

2017

The IAA Fund (1990 – 2017) Le Fond de l'AAI

A 27 YEAR JOURNEY TO DEVELOP THE ACTUARIAL PROFESSION
CHRIS DAYKIN

A short history of the IAA Fund

At the September 1990 meeting of the Council of the IAA in Brussels, a proposal was made by Roger Corley on behalf of the Institute of Actuaries (London) to establish a fund to support the development of the profession in central and eastern Europe. After further discussion at the September 1991 Council meeting, the International Promotion and Education Fund (IPEF) was established by unanimous decision of the Council and detailed discussions were held in October 1991 and November 1991, with the aim of creating a fully international remit, rather than one simply restricted to central and eastern Europe, notwithstanding the original inspiration for the Fund.

Max Lacroix was officially invited to become the “Delegate” for the Fund in a letter of 4 November 1991 from President André Lamens. The objectives of the fund were set out as follows:

- To provide enough resources for the co-ordination of help to actuarially immature countries, so that the resources of the “actuarially rich” countries can be used, in a less random way than at present, to support those now setting off to gain an actuarial qualification.
- Actuaries should control the transfer of actuarial techniques from “actuarially rich” to “actuarially poor” countries; otherwise in developing countries, the traditional actuarial fields might be seen more as adjuncts to the roles of bankers, accountants or auditors.
- The objectives concern third-world countries which are gradually developing their infrastructure to favour long-term funding of liabilities and countries which are abandoning state control to develop western-style economies.

Mr Lacroix presented a first report on the operation of the Fund to the IAA Council meeting in Montreal on 30 May 1992. The administration costs of the IPEF were to be met by a contribution from the IAA of 100 Belgian francs (nearly \$3US) per individual member of the IAA¹, raising about \$19,000 a year. However, for operations of the Fund it was proposed to solicit voluntary contributions from actuarial associations. The initial financing came mainly from the US associations and from the Institute of Actuaries and Faculty of Actuaries in the UK.

The major donors asked that the IPEF be administered by a group of three ‘trustees’, including Max Lacroix as the IAA Council delegate for the Fund and two others appointed to assist the delegate and also to safeguard the interests of the donors. At the end of 1992 Jim MacGinnitie and Chris Daykin were appointed as the two additional trustees.

The intention was that the actions of the Fund should be catalytic in supporting the development of actuarial education and the formation of professional actuarial associations in new countries where the profession was not present. It was also envisaged that the modest resources of the Fund would be used to leverage additional support from other sources, such as commercial entities and international bodies.

The terms of reference were established as follows:

- The International Promotion and Education Fund (IPEF) is a non-profit fund which operates under the direction of the Council of the International Actuarial Association.
- The IPEF is controlled by a Delegate of the Council for the Fund, assisted by two Honorary Trustees, appointed by the Council.

¹ At that time individual actuaries were the members of the IAA rather than actuarial associations.

- It is funded through gifts and donations from the global actuarial community and other interested parties.
- Its objective is to use its funding capabilities to stimulate the spread of the actuarial profession into countries and regions where actuarial needs are under-served, where local professional societies do not exist, or where few trained actuaries reside locally.
- The IPEF should seek to identify other funding sources that can stand ahead of the IPEF or supplement IPEF funding.

The IPEF should act in a catalytic way to support initiatives and should seek to use its limited resources, as provided by members of the actuarial profession, to provide optimal value for money.

In the early years some funds were used to support actuarial education of individuals from the target countries who wanted to train to become actuaries, including some scholarships which were established jointly with actuarial firms, such as Bacon & Woodrow in the UK and Milliman in the USA. Assistance was also provided to the Warsaw Actuarial Summer School, which had been established from 1990 and made use of volunteer actuaries from more advanced actuarial environments to go to Warsaw to teach, initially for the benefit of Polish actuaries but increasingly over time for participants from other countries in the region.

In August 1994 the first IPEF meeting was held in Prague, and this became a blueprint for many more such meetings over the years. The idea was to bring together the potential leaders of the actuarial profession and actuarial educators from countries where the profession was beginning to be known and established. At that time the UK Government Actuary's Department was starting actuarial diploma programmes in many of the relevant countries, financed by the Know How Fund of the UK's Department for International Development and administered in cooperation with the Institute of Actuaries and volunteer actuaries from the UK and Ireland. The IPEF meetings were intended to inspire the new actuarial activities in the countries of the region, where the first actuarial associations had been formed (or in some cases re-formed after some years of being in abeyance) in Hungary (February 1991), Poland (August 1991) and Czech Republic (November 1992).

In August 1995 a second IPEF meeting was held in Minsk, Belarus. In November 1995 the first such meeting outside Europe was held in Singapore for the countries of south-east Asia. Following on from those early meetings, the programme expanded to all continents and meetings were held on a regular basis in central and eastern Europe, Asia, Africa and Latin America. To date there have been 8 meetings for central and eastern Europe, 4 for the CIS countries (countries of the former Soviet Union), 11 for Asia-Pacific, 8 in Africa and 6 in Latin America.

