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STAKEHOLDER ENGAGEMENT

COLLOQUIA AND CONGRESSES

IAA Life Section Colloquium 2016

The International Actuarial Association Life Section (IAALS) Colloquium 2016 took place in April at Hong Kong's Conrad Hotel, marking the Colloquium's first occurrence in Asia. Hosted by the Actuarial Society of Hong Kong (ASHK), it attracted more than 230 attendees, including senior insurance executives and actuarial professionals, representing 21 regions.

The ASHK was honoured to work with the IAALS in hosting this opportunity to showcase both Hong Kong's importance as a global insurance centre and the ASHK among the business community and international actuarial profession.

Following a welcome reception, the program was [opened](#) jointly by IAA Immediate Past President Fred Rowley and ASHK President Ka Man Wong. The event's theme was Insurance Evolution: Change is the Only Constant, which was highlighted by keynote speakers Professor K. C. Chan, Secretary for Financial Services and the Treasury, and John Leung, Commissioner of Insurance, both from the Government of the *Hong Kong Special Administrative Region*. They covered the need for insurance product innovation, changing the regulatory environment to address fair treatment of customers, and the advancement in digital technology leading to changes in customer expectations.

Panel discussions focused on trends in solvency supervision—where topics like risk-based capital and the China Risk-Oriented Solvency System were considered—and the development of behavioural economics and its potential contributions to the insurance industry. Parallel sessions were delivered by industry professionals and academics, and the first day ended with a gala dinner and traditional Chinese lion dance.



The second day featured a panel discussion on actuarial insight and business management, with particular emphasis on the importance of communication, risk management, and doing the right thing with the right people. Parallel sessions covered numerous topics, including managing longevity risks from an academia perspective, where Singapore and China were used as examples. The colloquium was closed by IAALS Chair Marc Slutzky.

AFIR Colloquium—Scotland

The Institute and Faculty of Actuaries (IFoA) hosted the AFIR-ERM Colloquium in Edinburgh, in conjunction with its Pensions, Risk and Investment conference. It featured a broad selection of parallel and plenary sessions. The AFIR-ERM scientific program covered a wide range of topics, and although numbers of AFIR-ERM Section members in attendance were lower than at previous meetings, the scientific sessions were successful. The IAA was represented by President Malcolm Campbell. Thanks go to the IFoA for hosting the event.

The next colloquium (joint with ASTIN) will be held in Panama City, Panama, from August 20–24, 2017, and will include scientific contributions and educational workshops with the proposed AFIR-ERM topics covering enterprise risk management, derivatives pricing, interest rate models, and longevity risk. More details can be found on the [website](#).

ASTIN Colloquium—Portugal

The 2016 ASTIN Colloquium was hosted by the Institute of Actuaries of Portugal from May 31–June 3, and featured the following keynote speakers who addressed a variety of topics:

- Prof. Paul Embrechts, director of RiskLab at ETH Zurich—the concept of range value at risk and its potential applications
- Dr. Michel Dacorogna, scientific advisor to the president of Scor—how to improve the validation of internal models
- Eberhard Müller of riskmueller consulting—how operational risk can be handled in a (re)insurance company
- Prof. Stéphane Loisel, ISFA, Université de Lyon—introduction of a model to monitor actuarial assumptions on a continuous basis
- Gabriel Bernardino, chairman of the European Insurance and Occupational Pensions Authority—future challenges for the actuarial profession and how they relate to Solvency II



Immediate Past President Fred Rowley represented the IAA and chaired several sessions. Concurrent sessions touched on the latest developments in non-life actuarial science, and the results of the Working Party on Non-Life Insurance Reserving Practices were presented. The first version of ASTIN's report on this subject is now available, with contributions from 535 insurance companies in 42 countries. Papers from the event are available for [download](#).

The ASTIN Committee and delegates thanked the organizers, particularly José Mendinhos, President of the Instituto dos Actuários Portugueses (Portugal), and Alfredo Egídio dos Reis of the scientific committee, for having hosted such a successful colloquium.



