

C5. STATUTES

Motion: (four-fifths majority vote required)

That Council approves the following changes to the Statutes, subject to the recommendation of the Nominations Committee.

II. MEMBERSHIP

This clarification is being made at the strong suggestion of our lawyers to eliminate potential ambiguities that may impact on individual responsibilities, fiscal status and insurance coverage.

Article 4 Structure

The IAA is an association of actuarial associations and includes the Sections referred to in Section VII of these Statutes. The IAA and its Sections are governed by these Statutes. Full Member Associations and Sections may designate a Delegate to the Council.

IV. COUNCIL, OFFICERS, INTERNAL REGULATIONS

Article 9 Duties of Council (Amend points 9 and 17 to reflect actual practice)

9. *Elect the Officers and Members of the Executive Committee, and appoint Members of the Nominations Committee, Council Delegates to Section Committees, Chairpersons and Vice-Chairpersons of other Committees, and confirm other Committee members;*
17. *Receive the report of the President and approve the audited accounts for each financial year and the budget for each financial year; and*

Article 10 Meetings (Amend the first sentence of the first paragraph as follows)
The Council shall meet for an Annual Meeting each year in the last four months of the year.

Amend the first sentence of the third paragraph as follows.

Motions already on an agenda issued in advance can be modified upon recommendation of the relevant Committee up to 30 days prior to the Council meeting.

Move the second sentence to Article 12.

Article 12 Majority and Super-Majority of Voting Rights

Amend the second paragraph as indicated to recognize the reality that budgets cannot be prepared 6 months in advance of their applicable year. To include it in the supermajority requires that the budget be on the 90-day agenda.

Matters relating to membership criteria and commitments, Nominations Committee terms of reference, membership, and membership fees shall require an affirmative vote of at least four-fifths of the voting rights cast.

Add the following sentence (from article 10) after the first sentence of the last

paragraph.

Notice of non-substantive amendment proposals may be given anytime up to the time of the meeting.

VI. NOMINATIONS COMMITTEE

Article 18 Duties

Amend the first paragraph to reflect actual practice.

The Nominations Committee shall be appointed by the Council. It shall have the responsibility to recommend to Council nominees for election as Officers and members of the Executive Committee, and nominees for appointment as members of the Nominations Committee, Delegates of Council to each Section Committee, and Chairpersons and Vice-Chairpersons of Committees and other positions as Council determines.

VII. Sections

Article 19 Establishment

Amend to reflect current situation.

As of September 2005, the Sections of the IAA are Actuarial Studies in Non-life insurance (“ASTIN”), Actuarial Approach for Financial Risks (“AFIR”), Pensions, Benefits and Social Security Section (“PBSS”), IAA Health Section (“IAAHS”), International Association of Consulting Actuaries (“IACA”) and Actuaries Without Frontiers (“AWF”). Additional Sections may be created by Council according to criteria determined by Council.

Article 21 Governance

Sections may establish their own regulations, subject to approval by Council. Their autonomy includes financing their activities and establishing their own accounts over which they have sole responsibility. Their accounts shall be subject to audit and to review by the Audit and Finance Committee.

XI. OTHER PROVISIONS

Article 30 IFAA (Amend to reflect current situation)

The IFAA is dissolved as from the first date of adoption of these Statutes. .

Article 34 Earmarked Assets (Amend to make wording consistent with that of Article 33, IAA Fund)

Unallocated IAA assets as of the end of the 1997-98 financial year are earmarked to support activities related to individual members. The part of these assets that was identified as Reserve Congress as of June 30, 1998 will be earmarked as a special fund to which shall be added other contributions received for that specific purpose. The use of the special fund assets is restricted to these objectives and is implemented by the Member Services Committee.

C6. INTERNAL REGULATIONS

a. Motion: (four-fifths majority vote required)

That Council approves the following changes to the Internal Regulations subject

to the recommendation of the Committees on Accreditation and Education.

SECTION 2. FULL MEMBERSHIP

A Full Member association is entitled to claim full membership in the IAA only if it continues to comply with the criteria for accreditation.

(This constitutes a formal authorization to member associations to publicize through their web site, letterhead and any other method or documentation they deem appropriate, that they belong to the IAA.)

A Full Member association must provide at least annually, upon request of the Secretariat, a current copy of its Code of Professional Conduct, disciplinary process, standards of practice (if any), and education requirements, appropriately indicating changes adopted since the previous submission. It must also complete the IAA education questionnaire when requested, or when it introduces significant changes to its education system.

A Full Member association must pay fees when due and provide the basis upon which the assessment is to be based, including the definition of "fully qualified actuary" members.

A temporary dispensation from one or more specific membership requirements for periods of up to three years may be granted, provided that the Accreditation Committee is satisfied that:

- the association has made, and is taking, all reasonable steps to comply as soon as practical;*
- earlier compliance is effectively outside the control of the member association; and*
- in its opinion, it would be unreasonable to require immediate compliance.*

The association must report on progress towards compliance as required by the Accreditation Committee, and in the case of education requirements, the Accreditation Committee will consider the advice and assessment of the Education Committee.

