

Final April 18, 2007

**Minutes of the Joint Meeting of the
Advice and Assistance and Supranational Relations Committees
November 17, 2006 – 13:30 – 17:30
Edinburgh, Scotland**

Members in Attendance:

Stephen Handler, Chairperson, A&A
Philippe Maeder, Chairperson Supranational Relations
Ibrahim Muhanna, Vice-Chairperson, A&A
Howard Bolnick
Bob Conger (via telephone conference)
Chris Daykin
Giovanna Ferrara
Rainer Fürhaupter
Alf Guldberg
Luis Huerta
Stuart Leckie
Steve Lehmann
Edward Levay
Tomio Murata

Ex-officio Participants:

Estella Chiu, *Chairperson, China Subcommittee*

Observers:

Amy Bouska (Casualty Actuarial Society)
Amornthip Chansrichawla (Society of Actuaries of Thailand)
Seong Woh Choo (Institute of Actuaries of Australia)
Kevin Cronin (American Academy of Actuaries)
Andrew Gladwin (Actuarial Society of South Africa)
Céleste Leclerc, IAA Secretariat
Jim MacGinnitie (Society of Actuaries)
Fred Rowley (Institute of Actuaries of Australia)
Martha Sikaras (Society of Actuaries)
Cynthia Ziegler (Casualty Actuarial Society)

Regrets:

Graham Luffrum
Basil Reekie

Absent:

Andris Barlots
Heerak Basu
Jean Berthon

Robert Brown
Julian Gribble
Tarmo Koll
Jean Lemaire
Helga Portmann
Janina Slawski
Irina Voronova
Stuart Wason

1. Welcome and constitution of meeting

The Chairpersons welcomed all those in attendance to the meeting.

2. Proposal for an Outreach Committee

Alf Guldberg presented the proposal for the creation of an Outreach Committee, which consisted of merging the Committees on Advice and Assistance and on Supranational Relations. During the meeting the committees discussed the advantages and inconveniences that would result from a possible merger of the two committees. An opinion poll taken at the end of the joint meeting revealed unanimous consent in continuing under the present structure.

3. Confirmation of A&A and Supranational Relations Committees minutes of previous meetings held in Paris

The draft minutes of the meetings held in Paris in May 2006, were approved as presented.

4. Matters arising from the A&A and Supranational Relations Committees minutes

It was noted that all matters arising from the previous minutes were on the agenda and would be dealt with through the course of the meeting.

5. Review of Sessions and reception sponsored by A&A Committee at ICA 2006

A reception was organized during the Congress week for representatives from actuarially developing countries and bursary recipients. Unfortunately, this reception coincided with another event therefore it was not attended as well as expected. The organizers would take this into account for the next congress.

Representatives from China, Panama, Croatia and Indonesia made some presentations on how the actuarial profession was developing in their country. The event was beneficial to all.

6. Updates from sub-committees activities

6.1 IAA Fund

The IAA Fund Subcommittee was planning on sending solicitation letters in early 2007 and, depending on the activity level the committee would like to pursue in 2007, there might be a need to increase the fundraising activities. The IAA Fund Subcommittee was considering holding future meetings in the 2007 to 2008 timeframe in Nairobi (Anglophone Africa), Benin or Côte d'Ivoire (Francophone Africa), Moscow (Russian-speaking region), Beijing (China and East Asia) and Bangkok (Southeast Asia and Indian subcontinent).

6.2 *China*

The possibility of holding an International Professional Meeting for Leaders of the Profession in China had been discussed with the Chinese delegation in Paris. However, no further progress could be made with this until after the process was complete by which the SAC is established as an independent association.

6.3 *Latin America*

Luis Huerta reported that the subcommittee was focusing on the International Education Programme. The Inter-American Development Bank (IADB) had previously expressed an interest in the education programme and the subcommittee would proceed with determining their interest in funding the programme.

7. **Report on developments in “target markets”**

The Secretariat circulated the list of potential members of the IAA and associate members to give the committees a sense of where the work was being done and where the A&A committee should concentrate its efforts in helping to develop the profession. Invitation letters were sent to countries where an actuarial association did not yet exist and to Associate Members inviting them to upgrade to Full Membership.

The Secretariat had received an Associate Membership application from the Instituto de Actuarios Matemáticos de Chile. The Accreditation Committee had recommended to Council its admission, as indicated in the Council agenda of November 19, 2006.

The Associate Member, L' Association Marocaine des Actuaire (Morocco), had applied to upgrade to Full Membership. Additional information was required from the Moroccan Association before proceeding to recommend it as a Full Member.