11th Actuarial Italian Congress—Italy



The Italian Actuarial Profession held the 11th congress of Italian Actuaries in Bologna. The congress was a huge success with almost 900 participants. IAA President Malcolm Campbell gave an address, which focused on the changing role of the actuary and how the profession in general and the IAA specifically, can support actuaries who are facing new challenges.

MEETINGS

Warsaw International Mechanism for Loss and Damage (WIM)—Germany

Sam Gutterman, Co-Vice Chair of the Resource and Environment Working Group, attended the third meeting of the Executive Committee of the WIM in Bonn in April. Details of the documents discussed are [available online](#).

One of the WIM's aims is to enhance the knowledge and understanding of comprehensive risk management approaches and to address loss and damage associated with the adverse effects of climate change. The Mechanism reports to the Conference of Parties, which is part of the [United Nations Framework Convention on Climate Change](#).

Presentations and discussions covered such topics as typologies of loss and damage, overall risk assessment, ocean acidification, non-economic losses covering human mobility, territory, indigenous knowledge, and cultural heritage. Sam presented on comprehensive risk management and uncertainty generated some follow-up questions.

The WIM's current and proposed initiatives include expert technical panels on risk management programs and non-economic losses, key messages relating to insurance, a clearing house on risk transfer information, and surveys on human displacement.

The IAA is considering the development of a paper on vulnerable populations, possibly a joint project between the Microinsurance and Resource and Environment working groups, and risk management tools that should be used in anticipation of climate change. A mini working party is being formed with the Microinsurance Working Group to draft a paper on uses and limitations of insurance in this context.

World Bank—U.S.

In collaboration with the World Bank, a task force has been created to review and update selected training modules of the International Association of Insurance Supervisors' (IAIS) Core Curriculum. These learning tools are jointly produced by the IAIS and the World Bank (WB). Bob Conger is the IAA/WB relationship manager and Eduardo Melinsky is the chairperson of the task force. The task force has six other members, including Jules Gribble, Principal Administrator at the IAIS. The task force has selected some authors and work has begun on the initial review.

In order to coordinate activities with the WB, Eduardo met with Craig Thorburn, Lead Insurance Specialist at the WB. Discussion took place on the progress made and the future steps required.

International Public Sector Accounting Standards Board (IPSASB)—Canada

In May, representatives from the Pensions and Employee Benefits and the Social Security committees met with the IPSASB's technical director John Stanford and technical manager Paul Mason at the IAA offices in Ottawa.

Their discussion included the IPSASB Conceptual Framework, which spells out the main principles underlying the board's standards; the discount rate to be used for financial accounting; IPSAS 25 (which involves accounting for pension and employee benefits); and the International Federation of Accountants' "Accountability. Now." project.

A key part of the discussion involved the issue of accounting for social security benefits. The IAA has commented on a [recent IPSASB consultation paper](#) on this topic, highlighting the need to provide a full picture regarding long-term sustainability and the use of the open-group approach. Participants agreed that financial statements do not provide a complete picture of social security benefits. While the proposed closed-group approach is in accordance with the IPSASB Conceptual Framework, the requirement to disclose information on the long-term sustainability in the notes to financial statements was discussed.

The Social Security Committee is due to comment by mid-2017 on the upcoming IPSASB consultation paper on disclosure requirements for social security programs' financial statements.

Organisation for Economic Co-operation and Development (OECD)—France

In June, Tom Terry, President-elect; Esko Kivisaari, IAA relationship manager to the OECD and delegate to the International Organisation of Pension Supervisors (IOPS), and Christelle Dieudonné, member of the Health Committee attended the OECD annual networking meeting in Paris. The meeting was held in connection with the meetings of the OECD's Working Party on Private Pensions and its Insurance and Private Pensions Committee (IPPC). The OECD representatives in attendance were Pablo Antolin, Jessica Mosher and Mamiko Yokoi-Arai.