2.1 Criteria for Accreditation as Full Member Association

2.1.1 The association must satisfy Council that its purpose is consistent with the aims of the IAA. It must submit its articles of incorporation, or equivalent documentation, at the time of application.

2.1.2 The association must have a Code of Professional Conduct in place, which includes the common principles of the Groupe Consultatif Actuariel Européen.

2.1.3 The association must have a formal discipline process in place. The definition of a formal discipline process is as follows:

- a. *There is a complaint process accessible to both anyone affected by a member's work and the member's professional peers.*
 - b. *There is due process of defense available to the member complained against, and the member's rights are fully respected.*
 - c. *There is an objective formal appeal process independent of the body that has ruled at the prior level.*
 - d. *There are available sanctions appropriate to the level of the offences committed.*
- 2.1.4 *If the association adopts recommended standards of practice it must have in place a formal process for adoption which meets the following criteria. If a standards of practice process does not exist, but is subsequently implemented, it must meet the criteria when adopted.*

The criteria for an acceptable process for adoption of standards of practice are:

- a. *The proposal to consider a possible standard follows an established process.*
 - b. *The proposed standard is exposed to members, and where relevant, to third parties for comment.*
 - c. *Comments on the exposure draft are considered.*
 - d. *The standards are promulgated by an authority vested with such powers.*
 - e. *The standards are published and dispatched to member practitioners.*
- 2.1.5 *The association must implement and maintain education requirements that meet or exceed the IAA Educational Guidelines and Syllabus.*

b. Motion: (two-thirds majority vote required)

That, on the recommendation of the Nominations Committee, the Council approves the following changes to the Internal Regulations.

SECTION 3. COMMITTEES AND MEETINGS

3.1 Rules Applicable to the Council and to All IAA Committees

3.1.1 Attendance

Committee meetings shall be open to Council Delegates or Alternate Delegates except for meetings of the Audit and Finance Committee, Executive Committee and Nominations Committee.

3.1.2 Delegates

Each Full Member Association may designate a Delegate and Alternate Delegate to the Council, and separately a Delegate to each Committee except the Audit and Finance, Executive, Member Services and Nominations Committees.

c. Motion: (four-fifths majority vote required)

That, on the recommendation of the Nominations Committee, the Council approves the following changes to the Internal Regulations.

3.3 Nominations Committee

The Nominations Committee membership shall be proposed by the Nominations Committee and appointed by the Council. It shall be composed of:

- a. The Immediate Past-President who shall be the Chairperson of the Committee;*
- b. The President and the President-Elect;*
- c. The Secretary General in a non-voting capacity; and*
- d. At least five additional persons*

Motion: (two-thirds majority vote required)

That, on the recommendation of the Nominations Committee, the Council approves the following changes to the Internal Regulations.

3.3.2 Protocol for Nomination of President-Elect

- a. Nominations shall aim to achieve cultural, geographical and linguistic diversity in the leadership.*
- b. As an objective, the Presidency over an eight-year period shall, to the extent possible, be rotated to achieve two Presidents from Europe, two from the United States or Canada, two from the rest of the world, and two from any of these categories.*
- c. Individuals selected must be fully qualified actuaries of a Full Member Association and shall be functionally competent in the English or French language.*
- d. Individuals shall, if possible, have served either as Chairperson of an IAA Committee or subcommittee of the former IFAA, or in leadership capacities in a Section of the IAA.*
- e. Individuals shall have experience as leaders within their own association and have the support of their association to aspire to the positions of President-elect and President in the IAA.*

The Council shall sit in camera to consider the recommendations of the Nominations Committee for the positions of President, Secretary General and President-Elect; the proposed candidates will also be excused.

d. Motion: (two-thirds majority vote required)

That, on the recommendation of the Executive and the Audit and Finance Committees, the Council approves the following changes to the Internal Regulations.

SECTION 4. SECRETARIAT

4.5 Expenses

4.5.1 *Expenses incurred for events hosted by the IAA, excluding additional expenses incurred for accompanying persons, are payable by the Secretariat.*

4.5.2 *The Secretariat shall reimburse travel and out-of-pocket expenses incurred by the*

President and Secretary General or other individual officially appointed to represent the IAA on a basis to be determined by Council.

- 4.5.3 Reimbursable expenses in support of Committee activities are those approved in the budget allocated to each Committee by the Executive Committee within the aggregate amount voted by Council. Committee chairpersons should submit on an annual basis expected expenses for the coming year for budgetary purposes. Expenses for subcommittees, task forces or working groups should form part of the overall expenses by the parent committee.*
- 4.5.4 The reimbursement of expenses shall be in accordance with rules determined by Council and timely submission of the required documentation.*