

# IAA



# Special Newsletter

| International Actuarial Association | December 2012



IAA COUNCIL  
AND COMMITTEES  
Nassau, Bahamas  
November  
14-18, 2012



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# IAA Special Newsletter

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This Special Newsletter reports on the discussions and action items arising from the IAA Council and committee meetings held in Nassau, Bahamas, from November 14 to 18, 2012.

These meetings, which were attended by 200 delegates representing 31 countries, comprised 44 different meetings filling 86 time slots over a period of five days.

Special guests in attendance included:

- Ángel Melguizo, Inter-American Development Bank (IDB)
- David Finnis, International Association of Insurance Supervisors (IAIS)
- Karel Goosens, Groupe Consultatif
- Paul Kennedy, Financial Reporting Council
- Jean-Claude Ménard, International Social Security Association (ISSA)
- Courtney Christie-Veitch, International Monetary Fund (IMF) Caribbean region.

## President's Report

The report of President Desmond Smith focused on the following points:

- Outreach activities, including meetings with supranational organizations and presentations by the Officers and other IAA representatives.
- An update on Memoranda of Understanding (MoU), including the most recent signed with the Organization for Economic Co-operation and Development and with the IAIS and developments with respect to the International Labour Organization.
- Recent public statements and fast track procedures.

## Council

The highlight of the Council meeting featured a [presentation](#) by Mr. Ángel Melguizo, Lead Specialist of the Labor Markets and Social Security Unit of the Inter-American Development Bank (IDB). Ángel's presentation highlighted several pension related issues in Latin America and the need for increased actuarial capacity, advice, and fiscal frameworks.



[Ángel Melguizo speaking at the meeting.](#)

The IAA proposes to follow-up on some of these issues and to explore areas where a greater collaboration between the two organizations would be of mutual benefit. To commemorate the occasion, President Desmond Smith presented Ángel Melguizo with a copy of the IAA publication: *Stochastic Modeling – Theory and Reality from an Actuarial Perspective*.

## [2013 Election Results](#)

Council unanimously elected Kurt Wolfsdorf (Germany) as President for 2013 and Robert L. Brown (Canada) as President-Elect for 2013. Desmond Smith was recognized for his outstanding contribution to the progress and development of the IAA and his stoic

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Above, Desmond Smith with Kurt Wolfsdorf. Right, Rob Brown.



leadership during his year of presidency; Desmond will continue to serve as an Officer of the IAA as Immediate Past President. All terms of office take effect on January 1, 2013.

### New Member

Council unanimously approved the admission of l'Institut National des Actuaire au Sénégal as an Associate Member of the IAA, bringing the total number of Associate Member associations to 29.

### Committee Appointments

Council approved the following statutory committee appointments:

#### **Actuarial Standards Committee**

- *Dave Pelletier, Chair, Canada, 2 yr term*

- *Godfrey Perrott, Vice-Chair, United States, 3 yr term*
- *Alf Gohdes, Vice-Chair, Germany, 3 yr term*
- *Al Beer, United States, 1 yr term*
- *Andrew Chamberlain, United Kingdom, 3 yr term*
- *Gabor Hanak, Hungary, 2 yr term*
- *Tom Karp, Australia, 3 yr term*
- *Esko Kivisaari, Finland, 1 yr term*
- *Ryoichi Nakamura, Japan, 1 yr term*
- *Francis Ruygt, Netherlands, 2 yr term*
- *Jesus Zuniga, Mexico, 2 yr term*

#### **Audit and Finance**

- *Hillevi Mannonen (Finland), Member*

#### **Executive Committee**

- *Robert Brown, ex officio Member*
- *Tarmo Koll (Estonia), Member*
- *Dave Sandberg (United States), Member*

#### **Nominations Committee**

- *Desmond Smith, Chair*
- *Kurt Wolfsdorf, Vice-Chair*
- *Robert Brown, ex officio Member*
- *Cecil Bykerk, ex officio Member*
- *Ken Hohman (United States), Member*
- *Barbara Lautzenheiser (United States), Member*

Council ratified the EC appointments to the following committees:

#### **Accreditation Co-Vice-Chairs**

- *Ken Hohman (United States), reappointment*



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- *Ricardo Frischtak (Brazil), new*

## Education Co-Vice-Chairs

- *Klaus Mattar (Germany), reappointment*
- *Enrique de Alba (Mexico), reappointment*

