



IAAHS Treasurer Report

Prepared for the
IAAHS Committee
and for the

IAAHS 2004 Annual Meeting
to be held in conjunction with the

IAAHS 2nd International Health Colloquium, Dresden, Germany

By Yair M. Babad, Treasurer
April 18, 2004

Introduction:

This is the first year of the IAAHS existence, and – as expected – it is a fast growth transitional year. The IAAHS was created by a decision of the IAA Council Meeting in Sydney, Australia, in May 2003, following two years of hard work by several members of the IAAHS. Since its inception the IAAHS is managed by a IAAHS Committee of 14 members, of which 2 are appointed by the IAA. The IAAHS Committee has four (Committee) elected officers: chairperson, vice-chairperson, secretary and treasurer. A new IAAHS committee is to be elected in the IAAHS 2004 Annual Meeting, to be held in Dresden, Germany in April 2004.

Membership:

At the time this report is written, the IAAHS has 260 members from 36 countries, of which 89 are known to have paid their 2004 dues. The membership include IAA members who registered on line to the IAAHS, through the IAA/IAAHS web site, and members who were reported by national IAA associations. Overall we seem to have done quite well: we had a target of 200 members for the end of 2003, and hope to get 400 by the end of 2004. To put this number in perspective, according to the “World Survey Full Table” of actuaries there were in 2003 in the IAA lists 3,564 health actuaries.

These membership numbers are, however, approximate. We do not currently know the actual number of those who directly joined through their national associations, as many have not reported IAAHS membership or IAAHS dues received, did not inform (due to timing of IAAHS creation vs. the time the annual associations address their constituency) their members on the possibility of IAAHS membership, or even have not yet reported to the IAA about annual membership. In other words, the number of IAAHS members may be biased

two ways (who may, or may not, act in the same direction): there may be more people who joined through their national associations of which we are not aware, and there may be people who originally registered on line at the web site who eventually decided not to join. Further, there may be others who joined, or will join, at the Dresden Colloquium, but we are not yet aware of them.

Note that according to Article 5a) of the IAAHS Rules (enclosed) all of these are considered as members, regardless of whether they have paid their 2004 dues or not. While Article 6c) of the Rules specifies that membership will terminate upon failure to pay required dues, this rule cannot be applied this year.

Dues and their collection in 2003-4:

The fee for IAAHS membership for 2004 was set by the IAAHS Committee in its 20 August 2003 meeting at CAD\$40 for IAA members and CAD\$80 for non-members. No discount is given for multiple IAA sections memberships. The IAAHS Committee is considering discounts for academic and members from poor nations, but at this time none are given; however, as noted by the IAA Secretariat, the IAAHS dues are so low that the administrative expense of giving discounts, etc. would probably outweigh the money received from the additional membership.

No fee was requested for 2003, even though the IAAHS exists since May, 2003. The above fee is requested for 2004, but – as noted above – not all of it is easily collectible, as some national association requested 2004 fees from their members that did not include IAAHS fees. Thus, the IAA Secretariat is taken steps to contact all the members who registered on line to the IAAHS, and whose national associations did not report them as IAAHS members; these members are requested by the Secretariat to submit the IAAHS fee directly to the IAA.

IAAHS income and expenses:

The IAAHS income is derived from two sources – dues (as discussed above) and contributions by organizations or individual members. At this time we have no contributions, though the IAAHS Committee is actively soliciting such contributions. The dues are collected and managed by the IAA Secretariat, as will be (when available) the contributions. Additional income may be derived from colloquia, seminars and other activities arranged by national IAAHS members, usually in the name of the IAAHS; indeed, the organizers of the 2nd International IAAHS Health Colloquium in Dresden, Germany are expected to contribute 5,750 Euro¹ for registrants in the Colloquium. All of these monies are invested by the IAA according to their investment rules.

