

# ANNUAL REPORT 2015



**INTERNATIONAL ACTUARIAL ASSOCIATION**  
*Moving the Profession Forward Internationally*



**Who We Are**  
The International Actuarial Association (IAA) is the worldwide association of professional actuarial associations, representing approximately 63,000 actuaries in more than 112 countries, with seven special interest sections for individual actuaries. The IAA was founded in 1895 and exists to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served.

**Vision Statement**  
The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.

**Mission Statement**  
The mission of the IAA, as the worldwide organization of actuarial associations, is:

- To represent the actuarial profession and promote its role, reputation and recognition in the international domain;
- To promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.

**Values Statement**  
The IAA adheres to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public.

Strategic Objectives

- 1

Identify, establish, promote and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.
- 2

Facilitate the coordination, use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.
- 3

Establish, maintain and promote common standards of actuarial education and common principles of professional conduct. Promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards.
- 4

Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.
- 5

Provide a forum for discussion among actuaries and actuarial associations throughout the world.
- 6

Improve recognition of the actuarial profession among external audiences, including employers, other professionals, academics, business at large, policy makers, regulators, students, and the public.

Fred Rowley



*“This has been a year of real achievement and progress for the IAA, and we have many reasons to feel proud of our combined efforts.”*

The profession has continued to benefit from the dedication and commitment of our 800-plus volunteers, whose efforts have been fine examples of value-adding service to the global financial community. Through their efforts, the IAA has strengthened its ties with many leading global organizations, cooperated on mutually beneficial projects, and led the way in varied initiatives that will benefit millions of people in economies both large and small. The work of our volunteers has re-affirmed the value of actuaries in such areas as insurance, retirement and healthcare funding, as well as promoting it in emerging areas like enterprise risk management (ERM), banking and data analytics.

Our new governance framework has brought added strategic focus and allows us to demonstrate to our members, through increased engagement, how our value proposition is being fulfilled on their behalf. At the same time, our branding initiatives will help our members to promote the profession around the world.

Late in the year, the IAA also voiced the global actuarial profession’s collective support of commitments at the COP21 conference to address climate change, pointing to substantial contributions the profession can make to resilience, adaptation, and an orderly investment environment.

Work has continued on standards development and proposed educational changes, and on meeting other key targets established by the Executive Committee for 2015, namely to:

- Improve the effectiveness of our committees and align their workplans with the IAA’s strategic goals;
- Finalize and monitor implementation of recommendations from the 2013 governance review, including the stakeholder engagement plan; and
- Improve recognition of the actuarial profession among external audiences, and approve a branding workplan.

The IAA’s achievements in 2015, relating to our six Strategic Objectives (SOs) previously listed in this document, are:

**SO1—Build and strengthen relationships with key supranational relations**

Progress has been made in the area of supranational relations, through the many IAA representatives attending meetings with external organizations and contributing to joint projects.

At our Council meeting in Zürich, Switzerland, Felix Hufeld gave a presentation as Chair of the Executive Committee of the International Association of Insurance Supervisors (IAIS), in which he encouraged our continued input to the IAIS’ work on international capital standards and supervision under the common framework for internationally active insurance groups (ComFrame). In support of our direct contribution to this work, we have also developed the IAA Risk Book (see further).

During the year, in addition to meetings with the IAIS, our volunteer delegates also met with the International Organisation of Pension Supervisors (IOPS), International Labour Organization (ILO), International Social Security Association (ISSA), International Accounting Standards Board (IASB), World Bank and International Auditing and Assurance Standards Board (IAASB). The IAA issued [formal responses](#) to nine papers issued by bodies in this list, and the 6th Discussion Forum with some of these organizations was held in Budapest.

The IAA also recorded its support for the Principles for Sustainable Insurance of the United Nations Environment Programme Finance Initiative (UNEP FI).

In addition, we have attended meetings at the Organisation for Economic Co-operation and Development (OECD), and revised and renewed the Memorandums of Understanding (MoUs) between the IAA and the OECD, and the IAA and the International Financial Reporting Standards (IFRS) Foundation.



**SO2— Help enhance the scope, availability and quality of actuarial services**

Three committee papers were published in 2015: [Analysis on the Risk of Ebola](#), by the Health Committee; [Deriving Value from ORSA: Board Perspective](#), jointly by the Own Risk Solvency Assessment (ORSA) Subcommittee of the Insurance Regulation Committee (IRC) and the Enterprise and Financial Risk Committee; and [IAA Risk Book—Governance, Management and Regulation of Insurance Operations](#), by the IRC.

During the year, the IAA’s Sections once again hosted webcasts and colloquia covering a range of research topics.

We presented the IAA Monograph on Discount Rates in Financial Reporting to 150 attendees at an event organized by the Instituto dos Actuários Portugueses, in close collaboration with the Bank of Portugal.

We also presented on the risk of pandemics to the insurance industry to the National Association of Insurance Commissioners’ Center for Insurance and Policy Research.

**SO3—Common standards of actuarial education; common principles of professional conduct; global convergence of actuarial standards**

Council approved a Statement of Intent to develop an International Standard of Actuarial Practice (ISAP) on current estimates and other matters in relation to the IAIS capital standards (ISAP 7).

The IAA also adopted ISAP 3 on actuarial practice in relation to International Accounting Standard 19 (IAS 19) Employee Benefits and released two exposure drafts for comment:

- ISAP 1A on Governance of Models
- ISAP 5 on Insurer Enterprise Risk Models

In addition to developing model ISAPs, the Actuarial Standards Committee has participated for the last several years in the discussions of the Standards Setters Roundtable, whose mission is “to achieve globally accepted actuarial standards over an appropriately long timescale”.

Meanwhile, the Syllabus Review Task Force (SRTF) of the Education Committee has been working feverishly on a proposed new syllabus, including broader coverage of predictive analytics and enterprise risk. I am confident that the more effective definition of depth in the new syllabus will be of huge value in promoting greater consistency in baseline education for actuaries around the world.

**SO4—Develop the actuarial profession in areas of the world in which it is not present or is not fully developed**

We admitted the Asociatia Romana de Actuariat (ARA—Romania) as a Full Member and the Association Actuarielle au Togo (AAT) as an Associate Member.