## Enterprise and Financial Risk Co-Vice-Chairs

- *Lars Pralle (Germany), new*
- *John Maroney (Australia), reappointment*

## Insurance Regulation Chair

- *Dave Sandberg (United States), new*

## Microinsurance Working Group

- *Howard Bolnick (United States), Chair, reappointment*
- *Peter Wrede (Germany), new*

## Mortality Working Group

- *Martin Stevenson (Australia), Chair, reappointment*

## Pensions and Employee Benefits Co-Vice-Chair

- *Tom Terry (United States), reappointment*

## IAA Delegate to IACA:

- *Tom Terry (United States), new*

## IAA Delegate to IAAHS:

- *Cecil Bykerk (United States), new*

Council recognized the following outgoing Chairpersons, Vice-Chairpersons and IAA Delegates to Sections:

- Toshihiro Kawano, Chair, Insurance Regulation
- Chris Lewis, Vice-Chair, Accreditation
- Seamus Creedon, Vice-Chair, Enterprise and Financial Risk
- Michael Toothman, IAA Delegate, IACA

- Harry Panjer, ASTIN Chairman
- Bob Conger, IAA Delegate, AWB
- Dave Pelletier, IAA Delegate, AWB
- Junichi Sakamoto, IAA Delegate, IAAHS

Other matters approved by the Council include:

- The terms of reference and membership protocol for the Actuarial Standards Committee;
- International Standard of Actuarial Practice 1 – General Actuarial Practice (ISAP 1);
- Policy on Institutional and Observer Membership;
- The appointment of the firm of BDO Dunwoody as the IAA auditors for 2013 for the audit of the financial statements at December 31, 2012;
- Budget for 2013.



Cecil Bykerk presents a plaque to Harry Panjer.

## The Work of Committees and Sections

### Audit and Finance (A&F)

*Mike McLaughlin, Chairperson*

The committee approved the minutes from the previous meeting and agreed to the report by the Director of Finance. The committee has met once since Los Angeles. Items it is currently reviewing include professionalism insurance coverage, investment guidelines, assessment



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report on Secretariat IT infrastructure, and risk management within the IAA. The committee has established an audit plan for statements at December 31, 2012. The third-quarter financial statements were reported on and it was noted that the year-end forecast is projecting a larger surplus than budgeted.

## Advice and Assistance (A&A)

*Tarmo Koll, Chairperson*

Committee members were introduced to an important Strategic Planning item: the Report of the Task Force to Review the Implementation of the IAA Strategic Objective 4. Based on that report and its conclusions, the IAA Fund will be phased out, and the A&A committee will have more formal linkage to the Actuaries Without Borders Section. The A&A Committee terms of reference will therefore be amended accordingly and discussed once a draft is available. The committee also approved setting up a new regional subcommittee to cover Central Asia, Middle East and some parts of Europe, in which the actuarial profession is not yet fully developed.

The committee discussed the draft document on Discipline Support for smaller and developing associations. The committee members were asked for feedback on this topic, as well as the topic of supporting the delivery of actuarial education around the world. The topic of mentorship was also discussed thoroughly. It was decided that, once completed, these three topics could be linked together and documents will be made public on the IAA web site.

The committee has agreed to lead a session at ICA2014 together with the Education and Accreditation Committees. The topic of the session will be: Improving the association's readiness and understanding of the requirements when applying for full member status in the IAA. The committee has also approved the bursary

application process for this congress, developed through the bursary Task Force established following the previous meeting in LA.

## Latin America Subcommittee (of the A&A Committee)

*Marcos Ribeiro Barretto Jr, Vice-Chairperson*

Activities are under way regarding the following countries:

- Colombia: waiting for their documents to be translated into English, and subsequently to be submitted to the Accreditation Committee in support of their application for Full Member status.
- Chile: A representative from the association was present to report on the advancements in Chile. Once their documents are received, their application will be submitted to the Education and Accreditation Committees with the expectation that they will be recommended for admission as a Full Member soon.
- Peru: One of the subcommittee members has been working towards promoting the program "Educating the Educators" and towards creating an opportunity to organize a Latin American Seminar in Peru next semester.
- Mexico: The IAA Fund Seminar held in October was a success and a significant opportunity to connect with Latin Americans.
- Uruguay: A representative participated in the Mexico Colloquium and the IAA Fund seminar. The subcommittee is now in touch with their contacts and hope that they will be effective in organizing their new association that was created earlier in the year.
- IDB (Inter-American Development Bank): The subcommittee is keen to assist the IDB to develop new paths for providing actuarial information in the Latin America region.

