

**ASSOCIATION ACTUARIELLE INTERNATIONALE
INTERNATIONAL ACTUARIAL ASSOCIATION**www.actuaries.org**OFFICERS****President**
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Accounting Standard**
Paul N. Thornton• **IASC Insurance Accounting
Standards**
Sam Gutterman• **Insurance Regulation**
Nigel Masters• **Nominations**
Walter S. Rugland• **Professionalism**
Chris Daykin• **Public Statements**
Junzo Tanaka• **Services to Individual Members**
Martin Balleer• **Social Security**
Andrew Young• **Supranational Relations**
Duncan Ferguson**IPEF**

Max Lacroix, Delegate

Robert L. Collett, Honorary Trustee

Chris Daykin, Honorary Trustee

BULLETIN

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1. IMPORTANT DATES

1999

December 10-11
Council and Committees
Paris, France

2000

May 22-23
Council and Committees
Jerusalem, Israel

•

June 4-8
IACA Colloquium
Hershey, Pennsylvania, U.S.

•

June 20-23
AFIR Colloquium
Tromsø, Norway

•

September 17-20
ASTIN Colloquium
Porto Cervo, Costa Smeralda, Italy

•

November 20-21
Council and Committees
Ottawa, Canada

2001

May
Council and Committees
Portugal

•

July 8-11
ASTIN Colloquium
Bermuda

•

September 6-7
AFIR Colloquium
Toronto, Canada

•

Fourth Quarter
Council and Committees
Hong Kong

2002

March 15-16
Council and Committees
Cancun, Mexico

•

March 17-22
International Congress of Actuaries
Cancun, Mexico

•

Fourth Quarter
Council and Committees
Barcelona, Spain

2. MINUTES OF THE COUNCIL MEETING APRIL 18, 1999 - MADRID (SPAIN)

President Jean Berthon opened the meeting by thanking the Instituto de Actuarios Españoles for its support in planning the IAA meetings.

1. APPROVAL OF AGENDA

Council approved the agenda, as presented.

2. APPROVAL OF PREVIOUS COUNCIL MINUTES - CAPE TOWN, NOVEMBER 3, 1998

Council approved the minutes of the IAA Council meeting held on November 3, 1998 in Cape Town, South Africa, as presented.

3. VOTING ARRANGEMENTS

The item on voting arrangements was passed over, to be revisited only if it became necessary to conduct a count of voting rights cast.

4. REPORT OF THE PRESIDENT

President Jean Berthon announced that attendance at the current meetings was the highest ever: 79 delegates and 35 companions representing 25 associations, 1 Section, 1 institutional member and 20 countries. He then reported on the IAA activities since November 1998.

1. IASC

The draft comments sent to the IASC on E62: *Financial Instruments: Recognition and Measurement* were approved by member associations on December 14, 1998 as an official IAA public statement.

Draft comments were sent on two further IASC documents:

- Exposure Draft E63: *Events After the Balance Sheet*. The draft comments were submitted February 15, 1999 and were sent to the associations in March for approval; the ballot closes on May 11.
- Position Paper G4+1: *Recommendations for Achieving Convergence on the Methods of Accounting for Business Combinations*. The draft comments were submitted on March 30 and will be sent to member associations for a ballot vote.

A third submission to the IASC, *Shaping IASC for the Future*, was currently in the developmental stages and would be sent to associations in May for a ballot vote.

All comments were drafted by the Committee on IASC Insurance Accounting Standards.

2. ICC

Yves Guérard wrote to the International Chamber of Commerce suggesting closer working relations between the IAA and the ICC on issues of mutual interest. The suggestion was well received and a formal rapport will be established.

Jean Berthon informed Council of Reg Munro's intention to retire as chairperson of the Social Security Committee effective after the Madrid meetings and indicated that a replacement would be nominated at the August 29, 1999 Council meeting in Tokyo. On behalf of Council, Jean Berthon thanked Reg for the role he played in establishing the committee and wished him a good retirement. A replacement was expected to be proposed at the Tokyo meeting.

5. STATUTES AND INTERNAL REGULATIONS

This item was presented further to discussions held at the Cape Town meetings.

a. Motion: (four-fifths majority vote required)

That Council approves the following amendment to the Statutes:

Article 14 Officers (Change term from between annual meetings.)

The Council shall elect a President, a President-Elect and a Secretary General for a term which is the calendar year.

Proposed by: Curtis Hungtinton

Seconded by: Kerry Roberts

Carried with 1 abstention

b. Motion: (four-fifths majority vote required)

That Council approves the following amendments to the Internal Regulations:

i. Section 3.1.1 Attendance (Addition to the first paragraph)

Committee chairpersons are ex-officio members of the Council, but do not have voting rights.

ii. Section 3.4 Other Rules Applicable to Committees (Addition of a paragraph)

Committees can recommend the creation of subcommittees, subject to Council approval. The relevant Committee shall develop the terms of reference and recommend the

chairperson, vice-chairperson and members, in consultation with the Nominations Committee.

iii. Section 7 Correspondents (The existing Section is replaced in its entirety)

Each Full, Associate and Observer Member Association shall designate a Correspondent. For purposes of on-going continuity of relationships between the Member Associations and the Secretariat, the Correspondent, in addition to the Council delegate, shall be a contact person for the Secretariat with the Member Association. In this context of continuity, the Correspondent shall be a person other than the Delegate.

iv. Section 8 Liaisons (New section)

Each Full, Associate and Observer Member Association of the IAA shall designate a Liaison. The Liaison shall be a person other than the Council Delegate, but may serve as the Alternate Delegate to Council.

Liaisons are the principal link between the International Actuarial Association and its individual members.

Proposed by: Martin Balleer

Seconded by: Peter Morse

Carried unanimously

6. LIAISONS

Martin Balleer, chairperson of the Committee for Services to Individual Members, presented the proposal to create a new contact point within associations called “Liaisons” for the purpose of instituting a formal communication method between the associations and the individual members.

The Liaison would normally be a fully qualified actuary and would be selected for his interest in corresponding with actuaries from other countries and willingness to carry out the duties described in the following job description.

a) Motion: (simple majority vote required)

That Council approves the following job description for Liaisons according to Section 8 (Liaisons) of the Internal Regulations.

- To stimulate, within his or her own Association, interest in international meetings and exchanges of information, and to represent relevant views of individual members to the Secretariat.

- To liaise with the Secretariat in Ottawa to establish an appropriate system of communication. This should be e-mail or, if no e-mail link can be established, fax or, failing that, mail. However, the Secretariat will be allowed to ask for a contribution to the cost of communication if it is very significantly higher than the average cost for all Member Associations.
- To receive messages designated for all individual members and to ensure that these are forwarded promptly to every individual member within his or her Association.
- For International Congresses, to encourage the submission of scientific papers and to advise, when appropriate, on the standard of paper required. To stimulate interest in these Congresses and to encourage participation.
- For other international colloquia and meetings designed for individual members, to encourage participation by those with relevant experience or interests.
- In countries where the meetings of ASTIN and AFIR are not well publicised, to bring these meetings to the attention of individual members.
- As and when new Sections are formed, to make sure that potentially interested individual members are informed about these activities.
- Whilst the Bulletin (or its successor) exists, to submit occasional reports on activities within his or her Association, when these activities are judged likely to be of interest to a broad range of actuaries worldwide.
- To encourage the submission of articles of global actuarial interest to the Bulletin (or its successor).
- To conduct, at the invitation of the Committee for Services to Individual Members or otherwise, surveys of individual members designed to determine how such services could be improved. More generally, to forward pertinent comments received on these services to the Secretariat.
- To carry out any other actions which, in the opinion of the Liaison or his or her Association, help to draw attention to the benefits of individual membership of the International Actuarial Association, in particular for those who were not members before June 1998, and which generally maintain the worldwide fellowship created over the past hundred years.

The name of the Liaison shall be forwarded to and recorded by the Secretariat in Ottawa.

When, under Article 6 of the Statutes, Council grants individual membership to persons who are not members of Associations entitled to appoint Liaisons, the Committee for Services to Individual Members will make an appropriate arrangement for communications intended for individual members to be sent to them.

Proposed by: Vince Amoroso

Seconded by: Edward Levay

Carried unanimously

b) Motion: (simple majority vote required)

That the Council adopts the following transitional arrangement:

When there was a "National Liaison" in office in June 1998, and no new name is submitted by an Association, the Committee for Services to Individual Members and the Secretariat shall be entitled to assume that the former National Correspondent will undertake all the duties of a Liaison.

Proposed by: Paul Truyens

Seconded by: Bob Anker

Carried with 1 abstention

7. COUNCIL MEETING - DECEMBER 11, 1999 - PARIS FRANCE

Motion: (simple majority vote required)

That Council approves shortening the time period of notice for the December 11, 1999 Council meeting in Paris, France from 90 days to 60 days.

Proposed by: Peter Morse

Seconded by: Duncan Ferguson

Carried unanimously

8. APPOINTMENTS RECOMMENDED BY THE NOMINATIONS COMMITTEE

Walt Rugland, Chairperson of the Nominations Committee, presented the following nominations for approval.

Motion: (simple majority vote required)

That Council approves the appointment of Robert Collett, USA, as Chairperson of the Advice and Assistance Committee.

That Council approves the appointment of Bruce Maxwell, Ireland, as Vice-Chairperson of the Advice and Assistance Committee.

That Council approves the appointment of Allan Kaufman, USA, as Chairperson of the Audit Committee.

That Council approves the appointment of Stuart Leckie, Hong Kong, as Chairperson of the China Subcommittee.

That Council approves the appointment of Catherine Prime, Australia, as Vice-Chairperson of the China Subcommittee.

That Council approves the appointment of Francis Ruygt, Netherlands, as Vice-Chairperson of the IASC Insurance Accounting Standards Committee.

That Council approves the appointments of Hans Bühlmann, Switzerland, and Isao Hayashi, Japan, as Co-Vice-Chairpersons of the Committee for Services to Individual Members.

That all appointments become effective at the conclusion of the April 18, 1999 Council meeting.

Proposed by: Walt Rugland

Seconded by: Curtis Huntington

Carried unanimously

9. ROUTINE COMMITTEE APPOINTMENTS

Motion: (simple majority vote required)

That Council confirms the following committee appointments:

Accreditation:

David Knox, Institute of Actuaries of Australia

Advice and Assistance:

Ibrahim Muhanna, Cyprus Association of Actuaries

Kerry Roberts, Institute of Actuaries of Australia

Audit:

Katsunori Inoguchi, Institute of Actuaries of Japan

Education:

Clare Bellis, Institute of Actuaries of Australia

Curtis Huntington, American Society of Pension Actuaries

Insurance Regulation:

Morris W. Chambers, Canadian Institute of Actuaries

Rainer Fürhaupter, Deutsche Aktuarvereinigung e.V.

Tom Karp, Institute of Actuaries of Australia

IASC Employee Benefits Accounting Standard

Jobert B. Koomans, Het Actuarieel Genootschap

IASC Insurance Accounting Standards:

Eckhard Hütter, Deutsche Aktuarvereinigung e.V.

Public Statements:

Rod Atfield, Institute of Actuaries of Australia
Norbert Heinen, Deutsche Aktuarvereinigung e.V.

Social Security:

Vince Amoroso, Conference of Consulting Actuaries
Klaus Heubeck, Deutsche Aktuarvereinigung e.V.
Jan B. Kuné, Het Actuarieel Genootschap

Services for Individual Members:

Edward Levay, Chairman of ASTIN
James Tilley, Chairman of AFIR

Proposed by: Edward Levay
Seconded by: Walt Rugland

Carried unanimously

- To provide advice and support to the President or other Officer of the IAA with regards to representations and meetings with the leaders of the supranational organizations.
- With due regard for subsidiarity, to liaise with Member Associations, propose appropriate initiatives, ensure continuity in the actions of the IAA and diligent follow up of Council decisions.
- To develop a mode of operation appropriate to its specific mandate in order to maximize its flexibility and its capacity to adapt to a rapidly changing international context.

Proposed by: Walt Rugland
Seconded by: Peter Morse

Carried Unanimously

10. REPORT ON REGISTRATION OF THE IAA UNDER SWISS LAW

Yves Guérard reported that the Secretariat had received verbal confirmation that the application was approved; the written confirmation was still pending.

11. SUPRANATIONAL RELATIONS COMMITTEE

Walt Rugland reported on the Nominations Committee's review and recommendation for Council approval of the proposed terms of reference for the Supranational Relations Committee, as follows.

Motion: (two-thirds majority vote required)

That Council approves the creation of a Supranational Relations Committee with the following terms of reference, subject to the recommendation of the Nominations Committee at its April 17, 1999 meeting:

- To actively promote a higher profile for the actuarial profession on the international scene and its active participation in all areas where actuarial expertise can be drawn upon.
- To seek the recognition of a proper status for the IAA by the relevant supranational organizations and focus on establishing and maintaining contacts with these supranational organizations.
- To identify global or international issues of interest to actuaries and refer substantive issues to the IAA Council, its President or its appropriate Committee in a timely manner.
- To monitor the relevant Internet Web sites, recruit international institutional members, encourage the publication in supranational media of articles by actuaries and generally take those actions deemed beneficial to the actuarial profession.

12. PUBLIC STATEMENTS COMMITTEE

Walt Rugland reported that the Nominations Committee had reviewed and supported the approval of revised terms of reference for the Public Statements Committee, as follows.

Motion: (two-thirds majority vote required)

That Council approves the following revised terms of reference for the Public Statements Committee:

- To regularly review, and update as necessary, the Guidelines for Making Public Statements on Behalf of the IAA.
- To make a definitive decision with respect to the final text of a draft public statement in instances where the relevant committee is unable to develop a satisfactory statement or to reconcile differences between member associations.
- Once an issue has been identified from inside or outside the IAA, a member of the IAA Council will discuss it with the IAA officers and the chairperson of the Committee on Public Statements who will decide jointly whether to proceed.

Proposed by: Walt Rugland
Seconded by: Curtis Huntington

Carried

The word "jointly" was added to the last bullet. It was noted that this addition could be approved without a further three month exposure for the following reasons:

it was in conformity with the French text and it constituted a clarification rather than a substantial change.

In response to a query concerning the desirability of retaining the Committee in spite of its inactivity, the Nominations Committee had concluded that, for the time being, it was important to maintain an independent committee to review public statements issued by the IAA. The need for the committee could always be revisited at a later date.

13. ACCREDITATION COMMITTEE

Walt Rugland presented the revised terms of reference for the Accreditation Committee, as recommended by the Nominations Committee.

Motion: (two-thirds majority vote required)

That Council approves the following revised terms of reference for the Accreditation Committee:

- *To examine applications for Full Membership or Associate Membership, and to bring recommendations forward to Council on a timely basis, including specific situations where member associations do not maintain compliance with the requirements of membership.*
- *To review and implement the rules proposed by the Committee for Services to Individual Members for the accreditation of individual members.*

Proposed by: Walt Rugland

Seconded by: Curtis Huntington

Carried Unanimously

On the recommendation of Max Lacroix, it was agreed that the word “grande” would be removed from point 12 of the French text, and that the sentence would read “...dès qu’une question est identifiée...”.

14. COMMITTEE FOR SERVICES TO INDIVIDUAL MEMBERS

Walt Rugland presented the proposed terms of reference for the Committee for Services to Individual Members, as recommended by the Nominations Committee.

Motion: (two-thirds majority vote required)

That Council approves the following terms of reference for the Committee for Services to Individual Members:

- *To promote the interests of individual members within the IAA.*

- *To set strategic direction, policies and priorities of the IAA for individual members (with the sanction of Council).*
- *To establish (with the sanction of Council) and promote activities and services within the IAA which are of benefit to individual members.*
- *To facilitate communications amongst interested individual members.*
- *To provide a forum for worldwide promotion, coordination, discussion and dissemination of actuarial research to which individual members have access.*
- *To encourage the participation of individual members in IAA sponsored activities.*
- *To administer funds designated for the benefit of individual members.*
- *To report on a regular basis to Council on the perceived value of existing services for individual members.*
- *To support the existing Sections and to formulate and update criteria (with the sanction of Council) for establishment of new Sections.*
- *To oversee activity of Liaisons and others relative to distribution of information about relevant IAA activities and forthcoming events.*

Proposed by: Walt Rugland

Seconded by: Peter Morse

Carried with 1 abstention

15. CHINA SUBCOMMITTEE OF THE ADVICE AND ASSISTANCE COMMITTEE

Walt Rugland informed Council that the Nominations Committee had reviewed the proposed terms and recommended their approval.

Motion: (two-thirds majority vote required)

That Council approves the following terms of reference for the China Subcommittee of the Advice and Assistance Committee, subject to the recommendation of the Nominations Committee at its April 17, 1999 meeting.

- *To be responsible for China initiatives of the IAA and for liaison with the actuarial profession in China during its formative stages.*
- *To initiate, oversee, and encourage China-related activities, which support the policies of the IAA.*

- *To work with IAA Member Associations and their corresponding committees and task forces to promote the coordination and the harmonisation of the contributions of each entity.*
- *To advise the IAA of opportunities in China and needs of the Chinese actuarial community.*
- *To carry out its responsibilities through the A&A Committee and to recommend China policy to the IAA.*

Proposed by: Walt Rugland

Seconded by: Bob Collett

Carried

In accordance with a recommendation made by the A&A Committee at its meeting the previous day, Chris Daykin suggested that, for external purposes, the subcommittee be referred to as a “committee” of the IAA.

That Council approves the application of the International Association of Consulting Actuaries (IACA) as a Section of the IAA, subject to the recommendation of the Committee for Services to Individual Members at its meeting of April 18, 1999.

Proposed by: Martin Balleer

Seconded by: Vince Amoroso

Carried with 1 abstention

Although the criteria for the creation of sections would only be approved by Council at the Tokyo meeting, Council agreed that IACA could be admitted at this meeting based on the fact that it met the proposed criteria.

Paul Thornton advised Council that IACA had amended its constitution in order to become a section of the IAA. The next IACA colloquium would take place from June 4-8, 2000 in Hershey, Pennsylvania. All members of the IAA would be entitled to become members of IACA upon the payment of dues, currently \$25 U.S.

16. INSTITUTIONAL MEMBERS

a) *International Accounting Standards Committee (IASC)*

Motion: (simple majority vote required)

That Council approves the appointment of Sam Gutterman as the IAA representative to the IASC Steering Committee on Discounting.

Proposed by: Jim Kehoe

Seconded by: Peter Morse

Carried unanimously

Council was informed that the IASC had appointed Sir Bryan Carsberg as its representative to the IAA Council.

b) *International Social Security Association (ISSA)*

Council was informed that the ISSA had appointed Chris Daykin as its representative to the IAA Council.

17. SECTION

Martin Balleer, Chairperson of the Committee for Services to Individual Members (CSIM), reminded Council that the possibility of appointing IACA as a Section of the IAA was first discussed at the meeting in Cape Town. At its meeting earlier in the day, the CSIM reviewed the proposed criteria for the admission of sections and concluded that IACA fulfilled the proposed criteria. In this respect, he proposed the following motion.

