



WHAT HAPPENED AT THE IAA COUNCIL & COMMITTEE MEETINGS IN INDIA LAST MONTH

For an update on the discussions and action items arising from the recent IAA Council and Committee meetings held in Hyderabad, India from November 12-15, 2009, please read our [Special December Newsletter](#) issued on December 10.

IAA COUNCIL AND COMMITTEE MEETINGS, MARCH 3-7, 2010, CAPE TOWN, SOUTH AFRICA



The [meeting program](#) for our upcoming meetings in Cape Town is now available.

Useful details for travel to Cape Town, including information on making your [bedroom reservation](#), on alternate hotels in the area and of [tours](#) have already been communicated to you and are [available online](#).

These meetings are taking place immediately prior to the 29th International Congress of Actuaries in the same venue (see below). Plan on attending both!

JOIN OVER ONE THOUSAND ACTUARIES AT ICA 2010 IN CAPE TOWN!

You read right, join the thousands! Over one thousand individuals from 93 countries have registered for the upcoming [29th International Congress of Actuaries](#) that will take place in Cape Town, South Africa from March 7-12, 2010.

It is not too late to join them. Register online at www.ica2010.com/info.php.

IAA Newsletter

December 2009

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OFFICERS — 2009

Katsumi Hikasa, President
Yves Guérard, Secretary General
Paul Thornton, President-Elect
David G. Hartman, Immediate Past President

OFFICERS — 2010

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Yves Guérard, Secretary General
Cecil Bykerk, President-Elect
Katsumi Hikasa, Immediate Past President

The theme for this Congress, *United in our Diversity*, is accompanied by an exciting [program](#). Experience firsthand the many benefits of attending an *International Congress of Actuaries* and take advantage of this tremendous opportunity to discover a fascinating country and nation.





IAA VIRTUAL LIBRARY: A MUST KNOW FOR ALL ACTUARIES

We learned that many actuaries are interested in an actuarial library that would regroup actuarial publications globally. Well, look no further; there is such a [tool](#) already in place on the IAA Website. Explore this tool through our home page. To learn more about how it works and what documentation is available, logon to the following presentation given in Hyderabad:

www.actuaries.org/CSO/Documents/Hyderabad_Virtual_Library.pdf

COMING SOON – A NEW IAA BOOK

The IAA's eagerly awaited publication on stochastic modeling is set to be released next month. This book is intended for actuaries, actuarial students and other readers involved in actuarial modeling in both the life and non-life sectors. It illustrates commonly used methods employed in risk assessment and covers the following five major sections:

- General methodology, including a discussion of “risk-neutral versus real-world” scenarios, techniques used, distributions and fitting, random number generation, and risk measures.
- Current applications, including economic scenarios, life, health, and casualty models, and country- or region-specific issues.
- Evaluation of results, including calibration, validation, audit, peer review, and communication.
- Seven case studies that show various applications of scenario development in real situations, including pricing, economic capital analysis, and embedded value analysis.
- References and additional resources available to the reader.

Please go to www.actuaries.org/stochastic to register your interest in this upcoming publication and add your name to our release day announcement list. This groundbreaking project received funding and support from The Actuarial Foundation (United States), Canadian Institute of

Actuaries, Casualty Actuarial Society, Financial Reporting Section of the Society of Actuaries, Het Actuarieel Genootschap, and the Institute of Actuaries of Australia.

In recent years, the IAA published two other books which are available for purchase online:

Measurement of Liabilities for Insurance Contracts: Current Estimates and Risk Margins [[Order Form](#)]; and - newly available in the Spanish language - Un marco global para la evaluación de la solvencia del asegurador (A Global Framework for Insurer Solvency Assessment) [[Order Form](#)]. We are most grateful to our colleagues Rosa María Mayoral Martínez, Rafael Moreno Ruiz, and Andrés Dan Lerner Waen for their work in translating the Blue Book.

FAST TRACK PROCEDURE (FTP) – SUBMISSIONS IN THE WORKS

Federation of European Accountants: Discussion Paper on Integrity in Professional Ethics.

The response is being prepared by the Professionalism Committee under the chairmanship of Michael Pomery. This FEE paper agrees with the IAA position that integrity is a core principle of professional behaviour. We will suggest that the public interest be emphasized as the principal reason why professional activity should be underpinned by ethics and integrity.

Deadline for objection to use of FTP: 26 January 2010

IASB Exposure Draft on Management Commentary.

The response is being prepared by the Insurance Accounting Committee, chaired by Sam Gutterman. This exposure draft presents the IASB's proposals for a broad framework for the preparation and presentation of management commentary to accompany financial statements prepared in accordance with IFRSs.

