SPECIAL NEWSLETTER – BUDAPEST 2017

This Special Newsletter reports on the discussions and action items arising from the IAA Council and committee meetings held in Budapest, Hungary, from April 18–23, 2017. The meetings, broken down into 51 different groups filling 87 time slots, were attended by 367 delegates representing 49 Full Member Associations (FMAs), eight Associate Members, all seven Sections and two Partners.

The attendees included the following special guests:

- International Association of Insurance Supervisors (IAIS): Vicky Saporta, Jules Gribble, John Maroney and Romain Paserot;
- International Social Security Association (ISSA): Simon Brimblecombe;
- Actuarial Association of Europe (AAE): Kristoffer Bork and Falco Valkenburg; and

These meetings also provide an excellent opportunity for member associations to hold multi-lateral discussions. In addition, many networking events took place, including activities involving newer and smaller FMAs, as well as organized tours for delegates and partners.

EC AND PRESIDENTS’ REPORT

President Tom Terry reported to Council that the Executive Committee (EC) had identified five goals for 2017.

Of greatest strategic importance is leadership of the IAA strategy review initiative. Working with the EC’s Strategic Planning Subcommittee, the EC will look broadly and critically at the IAA’s six strategic objectives.

Additional goals for 2017 are to identify and implement opportunities for operational improvements, to implement changes to the IAA education syllabus, to conduct a review of the process we follow in conducting our IAA public policy work, and to complete our section development and effectiveness review.

President Terry also reported on Officer and EC activities since the beginning of the year. Our new Executive Director, Mathieu Langelier, started in January, and he is off to a strong start. He is working well with the volunteer leadership and has made it a priority to reach out and meet the leadership of our member associations. A theme that emerged from our early strategic discussions in Cape Town was that the IAA can and should strengthen its relationships with our members. Mathieu welcomes building momentum in that direction and is off to a good start!

Looking ahead to the Chicago meeting in October, 2017, President Terry
announced he would be seeking to add some meeting innovations to improve the relevance of the meetings in some interesting and creative ways.

IAA EDUCATION SYLLABUS

The EC has been working to shape a proposal for approval of the new education syllabus. In February and March, the EC developed a “roadmap” for moving forward with the new syllabus. The roadmap also identified several issues that are closely related to the syllabus: qualification of actuaries to practice locally, the term “fully qualified actuary,” the basis for allocating dues to IAA full member associations, and the possible renaming of the Accreditation Committee.

This roadmap was presented to council delegates in a webcast in early April, a few weeks before Budapest. This webcast triggered considerable discussion right up to the day of the Budapest council meeting. The EC listened carefully to the discussion and the concerns raised by various members and took the opportunity to reshape the education syllabus proposal in a manner that would attract the broadest support from our full member associations.

This revised proposal was discussed at the council meeting. There was general agreement that the EC should move forward to develop a detailed council motion on adoption of the new syllabus. This new, detailed council motion would be put up for a vote no later than the Chicago meeting in October, and possibly by electronic vote before Chicago.

The various related issues that were introduced briefly in the April webcast were put on hold, with the idea that full attention be paid to approval of the new syllabus. Nevertheless, work on these related issues will continue. In particular, the secretariat will soon commence a data collection exercise that will support discussion and consideration of a new means of allocating IAA dues to full member associations.

NEW MEMBERS

On the recommendation of the Accreditation Committee (AC), Council admitted the Asociación Centroamericana de Actuarios (ACEA) as the 70th Full Member. Congratulations and welcome! Further details on the ACEA can be found in our news release.
IAA FUND

Chris Daykin, Chief Executive of the IAA Fund, presented a history of its accomplishments over 27 years. Council approved the disbandment of the IAA Fund, and its success was marked by a warm round of applause.

OTHER ITEMS APPROVED BY COUNCIL

- Audited Financial Statements for 2016;
- A revised Process for Consideration of a Membership Application;
- “Conformance” changes to ISAPs 1, 2 and 3 and the associated Glossary;
- The appointment of Jan Kars (Netherlands) to the EC to replace Francis Ruygt; and
- Future meetings' venues: Brussels (Belgium) in Q2 2020 and Vancouver (Canada) in Q4 2020.

CHAIR RECOGNITION

In recognition of her dedication and invaluable contribution to the IAA's work, a plaque was presented to Margaret Tiller Sherwood, IACA Section Chair for 2014–2016.

IAA WELCOME SESSION

A welcome session on the IAA, led by Tom Terry, was attended by almost 80 delegates. It was a good opportunity to become better acquainted with the IAA’s operations and activities and discuss issues with the Officers. For those who missed it, the presentation is available online.

DINNER

Our hosts, the Magyar Aktuárius Társaság, organized a spectacular evening for delegates as they dined on a boat while it cruised along the Danube, with a stunning backdrop of the illuminated cityscape of Budapest (see photos on next page).