The year also witnessed well-attended regional seminars in Azerbaijan and Thailand, organized by the Advice and Assistance (A&A) Committee and its subcommittees.

**SO5—Provide a forum for discussion among actuaries and actuarial associations around the world**

During the IAA Council and Committee meetings in Zürich, we hosted four seminars on key topics: insurance risk management, a proposed new syllabus and education guidelines for qualified actuaries, mortality, and actuarial standards. Participants included representatives from the IAIS, Bank of International Settlements, and Geneva Association, plus actuaries, local regulators, and academics.

Switzerland was also the venue for the Presidents’ Forum, where the guest speaker was Craig Churchill, Chief of the Social Finance Programme at the ILO. The next Council and committee meetings took place in Vancouver, Canada, where two actuaries from Manulife Financial gave very stimulating presentations. Caterina Lindman, Chair of the Climate Index Working Group, discussed the development and rollout of the Actuaries Climate Index and the Actuaries Climate Risk Index, and Cindy Forbes, Executive Vice-President and Chief Actuary, explored how disruptive technologies could impact the business of insurance and the actuarial profession in the future.

Another guest speaker, Dr. Ira Kalish, Chief Global Economist at Deloitte Touche Tohmatsu, spoke about the challenges of large emerging markets, rates of inflation, economic recovery of the Eurozone, and risks and opportunities in the global economy. These presentations were well received and were followed by lively question and answer periods.

The Population Issues Working Group (PIWG) hosted a retirement age seminar during the IAA Council and Committee meetings in Canada.

I was fortunate to be able to attend the IAA Section colloquia held in Norway and Australia during the year. Both demonstrated very well the extremely high quality of the research their members produce. As a result, these meetings are extremely valuable forums for the profession, and they provide participants with the opportunity to exchange views, research and practical information. I would recommend them wholeheartedly to all those—actuaries and others—who are interested in the development of our science and the industries we serve. I was pleased to be able to take part in both colloquia, to address the attendees, and to thank the organisers and all the many participants.

**SO6—Branding**

Our Branding and Communications Subcommittee (of the Executive Committee) has been working on developing the core brand message for the profession. The subcommittee is now working with an external consultant to verify the value, accuracy and positioning of the draft brand message for the profession globally.

**My thanks to you all**

As you see, 2015 was a very busy year for many of us, and for me it passed very quickly. My calendar was always full, and I faced some interesting and enjoyable challenges. I thank all those who are involved in the IAA in any way—the Secretariat staff and our many volunteers—for helping us achieve so much. I am sure you will join me in looking forward to achieving our strategic aims and embracing whatever challenges the future might throw at us.



Fred Rowley, President





2015 Executive Committee



Frederick Rowley  
President



Malcolm Campbell  
President-Elect



Robert L. Brown  
Immediate Past President

Members



Jane Curtis



Francis Ruygt



Micheline Dionne



David K. Sandberg



Peter R. Doyle



Thomas S. Terry



Tarmo Koll



Masaaki Yoshimura

Committee Chairpersons

- Accreditation: Kenneth F. Hohman
- Actuarial Standards: Alfred E. Gohdes
- Advice and Assistance: Tarmo Koll
- Audit and Finance: S. Michael McLaughlin
- Education: Klaus Mattar
- Enterprise and Financial Risk: David N. Ingram
- Health: Emile J. Stipp
- Insurance Accounting: William Hines
- Insurance Regulation: David K. Sandberg
- Nominations: Robert L. Brown
- Pensions & Employee Benefits: Thomas S. Terry
- Professionalism: David B. Martin
- Scientific: Thomas Béhar
- Social Security: Junichi Sakamoto
- Supranational Relations: Kenneth G. Buffin  
(committee disbanded)

In Memoriam

The IAA sadly lost the following volunteers in 2015:

**Ricardo Frischtak**  
Council Delegate of the Instituto Brasileiro de Atuária (IBA) (Brazil), appointed member of Nominations Committee and the Strategic Planning Subcommittee, Co-Vice-Chair to the Accreditation Committee, and a member of the Mortality Working Group and of the Education Committee



**Garth Griffin**  
Past President of the Actuarial Society of South Africa, and former member of the Strategic Planning Subcommittee and the Presidents' Forum



Medalists of the IAA



Hans Bühlmann  
(2001)



Max Lacroix  
(2001)†



W. Paul McCrossan  
(2008)



Yves Guérard  
(2010)



Christopher D. Daykin  
(2014)



The IAA endeavours to represent and promote the actuarial profession at the global level, and provide key supranational audiences with actuarial input to improve the soundness of decisions being made on important issues with a global impact. One important way in which it achieves this is through its participation with other supranational and international bodies that pursue common goals. Five supranational institutions in this endeavour are the Partners of the IAA, namely the IAIS, IASB, ISSA, IOPS, OECD. The IAA has engaged in MoUs with the IASB, ISSA, IOPS and OECD.

The IAA participated in the following activities in support of action plans developed in accordance with the tenets of SO1: bring key relationship bodies into contact with the relevant actuarial groups; build and maintain key relationships; and provide actuarial input on matters of importance to relevant supranational organizations.