Deadline for objection to use of FTP: 24 February 2010



SUBMISSIONS ISSUED SINCE JULY

- [November 30: Comments on IASCF Review of the Constitution: Proposals for Enhanced Public Accountability.](#) *The comments were prepared by the Insurance Accounting Committee, chaired by Sam Gutterman.*
- [September 30: Comments on IASB Exposure Draft on Discount Rate for Employee Benefits.](#) *The comments were prepared by the Pensions and Employee Benefits Committee, chaired by Esko Kivisaari.*
- [September 28: Comments on IASB Exposure Draft on Fair Value Measurement.](#) *The comments were prepared by the Insurance Accounting Committee, chaired by Sam Gutterman.*
- [September 21: Comments on IASB Exposure Draft on Financial Instruments: Classification and Measurement.](#) *The comments were prepared by the Insurance Accounting Committee, chaired by Sam Gutterman.*
- [September 18: Comments on BAS Consultation Paper on Pensions.](#) *The comments were prepared by the Pensions and Employee Benefits Committee, chaired by Esko Kivisaari.*
- [September 1: Comments on IASB Discussion Paper Credit Risk in Liability Measurement and its accompanying staff paper.](#) *The comments were prepared by the Insurance Accounting Committee, chaired by Sam Gutterman.*
- [July 31: The Global Financial Crisis – What Next?](#) *The comments were prepared by a subgroup of the Enterprise and Financial Risk Committee, chaired by Tony Coleman.*

UPCOMING EVENTS

6th Asian Conference on Pensions & Retirement Planning – February 1-2, 2010 – Singapore

The global financial crisis has brought the spotlight on Pensions with some plans facing a crisis. With the rapidly ageing societies, Asia's pension systems need modernising urgently to ensure that they are financially sustainable and provide adequate retirement incomes said the OECD report on Pensions.

With many MNCs seeing their pension funds being depleted in the crisis, the calls for urgent steps to be taken to ensure good governance, proper supervision, and sound risk management practice to be in place have intensified. Governments are being asked to take on a more active role to accelerate and strengthen the process?

Asia Insurance Review is putting together the 6th Asian Pensions Conference, with the theme "Seeking Sustainable Strategic Solutions for the Pensions Crisis", to look at the renewed concerns on pension security and adequacy issues, regulatory framework, structural reforms for pensions, evaluating and redesigning pension schemes and the ongoing debate issues on rising living costs, inflation, interest rates, and longevity risks that are adding pressure on pensions plans and activities. The focus will look at the unique role of life insurers in the pensions market to see what more they can do and what opportunities are there for life insurance in the pensions and retirement planning arena to ensure that people have enough savings to last a lifetime.

The two day conference for life insurers, intermediaries, bankers, regulators and pension policy planners, pension fund operators and professionals serving the pensions market, will explore new methods of managing pensions, as well as innovative solutions and strategies to tackle today's complex pension challenges.

The IAA is pleased to once again support this Conference. Secretary General Yves Guérard will represent the IAA and give a presentation on *Pension Reforms in Current Economic Climate: International trends.*

The early bird registration fee is available until **JANUARY 8, 2010**. Members of IAA member associations will benefit from a 20% discount in the registration fee. Consult their website for more details:

www.asiainsurancereview.com/pages/conference_details.asp?id=141



18th Annual National Congress on Economic Science – June 16-18, 2010 – Argentina

This Congress includes actuarial science topics and registration is open to actuaries outside of Argentina. There is also an open call for presentations by foreign actuaries.

For more information, please visit www.18congresonacional.org.ar

29th International Conference on Computational Statistics – August 22-27, 2010 – Paris, France

COMPSTAT 2010 is a conference of the International Association for Statistical computing, a section of the International Statistical Institute, a nonprofit organization and one of the world's oldest learning societies. There will be an invited session on "Computer intensive methods actuarial methods". Contributed papers on actuarial science are welcome. For more information, contact: www.compstat2010.fr

Society of Actuaries Living to 100 international symposium – January 5-7, 2011 – Orlando, Florida

The IAA is a participating organization for the Society of Actuaries Living to 100 international symposium that will take place January 5-7, 2011 in Orlando, Florida.

Find out more through the [attached call for papers](#).

THE IAA AROUND THE WORLD

Chinese Actuarial Association (CAA) Annual Conference – Kunming, China – September 16-18

President Hikasa attended, on behalf of the IAA, the 10th China Actuarial Annual Conference which was attended by 400 participants, mostly young Chinese actuaries/students.