OUTCOMES OF COMMITTEE AND WORKING GROUP MEETINGS

Accreditation Committee (AC)
Ken Hohman, Chairperson

The AC discussed and approved changes made to the application form and to the membership section of the Internal Regulations to ensure that associate and full membership applicants follow the same general requirements, and that these are reflected in both application forms.

The AC also reviewed and accepted a revised membership application process for full and associate members. It will involve the presentation of an application report to Council with information on the applicant, and an opportunity for Council members to pose questions before the admission vote. All applications under review will now follow this revised process.

Following the review of an application by the Asociación Centroamericana de Actuarios (ACEA), the committee recommended its admission as an FMA. The recommendation was approved by Council, as noted earlier.
Actuarial Standards Committee (ASC)
Alf Gohdes, Chairperson

Progress on model International Standards of Actuarial Practice (ISAPs) has continued since our last report in November of last year.

Although the approval of a new standard was not on the agenda, a proposal by the ASC to make a number of housekeeping changes to three existing standards was approved at the Council meeting, as noted earlier. These conformance changes had become necessary so that all standards approved before 2016 properly conform with each other and with those approved last year. As conformance implies, these were changes that did not touch on content. Nevertheless, the ASC and the task force responsible were pleased to see the proposed conformance changes for the following standards and the associated glossary approved by Council:

- ISAP 1 – General Actuarial Practice;
- ISAP 2 – Financial Analysis of Social Security Programs; and
- ISAP 3 – IAS 19 Employee Benefits.

Prior to this approval, the comments made by interested parties were positive, with no suggestions for any alterations.

The ASC and its task forces continued work on the development of exposure drafts on three further standards. These are (in the expected order of issuance):

- ISAP 6 – Enterprise Risk Management Programs and IAIS Insurance Core Principles;
- ISAP 4 – IFRS 17 Insurance Contracts; and
- ISAP 7 – “Current estimates” and other matters in relation to the IAIS Capital Standards.

On the basis of developments both within the IAA and within the International Accounting Standards Board and IAIS, the ASC has revised its dashboard on expected timelines for completion of these projects. Note that during the committee meetings in Budapest, the ASC approved the proposal by its relevant task force to suspend work on ISAP 7, since the IAIS first needs to make substantial progress on its work on the international capital standard. Then the task force’s work can resume.

In addition, the ASC held its second Standards Forum in Budapest, at which more than 30 attendees enjoyed a full hour’s discussion after an hour-long presentation by the committee.

Finally, the ASC has continued working on other items, such as a suitable approach to both merging ISAPs 1 and 1A and simultaneously updating ISAP 1, and a process for measuring the achievement of the goals it has been set by the IAA.
Advice & Assistance Committee (A&A)
Darryl Wagner, Chairperson

During the face-to-face meetings of the Advice and Assistance (A&A) Committee in Budapest, committee members were presented with a summary of the outcomes from the A&A seminar for countries from the Eurasia and Middle East Subcommittee. It was noted that participants requested assistance with developing professionalism courses, a need that has been expressed by several small associations in different regions. It was agreed that the A&A would work with Actuaries Without Borders (AWB) to assess how to respond to this request.

Committee members had the opportunity to listen Chris Daykin's presentation on the history of the IAA Fund since its inception 27 years ago. Following his presentation, Mr. Daykin said that although the organization's funds are exhausted, its work is not finished. Committee members congratulated and thanked him for the years of service as the fund's Chief Executive. It was agreed to ask Council to disband the IAA Fund and to request the transfer of any remaining money to the A&A's fund.

The International Congress of Actuaries 2018 (ICA 2018) Bursary Task Force presented committee members with the document Administration of the Congress Reserve Fund and Bursary Selection Process. The committee approved it, and the process can move forward.

Education Committee
Bozenna Hinton, Chairperson

Several new members were introduced and welcomed: Jeremy Brown, of the Society of Actuaries (SOA) in the U.S.; Yair Babad, Israel Association of Actuaries; Malcolm Campbell, Svenska Aktuarieföreningen; and Abhay Tewari, Institute of Actuaries of India. The committee voted unanimously to recommend full membership status for the Actuarial Society of Kazakhstan and the Actuarial Association of Sri Lanka, based on reviews of these associations’ education systems.

Following short updates from the Actuarial Educators Network and the ICA 2018 committees, members spent the majority of their time sharing their experiences with a number of important initiatives. Andrew Gladwin provided an update on the education track for banking implemented in South Africa. Actuarial skills are easily transferrable to the banking environment and South Africa has approximately 10 percent of its members practising in the banking space. Many committee members are interested in learning from the South African experience, and see potential for a banking track for their organizations.

