

Pre-London Council Webinar
August 12, 2014
Transcript of Question and Answer Period

Panel: **Rob Brown, President**
 Fred Rowley, President-Elect, Chair of Strategic Planning Subcommittee
 Peter Doyle, Chair, Communications Subcommittee

Participants:

Birgit Kaiser	Philip Shier
Francis Ruygt	Tomio Murata
Ibrahim Muhanna	Tonya Manning
John Schubert	Yas Fuji
Juan Carlos Padilla	Eric Dal Moro
Kristoffer Bork	Kyle Rudden
Lauri Saraste	Morten Harbetz
Malcolm Campbell	Tarmo Koll
Peter Temple	Margaret Ann Jordan

After FMA Engagement Plan (Peter Doyle) presentation

Eric Dal Moro (Switzerland), Chair of ASTIN Section. There are different types of FMAs, some that are very professional like the Casualty Actuarial Society, and some less professional. How is this taken into account?

Peter Doyle: Yes, I think that is a very important question. As I've mentioned, if you look at the draft plan there are a number of different dimensions. We have FMAs that vary in size from approximately 10 members to over 20,000 members and clearly those sorts of organizations have quite different capacity in their own right. Then there are FMAs that set education and technical Standards. So there are multiple spectrums on which we can look at the FMAs and there are two things we have to think about. The first is to make sure that the value proposition cuts across all of that to make sure that there is a single value proposition that applies for all FMAs. The second point is that we should also be a bit smarter in making sure we deliver services that actually satisfy the needs of the different FMAs, so we might have to make sure that we look at all the different dimensions and work across those as well.

After Value Proposition (Fred Rowley) presentation

Francis Ruygt (Netherlands), Chair of Insurance Accounting Committee: I understand that there will be calls from EC members to FMAs in the coming months. I would suggest the IAA raise the issue of how FMAs feel the IAA enforces its strategic plan.

Fred: I think that "enforces" is quite a tricky word to use. There are two levels in which you can address it. The first one is that I can see now a trend for the activities of the IAA to be managed much more closely against the strategic plan. Obviously we have a very large number of active volunteers and the question of enforcing it doesn't quite come in, but the interesting thing is just how much work gets done without it being enforced in that sense. I'm not sure what calls it would be from the FMAs but in terms of enforcing the strategic plan, again we are in the territory of subsidiarity and one of the objectives of

the whole exercise Peter was talking about, the engagement, is to bring the FMAs to the point where enforcement is not the question, it is actually a matter of very active and voluntary participation. So maybe, Francis, it's that I just need a little more detail about the first part of your question. I'd might ask Christian if he could just repeat those words about the FMAs.

Francis: I understood that there was going to be calls from EC members to FMAs in the coming weeks and was just wondering if the IAA should raise the issue with FMAs of how the IAA is enforcing its strategic objectives.

Fred: I'm not sure if enforcing is a word I would have chosen for that. I am going to pass this one back to Peter in a minute, but I think it is true that part of our engagement from the EC is to ask them how they feel we are responding to their requirements, firstly. And then to ask them about what use they are making of the materials that we make available and the facilities we provide and so on. As I say, we have subsidiarity and and that's something where the engagement process is actually the way it works to motivate our participants who are essentially volunteers throughout the FMAs. Peter perhaps you could elaborate a little bit.

Peter: I'd just like to mention one or two things. The first is that the first stage of the EC members speaking to FMAs directly I would characterize as a listening one. I will be talking to FMAs and saying what are your issues, what are your plans, you've heard the value proposition how do you think this will assist you in your local efforts or in effort with your members? I think it is primarily trying to understand if we are getting it right, if there are other things we should be doing, understand the issues a bit more clearly. As mentioned earlier, I think the situation of the FMAs around the world is quite different and to find something that works for everybody. The second point is what you've just said Fred, is that it's very difficult to make anything compulsory or to enforce it globally, but if we get it right and member associations see the value in what we are doing I think they will adopt it anyway. So that's what we are really trying to do is influence through really delivering what would be helpful to them.