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## Education

*Mary Frances Miller, Chairperson*

The committee approved a [template](#) intended to provide assistance to any association planning a one-day professionalism event directed at experienced actuaries.

## Enterprise and Financial Risk

*David Ingram, Chairperson*

A key part of the Nassau meeting was reporting on the progress of a study underway of ERM practices in member organizations. Preliminary findings from 22 of the 37 delegates on the committee were reported. Over 75% of the respondents reported that their association has special ERM related activities. There were 17 different activities reported including exams, conferences, web pages and standards of practice. None of the delegates reported that their associations were engaged in all 17 activities, and therefore a future task for the committee will be to create opportunities to share experiences so that everyone can learn more.

Other new projects include the development of potential International Actuarial Notes (IAN) on ERM topics and the development of a web based ERM knowledge base. The IAN project follows on a decision of the IASSC to postpone indefinitely further work on an ERM ISAP. The ERM knowledge base project will be conducted jointly with the AFIR/ERM Section. More activity on these two projects is expected soon.

The EFRC also thanked Seamus Creedon for his

service as Vice-Chair of the committee and welcomed Lars Pralle as the new Vice-Chair.

## Executive Committee (EC)

*Desmond Smith, Chairperson*

The EC met twice in Nassau: on November 16 and on November 18. During these meetings, the EC:

- Approved the conversion of the Supranational Relations Subcommittee into a Committee to enhance status with external audiences. The Committee will continue to report to the EC and its membership will continue to be appointed by the EC.
- Approved the appointment of Oliver Bettis (UK) as Chair of the Environment Working Group.
- Approved revised terms of reference for the Mortality Working Group, Professionalism Committee, and for the Supranational Relations Committee.
- Reviewed the results of the various surveys on the effectiveness of committees and followed up with Chairs.
- Reviewed Q2 and Q3 financial statements.
- Will address the Secretary General position once a full cycle with a vacancy in the position is complete and will make a recommendation at the next Council meeting.
- Undertaking an update of the Strategic Plan for presentation at the next Council meeting.
- As a result of the Council discussion on the strategy for International Standards of Actuarial Practice (ISAPs),



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the EC will be creating a Task Force that will develop a strategic plan for ISAPs to be discussed by Council at its next meeting.

### Interim Actuarial Standards Subcommittee (IASSC) (of the EC), and IAS 19 Task Force

*Dave Pelletier, Chairperson IASSC, and Yasuyuki Fujii, Chairperson IAS 19 Task Force*

Both the IASSC and its Task Force on an ISAP supporting IAS 19 work met in Nassau. The major issues and outcomes of the two IASSC sessions were:

- Approval of communication to Full Member Associations (FMAs) and other interested parties regarding the decision to proceed at this point with an IAN rather than an ISAP on Enterprise Risk Management (ERM).
- Lessons learned from the ISAP 1 process.
- Thanks were expressed to Irene Paterson for her extensive work as Chair of the IAS 19 TF over the last two years, and a welcome to Yasuyuki Fujii as the new Chair of the TF. Gary Hibbard was also appointed to the TF.

- Updates were provided on the work of the task force on social security, where an Exposure Draft is currently out to the FMAs and other interested parties for comment, and on IFRS 4, where we are on hold pending progress by the IASB.
- Considerations discussed on the strategic plan for standards.

Issues discussed and outcomes of the two IAS 19 Task Force sessions included:

- Discussion and summarization of the 17 comment letters sent in response to the draft SOI;
- Tentative agreement of the criteria to decide what issues are worthy of being included in the ISAP vs an IAN, and submission to the IASSC;
- Preparation of proposed draft final SOI for submission to the IASSC, considering the comments received and the tentative criteria for inclusion in an ISAP or educational material; target for approval of SOI is the IASSC December 19 conference call meeting.
- Discussion in particular of the scope of the proposed ISAP, whether to cover all or just some of the benefit types covered by IAS 19 itself.



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A key outcome of the Council meeting from the perspective of the IASSC, albeit not an outcome of the IASSC meeting per se, was the approval of ISAP 1!