Yvonne Lynch led a discussion of continuing professional development (CPD), with reports from South Africa (video), Ireland (podcasts, papers, events and ERM resources database) and Turkey. Peter Doyle described the new CPD regime in South Africa. A model focused on outcomes rather than hours is being tested, and approximately half of the South African association’s members have voluntarily moved to the new system and cite high levels of satisfaction. The model is centred around skills needed for a specific position, and builds opportunities to support growth in the identified developmental areas. Yvonne then discussed the CPD system in Ireland, which is a more traditional hours-based system. She cited the breadth and depth of learning opportunities offered by the Actuarial Society of Ireland. Ayse Arik described the challenges in establishing pre- and post-qualification education in Turkey.

The last topic to be discussed was professional and normative skills development, with reports received from the DAV (Germany), the SOA and the Instituto de Actuarios Españoles (Spain). Most associations include communication and professionalism topics in an on-site course specifically devoted to these subjects. Case studies give professionalism topics real-life application.
Finally, committee members were encouraged to hear an update from Tom Terry regarding the plan for implementation of the new IAA syllabus. The Education Committee had approved the syllabus by email vote shortly after the Vancouver meetings (October 2015); most members are eager to see the changes implemented. The plan for the syllabus was discussed at Council during this meeting, but a date for the vote has not yet been determined. Several associations encouraged Tom and the EC to develop specific proposals(s) for implementation and governance before a vote at Council.

**Branding and Communications Subcommittee (BCS)**

*Peter Doyle, Chairperson*

One of the BCS’ key focus areas since the beginning of 2017 has been the development of a discussion paper on public policy (PP). Our meeting in Budapest provided ample discussion time to discuss some of the related issues, which are:

- How do we establish proper terminology?
- Which IAA activities could constitute PP activities?
- What are the objectives? Who are the stakeholders?
- How do we alert ourselves to more disciplined thinking when we are dealing with a PP matter?
- What is our governance process for PP activities?
- How do we involve FMAs, and how can FMAs make use of IAA statements for their own PP purposes?

The BCS has established a small task force to develop a PP discussion paper for further and wider discussion in Chicago.

In other work, revisions to the Publications Policy and Guidelines for Committee, Section and Working Group Papers were discussed.

Branding has been a key activity for the BCS in recent years. Since our last meeting, the **brand toolkit** has been finalized and circulated to member associations. The toolkit was presented during the Eurasia and Middle East Seminar earlier in the week.

The toolkit is a template that is free to use by all member associations and can be customized as required by adding an association logo and changing the graphics, text, language, case studies, etc., to fit a particular jurisdiction and/or audience. Content that can be used includes the typical roles of an actuary, fast facts, the history of the actuarial profession, its international footprint, skills required to be an actuary, the value proposition, industry and work coverage and a brand message statement.

A PDF version and the original design files (in Adobe InDesign format) can be downloaded [here](#). All of the embedded graphics have been purchased and are royalty-free.

Work has begun with our brand consultants Ninepoint on the next phase which is to review the IAA brand. During the coming months, we will focus on performing a review and audit; considering design concepts, brand elements and language; and establishing brand guidelines and the implementation thereof. This will also include consideration of the branding elements of the Sections.

The Secretariat provided an updated report on the extensive IAA communication activities since the previous meetings, including an increased use of, and presence on, social media.
Development of Sections Task Force  
Bob Conger, Chairperson

The Development of Sections Task Force (DSTF) was created to identify, explore and pilot ways to strengthen the IAA Sections, including increasing the number of actuaries participating in Section events and as individual Section members. The task force includes representatives from all seven Sections and from large FMAs.

Our activities in Budapest included leading a presentation and discussion at two key gatherings of the FMAs—the Presidents’ Forum, and the meeting of the CEOs (chief staff officers) of FMAs—and distributing information about the three colloquia scheduled for the remainder of 2017.

During the DSTF meeting in Budapest, members:

- Reviewed and provided feedback on recent DSTF communication materials;
- Reviewed the progress and status of publicity for the upcoming colloquia, and the lessons learned from their colloquia publication collaborations with a pilot group of FMAs;
- Discussed a way to create permanent intellectual content from each 2017 colloquium;
- Developed ideas for Section-related scope elements to be included within the IAA’s upcoming engagement with a branding consultant;
- Discussed ways to gather feedback from former Section members; and
- Discussed the task force’s future, including developing a plan to turn ongoing activities over to the Sections themselves.

Executive Committee  
Tom Terry, President

The EC met on April 19 and 23, when discussions took place on:

- Education matters;
- The strategy review;
- The public policy discussion paper;
- The Code of Conduct for Committee and Section Chairpersons; and
- Vice-chairperson appointments.

