



London

Council and Committee Meetings
September 10-14, 2014

Special Newsletter

INTERNATIONAL ACTUARIAL ASSOCIATION
1203-99 Metcalfe St. Ottawa, ON K2P 6L7 Canada
T: 613.236.0886 F: 613.236.1386
www.actuaries.org

Contents:

President's Report
Guest Speakers
2015 Election Results
Committee Appointments
Recognition of Outgoing Chairpersons
Standards
Electronic Ballots
New Members
Dinner
Outcome of Committee and Working Group Meetings

- Actuarial Standards
- Accreditation
- Advice and Assistance
- Audit and Finance
- Education
- Enterprise and Financial Risk
- Executive Committee
- Health
- Insurance Accounting
- Insurance Regulation
- Mortality
- Nominations
- Pensions and Employee Benefits
- Population Issues
- Professionalism
- Resource and Environment
- Social Security
- Supranational Relations

Outcome of Section Meetings

- IAAHS
- IAALS
- IACA
- PBSS

Presidents' Forum
Next Meetings

SPECIAL NEWSLETTER LONDON 2014

This Special Newsletter reports on the discussions and action items arising from the IAA Council and committee meetings held in London, U.K. from September 10–14. The meetings, broken down into 51 different groups filling 87 time slots, were attended by 320 delegates representing 36 countries and 48 Full Member associations of the IAA.

Special guests included:

- International Association of Insurance Supervisors (IAIS): Peter Braumüller, David Finnis, Jules Gribble, John Maroney;
- International Accounting Standards Board (IASB): Ian Mackintosh;
- International Social Security Association (ISSA): Simon Brimblecombe;
- Actuarial Association of Europe (AAE): Malcolm Campbell, Ad Kok;
- Financial Reporting Council (FRC): Melanie McLaren, John Instance, Paul Kennedy;
- Financial Stability Institute (FSI): Jeffery Yong;
- International Valuation Standards Council (IVSC): Chris Thorne;
- Insurance Europe: Olav Jones;
- The Biogerontology Research Foundation UK: Alex Zhavoronkov;
- Government Actuary's Department: Martin Clarke, Dermot Grenham, Trevor Llanwarne;
- Bank of England Monetary Policy Committee: Paolo Cadoni;
- UK Pension Board: Gareth Connolly;
- Insurance Board of Nepal: Dhundi Raj Pokharel;
- Southampton University: Richard Werner;
- Imperial College Business School: Tony Hewitt;
- IFoA Continuous Mortality Investigation Committee: Tim Gordon;
- IFoA Mortality Research Steering Committee: Peter Banthorpe; and
- CASS Business School: David Blake.

PRESIDENT'S REPORT

One of the highlights of the IAA's presence in London was a meeting between the Officers of the IAA and Sir Win Bischoff, newly appointed Chairman at the FRC. This meeting provided an opportunity for the leaders of both organizations to exchange at a higher level and gain a better understanding of each organization's priorities.

President Rob Brown's report to Council focused on the following points:

- Update on implementation of recommendations as a result of the governance review.
- Introduction of organization-wide representation chart as a tool for managing and communicating our various external relationships.
- Outreach activities, including meetings with supranational organizations and presentations by the Officers and other IAA representatives.
- Improving the communication of and within the IAA:
 - FMA Engagement Plan;
 - IAA Value Proposition;
 - Governance of international actuarial work;
 - Introduction of committee work plans;
 - Council webinars in advance of meetings; and
 - IAA [blog](#).
- An update on recently published [press/news releases](#), and [newsletters](#).
- Recent [public statements](#), including comments on the IAIS second consultation on Basic Capital Requirements (BCRs), and on the IAASB's Proposed Strategy for 2015–2019 and proposed work program for 2015–2016.

GUEST SPEAKERS

The highlight of the Council meeting featured an [address](#) by Peter Braumüller, Chairman of the Executive Committee of the IAIS, who outlined key IAIS activities, focusing on the association's ongoing strategic review and its commitment to developing a global insurance capital standard (ICS). In this respect, he commended the IAA for its work on developing model International Standards of Actuarial Practice (ISAPs), and more specifically on the draft statement of intent for [ISAP \[7\]—Current Estimates and Other Matters in Relation to the ICS](#). He encouraged the IAA to comment on the ICS principles which will steer the development process. Peter also praised the IAA for its paper on [Addressing the Gap in Actuarial Services in Inclusive Markets](#).