Motion: (two-thirds majority vote required)

18. FINANCES

Yves Guérard presented, for Council approval, the audited statements for the IAA and the former IFAA for the period ending June 30, 1998. In particular, he drew attention to the administrative consolidation, which was not audited because of time and cost factors. He pointed out, however, that the figures in the consolidated statements were taken from the audited statements.

Motion: (simple majority vote required)

That Council accepts the audited financial statements of the former International Forum of Actuarial Associations for the year ended June 30, 1998.

Motion: (simple majority vote required)

That Council accepts the audited financial statements of the International Actuarial Association for the operations in Belgium for the year ended June 30, 1998.

Motion: (simple majority vote required)

That Council accepts the audited financial statements of the International Actuarial Association for the operations in Canada for the year ended June 30, 1998.

Motion: (simple majority vote required)

That Council accepts the consolidated financial statements of the International Actuarial Association as of July 1, 1998.

Proposed by: Vince Amoroso

Seconded by: Peter Morse

Carried unanimously

19. INFORMATION REPORTS

a) Accreditation Committee

Mo Chambers reported on the meeting of the Accreditation Committee earlier in the day.

- The first hour of the meeting was held jointly with the Education Committee to discuss how the two committees would coordinate the education/accreditation issue. A proposal on the future roles of the two committees would be presented to Council in the coming months, with the intent that the Education Committee continue its role as reviewer of education requirements.
- A second confirmation form was sent in December 1998. This second attempt at obtaining confirmations was successful. The forms of only two associations were outstanding for which reminders would be sent.
- The Committee was in need of additional members and associations not represented on the committee were invited to nominate a representative.
- Mo Chambers urged association representatives to ensure that their association's correspondent and liaison were aware of their respective roles.
- The committee reviewed the application for Full Member status from the Japanese Society of Certified Pension Actuaries (JSPCA) and concluded that the JSCPA met the membership criteria and would be recommended for Council approval at the Tokyo meeting. On behalf of the IAJ, Mr. Nishibe expressed support for the approval of the JSCPA application.

b) Committee on Advice and Assistance and IPEF

Bob Collett reported on the committee activities, as follows.

- He thanked Council for the approval of the creation of the China Subcommittee and the appointment of its chairperson. The next step will be to fill out the membership of the subcommittee with representation from insurance, employee benefits and healthcare. He invited Council members to send their suggestions to either himself or to Walt Rugland, chairperson of the Nominations Committee. The first meeting of the subcommittee was scheduled to take place in Tokyo, therefore there was an urgent need to appoint provisional members as soon as possible.

- The IPEF was organizing a first international professional meeting of leaders of the actuarial profession in the African region to take place in Accra, Ghana in September 1999. The A&A Committee endorsed in principle the use of IPEF funds in the amount of \$40,000 as appropriate for the Ghana project.
- Chris Daykin had revised the former IPEF brochure to reflect the IAA restructure and to expand its use beyond distribution at IPEF meetings. The intent was to publish a limited number of brochures for distribution at IPEF meetings and also to make it available on the Web Site.
- The Committee received a draft of an information kit developed by Ibrahim Muhanna to assist emerging associations with the establishment of their association. The committee would review the kit more closely before starting distribution.
- The next steps for the Committee included defining the terms of reference for the IPEF, firming up and finalizing the publicly disclosed financials for IPEF, and discussing with the leadership how to raise funds inside the profession, and possibly outside the profession, for IPEF activities. Max Lacroix indicated that, for reasons of independence of the profession, he would refuse contributions from private entities.
- Max Lacroix paid tribute to the substantial voluntary contributions from Woodrow Milliman for fellowships, i.e., the Sidney Benjamin Fellowship, and expressed the desire that other major companies would follow the lead. He expressed reservations about soliciting financing from outside the profession and indicated he would raise the issue in the appropriate forum.

c) Education Committee

Cecil Bykerk reported on the current activities of the Education Committee.

- The committee's primary activity at this time was the development of a lengthy questionnaire, to be reviewed by the Accreditation Committee, on the general process the different organisations follow in the accreditation of their members and the specifics about topic coverage and those areas which go beyond the IAA syllabus. Initially, the questionnaire would be circulated to member organisations represented on the Education Committee. The timeframe for the questionnaire was as follows:

distribution to Education Committee members on May 15; deadline for responding set at July 1; summary of responses prepared by August 1 and a report on initial impressions available at the Tokyo meeting. After possible revisions, the next version would be sent to all member organisations, hopefully on September 15, with an expected response deadline of November 1; a summary expectation of December 1; followed by a report and discussion at the Paris meeting in December.

The objective of the questionnaire was twofold. Firstly, it would allow member organisations to view their relative position with respect to the IAA syllabus and indicate what changes they might need to make before the year 2005 (the timeframe for member organisations to come into compliance with the education requirements). The second objective was to give the Education Committee a chance to assess if there were any holes that it did not observe at the time of making recommendations to Council for the approval of the syllabus.

The committee would do everything possible to follow-up with associations that did not complete the questionnaire, bearing in mind that it was not compulsory at this stage.

- The Committee was also developing a CPD questionnaire.
- Cecil Bykerk voiced his concern over the lack of involvement in the Education Committee from member associations which were primarily dependent on university based education. He encouraged delegates whose association was in this category to appoint someone and, those who had a representative, to ensure they actively participated in the work of the committee. The committee intended to present, within the next 6-12 months, a recommendation for a change from its original terms of reference which focused on the development of the syllabus.

d) Nominations Committee

Walt Rugland reported on the Nominations Committee meeting of April 17.

- **Professionalism Committee**

Some months ago, the IASC interface committee raised the need for the IAA to address the concerns of international users of actuarial services, both with respect to accounting and insurance regulation. In response to this concern, the Nominations

Committee recommended the creation of a professionalism committee and drafted terms of reference which were circulated to all delegates present. Walt Rugland reviewed the proposed four areas of activity and explained how the committee might work. He stressed the importance for the IAA to have such a committee and indicated that the creation of the committee should be considered with respect to the fundamental purposes of the IAA: recognizing the role of the actuary worldwide while at the same time recognizing the issue of subsidiarity with respect to the sovereignty of member organisations. On the one hand the IAA recognizes sovereignty, and on the other, the profession's future role will be significantly influenced by the credibility the profession worldwide can bring to the international standard setters. He noted the importance for member associations to consider seriously the draft terms of reference and to forward their comments to the Secretariat by May 20. This timing would allow the Nominations Committee time to prepare a recommendation for Council approval in time for the release of the Tokyo agenda on May 28. A two-third majority vote will be required to establish the committee. As suggested by Curtis Huntington, it was agreed to activate the discussion group for the Nominations Committee to allow for debate of the proposal on the site.

Paul McCrossan voiced his support for the establishment of the committee and informed Council that it was expected that the IASC issue paper on insurance accounting would be published in August 1999 with a comment deadline of the year-end. One of the issues which would be raised was whether actuaries were prepared to have international standards corresponding to the accounting standards. Without the formation of the professionalism committee in Tokyo, the IAA would probably be in a position were it could not respond. It was therefore important that the professionalism committee be established as soon as possible.

Walt Rugland hoped that within a month it would be evident whether there was consensus to proceed or not with the creation of the committee.

Carla Angela cautioned that the terms of reference not conflict or overlap with the terms of existing committees.

Fraser Low voiced his concern that the comment period for member organisations was very short and may not allow certain organisations to fully discuss the issue.

Catherine Prime pointed out that this was not the IAA's timetable, but because it was an urgent issue, the IAA had to proceed with it. She urged delegates to ask their association to consider the proposal within the time available. Demands were being placed on the IAA and it had to respond to them.

e) IASC Employee Benefits Standard Committee

Paul Thornton reported on the meeting of the IASC Employee Benefits Standard Committee earlier in the day, its first meeting since January 1998.

- The committee was monitoring, and would continue to monitor via discussion groups, the developments with respect to experience using IAS 19.
- The committee discussed the possibility of the IAA developing actuarial standards, particularly in relation to the use of international accounting standards. A few years ago, the committee suggested to the IASC that it would explore developing a framework standard for actuaries, using IAS 19. The committee was not encouraged to conduct that work because the IASC had a very short timeline for finalizing IAS 19. However, the committee subsequently received some communication from the IASC strongly encouraging the development of international actuarial standards.
- The third part of the meeting was shared with the IASC Insurance Accounting Standards Committee. The two committees looked at a number of questions arising from work done in the IASC Committee on the discounting project. Paul Thornton indicated that Sam Gutterman would elaborate in his committee report.

f) IASC Insurance Accounting Standards Committee

Sam Gutterman reported on the committee's meetings of the past day and a half.

- The first part of the meeting was held jointly with the Committee on Insurance Regulation due to the commonality of certain issues, in particular their joint concern with regards to accounting for general purposes and regulatory statements. In that area, they are encouraging a consistent basis of accounting for both general purposes and regulatory accounting.

The committees have been attempting to serve as facilitators with regards to communications between the IASC and the IAIS.

Both committees are also concerned with the role of the actuary in general purposes and regulatory accounting and are attempting to enhance, encourage and potentially extend the role of the actuary in these areas.

In view of their shared concerns, the committees adopted the following joint motion:

“Recommend the earliest possible development of IAA standards of practice for insurance and similar products in the application of the international accounting standards.”

The motion had two purposes: to respond to the profession's external audiences and increase its credibility; and, to increase the fact that external audiences, including accountants and regulators, should be able to put more trust in actuarial activities and services so that actuaries can perform their services in an objective manner.

- The committee then met alone for approximately 5-6 hours at which time it discussed the upcoming accounting insurance standards being developed by the IASC. Sam Gutterman referred to the President's report earlier in the meeting, which provided a complete summary of the committee's activities since its last meeting. Significant progress was made with the IASC and the committee was very encouraged by this.
 - The committee then addressed the topic of discounting with the Committee on the IASC Employee Benefits Standard, in view of the relation between employee benefits accounting, insurance accounting and discounting. This was a significant issue across all actuarial practice areas.
 - The committee then identified the following potential areas for research issues which would be valuable in the IASC discussions:
 1. determination of liabilities for banks and insurance companies
 2. more research on replicating portfolios
 3. determination of fair values applicable in inefficient financial markets
- No decision was taken as to how research of these topics would be pursued or funded.

g) Insurance Regulation Committee

Dave Hartman reported on behalf of Peter Kuys who was unable to attend the Council, but was present for the Committee meeting the previous day.

The primary item of discussion was a presentation to be made in Berlin on June 3 by a small delegation of the IAA to a small delegation of the IAIS. The IAIS expressed an interest in working with actuaries and the purpose of the meeting was to demonstrate what actuaries had been doing on the insurance side and how they could be of assistance to the regulators. The IAA representatives would include Paul McCrossan and Sam Gutterman.

Dave Hartman suggested that the summary reports provided by committees were useful and should be circulated more widely. It was recommended that an extract from the Council minutes be posted to the site.

h) Public Statements Committee

The committee did not meet, therefore no report was made.

i) Committee for Services to Individual Members

Martin Balleer reported on the committee's meeting of earlier in the day.

- The committee confirmed its support for the points on the Council agenda sponsored by the committee.
- Luis Huerta provided a report on the organization of the Cancun 2002 Congress.
- The rules for the accreditation of individual members were discussed in order to find a solution for those who did not have a chance to integrate in the activities of the IAA because they were not FQA's of a member association. The committee expected to have a concrete proposal for the next Council meeting.
- The committee discussed its composition which was slightly different from that of other committees because it was created to represent individual members rather than associations. The committee intends to present a proposal either at the next meeting or in Paris.
- The committee discussed the proposed criteria for the creation of sections which will be presented for Council's approval in Tokyo.
- The committee discussed the future of the bulletin and the related costs. Keeping in mind the costs of

producing the bulletin, the committee recognized the increasing need to make use of the availability of electronic services.

j) Social Security Committee

Reg Munro reported on the committee's deliberations at its meeting the previous day.

The Committee made good progress with its document on standards without once referring to the wording of the current draft. Most of the meeting was spent debating the memorandum's structure and appropriate content. The revised text would probably form the bulk of what should be an excellent meeting in Tokyo.

The current thinking of the Committee was that the memorandum should spell out in some detail current best actuarial practice. In recognizing that this full standard was not necessarily appropriate, or affordable, for all countries, the recommendation would be that not all sections be mandatory.

Other developments include:

- An electronic discussion group would be used to further explore some of the issues raised in the Committee meeting.
- A web site knowledge database would be set up with links to other sites.
- Three committee members had volunteered to work towards the formation of an IAA pension section.
- Two committee members had volunteered to look at the possibilities of organizing an International Symposium on Social Security, possibly in the year 2000.

Although the Committee had only met three times, it was well-established and would be effective in its work.

k) International Social Security Association (ISSA) Report

Chris Daykin reported on the upcoming activities of the ISSA as follows:

- At the end of April, ISSA would be holding the first training seminar on actuarial methods for social security for French speaking actuaries in the African region.
- A further seminar of the social security actuaries and statisticians was planned for October 25-27 in Berlin. The seminar would address topics such as actuarial modeling, actuarial aspects of pension reforms and output indicators for healthcare systems.

- The next international conference for social security actuaries and statisticians would be held in Ottawa the week beginning September 11, 2000. Chris Daykin suggested that the conference could be hosted with the social security symposium also planned for Ottawa in September 2000 in order to effect greater cooperation and coordination between the IAA and ISSA in this field.

l) International Actuarial Standards Committee (IASC) Report

Paul McCrossan summarized the evolution of the relationship between the IAA and the IASC and advised Council that he was encouraged by the developments for the future.

m) ASTIN Report

Edward Levay, Chairman of ASTIN, reported on the ASTIN activities since the last IAA Council meeting of 3rd November 1998, in Cape Town.

1. The Second Announcement to the XXXth International ASTIN Colloquium, 22-25 August 1999, in Tokyo, Japan, was sent to ASTIN members during February 1999. ASTIN extended its thanks to the Japanese colleagues for their efficiency in the planning of the detailed and exciting program and the consideration of differential fees between ordinary participants, and those from University lecturing participants. He strongly recommended active participation in the ASTIN Colloquium which would, for the second time, be combined with AFIR, and run during the week preceding the IAA Council Meeting.
2. Prof. Jean H. Lemaire, Vice-Chairman of ASTIN, heading the sub-committee for assistance to the Actuarially emerging countries, had organised an ASTIN seminar in Zagreb during May 1999, which would be run in Croatian by a Ph.D. student from his department at the Wharton School, University of Pennsylvania.

The ASTIN bulletin would be regularly sent to most of the recipients of the ASTIN "book donation operation". So far 70 have expressed an interest in the Bulletin.

3. On 17th March 1999, an Editorial Board Meeting of the ASTIN bulletin was held in Zurich. Prof. Paul Embrechts, Editor, had indicated that a few

changes would be made from volume 29(1) which, inter-alia, would officially include AFIR. He added that papers were flowing nicely (and increasingly) and the editors would continue to push for papers on emerging issues.

4. During the ICA 2002 in Cancun, an International ASTIN colloquium would be held during the last three days of the congress, and ASTIN was expecting the detailed differential fees, accommodation and facilities to be advised by the ICA organising committee.
5. The organisation of the XXXIst International ASTIN Colloquium, under the auspices of Prof. Carla Angela Mormino, was in progress. The ASTIN 2000 would be held in Porto Cervo, Costa Smeralda, from Sunday 17th September 2000 to Thursday 21st. The scientific topics would be:

1. *Alternative Models to the Probability of Ruin in Risk Theory.*
2. *Modelling Catastrophic Risks.*
3. *Technical Management of Health Insurance.*
4. *Others - Miscellaneous subjects not classified under topics 1-3.*

Round Table Session: Estimating the Loss Reserves using Various Methods and Models: A Comparative Analysis.

Max Lacroix reported that, when it accepted to organize the ASTIN colloquium in Italy, the Istituto had undertaken to contribute a sum of no less than 5000 Euros to facilitate the attendance of young actuaries. Max Lacroix expressed the desire that Council support the idea that colloquium sponsors be required to provide funds for the benefit of young actuaries. It was suggested that the subcommittee for assistance to actuarial emerging associations coordinate with the IAA's A&A Committee on this issue.

20. 2002 CONGRESS

Motion: (simple majority vote required)

That Council approves the Regulations for the 2002 Congress in Cancun, Mexico, as presented.

Proposed by: Martin Balleer

Seconded by: Curtis Huntington

Carried unanimously

21. OTHER BUSINESS - *Discussion Only*

• **August 1999 Tokyo Meetings**

Masakatsu Nishibe circulated the program for the meetings in Tokyo in August 1999 and briefed delegates on the events (ASTIN Colloquium: August 22-25; AFIR Colloquium: August 24-27; IAA Committees and Council: August 28-29; IAJ Centennial Convention and Annual Meeting: August 29-31). The information is also available on the IAJ Web Site at <http://www.iaj-web.or.jp/>.

• **ICA 2002 Congress - Cancun**

Luis Huerta, Chairman of the ICA 2002 Congress, reported that the design of the program was now finalized. The program will be flexible and will incorporate the ASTIN and AFIR colloquia. Participants will be given the opportunity to attend either half the week or the entire week. Luis indicated that he anticipated making a full submission at the Tokyo Council meeting.

• **Colloquium/Symposium**

Peter Morse advised delegates that the Canadian Institute of Actuaries was hosting the AFIR Colloquium in September 2001 in Toronto, Canada as well as sponsoring a symposium on aging, also in Toronto, on May 1-2, 2000. He circulated the call for paper and encouraged delegates to distribute it within their individual associations. Additional information would be made available in Tokyo or Paris.

• **May 2003 Council/Committee Meetings**

Kerry Roberts reminded Council of the Institute of Actuaries of Australia's invitation to meet in Australia in May 2003. The Institute would appreciate a response by the end of the year, if possible.

• **Miscellaneous**

Chris Daykin raised the question of how the IAA would handle issues which might arise in the public interest arena requiring research or further investigation, but which did not fit into the mandate of any existing IAA committee. He mentioned two areas which had arisen lately which seemed worthy of international research: the aging population and genetics.

• **Section Colloquium - 2004**

Félix Arias reminded delegates that the colloquia would be held in Barcelona in 2004.

There being no further business to discuss, the meeting adjourned at 17:00.

22. **NEXT MEETING**

The next meeting of the Council will take place on August 29, 1999 in Tokyo, Japan.

These minutes were approved by Council in Tokyo, Japan on August 29, 1999.