Reports from the meetings will follow in due course.
Strategic Planning Subcommittee (SPS)
Masaaki Yoshimura, Chairperson

The SPS had an informal meeting to discuss the way forward regarding the review of the Strategic Plan. It has reviewed the thoughtful comments from the 28 FMAs who responded to the survey. The responses indicated significant agreement with our current strategy. However, many suggestions for changes and improvements were provided. During the next few months, the SPS will begin work on:

- A vision for the actuarial profession; and
- A review of the IAA’s vision and mission statements

General Insurance Committee (GIC)
Bob Conger, Chairperson

A primary goal of the GIC is to provide general-insurance-related actuarial perspective, expertise and resources to support the work of other IAA committees and supranational organizations with which the IAA has relationships. Its work in Budapest included:

- Discussions with the A&A leadership, and a brainstorming session inspired by several GIC members from smaller or newer associations. The purpose of this portion of our meeting was to develop ideas as to how the GIC might support various A&A and AWB initiatives. The GIC, A&A and AWB will follow up on several areas.

- A meeting with a representative of the Insurance Regulation Committee (IRC) for a briefing on IRC projects and discussion regarding several projects for which the IRC seeks the GIC’s input. The GIC plans to respond.

- A discussion of the IAA’s ongoing work related to International Financial Reporting Standard 17 (IFRS 17), and key areas for GI input: the GIC will recruit volunteers for this effort.

- Talks about the ASTIN-sponsored monograph on risk adjustment (which is still in development) and the comments and input provided by the GIC on the latest draft of that monograph.

- A presentation on the Organisation for Economic Cooperation and Development (OECD) and the IAA’s work with it. The GIC provided input on a recent OECD project related to cyber risk. It also has several people operating as liaisons to the IAA’s OECD relationship team, in order to identify and engage on key OECD projects where we perceive the need and opportunity for significant GI actuarial input.

- Development of an idea for providing input to the Education Committee’s anticipated future work on the educational needs of GI actuaries.

- Discussion with several ASTIN leaders regarding opportunities to participate in several ASTIN events. GIC members will be reaching out to members of their home associations. We also developed ideas for tapping into ASTIN’s research network to support GIC projects.

- Discussion of a potential research project regarding actuarial implications of the changing consumer experience in personal lines insurance. Given the research nature of such a project, we
• Discussion of a potential research project (primarily in support of GI actuaries in small and developing associations) regarding the basic data needs of motor insurance actuaries. We will be exploring this project idea with ASTIN and with the Big Data Working Group (BDWG).

In order to continue identifying and addressing opportunities to provide GI actuarial input to the work of other IAA committees (and supranational organizations’ relationship teams), the GIC also reviewed and expanded its list of liaisons with these other IAA groups.

**Health Committee (HC)**
*Christelle Dieudonné, Chairperson*

A key aspect of the meeting was the HC’s briefing notes and new projects that we would be happy to develop together. The “personalized medicine” briefing note has been finalized and approved, and will therefore be published shortly. The next one, “Healthcare actuaries and big data”, will be shared with the BDWG for comments and should hopefully be validated before the next IAA meeting in Chicago.

New ideas to develop have been presented to HC members, and the resultant deliverables could be other briefing notes or research papers. One of them is the concept of pre-funding healthcare benefits after retirement, or an “undefined benefit plan related to health”.

Another important topic has been raised that is directly linked to the role of the health actuary using data, and especially health data. A paper has been prepared in France by the French health committee and French big data working group). Within the IAA, we could consider that paper at the international level. This subject will be presented to the BDWG.

We are also still developing a relationship with the OECD. It is seeking our comments regarding a project on long-term health and care, and an update on this subject will be given in Chicago.

This meeting was an opportunity to share information with other working groups, especially the Population Issue Working Group (PIWG) and the IAAHS, and receive an update on ongoing projects.

We would be happy to have more FMAs involved with the HC’s activities. We are convinced that the role of the health actuary will become crucial, especially for the sustainability of the health system and responses to the impact of new technology. So come and join us!

**Insurance Accounting Committee (IAC)**
*William Hines, Chairperson*

The IAC’s primary activity in Budapest was to review the activity of the IASB’s insurance accounting project, including its plans for the release and implementation of the upcoming IFRS 17. The committee discussed the various workstreams going on in preparation for the new standard, including the development of:

• A model ISAP (ISAP 4);

• A series of international actuarial notes (IANs) by the Education and Practice Subcommittee; and
• An education monograph on risk adjustments that will supplement existing monographs on stochastic modelling and discount rates.

The Education and Practice Subcommittee held working sessions to further develop the IANs related to IFRS 17 and related topics, and developed a plan for completing, exposing and receiving comments on the IANs over the next 12 months.

**Insurance Regulation**  
*Dave Sandberg, Chairperson*

Volunteers were found and expectations set for a paper to address the important aspects and options available for reporting a Margin Over Current Estimate that might be used for solvency purposes as opposed to Risk Adjustment for Valuation purposes. This may well be of great assistance to the IAIS later this year.

Volunteers were organized to carry out the next steps to manage, communicate and maintain the Risk Book. The major items noted to conclude the last set of chapters in the next few months were Capital, Stress Testing, Risk and Uncertainty and Dynamic Hedging.

Successful coordination within the IAA was seen by the valued presence and engagement in our meeting of representatives from the IAIS and the Branding and Insurance Accounting committees.