Peter Braumüller (left) with Rob Brown (right)

There were two lunchtime speakers who addressed IAA Delegates on September 11 and 12. The first, Ian Mackintosh, Vice-chairman of the IASB, [talked](#) about the driving forces behind global accounting standards, the challenges to be overcome before their implementation, and the progress to date. He also explained the ongoing research and other projects that might lead to new accounting standards around the world. The second, Alex Zhavoronkov, Director of the Biogerontology Research Foundation, considered the issues of longevity and ageing and the companies working in this sphere.



Ian MacIntosh



Alex Zhavoronkov

2015 ELECTION RESULTS

Council unanimously elected Fred Rowley (Australia) as President for 2015 and Malcolm Campbell (Sweden) as President-Elect for 2015. Rob Brown was recognized for his exceptional contribution to the progress and development of the IAA and for his commitment to transparency and accountability during his year of presidency. Rob will continue to serve as an Officer of the IAA as Immediate Past President. All terms of office take effect on January 1, 2015.



Fred Rowley (left) with Rob Brown (right)



Rob Brown (left) with Kurt Wolfsdorf (right)



Malcolm Campbell (left) with Rob Brown (right)

COMMITTEE APPOINTMENTS

Council approved the appointments highlighted in the attached chart for [statutory and limited membership committees](#) and ratified appointments to other positions as approved by the Executive Committee (EC) ([see attached chart](#)).

RECOGNITION OF OUTGOING CHAIRPERSONS

In recognition of their dedication and invaluable contribution to the work of the IAA, a plaque was presented to the following outgoing chairpersons:

- Dave Pelletier, Actuarial Standards Committee (2010–2014);
- Erik Alm, Accreditation Committee (2012–2014);
- Francis Ruygt, Insurance Accounting Committee (2012–2014);
- Gary Hibbard, Pensions and Employee Benefits Committee (2011–2014);
- Peter Doyle, Professionalism Committee (2012–2014).
- Martin Stevenson, Mortality Working Group (2010–2013);
- Oliver Bettis, Resource and Environment Working Group (2012–2014); and
- Peter Boller, ASTIN Section (2011–2014).

STANDARDS

Council approved the final Statements of Intent (Sols) on ISAPs [\[5\]](#) and [\[6\]](#)—Enterprise Risk Management and the [report](#) on the consultation on the SOIs.

A presentation was made to update Council on the work of the [Actuarial Standards Committee](#).

ELECTRONIC BALLOTS

The following matters, approved by Council through an electronic ballot issued on April 14, 2014, were noted:

- Report of the Task Force on Governance Review;
- Dues Recommendation for 2015;
- Additions to the Strategic Action Plan for the development ISAPs; and
- Revised Due Process for International Standards of Actuarial Practice.

An electronic ballot was issued on October 27 to approve the following items, as discussed during the meeting:

- Admission of the Asociatia Romana de Actuariat (Romania) as a Full Member;
- Value Proposition;
- Proposed budget for 2015; and
- Locations for future meetings.

NEW MEMBERS

Council approved the admission of the Association of Consulting Actuaries (UK) as a Full Member of the IAA, bringing the total number of Full Member associations to 66.

DINNER

On September 12, the Institute and Faculty of Actuaries (IFoA) hosted a fabulous dinner at Gibson Hall, an historic converted banking hall.

Chris Daykin was recognized for his tireless devotion to the development of the actuarial profession worldwide and his many contributions to the global body of actuarial knowledge. Chris is only the fifth recipient of the IAA Medallist Award.

President Rob Brown presented a plaque to IFoA President Nick Salter, who accepted it as a token of the IAA's gratitude for hosting the IAA and Council meetings in London.



Chris Daykin (left) accepts IAA Medallist Award from Rob Brown (right)



Nick Salter (left) accepts host plaque from Rob Brown (right)

OUTCOME OF COMMITTEE AND WORKING GROUP MEETINGS

Actuarial Standards Subcommittee (ASC)

Dave Pelletier, Chairperson

The ASC and its four task forces met in London.

