

This Special Newsletter reports on the discussions and action items arising from the recent IAA Council and Committee meetings held in Mexico City from April 15 to 18, 2007. The next regular issue of the Newsletter will be in June 2007.

OFFICERS – 2007

Hillevi Mannonen, President
Yves Guérard, Secretary General
David Hartman, President-Elect
Jean-Louis Massé, Immediate Past President



Left to right: Daniel Lapointe, CIA Executive Director; Hillevi Mannonen, IAA President; Yves Guérard, IAA Secretary General; Nicole Séguin, IAA Executive Director; Dave Hartman, IAA President-Elect

IAA DECENNIAL REPORT

Following up on a recommendation made by the Professionalism Committee in Mexico City, the Officers met in Ottawa on April 20 and, among other things, recommended the immediate creation by provisional Presidential appointment of a Working Group to develop a Decennial Report covering the IAA from 1998 to 2008 to be available for the 10th anniversary of the restructure of the IAA that will coincide with the Council and Committee meetings in Québec City in June 2008. The Working Group will be led by Walt Rugland.

COUNCIL

Hillevi Mannonen, President

The main topic of discussion at the Council meeting in Mexico City was the [report](#) of the Task Force on Strategic Planning (TFSP). The TFSP put forward a Discussion Paper in March 2007 on the topic of “The Governance of the IAA”, based on the results of a questionnaire sent in late January. Written comments were received on that discussion paper. The TFSP met in Mexico City and its thinking evolved somewhat during that discussion. A report from the TFSP reflecting its discussions was made to the Executive Committee on April 16, further modified and presented to Council on April 18. In response to that presentation, 15 persons stood and gave comment. In the end, the question was asked by the chair of the TFSP “Which should come first – a strategic plan or a change in governance?” The overwhelming response was that a strategic plan should come first.

IAA Special Newsletter April 2007

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OFFICERS

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After the Council meeting, many delegates expressed that, in principle, the strategic plan should always come first. However, if the work on a strategic plan was impeded by problems with governance, then governance needed to be fixed first. Others felt that so much work had gone into the governance proposal that it should be finalized now, while rapidly proceeding to work on the strategic plan.

Therefore, the plan of the TFSP is to finalize its work on the governance proposal aired in Mexico City in time for posting on the 90-day agenda (July 31) for decision in Dublin and also to develop a discussion paper about a strategic plan for the 30-day agenda (September 28) for discussion in Dublin. Adoption of the governance proposal could end up as an interim step, to be modified later, if need be, but it would allow more focus on the strategic plan going forward.

A proposal will be circulated for comments in the coming weeks, along with a questionnaire to be answered from the individual's point of view and not as an official position of the delegate's association. The TFSP is still seeking input and is planning to prepare its final proposal in June to allow for final consultation in early July prior to the 90-day agenda posting. The proposal will then go on the 90-day agenda for Dublin, where additional comments will be welcome prior to the 60-day agenda (August 29) at which time it will become a final action item.

Council received the [report](#) of the President on current activities.

Council received the report of the Nominations Committee on its activities since meeting in Edinburgh. Chairperson Jean-Louis Massé reviewed how the aim for diversity (cultural, geographical, linguistic, large/small association) described in the IAA Internal Regulations was applied by the Committee in its recommendations for leadership of the IAA and its committees. With respect to the President-Elect, the individual recommended to Council should be someone who

had served preferably as an IAA Section or committee chairperson, had the support of his home association and was available to dedicate time to the work of the IAA. Chairperson Massé then announced that the Committee's intent to propose Katsumi Hikasa of Japan for election by Council in October 2007 as President-Elect for the year 2008. Mr. Hikasa, who has been involved in the work of the IAA for five years, has been the President of the Institute of Actuaries of Japan for the past four years and comes highly recommended by both actuarial associations in Japan. A full report on the meetings of the Nominations Committee in Mexico City has been included in the [updated Committee report](#).

Council approved the numerous [appointments and re-appointments](#), as proposed, of committee chairpersons, vice-chairpersons and other positions.