We were able to share good summaries of key insurance regulation issues from many major jurisdictions.

**Nominations Committee (NC)**  
*Malcolm Campbell, Chairperson*

The NC meetings in Budapest focused primarily on the selection of the President-Elect candidate for 2018. After reference checks and due diligence, the NC reported to Council that the NC’s recommendation for President-Elect in 2018 is Gábor Hanák from Hungary.

**Pensions and Employee Benefits Committee (PEBC)**  
*Yas Fujii, Chairperson*

The PEBC moved forward ongoing projects and discussed updates of developments relevant to the international community, covering plan design, funding, accounting, risk management and world trends of mortality, and on strategic relationships with supranational organizations.

The Pensions and Benefits Accounting Subcommittee led by Tim Furlan, and the OECD Subcommittee (appointed jointly with the IRC) led by Christelle Dieudonné, had their meetings separately. These subcommittees and Esko Kivisaari, International Organisation of Pension Supervisors (IOPS) delegate, reported to the PEBC on their outcomes and strategies.

With the pension funding monograph nearly finalized, the committee discussed the opportunity of joint publication with the OECD. The pension de-risking project, initiated at the last meeting in Cape Town, was discussed to clarify its scope, and it was agreed to move forward with seven countries as examples. Both
projects are expected to be the PEBC contributions to the next ICA in Berlin.

Developments in selected region/countries relevant to the international community were discussed, including hosting country Hungary’s experience, the AAE pension-related topics and special topics from the U.S., Canada and Japan.

An update on the upcoming PBSS and IACA Colloquium in Cancún, Mexico, was provided.

**OECD Subcommittee**  
*Christelle Dieudonné, Chairperson*

The OECD Subcommittee is set up jointly by the IRC and the PEBC. Its mission is to coordinate interaction with the OECD based on the memorandum of understanding between these organizations.

We are convinced that it makes sense for the IAA to continue to develop a strong relationship with the OECD, and that our actuarial knowledge can be beneficial for some topics developed by the OECD which will be of value to the greater public. In addition, it is also a good opportunity to share our knowledge and professionalism with specific regulators and supervisors.

Traditionally, we have interacted with the OECD through two of its bodies: the Insurance and Private Pensions Committee (IPPC) and the Working Party of Private Pensions (WPPP). Members of the IPPC are supervisors from the different OECD countries (35 countries as of today) and members of the WPPP are regulators and supervisors from the different OECD countries and international organizations (for example, the IAA, IOPS, EIOPA, World Bank and International Monetary Fund, or IMF) as observers. Depending on the country, some organizations are a member of both bodies.

Recently, we have been active not only with projects from the WPPP and the IPPC, but also in other areas, such as cyber risk, where GIC members are involved; public health systems, where the HC responded to the consultation; and long-term health and care, where we have asked the PIWG to be involved.

The IAA has been invited as an observer to the open sessions of the OECD, which are held in Paris in June and December. The next sessions in June will be an opportunity for the IAA to present the pension funding monograph developed by the PEBC.

**Professionalism Committee**  
*David Martin, Chairperson*

There was good discussion and further work was agreed on a number of key issues.

The meeting involved a good follow-up discussion to the previous one in Cape Town on the purpose and use of disciplinary schemes, with a clear direction for the relevant task force to choose member associations whose representatives will present to the committee on their own such schemes.

It was agreed that the working group on general advice for FMAs would pass on to their members information regarding the choice of standards to use when working away from their home country; they should simply concentrate on preparing a short statement of the principles involved.

Steps were taken on finalizing the professional guideline on principles of professionalism, and the framework document on the production of professional guidelines was agreed.
A good summary of progress was given on the current ISAPs that are being developed.

Reconsidering the need for, and the definition of, IANs was debated and a way forward explored.

A conference call is planned in June, ahead of the Chicago meeting in October, to measure progress on the various initiatives. Steps forward in these areas are anticipated at that meeting.

**Scientific Committee (SC)**

*Thomas Béhar, Chairperson*

The SC’s purpose is mostly to monitor the work of the six existing working groups: Banking (BWG), Big Data (BDWG), Microinsurance (MiWG), Mortality (MWG), Population Issues (PIWG) and Resource and Environment (REWG). The SC consists of six appointed members, with each acting as liaison to a WG, and the chairpersons of each group as ex officio members. A paper on role of the liaison was adopted during the meeting.

As WGs are made up of experts and not delegates from FMAs, and the SC has a limited attendance, each FMA interested in participating in a group’s work is strongly invited to contribute through experts serving on the WGs. Their 2017 workplans give an overview of the activities of each WG in the coming months. A consolidated workplan has been prepared and will be issued shortly.

The BWG workplan was adopted during the meeting.

The BDWG has discussed the three first designations regarding CPD issued by member associations (the Casualty Actuarial Society, or CAS, in the U.S.; the DAV, and France’s Institut des actuaires). A symposium on big data will also be organized by the UK’s Institute and Faculty of Actuaries (IFoA) in September.