The task force on ISAP 3, dealing with actuarial work in relation to IAS 19, and chaired by Yas Fujii, had provided beforehand its near-final draft of the ISAP and its report on the various comments received on the exposure draft (ED) and how they had been dealt with. Conceptual agreement was reached on the text, and it is expected to be sent to member associations and other interested parties for final review with a comment deadline of November 30. The vote on approval of this ISAP by the IAA Council is targeted for its April meeting in Zürich.

ISAP 4 will deal with actuarial work in relation to the new insurance contracts IFRS. This ISAP is intended to help lead to a more consistent application of the insurance contracts IFRS worldwide (analogous to the intent of ISAP 3 with respect to IAS 19). The task force working on this ISAP, chaired by Micheline Dionne, was glad to see Council approve the statement of intent (Sol). Work has commenced on the ED of the ISAP itself, but the timing of the finalization and its release will depend on the progress of the IASB in finalizing and publishing the final IFRS itself.

ISAPs 5 and 6 will address insurer enterprise risk management (ERM), one dealing with insurer enterprise risk models and the second dealing with ERM work done in accordance with regulatory requirements consistent with ICPs 8 and 16 of the IAIS. Council approved the final Sols for these two ISAPs, and work has started on the EDs.



ISAP [7] is intended to deal with actuarial work in connection with the recently announced BCR and possibly the ICS proposed by the IAIS, to be applied to the Global Systemically Important Insurers (roughly 10 companies) and the Internationally Active Insurance Groups (about 60 companies), respectively. The IAIS is eager to have an ISAP in place to support its requirements, and in June the ASC published a draft SOI for such an ISAP. Several comments were received by the ASC, and task force chairperson Andrew Chamberlain expects that the ASC will be able to send the proposed final SOI, along with the report on comments received, to the IAA Council by the end of the year for an electronic vote.

Accreditation Committee

Erik Alm, Chairperson

Two applications for full membership were considered. The committee agreed to recommend to Council the admission of the Association of Consulting Actuaries as a Full Member, but agreed to postpone the admission of the Asociatia Romana de Actuariat (Romania) to allow the Education Committee to review an additional derivative path. An electronic ballot including the motion to recommend the admission of this association was sent to Council members on October 27.

The committee reviewed the revised documentation of nine Full Member associations (FMAs), to ensure continued compliance with IAA membership requirements. Seven of these FMAs were approved and two require further amendments.

The committee approved the proposed revisions to membership requirements for Associate Members in the Internal Regulations and plans to discuss revisions to the Internal Regulations regarding the termination of membership for non-payment of dues.

Additionally, the committee introduced a new Associate Member confirmation form that will allow it to monitor the compliance of Associate Members with membership requirements. The form will also collect data that will allow the Advice and Assistance Committee to assess the progress of Associate Members on becoming Full Members and to identify some areas in which they can provide help. The completion of this form will be compulsory for all Associate Members starting December 2014.

Incoming Chairperson Ken Hohman thanked Erik Alm for his many years of service on the committee. Members showed their appreciation with a warm round of applause.

Advice and Assistance Committee (A&A)
Tarmo Koll, Chairperson

The A&A meetings in London went well. The committee discussed the final report from the ICA 2014 Bursary Task Force and received the feedback from the bursary recipients' survey. Overall, 112 delegates attended the International Congress of Actuaries (ICA) 2014 with the help of a partial or full bursary. More than one third of them came from Africa, but other regions were also well represented. The survey responses indicated that the activities at the ICA 2014 were highly regarded, with the networking and education/professionalism sessions deemed the most valuable to help actuaries achieve professional development. The committee found the feedback from the survey to be very valuable.



A good discussion took place on microinsurance topics led by Howard Bolnick, Chairperson of the Microinsurance Working Group. In many countries, microinsurance is a topic where actuarial knowledge is lacking, and thus the links to the activities of A&A are natural.

The committee decided in principle to publish a web page on the IAA website which will include useful information for those not yet very familiar with the actuarial profession or relevant associations. Links to existing web resources will also be provided.

An IAA Fund event recently took place in Chinese Taipei from October 11–12, and the next will take place in Lima, Peru, from November 27–28.

The focus of the Africa Subcommittee meeting was on the various needs of the diverse continent. The preparation for the next African congress, to take place in 2015, is underway. The venue and dates will be announced before the end of this year.