Francis: On slide 18, item 1, how can we help FMAs in actuarially undeveloped countries? Slide 19 gives a couple of things to do, but how do we really get this going? The problem is we do not have that much participation from those association representatives.

Fred: I think there's been mixed successes in developing countries. I think one of our recent success, from our point of view at the IAA, was the Russian Association establishing itself: it is in an advanced country, but had a developing profession. The activities of the Latin America Subcommittee, Asia Subcommittee, and we did once have a China Subcommittee which disbanded itself after its job, so the framework is in there. And I take Francis' point about participation from both sides. I think we have a supply of volunteers who work also through the IAA Fund and even through Actuaries Without Borders. On the question of getting the developing countries to participate, it is interesting that the Officers have recently been discussing various ways which support the attendance of representatives from actuarially developing countries to come to the IAA meetings and it is only by doing that that I think we can build the bridges between the Advice and Assistance and the people on the ground in those countries. I hope that answers the question. Perhaps Rob, you have something to add?

Rob: I would like to emphasize the experience in Russia. My understanding of the situation is that The Duma, the legislator was going to create a new definition of an actuary and that they were not fully aware of the existence of The Guild. Through The Guild we contacted the legislative body and said look

you've got a really recognized guild of actuaries in Russia don't create a new set of definitions. With some back and forth, very little actually, The Duma recognized The Guild. I think that was a huge success, a success that might not have happened without the IAA. I'll mention one more, at a personal level. I spent a week in April in Indonesia. There are about 200 actuaries in Indonesia, I think as of this afternoon they could use about 2000. I visited the university there, I held some seminars, we talked to the regulators, we encouraged again very active and very capable local full member association and we are trying to assist them in growing their members in a variety of ways. I might also mention Actuaries Without Borders. We do have volunteers that will go to developing nations and encourage actuarial work, not by doing the work, but by mentoring local people and by putting on educational seminars to help local people to do the work. So we're as active as we believe we can be in a variety of ways and I think we are meeting with some success so again I hope that helps answer that question.

Eric Dal Moro: On the expansion of scientific knowledge strategic objective 2, the sections already try to do things that were mentioned before, the ASTIN Bulletin and the Colloquium. In your view how can the sections further help with this objective? "

Fred: I am struggling personally for ideas. I think there is a good job being done in the sections and they've been proactive. There's been discussion of other forms of communication less formal than the ASTIN Bulletin. One thing that all section members can do is to participate in regional activities that aren't actually the IAA's own organization. I am thinking that, in particular, if there are small countries who do not have a large critical mass of actuaries present but can be visited by somebody representing either the section or the IAA itself, then we can produce benefits and Rob just mentioned quite an obvious one, Indonesia. Late last year I was present in Chinese Taipei, and there are many other examples of what can be done. If through doing those things we can take, not just a talk about the IAA, but something that really has substantive technical content in it, then I think we are doing something. Perhaps we are doing it already. It is strange how often the smaller ones struggle to get speakers present.

Rob: I'd just like to mention there is a bit of a hiatus in terms of seeing clearly colloquia seminars sponsored by sections because we've just had an international congress. While it may not have been obvious to the participants there, the sections were involved in every part of that congress in helping the speakers mature their papers, select who was going to be in what session and just putting it all together. Because of the congress, 6 months before and 6 months after we asked that there not be any section colloquia or seminars. I know that we've got one coming up in 2015 in Norway, we are right on track. What I like in the most recent offerings is that we quite often have multiple sections, so we will have PBSS, LIFE, and ASTIN putting on a series of talks, and then you could put on 2 to 2 and half days and be really successful. So I guess, what can the Sections who want to do more, I just want to remind ourselves that it is working pretty well and the sections are doing, in my view a bang up job.