The OECD expressed its interest in receiving help in establishing an actuarial profession in some developing countries. Co-operation on the funding monograph being prepared by the Pensions and Employee Benefits Committee and on risk management in annuities was discussed and agreed. Regarding the IPPC, the OECD expects the IAA to engage in projects addressing applications of new technology (for example, big data analytics), financing of disaster risk—especially involving climate change—and developing patterns in reinsurance.

International Organisation of Pension Supervisors—France

While in Paris, the above IAA delegates also attended the IOPS annual networking meeting held in connection with the IOPS Technical Committee meeting. Dariusz Stanko represented IOPS. The joint paper [The Role of Actuarial Calculations and Reviews in Pension Supervision](#) was noted and IOPS expressed its interest in providing input to the funding monograph. The IOPS is keen to continue this co-operation and is open to proposals for its program of work before the meetings in Hong Kong later this year. Discussion also took place on possible supervisory needs for an international standard of actuarial practice addressing pension supervision.

International Financial Reporting Standards Advisory Council (IFRS AC)—UK

Micheline Dionne, the IAA Relationship Manager to, and a member of, the International Financial Reporting Standards Advisory Council (IFRS AC), attended a meeting of the AC in June.

The International Accounting Standards Board (IASB) reported that a first IFRS draft on insurance contracts had just been presented to the IASB for comments. It is expected that the proposed draft text will be tested and that the fatal flaw review will start in early July. The related Effect Analysis and Basis for Conclusion documents are progressing and will be available later.

The IFRS discount rate project is expected to be finalized this year with a decision to be taken by that time on any future steps.

The pension plan research project is in the project pipeline for 2017–2021 but not on the active research list. However, the IASB chair indicated his desire to accelerate that work.

The agenda also covered topics such as the feedback received on the IFRS agenda consultation, the IFRS strategy implementation, the impact of technology, the use of social media to promote IFRS, and the leases standard.

MEET THE MACEDONIAN ACTUARIAL ASSOCIATION

The Macedonian Actuarial Association (MAA) was founded in 2004 and has 28 regular, six associate, and two honorary members. It was admitted as an Associate Member of the IAA in 2006 and became the 68th Full Member Association in May 2016.

Its members are active in non-life insurance, life insurance, pensions, education, regulatory agencies, and as independent consultants. Almost half of the fully qualified actuaries work in non-life insurance.

There are 13 regular members in the 30–39 age group, 11 are between 40 and 49, two are in the 50–59 age group, and two are over 60. The oldest member is 75 and the youngest is 31.

The actuarial profession in the Republic of Macedonia is still in its early days. Despite the fact that several faculties have postgraduate courses in actuarial mathematics, the only authority that organizes cycles of actuarial courses in accordance with the IAA education requirements is the Insurance Supervision Agency (ISA). All member actuaries acquired their education through ISA-organized courses, with the exception of one who was educated in another FMA—the Bulgarian Actuarial Society.

Currently all regular and associate MAA members have completed their actuarial education. As the last cycle of ISA actuarial courses was completed in 2013, there are no active students in the association.

The MAA qualification process follows the legal requirements under which the ISA grants the status of Certified Actuary. They consist of an actuarial education in accordance with the IAA requirements and one year's work experience in the actuarial field. By statute, the association can impose stricter qualification requirements.

The MAA is a small association in a country with population of 2 million. There are 11 non-life and four life insurance companies, one state pension fund, and two private pension companies in the market. Interest in the profession in the present regulatory environment is generally low. The insurance companies usually employ one actuary; life insurance and private pension firms were introduced only in the past 10 years. However, the regulator's intentions to move to Solvency II will mean an increased demand for actuaries in the republic. Consequently, actuarial education is one of the most important challenges that lie ahead of the association as an FMA.

In support of its members' continuous professional development, the MAA organized two seminars in 2015 on risk and Solvency II and liability adequacy testing (LAT). The LAT seminar took place as part of the Erasmus+ project and was a joint undertaking between the MAA and the Croatian Actuarial Association (CAA).