These two new WGs, chaired by Michael Tichareva and Esko Kivisaari respectively, have continued their initial work, consisting in sharing practices in these two fields. FMAs are still invited to check that their experts are sufficiently present in these two WGs.

The main reported activities from the four older groups are:

- The PIWG and the MWG have organized a seminar on aging and mortality (see the article later in the newsletter). The PIWG is also working on a new paper on inequality.
- The SC discussed a draft paper from the REWG on mortality and climate change.
- The MWG is pursuing a long list of mortality projects.
- The MiWG is involved in a joint IAA–IAIS project about actuarial services in inclusive insurance markets.

The WGs present their individual reports below.
Banking Working Group

Michael Tichareva, Chairperson

The BWG, which has been operational since October 2016, held its fourth team meeting in Budapest. It consists of members from 11 countries and is seeing a growing interest from other countries.

A key focus area of the recent meetings was translating the language from traditional actuarial practice areas into the banking world to better bridge the “vocabulary divide”. The group will prioritize this in the near future to make banking more easily accessible to those who are well-versed in other practice areas.

A priority for the BWG’s communications team is to issue articles in various publications to display the work that actuaries are already doing in banking. The first such article was recently published in The Actuary.

This will also be supported by webinars, the first of which was held successfully on March 29 by the Invicta Actuarial Society at the University of Kent, the Actuarial Society of South Africa (ASSA) Banking Committee and the BWG. The goal was to showcase how actuaries are innovating in the banking sector, and the webinar attracted 350 registrations from 38 countries, of which 160 attended the live session.

Michael Tichareva, the keynote speaker, spoke of the opportunities opening up for actuaries in the banking sector, driven mainly by global regulatory reform initiatives. This includes the Basel II and III banking regulations as well as international accounting rules. He also discussed the Banking Fellowship introduced by the ASSA. Detailed information about the syllabus is readily available on the ASSA website.

Two case studies from South Africa clearly displayed the success that a finance institution can attain from having an innovative and driven actuary on board, and what has happened in instances where an actuary has been lacking in a bank. An additional six panellists participated in the webinar. They spoke of their career journeys within the banking sector, highlighting the very different routes that one can take to enter the field and to add value. The participants were given an opportunity to ask the panellists questions, which ranged from syllabus development, modelling techniques and regulation to the best qualifications for a successful banking career.

The recording and supporting documentation (the presentation and two documents) from the seminar are now on the IAA website.

Given the success of this event and the growing interest in this area, several more sessions will be available during the year, the planning of which has already begun and was discussed extensively in Budapest. The team is looking to target human resource specialists as well as students, in addition to those who are already practising. The material for these webinars will continue to be made available to the wider public after each event.

With the ICA just over a year away, preparations have begun to ensure that we use this platform to reach a wider audience with a strong message of the exemplary added value that actuaries have been offering, and we look forward to expanding to banks across the globe.
On the April 18 the MWG, together with the PIWG, held a one-day seminar in Budapest on current developments in aging and mortality. It attracted more than 80 participants from a wide variety of countries, and its program and presentations are available on the IAA website.

On April 19 and 21, the MWG held its regular meetings. The agenda included:

- Discussion of several ongoing projects (annuitant/pension/life/population mortality; older-age mortality; older-age mortality improvement; long-term drivers of future mortality; E-cigarettes);
- Mortality country reports for Finland and Canada;
- A draft country report for Israel;
- Mortality improvement in Algeria;
- South African experience analysis;
- An update from the UK on mortality;
- Recapping recent actuarial seminars around the world;
- Discussing obesity and smoking topics;
- Forecasting mortality using logistic equations;
- Cause-specific mortality differences across socio-economic categories; and
- Whether longevity is still improving.

There were also presentations on the SOA’s and IFoA’s research work in mortality. Andrew Cairns, director of the IFoA Actuarial Research Centre, highlighted current projects covering big health actuarial data and the modelling, measurement and management of longevity and morbidity risk. Gyula Horváth, the representative from the Hungarian actuarial association, made a presentation on mortality trends in Hungary.

The MWG also discussed its website and information base and how to market to interested parties.

The PIWG and MWG are planning to host a seminar in Chicago on October 3 in advance of the IAA meetings. It will cover mortality and populations issues. More details of this, and minutes and other information from the Budapest meetings, will follow and will be posted on the IAA website.
Population Issues Working Group
Assia Billig, Chairperson

Two weeks prior to the Budapest meetings, the PIWG released its paper Long-Term Care: An Actuarial Perspective on Societal and Personal Challenges. The challenges posed by ageing populations and the lack of proper planning for increasing long-term care needs will affect many countries. The paper has attracted a lot of attention so far. PIWG Co-vice-chairperson Sam Gutterman presented it at the joint PWIG–MWG Seminar on Aging and Mortality at the Budapest meeting and PIWG Chairperson Assia Billig presented it at the Presidents’ Forum.