**COUNCIL ATTENDANCE LIST
MADRID, SPAIN - APRIL 18, 1999**

Officers

Jean Berthon	President
Catherine Prime	President-Elect
Yves Gu��ard	Secretary General

Section Delegate

Edward J. Levay	Chairman, ASTIN (<i>for first half only</i>)
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Committee Chairpersons (*ex officio*)

Martin Balleer	Services for Individual Members
Cecil Bykerk	Education
Mo Chambers	Accreditation
Bob Collett	Advice and Assistance
Sam Gutterman	IASC Insurance Accounting Standards
Allan Kaufman	Audit
Reg Munro	Social Security
Walter Rugland	Nominations
Junzo Tanaka	Public Statements
Paul Thornton	IASC Employee Benefits Accounting Standard

Full and Associate Member Association Delegates

Vince Amoroso	Conference of Consulting Actuaries
Carla Angela	Istituto Italiano degli Attuari
Robert Anker	Casualty Actuarial Society
F��lix Arias	Col.legi d'Actuaris de Catalunya
Bob Collett	Society of Actuaries
Duncan Ferguson	Institute of Actuaries
Norbert Heinen	Deutsche Aktuarvereinigung e.V.
Luis Huerta	Colegio Nacional de Actuarios A. C.
Curtis Huntington	American Society of Pension Actuaries
Allan Kaufman	American Academy of Actuaries
James Kehoe	Society of Actuaries in Ireland
Edward Levay	Israel Association of Actuaries (<i>for first half only</i>)
P��l Lillevold	Den Norske Aktuarforening
Fulco Lock	Association Suisse des Actuaire

Fraser Low	Faculty of Actuaries
Peter Morse	Canadian Institute of Actuaries
Ibrahim Muhanna	Cyprus Association of Actuaries
Masakatsu Nishibe	Institute of Actuaries of Japan
Kerry Roberts	Institute of Actuaries of Australia
Francis Ruygt	Het Actuarieel Genootschap
Tetsuya Tamura	Japanese Society of Certified Pension Actuaries
Paul Truyens	Actuarial Society of South Africa
Harry Wide	Svenska Aktuarief��reningen

Delegate - International Promotion and Education Fund (IPEF)

Max Lacroix

Institutional Member Representative

Chris Daykin	International Social Security Association
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Other Observers

Howard Bolnick	W. James MacGinnitie
Roger Corley	Takashi Mitamura
Norman Crowder	G. Malcolm Murray
Jeremy Goford	Harry Panjer
David Hartman	Dennis Polisner
Isao Hayashi	Richard Robertson
Katsunori Inoguchi	J��rgen Strau��
Paul McCrossan	Howard Webb

Staff

Nicole S��guin	Executive Director
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3. REPORT ON TOKYO MEETINGS

The Council of the IAA met on August 29, 1999 in Tokyo, Japan. A full report on the meeting will be published in the April 2000 issue of the Bulletin.

In addition to the Council, the following committees also met in Tokyo on August 28 and 29: Accreditation, Advice and Assistance - China, Audit, Education, Executive, IASC Employee Benefits (*joint with IASC Insurance*), IASC Insurance Accounting Standards, Insurance Regulation, Nominations, Professionalism, Services for Individual Members, and Social Security. The Supranational Relations Committee met

briefly to discuss its terms of reference and prepare for its first official meeting in December 1999 in Paris.

The meetings attracted 68 participants (plus 27 spouses) from 20 countries representing 25 associations, 1 institutional member and 1 section. One conference call participant joined the meeting of one committee. The delegates present and voting at the Council meeting represented 60% of the total voting rights which, when combined with the mail and electronic ballots received, accounted for 63% of the total voting rights.

4. INTERNATIONAL CONGRESS OF ACTUARIES (ICA) 2002 - CANCUN, MEXICO



The twenty-seventh International Congress of Actuaries will be held March 17 - 22, in the year 2002, in Cancún, Mexico. It shall be the International Actuarial Association's (IAA) first congress of the 21st century and of the third millennium.

Every four years, the IAA organizes an international congress whose objectives are: to establish a means of communication between actuaries from all over the world, to communicate the new techniques inherent to their professional work, as well as to share experiences and promote the educational development of new generations. The last of these events was held in Birmingham, England, in 1998.

The International Congress of Actuaries brings together thousands of members of the actuarial community from all over the world. At Cancún 2002, they will enjoy a vast scientific program that will cover topics regarding the various actuarial areas of interest and which will be presented at plenary and simultaneous sessions.

Aside from the academic part, various social events are organized during the IAA congresses thus allowing the integration of the participants through cultural tours, cocktail parties and typical luncheons. This time around they will take place in the setting of Cancún's unparalleled splendour and beauty and the historical grandeur of pre-Hispanic Mexico.

The various papers may be submitted in any of the official languages of the Congress: Spanish, English, French and German.

Some of the special features and innovations for ICA 2002 are:

- Attendance options. The duration of the congresses is usually one week, however, at Cancun it will be possible to choose from various shorter plans that will allow the participants to attend only the events that deal with specific topics related to their specialty. This means that you can attend the whole week or either the first or second half of the week (Sunday through Wednesday or Wednesday through Saturday).
- Daily topics. The topics of the scientific program shall be dealt with in a daily manner. This way one may attend only the part that one is interested in. Tentatively, the topics dealing with General,

Property, Health and Social Security insurance shall be presented during the first half of the week. Those dealing with Financial Risk, Life and Pensions shall be presented during the second half.

- Innovative approach on the different session formats.
- Shared sessions between actuarial associations from the US, Canada and the IAA. They shall be jointly responsible for organizing their corresponding session.
- Continuing education credits. The purpose of the congress's sessions is to fulfill the requirements necessary to be validated in the continuing education program of the various actuarial associations.
- The ASTIN colloquium shall be held during the second half of the congress. There will also be an AFIR day during the first half of the congress.
- A printed copy the Congress proceedings shall be distributed to all attendees. In order to increase the flexibility and to facilitate reference, as of the next congress, said proceedings shall be delivered in CD ROM. However, the printed form shall be available upon request
- On Wednesday 20, we shall visit Chichén Itzá where we will be able to witness the equinox. This is a natural phenomenon in which the sun crosses the plane of the earth's equator, making night and day of equal length all over the planet. Every year at this time, the shadow of a descending serpent is cast upon the stairs of Kukulkán's pyramid. It is a sight worth watching.



We would like to invite you to visit our Web Page, where you will find detailed and up-to-date information on the forthcoming congress. You may also find some useful tourist information about Cancún.

<http://www.ica2002.com>

Don't miss out on this great event. Make a note of it in your calendar!!!

5. NEWS FROM ASTIN

Actuarial associations and universities in emerging countries

ASTIN has recently donated actuarial books to 120 universities and actuarial associations from actuarially emerging countries. The list of recipients has been updated and increased. The current mailing list follows. Please e-mail to Jean Lemaire, ASTIN Vice-Chairman, any update on addresses, as well as suggestions for new names. Jean Lemaire's e-mail address is

lemaire@wharton.upenn.edu

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6. REPORT ON THE FIRST INTERNATIONAL PROFESSIONAL MEETING OF LEADERS OF THE ACTUARIAL PROFESSION IN AFRICA

THE ACTUARIAL PROFESSION AND ACTUARIAL EDUCATION

Monday 20 to Wednesday 22 September 1999 - Accra, Ghana

The First International Professional Meeting of Leaders of the Actuarial Profession in Africa took place in Accra, Ghana, at the kind invitation of the Actuarial Society of Ghana. The meeting was attended by representatives from Egypt, Ghana, Ivory Coast, Malawi, Nigeria, South Africa, Tanzania, Tunisia, Zambia and Zimbabwe, as well as from the International Actuarial Association, the International Social Security Association and the International Labour Organisation. More than 50 people participated in the conference, 15 of them from African countries other than Ghana, with a considerable number of additional Ghanaian participants at the opening ceremony and at a dinner hosted by the IAA on the Tuesday evening.

Discussions centred on the professional role of the actuary and the role of the actuarial association, including aspects of actuarial education, the role of the actuary in life insurance and the role of the actuary in social security. Extensive documentation was provided to participants, including copies of a number of significant working papers relating to these major topics, and information provided by participants about the profession in their own country.

Apart from the relatively long established Actuarial Society of South Africa - ASSA - (1948), most actuarial associations in Africa are quite young and many countries do not yet have an association. Associations have been created in:

Nigeria	(1983)
Ghana	(1996)
Zimbabwe	(1997)
Morocco	(1998)
Egypt	(1999)
Côte d'Ivoire	(1999)

ASSA is a Full Member of the IAA and Ghana is an Observer Member. The other associations have not yet joined the IAA, although Nigeria and Egypt may well do so soon.

The meeting provided a significant impetus to the further development of the profession in Africa, and it is expected that other associations will be established in the near future. A need was identified to encourage and support the development of actuarial options at local universities and more full actuarial programmes qualifying for exemption from the examinations of the Faculty & Institute of Actuaries (such as those at the University of Cairo in Egypt and the National University of Science and Technology in Bulawayo, Zimbabwe, and also at seven South African universities).

Both the recently established actuarial associations and the universities seeking to develop actuarial programmes are keen to get hold of actuarial textbooks and other literature. It was hoped that the long-established associations in Europe and North America would donate materials.

There was a universal welcome for the policy of the Faculty & Institute to offer low subscriptions, low examination entry fees and free tuition materials to students in low income countries. However, these facilities were not always well known and more stream-lined mechanisms could be put in place to take care of the needs of students in some countries.

There were repeated demands for the actuarially developed countries to provide attachments for actuarial students from actuarially developing countries. This is clearly not in the gift of the IAA, or of national actuarial associations, although it might be possible to encourage insurance companies and actuarial firms to take a more enlightened attitude to such attachments.

Direct support from the international actuarial community may be possible for regional actuarial seminars, teaching or revision modules for the examinations of the Faculty & Institute of Actuaries and partial bursaries for students to attend intensive university programmes. ASTIN has already expressed itself willing to organise seminars at the request of local actuaries, and arrangements are already being put in hand to organise a week of general insurance lectures and seminars in Zimbabwe (open also to attendees from Zambia and Malawi)

The meeting drew attention to the widespread needs of most African countries for more actuaries. In the final session, those attending also requested the representatives of the IAA and the IPEF present to take to the Advice & Assistance Committee their request that an Africa Sub-committee be established to pay special attention to the needs of the actuarially developing countries in Africa.

A financial report will be submitted separately to the Advice & Assistance Committee. Initial indications are that the meeting will have cost the IPEF around USD 21,000. This represents a very favourable outcome relative to the provisional budget of USD 40,000 which was set by the Trustees earlier this year. Gratitude should particularly be expressed for the hard work and generous hospitality of the Actuarial Society of Ghana, the enormous amount of work put in by Maria Perry of the Institute of Actuaries staff, including spending a full week in Ghana to organise the meeting, and the generosity of the Institute of Actuaries in providing Maria Perry to work on this project for the last few months, at no cost to the IPEF.

Chris Daykin
Honorary Trustee of the IPEF

7. RESEARCH IN PROGRESS

UNITED KINGDOM

Faculty and Institute of Actuaries Joint Working Parties of the Faculty and Institute

This report gives details of research activities undertaken in the years 1st January 1997 to

31st December 1998 by:

- The Faculty and Institute of Actuaries joint working parties
- The Faculty of Actuaries Research Groups

1. FACULTY AND INSTITUTE JOINT WORKING PARTIES

SECURITISATION AND CONSTRUCTION OF UK INSURANCE INDICES

Objectives: To cover US Indices, Exchanges, Indices in Securitisation Deals, UK Index.

REINSURANCE PRICING

Objectives: Investigate pricing of marine insurance.
Produce some Market curves based on UK data (cf. Ludwig First Loss curves).
Produce a 'Pricing manual' of actuarial techniques.

RIDING THE INSURANCE CYCLE

Objectives: What is the Insurance Cycle? What causes the insurance cycle?

MEASURING COMPETITIVENESS SIMPLY

Objectives: To try to produce simple statistics that encapsulate a lot of information regarding competitive position. To try to link these to predicting business volumes.

UK HOUSEHOLD

Objectives: Investigate how consistent the different systems are - is there any agreement amongst the different providers?

DATA WAREHOUSING

Objectives: Address sponsor issues from business and IT perspectives.

YEAR 2000 INSURANCE EXPOSURE

Objectives: The insurance and reinsurance implications of the year 2000 problem.

RISK RATES OF RETURN

Objectives: To follow up earlier investigation with a paper aimed at translating the theory into practical advice.

CLOSED FUND ALTERNATIVE

Objectives: To identify the circumstances in which the consequences of closure of a with-profit fund should be evaluated, and to consider the methodology and assumptions which may be appropriate for such an evaluation.

WITH PROFIT BONDS

Objectives: To review current practice, particularly in relation to bonus guarantees and the application of MVAs and to identify whether policyholders' expectations are being managed appropriately.

PRODUCT REVIEWS

Objectives: To establish how reviews are being handled in practice and to consider whether assumptions regarding future experience are reasonable especially for cash-based funds. To consider the reasonableness of changes to policy charges during the course of a policy.

RESERVING FOR ANNUITY OPTIONS ON PENSIONS CONTRACTS

Objectives: To investigate the extent to which guaranteed annuity options on pension contracts have become a costly problem as a result of improving mortality and falling interest rates; consideration of appropriate standards and methodology of reserving.

RESERVING FOR EXPENSES

Objectives: To consider whether expenses should be covered at individual policy level or in aggregate, how expense reserves should be calculated in new companies with minimal in force business and how expenses should be calculated in closed companies or companies with declining portfolios of IB. Reports to Life Supervision Committee.

IMPLEMENTATION OF THE INSURANCE ACCOUNTS DIRECTIVE

Objectives: To consider how deferred acquisition costs are calculated and reported in practice and to consider any refinement of ABI SORP. This WP reports to the Life Accounting Committee.

LIFE OFFICE TAXATION

Objectives: The intention is to consider the impact of some of the more complex aspects of UK life office taxation on product pricing, statutory values and embedded value calculations. Appraisal values and uncertainties over the phasing out of ACT were mentioned as possible topics.

ASSET SHARES

Objectives: To consider what factors should be taken into account in deciding whether a particular change or series of changes to asset share methodology is acceptable and consistent with policy-holders reasonable expectations, and whether there is any need for guidance or disclosure requirements in this area.

DISTRIBUTION OF RETAIL FINANCIAL SERVICES

Objectives: To collect and evaluate information on different methods of distributing retail financial services products both in the UK and overseas and their cost-effectiveness.

UNIT PRICING

Objectives: To investigate current practice in the area of unit pricing and to consider PRE issues, what constitutes 'best practice' and whether any formal guidance is desirable.

USE OF DERIVATIVES FOR SOLVENCY MANAGEMENT

Objectives: To consider whether derivatives have a part to play in the management of the solvency of non-linked business and, if so, what types of derivatives are suitable for this purpose.

COUNTERPARTY DEFAULT RISK

Objectives: To consider factors influencing default risk and appropriate method of reserving for

this risk, particularly in respect of bank deposits, OT derivatives and financial reinsurance.

EFFECT OF THE EURO

Objectives: To consider the effect of the Euro and the economic environment including guarantees on with profit business.

CENTRAL DISCONTINUANCE FUND

Objectives: The proposed approach of the working party is to attempt to define what a Central Discontinuance Fund is and what it is designed to cover. It will assess the risks covered under the insolvency of the company sponsoring the pension scheme, and look at the impact of the Pensions Act 1995. It will assess alternative ways of financing the risks and give a technical analysis of the alternatives.

The working party will attempt to obtain input from a variety of organisations, including NAPF, major employers, insurers, GAD and government departments.

NON-INSURED MONEY PURCHASE SCHEMES

Objectives: To determine the number, size and benefits provided by non-insured money purchase occupational pension schemes in the UK, whether or not there is any element of discretion exercised in determining the amounts of members' benefits and, if so, whether actuarial advice is obtained.

To make any recommendations thought appropriate about actuarial involvement, actuarial guidance and/or regulation in relation to such schemes.

WINDING UP PENSION SCHEMES

Objectives: The application of the current winding up rules and appropriate winding up provisions in the light of Pensions Act 1995. Consideration of the choice between securing the benefits and running the scheme as a closed fund, including the investment strategies, the terms for buying out benefits, member communications and the use of futures and options.

MFR CALCULATIONS

Objectives: This working party will consider how the MFR legislation and mandatory professional guidance are working in practice and will recommend changes to the Guidance Note (GN27) and specimen calculations.

The identification of difficulties will be done by means of a survey of firms.

MFR - COMMUNICATION OF SOLVENCY

Objectives: The general aim of this project is to consider how best to communicate to relevant parties how solvency should be assessed including the role of the MFR in this process. The work will therefore extend beyond the MFR to consider other aspects of communicating solvency and other aspects of communication in general.

MFR - CHANGES IN CONDITIONS

Objectives: 1. To investigate any events or circumstance that should lead to a change in the MFR.

2. In particular to urgently consider the effect of the ACT change and the implications for assumptions. In completing this task to liaise with the Working Party looking at Market Valuation methods and to take note of the work of the Working Party on the Actuarial Implications of the changes in ACT Rules and the Corporation Tax Rate.

3. To consider what transitional arrangements should apply.

MFR - TRANSFER VALUES

Objectives: 1. The Working Party will review the current practice regarding the implementation of Guidance Note GN11. A questionnaire will be circulated within the profession, and the Working Party will analyse the results with a view to:

- establishing the range of transfer values quoted through current interpretation of the guidance notes;
- analyse the returns to establish the reasons behind the variations.

If considered appropriate, the Working Party will suggest amendments to GN11.

2. When the possible changes to the MFR basis are known, the Working Party is to analyse and assess the likely implications of those changes on transfer values. It will consider whether changes to GN11 are desirable.

INCOME WITHDRAWAL

Objectives: To consider the following issues:

- the need for income withdrawal
- mortality issues
- investment issues
- scope for income withdrawal concept
- use of income withdrawal in long term care
- education
- CIMPs.

THE MOVE FROM DB TO DC

Objectives: To consider the roles and responsibilities of actuaries in defined-benefit and defined-contribution schemes and to investigate the need for statutory role of actuaries and for wider actuarial input in the defined-contribution environment.

MARKET BASED VALUATIONS

Objectives: To consider the merits of various methodologies for UK pension funds following the ACT change. In particular to consider how the assets should be brought into the actuarial valuation balance sheet.

To assist the MFR Changes in Conditions working party in formulating any changes to MFR methodology.

To have regard to:

- work being carried out by the International Accounting Standards Board
- current practice
- the needs of users of valuations
- the importance of effective communication by the profession.

STOCHASTIC PROCESSES

Objectives: To investigate the use of Stochastic Processes in the provision of advice to pension funds. To find common ground on the approaches adopted and to disseminate information to a wider audience.

PROPERTY INVESTMENT COMMITTEE

Objectives: The Property Investment Committee is a sub-committee of the Investment Committee. It has a wide ranging brief to look at all relevant aspects of property investment and to promote links with the property industry and related professions. Research forms one important aspect of this role.