The Fund also supported bursaries to some other IAA events, including three education seminars, a Groupe Consultatif seminar in Zandvoort in 1997, two meetings in China and one in Chinese Taipei.

A full list of the IAA Fund meetings is included at Annex 1. It is estimated that interested persons from about 75 actuarially developing countries have attended one or more of these meetings and about 450 bursaries have been awarded, usually to cover accommodation and travel. The format differed to some extent according to the needs of the hosts, but generally included roles for actuaries, the process of establishing an actuarial professional body and education of actuaries. Sometimes a full day of professionalism was offered alongside or some specific technical sessions. Costs of the meeting itself were generally met by local sponsors,

together with a small registration fee payable by participants who were not in receipt of a bursary.

The opportunity was usually taken to invite regulators of the host country and other countries in the region and also representatives from industry. Professors from the universities were also invited, as actuarial education was always a hot topic.

Another strand of activity was to organize meetings in individual countries to inform people about and promote the actuarial profession. Eight of these “Role of the Actuary” meetings were held from 2000 to 2014 in Jordan, Lebanon, Turkey, Moldova, Mozambique, Mongolia, Angola and Myanmar. These played an important part in promoting the profession with regulators and with the insurance industry, as well as making contacts with universities and bringing together the members of the embryonic profession.

Max Lacroix continued as the Council Delegate for the Fund until 2004. In 1998 Jim MacGinnitie stood down as a trustee and was replaced by Bob Collett, who served until 2004. In tribute to Max Lacroix it is worth recalling that he was already aged about 80 when asked to take on the new role of Delegate to the IAA Council for the IPEF. He continued to be active and to attend most of the Fund events until into his 90s. When he was no longer able to be involved, the governance of the Fund was changed to bring it more formally under the aegis of the Advice & Assistance Committee (A&A), with which it had worked closely since the Committee was established in 1995. The IAA Fund Subcommittee of A&A was created in 2005, initially under the chairmanship of Steve Handler and then from 2008 with Jim MacGinnitie as Chair. Ibrahim Muhanna, Howard Bolnick and Tarmo Koll have served on the Subcommittee more recently and in earlier years Peter Clark and Basil Reekie were members and also successive chairs of A&A. Chris Daykin was named as the Chief Executive of the IAA Fund and continued to be responsible for most operational matters.

Over the years the IAA Fund events had participation from a very large number of countries. It is impossible to know exactly how many new actuarial associations owed a debt to the IAA Fund in regard to their establishment or early development, but it would be fair to assume that at least 30 of the actuarial associations established since 1994 may have been influenced to some extent in their development by the IAA Fund. Annex 3 contains a list of new actuarial associations since 1990. Annex 4 shows how the coverage of the world with Full Member Associations (FMAs) of the IAA has developed from 1998 to the present time.

Over the period from 1999 to 2009 for which data is readily available, about \$700,000 was voluntarily contributed by 25 FMAs and some additional contributions were made by the Muhanna Foundation, Swiss Re and the Association of Croatian Insurers. Of this almost \$300,000 was from the Society of Actuaries and almost \$200,000 from the Institute and Faculty of Actuaries, but another 10 associations contributed at a level of more than \$1 per member per year. In total over the life of the Fund it is estimated that contributions of about \$1m have been received and spent on the various projects which the Fund has undertaken. No new contributions were solicited after 2009 and the Fund has been gradually run down.

It is important to recall that the IAA Fund meetings and events received a huge amount of administrative support over the years, initially from Maria Perry from the staff of the Institute and Faculty of Actuaries, Pat Kum in the Joint Actuaries office in Hong Kong and in more recent

years from members of the IAA secretariat, including Veronica Sanchez, Karla Zuñiga and Christian Levac.

Summary

What started as quite a modest initiative of the old IAA, which had not been accustomed to embrace new projects very often, blossomed into a valuable tool to encourage and support the development of the profession in many countries across the world. The fund is now exhausted but the work is not finished. Fortunately a significant sum from the surplus of the ICA 2014 in Washington DC has been designated for the Advice & Assistance Committee to use to continue similar activities in future.

Chris Daykin

Chief Executive, IAA Fund, 2005-2016 March 2017

Annex 1 IAA Fund Meetings 1994-2016

Central and Eastern Europe

1	Prague	August 1994
2	Minsk	August 1995
3	Riga	5-8 September 1998
4	Budapest	30 September-2 October 2000
5	Vilnius	22-24 August 2002
6	Dubrovnik	22-24 April 2004
7	Warsaw	4-5 September 2006
8	Zagreb	3-4 October 2011

CIS Congresses of Actuaries

1	Moscow	27-30 November 2008
2	Almaty	25-30 October 2010
3	Yerevan	6-8 May 2013
4	Baku	28-29 September 2015

Asia-Pacific

1	Singapore	November 1995
2	Kuala Lumpur	11-14 January 2001
3	Manila	10-12 October 2003
4	Bali	16-18 September 2005
5	Bangkok	6-7 September 2007
6	Kuala Lumpur	10 October 2011
7	Hong Kong	9-10 May 2012
8	Singapore	14 October 2013
9	Taipei	11-12 October 2014
10	Bangkok	7 November 2015
11	Gurgaon	November 2016