Audit and Finance
Mike McLaughlin, Chairperson

The committee addressed the following:

- The report from the interim Director of Finance
- A report on investment, including recommendations
- A presentation from the incoming Chair of the Risk Oversight Task Force
- A review of Q2 financial statements and year-end forecast



Education Committee
Klaus Mattar, Chairperson

The committee considered the final report from the Task Force on Educating Future Actuaries, established to review the fundamental nature of actuarial education. The task force recommended the creation of a Syllabus Review Task Force to draft the new syllabus building on the work performed to date. This idea was approved and the new task force's membership will be selected by the committee leadership to ensure diversity and geographical representation, and will be circulated for approval by e-mail.

The committee agreed to hold an extended meeting in Zürich to allow committee members and other interested individuals to discuss proposed subjects for inclusion in the core syllabus.

It approved the nominations of Isabelle Larouche and Rafael Moreno as Chairperson and Vice-chairperson of the Actuarial Educators' Subcommittee. Members congratulated Andrew Gladwin for establishing the network, and for its continued growth and the actions undertaken to date.

Enterprise and Financial Risk (EFR)
David Ingram, Chairperson

The following subjects were discussed at the EFR meeting:

- Implementation of Solvency II;
- IAIS initiatives–led by John Maroney, Head of Financial Stability at the IAIS;
- Development of International Actuarial Note (IAN) on ERM; and
- ERM knowledge base; and
- Global Chartered Enterprise Risk Analyst.



Executive Committee (EC)
Rob Brown, Chairperson

The EC met twice in London, on September 11 and 14. During these meetings, it considered reports from the Strategic Planning, and Communications subcommittees. Howard Bolnick, Chairperson of the Microinsurance Working Group, spoke on the topic of microinsurance.

Discussion took place on the:

- Role of sections in the IAA;
- Quick wins from the FMA engagement Plan;
- Governance recommendations;
- EC subcommittee membership for 2015;
- Report on investments;
- Future of the Supranational Relations Committee;
- Zürich meeting schedule;
- Future meeting venues; and
- Action items resulting from the Council meeting, Leaders' Forum, Presidents' Forum, and Section Delegates' meeting.

Detailed reports on these meetings have been issued.

Health Committee
Emile Stipp, Chairperson

The Health Committee had a productive meeting focusing on a number of areas, including:

- Mapping the need for co-operation with other IAA committees who may address healthcare issues, or whose work may be of relevance to health actuaries.
- Reviewing a first version of a library of healthcare papers, which will be developed and co-ordinated with the IAA Health Section.
- Further discussions on the relationships between the Health Committee and various supranational bodies, and how to further relationships with some of the most pertinent organizations.

In addition, Jules Constantinou, and Jamie Marshall, respectively Chair and Deputy Chair of the Health and Care Board of the Institute and Faculty of Actuaries, joined the meeting to discuss potential collaboration between the Health Committee and the Board. The potential for sharing research via the Health Committee was explored. It was agreed that the Health Committee can act as a natural liaison between individual member organizations' health committees/boards, and in particular raise awareness of each group's research and international activities. The research work of the American Academy of Actuaries was also mentioned in this context. Further discussions will continue, and hopefully the liaison activities of the Committee will add value to the international actuarial community.

Guest Howard Bolnick, Chair of the Microinsurance Working Group, informed members about the group's activities, and discussed ways in which its relationship with the committee can be developed.

Insurance Accounting Committee (IAC)
Francis Ruygt, Chairperson

The IAC discussed further the follow-up on the comments to the IASB ED Insurance Contracts. The IASB Board is continuing to discuss the comments and has made several tentative decisions. The IAC has provided further responses to the IASB staff. Before and during the meeting several issues regarding the contractual service margin were identified. It was agreed to send a one-pager to the IASB on these issues, to request a meeting with them and prepare an internal document on arguments to be presented. A small task force was established to prepare the document. Further issues identified were the requirement to provide a confidence level and the par business. The IASB has not yet started to discuss the par business, so it was decided to wait for the agenda papers and provide comments as appropriate.



An update was provided on the meeting held with the IASB on September 9, which involved several IAA representatives, including members of the ASC, Pensions and Employees Benefits Committee (PEBC), and IAC leadership. The main topics for discussion were:

- The role of the ASC and its task forces, and activity to date; differentiation between ISAPs and IANs; the role of ISAPs and how they can support the IASB's objectives, and what support, if any, the IASB can lend to that.