INVESTMENT STRATEGY FOR DEFINED CONTRIBUTION PENSION SCHEMES

Objectives: To examine investment strategies for defined contribution pension schemes and to develop a methodology from which advice can be given to trustees and scheme members, taking due account of the objectives of each and their attitude to risk.

QUANT TECHNIQUES

Objectives: To investigate the quantitative techniques used in investment today, with the aim of looking behind the smokescreens of complicated mathematics and jargon to assess whether the methods are theoretically sound and appropriately applied.

PORTFOLIO PERFORMANCE

Objectives: To investigate the factors which affect the performance of investment portfolios and to devise improved methods of assessing and reporting such performance.

PORTFOLIO RISK/RETURN WORKING PARTY

Objectives: To produce research relevant to the actuarial profession that enhances the understanding of the risk and return characteristics of different portfolios.

To produce a paper for the 1999 Investment Conference.

Health Services Group

Working Party 1: Hospital Episodes Statistics.

Objectives: To present an embryonic NHS-Actuaries model which has been built to help actuaries to review the allocation of NHS hospital services resources by geographical region and other risk factors.

Private Medical Insurance Group

Working Party 1: Adding Business Value.

Objective: complete production of model including assumptions; get comments; test scenarios.

Working Party 2: Reserving.

Objective: How to adjust reserves for inventories and backlog of claims.

Reserving for guarantees and policyholders' reasonable expectations.

Smoothing results using reserving.

Working Party 3: Practitioner's Guide.

Objective: Collating references for an actuary new to PMI under four main headings:

Background to the market; The Role of the Actuary in PMI company; Technical work (pricing, reserving, reinsurance etc); Understanding how the rest of the business works in practice.

Working Party 4: Industry Data.

Objective: Working up a detailed document proposing an industry wide survey to see what companies' reactions are. Creating some work on a medical inflation index using premium rates to illustrate the possible value of an industry wide survey.

Working Party 5: Relationship with the State.

Objective: To investigate "mutuality" and "solidarity" models and to investigate a number of different examples from around the world on how the public and private health markets interact.

Long Term Care

Working Party 1: Understanding Care.

Objective: To develop a better model of care needs and to investigate the demographics of care requirements.

Working Party 2: Modelling.

Objective: To develop a model for projecting the number of people with disabilities over the next 40 years.

PHI/CI

Working Party 1: Critical Illness.

Objective: To look into the reserving practice for the UK business.

To investigate and analyse the UK experience.

To develop a UK “Standard Tabled” for individual Critical Illness business.

Working Party 2: PHI : Reserving.

Objective: To review the practical aspects of PHI Reserving.

Working Party 3: PHI : Experience Trends.

Objective: To investigate whether any significant time trends can be identified in the three fundamental transitions in the multiple state model.

Working Party 4: PHI : Internal Risk Factors.

Objective: To produce a ready reference document to assist actuaries new to PHI to understand the risk factors facing the portfolio.

To resource the effectiveness of different companies’ approach to controlling these risks.

Working Party 5: PHI : Occupational Definitions.

Objective: To review the current use, and current and future interpretation, of occupational and related (ADW, FAT, ADL) definitions for PHI and TPD benefits.

Cross Border

Working Party 1: Guarantees.

Objective: Healthcare insurances which are, or can be, written on long term basis are like to display significant volatility in claims costs for a number of reasons.

Working Party 2: Medical Advances.

Objective: To identify the areas of current research and advances in clinical

practices which will have significant implications for future experience of the major health insurance products.

Working Party 3: Genetics.

Objective: To inform members of the profession, in general terms, about developments in genetic testing; to discuss the philosophical issues raised and to examine the practical implications for the health insurance market (as opposed to the life insurance market).

Working Party 4: Longitudinal Study.

Objective: To conduct a longitudinal study.

2. FACULTY RESEARCH GROUPS

BONUS AND VALUATION GROUP

Objectives: Examining applications of derivative contracts and derivative mathematics to the risk/capital trade-off implicit in with-profits business. It is producing a paper on this subject for a future Sessional Meeting.

INTERNATIONAL RESEARCH GROUP

Objectives: Considering the attractiveness of certain European and Asian markets to UK insurers in the context of a globalising and consolidating financial services marketplace.

INVESTMENT RESEARCH GROUP

Objectives: This group is being relaunched under new leadership. Initial work is being done in a relatively new area called ‘behavioural finance’ which looks at how psychological factors affect investment market activity.

MARKETING RESEARCH GROUP

Objectives: To look at both the marketing of the actuarial profession and marketing issues of interest to actuaries.

MORTALITY STATISTICS

Past outputs: A paper on comparative mortality trends was discussed at International Congress and has been published in BAJ. A paper on lapse rates has been submitted to BAJ.

PENSIONS RESEARCH GROUP

Objectives: This group is being relaunched under new leadership and will be considering what areas of research it might undertake.

University Research

Heriot-Watt

Department of Actuarial Science and Statistics

The actuaries in the Department are actively engaged in research on behalf of the profession in the United Kingdom as members of the following committees:

The Faculty of Actuaries Mortality Statistics Research Group
(A S Macdonald and A J G Cairns)

The FTSE Actuaries Bond Committee
(A J G Cairns and A D Wilkie)

The Mortality Sub-Committee of the Continuous Mortality Investigation Bureau
(J J McCutcheon, Chairman, A S Macdonald)

The Permanent Health Insurance Sub-Committee of the Continuous Mortality Investigation Bureau
(H R Waters and A D Wilkie)

The Market Valuation of Pension Funds Working Party
(A J G Cairns)

The Genetics Working Party
(A S Macdonald)

In addition, research within the Department is continuing in the following areas, in some cases in collaboration with colleagues in other countries:

Life insurance:

Stochastic evaluation of solvency valuations for life offices
(A S Macdonald and N Katrakis)

Optimal Asset Allocation
(A Berketi)

Value at Risk
(A J G Cairns)

Stochastic models for asset shares
(Mark Willder)

Permanent Health Insurance:

Development of a stochastic model for PHI separating out different causes of sickness
(I M F Cordeiro and H R Waters)

Analysis of the effect of policy duration and cause of disability on claim experience
(C Gutierrez, A A Korabinski and H R Waters)

Mortality:

Survival analysis, particularly of HIV-infected individuals
(W F Scott)

Survival analysis : statistical procedures and tests
(W F Scott)

Genetic testing and insurance
(A S Macdonald)

Graduation and forecasting of mortality rates
(J J McCutcheon and A D Wilkie)

Derivation of retirement rates for self-employed retirement annuitants
(A D Wilkie)

Pensions

Stochastic modelling and optimal control of defined benefit pension funds
(A J G Cairns)

Stochastic modelling of the impact and consequences of the Minimum Funding Requirement
(A J G Cairns)

Development of market related valuation methods for pension funds
(A J G Cairns)

Asset strategies for defined contribution pensions
(A J G Cairns)

Risk Theory

Within-model randomness parameter uncertainty and model uncertainty
(A J G Cairns)

Numerical algorithms for the calculation of the probability of ruin
(H R Waters)

Investments

Stochastic models for bond prices and multiple asset classes
(A J G Cairns)

Autoregressive stochastic investment models
(A D Wilkie)

Stochastic models for bond yields
(A D Wilkie)

Application of Markowitz methods
(A D Wilkie)

Investments contd.

Continuous time analogues of the Wilkie investment model
(T Chan)

Option pricing and reinsurance premia
(F Avram)

2. City University

Department of Actuarial Science and Statistics

The actuaries in the Department are actively involved in research work on behalf of the actuarial profession in the UK as members of the following committees:

Permanent Health Insurance Sub Committee of the Continuous Mortality Investigation Bureau (S Haberman).

Institute and Faculty of Actuaries Long Term Care Working Party (B Rickayzen).

Institute and Faculty of Actuaries Working Party on Premium Rating by Postcode Area (R Verrall).

Institute and Faculty of Actuaries Working Party on Volatility of Claims Reserves (R Verrall).

Institute and Faculty of Actuaries Resilience Test Working Party (R Chadburn).

Institute and Faculty of Actuaries Central Discontinuance Fund Working Party (D Cooper).

Overview of Research Activity

In addition, research within the Department continue actively in the following areas, in some cases in collaboration with colleagues in the UK and overseas:

Investment

Investment risk management for defined contribution pension schemes and life insurance companies (P Booth, Z Khorasanee).

Property investment and valuation techniques and valuation of implicit options (P Booth).

Banking

Pricing of bank lending (P Booth, I Allan, R Verrall).

Life Insurance

Stochastic modelling of life insurance companies (P Booth, R Chadburn).

Comparison of unitised and traditional with profit contacts using stochastic modelling (R Chadburn)

Sensitivity of life insurance models to changes in underlying stochastic investment model (R Chadburn, D Wright, P Huber).

Pensions

Sensitivity of pension funding to changes in underlying stochastic investment model (D Wright).

Stochastic models of defined benefit pension schemes (S Haberman, I Owadally, D Wright).

Investment strategies in defined contribution pensions schemes (S Haberman, Z Khorasanee).

Alternative investment strategies for defined benefit schemes (Z Khorasanee).

Applying defined benefit principles to defined contributions schemes (Z Khorasanee).

Pension scheme design for members with non standard work histories (D Cooper).

Taxation and pension scheme costs (P Booth, D Cooper).

Non Life Insurance

Stochastic basis of claims reserving in non-life insurance (A Renshaw, R Verrall, P England).

Premium rating methods in motor insurance (R Verrall).

Premium rating in competitive markets (S Haberman, I Savoulli).

Analysis of non-life claims data using Bayesian methods (R Verrall).

Mortality and Morbidity

Sensitivity analysis of a multiple state model for Permanent Health Insurance (B Rickayzen).

Models of mortality trends and of select mortality (S Haberman, A Renshaw, R Verrall).

Trends in permanent health insurance transition intensities (S Haberman, A Renshaw).

Modelling long term care costs in UK (B Rickayzen).

Bayesian approach to graduation theory (R Verrall).

Research Funding

Members of the Department have been successful in gaining research support from the funds administered by the Institute of Actuaries' Research Committee in respect of the following projects:

- a) Solvency of Permanent Health Insurance Portfolios (R Chadburn, B Rickayzen, Z Butt).
- b) Frailty models of mortality and applications for forecasting (S Haberman, Z Butt).

The Department also continues to receive a grant from the Continuous Mortality Investigation Bureau to support its research in the areas of mortality and morbidity.

The Department has been awarded a contract from the National Association of Pension Funds and Royal Sun Alliance to investigate the effect of taxation changes on pension fund costs.

The Department has been awarded a contract from ERC Frankona to investigate the reinsurance of annuity portfolios.

The Department has been awarded a grant from the Bank of England to investigate the matching of the liabilities of defined benefit pension schemes, and from the Society of Actuaries to investigate optimal funding strategies in defined benefit pension schemes.

The Department continues to receive grants from the members of the Actuarial Research Club (AXA, CGU, Government Actuary's Department, KPMG, Hymans Robertson, Munich Re, Pricewaterhouse Coopers, Swiss Re, Watson Wyatt) which underpin the actuarial research activity of the Department.

Publications

Further information on the Department's research activities which can be obtained from Steven Haberman or Richard Verrall. The Department produces a series of research working papers and readers interested in joining the circulation list should contact Steven Haberman. The Department maintains a world wide web home page on <http://www.city.ac.uk/actuarial> where further information can be found.

UNITED STATES

CASUALTY ACTUARIAL SOCIETY

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Call Paper Programs. Annually the Casualty Actuarial Society conducts four-five call paper programs on various topics. Both CAS members and non-members are invited to submit proposals. The papers accepted by these programs are presented at a Society meeting or seminar and are published in the Discussion Paper Program or Forum. These papers are also available on the CAS Web Site. Current programs include:

2000 Discussion Program. Papers have been invited on "Insurance in the Next Century." Accepted papers will be presented at the 2000 CAS Spring Meeting in Las Vegas, Nevada during May 7-10, 2000. The Michelbacher Prize of \$1,500 will be awarded to the author of the best paper.

2000 Dynamic Financial Analysis Call for Papers. Papers have been invited on the topic of "Evaluation

of Strategic Alternatives and Presentation of Conclusions of Dynamic Financial Analysis." Authors may be invited to present their papers at the 2000 CAS DFA Seminar in New York, New York during July 17-18, 2000. Prizes of up to \$10,000 will be awarded to the authors of the best papers.

2000 Committee on Reserves Call for Papers. The topic for this call paper program is "Estimating Liabilities for Emerging Insurance Issues." Several authors will be invited to present their work at the 2000 Casualty Loss Reserve Seminar in Minneapolis, Minnesota during September 18-19, 2000. A prize of \$1,000 will be awarded to the author of the best paper.

2000 Ratemaking Call for Discussion Papers. Papers on all ratemaking topics are welcome, but papers are preferred which focus on the considerations listed in the CAS Statement of Principles Regarding Property and Casualty Insurance Ratemaking (see CAS Web Site). In addition, the following topics are of interest: New Technologies and Their Impact on Ratemaking and Classifications, Competitive Information, International Issues, and Reinsurance. A few authors will be asked to present their papers at the 2000 Ratemaking Seminar in San Diego, California during March 9-10, 2000. A \$1,000 prize will be awarded to the author of the best paper.

2001 Ratemaking Call for Discussion Papers. Papers on all ratemaking topics are welcome, but papers are preferred which focus on the considerations listed in the CAS Statement of Principles Regarding Property and Casualty Insurance Ratemaking. In addition, papers on the following topics are of interest: Model Development in Ratemaking, Legislative and Market Considerations, Pricing Challenging Lines of Business, and Data Issues. Authors may be invited to present their papers at the Ratemaking Seminar, scheduled for March 12-13, 2001 in Las Vegas, Nevada. A \$1,000 prize will be awarded to the author of the best paper.

Actuarial Education and Research Fund. The CAS jointly sponsors the research work of the AERF with other North American actuarial organizations.

Proceedings Papers. The CAS annually publishes refereed papers in the CAS Proceedings which are accepted by the Committee on Review of Papers. These papers may be on any property and casualty topic and accepted papers are presented by the authors at the CAS Spring or Annual Meetings. The 1998 Proceedings was published in October

1999 and the 16 research papers and five discussions of previous PCAS papers in this volume are on the CAS Web Site. A listing of these 1998 Proceedings papers is attached. A copy of the Proceedings may be ordered from the CAS Office (see address above) for \$75 U.S. from locations outside of North America (including postage and handling).

CAS Web Site (<http://www.casact.org>). An online catalog of research paper citations is maintained in a searchable database on the CAS Web Site. Additionally, a download library is available whereby users can download full texts of research papers.

SOCIETY OF ACTUARIES

RESEARCH HIGHLIGHTS

Listed below are current Research Department projects and their purposes.

Committee on Knowledge Extension Research (CKER)

Financial Markets Approach to Valuation: Modern financial theory provides practical methods of determining market values of derivative securities such as options on stocks, options on bonds and mortgage backed securities. The long-term goal is to extend the application of these methods to life insurance products.

Empirical Likelihood in Insurance: The purpose of this project is to present empirical likelihood methods to actuaries. The final report will show how to test hypothesis and construct confidence intervals for various functionals, without any parametric assumption, when certain information is known about the data, such as the mean. It will be illustrated with various insurance examples.

Interaction Between Asset Liability Management And Risk Theory: This study will look at Asset Liability Management with the asset fund containing both shares and fixed-income securities and with the liability process taking into account discontinuities; and the use of ruin theory and portfolio theory.

Statistical Analysis of Small Size Insurance Data Samples On The Basis of The Sufficient Empirical Averaging (SEA) Method: The SEA-method makes possible to solve with controlled accuracy problems, important for insurance applications, such as test of hypothesis, construction of point and interval estimates in the case of data samples of small size, on the basis of intensive use of computer technologies.

Valuation of Credit Line Commitments Subject to Credit Risk: The purpose of this project is to find methods for valuing bank credit line commitments related to actuarial reserving methods.

The Cost of Mismatch in Stochastic Interest Rate Models:

The purpose of this project is to evaluate the cost of mismatch by a percentile of the cash flows distribution when interest rates follow a stochastic mode in contrast to the usual scenario testing approach.

Generalized Cox, Ingersoll & Ross Model: Statistics and Valuation of Interest Rate Derivatives: The purpose of this project is to obtain semi-closed formulas and computer programs to value interest rate derivatives, including statistics of interest rate models in real and risk neutral worlds. This study is based on the theoretical approach.

Statistical Methods for Monitoring Health Care Process Measurements: This project is a first step in the development of quality control to monitor health care data. The research will create a statistical monitor using measurements generated from a logistic regression model, then use the monitor as supplement to the utilization management process to inexpensively track non-acceptable in-patient hospital claims.

Pricing Practices for Joint Last Survivor Insurance: The purpose of this project is to analyze joint last survivor insurance experience data collected from insurance companies to establish a realistic and practical loading method for pricing that is easy to implement.

Mathematical Models and Software for Financial Organizations at Risky Markets: The purpose of this project is to develop mathematical methods and software for accumulation of capital and investment portfolio management problems under specific conditions of the Russian financial markets.

Tight Approximation of Basic Characteristics of Classical and non-Classical Surplus Processes: The purpose of this project is to evolve new constructive probabilistic methods yielding two-sided bounds of ruin probabilities in the presence of large claims and to generalize this study to investigate non-classical risk models and obtain characteristics other than ruin probability.

Application of Nonparametric (Model Free) Technique for Forecasting Big Jumps and Falls in Interest Rate Values: The purpose of this project is to bring a significant improvement in assessing investment risk pertaining to interest rate volatility and to contribute to better understanding of the statistical mechanism of interest rate fluctuations.

Inflation-Parameter Family of Discrete Probability Distributions and Their Application in Analysis of Over- and Underdispersed Insurance Data: This project focuses on the development of a new family of discrete probability

distributions which appears as an extension to the family of generalized power series distributions. The basic idea is to construct the new family, to study and establish its properties, and to apply some of its sub-classes in modeling and analyzing heterogeneous insurance data and computer programs which will demonstrate the advantages of using the proposed methodology.

Asymptotic Behavior of Non-Homogeneous Risk Processes and Ruin: The project is aimed at the investigation of the asymptotic properties of generalized risk processes in which the process of insurance claims is not a homogeneous Poisson process.

Modern Modeling Technologies for Pension Actuaries: The purpose of this project is to investigate the role of modern modeling technologies for the pension actuary. The topics to be addressed include: the essential features of these technologies, the relevance of these technologies to the pension actuary, and an example of the application of each of these technologies to a pension related problem.

Social Security System as a Part of Capital Markets: The purpose of this project is to make the case for a comprehensive analysis of Social Security within capital markets, and to show the significance of this.

Application of Quasi-Monte Carlo Methods to Actuarial Science: The purpose of this project is to introduce Quasi-Monte Carlo Methods and describe how to implement them by providing concrete examples of applications to Actuarial Science.