Role of the Actuary Meetings

1	Amman, Jordan	May 2000
2	Beirut, Lebanon	26 November 2001
3	Istanbul, Turkey	December 2005
4	Chisinau, Moldova	27-28 March 2008
5	Maputo, Mozambique	18-19 February 2010
6	Ulan Bator, Mongolia	14-15 November 2011
7	Luanda, Angola	24-25 November 2011
8	Yangon, Myanmar	14 July 2014

English-speaking Africa

1	Accra	20-22 September 1999
2	Lagos	20-22 February 2003
3	Nairobi	7-9 June 2007

French-speaking Africa

1	Casablanca	31 March - 2 April 2003
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African Regional Congresses

1	Abidjan	22-24 June 2009
2	Nairobi	3-4 November 2011
3	Lome	25-26 April 2013
4	Cape Town	22 November 2016

Latin America

1	Buenos Aires	10 September 2002
2	Panama City	15-16 February 2005
3	Bogota	21-22 November 2011
4	Mexico City	5 October 2012
5	Lima	28-29 November 2014
6	Santiago	21-22 June 2016

Education Seminars

1	Estoril	4-5 April 2001
2	Berlin	Nov-03
3	Edinburgh	Nov-06

Other meetings

1	Zandvoort	1997
2	Xiamen	25-26 April 2002
3	Xi'an	26-29 September 2004
4	Taipei	30-31 May 2005

Total number of meetings to 2016

52

Annex 2 Photographs of IAA Fund meetings



2nd IAA Fund Meeting, Minsk, 1995



3rd IAA Fund Meeting, Riga, 1998



President Luis Huerta at Xi'an, China, 2004



Dubrovnik, 2004



2nd Regional Actuarial Congress, Nairobi, 2007



1st CIS Congress, Moscow, November 2008



1st Regional Actuarial Congress, Abidjan, 2009



1st Regional Actuarial Congress, Abidjan, 2009



2nd CIS Congress of Actuaries, Almaty, Kazakhstan, 2010



2nd African Regional Congress, Nairobi, 2011



Introductory Seminar, Ulan Bator, November 2011



3rd CIS Congress of Actuaries, Yerevan, 2013



3rd African Regional Congress, Lome, Togo, 2013



Introductory Seminar, Myanmar, July 2014



Annex 3 Establishment of actuarial associations since 1990

- 1991 Hungarian Actuarial Society
- 1991 Polish Society of Actuaries
- 1992 Czech Society of Actuaries
- 1993 Cyprus Association of Actuaries
- 1994 Bulgarian Actuarial Society
- 1994 Russian Actuarial Society
- 1995 Slovak Society of Actuaries
- 1995 Belarussian Actuarial Society
- 1995 International Forum of Actuarial Associations**
- 1996 Lithuanian Society of Actuaries
- 1996 Croatian Actuarial Association
- 1996 Actuarial Society of Ghana
- 1997 Slovenian Actuarial Association
- 1997 Actuarial Society of Zimbabwe
- 1997 Association of Actuaries in Latvia
- 1998 Association Marocaine des Actuaire
- 1998 Actuarial Society of Lebanon
- 1998 International Actuarial Association (new constitution)**
- 1998 Society of Actuaries and Financial Analysts of Georgia
- 1998 Romanian Actuarial Association
- 1999 Estonian Actuarial Society
- 1999 Egyptian Actuarial Society
- 1999 Association of Actuaries of the Ivory Coast
- 1999 Ukrainian Association of Actuaries
- 2000 Association of Actuaries of Kazakhstan
- 2001 Society of Actuaries of China
- 2002 Actuarial Association of Bosnia Herzegovina
- 2002 Russian Guild of Actuaries (replacing Russian Actuarial Society)
- 2002 Serbian Association of Actuaries
- 2003 Macedonian Actuarial Association (Makedonski Aktuarski Sojuz)
- 2005 The Actuarial Society of Kenya
- 2006 Institute of Actuaries of India (replacing Actuarial Society of India)
- 2006 Moldovan Actuarial Association
- 2007 Actuarial Society of Bangladesh
- 2007 China Actuarial Association (replacing Society of Actuaries of China)
- 2007 The Actuarial Association of Uganda
- 2008 Actuarial Association of Tanzania
- 2008 Actuarial Society of Sri Lanka
- 2008 Actuarial Association of Republic of Srpska
- 2009 Society of Actuaries of Albania
- Association des Actuaire Beninois
- Association des Actuaire de Senegal
- Society of Actuaries of Mongolia
- Actuarial Association of Azerbaijan
- 2010 Actuarial Society of Armenia
- 2010 Society of Actuaries of Namibia
- 2011 Actuarial Association of Kosovo
- 2012 Asociación de Actuarios del Ecuador
- 2012 Sociedad Uruguaya de Actuarios Matemáticos
- 2012 Malta Actuarial Society
- 2012 Association Actuarielle au Togo
- 2013 Asociación de Actuarios del Perú
- 2016 Association Actuarielle au Burkina Faso

Annex 4 Maps of the world showing FMA coverage in 1998 and 2016