Peter: Just to remind you that the EC has also established a Scientific Committee. I know this doesn't address sections, but sections typically operate in a space where there is a large number of practicing actuaries and obviously one of the areas of the growth of the profession is into new fields. The purpose of the Scientific Committee is to work with the working groups developing new fields, in terms of working groups that are already established, but also thinking through where there should be new working groups in technical fields. That is another way to increase the scientific knowledge base.

Nicole Séguin, IAA Executive Director: If I could add a slightly different dimension. The Executive Committee has been focusing quite a bit in the last few months on committee activities as they relate to the strategic objectives of the IAA and has been receiving all their activity reports, etc. This will be further discussed in London. It has been observed that there are two areas of the strategic plan that are not that highly addressed by the committees, and naturally so; they are objectives 2 and 5. A lot of that activity is happening within the sections so phase 2 of aligning IAA activities to the strategic plan will be to find out what the sections and working groups are doing that feeds into all of these objectives. Perhaps it will be clearer at that stage what more the sections could be doing.

Fred: That's right. I've been thinking while Rob was talking as they were all very valid points. I think one example I'd like to quote of recent activity where section people are involved, not necessarily on the name of their section, is there is now a joint approach underway between the Enterprise and Financial Risk Committee and the CERA Global Association to build risk management material. I think the thing that distinguishes that activity is that it is designed to be organized around the syllabus for the global CERA. The point is that if there is a task like that then it is often the section people who get themselves involved and it seems to me that they are the best placed people to spot what is relevant to practitioners around the world and bring it together and organize it because the problem in today's world is that the material is all out there; we can get videos of this and we can get audio recordings from other seminars and get written material. Organizing it seems to be the key and maybe that's the theme for the sections to think about.

Tonya Manning (United States), SOA Council Delegate and Vice-Chair, Scientific Committee: We are all inundated daily with information. As such, disseminating information can be a huge undertaking and not always useful if proper boundaries are not applied to what will or will not be disseminated. How will relevant information be defined?"

Fred: That is very relevant to what I was saying and I think Tonya and I are on the same wave length. It's not the bulk of information, it's how it's organized and what the scope is and how well it can be defined. I have yet to think of a more effective way to organize it other than leaving it in the hands of somebody that genuinely understands the material and has the time and capability to go through and organize it to make it accessible. We would agree, I think the days of filling a database with 400,000 documents and leaving it there, those days are gone. We need something that leads us to materials that have been recommended perhaps by something similar to the Facebook liking mechanism, like recommended by practitioners or hooked up by key words on the basis of what practitioners do. Maybe there's a sourcing way I haven't thought about yet.

Rob: This may also be an example of where we are going to use the work of our larger FMAs like the Society of Actuaries, to assist our smaller FMAs and newly developing member associations so that what may appear to be overload to a large and capable FMA like the Society of Actuaries will in fact be just truly high in value and value added to a smaller association. So we'll probably have to ask for a little bit of forbearance as we take advantage of our larger FMAs to create advantage for our smaller FMAs.

Peter: I do want to say that the Communications Subcommittee specifically is starting to look at that issue and in terms of the way we communicate with our stakeholders, in particular, the way we communicate with our FMAs. I am aware of the many emails that go out and I think the key thing to be looking at in the stakeholder engagement process is to find out what do people really want to hear from us and that'll be used in designing how we communicate with people, how we communicate with

members and what we put on the website. Just an interesting point, I think what we are doing around the stakeholder engagement process is not dissimilar to what many of the member associations themselves have been doing with their own members. I think globally there is an awareness that we need to be, as member associations, taking account of the needs of our members when we communicate with them. So it's not just a send process, it's a what do you want to hear process and then send it. I think technology can assist us and it is certainly one of the key questions we are looking at in our committee.

Ibrahim Muhanna (Lebanon), Council Delegate: How are you handling the issue of supporting FMAs without converting most of the small FMAs into English. What is the reaction of the French speaking association?