Asociación de Actuarios de Panamá had contacted the Secretariat with interest in Associate Membership.

(Secretarial Note: The Secretariat received the membership application from the Asociación de Actuarios de Panamá and the Accreditation Committee concurred that the Council admits the Panamanian association as Associate Member at its meeting in Mexico City)

The following Associate Members had expressed an interest in upgrading to Full Membership:
Caribbean Actuarial Association

Asociatia Romana de Actuariat (Romania)

(Secretarial Note: The Secretariat has received the Full Member application from the association in Romania. Their documents will be assessed by the Accreditation Committee.)

Association Luxembourgeoise des Actuaire (Luxembourg)

Society of Actuaries of Thailand – Steve Handler, Juan Carlos Padilla, Chris Daykin and Paul Grace had met with the President of the Society, Ms. Amornthip Chansrichawla, in Edinburgh.

The A&A Committee was looking forward to receiving membership applications also from China, Vietnam and Lithuania.

8. **International Education Programme (IAEP)**

Steve Handler reported that the World Bank restructure would cause a delay in financial support for the IAEP and therefore the IEPC had agreed to explore other potential donor agencies, for example, the Inter-American Development Bank (IADB). Following this strategy, the IEPC could attempt to build a portfolio of the donor agencies with a proposal to each donor, designed to meet their respective needs.

9. Activities with Supranational Organisations

- 9.1 ADB (Asian Development Bank, Jules Gribble)
John Maroney, new Executive Director of the Institute of Actuaries of Australia, indicated that he was interested in continuing the IAA's efforts towards ADB Observer Member status in the IAA. The committee members were asked to inform Jules Gribble of any activities they were involved in with the ADB. The President of the ADB was from Japan. It was suggested that a representative from the Japanese Actuarial Association contact them. Indonesia was also of interest for them.
- 9.2 European Commission (Jukka Rantala)
Jukka Rantala had not been able to attend the meeting of EU Internal Market DG Insurance Unit and the Groupe Consultatif (GC) on 7 September 2006. However, several representatives from the GC had attended the meeting.
- 9.3 IAASB (International Auditing and Assurance Standards Board, Sam Gutterman)
The committee was focusing on three of the IAASB's projects, addressing auditing of estimates including estimated fair values and the use of experts in auditing. Steve Handler was a member of a South African Consultative and Advisory Group.
- 9.4 IAIS (International Association of Insurance Supervisors, Jukka Rantala)
The IAIS Actuarial and Solvency Subcommittee had met in Quebec City from August 29 to September 1 and its Insurance Contracts Subcommittee had met in Beijing on October 16 and 17. The Annual Conference of the IAIS was held in Beijing on October 18 to 21. Rolf Stölting will be replacing Jukka Rantala as Chairperson of this committee. It is anticipated that the contact person could also be replaced (to be confirmed).
- 9.5 Joint Forum (Helga Portmann)
The activities were identified in the activity report.
- 9.6 OECD (Organisation for Economic Cooperation and Development, Paul Thornton)
The IAA was now an observer member of the OECD Insurance and Private Pensions Committee. An OECD representative will be invited to speak at the PBSS Colloquium in Helsinki, Finland May 21-23, 2007. It was reported that Florence Messy of the OECD had invited Paul Thornton to work on their private health insurance initiative. They were looking at gathering more data on private insurance in particular from OECD countries and at collecting comments on a private health insurance paper.
- 9.7 ILO (International Labour Organisation, Philippe Maeder)
There would be an opportunity for « social security » to be one of the elements of the IAA International Education Programme. Chris Daykin submitted a paper to the Social Security and Education Committees for their comments. The OECD (André Laboul) could be approached to provide funding for education (Céleste Leclerc). Robert Brown, member of the Social Security Committee should be contacted.
- 9.8 WHO (World Health Organisation, Philippe Maeder)
The process to elect the next Director-General of the World Health Organisation had taken place in Geneva from 6-9 November 2006. Its Executive Board had met from 6-8 November to nominate a candidate. Its Assembly then met on 9

November for a special session to consider the executive board's nomination and appoint a Director-General. In view of those changes, the action plan for 2006 was postponed to 2007. Due to lack of funding, it was not decided whether to invite representatives from WHO to the IAAHS Colloquium, May 13-16, 2007 in Cape Town. Only local agencies could be contacted.