During their regular meeting, PIWG members had productive discussions on its current project regarding the actuarial perspective on inequality. Further, it was decided that the working group will also address the issue of the interrelation of housing and adequacy of income and income at older ages.

Following the success of the joint seminar, the working group has decided to continue its cooperation with the MWG to jointly organize a seminar covering mortality, other life cycle contingencies and population issues on October 3, in conjunction with the IAA meetings in Chicago. At this event the PIWG will present its work on the actuarial perspective on inequality. Please stay tuned for further details, and make plans to attend.

Resource and Environment Working Group
Kenneth Donaldson, Chairperson

During the REWG’s Budapest meeting (and its conference call in the prior week), a wide range of topics and projects were covered. The working group’s draft paper on climate change and mortality was discussed; it is hoped that it will be published in the next few months.

Other active projects were also discussed, including its joint project with the MiWG on vulnerable populations, insurance and climate change. A small author group has been established and assignments have been made. It is hoped that a completed draft paper will be available prior to the Chicago IAA meetings. Other current activities involve the development of a proposed CO2 monitoring project, corporate climate-related disclosures, decarbonization, triple-bottom-line reporting, and (if further volunteers can be found) better governmental environmental budgeting.

In addition, activities of FMAs in this area were discussed—several associations have been quite active, especially the North American associations with the introduction of the Actuaries Climate Index, and the IFoA. Other associations are encouraged to become more active, or to contact the group’s chairperson, Kenneth Donaldson, to let us know what you are doing in this area and discuss potential synergies.
Social Security Committee
Barbara D’Ambrogi-Ola, Chairperson

The Social Security Committee (SSC) meeting on April 19 attracted a record number of attendees—more than 40 delegates and observers from almost 25 countries. As per tradition, it started with a presentation on the social security system of the host country, delivered by SSC member Tibor Pániczky. Afterwards, guest Anne Drouin from the International Labour Organization gave a very interesting presentation regarding the challenges of workers’ compensation programs in developing countries. The presentation gave us the chance to start a discussion about the importance of worker’s compensation in developed countries as well, and led to the creation of a working group within the SSC dedicated to such compensation programs.

Perhaps the most important agenda item was the collaboration with the IMF on the System of National Accounts (SNA) 2008. In January 2017, SSC members contacted the IMF representatives and had a fruitful discussion on the financial reporting of social security obligations. Following this conversation, an informal letter on the SNA was submitted to the IMF on behalf of the SSC on March 2. This topic generated a lively discussion and there was unanimous agreement on its importance. There were many suggestions on future directions and, especially, on the best ways of influencing supranational organizations and potential reviews of the SNA.

We also discussed ongoing matters, including preparation for ICA 2018; updates from the AAE, PIWG and ISSA; and developments in current projects.

OUTCOME OF SECTION COMMITTEE MEETINGS

AWB
Doug Carey, Chair

AWB elected three Committee members during its Annual General Meeting, held on April 21 in Budapest.

It also welcomed two new members—Steven Glicksman and Armand Patrick Komnek—and confirmed the re-election of Bosco Chan. Congratulations!

AWB broadened plans for its global mentorship program at the meeting. This involves a global remote mentorship service supported by a remote exam tutoring service. Initially, this program was rolled out on a limited scale in Sri Lanka and Armenia. Given the interest expressed in actuarially developing countries, and encouraged by the positive responses in Budapest, the AWB intends to expand it globally to cover many actuarially developing countries, with the help of the A&A Committee, its regional subcommittees and IAA member associations.

The remote mentorship program provides the following benefits to the global society:

1. It provides assistance in the development of the actuarial profession where there is a lack of such resources.
2. It contributes to the awareness of the profession and the spread of actuarial education by encouraging actuaries and academics across the world to volunteer in global mentoring, including actuarial exam tutoring, through a convenient platform available around the clock.
This program is not intended to provide a free consulting service, executive coaching, personal life coaching nor career coaching, etc. It is restricted to non-commercial use.

More information is available here.

If you have questions about this global program or would like to receive additional information before making a decision, please do not hesitate to contact AWB Executive Director Renata De Leers or project manager Bosco Chan.

**IAALS**  
*Marc Slutzky, Chair*

The IAA Life Section committee meeting was preceded by a breakfast organized by the Section for members attending the IAA Council and Committee Meetings, but also for local actuaries who were not attending the IAA meetings to introduce them to the Section’s activities. The breakfast featured a presentation by AAE Chairperson Kristoffer Bork entitled “Life Insurance and Pensions – When Guarantees Disappear”.

Later the committee received a presentation on ICA 2018 and agreed that the Section would study the possibility of organizing a Virtual ICA for our members, so that those who cannot attend in person will have real-time access to the presentations.