Development of Study Materials for Courses 3 and 4: The purpose of this project is to identify and develop materials and applications relevant to the new Courses 3 and 4.

Actuarial Literature Index Update: The purpose of this project is to update the Society of Actuaries Library Index of Actuarial Literature.

Practical Implementation of the Mixture of Exponentials Model: The purpose of this project is to extend the results of the paper, "Modeling Losses with the Mixed Exponential Distribution" written by Clive Keatinge and develop a windows based program to implement the algorithm and the goodness-of-fits test.

Valuation of Equity-Indexed Annuities under Stochastic Interest Rate: The purpose of this project is to develop pricing and hedging techniques for equity-indexed annuities.

Actuarial Aspects of Dependencies in Insurance Portfolios: The purpose of this project is to study the consequences of the introduction of dependency relations in actuarial models and consider the problem at two different levels.

Finance

1986-97 Private Placement Study: The purpose of this study is to continue the database started by the 1986-89 Credit Risk Study through 1997.

Fair Value Accounting II: The purpose of this project is to extend and update the body of knowledge from the first conference; to highlight similarities in various theoretical developments; and to work towards resolution of differences and implementation issues. A conference was held on March 18-19, 1999 at New York University in New York City. Accepted papers from the conference are currently available from New York University, Salomon Center, Stern School of Business.

100-Year Term Structure of Interest Rates: The purpose of this project is to investigate the implications of the long-term nature of pensions and insurance on the estimation of expected returns. Two papers, "Long-Term Yield Rates for Actuarial Valuations" by Jacques F. Carriere and "Term Structure Models: A Perspective from the Long Rate" by Yong Yao, received in response to a Call for Papers, have been published in the July 1999 issue of the *North American Actuarial Journal*.

Study of the Use of Derivative Instruments by the Insurance Industry: The purpose of this project is to document the extent and nature of the use of derivatives by insurance companies and to analyze the financial implications of such use. A paper from the study titled "Corporate Hedging in the Insurance Industry: The Use of Financial Derivatives by U.S. Insurers" by J. David Cummins, Richard D. Phillips, and Stephen D. Smith, appeared in the *North American Actuarial Journal*, Vol. 1, No. 1, January 1997.

Actuarial Aspects of Currency Risks - Call for Papers: The purpose of this project is to develop an understanding of the nature and behavior of currency exchange fluctuations and the attendant risk on financial results. Two papers, "Pricing with Stochastic Foreign Exchange and Interest Rates" by Mike Davlin and Mark Tenney and "On Measuring The Risk of Foreign Exchange" by John Mange are available in the research library on the SoA Web site (<http://www.soa.org>).

Expenses and Pricing: The prize winning paper, written by Sam Gutterman, is a comprehensive review of life insurance company expenses as it relates to pricing and

financial reporting. It is being revised from comments received from the review panel and feedback from attendees at the Spring Meeting session. The Committee on Finance Research is working with the Financial Reporting and Product Development Sections to publish the paper as a monograph.

Monograph on Stochastic Calculus and Stochastic Differential Equations: The purpose of this project is to produce a monograph that concentrates on the fundamental conceptual and computational aspects of stochastic calculus.

Interest Rate Models in Actuarial Practice: The purpose of this project is to produce a practical guide on the selection and calibration of interest rate models.

Market Research for Actuarial Counseling: The purpose of the project is to conduct focus groups to obtain meaningful feedback regarding the viability of actuarial counseling as a profession and report on findings. The researcher will also produce an outline of the kind of marketing materials that an actuary who wants to start a counseling practice would need.

Risk Position Report Survey: The purpose of this research project is to increase awareness about the kind of risk measurement reports that are currently being used in the insurance industry.

Health

Group Life 1990 - ?: The purpose of this study is to follow up on the 1985-89 study as appropriate.

Individual Disability 1992 - ?: The purpose of this study is to study recent individual disability experience.

Group Long Term Disability Termination Study: The purpose of this study is to develop a group long-term disability study covering recent years as appropriate.

Non-Insured/Non-Institutional Long Term Care Experience: The purpose of this study is to review the 1989 LTC Survey from an actuarial perspective.

Long Term Care 1992-93: The purpose of this study is to compile long-term care data from carriers into an inter-company study.

1994-96 Long Term Care Study: The purpose of this study is to compile long-term care data from carriers into an inter-company study.

Continuing Care Retirement Communities: The purpose of this study is to develop a database of CCRC data and to perform certain analyses of this data.

Purchasing Practices for Health Benefits: The purpose of this project is to investigate how large employers bring

information on health care quality into the decision process for purchasing health care benefits for their employees.

Health Care Data Bases: The purpose of this project is to develop a single, reliable source of health care data for actuaries to use, including data on Medicaid, Medicare, and currently uninsured population segments. The National Health Information Resources Center (NHIRC) website (www.nhirc.org) has been developed by the National Association of Health Data Organizations (NAHDO) to address this need. NAHDO continues to enhance the NHIRC with funding from the SoA and the Robert Wood Johnson Foundation.

Managed Care Symposium: A symposium that presented the state of the art in measuring effective managed care was held May 4-5, 1998. Proceedings from the symposium, "*Managed Care in a Time of Transition*," are available from the SoA Books Department (847-706-3526) for \$35.

Definition of Managed Care Effectiveness: The purpose of this project is to define managed care effectiveness and propose a model for evaluating the effectiveness of the managed care system.

Integrative Medicine: The purpose of this project is to accumulate, review, and evaluate both existing and potentially new data studies directly related to integrative medicine and health focused lifestyles in the U.S. The November 11, 1998 issue of the *JAMA* (The Journal of the American Medical Association) includes an article related to this study by David M. Eisenberg, et al, entitled, "Trends in Alternative Medicine Use in the United States, 1990-1997" (*David M. Eisenberg, JAMA, Nov. 11, 1998, vol. 280, No. 18, pp. 1569-1575*).

HEDIS 3.0 Measures Study: The purpose of this project is to evaluate the reliability and validity of HEDIS 3.0 measures and to assess their effectiveness in measuring health plan performance. This study will use statistical modeling to analyze selected HEDIS 3.0 measures for their content validity, criterion/predictive validity, and attributional validity.

Credibility for Health Coverages: The purpose of this project is to develop concrete guidelines for establishing full and partial credibility for experience under each type of health coverage. The Credibility Seminar for Health Insurance Actuaries was held November 2-3, 1998 in Rosemont, Illinois. Handouts from the seminar are available through the SoA Books Department (847-706-3526) for \$20.

The Relationship Between HEDIS Measures and Health Plan Choices: The purpose of this project is to analyze the relationship between the health plan choices of employees

of a Fortune 100 company who were offered a set of health plans from which to choose and the HEDIS measures for those health plans. Two articles by Dennis Scanlon and Michael Chernew resulted from this project. One was published in *Medical Care Research and Review* ("*HEDIS Measures and Managed Care Enrollment*," *MCRR*, vol. 56, supplement 2 (1995), pp. 60-84) and the other has been submitted to the *North American Actuarial Journal* for possible publication ("*Managed Care and Performance Measurement: Implications for Insurance Markets*"). The latter report is also available on the SoA web site (www.soa.org).

Large Claims Experience Study: The purpose of this project is to examine the pattern of large health claims and to determine the rate of such claims.

Health Benefit Systems Principles Committee: The purpose of this committee is to identify and articulate actuarial principles related to health benefit systems.

Life Insurance

Reinsurance Mortality 1996: This report is currently available on the Society's web site.

Large Amounts Study 1983-88: The purpose of this study is to determine an approach that could be used to launch experience studies of the mortality associated with preferred underwriting classes and large amount policies.

Accidental Death Benefits: The purpose of this study is to review accidental death benefit experience being collected to establish a timetable for an updated experience study and for ongoing regular studies.

Impairment Study Capture System: The purpose of this study is to collect data at the Medical Information Bureau (MIB) from the regular Impairment Reporting and to use this data for subsequent studies.

Medical Impairment Study Capture System Substandard Experience: The purpose of this study is to bring current information as to mortality experience for three categories: slightly substandard, moderately substandard and highly substandard.

Medical Impairment Study from Databases: The purpose of this study is to update the 1983 Medical Impairment Study, which covered experience from 1954-1975.

Medical Impairment Study from Application Files: The purpose of this study is to study experience associated with four problems; adverse driving record, alcohol abuse, elevated liver enzymes and elevated GGT.

Medical Impairment Abstracts: The purpose of this study is to promote mortality/morbidity abstract production and related activities.

Substandard Study: The purpose of this study is to review substandard experience being collected to establish a timetable for an updated experience study and for ongoing regular studies.

Laboratory Tests and Electronic Storage Study: The purpose of this study is to see how many companies store laboratory test data electronically and tie it to the policy number for future studies.

Individual Life 1990-91: The purpose of this study is to study mortality experience of standard life insurance of the 1990-91 policy year.

Individual Life 1991-92: The purpose of this study is to study mortality experience of standard life insurance of the 1991-92 policy year.

Individual Life 1992-93: The purpose of this study is to study mortality experience of standard life insurance of the 1992-93 policy year.

Individual Life 1993-94: The purpose of this study is to study mortality experience of standard life insurance of the 1993-94 policy year.

Individual Life 1994-95: The purpose of this study is to study mortality experience of standard life insurance of the 1994-95 policy year.

Individual Life 1995-96: The purpose of this study is to study mortality experience of standard life insurance of the 1995-96 policy year.

Individual Life 1996-97: The purpose of this study is to study mortality experience of standard life insurance of the 1996-97 policy year.

Blood Pressure Study: The purpose of this study is to update the 1979 Blood Pressure Study.

Individual Annuity 1986-91: The purpose of this study is to review individual annuity experience being collected and the potential for additional contributions to establish a timetable for an updated experience study and for ongoing regular studies.

Structured Settlements 1995: The purpose of this study is to extend the study of structured settlement annuities experience through the end of 1995.

Structured Settlements 1997: The purpose of this study is to extend the study of structured settlement annuities experience through the end of 1997.

Mortality Guarantees in Variable Products Experience

Study: The purpose of this project is to develop a system and to perform the first analysis of experience under death benefits on deferred variable annuities.

Actuarial Modeling: The purpose of this project is to study relationships of econometric series to life insurance company operations.

Gender Based Mortality Differences: The objective of the research is to prepare a statement reflecting current clinical and insurance data regarding the mortality differences associated with gender and to investigate if there is a biological basis for the observed differences in mortality.

Mortality and Lapse Rates: The purpose of this project is to investigate the relationship between lapse rates and subsequent mortality results and to quantify the degree to which higher lapse rates lead to higher mortality. The research paper “Mortality Rates as a Function of Lapse Rates” by Faye S. Albert, David G. W. Bragg, and John M. Bragg is available in the research library on the SoA Web site (<http://www.soa.org>).

Long Term Bond Yields of Life Companies with Junk Bond Portfolios: The purpose of this project is to develop returns on total bond investments for the years 1993 through 1995 and develop statistical analyses of yield with respect to factors such as relative proportion of junk bonds, distributions of bonds by years to maturity, size of company, and growth rate.

Shape of Mortality Curve at the Higher Ages: The purpose of this project is to hold a symposium on the shape of the mortality curve at the very high ages in order to encourage discussion and writing of papers on the subject.

Variation in Life Insurance Company Expenses: The purpose of this project is to explain the wide variation in expense rates between companies in the Generally Recognized Expense Table (GRET). In addition to identifying the variation in expense rates in the GRET, the study will formulate cost functions for life companies that will account for cost drivers and differences among firms. This study will help the POG establish future GRET.

Committee on Life Principles: The purpose of this committee is to identify and articulate actuarial principles relative to life insurance.

Retirement

Group Annuity 1995-96: The purpose of this study is to compile, analyze and report on 1995-96 intercompany group

annuity mortality experience and to track and monitor emerging trends for valuation standard, pricing and other purposes.

Macrodemographic Model Feasibility Study: The purpose of this project is to assess the usefulness and limitations of existing models and data sources for projecting the effect of changes in environment on the design and cost of retirement benefit plans. Also, to estimate the costs and benefits of various approaches the SoA might take to establish an adequate actuarial macrodemographic model for retirement benefits.

1990-94 Retirement Plans Experience Study: The purpose of this project is to compile, analyze and report on the 1990-94 mortality experience of uninsured pension plans.

Pension Plan Mortality Study: The purpose of this project is to construct a mortality table from the 1990-94 Retirement Plans Experience Study.

Multivariate Analysis of Pension Plan Mortality Data: The purpose of this project is to specify a multivariate model of mortality that is practical and fits the 1990-94 Retirement Plans Experience Study data optimally. A practical model will include an explanation of how a practicing pension actuary would adjust the general mortality table to reflect the characteristics of the plan being valued.

Extended Analysis of Pension Plan Mortality Data: The purpose of this project is to investigate the relationship between mortality and a variety of co-factors evident in the 1990-94 Retirement Plans Experience Study data.

Canadian Pensioners Mortality Experience, 1983-1992: The purpose of this project is to construct a mortality table for Canadian pensioners based on CPP/QPP data from 1983 to 1992

Safest Annuity Rule: The purpose of this project is to assess the impact of DOL Interpretive Bulletin No. 95-1 on the annuity market. The final report will be published in the 1997-98 *TSA Reports*. The report is also available through the **SoA Books Department (847-706-3526) for \$10.**

Asset Valuation Methods: The purpose of this project is to improve actuarial practice in determination of actuarial value of assets in pension plan valuations for funding and accounting purposes. Advanced photocopies of the final report are available through the SoA Books Department (847-706-3526) for \$10.

Asset Valuation Methods - Phase 2: The purpose of this project is to assess the effectiveness of various asset valuation methods for achieving various plan sponsor goals.

Pension Plan Turnover Rate Table Construction: The purpose of this project is to produce tables of retirement rates and employee termination rates. The final report is available through the SoA Books Department (847-706-3526) for \$20. The report has been submitted to the TSA Reports for publication.

Turnover and Retirement Rates - Phase 3: The purpose of this project is to collect and analyze pension plan participant decrement data. This study will improve and build upon the Pension Plan Turnover Rate Table Construction project.

Comparative Effects of Turnover: The purpose of this project is to compare the relative distribution of benefits from a cash balance retirement plan versus a final average pay defined benefit pension plan. The final report was published in the October 1998 issue of the **Pension Forum** as an article entitled "A Benefit Value Comparison of a Cash Balance Plan with a Traditional Final Average Pay Plan" by S. Kopp and L. Sher.

Actuarial Aspects of Cash Balance Plans: The purpose of this project is to provide practicing pension actuaries with comments and analysis on the design and valuation of cash balance retirement plans.

Mortality Projections: The purpose of this project is to inform practicing pension actuaries about scientific techniques and actuarial methods for projecting future mortality rates.

Impact of Mortality Improvement on Social Security: The United States, Canada and Mexico: The purpose of this project is to perform a rigorous study of the impact of mortality improvement on the Social Security systems of the United States, Canada and Mexico. To accomplish that, the project has been divided into 3 phases: Phase 1 - Study of past experience and analysis of current literature; Phase 2 - Formulation of mortality improvement assumptions; and Phase 3 - Stochastic analysis of the impact of mortality improvement on Social Security. A seminar was held on October 30, 1997, and eight of the papers from that seminar were published in the October 1998 issue of the *North American Actuarial Journal*. A final product of fifteen papers from that seminar is available through the SoA Books Department (847-706-3576) for \$75.

Retirement Needs Framework Working Group: The purpose of this project is to bring together and illustrate the changing needs and risks faced in retirement, differences between demographic subgroups, statistics available to measure and evaluate the financial impact of these developments, methods that could be used to determine the amount of capital sufficient to protect against these risks,

and approaches that could be used to manage or insure these financial risks. Thirteen papers on these topics were presented at a conference held December 10-11, 1998. The proceedings of this conference will be published as a monograph.

Modeling Education and Academic Relations Area

Actuarial Research Conference (SO108): More than 100 persons registered for the 34th conference, jointly sponsored by Drake University and The Principal Financial Group from August 8-11 in Des Moines, Iowa. The conference theme was building bridges between theory and practice. The 35th conference is scheduled to be at Université Laval in Quebec City from August 10 - 12, 2000. The conference theme is actuarial research at the threshold of the new millennium. The Education and Research Section Council accepted the preliminary statement from the organizers. The Council is seeking a host for the conference in 2001.

Ph.D. Grants Task Force: For the 1999-2000 academic year, the Ph.D. Grants Task Force agreed to fund the four applicants requesting grant renewals, and one new grant funded by the CAS.

Joint CAS/SoA Statement of Principles (SO109): Check the SoA web site (www.soa.org) for the Exposure Draft of Principles Underlying Actuarial Science. Comments regarding the draft are welcome.

Joint CAS, CIA, SoA Task Force on Academic Relations: The Task Force drafted a White Paper for distribution the memberships of all three organizations for review and comment. The Task Force plans to make final recommendations later in 2000. Information regarding the work of the Joint Task Force is located on the Academic Relations page of the SoA web site.

Committee on Professionalism: The Committee recommended revisions to Article IX (Amendments) and Article X (Public Expression of Professional Opinion) of the SoA Constitution.

Course 7: The Course 7 Working Group Report and a sample Course 7 pretest are available on the SoA web site.

Actuarial Education and Research Fund: The Actuarial Education and Research Fund awards for 1999 are:

- The Halmstad Prize was awarded to a paper written by E. W. Frees, Y. Kung, M. Rosenberg, V. Young and S. Lai. The paper, "Forecasting Social Security Actuarial Assumptions," was published in the *North American Actuarial Journal*, vol. 1, no. 4 (1997).
- The Board ratified the Conference of Consulting Actuaries' recommendation to award the Hanson

Prize to Robert Rietz for his paper entitled “Early Retirement Subsidies - A Plan Design Whose Time Has Passed.”

- The Huntington Prize was awarded to Dorothy Andrews for the paper entitled “Simplified Cash Flow Testing of Traditional Participating Whole Life Insurance.
- Woody Scholarships were awarded to the following applicants:

Michael Hanley, University of North Carolina at Chapel Hill

Chen Hul, Zhongshan University

May-Yee Ng, University of Iowa

Peter Shelley, Elizabethtown College

8. REPORTS FROM MEMBER ORGANIZATIONS

AUSTRIA

Aktuarvereinigung Österreichs (AVÖ)

The Annual General Meeting of the Austrian Association of Actuaries was held on September 8, 1999. The Executive Committee consists of the following members and 6 other members:

President Mr. Helmut Holzer
 Vice-President Mr. Heinz Jaendl
 Vice-President Mr. Dr. Walter Schachermayer
 General Secretary Mr. DI Peter Prieler
 Secretary Ms. DI Beatrix Griesmeier
 Treasurer Mr. DI Karl Metzger

The Annual Meeting of the Groupe Consultatif des Associations d'Actuaires des Pays des Communautés Européennes will be held in Vienna on October 7 and 8, 1999.