President Hikasa gave a [welcome address](#) during the opening session, alongside CAA president Wei.

ISSA Conference – Ottawa, Canada – September 16-18

Secretary General Yves Guérard attended this event which was well attended with around 160 participants from 45 countries including a number of actuaries. He [presented](#) on *Social Security – Making Survival Sustainable*.

He also took advantage of this opportunity to arrange a side meeting with the ISSA Secretary General Hans-Horst Konkolewsky and Florian Léger Project Manager, with the participation of the Chairpersons of our Supranational Relations Committee, Ken Buffin, and of our Social Security Committee, Robert Brown. All have agreed on steps that will lead to greater cooperation between ISSA and the IAA.

Groupe Consultatif Annual Meeting – Lille, France – September 24-25

President-Elect Paul Thornton gave remarks at the General Assembly covering the successes, the ambitions yet to be achieved and the issues for discussion within the IAA.

PBSS Colloquium – Tokyo, Japan – October 4-6

President Katsumi Hikasa gave the [opening address](#) at the [4th PBSS Colloquium](#) held in Tokyo from October 4-6 on the occasion of the 20th anniversary of the Japanese Society of Certified Pension Actuaries (JSCPA). The number of attendants was approximately 140 from 19 countries.

15th East Asian Actuarial Conference (EAAC) – Seoul, Korea – October 12-15

The 15th EAAC held October 12-16, 2009 in Seoul, South Korea attracted nearly 500 participants. The main theme of the conference was "Dynamic Changes & Actuarial Opportunities". IAA President Katsumi Hikasa gave the [opening address](#).

SOA Annual Meeting – Boston, MA – October 25-28

Immediate Past President, David Hartman, attended the annual meeting of the Society of Actuaries which was attended by about 1,800 delegates and 100 registered accompanying persons.

IAIS-ASSAL-FIDES Regional Training Seminar 2009 – Lima, Peru – November 23-26

This seminar was organized by the International Association of Insurance Supervisors (IAIS), the Latin American Association of Insurance Supervisors (ASSAL), the Inter-American Federation of Insurance Companies (FIDES) and the Peruvian Superintendence of Banking, Insurance and Private Pension Fund Administrators (SBS), www.assalweb.org.

As representative of the IAA, Dr. Eduardo Melinsky, President of the Instituto Actuarial Argentino, was lecturer in Panel 5: "Solvency – Valuation of Liabilities and Value at Risk Methodology", and Panel 6: "Solvency – Liabilities Distribution and Determination of Premiums".

Eduardo also took this opportunity to discuss with the appropriate individuals issues related to the IAA Syllabus and Professionalism, and to describe the assistance that the IAA could provide in developing the actuarial profession in Latin America.

IAA SECTION ACTIVITIES

Join or Renew your Membership in the IAA Sections

Annual membership fees for all Sections are low at \$50 CAD each for 2010, except for AWB whose dues are \$25 CAD and IACA which will remain at \$40 for 2010, but most likely increase to \$50 CAD in 2011.

If you are not already a member, it is not too late to join. Contact your home association or register through the IAA Secretariat.

ACTUARIES WITHOUT BORDERS (AWB)

Actuaries Without Frontiers changed its name to **ACTUARIES WITHOUT BORDERS** effective as of the Council meeting on November 15, 2009.

AWB, having successfully worked with the Actuarial Society of Kazakhstan and with The Actuarial Society of Kenya in delivering teaching sessions to their members (see pictures on website/newsletter), would like to invite other member associations, including Associate Members, of the International Actuarial Association to discuss possible local activities where AWB might be able to assist; these could be appropriate projects of interest to the local actuarial community, regulators, or the public at large and/or could even include specific topic teaching sessions.

When a request on a project is approved, AWB will assist in providing suitable volunteer actuaries and, as appropriate, in seeking donor funds to meet the out of pocket costs associated with the work. All requests will be considered, as AWB plans for its 2010 initiatives. Please contact Shiraz Jetha (Shirazi@oic.wa.gov or at 1-360-725-7057) for further information.

AFIR, LIFE

AFIR / LIFE Colloquium

A very successful AFIR / LIFE Colloquium 2009 took place at the invitation of the DAV in Munich, Germany from September 6-11, 2009, bringing together about 400 participants from more than 30 countries. Given these numbers, the colloquium was truly an international event.