Financial Stability Institute
<ul style="list-style-type: none"><li>Discussions on the possibility of assisting the Institute in the preparation of training material on the topic of risks of mortality and longevity</li></ul>
IAASB
<ul style="list-style-type: none"><li>Discussions on group audits, quality control, auditor reporting, a project proposal for key assurance issues, and disclosures in the audit process. Special audit considerations, relevant to financial institutions, were also discussed, particularly regarding IFRS9. As many members of IAA member associations prepare financial statements, the IAA can provide relevant input to the development of audit and assurance standards</li></ul>
IASB
<ul style="list-style-type: none"><li>Renewal of the IAA/IFRS MoU</li><li>IASB – IFRS Advisory Council meetings, where the discussion topics included: conceptual framework, the disclosure initiative, strategy for IFRS Foundation MoUs, Education initiative—Train the Trainers, Future of Corporate Reporting, IFRS on insurance contracts, discount rates, post-employment benefits and pensions, <a href="#">agenda consultation</a>. IAA groups are looking at discount rates and post-employment benefits. An informal response has been submitted to the IASB Exposure Draft—<a href="#">Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</a></li><li>Ongoing: research projects on discount rates and accounting for contribution-based plans</li></ul>
IAIS
<ul style="list-style-type: none"><li>Presentation by Chairman of the Executive Committee at the IAA Council meeting in Zürich, followed by private meetings with officials in Basel (<i>pictured right</i>)</li><li>Topics discussed at various meetings include implementation of standards &amp; capacity building in developing markets and potential collaboration areas such as micro-insurance, financial inclusion, seminars and FSI Connect tutorials; standard setting and financial stability issues of mutual interest, including the issues presented by negative interest rates</li><li>Another topic was the joint development of two papers—an application paper on proportionate prudential requirements in inclusive insurance markets, and a paper on approaches to actuarial services in inclusive insurance markets</li><li>The IAA has responded to consultations on:<ul style="list-style-type: none"><li><a href="#">Risk-based Global Insurance Capital Standard</a></li><li><a href="#">Issues Paper on Conduct of Business Risk and its Management</a></li><li><a href="#">Revision of Insurance Core Principles (ICP) 7 &amp; 8</a></li><li><a href="#">Higher Loss Absorbency (HLA) requirements for G-SIIs</a></li></ul></li></ul>



ILO
<ul style="list-style-type: none"><li>Presentation by the Chief of the Social Finance Programme at IAA Presidents Forum in Zürich on the value and viability of microinsurance</li><li>Participant in the IAA hosted 6th Discussion Forum in Budapest, which included discussions on practical implications of implementing ISAP 2, the IAA PIWG paper on retirement age, mortality and longevity, and the adequacy of pensions</li></ul>
IOPS
<ul style="list-style-type: none"><li>Renewal of the MoU</li><li>Discussions on target retirement income, the joint paper <a href="#">The Role of Actuarial Calculations and Reviews in Pension Supervision</a> (which has now been published) and a <a href="#">background paper</a></li></ul>
ISSA
<ul style="list-style-type: none"><li>Participant in the IAA hosted 6th Discussion Forum in Budapest, which included discussions on practical implications of implementing the ISAP 2, the IAA PIWG paper on retirement age, mortality and longevity, and the adequacy of pensions</li></ul>
OECD
<ul style="list-style-type: none"><li>Renewal of the MoU (<i>pictured right</i>)</li><li>Participation in the round-table discussion on insurer corporate governance in Paris</li><li>Participation in the Working Party on Private Pensions meeting and in discussions on the <a href="#">Core Principles of Private Pension Regulation</a>, the OECD annuity project, risk management, and the OECD draft G20 report on regulation of insurance company and pension fund investment</li><li>Exploring areas of collaboration with the IAA Health Committee</li><li>Creation of a subcommittee to work on OECD/IAA projects</li></ul>
UNEP
<ul style="list-style-type: none"><li>Round-table discussion on Insurance 2030: Policies and partnerships for sustainable development. This event was an opportunity for the IAA to be represented at discussions concerning the role of actuaries in insurance design, delivery and management in support of sustainable development, as well as in infrastructure investment, with a view of reinforcing the importance of the role of actuaries</li><li>The IAA became a supporting institution of the UNEP FI Principles of Sustainable Insurance Initiative</li><li>Public statement issued by the Scientific Committee on COP21</li></ul>
World Bank
<ul style="list-style-type: none"><li>Task force formed to work on a long-term project with the Bank, providing input by reviewing and re-writing selected core curriculum IAIS training modules, jointly produced by the IAIS and the World Bank Group</li></ul>
World Health Organization
<ul style="list-style-type: none"><li>The Organization provided input to the IAA paper Analysis on the Risk of Ebola</li></ul>

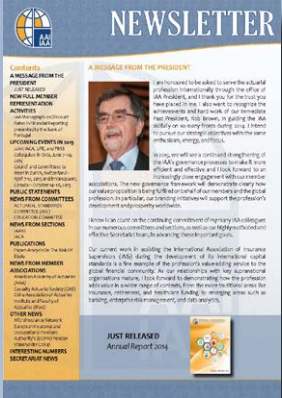


In addition to the above external relations initiatives, the Officers, or an appointed IAA representative, gave presentations on the IAA’s work at the following events:

Americas
<ul style="list-style-type: none"><li><a href="#">An Introduction to the IAA</a> — Board meeting of the Society of Actuaries (U.S.), in Palm Springs, U.S</li><li><a href="#">Analysis on the Risk of Ebola Paper</a> — National Association of Insurance Commissioners Spring National Meeting in Phoenix, U.S</li><li>Pooled Target Defined Benefit Pension Plans — North American Actuarial Council meeting in Victoria, Canada</li><li>Revisions to IAA education syllabus — Bogota, Colombia</li></ul>
Asia/Pacific
<ul style="list-style-type: none"><li>Actuaries Institute Australia’s Actuaries Summit in Melbourne, Australia</li><li>ASTIN, AFIR/ERM and IACA Section Colloquium in Sydney, Australia</li><li><a href="#">An Introduction to the IAA and ISAP developments</a> — 11th Asia Conference on Pensions &amp; Retirement Planning in Shanghai, China</li><li><a href="#">Current developments in solvency and ERM and its impact on actuaries</a> 16th China Actuarial Annual Conference in Beijing, China</li><li><a href="#">An Introduction to the IAA and Assistance to Member Associations</a> Regional Seminar in Bangkok, Thailand</li><li>19th Asian Actuarial Conference in Bangkok, Thailand</li><li><a href="#">Implications to the profession due to changes in global regulations</a> Institute of Actuaries of Korea’s seminar on IFRS in Seoul, South Korea (pictured above)</li><li><a href="#">Keynote address on professionalism</a> at the Annual meeting of the Institute of Actuaries of Japan in Tokyo, Japan</li></ul>
Europe
<ul style="list-style-type: none"><li><a href="#">The Future of the Profession</a> — Closing ceremonies at Joint PBSS, Life, IACA Section Colloquium in Oslo, Norway</li><li>Introduction to the IAA and Overview of the Eurasia and Middle East Subcommittee — IAA Regional Seminar in Baku, Azerbaijan</li></ul>
Africa
<ul style="list-style-type: none"><li><a href="#">The role of actuaries in microinsurance, projects of the Microinsurance Working Group and health insurance pricing toolkit</a> — 11th International Microinsurance Conference in Casablanca, Morocco</li></ul>



WHERE WE WERE ...