In accordance with an earlier email vote of Council, the IASSC transforms into the Actuarial Standards Committee (ASC), effective January 1 with no immediate change in membership.

## Nominations Committee (NC)

*Cecil Bykerk, Chairperson*

- The NC will be recommending that the criteria for appointments to the EC be modified to include one member with current or recent committee chair experience and one with current or recent Section chair experience. The NC Protocol will be adjusted accordingly and submitted to Council for approval.
- The 2013 call for nominations, which is being facilitated through a Web form, has been issued with a response deadline of March 1, 2013. The NC stressed the importance for member associations to ensure that their appointed committee delegates are active in order to be considered for leadership positions. There was encouragement for more names, in particular from Europe and Rest of the World.
- The NC is developing a removal from office process for Officers and EC members that will be submitted to Council for approval in due course.

## Insurance Accounting

*Francis Ruygt, Chairperson*

A lengthy discussion took place on the issues being considered by the IASB concerning accounting for insurance contracts liabilities (IFRS 4). Several issues were identified that the committee will address by means of two groups: one will take on issues that it

will discuss shortly with the IASB staff (in the form of a letter with comments and questions), and the other will be discussed at the time of the limited exposure draft that will be distributed in 2013.

## Subcommittee on Education and Practice (of the Insurance Accounting Committee)

*David Finnis, William Hines, Co-Chairpersons*

The subcommittee discussed the progress being made on its two monograph development projects: 1) Issues Associated with Discount Rates, and 2) Risk Adjustments. Representatives of the author teams were in attendance and shared their status and views.

With regard to the Risk Adjustment monograph, the subcommittee discussed the balance between the need to set out the established techniques and approaches developed and applied by the actuarial profession and the need to provide support for the likely outcome of the IASB deliberations on risk adjustments for future accounting for insurance contracts. Also discussed were technical issues and concerns based on the upcoming IASB Exposure Draft and subsequent deliberations and discussions.

With regard to the Discount Rates Monograph, the meeting was held jointly with the Pension and Employee Benefits Committee. The three-month public exposure period for the monograph had just been completed and material from 13 commenters to date had been received. This material is available on the website and it includes comments from industry, actuarial associations, educators and individual actuaries. The key comments were received and reviewed. The commenters continue to believe that the material needs additional focus and that this can be achieved by a review of the structure. Additional material was provided on sovereign risk which was recommended to be included. There was



Just some of the many attendees from the world's actuarial associations who gathered in Nassau.

concern expressed regarding the material becoming dated. It is proposed that this issue be addressed by a final chapter on recent developments. Concern was expressed regarding the length and the manner in which items that are still the subject of political debate get addressed. The comments were very good and much appreciated; they will be extremely valuable in completing the monograph.

A robust discussion took place regarding the planning for future ISAP/IAN educational materials in anticipation of IFRS 4 revisions. The subcommittee set in place a lengthy series of tasks (25) for the preparation of potential IANs in support of the application of IFRS 4.

The immediate goal is to develop papers on issues that would include, notably: identification of the issue that it will address, background, discussion of specific considerations/issues, identification of alternative approaches and, if possible, a chosen approach or techniques that the actuary may consider using and their rationale. A number of volunteers have already been identified for this important activity.

### Insurance Regulation (IRC)

*Toshihiro Kawano, Chairperson*

The IRC discussed the draft paper on “Actuarial Viewpoints on and Roles in Systemic Risk Regulation in Insurance Markets”. As the paper is nearing completion, the committee discussed its final recommendations and comments. The authors will respond to several recommendations made by the review and they will complete final edits on the paper in the next few months.

The committee discussed the meaning and interpretation of a group actuarial opinion as initially outlined in the draft ComFrame document from the International Association of Insurance Supervisors (IAIS) in anticipation of further commenting at the next draft of ComFrame. It also discussed the IAIS consultation on Global Systemically Important Insurers: Proposed Policy Measures. An initial draft of IAA comments were reviewed and refined.

### ComFrame Task Force (of the IRC)

*Dave Sandberg, Chairperson*

The task force discussed how the IAA could help the IAIS



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with the ComFrame discussions. A report was provided on the most recent IAIS Solvency and Actuarial Issues Subcommittee meeting, which occurred early during the week of November 12, 2012. The TF agreed to the development of a series of case studies reflecting global insurance organizations and their potential regulation under ComFrame.

