Chairman André Lamens welcomed and thanked delegates for attending this very important General Assembly to consider a fundamental change in the structure of the IAA. President Lamens reminded delegates that all members of the IAA were sent a first Report in November 1997 on the future of the IAA and a second Report in March 1998 outlining the final proposals of the Provisional Executive Committee (PEC). To ensure that the information contained in the latest report was clearly understood, the President invited a member of the PEC, Peter Kuys, to present a short summary of the proposals before calling the vote on the revised Statutes. If the new Statutes were adopted, proposed Internal Regulations and Initial Motions would be on the agenda of the new Council meeting to be held on June 11.

Peter Kuys: "As a member of the provisional executive committee, our President asked me to summarise briefly what is in the second report containing the proposals for reorganisation. I will do this by going through it in four steps.

1. Why do we believe the change is necessary?
2. A review of the wider set of objectives designed for the IAA.
3. To discuss in some detail what the changes are all about.
4. To demonstrate the final steps in the process of restructuring the IAA.

First, let us talk about the need for a new structure. The process started about four years ago when there were initial discussions to start the Forum of associations. The IAA needed to take on a wider role at a global level in order to be able to cope with the consequences of globalisation and further involvement of actuaries at an international level. The first step is to create a professional platform that will be able to take care of everything that is needed in order for actuaries, as a profession, to take on that vital role in the world.

Secondly, to create a structure that would allow the IAA to make representations to international bodies such as the World Bank and the IMF - two international institutions which are active in many countries - to create a financial infrastructure.

Finally, we need to create an international standard for education, and that could also only be dealt with at the highest level on the international scene.

In order to be able to take on this much wider role, we need a single, strong, unified framework. To achieve this, we need resources. We need the backing and the consensus from the associations, and
therefore an essential role is needed from the associations of actuaries in the various markets and countries.

One of the first things that we discussed in our work, which ended up in the proposals in front of you, was to redefine our objectives. The objectives of the IAA, as they are at the moment, primarily have to do with the advancement of actuarial science and the organisations of congresses.

In the eyes of those who have worked over the past two and half years, the first step is to change the IAA from an association of individual members to an association of our associations. We felt that, in order to be able to achieve our objectives, the role of the association should be recognised in the structure of the IAA. We also felt that the governance structure introduced by the IFAA, when it was founded, has worked quite well and very effectively. We believe that it should be carried over into the IAA.

Finally, in order to ensure that the activities of the sections such as ASTIN and AFIR blend very well in the overall structure, these sections will be represented on Council and will have similar voting rights as the associations.

What are the implications for individual IAA members? First of all, the voting power will be transferred from the Assembly to the Council. The associations will delegate one person onto that new Council. All fully qualified members of associations will become automatically individual members of the IAA.

Thirdly, individual members continue to participate in the appropriate activities of the IAA. The fees are no longer paid directly by the individual qualified members, but through the associations. Finally, the surplus at the end of the current financial year of the old IAA will be earmarked for the activities of the individual members.

Further, we have decided, and that was done by the IAA Council at its meeting on Saturday, to make sure that the interests and benefits of the current individual members of the IAA are being properly preserved, that we have a special individual member services committee that is not only trustees of earmarked assets, in other words, to make sure that the money is spent in accordance with its objective, but which also will be charged with the fulfilling of the needs of the individual members to encourage participation in scientific and social events, and to foster initiatives by individual members in an international context."

In order to illustrate better the effect of the proposed changes, Peter Kuys presented an organisation chart of the current IAA structure and one of the proposed IAA structure.

The President thanked Peter Kuys for his presentation and opened the floor for discussion.

David Wilkie of the U.K. made a lengthy speech opposing the proposed restructure and urged delegates to vote against the proposal. His main objections are summarized below:

· the proposals could have an adverse effect on individual members as well as on AFIR and ASTIN
· there would be such a rapid change of chairmanship that eventually members would
not know who the president was
  · he strongly objected the weighted voting system because votes to associations would be allocated according to their total membership; he noted that about two thirds of the membership would be Americans and eventually they would take over the IAA

David Wilkie concluded his presentation with the following words: "I would vote against it, if there is a seconder. I would prefer to see these proposals rejected, and if somebody is prepared to come up on the platform and second my opposition to these proposals, I will push for a vote. If nobody comes up, then I assume that I am the only person that wishes to speak against these proposals."

James Shah, United States, immediately took the floor in support of David Wilkie’s motion and urged delegates to be careful about the provisions. "I am opposing the new Statutes. The reason is that we are going to lose our freedom. In the global situation we have redefined objectives. I believe strongly that we can attain and maintain all the independent objectives in the present status of the IAA. That is why I am opposing the new version of the IAA."