One of our main roles is to sponsor annual colloquia, and in Budapest several Sections discussed the possibility of holding a joint colloquium in 2021, in connection with the annual enterprise risk management (ERM) symposium that is sponsored by several U.S. actuarial organizations.

**IACA**  
*Cathy Lyn, Chair*

Section chairs were faced with this question in Budapest: “Why are Sections here?” These are IAA Council and Committee meetings and the FMAs are the IAA’s members. When we look at the IAA structure we see Council is made up of both FMAs and the Sections. Also, all chairs of Sections have a leadership role within the IAA by participating in Leaders’ Forum and Section chairs’ and treasurers’ meetings. In addition, the IAA takes Sections so seriously that a task force was formed to strengthen their operation within the IAA. Sections have individual actuaries from all over the world as their members.

IACA has to transform its model to craft a programme of activities that will attract consulting actuaries and other stakeholders in related professions to address topics that have a global impact on the societies who can benefit from us applying our imagination and our actuarial skill sets. We want to facilitate research, provide practical solutions that can create more jobs and show that diversity is a strength, among other benefits. It is time for the IACA committee to begin implementation.

The Sections need to identify income-generating projects to help finance various initiatives, including having top-notch administrative and IT systems at the Secretariat to support its operational needs. This is a good time to put this system in place as the IAA is currently upgrading.

During the Budapest leadership meetings, we discussed seizing the opportunity to create more links between Sections and committees for projects. This synergy can make us, and the IAA’s profile, stronger as we look outward and project our work for the public to see what we create and its benefits. IACA has approached several committees to create these partnerships. The feature event to showcase their successful impact will
be at the ICA in June 2018 in Berlin.

IACA is taking an active part in creating a market plan to promote colloquia. The current material is an excellent way to attract delegates who already want to attend such an event in an exotic destination. What we are tackling is how to convince a delegate who was not intending to attend a colloquium that this is an event not worth missing. The business case is highly dependent on the scientific programme—what it focuses on to attract these attendees and what it brings to the region in terms of actuarial debate, solutions, CPD, business development, strengthening bonds with other stakeholders, etc.

There is so much more to tell. Maybe in the next issue . . .

**PRESIDENTS’ FORUM**

The Presidents’ Forum was attended by the Presidents (or a senior member of the current leadership) of 34 Full and Associate Member associations.

The agenda also featured presentations on the following topics: an introduction to the actuarial profession in Hungary; the recently released long-term care paper (discussed earlier); IAA Section developments; the Actuaries Climate Index, Data Science and an update from ICA 2018 organizers, as well as a lively around-the-world-tour where associations could provide an update on various activities taking place within their countries.

**PIWG AND MWG SEMINAR**

The PIWG and MWG hosted a seminar on current developments in aging and mortality in conjunction with the meetings in Budapest. As reported above, it attracted over 80 participants representing 27 countries and was well received.

The seminar topics covered issues including whether current levels of mortality improvements are tapering off, whether actuaries are using appropriate assumptions regarding mortality at high ages, and how mortality is likely to change in the future and what might drive these changes. The presenters discussed how actuaries can influence solutions that can mitigate the significant financial stresses that aging of the population will place on retirement, long-term care and healthcare systems, as well as how these future demographic developments will impact our work. The presentations made at the seminar are available on the [IAA website](http://www.iaa.org).

The PIWG and MWG are planning a seminar covering mortality, other life cycle contingencies and population issues on October 3 in conjunction with the meetings in Chicago. Further details will appear soon.
EURASIA AND MIDDLE EAST SEMINAR

Prior to the start of the Council and Committee, the Eurasia and Middle East Subcommittee of the A&A Committee hosted a seminar. It addressed issues selected by leaders of the associations from the Eurasia and Middle East region as a means of starting to map their organizations’ key priorities for the next stages of development. It was also meant to assess how to better utilize IAA resources to meet those needs.

Twenty-five representatives from Armenia, Azerbaijan, Bulgaria, Bosnia and Herzegovina Republika Srpska, Iran, Jamaica, Latvia, Lebanon, Macedonia, Mexico, Russia, Sri Lanka, Switzerland, Togo, Turkey, Ukraine and the UK and U.S. had the opportunity to listen to experienced speakers, engage in discussion and share their best practices.

The topics discussed included: strengthening the relationship with the regulator, professionalism and education delivery, association visibility and setting standards of practice. It was agreed that although many associations work under different systems and regulatory frameworks, the topics discussed during the seminar are of relevance to developing associations from around the world.

Vladimir Novikov, Chairperson of the Eurasia and Middle East Subcommittee, indicated that representatives of associations from the region requested assistance preparing and elaborating professionalism courses. The A&A Committee and AWB will work together to find the means to share the materials available and attend to the request.

NEXT MEETINGS

The next meetings of the IAA Council and Committees will take place at the Westin Chicago River North in Chicago, Illinois, U.S., from October 3–8 at the invitation of the SOA, CAS and Conference of Consulting Actuaries. More details will be provided as preparations continue.