In the opening plenary sessions of both the LIFE and the AFIR Colloquium, IAA President Katsumi Hikasa welcomed the attendees on behalf of the IAA,





before the varied and interesting scientific programmes started. In nine seminar-type topical sessions, invited speakers like Michel Denuit, Université Catholique de Louvain, Norbert Heinen, B&W Deloitte, David Blake, CASS Business School, Christian Mumenthaler, Swiss Re and Karel van Hulle, EU Commission, gave presentations. There were also a high number of breakout-sessions on the 10 principal topics of the AFIR / LIFE Colloquium. In total about 70 presentations out of more than 120 submissions were included in the programme. Links to all the papers and presentations are available on the colloquium website www.actuaries.org/Munich2009

A special highlight of the LIFE programme was the panel discussion on *"The credit crunch, financial uncertainty and the life insurance industry"*, in which, among others, Thomas Steffen, Chairman of CEIOPS, and Gerhard Rupprecht, Chairman of the Management Board of Allianz Germany, participated.

Arrangements for the evening programmes ranged from a brewery house at Munich's Augustinerkeller to a gala dinner at the renowned Bayerischer Hof. A joint excursion to Nymphenburg Palace completed the programme.

IACA

Read the [IACA Newsletter](#) online.

The Asia Pacific Association of Consulting Actuaries (APACA) was launched on October 14, 2009 in conjunction with the 15th EAAC by IACA Chairman, Hideyuki Yoshida. His [PowerPoint presentation](#) is available online.

NEWS FROM MEMBER ASSOCIATIONS

EUROPE

Ceská Společnost Aktuárù, Czech Republic

Professor Petr Mandl, one of the founding members of the Česká Společnost Aktuárù (Czech Society of Actuaries), and the person most

responsible for the rebirth of the profession in his country and the reestablishment of actuarial education at the Charles University in Prague, was awarded a Medal of Merit on 28 October 2009 by the President of the Czech Republic for services to the state in the fields of science.

Congratulations Petr!

Deutsche Aktuarvereinigung (DAV), Germany

Three years ago DAV, together with its scientifically orientated partner organisation DGVM, started an internship programme for students of mathematics concentrating on actuarial sciences. The programme aims at giving students the opportunity to gain first hand professional experience in actuarial departments and to build valuable contacts for their future career. In its fourth year, more than 50 challenging internships offered by more than 40 companies in the insurance and finance industry can be advertised at universities all over Germany.

Actuarial associations interested in extending this successful programme at an international level can contact DAV at international@aktuar.de.

European Actuarial Academy (EAA) Education for Actuaries

Groupe Consultatif Summer School/Colloquium

The Groupe Consultatif Actuariel Européen summer school "Are you ready for Solvency II?" took place July 8-10, 2009 in Utrecht, The Netherlands. Forty (40) participants from 17 countries participated in this event which was hosted by the Dutch Actuarial Association with organisational support from the EAA.

The EAA continued its support of the Groupe Consultatif activities in the 22nd Groupe Consultatif Colloquium "Pensions and Security – risks in pension systems and possibilities to secure", held in Vienna on October 23, 2009 and organised on by the Austrian Actuarial Association (AVÖ) in cooperation with the EAA.

[List of EAA Upcoming Seminars](#)



Actuariel Genootschap, The Netherlands

TiasNimbas and AG & AI launch first Executive Master of Actuarial Science

TiasNimbas Business School launched, in cooperation with the Actuarial Society & Actuarial Institute (AG&AI), a new and unique Executive Master of Actuarial Science (EMAS). Dr. Rajish Sagoenie AAG, Chairman AG&AI: *"There is a growing demand for skilled actuarial professionals. Deepening and broadening of knowledge is essential to ensure the quality of risk in the future."*

Actuaries are increasingly focused on risk management at the boardroom level. This requires an interdisciplinary understanding. The new course creates a unique combination of the actuarial profession and actuarial science. The new Executive Master of Actuarial Science (EMAS) will be both on a professional and an academic level. Actuaries are risk managers and managing risk requires knowledge of several disciplines, with input from both theory and practice.

On September 15, TiasNimbas Business School and AG&AI signed a Letter of Intent for cooperation. On this occasion, both gave their views on future developments of the industry and of the EMAS.

Actuarial Society of Turkey

The Actuarial Society of Turkey was rewarded by the press for support and contributions to the Turkish Insurance Sector. (Ege'de Sigorta Dergisi) **2009 Actuarial Examination Results (TURKEY)**

According to the Regulation on Actuaries published in the Official Gazette dated August 15, 2007, no. 26614 effective January 1, 2008, and its decree to hold the actuarial exams at least once a year, Turkey starting holding exams for the first time in 2008.