Jean Berthon, France, then spoke in favour of the proposal and responded to some of the concerns expressed. "I should like to answer David and our other colleague concerning the legitimate fears one can have about the new structure that we are proposing. First of all, some of you may remember that when we started discussing the creation of the new section called the Forum, I was certainly among the most opposed to that creation. I was against such an evolution which I thought at that time would give too much power to some associations and would dissolve this very valuable spirit of family that is shared by all our colleagues in the IAA.

I was even wondering if it was necessary to create such a body. But then I saw how the Forum started to live and to work, and how the people representing the associations were willing to meet together to discuss common subjects of interest. Frankly speaking, I found at the Forum level exactly the same spirit of family that I had found before at the IAA - even dinners of the committee of the Forum tried to be like the council dinners, with less formality.

Much more important, I can testify that an enormous amount of work has already been done inside the committees of the Forum. It is only due to the existence of this Forum that we are now a recognised body with some official links with other organisations like the IASC (International Accounting Standards Committees) and the IAIS (International Association of Insurance Supervisors), which are very important to our profession. They have asked us to participate in some of the committees concerning insurance, accounting and regulation, and it is certainly one of the best ways for us, in my view, to enhance the role of the actuary world-wide.

Finally, and it could be hard for some of you to believe, there have never been any signs of imperialism in the way the Forum was run. The voting rules respect a very delicate balance between regions and countries as well as the criteria to select officers and chairmen and vice-chairmen. No group of associations of one part of the world in the present statutes will be able to take over the Forum.

A first step has been climbed. It now remains to reach the top of the building, and this is what we are proposing to you today. Everybody can understand that we need a very strong international
association, something like a federation, where all the powers remain in the hands of the associations which delegate only part of those at the higher level because it is at that level the problems will be solved and the questions will be addressed in the most efficient way.

As far as our family spirit is concerned, it was decided to establish a new committee for services to individual members. So I hope I have given you some positive answers to some of the fears you may have. I urge you to vote in favour of the resolution which has been proposed today."

Anna Rappaport, President of the Society of Actuaries. "I want to report to you that a number of us had serious concerns about the proposals over the last year, and that we really appreciate the co-operation of the group that has been working on this and making changes and resolving those concerns. Our board is perfectly comfortable with and supports the proposals. I believe that is true now of the other North American organisations as well."

Chris Daykin, U.K. "My background is with the Institute of Actuaries, but over the last few years I have been involved in one way or another with the actuarial profession in 65 countries. I have a real desire that the actuarial profession should move forward internationally and that our very many new member associations in some of those countries should have a role on the world stage.

I think it is completely fallacious understanding of these proposals to suggest that actuaries will lose any freedom from what is proposed. Actuaries will gain freedom and we will gain access to a new, international opportunity through supporting these proposals.

The present Statutes of the IAA, which have served us well for a long time, do not provide the mechanism for achieving the objectives which the profession now sees it has to pursue in terms of the openings for individuals and also the interface between the profession and many international bodies and others at the international dimension. We need to have a clear status as a legal entity, which we have not had up to now, and we need to avoid having the confusion that can easily exist between having the Forum on one hand and the IAA on the other.

It is of key importance that we gain balance internationally in the total way in which we organise ourselves and, personally, I cannot accept what David Wilkie said about the rotation of the president. That was a key proposal in order to ensure that this organisation represents the world’s actuaries, and that we are able to have on a regular basis a president from different parts of the world. Part of the proposal is that within every six years we will attempt to have two presidents from outside Europe and North America, areas where the profession is growing rapidly. On average, two from Europe, two from North America, where there are respectively the largest number of associations and of actuaries. Everything is very carefully balanced to ensure that no part of the world will dominate, and that every new association is able to play a part and contribute to the moving forward of this organisation.

Individuals will lose nothing. Indeed, individuals will gain enormously from this proposal because the focus on individual members’ activities is clearly defined within the structure, within the new committee that has that as its aim and objective. There will, I believe, in a very short space of time be a move forward with the possibility of new sections which will bring open new opportunities of participation for life and pension actuaries who have not had special provision within the existing structure. The wider
membership will enable the financing of the organisation to be managed more easily and will greatly increase the potential membership of the sections."

John Ryan, United Kingdom:"I think a very important part of these proposals is the individual members committee. I support very much the proposal put before this meeting because I think it brings the organisation up to date to fulfil the role we need to provide internationally, and that has been eloquently explained by a number of people.

One of the problems with the IAA to some extent has been its failure to get out and communicate and encourage a two-way dialogue with the general members. This structure with the individual members committee could play a very important part in this area."

Catherine Prime, Australia, spoke in favour of the motion stressing the need for the actuarial profession to position itself better on the world scene.

Harry Panjer, Canada, spoke in support of Catherine Prime’s comments.