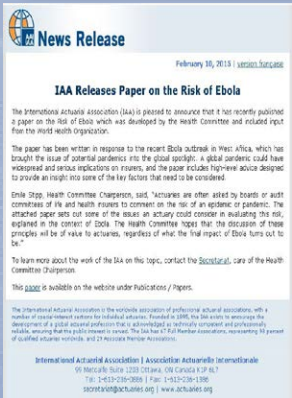
Four Regular Newsletters: March, June, September and December



Two Special Newsletters (IAA Meetings): Zurich (April) and Vancouver (October) issues



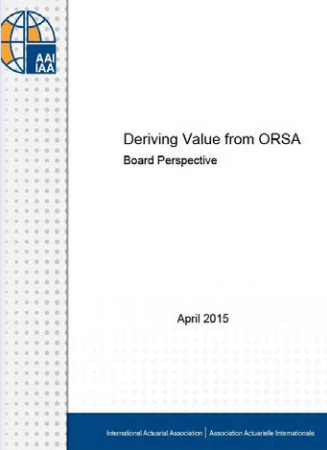
Three issues of The ASTIN Bulletin – The Journal of the IAA (January, May and September)



Nineteen News Releases

Deriving Value from ORSA – Board Perspective

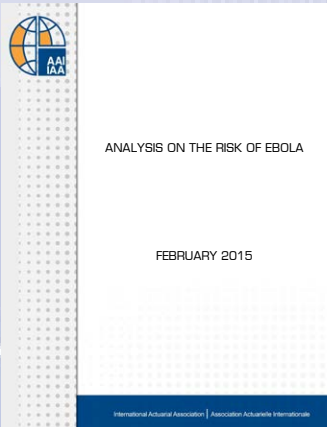
In response to the IAIS Core Principle 16, many regulatory regimes around the world now require (or are in the process of developing requirements for) insurance companies to perform risk and solvency assessments as part of effective risk management systems. In simple terms, the ORSA provides a declaration of the company’s assessment of its position in terms of profit, risk and capital—both now and in the future—under different scenarios and relative to the company’s appetite for risk.



A company’s board has a significant role to play in overseeing management’s assessments of risk and solvency and in challenging the ORSA results as they are presented by managers. The paper provides a perspective on the value of ORSA to a board, including understanding the company’s risk appetite and risk profile; assessing the adequacy of the risk evaluation and risk treatment processes; and understanding management’s strategic risk-based decisions and the risk associated with the ORSA process itself.

Analysis on the Risk of Ebola

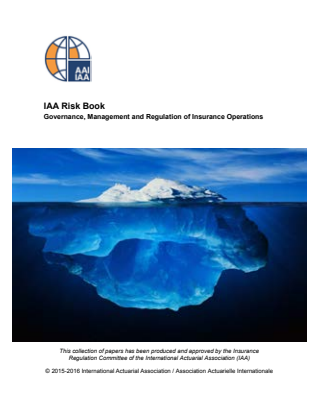
This paper was written in response to the Ebola outbreak in West Africa, which has brought the issue of potential pandemics into the global spotlight. A global pandemic could have widespread and serious implications for insurers, and the paper includes high-level advice designed to provide an insight into key factors that must be considered.





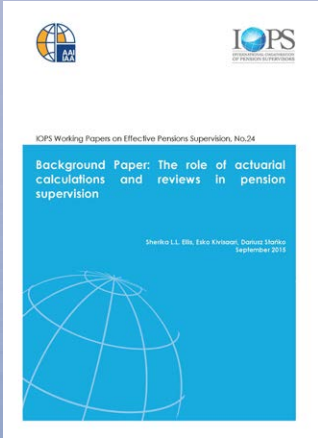
IAA Risk Book

The IRC released the first seven chapters of the IAA Risk Book. This project provides a professional, centralized way to converse about and build on the tools and processes needed for effective governance, management and regulation of insurance operations. The chapters unveiled so far feature an introduction as well as insights into the following topics: actuarial function, professional standards, operational risk, catastrophe risk, non-proportional reinsurance and intra-group reinsurance. Eight more chapters are expected to be released over the course of 2016.



Joint IOPS and IAA Paper: The role of actuarial calculations and reviews in pension supervision.  
By Sherika L.L. Ellis, Esko Kivisaari and Dariusz Stanko

The paper highlights challenges that have to be met in the development of national pension supervisory systems. Actuarial calculations and reviews are frequently an essential part of managing the risks facing pension funds; those responsible for ensuring such funds remain solvent often rely on actuaries’ long-term forecasts and mathematical expertise.



The paper’s main finding is that actuaries’ work is also crucial when it comes to oversight, particularly the supervision of defined benefit and hybrid pension funds. It explains that actuaries’ primary function in the pension supervision process of such funds is to support supervisors in verifying that the pension managers are complying with legal requirements governing how the fund operates and how it is funded.

It also identifies challenges that might face supervisors who work with actuaries, such as managing effective technical communications, actuarial professionals’ independence, and the availability of timely information.

ISAPs

The Actuarial Standards Committee has a mandate to develop and maintain all ISAPs. ISAPs are model standards of practice which directly support the IAA’s SO3 to promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards. To date, three ISAPs have been approved:

- ISAP 1– General Actuarial Practice (adopted on November 18, 2012, and reformatted on October 13, 2013, to move the definitions to a glossary)
- ISAP 2 – Financial Analysis of Social Security Programs (adopted on October 13, 2013)
- ISAP 3 – IAS 19 Employee Benefits (adopted on April 11, 2015)

A strategic action plan for ISAPs, adopted in June 2013 and updated in July 2015, outlines the development of five further ISAPs, completion of which is expected in 2017 unless stated otherwise:

- ISAP 4 on IFRS X Insurance Contracts—completion is expected in 2019
- ISAPs 5 and 6 relating to ERM
- ISAP 7 on current estimates and other matters in relation to the IAIS capital standards.

