global Conference of Actuaries in Mumbai. The conference was organized by the Actuarial Society of India in cooperation with the IAA. This annual event is well established as the major actuarial gathering in the region. The program covered a wide range of topics from financial reporting of insurance business to pension and health issues as well as professional issues. I was very pleased to see that many papers and presentations were prepared by teams comprised of younger students and senior actuaries. This provides an excellent opportunity for the exchange of knowledge, and for the younger and senior generations to learn from each other.

During the same journey, I was invited to participate in an actuarial seminar organized by one of the universities in Mumbai where I chaired a panel discussion on the emerging roles of actuaries.

In addition to these events, I have also given some presentations in Finland regarding the IAA and the role of actuaries.

The discussion of restructuring the IAA has been going on for some time. Today, we will take the next step. As agreed in our last meeting in November, the Strategic Planning Task Force has prepared a discussion paper which will be on our Agenda later today. I wish to thank the Task Force members for their tireless work. I also thank you all for taking the time to respond to the survey earlier this year. Your opinions are highly valuable when drafting proposals.

Restructuring the governance is a complicated task, but even more so when an international organization is in question. Therefore it is very important that we have a common understanding of our goals and agree to

the principles on which the IAA will operate. It is important that we have an open exchange of views and that every member association is heard.

The core principles of the governance of the IAA are the representation of all member associations in the decision making process at the Council level, open participation in committee work and the principle of diversity in the nomination of leading positions.

Transparency in decision making and efficiency in using our limited resources are goals I believe every one of us can agree to. Improving the efficiency of the IAA may require that we establish a more proactive body, such as a new Executive Committee with some decision-making power, which would also monitor and prioritize the IAA activities more closely than is the case today. However, we have to be careful not to increase unnecessary the layers or bodies of governance. Keeping it simple would be good advice here too.

For an international association like the IAA, it is important to ensure fair representation for all member associations. According to our Internal Regulations, we ought to seek “to achieve geographical, linguistic and cultural balance, as well as an appropriate range of skills and practice areas” when nominating candidates to IAA positions. This should also be our aim in the future.

I hope that today’s discussion will lead us forward and that in October we are able to come back with motions, if that is the result of today’s discussion. It is time to move on from internal matters and focus on the outside world.

In February, the ad hoc IAA Risk Margin Working Group issued the Exposure Draft of Measurement of Liabilities for Insurance Contracts for public comments. This paper was originally requested by the IAIS, but the IASB has also shown an interest in the work. They see that the measurement of liabilities for both general financial reporting purposes and regulatory purposes should be as consistent as possible and that actuaries have insight into this. This ad hoc Working Group was established jointly by the Insurance Accounting Committee, the Insurance Regulation Committee and the Solvency Subcommittee. The success of this project shows that the IAA has established its position as a substantial partner in the eyes of these important organizations. In addition, this demonstrates that our

committees are capable of reacting and cooperating in a timely and flexible manner to outside demands. Well done!

At the Presidents' Forum we heard presentations and discussed a proposal for a global enterprise risk management (ERM) designation within the actuarial profession. This is an important initiative. Professor Bühlmann, whom we all know, once asked why actuaries were not in the forefront in developing modern financial economics, which is clearly oriented towards mathematics and probability theory, the home field of actuaries. According to him, one of the reasons could have been that we were too satisfied with the great success of the life insurance paradigm. We do not want that to happen again with the ERM. Whether this initiative will become real in this or in another form, it is worth discussing together and combining our efforts.

I trust we are very pleased with the activity level of our Sections. In May and June of this year, six of the seven IAA Sections will organize conferences. This will be the first one for the Life Section and the second for the IAAHS and the PBSS. At the same time, ASTIN will be celebrating its 50<sup>th</sup> anniversary. I want to acknowledge the pioneers of ASTIN and the many actuaries that followed and made ASTIN a success story. I would also like to take this opportunity to thank everyone involved with the organization of these Section colloquia.

Thank you.

Hillevi Mannonen, President