- An update on ISAP 3 (actuarial work related to IAS19) and ISAP [4] on actuarial work in relation to the insurance contracts IFRS.
- An update on the latest developments within the IASB in other areas where IAA input could be useful (employee benefits, conceptual framework, etc.)—an ED on the conceptual framework is expected early next year.
- IAA input into IASB research development process generally—the PBEC and IAC will provide support to the IASB staff on the discount rate research.
- Memorandum of Understanding (MoU)—it was mutually agreed to review the MoU to provide a stronger recognition of the IAA standard activity by the IASB, to be more in line with the recognition given to the IVSC.

After reviewing the committee workplan it was noted that with regard to IANs, there should be an identification of the leader for each in the plan as it currently appears that the leadership is assuming the leadership and not delegating that work.

With regard to Strategic Objective 6, a group has been identified and been asked to submit a plan of action and considerations in time for the meeting in Zürich.

As Francis' term as chairperson will end later this year, he thanked the group for its support during his leadership and indicated his continued interest in following the IAC's progress as he becomes a member of the EC.

The Subcommittee on Education and Practice received a presentation on the draft Risk Adjustment Monograph. The target for its completion is between three and six months following the publication of the final IASB insurance contract accounting standard. Most of the EPSC's time was devoted to further discussions on the developments of IANs that would provide educational guidance to actuaries working with the upcoming IFRS for Insurance Contracts. For some IANs, outlines were discussed. It was agreed that for the Zürich meeting more complete drafts would be discussed for the following draft IANs: Current Estimates; Discount Rates; Risk Adjustment; CSM; PAA, Embedded Derivatives; Contract Modifications; Classification of Contracts, Business Combinations and Change in Accounting policy. For several others, outlines (in the form of questions to be addressed) would be discussed in Zürich, including: Measurement (Building Block Approach); Presentation; Par contracts and Transition.

Thomas Ringsted will replace William Hines as co-chair of the subcommittee with Dave Finnis continuing in his current role. William will become Chairperson of the IAC from January 1, 2015.

Insurance Regulation Committee (IRC)
Dave Sandberg, Chairperson

The IRC reviewed the progress and content of the various chapters of the Risk Book Project so that initial drafts can be accomplished by year end. The topics include:

- Opening Chapter (Risk Map);
- Operational Risk;
- Quantification of Catastrophe Risk;
- Internal Models—Effective Usage, Controls and Validation;
- Stress Testing in a Risk-Based Capital Framework;
- Value of Standards;
- Multi-Year Valuation Issues;
- Non-proportional Reinsurance; and
- Inter-company Reinsurance.



Mortality Working Group (MWG)
Paul Lewis, Chairperson

A full report of the MWG meeting can be accessed by clicking [here](#).

Nominations Committee (NC)
Kurt Wolfsdorf, Chairperson

The revised NC Protocol was approved, as presented.

The NC has developed a flowchart to help understand the nominations process and it is available on the website. A flowchart to help individuals understand how to attain leadership positions is also being developed.

The 2015 NC agenda will include consideration of an annual independence declaration for the Executive Committee members or clarification of their role in governing documents.

The 2015 call for nominations, which is being facilitated through a web form, has been issued. Members were encouraged to submit names that would help maintain a certain level of diversity, in particular representatives from smaller associations and individuals that would provide geographical, gender and cultural diversity.

Pensions and Employee Benefits Committee
Gary Hibbard, Chairperson

The Pension and Employee Benefit Committee met twice in London, covering a broad agenda of governance, accounting, funding, benefit design and professionalism topics in support of the IAA's strategic objectives and our ongoing activities with supranational bodies such as the IASB, Organisation for Economic Cooperation and Development (OECD) and International Organisation of Pension Supervisors (IOPS). Members were joined by guests and speakers from the Ministry of Finance of Nepal, the International Valuation Standards Council, the UK Financial Reporting Council, the UK Pension Regulator, the chair of the UK Pension Board, CASS Business School and Imperial College Business School.



