

Report to the Council of the IAA

The IAA Guidelines of Actuarial Practice for Social Security Programs. The Social Security Committee has continued to work on the Guidelines of Practice. The preliminary exposure draft was revealed to the Member Associations on 5 June 2001. The statements were requested by 31 October. Comments were also requested from the ISSA, the ILO and the World Bank by 30 November. The Committee received formal replies from five Member Associations (The Actuarial Society of South Africa, The Faculty of Actuaries (UK), The Institute of Actuaries (UK), Suomen Aktuaariyhdistys (Finland), the Canadian Institute of Actuaries) and from the U.S. Actuarial Standards Board, the ISSA and the ILO as well as several individual actuaries.

The endeavour to provide guidelines of practice to actuaries working in social security field was greatly welcomed and unanimously approved by the commentators. Most of the replies included only minor, but still valuable, clarifications of definitions and adjustments to the wording. The most complicated issue in the Guidelines was the definition of their scope of application. The scope includes a wide set of different types of social security programmes. However, the scope still leaves the actuaries in each country room for consideration.

The comments were carefully considered and most of them were taken into account, although compromises were needed when contradictory changes were suggested. The Committee finalised the Guidelines on 10 December 2001 and the document is now on the Agenda of the IAA Council Meeting in Cancun for its approval.

Since the circumstances in which actuarial reports on social security programmes are prepared vary considerably, it was decided that at this stage recommended practice guidelines would be prepared, rather than standards. After gathering experience about the applicability of the Guidelines, the Committee will update it. It could then also be possible to consider whether a binding standard of practice would be preferable. The Guidelines are still only complementary to legal requirements and other actuarial standards set by actuarial associations.

The Shared Sessions in Cancun, ICA- 2002. The Committee has organised three shared sessions during the Cancun Congress the title being "Social Security Around the World: Where are the Actuaries?" The first session focuses on social security financing, having speakers from the World Bank and the ILO. Two other sessions discuss social security reforms in developing and developed countries. The focus is on actuarial aspects of issues involved and the actuaries' role in the process.

Other activities. The Committee has started to develop the idea of creating a network for social security actuaries. This process will continue in the Committee meeting in Cancun. The Committee will also decide on future activities.