Public Statements

The IAA submitted written comments on the following:

- [IAIS public consultation on the Risk-Based Global Insurance Capital Standard](#)
- [The FRC’s new framework for technical actuarial standards](#)
- [IAIS consultation document regarding its Issues Paper on Conduct of Business Risk and its Management](#)
- [IAIS consultation on the revision of ICPs 7 & 8](#)
- [IAIS consultation on Higher Loss Absorbency requirements for global systemically important insurers](#)
- [IASB-proposed amendments to IAS 19 and International Financial Reporting Interpretations Committee 14 \(IFRIC 14\)](#)
- [OECD consultation on core principles of private pension regulation](#)
- [Commitments in Paris to address climate change](#)
- [IASB exposure draft on a conceptual framework for financial reporting](#)
- [IASB 2015 Agenda Consultation](#)

Enterprise Risk Management

In support of expanding the profession beyond the traditional areas of actuarial practice, the IAA assists Full Member Associations in the promotion and development of actuarial practice in ERM, including the [CERA Global Association](#) and designation.

MEETING STATISTICS





In order to encourage actuarial research and development in particular areas of practice, and to provide suitable international forums for discussion among individual actuaries, the IAA has seven specialized Sections with various categories of members: AFIR/ERM, ASTIN, AWB, IAAHS, IAALS, IACA and PBSS.

**AFIR/ERM (Actuarial Approach for Financial Risks/Enterprise Risk Management)**

**Chair:** Eric Thorlacius

AFIR/ERM has as its primary objective the promotion of actuarial research in ERM, particularly financial risks, to push forward the boundaries of actuarial knowledge and promote and facilitate an international exchange of views, advice, research and practical information among actuaries and other relevant experts.

**2015 Activities:**

- Joint colloquium with ASTIN and IACA in Australia
- Provided assistance for the development of an ERM knowledge base

**ASTIN (Actuarial Studies In Non-life insurance)**

**Chair:** Eric Dal Moro

ASTIN’s main objective is to promote actuarial research, particularly in non-life insurance. It is continually working to further develop the mathematical foundation of non-life insurance and reinsurance.

**2015 Activities:**

- Joint colloquium with AFIR/ERM and IACA in Australia
- Webinar presented by Susan Dreksler, Solvency II – Regulation written for Actuaries?
- A [report](#) from the Big Data/Data Analytics Working Party was presented at the Australian colloquium and to all members via a webinar
- Established a working party on worldwide non-life reserving best practices
- Supported an education project in Benin
- Supported the General Insurance/P&C Alliance.



**AWB (Actuaries Without Borders)**

**Chair:** Doug Carey (outgoing: Réjean Besner)

AWB’s mission is to promote the public good globally, focusing on countries that lack the actuarial resources needed to create productive, sustainable, and stable markets for insurance and other risk mitigation, and the means to develop the actuarial profession, adhering to an SO of the IAA to support the development, organization and promotion of the profession in areas of the world in which it is not present or is not fully developed.

**2015 Activities:**

Please refer to the International Assistance section of this Annual Report

**IAAHS (IAA Health Section)**

**Chair:** April Choi

IAAHS promotes and facilitates international exchange of views, advice, research and practical information among actuaries involved with public and private health issues. These issues are divided into eight topic teams, which members may join to access libraries containing papers, presentations and links.

**2015 Activities:**

- Webinars
  - » Extension of Health Insurance to Cover Pre-existing Conditions? The Experience of Hong Kong, India and Singapore, presented by Lawrence Tsui, ZheeChong Koh, Stuart Rodger and Ignatius Li
- Joint webinars with the American Academy of Actuaries’ Health Practice International Committee:
  - » Exploring Global Health Care Cost Drivers: Israel and the Netherlands, presented by Dr. Tuvia Horev and Rian De Jonge
  - » Exploring Global Health Care Cost Drivers: South Africa and the USA, presented by Emile Stipp and Tom Wildsmith
  - » Exploring Global Health Care Cost Drivers: Australia and Singapore, presented by Alvin Fu, Candice Ming and Stuart Rodger
  - » Exploring Global Health Care Cost Drivers: Canada and Chile, presented by John Have and Jonathan Callund
- Launched a document library

**IAALS (IAA Life Section)**

**Chair:** Marc Slutzky

IAALS’ mission is to promote actuarial research and the exchange of knowledge in the field of life insurance around the world.

**2015 Activities:**

- Webinars:
  - » Stochastic Projections of Mortality and its use in Actuarial Sciences, presented by Dr. Víctor Manuel García-Guerrero
  - » IAIS Developments, presented by John Maroney
- Presentation in Zürich by Michel Dacorogna, “Exploring the Dependence between Mortality and Market Risks”
- Joint colloquium with PBSS and IACA in Norway

**IACA (International Association of Consulting Actuaries)**

**Chair:** Margaret Tiller Sherwood

IACA promotes and facilitates the sharing of ideas among international consulting actuaries.

**2015 Activities:**

- Issued newsletters in February and August
- Joint colloquia with IAALS and PBSS in Norway, and with ASTIN and AFIR/ERM in Australia
- Joint webinars organized with other IAA Sections

**PBSS (Pensions, Benefits, Social Security)**

**Chair:** Marius M. Du Toit

PBSS serves actuaries around the world with personal, professional, educational or research interests in social protection, as well as actuaries with interests in the commercial, social and public policy issues concerning the provision of pensions and other benefits. The scope of the PBSS covers public programs and private pension plans, mutual benefit organizations, commercial insurance and pension company contracts, annuities, share options and other employee benefit provision.