Highlights included:

- Feedback from the review meeting earlier in the week with the IASB. This covered the IAA's standard-setting process, progress on the ISAP 3 ED, and a review of cooperation activities and work programmes under the committee's MoU. Together with the IAC, we will assist the IASB in its research project on discount rates. The PEBC, through its accounting subcommittee, will also support the IASB's newly announced research project on accounting for contributions-based plans.
- Tom Terry and Esko Kivisaari reported on the first MoU meetings with the OECD and IOPS. Both bodies are supportive and appreciative of the role of the actuarial profession and our cooperation activities.
- An update on ISAP 3 from the IAS19 task force of the ASC in which the chair outlined the changes that the task force is recommending to the ED that will go to the ASC for consideration.
- The committee considered the first draft of the educational monograph on pension funding. It considers the theory of funding illustrated by case studies of the different approaches to funding around the world. The working group, chaired by Charles Cowling (UK), will develop the draft further for Zürich.
- The DC Modelling Group presented its overview report on the importance of, and how actuaries can assist in, good modelling in communication of DC risks for advisers and beneficiaries. Professor David Blake of CASS Business School demonstrated a multi-variable projection model he and colleagues have developed which incorporates many of the good modelling principles identified by the DC Modelling Group.
- Discussion of risk-sharing plans, including defined ambition and collective DC-type plans, the countries in which there was growing interest in such plans, and whether and to what extent the actuarial profession should work with supranational bodies like the World Bank, IMF and OECD in promoting these plans as alternatives to classic DB and individual DC.

- Gareth Connolly, Chairperson of the Institute and Faculty of Actuaries Pension Board, explained the recent changes in funding rules in the UK and the impact that regulatory de-annuitisation changes are having on the UK pension landscape.
- The joint working group with the Social Security Committee looking at the role of actuaries supporting public sector pension plans completed its findings from its survey of member associations. This was supplemented by findings from discussion with the IPSASB on its standard for financial reporting of public sector pension plans. The working group will establish a forum for public sector actuaries to share best practice internationally.
- Esko Kivisaari updated the committee on the IOPS project it is supporting on the role of the actuary/actuarial calculations in pension supervision.
- A thought-provoking discussion was led by Tony Hewitt of Imperial College Business School on professionalism and whistle-blowing, looking at real case studies from other professions' experiences and lessons actuaries can learn from these.
- In the joint meeting with the Insurance Accounting Committee, Chris Thorne, Technical Director of the IVSC, updated the two committees on the IVSC's valuation of liabilities project which the IAA and IVSC are collaborating on.

Two webcasts for PBSS, IACA and PEBC members have been held since Washington on market-consistent valuation of cash balance liabilities and on pooled target date funds (a type of risk-sharing plan in Canada). These are downloadable from the IAA website. Two further webcasts are planned: November 13, Measures of Retirement Benefit Adequacy with illustrations from the Society of Actuaries Post-retirement survey, and January 15, A Review of US Public Sector Plans. An active programme of further webcasts is planned for 2015. Please contact the [IAA Secretariat](#) if you would like further details on the IAA's programme of webcasts on current issues and developing interest areas.

Population Issues Working Group (PIWG)
Dermot Grenham, Chairperson

The PIWG focused its discussions on agreeing its next project. The consensus was that it should work on a paper looking at the potential impact of increasing retirement ages. Morteza Aalabaf from Iran agreed to lead the project and a number of members of PIWG have volunteered to work with him. This is a very broad topic and so the first task will be to agree the scope for a draft paper to be ready by the time for the next meeting in Zürich in April 2015.



Professionalism Committee
Peter Doyle, Chairperson

Significant progress has been made on developing principles in relation to the governance of international actuarial work. The draft principles were discussed at both the Council and the Presidents' Forum in London. In addition, the task force doing this work also reported on a recent survey done of FMAs' approaches to cross-border discipline and various other matters relating to international actuarial work.

The committee has updated its monitoring checklist for the due process for the development of ISAPs. It also noted the current Strategic Action Plan for ISAPs approved by Council and the progress on the several ISAPs currently under development. The committee also discussed the report on the responses of FMAs to the two ISAPs already promulgated. Of the 58 FMAs who responded, 18 have adopted the ISAPs or reported local standards consistent with the ISAPs, eight plan to take no action and 32 associations' decisions are still pending. The PC and the ASC will continue to encourage FMAs to take action on these ISAPs. The seminar on the use of international standards to be held in Zürich at the time of the next IAA meetings was welcomed.

The PC established an ongoing subcommittee specifically responsible for assisting the PC with its responsibilities under the due process for ISAPs. It also established an ongoing subcommittee with responsibilities relating to IANs.