The IAAHS expenses are, at this time, administrative only. In the future, once sufficient reserve funds are accumulated, the IAAHS will use these reserves for other activities (to be decided) that will contribute to the welfare of the IAAHS membership. The costs of

¹ About 230 participants are expected, of which about half are members for which IAAHS will receive 10 Euro per person, the other half are non-members for which IAAHS will receive 30 Euro per person, and in addition there will be about half (115) accompanying people for which the IAAHS will receive 10 Euro per person.

colloquia, seminars, and other activities are expected to be borne by the local national organizers; indeed, this is the case with the 2nd International IAAHS Health Colloquium in Dresden, Germany, which will give the IAAHS 10 Euro for each registered IAAHS member and each accompanying person, and 30 Euro for each other registrant.

The IAA Secretariat is providing administrative support to IAAHS. The cost of such support would be charged to IAAHS at the rate of CAD\$2 per member. There were no charge for 2003, it being the year the IAAHS was created.

Projected 2004 budget:

Due to all the uncertainties noted above, we do not have a budget for 2004. Rather, projections for the IAAHS funds expected by the end of 2004 are given under two scenarios: a pessimistic one which assumes that our dues-paying membership for 2004 will be 200 (while it is less than the 260 registered, it is more than the 89 who paid, and it is not sure that all that registered will pay), a neutral one with 300 IAAHS members, and an optimistic one with 400 IAAHS dues-paying members. From the German organizers of the Dresden Colloquium, we received a number of 230 registrants in mid-April:

		Scenario		
		Pessimistic	Neutral	Optimistic
IAAHS				
	Membership	200	300	400
	Dues per member			
	Gross CAD\$	40.00	40.00	40.00
	Less administration CAD\$	2.00	2.00	2.00
	Net CAD\$	38.00	38.00	38.00
	Net \$\$ (**)	28.66	28.66	28.66
	Total income \$\$	5,732.00	8,597.00	11,463.00
Dresden				
	IAAHS receives Euro (***)	4,000.00	5,000.00	6,000.00
	Total income \$\$	4,835.00	6,044.00	7,253.00
Total projected 2004 Income \$\$		10,567.00	14,641.00	18,716.00

Notes:

- (*) Dresden registrants assumed to be half IAAHS members, and half not. Half are also assumed to bring an accompanying person. The estimate of participants is correct to mid-April, 2004.
- (**) At exchange rate of \$1 = CAD\$ 1.32600
- (***) At exchange rate of \$1 = Euro 0.82727
- (****) Exchange rates as of 11 April 2004.

Addendum – IAAHS rules related to the IAAHS membership and financial matters:

Article 4

The IAA HEALTH Section has Ordinary Members, Observer Members and Donation Members.

Article 5

- a) The class of Ordinary Members is composed solely of actuary members of the IAA who have requested membership in the IAA HEALTH Section.
- b) The class of Observer Members is comprised of non-actuaries and actuaries who are not members of the IAA. Observer Members are those interested in following and participating in the IAA HEALTH Section activities and who are noted for their particular competence in health and health financing matters. Applications for membership of Observer Members must be submitted by at least one Ordinary Member to the IAA HEALTH Section Committee who draws up the list each year.
- c) The Donation Members - whether or not donors of the IAA — are individuals, associations, organizations or companies who have agreed to support financially the IAA HEALTH Section activities.

Article 6

Membership of whatever category terminates:

- a) By written resignation
- b) In case of serious breach of the Rules
- c) By failure to pay any required membership fees
- d) By a properly moved Resolution of the General Meeting

Article 18

- a) The Treasurer is responsible for the financial matters of the IAA HEALTH Section. Each year, the Treasurer must submit a report to the Section Committee and, if it meets, to the General Meeting. The report must account for all financial transactions and the administration of funds.
- b) The Secretariat of the IAA assists the Treasurer with the keeping of the records and the management of the assets in compliance with the IAA Investment Guidelines
- c) The auditors appointed by the IAA Council are responsible for the examination of the financial statements and submit their findings to the IAA HEALTH Section Committee, the General Meeting, and the IAA Audit Committee
- d) The Section reports annually to the IAA Council on its activities and financial position

Article 19

- a) The IAA Secretariat collects the membership fees of Ordinary and Donation members of the IAA HEALTH Section at the same time as the membership fees for IAA.
- b) The membership fees of the Observer Members are requested and collected directly by the Secretariat with the assistance of the Treasurer of the IAA HEALTH Section.