Council approved changes to the [Statutes and Internal Regulations](#), on the recommendation of the Accreditation and Education Committees, subject to a minor wording change to article 2.1.5 and to the removal of article 2.1.4 (see Accreditation Committee report for details). These changes concern association membership in the IAA, the accreditation criteria and the addition of the education guidelines and syllabus to the Internal Regulations. A revised Article 2.1.4 will be included on the Dublin Council Agenda. The IAA Education [Syllabus](#) and [Guidelines](#) will become effective on January 1, 2009.

Council approved the following venues for future meetings of the IAA:

- Tallinn, Estonia in June 2009
- India in October/November 2009
- Vienna, Austria in October 2010
- The Netherlands in May 2013

A communication will be sent to member associations shortly proposing specific dates and asking them to advise us of any serious conflicts with other planned actuarial events.



The Serbian Actuarial Association was admitted as a Full Member and the Asociación de Actuarios de Panamá as an Associate Member. The President of the Serbian Actuarial Association, Jelena Kocovic, made a brief [presentation](#) introducing her association to the IAA.

After the [report](#) from the Secretary General on the finances and other matters, Council approved the [audited financial statements](#) for the year ended December 31, 2006 and set the dues payable by Full Member associations for 2008 at \$14.00 CAD per fully qualified actuary.

The [Regulations](#) for the 29th International Congress of Actuaries that will take place in Cape Town, South Africa in March 2010 were adopted with slight modifications.

COMMITTEE UPDATES

In advance of the Council meeting, all Committees and Sections were invited to submit a written report on their activities since the meetings in Edinburgh in November 2006. Below is the highlight of their discussions in Mexico City, with a link to their full written report which provides additional details.

Accreditation,

Juan Carlos Padilla, *Chairperson*

The Committee discussed mainly the proposed changes to the Membership Criteria and the development of an Assessment Form for Full Members.

The Bulgarian Actuarial Society has applied to upgrade to Full Membership and the Lietuvos Aktuariju Draugija (Lithuania) has applied for Full Membership.

[Full Committee Report](#)

Advice & Assistance,

Steve Handler, *Chairperson*

China Subcommittee

The China Association of Actuaries (CAA) had received approval as an independent body from both the Ministry of Civil Affairs and the State Council. It is now completing its establishment procedures under the responsibility of CIRC.

In February, 26 candidates sat for the first Chinese non-life examinations; 22 were successful.

IAA Fund Subcommittee

The 14th East Asian Actuarial Conference (EAAC) will take place in Tokyo October 9-12, 2007.

An IAA Fund meeting for the South-East Asian region and the Indian sub-continent will take place in Bangkok, Thailand September 6-7, 2007.

Education,

Carla Angela, *Chairperson*

The Committee addressed the implications of the changes to the IAA Education Guidelines and Syllabus.

The first two points of the Committee's Terms of Reference were reviewed to take into account the changes in the requirements for accreditation as a Full Member.

The Committee discussed continuing professional development (CPD)

The goals of the Committee were updated in accordance with emerging priorities.

[Full Committee Report](#)



Financial Risks,

David Kingston, *Chairperson*

At its meeting in Mexico City, the Committee discussed the following:

1. Revised Terms of Reference and propose name change to Enterprise and Financial Risks Committee.
2. Update on the work of the Financial Economics Task Force.
3. Enterprise Risk Management.
4. Proposal for a Global Risk Management Designation.
5. Future work plan.
6. Risk seminars in collaboration with member associations.

[Full Committee Report](#)

Insurance Accounting,

Sam Gutterman, *Chairperson*

The significant items discussed by the Committee on Insurance Accounting included:

1. Selected issues associated with the upcoming phase 2 of the International Accounting Standards Board's (IASB) Insurance Contracts project.
2. Proposed IAA comments on the IASB discussion paper of the Financial Accounting Standards Board's (FASB, U.S.) Statement No. 157, *Fair Value Measurements* and on the IAASB exposure draft on *Auditing of Estimates and Fair Values*, both of which are due by early May.

Actuarial Standards Subcommittee of the Committee on Insurance Accounting

1. Approval of the technical corrections to two International Actuarial Standards of Practice (IASP) addressing the effect of the new IFRS 7.
2. Discussion of current drafts of IASPs on *Business Combinations* and *Disclosures*.