Stanley Weisleder, United States:I have been paying dues to this organisation for a number of years. I have never attended any meetings. I am not even familiar with what the aspirations or the internal politics of the organisation are. This organisation has existed for something over 100 years. As we enter the new millennium, I would like to see the International Actuarial Association enter the new millennium as well. Without these proposals, I believe that the International Actuarial Association will remain with its feet firmly planted in the 19th century."

Norbert Heinen, Germany: "Just because David expressed his concerns about a potential weakening of the European position within the new IAA framework, I should like to make a remark on behalf of a continental European, the German Association of Actuaries.

I think it is fair to say that over the recent 10 or 12 years, or so, we have gone through a process of increasing professionalism in the continental European associations in line with deregulation in Europe, in line with deregulation of insurance markets, etc. That has led to the necessity in our associations to shift the focus of our international representation from a more scientific focus to a more professional focus. That is why it was necessary, from our perspective, not only to have the Groupe Consultatif, but especially in line with the internationalisation of other neighbouring professions like accountants, etc., to have a professional representation on the international level, and that was the IFAA.

Now, some of you will certainly remember that I was not very much in favour of the IFAA when it came into existence a couple of years ago. That was because the majority of medium-sized and smaller European associations were certainly concerned not to diversify their capacities and their powers too much between different types of international associations.

I think it is really important and absolutely necessary, not only to have the IFAA, and not only to have the scientific international community of actuaries, but to have both aspects in one integrated association. That is what the proposed change of the IAA structure will achieve, and that is why I am in
favour of that new structure.

Just a final remark concerning the lack of attention that David fears to come in line with the automatic membership of individuals on the international level. That is what we have been practising in Germany for the last 100 years or so. There is an automatic membership in the IAA for every German member of the DAV, and that could not prevent a number of 25 or 30 papers being contributed to that Congress in Birmingham this year. I think this is proof that this concern does not become reality.

To sum up, I think we should be in favour of the new IAA structure."

An unidentified speaker noted that there were members who would be able to continue to be individual members of the IAA, although it looked like only associations would be members. The members who did not belong to associations would continue to be able to join the IAA.

Chiu-Cheng Chang, Taiwan: "I am an actuary from the USA, Canada, Taiwan, Singapore. I have worked in six countries. I have met numerous great actuaries. Today I am urging each of you to use the common sense approach. Just think about what Chris Daykin and Harry Panjer have said. Chris Daykin has been unbelievably active in virtually everything actuarial on a global international basis. His insight should deserve our respect."

President Lamens: "I see no other hands raised. I think it is time to close the discussion." He offered David Wilkie the last word given that he was the first to express opposition.

David Wilkie, U.K.: "Mr President. I should just like to say that I think my duty as an opposer of the motion has produced a lot of arguments in its favour. I will be perfectly happy to accept the result of a show of hands rather than the trouble of a card vote."

President Lamens thanked David Wilkie for having expressed his opinion so frankly. He indicated that he would proceed to a vote by raised hands and that, if the result was obvious, a written vote would not be necessary.

The vote on the Statutes was called and the President noted two against and two abstentions. The Statutes were declared approved. The delegation responded with a hearty round of applause.

President Lamens: "I would like very briefly to thank all those who have worked to come to that final result of proposals, especially today to Peter Kuys for his presentation, but to all the members of the Provisional Executive Committee."

The President invited Bob Collett to speak on the attribution of the Woodrow Milliman Sidney Benjamin scholarship.

Bob Collett, United States: "Sidney Benjamin, from the United Kingdom, was a career-long member of the IAA, and a tireless champion of the actuarial profession, most especially its commitments to research and to the expansion of its boundaries."
After Sidney’s untimely death at the beginning of this decade, his partners in Woodrow Milliman sought a way to recognise his contributions appropriately. We elected to create a study opportunity through the IAA Promotion and Education Fund to be awarded to a promising actuarial candidate from a country where the profession is in a relatively early stage of development. The Sidney Benjamin memorial scholarship includes both sufficient funds to permit a year of research and study and practical gainful employment in a Woodrow Milliman office. Prior winners have included actuaries from Russia and China.

The most recent award winner is Tarmo Koll, from Estonia. Tarmo has just completed his year of study and work in the United Kingdom, and has this month returned to Estonia to do teaching and gainful actuarial work.

Tarmo, on behalf of Max Lacroix, Council delegates to the IAA, Chris Daykin and Jim MacGinnittie, trustees for the IAA Fund, my partners in Woodrow Milliman, and in celebration of the many contributions of Sidney Benjamin, I am very pleased to present to you this certificate of award and completion."

Mr. Koll’s achievements were recognised by a round of applause.

The President offered his congratulations and thanks in the name of the IAA to Woodrow Milliman.

There being no further business to discuss, the General Assembly was declared closed.