

PROFESSIONALISM COMMITTEE

REPORT FOR THE PERIOD NOVEMBER 2005 – APRIL 2006

1. Morris Review Taskforce

The Committee's Morris Review taskforce has identified the issues and areas raised in the Final Report of the Morris Review where action may be appropriate by the IAA and will present these for discussion at the Committee's May 2006 meeting.

2. IAA International Actuarial Standards of Practice (IASPs) and IAA Due Process

The Committee has been monitoring the progress of the Insurance Accounting Committee and its Actuarial Standards Subcommittee in relation to the release of additional Practice Guidelines (PGs) for International Financial Reporting Standards. The Committee has also been liaising with the Solvency Subcommittee of the Insurance Regulations Committee in relation to their proposal to develop practice guidelines in relation to internal models developed for insurer capital requirements. Both of these items will be considered further by the Committee at its May 2006 meeting and a further (verbal) report provided at the Council meeting in Paris.

The Committee discussed at its meeting in Rio possible revisions to the IAA Due Process for IASPs that may be appropriate in the short term to address issues such as:

- consideration of the appropriate review and approval process for editorial corrections, technical updates and major reviews;
- review of the classes of standards;
- the need for a fast track due process for IASPs; and
- the need for a maintenance process for IASPs.

It is anticipated that a first draft of possible revisions to the IAA Due Process for IASPs will be discussed at the Committee's May 2006 meeting.

In addition, the Committee proposes to establish a Taskforce to develop guidelines on the application of IASPs, based on some case studies of typical situations that may apply. The Committee will be discussing the draft terms of reference and membership for that taskforce at its May 2006 meeting.

3. Other items on the Committee's Agenda

The Committee's agenda for the May meeting is available on the IAA web-site and also includes the following items (most of which have a background note attached to them):

- Development of education on professionalism;
- IAA support for discipline processes in smaller associations;
- Issues raised in relation to membership of multiple IAA member associations;
- Participation in the taskforce proposed to be established by the Insurance Regulation Committee to consider the development of guidelines on the role of actuaries, regulators and auditors.

Helen Martin, Chairperson