



Final Approved on March 18, 2015

## **INTERNATIONAL ACTUARIAL ASSOCIATION**

### **Risk Oversight Task Force Conference Call February 18, 2015**

#### **Minutes**

#### **Present:**

**Chairperson:** Jules Gribble

#### **Members:**

Malcolm Campbell

Mike Kilgour

Mike McLaughlin

Godfrey Perrott

Tony Coleman

Thierry Poincelin

#### **Absent:**

Dave Ingram

Frank Sabatini

John Maroney

#### **IAA Secretariat:**

Monique Philippe, Director of Operations

#### **1. Welcome and Approval of the Agenda**

Chair Jules Gribble called the meeting to order at 3:05 pm EST and welcomed participants to the conference call. The agenda was approved as presented.

#### **2. Approval of minutes from the previous meeting – January 14, 2015**

The minutes were approved as presented.

### 3. Risk Appetite

Mike Kilgour made a comparison between the UK and Australian documents on risk appetite and indicated that both were very similar. He also expressed the view that the objective is to be simple and effective. Tony Coleman agreed and shared that the Australian model appeared clearer while the UK version seemed more amplified. Jules Gribble weighed in and shared that the two versions also differed in categories and terminology and asked the committee for their views with regards to which of the two was preferred. Tony preferred the Australian version with 5 categories vs. 3 for the other. The group agree and Mike and Tony agreed to adapt the Australian template and bring it forward at the next meeting on **March 18<sup>th</sup> (revised date)**.

*Action:* Tony Coleman / Mike Kilgour

There was some initial discussion of the Risk Management Framework which will be needed in the future. It was agreed that the current focus should remain on establishing a risk appetite and that the operationalization of the consequences of this be addressed subsequently. It was agreed that for a risk management framework to be effective and become embedded in IAA processes it needs to not be too complex, and the key outcome is that risk awareness is raised and managed at all levels.

### 4. Existing IAA policies and practices

- Secretariat Business Continuity Plan (BCP): Jules Gribble asked whether the Disaster Recovery Plan covered the IT only or whether it was broader in scope. Monique Philippe was unaware and agreed to provide the answer via email.

*Action:* Monique Philippe

- Risk Management Roles & Responsibilities: It was agreed further clarification roles and responsibilities of Council, Executive Committee, Committees and Secretariat would be valuable in the context of who is responsible for which aspects of managing risk. Mike Kilgour added that different roles vis-à-vis risk need to be defined. Mike McLaughlin shared that the Secretariat's role is to implement decisions rendered by Council and the Executive Committee respectively.

*Action:* Jules Gribble/Mike McLaughlin

- Authorities Matrix: Following on from the prior point, there was further discussion of this (see spreadsheet distributed for December 2014 meeting). It was proposed this be extended to include specific reference to spending limits and related delegations of authority.

*Action:* Secretariat

### 5. Survey – Update

Jules updated the task force on the survey. While the response rate is unknown at this time he requested that Monique send a reminder next week.

*Action:* Monique Philippe

## 6. Other Items

- Extending Risk Consequences Table: The question arose around whether it was worthwhile pursuing risk definitions internally. No feedback was received. This matter to be deferred.
- American Academy of Actuaries (AAA) Approach (summary): Godfrey Perrot had a discussion with a representative of the Academy. Unfortunately a law suit is underway involving the president of the SOA and the Academy. Consequently the Academy is unwilling to share any information. This item is thus closed.
- Next steps in process: This matter to be deferred.
- Reporting to the Audit & Finance Committee and Council: Jules agreed to draft a document and present it at the Zurich meeting. Mike advised that the Audit & Finance Committee would report on the work of the Risk Oversight Task Force to the Executive Committee.

*Action:* Jules Gribble / Mike McLaughlin

## 7. Next Meeting

In the essence of moving things along, and in light of the planned meeting in Zurich on April 7<sup>th</sup>, there being no further business to discuss, the meeting was adjourned.

The March meeting was confirmed secretarially that it would proceed as originally planned for Wednesday, March 18<sup>th</sup> at 3 p.m. EDT. The meeting date was confirmed on March 9<sup>th</sup> via email by Jules Gribble.