CANADA

Canadian Institute of Actuaries

Membership and enrolment in the Institute as of June 1999 stands at

Member/Fellows	2,198
Students	1,201
Correspondents	49

As a result of the election conducted by mail during April and May, Council for the 1998-1999 year consists of the following members:

Officers:

President	Stuart F. Wason
President Elect	David J. Oakden
Immediate Past President	Peter F. Morse
Vice-President	William F. Chinery
Vice-President	James K. Christie
Vice-President	J. Helmut Engels
Vice-President	Luc Farmer
Vice-President	Patrick F. Flanagan
Vice-President	A. David Pelletier

Councillors:

John F. Brierley	Josephine A. Robinson
Geoffrey I Guy	Pierre Saddik
Mike Lombardi	Frederick J. Thompson
Ian C. Markham	Monique Tremblay
Josephine C. Marks	François Vachon
Michael D. Mills	Nancy A. Yake

Two seminars and a general meeting are scheduled through December 1999

- Appointed Actuary Seminar (incorporating both life and property/casualty practice) - Montréal, September 23-24, 1999
- Investment Seminar - Montréal, November 24, 1999
- General Meeting of the Institute - Montréal, November 24-25, 1999

The next Annual General Meeting of the Institute will be held in Vancouver, June 22-23, 2000. The annual Pension Seminar is expected to be held in April, 2000 in Montréal. A Symposium on Aging will be convened in Toronto on May 1-2, 2000.

The CIA Council has approved changes to the education requirements for enrollment in the Institute, effective January 1, 2000. The changes are made in response to changes being made to the examination syllabi of the Casualty Actuarial Society and the Society of Actuaries on that date. To effect the changes, some By-law amendments were implemented and were ratified by members on June 17, 1999. In addition, other changes to the By-laws, and revisions to the Rules of Professional Conduct and to the Rules of Practice and Procedure of a Disciplinary Tribunal were implemented in November, 1998.

Several task force reports were prepared and distributed over the period, including

- October 1998 - **Preliminary Reports by the Task Force on Transfer Values:** *The Philosophy Underlying the Determination of Lump-Sum Transfer Values from Pension Plans; Recommendations on Mortality Assumptions for Transfer Values; Economic Assumptions for Pension Benefit and Marriage Breakdown Transfer Values*
- October 1998 - **Discussion Paper by the Task Force on Pension Plan Funding:** *Pension Plan Funding: A Fresh Approach*
- November 1998 - **Task Force on the Division of Pension Benefits upon Marriage Breakdown:** *Draft Paper on the Division of Pension Benefits upon Marriage Breakdown*
- March 1999 - **Report of the Task Force on CIA Qualifications**

- April 1999 - **Task Force on Transfer Values:** *Status Report on CIA Task Force on Transfer Values*
- April 1999 - **Task Force on Transfer Values:** *The Pension Transfer Value Basis: The Key Issue on which Consensus is Needed*
- May 1999 - **Report of the Task Force on Restructuring**

The Institute continues to devote time and effort to its standards of practice and related matters. The following recent documents are available from the CIA Secretariat,

- December 1998 - **Dynamic Capital Adequacy Testing** (Final)
- February 1999 - **Valuation Technique Paper on Wind-Up and Solvency Valuations of Registered Pension Plans** (Third Exposure Draft)
- June 1999 - **Consolidated Standards of Practice for the Valuation of Policy Liabilities of Life Insurers** (Discussion Draft)
- August 1999 - **Consolidated Standards of Practice** (Discussion Draft)

In addition, two Education Notes have been distributed,

- April 1999 - **Discounting**
- June 1999 - **Dynamic Capital Adequacy Testing: Life and Property and Casualty**

The Canadian Institute has, over the past 12 months, submitted advice or comment on actuarial matters to several governmental or professional entities as follows,

- September 1998 - **Alberta:** *Draft Revision to the Alberta Insurance Act*
- October 1998 - **Department of Finance, Canada:** *Consultation Paper on Demutualization Regime for Canadian Life Insurance Companies*
- October 1998 - **La Régie des rentes du Québec:** *Draft Regulation re Multi-Employer Plans — Division VI of the Regulation respecting plans exempted from the application of certain provisions of the Supplemental Pension Plans Act*
- November 4, 1998 - **Standing Senate Committee on Banking, Trade and Commerce:** *Report of the Task Force on the Future of the Canadian Financial Services Sector*
- December 1998 - **Office of the Superintendent of Financial Institutions:** *Draft Paper on OSFI's Risk-Based Supervision of Pension Plans*
- January 1999 - **Superintendent of Pensions, Alberta:** *Discussion Paper on Review of Employment Pension Plans Act and Regulation*

- January 1999 - **Office of the Superintendent of Financial Institutions:** *Guideline for the Development of Investment Policies and Procedures for Federally Regulated Pension Plans*
- January 1999 - **Department of Finance, Nova Scotia:** *Discussion Paper on the Pension Benefits Act and Regulations*
- March 1999 - **Ministry of Finance, Ontario:** *Consultation Paper on Harmonization and Streamlining of Pension Administration and Regulation*
- May 1999 - **Financial Sector Review Working Group, Department of Finance:** *Financial Sector Review*
- June 1999 - **Conference of Atlantic Premiers:** *Communiqué on Atlantic Insurance Legislation Harmonization Project*
- July 1999 - **Office of the Superintendent of Financial Institutions:** *OSFI's April 9, 1999 Memorandum on Negotiated Contribution Defined Benefit (NCDB) Plans*
- July 1999 - **Office of the Superintendent of Financial Institutions:** *Draft Paper on Risk-Based Supervision of Pension Plans*
- August 1999 - **Canadian Institute of Chartered Accountants:** *Draft EIC-96: "Accounting for Guaranteed Funds"*

Copies of any of these documents may be obtained by contacting the CIA Secretariat, Suite 820, 360 Albert St., Ottawa, ON, K1R 7X7, Canada. As well, many of them are available directly from the CIA website at <www.actuaries.ca>

CZECH REPUBLIC **Czech Society of Actuaries**

With effect from 1 July 1999, the Czech Society of Actuaries was admitted as an Associate Member of the Groupe Consultatif. Since its reestablishment in 1992 the Society has appreciated the significance of the Groupe for European actuarial profession and has adopted the Code of Conduct and the Recommended Practice of the Groupe as bylaws to the Statutes. It has obtained a valuable support from several members of the Groupe when restoring the insurance mathematics in Czech Republic to its former standard. At present an increasing number of the Society members perform professional activities for insurance companies and consulting firms in the European union.

The Plenary Assembly of the Society convened in June has approved a formal process for the adoption of recommended standards of practice and has elected for the next term the Accreditation Commission which bestows the full member status. The Practice Standards are classified as Directives and Recommendations. The compliance with a Directive is obligatory. A Society member departing from it because of his/her professional responsibility has to provide grounds in the actuarial report. The Practice Standards are authorized by the Committee as a rule on the proposal of the Accreditation Commission.

Two legislative acts of importance to the actuaries were passed. The amendment to the Supplementary Pensions Bill amplifies the scope of the facultative pension insurance and introduces tax deductions. At the Plenary Meeting of the Society Dr. J. Nohejlová (Ministry of Finance) gave a detailed explanation of the bill. The Vehicle Third Party Liability Bill transforms the ex lege insurance administered by one company to the mandatory contractual form. The Ministry of Finance invited in March the Society members to participate in a Workshop on Auto Liability of which Mr. J. S. H. Mc Laren (DSC, Ltd. London) was the principal lecturer.

The Seminar on Actuarial Sciences, the main CPD activity of the Society, had 12 sessions in the summer term at the Charles University. By June 30 the Society had 112 members among whom 21 were full members.

GERMANY
Deutsche Aktuarvereinigung
(German Association of Actuaries)

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1. Membership

DAV:
1414 full members

DGVM:
1447 full members
144 corporate members
843 students

2. Annual Convention

The Annual Convention took place in Berlin on April 29 and 30 with about 800 participants. The meetings of the following groups were held on the first day: Life, ASTIN, AFIR, Pension and Health. On the second day the convention of the DAV and DGVM took place. A new board has been elected for a period of four years.

Board of DAV:

President: Martin Balleer

Vice-Presidents: Klaus Heubeck
Kurt Wolfsdorf

Members: Klaus Allerdissen
Claus-Jürgen Beye
Manfred Feilmeier
Reiner Fürhaupter
Norbert Heinen
Axel Holzwarth
Eckhardt Hütter
Dieter Köhnlein
Heinz-Werner Richter
Michael Rosenberg
Jürgen Strauß
Hanne Wolff

Board of DGVM:

President: Martin Balleer

Vice-Presidents: Elmar Helten
Edgar Neuburger

Members: Peter Albrecht
 Eberhard Bertsch
 Christian Hipp
 Claudia Klüppelberg
 Johannes Lörper
 Ulrich Orbanz
 Günther Segerer

Fellows: 146 (Active Fellows 91)
 Associates: 87
 Students: 442

Furthermore the convention decided on a revised and updated edition of the statutes of the DAV/DGVM and the establishment of a procedure for development, promulgation and disciplinary control of professional standards of practice within the DAV.

A special highlight of the convention was the presentation of the annual award of the DAV/DGVM for the best article on insurance mathematics. The award went to Mr. Kreer and Mr. Herr for their article "Zur Bewertung von Optionen und Garantien bei Lebensversicherung". A summary of the article has been published in the journal "Der Aktuar", volume 5, n° 2, June 1999.

The next convention will be held in Hamburg on 27 and 28 April 2000.

INDIA **Actuarial Society of India**

At the Annual General Meeting held on 7th August 1999, the following members were elected as office-bearers for the year 1999-2000:

- | | |
|---------------------------|--------------------------------|
| 1. Mr. K.P. Narasimhan | President |
| 2. Mr. V. Rajagopalan | Vice-President |
| 3. Ms. R. Padmaja | Hon. Secretary |
| 4. Mr. Arpan N. Thanawala | Hon. Jt. Secretary & Treasurer |

The other members of the Executive Committee are:

1. Mr. Debabrata Basu
2. Mr. D.C. Chakraborty
3. Mr. K.S. Gopalakrishnan
4. Ms. A.G. Rema Maljni
5. Mr. Liyaquat Khan
6. Mr. K.P. Sarma
7. Ms. Meena Sidhwani
8. Mr. S.F. Subhedar

2. Our membership strength as on 31st March 1999 was as under:

3. Guidance Note on Actuarial Investigations of Retirement Benefit Schemes was finalised and became effective from 1st January 1999.

4. During the year 1998-99, fourteen student members qualified as Associates and one Associate member qualified as Fellow.

5. A global conference of Actuaries was held for the first time in India on 12th and 13th February 1999. About 200 delegates including about 25 delegates from overseas countries such as UK, USA, Canada, Australia, etc. participated in the conference. Over 20 papers connected various fields of life, pension, health insurance, etc. were presented at the conference.

6. At a sessional meeting held in October 1998, a paper titled "Sharing the Life Assurance Cake" was prepared by a member.

ITALY **Istituto Italiano degli Attuari (IIA)**

The Istituto Italiano degli Attuari was founded in 1929.

ANNUAL REPORT

1. MEMBERS OF THE BOARD

The Board of Directors elects from its members the President, the Vice Presidents, the General Secretary and a Treasurer.

President:	Carla Angela Mormino
Vice Presidents:	Mario Alberto Coppini Antonio Longo
General Secretary:	Nino Savelli
Treasurer:	Giuseppe Di Tria
Auditors:	Roberto Laganà Angelo Torri

2. ADDRESS

Istituto Italiano degli Attuari
 Via del Corea, 3
 00186 Roma
 ITALY

Tel. 39 06 3226051 fax 39 06 3226056
 E-mail: iia@pronet.it

3. MEMBERSHIP

At the end of January 1999 the IIA had the following classes of Members:

- a) 167 Effective Members
- b) 59 Aspirant for Effective Members
- c) 40 Affiliate Members
- d) 2 Honorary Members
- e) 56 Corporate Members
- f) 10 Correspondent Members. The number of IAA members amounts to 167, of which 16 are members of ASTIN, 16 members of AFIR and 37 members of ASTIN and AFIR.

4. MEETINGS

First semester 1999: the IIA held the following Ordinary General Meetings:

January: “La sismicità in Italia: un modello statistico” by prof. Augusto Freddi

February: “Profili di vigilanza delle polizze-unit linked e index-linked”* by dott. Alberto Corinti

March: “Nuovi contributi circa la valutazione annua del rischio attuariale nei fondi pensione, scisso anche nella componente finanziaria e demografica. Applicazioni.”* By prof. A. Tomassetti, dott.ssa G. Bruno e dott.ssa E. Camerini

April: “La teoria del rischio ed i requisiti patrimoniali minimi delle compagnie di assicurazione” by prof. T. Pentikainen e dott. J. Rantala

May: “Il rischio in portafogli polizze sulla vita; il caso della dipendenza dei tassi degli investimenti dalla distribuzione dell’ammontare delle riserve matematiche. Applicazioni.”* by prof. A. Tomassetti, dott.ssa G. Bruno, dott.ssa E. Camerini

May: “Valutazione di alcune opzioni finanziarie asiatiche. I metodi di calcolo con particolare riferimento al metodo Quasi-MonteCarlo nel procedimento Sobol generalizzato, Van der Corput ed Halton. Applicazioni.”* by prof. A. Tomassetti, dott.ssa G. Bruno, dott.ssa E. Camerini, dott. A. Manna

June: “Contratti assicurativi e pensionistici con minimi garantiti. Calcoli di premi e riserve”* by prof. Massimo De Felice

June: “DFC, IRR, ROE, EVAR, RAROC ... in assicurazioni vita”* by dott.ssa Annamaria Olivieri

July: “Alcune riflessioni sulla didattica della matematica generale”* by prof. Lorenzo Peccati

* Copies of these lectures may be obtained by contacting the IIA Secretariat.

5. PROFESSIONAL DEVELOPEMENT COURSES (PDC)

During the first six months of 1999, the IIA, along with Consiglio Nazionale degli Attuari e Consiglio dell’Ordine degli Attuari, has organized the following PDC:

February, April, May “Assicurazioni sulla durata di vita con prestazioni flessibili. Prodotti unit-linked e index-linked” by: G. Bosser, R. Bratina, A. Olivieri, E. Pitacco.

6. PUBLICATIONS

The Giornale dell’Istituto Italiano degli Attuari (GIIA) is published once a year, each issue consisting of about 120-140 pages.

Chief Editor: Luciano Daboni

Editorial Committee: C. Angela, M. Angrisani, A. Bellieri, M.A. Coppini, L. Daboni A. Longo, G. Orrù, R. Ottaviani, M. Pagliacci, L. Peccati, E. Pitacco, V. Urciuoli

Secretary: Fabio Grasso

The editor of the GIIA can be reached via the following address:

Giornale dell’Istituto Italiano degli Attuari
Via del Corea, 3
00186 ROMA, ITALY

JAPAN

The Institute of Actuaries of Japan

1. The Main Topics of This Year

The Institute of Actuaries of Japan celebrated its centennial anniversary, in Tokyo August 1999.

As one of the commemorative events, the International Actuarial Association (IAA), Council and committee meetings were held in Tokyo. ASTIN/AFIR colloquia and our Centenary Convention were also held during the same period.

ASTIN and AFIR drew over 200 participants to each from 30 countries. Our Centenary Convention attracted some 950 participants with over 100 international guests.

We received wonderful gifts from Overseas Actuarial Associations and these will afford a commemorative reminiscence.

At the Centenary Convention, 55 complimentary persons were awarded for their contributions toward the IAJ.

From the Vision Committee, key note report titled “Pave the way to the 21st century” and “Action Program” were introduced and received many comments from delegates,

including overseas guests, and discussed afterwards. We will develop a final report based on these comments and discussions.

Our Action Program also references the matter of education scheme. At no time in the past has the level of specialization required of the Actuary been as high as it is now. To this end, our Institute not only wants to encourage our members to research and study more actively as together with expressing opinions beneficial to society, but also to bolster stature and ability of our members as the foundation for such activities. For example, we plan to revise our qualifying examination from the year 2000 and introduce a more rigorous system of continuing education for our fellow professionals.

2. Schedule of Events for 1999

(1) Centenary convention of IAJ

ASTIN Colloquium: from August 22 to 25

AFIR Colloquium: from August 24 to 27

IAA Meetings: from August 28 to 29

IAJ's Centenary Convention: from August 30 to 31

(2) Students Study Programs to Prepare for Qualifying Examination

Basic course from May 6 to December 7

Intermediate course from June 7 to August 23

(3) *Qualifying Examination* from December 20 to 22

(4) *Actuarial Seminar of East Asia* from August 5 to September 3

(5) *Summer Seminar* from September 16 to 17

(6) *System Committee's Annual Meeting* from October 27 to 28

3. Introduction of Publications

We issued the following proceedings in 1998 and 1999.

All of them are written in Japanese.

(1) The Exercise for Qualifying Examination 1997 extra proceeding No. 179

(2) Report from the Insurance Actuarial and Accounting Research Group-Surrender Value extra proceeding No. 180

(3) Problems in the Management of Corporate Pension Plan in Japan extra proceeding No. 181

(4) Report from the Research Group Concerning to the Risks of Life Insurance Industry extra proceeding No. 182

(5) Report from the Life insurance Business in Foreign Countries Research Group extra proceeding No. 183

(6) The 16th Summer Seminar extra proceeding No. 184

(7) The 38th System Committee's Annual Meeting extra proceeding No. 185

(8) Report from the Management Accounting Committee extra proceeding No. 186

(9) The Exercise for Qualifying Examination 1998 extra proceeding No. 187

4. Breakdown of Membership by type of Employment as of March 31,1999

	Fellows	Associates	Students	Total
Life Ins. Co.	404	403	756	1,563
Trust Banks	138	79	126	343
Non-Life Ins. Co.	133	129	306	568
Government	28	19	59	106
Co-operatives	10	33	74	117
Others	173	160	330	663
<i>Total</i>	<i>886</i>	<i>823</i>	<i>1,651</i>	<i>3,360</i>

5. The Board of Director's Meeting and General Assembly were held on May 26th, 1999, and new Officers of I.A.J. were elected.

The officers, including newly elected ones, are as follows;

President Masakatsu Nishibe

Vice-President Junzo Tanaka

Vice-President Norimichi Nonoguchi

Vice-President Satoru Yonetani

Vice-President Isao Hayashi

Vice-President Hideji Okumura

PORTUGAL

Instituto dos Actuários Portugueses

Program of Non-Life Science

The second program on non-life science had three disciplines in the first semester of 1999:

- Regression Models by Luís Portugal;
- A Priori Tarification, by Richard Verral;
- and Claims Reserving by Luís Portugal.

Appointed Actuaries in Pension Funds

After the implementation of Appointed Actuaries in Life and Non-Life companies the portuguese legislation will oblige

the pension funds societies and the insurance companies managing pension funds of defined benefits to have an Appointed Actuary.