**2015 Activities:**

- Webinars:
  - » A Pension Update from the Actuarial Association of Europe, presented by Philip Shier
  - » Paying the Piper: Pensions in a Complex World, presented by Bob Swarup
  - » A Review of U.S. Public Sector Pensions, presented by Don Fuerst
- Joint colloquium with IAALS and IACA in Norway
- Distributed newsletters and five reference lists of relevant papers

The ASTIN, AFIR/ERM, LIFE and PBSS Sections co-sponsor the ASTIN Bulletin—The Journal of the IAA. It is published by Cambridge University Press in print and online, in January, May and September.



*President Fred Rowley presenting at the opening ceremonies of the joint colloquium in Oslo*



International Assistance for Actuarially Developing Countries

The IAA places major importance on efforts to stimulate and support the development of the actuarial profession and actuarial education in developing countries, particularly where there is no professional association or where the local association is at an early stage of development. This SO is pursued mainly through the A&A Committee, the IAA Fund Subcommittee, and the AWB Section, each with their own particular focus.

AWB Initiatives

Kampala, Uganda

Mary Frances Miller participated in a three-day hands-on seminar on general insurance aspects of ratemaking and reserving. Eighteen students participated in the event, which was organized with assistance from the Actuarial Association of Uganda.

Banja Luka, Republic of Srpska (Bosnia and Herzegovina)

A two-day seminar on ratemaking was held by Dr. Nasser Hadidi to prepare local actuaries for the announced liberalization of motor third-party liability. It presented methodologies for premium calculation in a non-life insurance category to 40 participants. The seminar took place thanks to financial support from the Actuarial Association of the Republic of Srpska, the insurance agency of the Republic of Srpska and AWB.

Lusaka, Zambia

The first of a series of two five-day seminars was held by Luke Wanjohi from Kenya. This tutoring session included topics such as financial mathematics and models, and took place thanks to financial support from Jomo Kenyatta University and AWB.



Colombo, Sri Lanka

A five-day seminar led by Philippe Swanepoel of South Africa prepared 10 students on the topics of models and life contingencies for the UK Actuarial Profession's examinations. It was financed thanks to the Actuarial Association of Sri Lanka, the Institute of Actuaries of India and AWB.

Yerevan, Armenia

A four-day tutoring project on topics for the P-exam under the SOA syllabus provided advice on skills needed to write the exam, and case studies with practical applications. The case studies gave students an opportunity to become familiar with the applied statistics module. Participants also received important information about the SOA exam system, allowing them to better organize their qualification path.



Accra, Ghana

Chris Fung of Canada led a five-day tutoring project to prepare students for the Models for Life Contingencies subject area under the SOA syllabus. This project was financed thanks to assistance from the Actuarial Society of Ghana, the SOA's International Section and AWB.

Nairobi, Kenya

A three-day seminar held by Magne Aarset of Norway to cover general insurance reserving and pricing techniques. Furthermore, cluster analysis and factor analysis were introduced, and possible applications within non-life insurance were suggested. This project was financed thanks to assistance from the Actuarial Society of Kenya, Statcon and AWB.

Bogota, Colombia

At the request of the Colombian Association of Actuaries (ACA), AWB provided volunteer Nasser Hadidi to give a three-day seminar on non-life pricing and reserving, and also to give a presentation on data analytics at the ACA's symposium. Demand for the seminar exceeded an appropriate class size, and AWB provided another volunteer, Peter Murdza, to give a second three-day seminar. The project was financed primarily by the ACA.

Regional development seminars organized with the assistance of A&A subcommittees

Through the work of its subcommittees, the A&A committee assists with the organization of regional seminars that contribute towards the development and promotion of the actuarial profession in areas of the world in which it is not present or fully developed.

Azerbaijan

The IAA Fund and the Eurasia and Middle East Subcommittees organized a seminar in Baku, Azerbaijan, to support the development of actuarial education and the profession in the region.

Led by the IAA and the Actuarial Association of Azerbaijan, it was attended by more than 90 participants from 16 countries. The IAA Fund provided bursaries for 12 participants.

Thailand

The Asia Subcommittee organized a seminar in Bangkok, Thailand, to support the development of actuarial education and the profession in Asia.

It allowed the 39 participants to discuss the actuarial reality in 10 countries and exchange best practices in topics such as regulation and professionalism. It also highlighted the assistance and resources available to associations through the subcommittee, and programs offered by AWB to encourage developments in actuarial education. The IAA Fund provided financial assistance for two participants.





Plans and Goals

- Recruitment of Executive Director
- Launch of "Accessible Intellectual Capital" project
- Adoption of a new core Education Syllabus and recommendations on CPD requirements
- Further enhancement of FMA and stakeholder communication and engagement programs
- Development of the branding of the global actuarial profession
- Implementation of risk management proposals
- Creation of a committee focusing on general insurance, and working groups in the areas of banking and big data
- Work with the IAIS on the global Insurance Capital Standard
- Produce relevant actuarial research material via the release of educational monographs on risk adjustment and pension funding, the final chapters in the IAA Risk Book project and a paper on retirement ages
- Progress the development of model ISAPs in accordance with the approved Strategic Action Plan for ISAPs



Hong Kong



Lisbon, Portugal



Cape Town, South Africa



St. John's, Canada



St. Petersburg, Russia

Events

- [Life Colloquium – Hong Kong](#)
  - » April 25–27
- [Council and Committee Meetings – St. Petersburg, Russia](#)
  - » May 25–29
- [AFIR/ERM Colloquium – Edinburgh, UK](#)
  - » May 31 to June 2
- [ASTIN Colloquium – Lisbon, Portugal](#)
  - » May 31 to June 3
- [Joint IACA, IAAHS, PBSS and IPEBLA Colloquium – St. John's, Canada](#)
  - » June 27–29
- [Council and Committee Meetings – Cape Town, South Africa](#)
  - » November 18–21

Robert L. Brown



In my role as Immediate Past President of the IAA and Treasurer for the year 2015, I am pleased to report that the IAA is financially sound and its accounts are well managed by staff and the audit function.

In 2015, the excess of revenue over expenses for the IAA including Sections was a small deficit of \$(25,791)\* compared to a surplus of \$53,628 in 2014.

There are several factors affecting these results, but I will only highlight the major ones in this report.

