

FAREWELL TO A LONG STANDING MEMBER OF THE PROFESSION

It is with great sadness that we learned of the passing of Mr. Max Lacroix on January 6. Max had a long history of involvement with the actuarial profession, and in particular with the IAA, going back to the early days when it was an association of individuals. Max was the first Chairman of the Groupe Consultatif Actuariel Européen, having served from 1978 to 1988; thereafter, he remained active as an advisor.



He worked towards the development of the actuarial profession in Africa, South-East Asia, China and Eastern Europe, where he organized many conferences. Max was instrumental in securing the registration of the IAA as a non-profit-making and non-political Non-Governmental Organisation on the Roster of the Economic and Social Council of the United Nations Organisation (UNO) and on the Special List of the International Labour Office (ILO). In 1992, his vision led to the creation of the International Profession and Education Fund (IPEF), today known as the IAA Fund and he was appointed as its first Council Delegate. Max led this initiative until the restructure of the Fund at the end of 2004. In 2005, he was appointed Delegatus Emeritus of the IAA Fund.

Notably, Max was one of the first two Special Medalists of the IAA, having received this honour in April 2001 along with Hans Bühlmann. He was also a recipient of the Medal of Honour of the International Social Security Association (ISSA).

IAA Newsletter

March 2009

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OFFICERS — 2009

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

Max's credentials were numerous:
Member of ISFA (1933), qualified member and Honorary President of the Institut des Actuaire (France), member of the Association Royale des Actuaire Belges (Belgium), Honorary Member of AADISFA (France), the Institute of Actuaries and of the Faculty of Actuaries (United Kingdom), and member of the Royal Statistical Society, of the Statistical Society of Paris, of the American



President Mo Chambers presents the IAA Medallist award to Max Lacroix, at the Council Meeting in Estoril, Portugal on April 7, 2001



Statistical Society and of the International Union for the Scientific Study of the Population.

THE RISK CRISIS AND THE IAA

At its meetings in Limassol, Cyprus in early November 2008, the IAA held several unscheduled meetings to discuss how it would address the emerging financial crisis. The delegates concluded that this was an opportunity to promote the actuarial profession and to educate on the important role actuaries can play in the management of risk. An Advisory Risk Crisis Task Force was immediately set up by the President, reporting to the Executive Committee, to advise and provide guidance to the sub-group of the Enterprise and Financial Risk Committee, chaired by Tony Coleman. The mandate was two-fold:

1. To develop a public statement to be issued in a timely manner targeting the Financial Stability Forum, the governments, the regulators and the major financial institutions focusing on the potential contribution of the actuarial profession to the management of risk in the financial services sector
2. To develop a communication program comprising a set of documents that could be used by the IAA, its member associations and actuaries in general over the next 12 months to promote the actuarial profession as a qualified major player in the management of risk in both the financial (bank and non-bank) and the real sectors

The first part of the mandate was completed on February 10, 2009 with the publication of the paper entitled [Dealing with Predictable Irrationality – Actuarial Ideas to Strengthen Global Financial Risk Management](#) and an accompanying worldwide [news release](#). Our paper and accompanying press release were communicated to our Full Member associations to be used as a support for any initiative they wished to undertake locally.

Work on the second part of the mandate is ongoing and will be discussed during the course of the IAA meetings in Tallinn May 27-30, 2009.

The IAA's news release was followed by our participation in key events surrounding the financial crisis with the aim of promoting the actuarial profession.

Using our public statement on the Global Financial Crisis as a basis for discussion, Francis Ruygt, Co-Vice-Chair of our Insurance Accounting Committee and member of the Risk Crisis Subgroup, presented to the International Association of Insurance Supervisors (IAIS) in Tokyo on February 2.

Tony Coleman then [presented](#) to the Joint Forum on February 24 in Paris. The Joint Forum was established in 1996 under the aegis of the Basel Committee on Banking Supervision (BCBS), the International Organization of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS) to deal with issues common to the banking, securities and insurance sectors, including the regulation of financial conglomerates.