The PC noted that its Resources pages on the IAA website is now being well used and it will continue to seek new material to publish on these webpages. It will also seek to establish bilateral relationships with supranational bodies with which the IAA has an MoU, and other international professional bodies who have an interest in professionalism.

The PC also considered reports on professional and business ethics and a report on the Education Committee's report on educating future actuaries. The new education syllabus being prepared was discussed and the committee's wish to cover professionalism within it.

Resource and Environment Working Group (REWG)
Oliver Bettis, Chairperson

The REWG discussed recent work undertaken within various actuarial bodies, and other organizations. Simon Brimblecombe, Project Coordinator, Policy Analysis and Research at ISSA, and Chris Thorne, Technical Director at the IVSC, provided an overview of the work carried out by these supranational bodies.

Social Security Committee (SSC)
Junichi Sakamoto, Chairperson

The highlight was a presentation by Martin Clarke, Government Actuary, and Dermot Grenham, Chief Actuary for the insurance and social security team from the UK Government Actuary's Department, who spoke about the role of the department. They said that its main objectives at the moment are related to the pension reform that is taking place in the UK.

Other matters discussed at the meetings were:

- The 2014–15 work plan, with a particular attention to the sustainability and the evaluation of measurements for social security pension schemes.
- ISSA—ongoing activities and possible topics for collaboration. The final drafting of the guidelines is being completed and organization has begun for the 18th ISSA International Conference of Social Security Actuaries and Statisticians. This will be held in Budapest from September 16–18, 2015. The call for papers will be announced soon.
- The Geneva Discussion Forum 2014 which took place on September 30 was also discussed. Participants from the ILO, ISSA, OECD were present, and representatives from the IAA included members of the SSC.



Supranational Relations Committee (SRC)
Ken Buffin, Chairperson

Melanie McLaren, Executive Director of Codes and Standards at the [Financial Reporting Council](#) (FRC), spoke about the FRC's role as a standard-setter, and particularly its work in relation to the actuarial profession.

Jeffery Yong, Senior Financial Sector Specialist at the [Financial Stability Institute](#) (FSI), talked about the institute's objectives and activities, and identified areas for possible collaboration, including capacity building and involvement in the work of the:

- Regional subcommittees of the Advice and Assistance Committee to support the development of the profession in areas of the world in which the actuarial profession is not present or is not fully developed.
- Education Committee to establish, maintain, and promote common standards of actuarial education and common principles of professional conduct.



An [outline and activity update](#) was presented on the Basel Committee on Banking Supervision, FSI, Financial Stability Board, International Association of Insurance Supervisors, International Social Security Association, International Labour Organization, International Monetary Fund,

World Bank, World Health Organization, and Asian Development Bank. IAA President Rob Brown [reported](#) on the seminar hosted in Basel.

The committee's composition and future role, which has been considered by the Strategic Planning Subcommittee of the Executive Committee, was discussed. The new structure will consist of a two-layer communication structure, one at the committee level and the other at the officer level. The joint activities with supranational organizations will be built into the committee work plans.

Rob concluded the meeting with a presentation about the work of the SRC.

OUTCOME OF SECTION MEETINGS

Health Section (IAAHS)
April Choi, Chairman

The meeting was focused on the three topics that are aimed to bring value to IAAHS members: webcasts, the IAAHS library, and the 2016 Joint Colloquium.

Work is progressing on planning webcasts for 2015. April has been working with the American Academy of Actuaries' (AAA) Health Practice International Task Force (HPITF) on a series of webcasts to be jointly held in 2015. The 2015 joint webcasts will focus on the healthcare cost drivers and how they are addressed in various countries.

Thanks to Yair Badad, Aldona Skucaite, April Choi and Christian Levac, the IAAHS Library project has been launched successfully. Although the digital library has been in place for a while, a renewed concerted effort is required to populate it. The scope of this project is to re-design the database structure, and to populate the library with articles, research papers, webcasts, presentations and links to other useful websites. In addition to the eight specific topics covered by the topic teams, other health-related or general topics will also be covered. The target date of completing the database design and structure is November. The team leaders will then complete populating the library by April 2015.