## Solvency Subcommittee (of the IRC)

*Henk van Broekhoven, Chairperson*

The subcommittee discussed how to complete the long standing Stress/Scenario Testing paper and assigned four members to complete the task by January 2013. The updated version of the “Global Framework for Insurer Solvency Assessment (Blue Book)” was discussed. The successor will be called the “Purple Book”.

The subcommittee decided to author two chapters, one on technical issues relating to time horizons and the other on group issues. Members reported on solvency activities from their part of the globe.

## Reinsurance Subcommittee (of the IRC)

*Michael Eves, Chairperson*

The subcommittee reviewed the initial draft on Intra-group Reinsurance Transactions and suggestions were made to refine some of the points.

It was noted that the short paper on non-proportional reinsurance would need original work; it would be a contribution to the Purple Book. Updates were made to the CRO Forum.

## Own Risk and Solvency Assessment (ORSA) Working Group (of the IRC)

*Maryellen Coggins, Lars Pralle, Co-chairpersons*

The WG, jointly established under the Insurance

Regulation and Enterprise and Financial Risk Committees, compared ORSA developments in US NAIC and Europe Solvency II. The WG reaffirmed the need to write educational notes to address the purpose of ORSA and derive value from ORSA analyses. The Note will be short (5-8 pages) and targeted towards a Board of Directors type audience. Development of a PowerPoint for actuaries to use in introducing the topic to the Board will also be considered.

## Mortality Working Group (MWG)

*Martin Stevenson, Chairperson*

The meetings had three components: operational, subcommittee updates and presentations.

### **Operational**

A protocol for admitting and retiring members was formulated; a standard template for country reports was discussed; and the terms of reference and the operational plan were confirmed.

It was agreed that it would be desirable to hold mortality seminars or presentations in conjunction with the IAA Committee Meetings in Singapore (2013) and London (2014).

### **Subcommittee updates**

Progress reports were received from:

- The SoA's International Experience Study, which assists actuaries in less developed countries to carry out mortality and other decrement analyses;
- The Underwriting Committee, which is preparing a comprehensive paper on underwriting practices around the world; and
- The Information Base Committee, which is responsible for the MWG's web Information Base which



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disseminates knowledge about global developments in mortality of interest to actuaries.

## Presentations

Presentations were made on:

- Country updates (Canada, Israel, Sweden, UK and USA);
- SoA research on new medical markers;
- Work on comparative life expectancy and mortality improvements;
- EU Unisex developments;
- Cause of death and use in projections;
- Longevity in South Africa;
- Mortality of Australian Public Sector Pensioners;
- New life mortality research – Finland.

## Pensions & Employee Benefits (PEBC)

*Gary Hibbard, Chairperson*

The PEBC discussed how it can take forward the Memorandum of Understandings recently signed with the OECD and IOPS and, jointly with the Insurance Accounting Committee, the IASB. This necessitated being clear what our objectives were from our relationship with each body, and how we can work proactively with each body to achieve shared goals. There were a number of practical steps the PEBC can take to build its relationship with supranational bodies and understand better their objectives. Some principles were discussed that could be taken forward to frame where actuaries can add the most value and these will be further discussed further in The Hague.

Alf Gohdes, Chair of the Pension and Employee Benefits Accounting Subcommittee, reported on the activity in



response to requests from IFRS-IC on what high-quality corporate bonds means, accounting for plans with employee contributions and practical considerations for contribution based plans. Yasuyuki Fujii, Chair of the IAS19 Task Force, summarised responses received to the SOI on an IAS19 ISAP and preliminary thoughts on how to take the SOI forward including criteria for determining which issues would be considered for inclusion in the ISAP and which in an IAN.

Philip Shier reported on developments in Europe in applying Solvency II-type principles for insurance companies to occupational pension plans. There were many challenging actuarial considerations including what confidence level defines 'solvency' for pension systems that operate under different national legislative regimes, application of concepts such as contra-cyclical premiums and matching adjustments, how to reserve for long term guarantees, and whether discretionary or conditional benefits are included. The European Commission has launched a quantitative impact study, based on QIS5 for insurance companies, but with some adjustments for the different nature of pension promises compared with insurance, that will attempt to measure the financial impact on employers and member states of

varying the key measurement parameters. The political debate around Solvency II continues, not least whether the politicians consider that a regulatory framework built on the concept of market consistency is affordable or desirable at the current time.