Key factors impacting revenue include a 4.8% growth in the size of the IAA's Full Member Associations (from 86,630 fully qualified actuaries in 2014 to 90,790 in 2015, attributable to general increases in membership by many Full Member Associations and the admission of a sizeable Full Member association late in 2014) and the realization of a new Patron member.

These increases were offset by a 47.15% decrease in book sales which was to be expected given that 2014 and 2015 did not see the release of a new publication, and an 80.24% decrease in funding for bursaries and assistance, also expected as 2015 was not a Congress year.

Key impacts on expenses include a significant gain (\$37,681) on foreign exchange which reflects the volatility in the 2015 currency markets worldwide. The IAA holds Canadian, Euros and US currency accounts in an effort to mitigate some of this volatility. The unrealized investment loss of \$49,850 relates to market value fluctuations in IAA investments that have been recorded in accordance with generally accepted accounting principles in Canada.

Committee and Representation expenses represent an increase of 8.3% over the 2014 expenses. This is reflective of the IAA's increased contribution to the work of supranational organizations through actuarial input on matters of importance, and to a higher level of exposure to the work of the IAA.

Office expenses have increased by 12.9% over the prior year due primarily to the move to larger offices in the latter part of 2014.

Statutory meetings expenses are influenced by the venues of the IAA Council and Committee meetings. In 2015, these expenses were 17.1% less than budgeted due to one of the meetings being held in Canada and a refund of the VAT paid on prior meetings.

Support staff expenses increased by 11.8% in 2015 compared to the prior year due to staffing increases at the Secretariat.

The Net Assets are \$2,679,815 compared to \$2,723,606 at the end of 2014, of which \$2,060,366 is attributable to Sections and \$619,449 to the IAA excluding Sections, representing less than 4 months of operating expenses.

Throughout 2015, the Audit and Finance Committee championed the work of the Risk Oversight Task Force (ROTF) who presented their final report to the Committee in October. The ROTF reviewed existing IAA risk management strategies and how they are promulgated to and from current committees and the Secretariat. It provided recommendations for risk tolerance and risk management actions which will be incorporated into the ongoing work of the IAA.

\* all amounts are in Canadian dollars

  
Robert Brown, Treasurer



(In Thousands of Canadian dollars, at December 31)

Statement of Financial Position

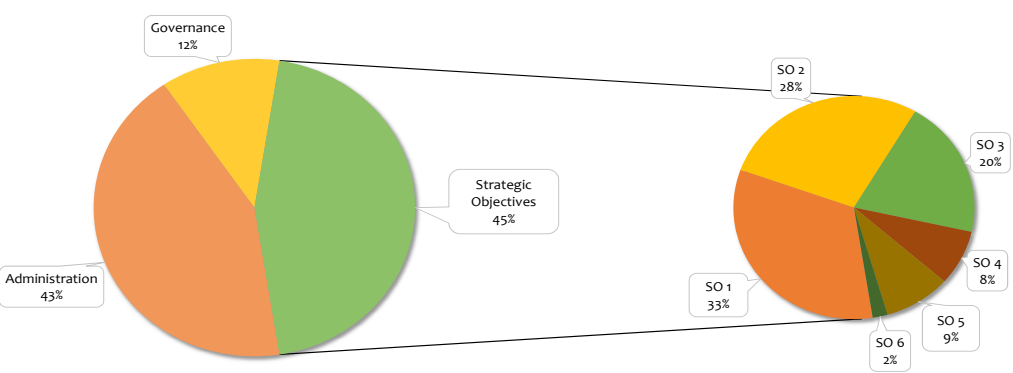
	2015			2014		
	IAA excl Sections	Sections	Total	IAA excl Sections	Sections	Total
Current assets						
Cash	\$ (306)	\$ 754	\$ 448	\$ (157)	\$ 774	\$ 617
Short-term investments	526	588	1,114	524	589	1,113
Accounts receivable, inventory and prepaid expenses	144	51	195	128	18	146
	364	1,393	1,757	495	1,381	1,876
Investments	891	713	1,604	909	685	1,594
Tangible capital assets	68	0	68	61	-	61
	\$ 1,323	\$ 2,106	\$ 3,429	\$ 1,465	\$ 2,066	\$ 3,531
Current liabilities						
Accounts payable and accrued liabilities	\$ 124	\$ 17	\$ 141	\$ 167	\$ 9	\$ 176
Deferred revenue	14	6	20	3	2	5
	138	23	161	170	11	181
Contributions held for Funds and Monographs	335	0	335	187	1	188
Contribution held from ICA 2014 Surplus	236	0	236	438	-	438
Net Assets - unrestricted	619	2,079	2,698	670	(616)	54
	\$ 1,328	\$ 2,102	\$ 3,430	\$ 1,465	\$ (604)	\$ 861

Statement of Revenue, Expenses and Net Assets

Revenue						
Memberships	\$ 1,648	\$ 261	\$ 1,909	\$ 1,516	\$ 275	\$ 1,791
Other revenue	61	30	91	97	34	131
Income for Funds and Monographs	38	8	46	232	-	232
	1,747	299	2,046	1,845	309	2,154
Expenses						
Committee and representation expenses	151		151	139	1	140
Operating costs	283	127	410	304	133	437
Statutory meetings	313		313	377	-	377
Support staff	1,110		1,110	992	-	992
Expenses for Funds and Monographs	38		38	232	-	232
	1,895	127	2,022	2,044	134	2,178
Excess (deficiency) of revenue over expenses from operations	(148)	172	24	(199)	175	(24)
Section administration recoveries (expenses)	140	(140)	0	111	(111)	-
Unrealized gain (loss) on investments	(42)	(8)	(50)	49	29	78
Excess (deficiency) of revenues over expenses	(50)	24	(26)	(39)	93	54
Net Assets, unrestricted, beginning of year	670	2,054	2,724	709	1,961	2,670
Net Assets, unrestricted, end of year	\$ 620	\$ 2,078	\$ 2,698	\$ 670	\$ 2,054	\$ 2,724

Summarized from the audited financial statements available at [www.actuaries.org](http://www.actuaries.org)

International Actuarial Association (excluding sections)  
2015 Expenses by Category



