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

May 2006