According to the results of the first and second level examinations, 1 candidate became trainee actuary (passed first and second level) and 7 candidates became assistant actuary (passed first level only). The number of actuaries has reached 119. (111 fully authorized, 1 trainee, 7 assistants).

UK Actuarial Profession, United Kingdom

Annals of Actuarial Science (AAS), the international research journal of the UK Actuarial Profession, has been re-launched with Volume 3, under the editorship of Professor Angus Macdonald.

The volume includes articles from a wide spectrum of actuarial practice, including corporate finance, social security pension schemes, asset allocation in life insurance and individual claim loss reserving.

AAS has a diverse and international readership which comprises both practitioners and academics. As a fully refereed journal with an international editorial team, it attracts the highest quality original research. The journal tackles important problems of quantitative risk management and bridges the gap between theory and practice.

The Editor of Annals of Actuarial Science welcomes submissions in any area of actuarial science or practice. Original research, review papers and case studies are all eligible for publication. Submissions should be sent to the Editor at A.S.Macdonald@ma.hw.ac.uk

AAS is available in print as well as accessible online via www.ingentaconnect.com. For a free copy of volume 3 and temporary access to the electronic content of the journal contact maria.lyons@actuaries.org.uk.

For further information about the journal, including how to subscribe, visit:

www.actuaries.org.uk/knowledge/publications/annals_baj

CANADA AND THE UNITED STATES

Casualty Actuarial Society (CAS), United States

New Issue of *Variance: Advancing the Science of Risk*

The fifth issue of *Variance* is now available. Articles in this issue describe a new approach to capital allocation, define a specific measure of error in the estimation of loss ratios, and discuss general



insurance loss reserve ranges based on economic value, among other articles. Papers can be accessed at www.VarianceJournal.org.

Basic Ratemaking Text Released

The CAS has released *Basic Ratemaking* as a comprehensive resource for practicing actuaries and actuarial candidates. Geoff Werner and Claudine Modlin of EMB America, LLC were the principal authors of the text, which consolidates numerous papers on the topic. According to the authors, *"This text introduces fundamental ratemaking principles supported by consistent terminology and straightforward examples. We focused on quantitative analysis as well as practical considerations in the ratemaking process."* The text is available at no cost via the CAS Web Site.

CAS Ratemaking and Product Management Seminar Set for Chicago

The CAS is now accepting registrations for its 2010 Ratemaking and Product Management Seminar, scheduled for March 15-17 in Chicago, Illinois. Actuaries from around the world are encouraged to attend and take advantage of the multiple sessions and networking opportunities.

Visit www.casact.org/rpm/ to learn more.

Casualty Actuarial Society Reaches 5,000 Members

The CAS reached the 5,000 member milestone with the addition of 266 new members in August 2009. The CAS membership now consists of 3,464 Fellows, 1,639 Associates, and 28 Affiliate members, for a total of 5,131 members.

For more information on these announcements and other CAS news, please visit the CAS Web Site at www.casact.org.

MISCELLANEOUS

A few new key titles from the Wiley Finance series, published by John Wiley & Sons, are now available to members of IAA member associations at a 30% discount when ordering direct through www.wiley.com. For more information on each of

the books such as table of content and sample excerpts, please follow their corresponding links:

- *Life Settlements and Longevity Structures* written by Chaplin
<http://eu.wiley.com/WileyCDA/WileyTitle/productCd-0470741945.html>
- *The Handbook of Insurance-Linked Securities* written by Luca Albertini
<http://eu.wiley.com/WileyCDA/WileyTitle/productCd-0470743832.html>

LONG RANGE PLANNING

The International Actuarial Events Calendar is the perfect tool for your long-range planning. Visit it often through the link on the IAA's home page. Member associations are encouraged to post their events in the calendar to make the tool as useful as possible. If you have misplaced your association's login and password, send an email to secretariat@actuaries.org.

SECRETARIAT NEWS

Two new staff joined the IAA Secretariat in recent months. They are Verónica Sánchez who joined on September 1 as Project Manager, Membership and Development, and Alain Bérubé who joined on September 14 as Web Specialist. Welcome!

The Secretariat expanded its office space on October 31 by moving into the 6th floor of 150 Metcalfe Street in Ottawa. The IAA shares some services with the Canadian Institute of Actuaries, located on the 8th floor of the same building.

Please note that the IAA Secretariat will be closed on the following days:

December 24 in the afternoon
December 25 and 28 all day
December 31 in the afternoon
January 1 all day

Wishing you safe and happy holidays!