Insurance Risk Management Seminar, Zurich



Education Syllabus Seminar, Zurich



President Fred Rowley with Professors Bühlmann and Embrechts, Hanspeter Tobler and Michel Liès at the IAA Dinner in Zurich



Presidents Forum, Zurich



Dr. Ira Kalish, Chief Global Economist for Deloitte Consulting provides a global economic update, Vancouver



Catarina Lindman, Chair of Climate Index Working Group presents on the Actuaries Climate Index, Vancouver



Retirement Age Seminar, Vancouver



Fred Rowley presents the presidential medallion to Malcolm Campbell



Full Member

- Caribbean Actuarial Association
- Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Argentina)
- Actuaries Institute Australia (Australia)
- Aktuarvereinigung Österreichs (AVÖ) (Austria)
- Institut des Actuaire en Belgique (Belgique)
- Aktuarsko Drustvo U Bosni I Hercegovini (Bosnia and Herzegovina)
- Instituto Brasileiro de Atuária (IBA) (Brazil)
- Bulgarian Actuarial Society (Bulgaria)
- Canadian Institute of Actuaries/Institut Canadien des Actuaire (Canada)
- China Association of Actuaries (China)
- Actuarial Institute of Chinese Taipei (Chinese Taipei)
- Asociación Colombiana de Actuarios (Colombia)
- Institut des Actuaire de Côte d'Ivoire (Côte D'Ivoire)
- Hrvatsko Aktuarsko Drustvo (Croatia)
- Cyprus Association of Actuaries (Cyprus)
- Ceská Spolecnost Aktuárù (Czech Republic)
- Den Danske Aktuarforening (Denmark)
- Egyptian Society of Actuaries (Egypt)
- Eesti Aktuaaride Liit (Estonia)
- Suomen Aktuaariyhdistys (Finland)
- Institut des Actuaire (France)
- Deutsche Aktuarvereinigung e. V. (DAV) (Germany)
- Hellenic Actuarial Society (Greece)
- Actuarial Society of Hong Kong (Hong Kong)
- Magyar Aktuárius Társaság (Hungary)
- Félag Islenskra Tryggingastærðfræðinga (Iceland)
- Institute of Actuaries of India (India)
- Persatuan Aktuaris Indonesia (Indonesia)
- Society of Actuaries in Ireland (Ireland)
- Israel Association of Actuaries (Israel)
- Istituto Italiano degli Attuari (Italy)
- Institute of Actuaries of Japan (Japan)
- Japanese Society of Certified Pension Actuaries (Japan)
- The Actuarial Society of Kenya (Kenya)
- Latvijas Aktuaru Asociacija (Latvia)
- Lebanese Association of Actuaries (Lebanon)
- Lietuvos Aktuaru Draugija (Lithuania)
- Persatuan Aktuari Malaysia (Malaysia)
- Colegio Nacional de Actuarios A. C. (Mexico)
- Association Marocaine des Actuaire (Morocco)
- Het Koninklijk Actuarieel Genootschap (Netherlands)
- New Zealand Society of Actuaries (New Zealand)
- Den Norske Aktuarforening (Norway)
- Pakistan Society of Actuaries (Pakistan)
- Actuarial Society of the Philippines (Philippines)
- Polskie Stowarzyszenie Aktuariuszy (Poland)
- Instituto dos Actuários Portugueses (Portugal)
- new** Asociatia Romana de Actuarial (Romania)
- Russian Guild of Actuaries (Russia)
- Udruzenje Aktuara Srbije (Serbia)
- Singapore Actuarial Society (Singapore)

- Slovenska Spolocnost Aktuarov (Slovakia)
- Slovensko Aktuarsko Drustvo (Slovenia)
- Actuarial Society of South Africa (South Africa)
- Institute of Actuaries of Korea (South Korea)
- Col.legi d'Actuaris de Catalunya (Spain)
- Instituto de Actuarios Españoles (Spain)
- Svenska Aktuarieföreningen (Sweden)
- Association Suisse des Actuaire (Switzerland)
- Society of Actuaries of Thailand (Thailand)
- Association of Consulting Actuaries (United Kingdom)
- Institute and Faculty of Actuaries (United Kingdom)
- American Academy of Actuaries (United States)
- ASPPA College of Pension Actuaries (United States)
- Casualty Actuarial Society (United States)
- Conference of Consulting Actuaries (United States)
- Society of Actuaries (United States)

Associate Members

- Channel Islands Actuarial Association
- Albanian Actuarial Association (Albania)
- Instituto Actuarial Argentino (Argentina)

- Actuarial Society of Armenia (Armenia)
- Actuarial Association of Azerbaijan (Azerbaijan)
- Actuarial Society of Bangladesh (Bangladesh)
- Association des Actuaire Beninois (Benin)
- Actuarial Association of the Republic of Srpska (Bosnia-Herzegovina)
- Instituto de Actuarios Matemáticos de Chile (Chile)
- Association of Actuaries and Financial Analysts (Georgia)
- Actuarial Society of Ghana (Ghana)
- Actuarial Society of Kazakhstan (Kazakhstan)
- Association Luxembourgeoise des Actuaire (Luxembourg)
- Macedonian Actuarial Association (Macedonia)
- Asociacion Mexicana de Actuarios, A.C. (Mexico)
- Asociatia de Actuarial Din Moldova (Moldova)
- The Society of Actuaries of Mongolia (Mongolia)
- Society of Actuaries of Namibia (Namibia)
- Nigeria Actuarial Society (Nigeria)
- Asociación de Actuarios de Panamá (Panama)
- Institut National des Actuaire Au Sénégal (Senegal)
- Actuarial Association of Sri Lanka (Sri Lanka)

- Actuarial Society of Tanzania (Tanzania)
- new** Association Actuarielle Au Togo (Togo)
- Actuarial Society of Turkey (Turkey)
- The Actuarial Association of Uganda (Uganda)
- Society of Actuaries of Ukraine (Ukraine)
- Actuarial Society of Zambia (Zambia)
- Actuarial Society of Zimbabwe (Zimbabwe)

Partners

See section on international cooperation

Observers

Asian Development Bank (ADB)

Patrons