Over the years, the Macedonian association has established good relations with the CAA, which provided educators for each of the cycles of actuarial education organized by the ISA. Co-operation with the regulator is also very good. The MAA and ISA regularly organize joint seminars and workshops on different topics, including consultations on new bylaws concerning actuarial issues.

UPCOMING EVENTS

2016

Life Insurance Conference—Singapore

The [Singapore Actuarial Society](#) (SAS) is hosting its third [Life Insurance Conference](#) on the theme Collaboration in the Insurance Industry – Collaborate or Stagnate from August 25–26. It aims to foster knowledge-sharing and interaction among the region's actuaries and insurance professionals. The latest industry updates on hot topics such as Risk-Based Capital 2 and IFRS Phase II will also be provided. Please send enquiries to [Patsy Lau](#).

General Insurance Seminar—Hong Kong

Following the success of the inaugural seminar in 2014, the Non-Life Committee of the ASHK is organizing the 2nd Hong Kong General Insurance and Data Analytics Seminar on October 7. The theme is Innovating for Success: Insurance Technology and Analytics to Profit and Thrive, and the event aims to increase knowledge-sharing and interaction in the insurance community.

If you are interested in presenting, please submit a synopsis of your talk, your biography (in English and 150 words or less), and a photo to [Ada Lui](#), Chairperson of the Organising Committee, by July 8. Full details of the seminar can be found [here](#).

12th Asia Conference on Pensions & Retirement Planning—Singapore

The [12th Asia Conference on Pensions & Retirement Planning](#) will take place from September 14–15 in Singapore. The theme will be Planning for A Smart Retirement in A Disruptive Era, focusing on the complexities faced by rapidly ageing populations.

The [conference](#) will bring together experts from governments, regulators, the insurance industry, pension providers, and others to look at pension reforms and schemes around the world, regulatory issues, longevity risks, innovative solutions for pensions, wealth management, new technology, and opportunities and strategies for smart retirement.

Health and Retirement Conference—Singapore

The SAS will be hosting its third Health and Retirement Conference from October 13–14, with a theme focusing on planning ahead and retiring comfortably.

Presentations and discussions will cover matters relating to healthcare finance and retirement provisions, including managing healthcare costs, stretching retirement savings, and preparing for the ageing dilemma. Biomedical gerontologist Dr. Aubrey de Grey, chief science officer of the Strategies for Engineered Negligible Senescence Research Foundation, editor-in-chief of Rejuvenation Research and a Fellow of both the Gerontological Society of America and the American Aging Association, will deliver the keynote address.

The deadline for the call for papers is July 15. More information about the conference can be found [here](#). Questions should be sent to hrc2016@actuaries.org.sg

20th Biennial Conference—New Zealand

The New Zealand Society of Actuaries will be hosting a [conference with the theme Beyond the Possible](#) from November 20–23 in Tauranga, Bay of Plenty. The organizing committee has compiled a program that provides a balance between technical papers, highly relevant external speakers, and networking functions.

The profession in New Zealand has members engaged in the life insurance, general insurance, superannuation, and investment fields. It is represented at senior management levels in many of the country's leading financial organizations.

The call for abstracts closes at the end of June. Registration will open in July, and early-bird registration will end on September 30.



Actuarial Seminar on Motor Insurance—Malaysia

The Actuarial Society of Malaysia, the Casualty Actuarial Society (CAS), and the Actuaries Institute of Australia are again joining forces to provide a focused two-day seminar for general insurance actuaries. This year's ASM-CAS-IAAus Motor Insurance Seminar will take place in Kuala Lumpur from December 7–9. Topics that may be covered include automated vehicles, behavioural economics, big data, commercial and technical pricing, and telematics.

More details will be announced in the coming months. Questions should be sent to Nora Potter at npotter@casact.org.

PUBLICATIONS

The Insurance Regulation Committee published Chapter 11 Resolution of Insolvencies of the IAA Risk Book in May. You can find this chapter and the 10 previously released chapters [online](#). Nine additional chapters are currently under development.