The 2016 Joint Colloquium (with the PBSS, IACA and the International Pension and Employee Benefits Lawyers Association (IPEBLA)) will be held in conjunction with the Canadian Institute of Actuaries, at the end of June in St John's, Newfoundland, Canada. Adam Reese is chairing this joint colloquium. Various IAAHS members have volunteered to be on the organizing, logistic and scientific committees. A meeting planner has been selected by the organizing committee.

In addition to the above three topics, Cheng Hock Chi provided an update on the IAAHS' membership and its financial status.

Life (IAALS)
Marc Slutsky, Chairman

At the IAA Life Section Committee meeting in London, progress was made in several areas. The Section Committee agreed to continue and enhance its program of regular quarterly educational webcasts for its members. The first was held on October 7 on Lapse and Mortality of Post-Level Premium Period Term Plans, in two separate sessions to be available at convenient times for members worldwide. There will be one or two webcasts each quarter. Members also agreed to hold breakfast meetings with a speaker just prior to the Zürich IAA meeting and at future meetings. In addition the IAALS discussed and confirmed the Colloquia in Hong Kong in 2016 and in Barcelona in 2017 as well a hearing about the arrangements and agenda for the Oslo Colloquium in 2015.

International Association of Consulting Actuaries (IACA)
Margaret Tiller Sherwood, Chairman

At its September 12, 2014, committee meeting in London, the IACA Committee agreed to the request by the Asia Pacific Association of Consulting Actuaries (APACA) to facilitate it becoming a separate organization instead of an IACA subcommittee. APACA was founded in May 2010.

The IACA will present some sessions at the June 2015 joint colloquium of the IAALS, PBSS, and IACA in Oslo, Norway, and at the August 2015 joint colloquium of the ASTIN, AFIR/ERM, and IACA in Sydney, Australia. There are open calls for papers for both meetings.

The next joint colloquium of IACA, PBSS, and IAAHS will be held in St John's, Newfoundland, Canada in June 2016. This will be held in conjunction with the Canadian Institute of Actuaries' Annual Meeting. For the first time, this three-section group will be joined by IPEBLA.

The IACA Section continues to offer members-only webinars with combinations of other IAA sections. Past and future webinars are available to IACA members on their portion of the IAA website, where a newsletter published in August 2014 can also be found.

Pensions, Benefits and Social Security Section (PBSS)
Marius du Toit, Chairman

The meeting received feedback with respect to the next colloquium. It will be hosted in Oslo, Norway, from June 7–10, 2015. It will be a joint event of the IAALS, IACA and PBSS sections. The local organizing committee and scientific committee are working very hard to make this event successful. Work is ongoing to plan for the colloquia to be held in 2016 and 2017. As stated above, the 2016 event will be held in late June in St John's, Newfoundland, Canada.

It was noted that the PBSS Section has started hosting webinars, which are proving very successful. The two latest were entitled Pooled Target Benefit Pension Plans, presented by Rob Brown and Coherent Projections of Age, Period, and Cohort Dependent Mortality Improvements, presented by Matthias Börger . As previously stated, two webcasts are due to take place in the coming months.

Other items of discussion included the financial report of the PBSS. Whilst the Section has

fewer reserves than other sections, the level of reserve held is sufficient. Constant thought is given to how to enhance the offering to members. A particular concern was raised with respect to the non-participation of one member of the committee. Currently the rules do not allow the committee to terminate membership for non-participation, and this will be addressed.

The next committee meeting will be held in Oslo at the time of the colloquium.

PRESIDENTS' FORUM

The Presidents' Forum held on September 13 was attended by the Presidents (or a senior member of the current leadership) of 35 Full and Associate Member associations. The meeting featured two guest speakers: Paolo Cadoni, Technical Head of Department, Prudential Policy Division, Bank of England, and Professor Richard Werner, Economist at Southampton University.

Paolo provided background on the evolution of the IAIS thinking on the [development of global insurance capital standards](#) and informed of how the global actuarial community could contribute to shaping this framework and Richard presented on his [Secrets of the Banking Trade](#).

Other topics discussed were the FMA Engagement Plan and the governance of international actuarial work.



Paolo Cadoni



Professor Richard Werner

NEXT MEETINGS

The [next meetings](#) of the IAA Council and committees will take place at the Renaissance Zurich Tower Hotel in Zürich from April 8 to 12, 2015, at the invitation of the Association Suisse des Actuaires.

We look forward to seeing you in Zürich!