Vice-Chairs Esko Kivisaari and Tom Terry discussed progress around key OECD, IOPS and IMF projects on adequacy of retirement savings levels, the decumulation phase and the impact of longevity risk, and the role of financial education (including learnings from behavioural science). These were highly topical themes for many Member Associations, particularly in Australia, South Africa, UK and US. The committee considered that it can add value in these areas, starting with strengthening the DC working party supporting our activities with the OECD and getting clarity on mutual interest objectives with the OECD.

Lisa Wade of the Caribbean Actuarial Association gave a fascinating presentation on the challenges facing the Caribbean public and private pensions system and the role actuaries play in helping meet those challenges. Lisa highlighted issues which were common to actuaries in many member associations such as sustainability of pension levels, increasing coordination by regulators in their oversight of private sector pensions and insurance

sectors, and a growing awareness of the impact of sovereign risk on assets (when assets are predominantly invested in government bonds) and liabilities (how to set the discount rate) in economies with high levels of government debt and continuing current account deficits.

The meeting closed with a practical ERM-focused discussion led by Japan on changes being proposed to its employee pension funds systems following the discovery of fraudulent declaration of returns by a leading investment management company; the growth of pension systems in Mexico; the issues arising in many countries in the transfer of private sector pension assets and obligations to the State; and actuarial considerations in connection with the recent US regulatory funding rule changes.

If you would be interested in supporting the committee's activities with any of the supranational bodies mentioned please contact [Gary Hibbard](#), [Tom Terry](#), [Esko Kivisaari](#) or [Alf Gohdes](#). We would be pleased to hear your thoughts and involve you in the committee's work programmes going forward.

### **Professionalism Committee (PC)**

*Peter Doyle, Chairperson*

During its meeting, the committee addressed the following matters.

- Discussed and noted the revised terms of reference, as approved by the Executive Committee (EC).
- Discussed the report on the Governance of International Actuarial Work. It was agreed that the task force led by David Martin with Curtis Huntington, Ralph Blanchard and Malcolm Campbell will address the proposed actions and report at the next meeting.
- Discussed the report from Roland van der Brink on





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the role of the committee in relation to supranational bodies. The report which proposed the links that the PC could establish with selected supranational bodies was adopted.

- Agreed that the committee should populate the Professionalism section on the IAA websites with documents and links to documents that could be useful to all member associations. This could include disciplinary case studies, professionalism course material, international actuarial work, disciplinary processes, whistle-blowing, conflicts of interest, codes of conduct, etc.
- Ratified the checklist for the committee's responsibilities under the new Due Process developed by the task force led by Yvonne Lynch. The committee also noted the completed report of the PC task force reviewing ISAP 1. The appointment of the four two-person task teams to start work on the checklists for the other ISAPs already being considered under the due process was ratified.
- Received a present-ation on the discussion document for the Strategic Action Plan for ISAPs. This document was also being discussed by both the EC and Council in Nassau. The committee noted that it also had several other responsibilities under the due process for IANs which will need to be addressed.
- Discussed a report and feedback on the topic of Business Ethics. It was agreed that this merited the attention of the Committee, and a task force under the leadership of Steve Lehmann agreed to review this matter and report thereon to the next meeting.
- Discussed the feedback from the survey of members and it noted impressions of generally improving trends, especially for the Committee's effectiveness in relation to its TOR and communications.

- Addressed possible topics on professionalism that could be addressed at ICA 2014 in Washington. The chairman accepted to discuss this matter with the program director of the ICA.

## Social Security Committee (SSC)

*Junichi Sakamoto, Chairperson*

The committee approved its position paper on social security stochastic modeling and decided that the next subject of a position paper will be on collecting and handling data when dealing with social security issues.

The committee also undertook to discuss issues of civil service pension schemes within its mandate, if supported by the EC. At the moment, no IAA group is addressing this, and it is a concern since it does have an influence on the reputational risk of the actuarial profession.

Mr. Ángel Melguizo of the Inter-American Development Bank was a guest observer at the committee meeting and he expressed support for an enhanced and expanded relationship between the IDB and the IAA.