Peter: I don't have an immediate answer. As I mentioned earlier, we need to understand the different dimensions of the FMAs and one of the dimensions certainly is language. We are very aware that English is a language that is used very widely within the IAA and we need to understand that sometimes that is a barrier to communication. Sometimes we think we are communicating, but we might be communicating in the wrong language. Certainly it is a single language that we are using at the moment except for official policy documents that are both in French and English, but it is one of the things we need to attend to to make sure we don't isolate member associations that are not comfortable with English and we will have to pay special attention to that. What we have tried to do for example, this is at a local level, on the Professionalism Committee web page we have populated the section with resources that are available to all member associations and we've encouraged our member associations to post their documents there in their original language. So we are posting there in French, Spanish, Hungarian, German as well as English simply to make it accessible to more member associations. Those are not official IAA documents but member association documents that they can post on that website. That is just one of the ways we are trying to reach more people.

Fred: Ibrahim has raised a really good point and one that we need reminding about frequently, and I realize we shouldn't need reminding but I think we do. I think one of the things that immediately comes to mind with me is that we are now talking about the branding of the profession around the world and if that branding is carried out in an English frame of mind as well as in English language, it may be that we miss the mark with some of the audiences we are trying to reach. Just as an example, trying to reach the Asian insurance regulators with an approach that would suit the British, Australian or US regulators might be misplaced and there is need for sensitivity there. One of the things we have done in the past is to involve the Advice and Assistance Subcommittees, people who can work in the languages of the local associations that enables them, I think, to pick up some of the cultural signals that we might miss if we tried to force the conversation into English. I can admit quite freely that that isn't going to produce a perfect answer in any of these situations. But I think this is incumbent on all of us, especially the native English speakers, to be aware and alert of not just to the language but also to the cultural issues.

Birgit Kaiser (Germany) DAV: What input does the IAA need from the member associations to prioritize its proposed actions in FMA engagement?"

Peter: Well I think there are two points. I think we'd like some indication from member associations if they agree with the objectives of the engagement plan. I think it's important that we understand that and are comfortable with that. The other section that wasn't in the slides but was in the document we distributed, called designing the engagement plan, we had about 20 odd possible actions. Those are all

possible actions that could assist the engagement plan. I think we are looking for feedback from member associations to hear whether they think those are the right actions. Also there are certainly other actions that we haven't even thought of that could be suggested to us, particularly in terms of how we engage with members, what we do in practice. I think the question that Tonya raised earlier about how much communication is sufficient and how much is too much, I think those are areas we are looking for specific feedback on how FMAs think we can improve this engagement process.

Tonya: Just to note that I feel more clarity is needed around what is meant by facilitating international collaboration. Some examples would help. This is in the value proposition.

Fred: So I'm taking that to mean examples to be incorporated in the value proposition. I'm taking this as an answer to my point on the level of detail and thanks Tonya for responding to that. The question I asked, for instance let's take your collaboration point, that we should talk about. For instance, in the past, the meetings of the education practitioners has resulted in collaborative text books being developed for multiple countries around the world, multiple associations. That's been something that has produced direct financial benefits for all of the parties involved and certainly it's furthered some of the other objectives about convergence of practice and standards and in some cases it actually resolved; this is where there was previously a difference of opinion on techniques. So for me that's one of the examples. There are probably others that I could go into but I think I'm taking the hint that we should just elaborate slightly what the more practical or where we would expect to get benefits from some of these collaborations just to make it more real for strategic purposes. If that's what you intended I will take that to the Strategic Planning Subcommittee.

Tonya: Thank you.

Ibrahim: Can we circulate the recording?

Rob: Yes, you can circulate the recording. These are available for broad use. As far as I'm concerned the broader the input we get the better. I mean beyond actuarial professionals. I think there are lots of people who will be commenting on this and will bring us good, strong, solid, positive, advice so yes please circulate it.

I want to thank each of you for participating and look forward to seeing each and every one of you in London.