Seminars

During the second semester of 1998 the following events took place:

- The Social Security Reform Carlos Pereira da Silva, Miguel Gouveia and Eugénio Rosa;
- Asset Liability Management by Julio Koch and Ernesto Costa;
- and The DC-19 Accounting Directive and Pension Funds, by Filomena Oliveira, Gabriel Bernardino and Mário Ribeiro.

SOUTH AFRICA **Actuarial Society of South Africa**

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1. Office bearers and membership

At the close of the 1999 Annual General Meeting (AGM), to be held on 3 November, Blignault Gouws will assume the office of Immediate Past President and Paul Truyens will become the new President. The other office-bearers will be elected at the AGM.

Having broken through the 1 000 level for the first time in its fifty years of existence, the membership figures of the Actuarial Society reached another milestone when the level of 400 Fellow members resident in the Republic was broken earlier this year. At the same time, the Actuarial Society's student numbers broke through the 600 barrier for the first time. On 30 June 1999, the Actuarial Society had 1 164 members. In total, it had 457 Fellow members, 45 of whom are resident outside South Africa, and 652 Student members, 16 of whom do not reside in South Africa. The balance is made up by Associate (38) and Library (17) members.

2. Meetings: Review

In an important development, the Council of the Actuarial Society decided that non-members, e.g. the media and general public, are welcome to attend the Society's meetings, provided that the right is reserved to discuss in-house matters at closed meetings.

Various sessional meetings were held during the year. Issues regarding professional conduct and continuing professional development were discussed at meetings held in Cape Town and Johannesburg in February. The Actuarial Society's Strategic Plan, which was developed in 1998 and presented at the 1998 Convention, was discussed and approved at meetings held in March. A panel discussion, also involving pension lawyers and pension practitioners, considered possible discrimination in retirement fund rules. A representative of the Department of Health took part in discussions on the regulations under the new Medical Schemes Act.

Rather unfavourable comments in the media gave rise to meetings on "Actuaries: The Public Image and the Public Interest", held in August. Possible and perceived "sins of the past" were discussed. These discussions will be taken a step further during a plenary session at the 1999 Convention.

A general insurance mini-convention was held in Johannesburg and a life assurance seminar in Cape Town.

3. Meetings: Preview

The 1999 Convention will be held on 2 and 3 November, at the Eskom Conference Centre in Midrand. The Annual General Meeting will be held on 3 November.

Apart from the "Public Image and Public Interest" discussion, the question of continuing professional development will be discussed further during the presentation of a paper by Peter Withey, ASSA CPD Scheme - The Next Chapter. Other papers will deal with actuarial education in South Africa, the impact of HIV/Aids on medical scheme solvency, social security, the 1996 census, actuarial salary surveys, financial management, retirement matters, international developments and healthcare.

4. Other business

The previous report referred to the Actuarial Society's liaison with the Department of Finance on the possible introduction of index-linked bonds in South Africa. The matter also received some attention in the media. Representatives from the Asset Management desk of the Department of Finance addressed sessional meetings of the Actuarial Society on the issue. There appears to be significant support in the department for this initiative.

In a recent determination, the Pension Funds Adjudicator requested the Actuarial Society to provide him with guidelines on best practice on certain ethical issues, such as when there is a significant shift in value during conversions from one fund to another. This, as well as earlier determinations by the Adjudicator, indicates a closer working relationship between the Adjudicator and the Actuarial Society.

The Financial Services Board has undertaken a fundamental redrafting of the Pensions Act. The intention is that a working party will provide a plain language version. Wide consensus will be sought on this draft before it is cast into legalese. The working party is advised by a “Wise Persons Committee”, on which the Actuarial Society is represented.

The Road Accidents Fund Commission is looking into an equitable, affordable and sustainable system of providing compensation or benefits in the event of the injury or death of people in road accidents in the Republic. A task group under ASSA President Blignault Gouws submitted a memorandum to and gave oral evidence before the Commission, while Immediate Past President Reg Munro assisted the Law Society with their submission to the Commission.

UNITED KINGDOM

The Faculty and Institute of Actuaries

SESSIONAL MEETINGS

SESSION 1998/99

Bulletin 27 contained information on papers submitted to the Faculty and Institute of Actuaries in the last six months of 1997 and first six months of 1998. This report covers the last six months of 1998 and the first six months of 1999.

The Institute of Actuaries held eight Sessional Meetings:

18 September 1998

'A Crisis of Longer Life - Reforming Pension Systems' by Chris D. Daykin and David Lewis

26 October 1998

'The Methodology of Actuarial Science' by John M. Pemberton

23 November 1998

'International Measures of Profit for Life Assurance Companies' by P.J.L. O'Keeffe, A.C. Sharpe with a Supplementary Paper by Bill Abbott

25 January 1999

Discussion of Vision and Values Project as put forward by the Faculty and Institute Presidents.

22 February 1999

The Regulatory Role Of The Actuary by C. D. Daykin

22 March 1999

Report of the Working Party on 'The Closed Fund Alternative'

26 April 1999

Report of the Working Party on 'The Role and Responsibilities of Actuaries in the Defined Contribution Environment in the United Kingdom'

24 May 1999

Report of the Working Party on 'Financial Services and Investment Markets in a Low Inflationary Environment'

The Faculty of Actuaries held five sessional meetings:

5 October 1998

Presidential Address

16 November 1998

Continuing Care Communities - Attractive to members but what what about Sponsors - a paper by R A Humble and D G Ryan

18 January 1999

A Crisis of Longer Life: Reforming Pension Systems - a paper by C D Daykin and D Lewis

15 February 1999

Discussion on Vision and Values

15 March 1999

Developing an Accounting Standard for Life Assurance Business - a paper by D O Forfar and N B Masters

In addition to the Sessional Meetings, a programme of residential and non-residential conferences on the following subjects of importance to actuaries were organized jointly by the Faculty and Institute of Actuaries.

The Lloyd's Actuary

Investment Conference

8th International AFIR Colloquium

Pension Scheme Wind-Ups

Stochastic Modelling for Life Offices

General Insurance Convention

29th International ASTIN Colloquium

The Role of the Pension Scheme Actuary

Selling Skills for Actuaries

1999 Actuarial Life Convention

Continuing Care Retirement Communities seminar

Risk Analysis and Management for Projects (RAMP) seminar

Asset Liability Modelling

Life After Birmingham - Follow up to the Life Convention

Investment Strategies for Pensions Actuaries

Current Issues in Life Assurance

Capital or Risk, Allocation or Return, Chicken or Egg

Non-Traditional Reinsurance

1999 Investment Conference
 Products and Pricing
 CILA Revisited
 Planning Personal Finance Professionally
 Customer Lifetime Value
 1999 Pensions Convention
 Joint seminar with the Casualty Actuarial Society

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 CASUALTY ACTUARIAL SOCIETY**

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 E-mail: office@casact.org

The Faculty and Institute published the British Actuarial Journal Volume 4, Parts II, III, IV and V and Volume 5 Part 1. These contain the papers and reports of the discussions at Sessional Meetings of the Institute and the Faculty from June 1998 to June 1999.

Copies of the British Actuarial Journal can be obtained from the Institute of Actuaries, Napier House, 4 Worcester Street, Oxford OX1 2AW, UK price £95 per volume plus postage and packing, or £25 per part plus postage and packing.

The officers elected to the Institute of Actuaries and the Faculty of Actuaries for 1999/00 are:

INSTITUTE

President P N Thornton
 Vice-Presidents J Goford
 A S Fishman
 Honorary Secretaries N B Masters
 P D Needleman
 Treasurer D R Linnell

FACULTY

President C W F Low
 Vice-Presidents T D Kingston
 M J Levett
 M D Ross
 W W Stewart
 Honorary Secretaries N M Bryson
 P J F Taylor
 Honorary Treasurer R M Budge

Membership Statistics

	Institute as at 28.2.99	Faculty as at 31.12.98	Total
Fellows			
Home	3632	726	4358
Overseas	1263	259	1522
Total	4895	985	5880

Note: "Home" encompasses Fellows resident in Europe.

1. AFFILIATE MEMBERSHIP

The Casualty Actuarial Society in 1998 adopted a class of membership, Affiliate, to serve qualified actuaries who practice in the general insurance field and wish to be active in the CAS, but do not meet the qualifications to become an Associate or Fellow of the CAS. Affiliate Membership recognizes that the Affiliate Member has been granted professional status as an actuary by another actuarial organization and practices in the property/casualty field. To date eight actuaries have been approved as CAS Affiliate Members.

Affiliates are governed by the CAS Constitution, Bylaws and Code of Professional Conduct, and are subject to CAS disciplinary procedures (documents may be viewed on the CAS Web Site). Practice rights are not granted to Affiliate Members; rather they must adhere to U.S., Canadian, or other nation specific qualification standards to determine eligibility to practice.

Affiliates are entitled to attend meetings and seminars of the CAS by paying the fees specified for members, participate at Society functions, and serve on CAS committees (except for Admissions and Board committees). Affiliates are assessed the same dues as Associates and Fellows.

Affiliates may submit papers to the *Proceedings* and the *Forum*. The *Proceedings* is the annual refereed publication of the CAS, while the *Forum* is a non-refereed journal which provides a means of immediate circulation of research papers. Affiliates receive all CAS publications including the *Proceedings*, *Discussion Papers*, *Forum*, *Actuarial Review* (a quarterly newsletter), *Syllabus* and *Yearbook*. They also are granted access to the Members Only section of the CAS Web Site (upon application for a password).

Additional information and an application form for Affiliate Membership are posted on the CAS Web Site (in the "About CAS" section at <http://www.casact.org/aboutcas/about.htm>) or are available from the CAS Office.

2. NEW EXAMINATION STRUCTURE

The CAS examination structure will be revised beginning with the Spring 2000 exams. A CAS special task force in 1997 had assessed the current CAS education system to determine if any changes to the system were needed to educate the actuary of the future. The Board of Directors has adopted the task force restructuring recommendations for a syllabus of seven Associate level exams and two additional exams for Fellowship. The first four exams will be jointly administered with the Society of Actuaries. A description of the new examination structure, CAS transition rules, and other details are available on the CAS Web Site (Students' Corner section) or by contacting the CAS Office.

3. FUTURE MEETINGS AND SEMINARS OF THE CASUALTY ACTUARIAL SOCIETY

SOCIETY MEETINGS

1999 Annual Meeting November 14, 15, 16, 17 San Francisco Marriott San Francisco, California	2000 Spring Meeting May 7, 8, 9, 10 The Mirage Las Vegas, Nevada
2000 Annual Meeting November 12, 13, 14, 15 J. W. Marriott Washington, D.C	2001 Spring Meeting May 6, 7, 8, 9 Fontainebleau Hilton Miami, Florida
2001 Annual Meeting November 11, 12, 13, 14 Marriott Marquis Atlanta, Georgia	2002 Spring Meeting May 19, 20, 21, 22 Hotel del Coronado Coronado, California
2002 Annual Meeting November 10, 11, 12, 13 Marriott Copley Place Boston, Massachusetts	2003 Spring Meeting May 18, 19, 20, 21 Marriott's Marco Island Resort Marco Island, Florida
2003 Annual Meeting November 9, 10, 11, 12 New Orleans Marriott New Orleans, Louisiana	2004 Spring Meeting May 16, 17, 18, 19 The Broadmoor Colorado Springs, Colorado
2004 Annual Meeting November 14, 15, 16, 17 The Queen Elizabeth Hotel Montreal, Quebec, Canada	

CASUALTY LOSS RESERVE SEMINAR

Jointly sponsored with the American Academy of Actuaries

2000 September 11, 12 Hilton and Towers Minneapolis, Minnesota	2001 September 10, 11 Fairmont Hotel New Orleans, Louisiana
2002 September 23, 24 Crystal Gateway Marriott Arlington, Virginia	2003 September 8, 9 Chicago Marriott Downtown Chicago, Illinois

SEMINAR ON RATEMAKING

2000 March 9,10 Hotel del Coronado San Diego, California	2001 March 12, 13 The Mirage Las Vegas, Nevada
2002 March 7, 8 Tampa Marriott Waterside Tampa, Florida	2003 March 27, 28 San Antonio Marriott Rivercenter San Antonio, Texas

SEMINAR ON REINSURANCE

2000 June 15, 16 Boston Marriott Copley Place Boston, Massachusetts	2001 July 11, 12, 13 Sonesta Beach Resort Bermuda
---	--

SEMINAR ON VALUATION OF INSURANCE OPERATIONS

2000 April 10, 11 Regal Riverfront Hotel St. Louis, Missouri

SEMINAR ON DYNAMIC FINANCIAL ANALYSIS

2000 July 17, 18 Marriott Marquis New York, New York
--

4. 1999-2000 OFFICERS

Alice H. Gannon	President
Patrick J. Grannan	President-Elect
Steven G. Lehmann	Immediate Past President
Curtis Gary Dean	VP-Administration
Mary Frances Miller	VP-Admissions
Abbe S. Bensimon	VP-Continuing Education
David R. Chernick	VP-Programs and Communications
Gary R. Josephson	VP-Research and Development

5. MEMBERSHIP STATISTICS (AS OF SEPTEMBER 1, 1999)

Associates	1350
Fellows	1926
Affiliates	<u>8</u>
Total	3,284

THE CONFERENCE OF CONSULTING ACTUARIES

History and Mission of the Conference

The roots of the Conference of Consulting Actuaries can be traced to the fall of 1949, when six consulting actuaries met for lunch in Chicago to discuss the need for an organization to set standards and exchange information among consulting actuaries.

In January 1950, five of these actuaries and two others, obtained a certificate of incorporation (dated December 1949) for the Conference of Actuaries in Public Practice (CAPP) and established the Conference's Bylaws. Later, the Guides to Professional Conduct and Interpretive Opinions were added. The Conference held its first membership meeting at the Edgewater Beach Hotel in Chicago on October 3, 1950. Thirty-five Conference members attended. Today, membership in the Conference surpasses 1,000.

In October of 1991, the membership of the Conference voted to change its name to the Conference of Consulting Actuaries (CCA). This inserts into the title of the organization the word that best describes what Conference members provide: Consulting.

Recently, the Conference leadership developed a Mission Statement and General Objectives to put into clearer focus the purpose and future direction of the organization. They are as follows:

Mission Statement

The Conference of Consulting Actuaries advances the practice of actuarial consulting by serving the professional

needs of consulting actuaries and by promoting members' views within the actuarial profession.

General Objectives

1. Provide educational forums for consulting actuaries to expand their knowledge of key issues, to discuss and foster practical applications of actuarial science and to enhance their consulting skills.
2. Ensure that members are effectively represented on issues affecting their practices, their clients and their ability to serve the public interest.
3. Promote and enforce professional standards of qualification, conduct and practice.
4. Ensure that CCA's structure, processes and resources enable the accomplishment of its Mission in an efficient manner.

The Conference strives to meet the changing needs and interests of its members in a number of ways. Its program for Recognition of Continuing Professional Education encourages members to further their knowledge and expertise in actuarial science. The Conference's newsletter, The Consulting Actuary, provides members with information on CCA activities and issues affecting the profession, while its Annual Meetings encourage open exchanges of ideas among actuaries. The Conference's yearly journal, The Proceedings, contains research papers and transcripts of sessions held at the Annual Meetings.

Organizational Update

The Conference's recent activities are as follows:

Meetings and Seminars

The CCA's 1999 Annual Meeting is being held in Boca Raton, Florida, October 10-13, at the Boca Raton Resort and Club. In addition to our solid program content, Monday's general session "ABCD Mock Hearing - The Case of Han Solo" should be lively yet educational. Facts from actual cases will be presented. The audience will get a closer look at the ABCD process and how the case is resolved. Following a full day of sessions, meeting registrants and their registered guests will join us for an enjoyable evening on the shores of the ocean for food, drink, and entertainment under the stars.

The year 2000 offers additional interesting educational opportunities to the actuarial profession. The CCA is hosting three different one-day seminars. The first is "Overview of Legal Applications in the Health and Welfare Actuarial Field," the other two are

pension topics. They are titled as follows: "An Overview of Legal Applications in the Actuarial Field," and "Overview of ERISA - The Non-tax Provisions." We are seeking approval of the aforementioned seminars from the Society of Actuaries to ensure they qualify as Approved Professional Development activities. We are looking into offering additional seminars on other topics of interest to consultants.

The 2000 Enrolled Actuaries Meeting Committee is meeting this month to set the meeting session topics. The meeting is being held at the Washington Marriott Wardman Park Hotel in Washington, DC, March 26-29.

Web Page

Stop by and visit our revised site. CCA members have a valuable additional

resource in our web site. Members may view recently approved minutes from Board and Executive Committee meetings, review our Recognition for Continuing Professional Education program, view meeting and seminar brochures as they become available, and participate in our Work Product Review Program. If you would like to visit our site, we are at <http://www.ccactuaries.org>.

The Proceedings and The Proceedings Index

The Proceedings from the 1998 Annual Meeting is expected to be available in November. Our printed version has been changed to a lexitone cover. This year, in addition to the printed volume, all full dues paying members will receive three years (1996-1998 volumes) of Proceedings on CD-ROM. The books sell for \$95* each and the CD-ROMs sell for \$125* each. Please contact the CCA office if you would like to place an order.

*Illinois state tax is additional

THE SOCIETY OF ACTUARIES

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October-May

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Naples, FL 34108

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Facsimile: (941) 514-2784

May-October

159 East Avenue
New Canaan, CT 06840

1. ELECTION RESULTS

The results of the election, as tallied on August 10, 1999, for the 1999-2000 are as follows:

President-Elect
Vice-Presidents

Robert L. Brown
David N. Becker
Morris W. Chambers
Stephen G. Kellison

Board of Governors

Vincent Amoroso
William J. Bugg, Jr.
Thomas R. Corcoran
Edward L. Robbins
Shirley Hwei-Chung Shao
Judy L. Strachan

The newly-elected officials assumed their new responsibilities at the Society's 1999 Annual Meeting in San Francisco, CA, October 1999.

2. NORTH AMERICAN ACTUARIAL JOURNAL

The Society of Actuaries is looking for authors to submit papers and articles on a wide-range of topics. The *NAAJ* publishes papers from new and developing areas of actuarial practice, including:

- Research on emerging public policy debates
- Technology improvements
- Demographic trends.
- Globalization issues
- Multi-disciplinary topics providing useful insight to practicing actuaries.

The submission process is simple: submit two (2) copies of your paper along with a one-page abstract which outlines the scope and objectives of your paper, including author and paper information and the names (and how to contact them) of up to three potential reviewers for the refereeing process. For a copy of the "Submission Guidelines for Authors,"

please contact Cheryl Enderlein, Communications Coordinator, at 847/706-3563, or via e-mail (cenderlein@SOA.org).