## Supranational Relations Committee (SRC) (of the EC)

*Ken Buffin, Chairperson (meeting chaired by Vice-Chairpersons Cathy Lyn and Roland van den Brink)*

The Supranational Relations Subcommittee was briefed on the decision by the Executive Committee to convert the subcommittee to a committee, while maintaining the existing process for committee membership appointments and making minor non-substantive changes to the terms of reference.

Two guest representatives from the Inter-American Development Bank and International Monetary Fund Caribbean region presented their areas of interest.



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They indicated clearly that assistance from the IAA committees and working groups would be very valuable to their work, and such an effort would strongly contribute to the visibility of the actuarial profession within their organization.

There was a constructive discussion on the proposed strategy for coordination with other IAA committees and working groups to collaborate with supranational organizations. The recommendation for increased coordination between SRS, committees and supranational organizations was generally well received, but it needs to be well managed due to the limited resources of IAA committees to carry through on additional responsibilities. It was agreed that the SRS will speak to committees, sections and working groups, particularly at the meetings at The Hague, to recruit volunteers to assist with this initiative.

An overview of recent supranational relations outreach activities was presented that included the third Annual Geneva Discussion Forum with the ILO and ISSA. New relationships have been established with representatives of UNCTAD, WHO, the UN NGO Committee on Ageing, and the United Nations Environment Program Financial Initiative.

## Chartered Enterprise Risk Analyst – Board (CERA Board)

*John Kollar*

The Swedish Society of Actuaries has earned formal approval to award the new Chartered Enterprise Risk Analyst (CERA) qualification for actuaries with unanimous support from the CERA Treaty Board. The

qualification is designed to equip actuaries to fulfill roles such as chief risk officer. Importantly for complex financial institutions it covers individual risk categories and how they interact.

## Presidents' Forum

The Presidents' Forum held on November 17 was attended by the Presidents (or a senior member of the current leadership) of 26 Full and Associate Member associations.

The meeting featured a presentation by Dave Hartman and Thomas Béhar, Co-Chairs of the Executive Committee Task Force on the Role of the Actuary, on the recent paper written by the task force; a preliminary report on the results of the Enterprise Risk Management survey, presented by Dave Ingram, Chair of the Enterprise and Financial Risk Committee; and a lively discussion on the actuarial profession's engagement in public policy, led by the current Chair of the ComFrame Task Force, Dave Sandberg.

The forum concluded with two short films promoting the upcoming AFIR-ERM/PBSS/ Life Colloquium, taking place in Lyon, France from June 24–26, 2013, and the next IAA Council and committee meetings, which will take place in The Hague from May 22–26, 2013.

## Caribbean Actuarial Association (CAA) Hosts IAA Delegates

The host of these IAA Council and Committee meetings was the Caribbean Actuarial Association (CAA), a Full Member of the IAA since 2008 with a total membership of



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52 fully qualified actuaries. The CAA annual conference was held jointly with the IAA meetings thereby providing many opportunities for delegates of both organizations to get to know each other and to network, and for several representatives from the IAA to make presentations at their conference. Notably, President Desmond Smith addressed their Advisory Council on November 14 and spoke at their opening session on November 15.

Unfortunately, the stars were not aligned on the evening of November 16 for the special dinner between IAA and CAA Delegates.

The CAA organizers had planned a wonderful event outside by the pool, but come curtain time, Mother Nature decided to add a little unplanned excitement and rained on the event. But it would take a little more than that to stop the evening festivities! Although some attendees had left, the evening resumed with food, entertainment and dancing.



After the varied presentations, there was plenty of time for socializing and networking.



Desmond Smith presents the commemorative plaque to Neil Dingwall.

To commemorate the IAA's presence in the Caribbean, IAA President, Desmond Smith, remitted a marble plaque to President Neil Dingwall.

## Next Meetings

The [next meetings](#) of the IAA Council and Committees will take place at the World Forum Convention Center at The Hague in the Netherlands from May 22 to 26, 2013. This event will be hosted by one of our Full Member Associations, the Actuarieel Genootschap (AG) - Actuarial Association of the Netherlands, which will be celebrating its 125th anniversary during that week. To commemorate the event, they will be hosting an Anniversary Congress and celebration on Friday, May 24. The AG will also be hosting the ASTIN Colloquium that will take place in the same venue May 21 to 24.

The meeting program will be announced in the coming weeks.