3. Discussion of a preliminary version of an IASP that will be developed in response to phase 2 of the IASB's insurance contracts project.
4. Progress on a request for proposal for a monograph on applications of stochastic modelling to financial reporting and capital assessment scheduled to be distributed by the end of May.
5. Discussion of proposals for a potential change in the due process for IASPs.
6. Discussion of the upcoming enhancement to the IAA website with a specific area focusing on all of the IAA's IASPs.

Update on the work of the Risk Margin Working Group

[Full Committee Report](#)

Insurance Regulation,

Rolf Stölting, *Chairperson*

Update on relations with the International Association of Insurance Supervisors (IAIS).

Discussion of the draft of the Risk Margin paper "*Measurement of liabilities for Insurance Contracts: Current Estimates and Risk Margins*".

Proposal on a likely direct cooperation between the IAIS, the IAA, the Groupe Consultatif and the CEA (Association of the European Insurance industry), on the development of a common glossary.

Report of the ad hoc working group on the role of the actuary.

[Full Committee Report](#)

International Education Program (IEPC),

Alf Guldberg, *Chairperson*

The Committee received updated results of the interest survey which clearly show a real need for an IAEP, and discussed ideas on alternative ways to fund the IAEP.



The Instituto de Actuarios Espanoles (Spain), Instituto dos Actuarios Portugeses (Portugal) and Colegio Nacional de Actuarios A.C. (Mexico) have started an interesting project to develop the actuarial profession in Latin America and in Portuguese-speaking Africa. The Committee agreed that this project looked very promising and could be used as a pilot project for the IAEP to, among other things, show potential donors how the system was working. The Committee also received with great interest an update on the activities of the European Actuarial Academy.

Steering Committee

The IEPC Steering Committee has decided to increase the speed of the development of the IAEP and will look into a number of different issues, including the development of an inventory of existing international education material, how to accredit universities into the system, and the development of promotional material.

The Committee has asked the Nominations Committee to recommend to Council the extension of its current ToRs and membership until the end of 2007. This will be dealt with by Council electronic voting ballot. A proposal going forward will be brought to Council in October 2007.

Full Committee Report

Professionalism,

Helen Rowell, Chairperson

1. A discussion paper and recommended approach in relation to proposed (significant) amendments to the IAA Due Process for the Development of International Actuarial Standards of Practice will be developed for discussion at the Council meeting in Dublin in October.
2. Three documents will be developed following an analysis of the results obtained from the recent survey that covered conflicts of interest, whistle-blowing and the public interest.
3. Proposal to the IAA Executive Committee that a paper be developed on "The IAA – 10 Years

On" which would be a positive statement of what has been achieved in that period. It could also indicate future direction.

4. Discussion of a draft IAA public statement on the importance of Professionalism Education.
5. Discussion of a paper on possible approaches to deal with actuaries that are members of more than one association, and in particular discipline process issues that arise in such circumstances.
6. Proposal to the IAA Executive Committee that a priority for the IAA should be seeking World Trade Organization (WTO) recognition of the actuarial profession.

Full Committee Report

Social Security,

Rob Brown, Chairperson

The following summarizes the recent activity of the IAA Social Security Committee and planned activities on a six-month horizon.

1. All presentations sponsored by the IAA Social Security Committee at the 2006 Paris Congress are now available on the IAA Social Security website.
2. Liaison with the World Bank.
3. Redraft of Guidelines of Actuarial Practice for Social Security Programs for Dublin.
4. PBSS/ISSA Seminar in Helsinki.
5. Update on the Social Security Network.
6. The Education Task Force on the international education of social security actuaries.
7. Stochastic Modelling.
8. Participation in ICA 2010 in Cape Town, South Africa.

Full Committee Report

Supranational Relations,

Philippe Maeder, Chairperson

During its meeting, the Supranational Relations Committee reviewed relations with its main present contact organisations and plans for further activities during the year. In particular, contacts will be



renewed with WTO in order to get an update about their assessment of the actuarial profession.

In addition, the strategic assessment and key priorities were revisited. The relationship database will be updated accordingly as well as Internet pages summarising main features of high priority supranational organisations.

[Full Committee Report](#)

Life section

The Life Section held a very successful seminar in Mexico City with nearly 200 participants.

It is proposed to have a prize for best life article in the ASTIN Bulletin – the Journal of the IAA. The value of the prize would be USD 1000, and would be annual (providing there are articles of sufficient quality).