- 9.9 IOPS (International Organisation of Pension Supervisors, Paul Thornton)
Discussions had taken place with various committees.
- 9.10 WB (World Bank, Stuart Wason)
It was reported that due to the WB reorganisation and changes in their priorities, they were now focusing in two major areas; Africa because of its poverty and Middle East for political reasons. Also, Craig Thorburn's responsibilities had changed and additional changes had occurred in the pensions section (Yvonne Sim, Robert Holzmann).
- 9.11 USAID (US Agency for International Development)
Relationship Manager to be redefined. Could assist with the IAA International Education Programme (IEP).
- 9.12 CISS (Inter-American Conference on Social Security, Howard Bolnick)
This organization, as IADB had an interest in the IEP. There was a possibility of obtaining funding for the programme. This organization was interested in actuarial training and development in social security in Latin American countries.
- 9.13 IADB (Inter-American Development Bank, Luis Huerta)
No activity was reported. However, the IADB had expressed an interest in the IEP. Luis Huerta would proceed with determining their interest in funding the programme.
- 9.14 ISSA (International Social Security Association, Chris Daykin)
Chris Daykin reported that his involvement with ISSA would end soon as 2006 was his last year as Chairperson of the Technical Commission on Statistical, Actuarial and Financial Studies. The link with ISSA was still quite strong although in some sense weakening because there were few actuaries in ISSA. However, there was a joint activity to report between ISSA and the IAA next May in Helsinki and the ISSA Actuaries Conference and PBSS Colloquium also in Helsinki during the same week.
- 9.15 IASB (International Accounting Standards Board, Paul McCrossan)
No activity was reported. Need a new relationship manager (Francis Ruygt?).
- 9.16 PRMIA (Professional Risk Management International Association, John Narvell)
Working relationships are continuing. PRMIA, SOA and CAS are jointly sponsored; Cynthia Ziegler (CAS) is a member of their Board.
- 9.17 GARP (Global Association of Risk Professionals, Bob Conger)
No activity was reported.
- 9.18 WTO (World Trade Organization)
Relationship manager to be determined.
- 9.19 Geneva Association, CRO Forum, other organisations
Tony Coleman will be attending meetings of both bodies in November in Munich and December in Geneva.

10. Long Term Action Plan Supranational Relations

10.1 Strategic Plan

The Strategic Issues Document was still pending. Philippe Meader to action for next meeting.

10.2 Contacts with Insurance Supervisors

One of the major growth areas for actuarial work was assisting banks in implementing Basel II. In Australia the regulator, APRA has required all major banks to use the Advanced Management Approach, which has generated significant new and interesting work for actuaries and actuarial firms in this country.

10.3 Development in the Financial Sector

The committee had already liaised with the following organizations:

- GARP – the Chairperson of the FR Committee was the contact person
- PRMIA – no contact person
- IAIS – primary contact rests with Insurance supervision
- Enterprise Risk Management Institute (ERMI) – The FR Committee had quite a deep involvement with this international institute (run by Sean Wang).

10.2 Geneva Association, CRO Forum

Several actuaries were also active in this organization which was having an influence on the design of Solvency II, amongst other issues. The CRO Forum was primarily focused on insurance, but it was increasingly becoming associated with the International Risk Institute which was basically made up of the Chief Risk Officers (CROs) of the world's major banks plus a few other large financial institutions. They were beginning to co-operate informally as they had several common members. Only CROs may join as members and consultants were generally discouraged as members.

It was suggested that the committee liaise with the CFA Institute, formerly the Association for Investment Management and Research (AIMR). The CFA is a worldwide institute with offices in the USA, Canada, Asia Pacific, Europe, Middle East and Africa. Cynthia Ziegler or Martha Sikaras (CAS) could be their contact person.

11. Action plans for 2007

Relationship managers should input their Action Plan per contact organization into the Relationship.xls database.

12. Membership of the Supranational Committee

The Nominations Committee had not yet nominated a vice-chairperson for the committee. The Chairperson questioned the Nominations Committee about the rule of one representative per national association. It was proposed that the Nominations Committee nominate a committee member after that person had participated in at least one meeting. The Chairperson also asked that the relationship managers be members of the committee.

13. Information

A new 2007 version of the relationship.xls database would be created and made available for the updates until the Mexcio City meetings.

Limited effort had been put into this project since the first discussions in Rome and then Paris.

To do:

- Relationship managers are to update or create an information page relating to their contact organization.
- Jules Gribble: to propose a new structure for the summary table that would be in line with the present priorities.

14. Adjournment and Next Meeting

There being no further business to discuss, the meeting adjourned at 17:30. The next meeting will take place in Mexico City on April 17, 2007 from 14:00 to 17:00.