PUBLIC STATEMENTS

One public statement has been issued since the last newsletter:

- [Response to OECD Consultation on a Draft Recommendation on Disaster Risk Financing Strategies](#)

NEWS FROM COMMITTEES AND SECTIONS

Please refer to our most recent Special Newsletter for the latest updates from the IAA's committees and Sections.

NEWS FROM MEMBER ASSOCIATIONS

Deutsche Aktuarvereinigung (DAV), Germany

Low Interest Rate

Due to continuously low interest rates in the European Union, the German Ministry of Finance proposes to reduce the maximum interest rate for life insurance policies with guaranteed interest from 1.25% to 0.9% on January 1, 2017. That proposition surpasses the DAV's recommendation to lower rates to 1.0% and sets a short time frame for its implementation. The ministry will make a binding decision based on the recommendation of the German financial supervisory authority BaFin within the next few weeks.

Focus Topic: Big Data and Digitalization

This year the DAV is focusing on the subject of big data and digitalization, which was the principal topic at the annual meeting in Bremen in April. Relevant videos can be found on its [YouTube channel](#).

International Congress of Actuaries 2018: Best Paper Awards

As part of the 2018 congress, the Scientific Committee plans to award Best Paper Awards in six subject areas—big data, demographic change and longevity, aspects of long-term savings, behavioural aspects of insurance mathematics, long-term risk, and mathematical aspects of emerging risks— with cash prizes of up to 1,500 Euros for each area.

The deadline for submissions is July 31, 2017. Further information is available [here](#).

European Actuarial Academy (EAA)

EAA Forum: Business Simulation Game on Risk and Capital Management under Solvency II—Czech Republic

With Solvency II in place since January 1, a large and detailed regulatory framework has been laid out, creating risks and opportunities for insurance companies.

Together with Tata Interactive Systems, the EAA is offering a Solvency II business simulation game from November 14–16 in Prague. Participants will take on the role of an executive board managing an insurance company under the new Solvency II regime. They will work in international teams to develop strategies and experience Solvency II's effects. They will also learn how to succeed in Europe's challenging insurance markets. Further details and the registration form are [online](#).

Instituto de Actuarios Españoles—Spain

Announcement of New Board

The Instituto de Actuarios Españoles has appointed a new board:

Name	Position
Gregorio Gil de Rozas	Chairman
Rafael Moreno	Deputy chairman
Alicia Meco	Secretary general
Ramón Nadal	Treasurer
Javier Olaechea	Managing director
Fernando Ariza	Board members
David Carrasco	
Luis Alfonso Jiménez	
Aitor Milner	
Francisco Muñoz Murgui	
Carlos Quero	
Luis Sáez de Jauregui	



*Gregorio Gil de Rozas,
Chairman*

*Rafael Moreno,
Deputy Chairman*

Association of Consulting Actuaries (ACA), UK

Bob Scott has been elected as ACA's new chairman. Senior partner at Lane Clark & Peacock, he took office on June 1, succeeding David Fairs, who has completed his two-year term.

Bob said: "Under my chairmanship, the ACA will continue to offer guidance to politicians and Government departments on pensions strategy and delivery, as we have done for many years. The ACA will continue to argue that increasing complexity and regulation will deter individuals from saving and will deter employers from providing any more than legislation requires.

"I am looking forward to the ACA embracing a wider cross-section of the consulting actuarial space including those who advise in fields other than pensions alongside an expansion in our activities to meet the needs of our younger members."

At the ACA's recent annual general meeting, Jenny Condron was re-elected honorary treasurer and Phil Simpson honorary secretary. David Fairs remains on the ACA Main Committee as Immediate Past Chairman. The other main committee members elected for 2016–2017 are Ted Belmont, Patrick Bloomfield, Gareth



Boyd, Gail Higgins, Steve Leake, Alex Pocock, Julie Stothard, Steven Taylor, Jonathan Teasdale, and Phil Wadsworth.

Casualty Actuarial Society, U.S.