Subscription Information

The *North American Actuarial Journal* is published quarterly at the following rates: 1 year (4 issues) for \$95.00, 2 years (8 issues) for \$165, and 3 years (12 issues) for \$250.00 (prices in U.S. dollars). Send your name, company name, full mailing address, and either a check or credit card information (MasterCard and Visa are accepted; include card number, expiration date, telephone number, and signature) to the Books and Publications Department at the following address:

Society of Actuaries
Books and Publications Department
475 North Martingale Road, Suite 800
Schaumburg, IL 60173-2226

Remittance must accompany orders. For Canadian orders, please add 7% GST tax. For overseas orders, please add 20% postage charge. U.S. funds drawn on U.S. currency on U.S. banks are preferred. If you have questions, please contact the Books and Publications Department by phone (847/706-2526), fax (847/706-3599), or e-mail (bhaynes@soa.org).

3. FUTURE SOCIETY OF ACTUARIES MEETINGS

For details on the above seminars and those under development, watch for future SOA mailings or call the Continuing Education Department at 847/706-3545 or 847/706-3540. The following additional seminar topics are in the planning stages for 1998-99. All dates/locations are tentative.

- Corporate and Chief Actuaries Open Forum
TBA
- Retirement 2000
February 23-24
Washington, DC
- Asset Liability Seminar
February 22
New York, NY
- Annuity Conference
- March 30-31
- Atlanta, GA
- SOA Spring Meeting
(Financial Report/Product Development)
- June 22-23
- San Diego, CA

- SOA Spring Meeting
(Health & Pension)
- May 22-24
- Las Vegas, NV
- Valuation Actuary Symposium
- September 14-15
- Washington, DC
- SOA Annual Meeting
October 15-18
Chicago, IL

For details on the above seminars and those under development, watch for future SOA mailings visit the website at <http://www.soa.org> or call the Continuing Education Department at 847-706-3545 or 847-7063540. The following additional seminar topics are in the planning stages for 1999-2000. All dates/locations are tentative.

4. RECENT PUBLICATIONS

Actuarial Mathematics, Second Edition

Since the publication of the first edition of *Actuarial Mathematics* in 1986, actuarial science has absorbed additional ideas from economics and the mathematical sciences. Although it would be impossible to capture the full effect of all these changes in the revision of a basic textbook, this second edition is a step in an ongoing process of adaptation designed to keep the fundamentals of actuarial science current with changing realities. At the same time, this second edition continues the philosophy of the first edition in its presentation of what has come to be identified as the modern mathematical foundation of actuarial science.

Among the book's key features is the probability approach, and the discussions build on the development of the mathematics of probability and the entry of risk into decision theory. Another key feature is the integration of life contingency concepts with risk theory. The textbook is used in SOA Courses 150 and 151 and is on the recommended reading list for Seminar 152.

"We're in a technological revolution, and we have to keep moving ahead with new ideas. Time marches on," said James C. Hickman, one of the book's five original authors and one of the three who revised the text.

Among the notable differences in the revised text are a new chapter on stochastic models of interest rates and the omission of commutation functions, no longer a staple of actuarial calculations. In the new text, readers are instead asked to use current software to complete exercises that illustrate actuarial calculations. To this end, this second edition takes advantage of the general availability of powerful

personal computers. The resulting freedom means that there is no longer a single preferred method for computing results from actuarial models and also that more complex models are feasible. As a consequence, suggestions for computing are in *Act Math* and it is recognized that it is no longer necessary to be constrained to traditional computing methods.

Also, said Hickman, “The whole approach to regulation is entirely different in the second edition. Specific insurance regulations and practices in Canada and the U.S. are relegated to examples and exercises. The basic issues that motivate regulation and practice survive.” He added, “We’re going international—this text has an audience in Mexico, Asia, and perhaps elsewhere. There are new ideas, new commercial practices. One of them is the pension area: the decline of defined-benefit plans and the rise of defined contribution plans. But we didn’t change it; the world did. But we must acknowledge these types of changes in our work.”

In general, “we attempted to eliminate some of the products people have lost interest in and include current products,” said Newton L. Bowers, another of the revised text’s authors. “Retirement income policies, also known as income endowment policies, have been virtually unknown for 15 years. Those and others may have historic interest, but that isn’t the focus of *Act Math*.” New products include accelerated benefits for terminal illness and long-term care.

Donald A. Jones, another of the revised text’s authors, observed, “A lot of teaching is done by professors doing research because you can’t get cutting-edge developments into print very quickly. We know that the publication process keeps us from being as current as everyone would like, but we believe the new edition of *Act Math* will be useful for teachers and students. It offers much of the latest thinking in actuarial science.”

A textbook at the foundation of a profession also must be readable. This one is. It contains a wealth of charts, graphs, tables, examples, and exercises clarifying the theory. *Act Math* is well suited to self-study and the immediate application of its tools.

The cost is \$75.00 and the book can be ordered through the SOA Books Department (phone: 947/706-3526; fax: 847/706-3599; e-mail: bhaynes@soa.org).

Transactions, Society of Actuaries, 1995-96 Reports

The *TSA 1995-96 Reports* varies slightly from previous volumes. Volume XLVII (1995) of the *Transactions* was the last in that series. The *TSA Reports* will continue to present mortality and experience studies, task force reports, and industry studies. Beginning with this volume, the *TSA Reports* will also include the Presidential Address, Financial

Reports, Obituaries, and any other studies deemed suitable.

The first two research papers to be published in the *TSA Reports* appear in this volume:

- “Specifications for Calculating Life Insurance Policy Reserves under Sections 5 and 8 of the NAIC Standard Valuation Law as Amplified by the Valuation of Life Insurance Policies Model Regulation” by Peter G. Hendee
 - “Continuing Care Retirement Community Resident Mortality and Life Expectancies” by Harold L. Barney.
- Included in the 1995-96 *TSA Reports* are the following reports of the Society of Actuaries experience committees:
- 1988-89 Individual Life Mortality Experience
 - 1989-90 Individual Life Mortality Experience
 - 1983-88 Mortality by Cause of Death
 - 1991-92 Group Annuity Mortality Experience.

The following reports generated by various Society of Actuaries research activities are also included:

- “Dynamic Solvency Testing: Boundaries of Risk Definition Phase” by Donna R. Claire
- “Annuity 2000 Mortality Tables” by Robert J. Johansen
- “Plan Terminations in Ontario from 1988 to 1993” sponsored jointly by the Retirement Systems Research Committee of the Society of Actuaries and the Task Force on Pension Plan Coverage of the Canadian Institute of Actuaries
- Report of the Society of Actuaries Task Force on Preferred Underwriting
- “Mortality under Structured Settlement Annuities for 1990-93” by the Structured Settlements Valuation Task Force.

In addition, the following reports of experience studies of interest to actuaries, prepared by the Canadian Institute of Actuaries, are included:

- Report on the Canadian Institute of Actuaries Group Mortality Study for the 1989 Experience Year
- “Mortality under Canadian Standard Ordinary Insurance Issues Studied between the 1991 and 1992 Anniversaries” Report of the Individual Life Section of the Committee on Expected Experience.

We express our thanks to LIMRA, International for permitting us to reproduce the following studies of interest to actuaries, prepared by that organization:

- United States Lapses by Duration and Product Line: Long-Term Ordinary Lapse Survey
- Canadian Lapses by Duration and Product Line: Long-Term Ordinary Lapse Survey
- Universal Life Persistency Study (jointly sponsored by LIMRA and SOA)
- Annuity Persistency Study (jointly sponsored by LIMRA and SOA).
- Group Medical Insurance Large Claims Database Collection and Analysis
(\$35.00-U.S. Dollars SOA member)
(\$75.00-U.S. Dollars Non SOA member)

Group Medical Insurance Large Claims Database Collection and Analysis

The purpose of this research project, which was jointly funded by the Health Section and the Society of Actuaries, was “To assemble and analyze a limited database which may serve as a model for expanded intercompany studies of health care benefits in the future.” The focus of the project was on the types and incidence of large claims, defined as claims totaling \$25,000 or more for any one year.

SOA Monograph M-HB97-1 (\$ 35.00-U.S. Dollars)

Securitization of Insurance Risk: The 1995 Bowles Symposium

During the late 1980s and early 1990s, we have seen insurance and financial markets interact more closely than ever before. New tools for managing insurance risk emerge frequently, usually with roots in financial markets. A strong motivating factor has been the record number of natural catastrophes and their impact on insured losses. The potential for earthquake and storm losses in the U.S. exceeds insurance market capacity. Reinsurers, banks, security exchanges, and others are developing products, sometimes involving the creation of new organizations or joint ventures, to profitably meet this demand. The 1995 Bowles Symposium provided a forum for exploring some of these products and discussing new possibilities.

The Chicago Board of Trade futures on catastrophic loss indices provided an early example of these products, perhaps the first exchange-traded insurance derivative securities. Over-the-counter products such as bonds with coupons or principal payments tied to an insurance portfolio loss ratio are examples of privately placed insurance securities. There

is more information available on the publicly traded examples, and naturally, the majority of the symposium papers treat these products. The symposium was organized in three sessions, as follows:

- Interplay between Capital Markets and Insurance
- Insurance Futures
- Actuarial Bridge between Insurance and Finance.

The symposium was above all intended to promote an understanding of the basic ideas of securitization and to discuss the fundamentals of new emerging products. The interaction between innovations in the financial markets and the needs of the insurance sector has been an excellent topic for bringing financial specialists and actuaries closer together so that they can learn from each other.

SOA Monograph M-F197-1 (\$35.00-U.S. Dollars)

New Actuaries Office to serve students and members in East Asia

Patrick Cichy, the coordinator of Asian services, set up the Society of Actuaries representative office in Hong Kong in November 1997. The office has been reorganized as a joint representative office as of 1 July 1999 to pursue the common interests of the Society of Actuaries, the Faculty and Institute of Actuaries, the Actuarial Society of Hong Kong, and the Institute of Actuaries of Australia. Hosted by the ASHK, the joint representative office known as the Actuaries Office in Hong Kong will serve the members and students of the participating organizations in East Asia. The Office will help to promote the actuarial profession and actuarial education through the combined and co-ordinated efforts of the organizations. The joint office is administered by Patricia Kum as Patrick has returned to the United States.

The office’s responsibilities will include coordinating continuing education seminars for members, furnishing information on the actuarial profession to the public in East Asia, providing staff support to the organizations’ volunteer committees, and liaising with national actuarial associations.

Correspondence for the office should be addressed to: Patricia Kum, Actuaries Office in Hong Kong, Units 2207-2212, 22/ F Miramar Tower, 1-23 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong. Patricia can also be contacted by telephone at (852) 2199 1110, by fax at (852) 2730 5356 or by e-mail at patkum@netvigator.com.

9. REPORTS FROM OTHER ORGANIZATIONS

INTERNATIONAL SOCIAL SECURITY ASSOCIATION

The 26th General Assembly of the ISSA took place in Marrakech, Morocco from 25-31 October 1998. As part of a number of constitutional changes, Executive Committees were established to replace the former Permanent Committee structure, so there is no longer a Permanent Committee for Statistical, Actuarial and Financial Studies. The Executive Committee for Social Security Actuaries and Statisticians, which had been formed several years ago on the initiative of members of the Permanent Committee, was confirmed as part of the new structure. The Chairman of the Executive Committee (Chris Daykin, who also represents the ISSA on the Council of the IAA) has been co-opted to the Bureau of the ISSA.

At the General Assembly, a half-day meeting was presented by the Executive Committee for Social Security Actuaries and Statisticians on the topic "Standards of Practice for Social Security Actuaries". The concept of developing an international standard had widespread support and it was agreed to refer the matter to the Council of the IAA, with a view to the IAA developing the standard and recommending it to the ISSA for adoption and promulgation to member social security institutions.

An Interregional Training Seminar on Actuarial and Statistical Techniques was held for the countries of French-speaking Africa in Marrakech, Morocco from 26-30 April 1999. The Third Seminar for Social Security Actuaries and Statisticians will be held in Berlin, Germany on 25-26 October 1999. The 13th International Conference of Social Security Actuaries and Statisticians will be held in Quebec, Canada on 10-12 October 1999. It is hoped that many actuaries who are interested in social security matters will attend on this occasion.

ISSA has supported the production of a text-book on *Actuarial Mathematics of Social Security* by the former Chief Actuary of the ILO Social Security Department, Mani Iyer. It is hoped that this will be published shortly in English and that a translation into Spanish will be made available in due course.

The ISSA web-site (<http://www.aiss.org>) is a useful source of information about social security, and a number of the ISSA technical papers can be found there, as well as listings of publications.

GRUPE CONSULTATIF DES ASSOCIATIONS - D'ACTUARIES DES PAYS DES COMMUNAUTÉS EUROPÉENNES

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Secretary: John Henty

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1. The 22nd Annual Meeting of the Groupe Consultatif was held in Vienna in October 1999.

The officers elected for 1999/2000 were:

Chairman	Manuel Peraita (Spain)
Vice Chairmen	Peter Clark (UK)
	Alf Guldberg (Sweden)

2. During the year, the actuarial associations in Cyprus and the Czech Republic were admitted as Associate Members, having met the criteria for full membership but not being situated in a Member State of the European Union.

At the Annual Meeting, the Association des Actuares de Bretagne was admitted a Full Member of the Groupe and the actuarial associations in Croatia, Estonia, Latvia, Lithuania and Slovenia were admitted as Observer Members.

There are currently 31 member associations in the Groupe from 25 countries.

3. In furtherance of its core activity of commenting on existing and proposed EU legislation, where issues of interest to the actuarial profession are concerned, the Groupe has:

- Contributed to the discussions leading to publication in May 1999 of the European Commission's Action Plan for Implementing the Framework for Financial Markets, an aspirational programme for rapid progress towards a single financial market. The Groupe will be represented at regular meetings of interested organizations monitoring implementation of the actions outlined in the plan;
- Considered and commented on technical proposals from the Commission to update and improve the current EU solvency margin rules;

- Commented to the Commission on the results of consultations on proposals relating to the single market for supplementary pensions;
 - Discussed with the Commission issues in insurance accounting, with particular reference to proposals being developed by the International Accounting Standards Committee for an international accounting standard for insurance.
4. The 12th Colloquium of the Groupe Consultatif was held in Brussels on 15 October 1999, on the theme “The Actuary faced with the Introduction of the Euro and fluctuations in interest rates”. The Groupe’s 13th Colloquium will be held in Oxford on 15 September 2000.
 5. The Groupe’s Summer School was organized by the Swiss Association of Actuaries in Lausanne from 9-13 August 1999, jointly with the 15th International Summer School of the Association. The subject was “Modelling extremal events for insurance and finance”.
 6. Meetings were held in Brussels on 7 and 8 May 1999 with the Pensions and Insurance Supervisory Authorities in the European Union. The two subjects discussed with the Pensions Supervisors were asset liability management and the supervision of pension funds and defined contribution arrangements. The theme of the meeting with the Insurance Supervisors was the impact of low EMU interest rates on EU insurance undertakings.

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ITALY

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Copies of this volume may be obtained by contacting the IIA Secretariat.

Other publications: Transaction of National Congress of Insurance Science - Torino, 1996

UNITED KINGDOM

British Actuarial Journal

Volume 4, Part II, No. 17

SESSIONAL MEETINGS: PAPERS AND ABSTRACTS OF DISCUSSIONS

- Future Financial Regulation: an Actuary’s View. By A. S. Fishman, J. J. Daldorph, A. K. Gupta, T. W. Hewitson, M. R. Kipling, D. R. Linnell and S. R. Nuttall
- Abstract of the Discussion on the preceding held by the Institute of Actuaries

- Human Genetics and Financial Services. A Discussion Meeting with Supporting Papers. Abstract of the Discussion on the four papers held by the Faculty of Actuaries
- Report of the Fixed-Interest Working Group. By K. S. Feldman, B. Bergman, A. J. G. Carins, G. B. Chaplin, G. D. Gwilt, P. R. Lockyer and F. B. Turley
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- The Management of Risks in Banking. By J. N. Allan, P. M. Booth, R. J. Verrall and D. E. P. Walsh
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- A Review of the Statutory Valuation of Long-Term Insurance Business in the United Kingdom. By P. W. Wright, S. J. Burgess, R. G. Chadburn, A. J. M. Chamberlain, R. Frankland, J. E. Gill, D. J. Lechmere and S. F. Margutti
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NORTH AMERICAN ACTUARIAL JOURNAL

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A Special Interest Section is a group of Society members organized to study and discuss their common function and professional interests and to contribute information to the actuarial profession. Sections are successful because their members get involved. They are structured but flexible so as to be responsive both to the needs of the profession and to the specific needs of their members. Society members can discuss their special interests at the Section level with other members and still be served professionally through the Society structure.

Sections publish newsletters and special reports, plan Society meetings and seminars, hold breakfasts and luncheons with guest speakers at Society meetings and support actuarial research efforts. Section members are eligible to vote in Council elections and to hold office in the Section to which they belong.

People in the actuarial profession and related fields in the United States, Canada, and other countries who are not members of the Society of Actuaries have the opportunity to take advantage of these special interest groups. Nonmembers can subscribe to one or more special interest Sections in order to receive their mailings and to be invited to participate in seminars and other Section-sponsored programs. It is a good opportunity to keep abreast to actuarial advancements and activities in North America.

Section	Dues \$	Subscription \$
Actuary of the Future Section	\$10.00	\$10.00
Computer Science Section	10.00	10.00
Education & Research Section	15.00	15.00
Futurism Section	10.00	15.00
Health Section	20.00	20.00
Individual Life Insurance and Annuity		
Product Development Section	15.00	20.00
International Section	15.00	15.00
Investment Section	15.00	15.00
Life Insurance Company Financial		
Reporting Section	10.00	15.00
Management & Personal Development		10.00
Nontraditional Marketing Section	12.00	15.00
Pension Section	25.00	25.00
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INTERNATIONAL SOCIAL SECURITY ASSOCIATION

International Social Security Review

Issue 3/99: special issue for the International Year of Older Persons

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- *Fundamental decisions for the reform of pensions systems*, by Winfried Schmähl (Germany)
- *Pension provision for specific risk groups: The Japanese case*, by Noriyuki Takayama (Japan)
- *Equity and redistribution between generations: A challenge for the future of pensions and all social protection schemes*, by Anne-Marie Guillemard (France)
- *Work, family, State and market: Income packaging for older households*, by Martin Rein and John Turner (US)
- *Adequacy and poverty among retired people*, by Richard Hauser (Germany)
- Book notes for the International Year of Older Persons

Issue 4/99:

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- *Squaring the welfare circle and government ideology: Greece and Spain in the 1990s*, by Vic George (UK), Peter Stathopoulos (Greece) and Jorge Garcés (Spain)
- *"Work for those that can, security for those that cannot". The United Kingdom's new social security reform agenda*, by Mark Hyde, John Dixon and Melanie Joyner (UK)

- *Notional defined-contribution schemes: Old wine in new bottles?* by Michael Cichon (ILO)

Issue 1/2000:

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