CAS Publishes Three Monographs

CAS monographs are authoritative, peer-reviewed, in-depth works focusing on important topics within property and casualty (P&C) actuarial practice. The CAS has released three that are available for download:

- [Stochastic Loss Reserving Using Generalized Linear Models](#), by Greg Taylor and Gráinne McGuire, discusses generalized linear models (GLM) for loss reserving
- In [Generalized Linear Models for Insurance Rating](#), Mark Goldburd, Anand Khare, and Dan Tevet offer a comprehensive guide to creating an insurance rating plan using GLMs, with an emphasis on its practical application
- [Using the ODP Bootstrap Model: A Practitioner's Guide](#), by Mark Shapland, discusses the practical issues and solutions for dealing with over-dispersed Poisson (ODP) bootstrapping models' limitations.

CAS Announces Inaugural Winners of University Award Program

Four universities—Illinois State; California, Santa Barbara; Connecticut; and University of Illinois at Urbana-Champaign—were selected as recipients of the 2016 CAS University Award, which recognizes institutions doing exemplary work in preparing students for a P&C insurance career. Twenty-four throughout North America, Asia, and Australia responded to a call for nominations, and the winners were determined by judges from companies across the P&C industry. The four universities will be recognized at the 2016 CAS Annual Meeting taking place from November 13–16 in Orlando, FL.

Casualty Loss Reserve Seminar (CLRS)—USA

With more than 50 sessions and pre-seminar workshops on current issues in loss reserving, the CLRS is the premier educational event for P&C insurance professionals engaged in estimating unpaid claims. The [2016 CLRS](#) is scheduled for September 18–20 near Chicago, IL, sponsored by the CAS, American Academy of Actuaries, and Conference of Consulting Actuaries.

Demand for Professionalism Course in China

The CAS Course on Professionalism is required of all candidates seeking the Associate designation and membership in the society. With a growing candidate population in Asia, the CAS offered the course in China on June 13–14. It was held at Hunan University to a full classroom and was conducted in English and Mandarin. Additional courses in Asia will be announced as soon as they are scheduled.

For more information on these announcements and other CAS news, please visit the [CAS website](#).

Society of Actuaries (SOA), U.S.

The SOA has established a China office in Beijing. With more than 750 member actuaries in the area, China is an important market for the SOA where it continues to serve a key role in the development of the actuarial profession and the insurance industry.



To commemorate the new office, Wesley Cui, general manager of Willis Towers Watson's life insurance consulting in China, was the master of ceremonies at the opening reception. Speakers included Genghui Wu, Chairman of the SOA's International Committee; Shirley Shao, Chairman of its China Committee; Jiangang He, deputy director of the China Association of Actuaries' health and life department and mortality investigation office; Ling Ling Wang, deputy chief actuary of Ping An Insurance (Group) of China; Peking University professor Lan Wu; and Ann Henstrand, senior director of the SOA's international department.

SOA President Craig Reynolds said: "We trust that the new office in Beijing will help the SOA enhance its connection with members, candidates and partners in the region and promote the development of the Chinese actuarial industry through joint efforts with our partners."

OLYMPIC FUN FACTS

With the 2016 Summer Olympics in Rio de Janeiro, Brazil, less than two months away, here are some interesting facts about the Olympics and the host city:

- The original Olympics were celebrated as a religious festival from 776 BC until 393 AD.
- In 1894, French educator Baron Pierre de Coubertin proposed reviving the ancient tradition, resulting in the Olympics as we know them today. The Winter Olympics followed in 1924.
- Only five athletes have won medals at both the Winter and Summer Olympics.
- U.S. swimmer Michael Phelps has won the most Olympic medals: 22.
- At August's games, 206 countries will compete for 4,924 medals across 42 sports.
- The statue of Christ the Redeemer on the mountain overlooking Rio took nine years to build and opened in 1931.
- Launched in the 1840s, the Rio Carnival originally featured polkas and waltzes. Today, around 500,000 tourists join some 1 million Brazilians for the festival of samba dancing.
- Olympics graphics and data are compiled [here](#).

If you have any information that may be of interest to an international audience of actuaries, please send them to newslettersubmissions@actuaries.org.