Rolf Stölting, Chair of our Insurance Regulation Committee, and Seamus Creedon, member of the Enterprise and Financial Risk Committee and of its Risk Crisis Subgroup, [presented](#) at the March 5 hearing of Observers by the Technical Committee of the IAIS in Basel, Switzerland.

The Institute of Actuaries in Australia launched its own internal campaign which proved to be very successful. Their press release titled [International actuaries report lays plan for stricter global risk framework](#) issued on March 9 received excellent television and press coverage. Click on the following links to read and listen to the media coverage in Australia.

[Article in The Australian](#)

[Article in The Australian Financial Review](#)

[ABC Lateline Business story](#) (This can be found on the right hand side of the screen, use the small brown scroll bar to scroll down to "Regulators urged to restrict lending.")



The American Academy of Actuaries in the United States has also been quite active, issuing press releases in February and March. Click on the following links to read their releases.

March 5, 2009: [Actuaries Support "Systemic Risk Regulator" to Prevent Future Financial Meltdowns](#)
February 11, 2009: [U.S. Actuaries Support Global Framework to Prevent Future Financial Crises](#)

The Secretariat is interested in learning of any other initiatives undertaken by our member associations in response to the financial crisis.

RECENT SUBMISSIONS

- April 2: [Financial Crisis Advisory Group: Request for Input from Constituents](#): These comments were prepared by the Insurance Accounting Committee, chaired by Sam Gutterman.
- March 31: [IASCF Review of the Constitution: Identifying Issues for Part 2 of the Review](#): These comments were prepared by the Insurance Accounting Committee, chaired by Sam Gutterman.
- February 10: [Dealing with Predictable Irrationality – Actuarial Ideas to Strengthen Global Financial Risk Management \(Related News Release\)](#). The paper and accompanying news release were prepared by a subgroup of the Committee on Enterprise and Financial Risk chaired by Tony Coleman, with advice and guidance from the Executive Committee's Advisory Risk Crisis Task Force, chaired by Dave Hartman.
- January 15: [Comments on IASB Exposure Draft on Investments in Debt Instruments](#) These comments were prepared by the Committee on Insurance Accounting, chaired by Sam Gutterman. Our comments were written from the perspective of actuaries involved in financial reporting for insurers around the world, with an emphasis on measurement of insurance liabilities, financial instruments, and related financial contracts.

- December 15: [Comments on the Exposure Draft Improving Disclosures about Financial Instruments](#). The response was prepared by the Committee on Insurance Accounting, chaired by Sam Gutterman.

SUBMISSIONS IN THE WORKS

IASB Discussion Paper: Preliminary Views on Financial Statement Presentation: Response being prepared by the Insurance Accounting Committee
Deadline for objection to use of FTP: 9 April 2009

IASB Request for views on Proposed FASB Amendments on Fair Value Measurement and Proposed FASB Amendments to Impairment Requirements for certain Investments in Debt and Equity Securities: Response being prepared by the Insurance Accounting Committee
Deadline for objection to use of FTP: 15 April 2009

IAIS/OECD Draft paper: Issues paper on corporate governance: Response being prepared by the Insurance Accounting Committee
Deadline for objection of use of FTP: 25 April 2009

IOPS Draft Guidelines for Supervisory Intervention, Enforcement and Sanctions being prepared by the Pensions and Employee Benefits Committee.
Deadline for objection of use of FTP: 30 April 2009

IAIS Guidance Paper on the Structure of Capital Resources for Solvency Purposes and Standard on the Structure of Capital Resources for Solvency Purposes: Response being prepared by the Insurance Accounting Committee
Deadline for objection of use of FTP: 3 May 2009

IAIS Issues Paper on the Roles of and Relationship between the Actuary and the External Auditor in the Preparation and Audit of Financial Reports: Response being prepared by the Insurance Accounting Committee
Deadline for objection of use of FTP: 10 May 2009

IASB Discussion Paper: Preliminary Views on Revenue Recognition in Contracts with Customers:

Response being prepared by the Insurance Accounting Committee

Deadline for objection of use of FTP: 14 June 2009

IAA COUNCIL AND COMMITTEE MEETINGS – MAY 27-30, 2009 – TALLINN, ESTONIA

The [meeting](#) and [social](#) programs are available online as are other useful details for travel to Tallinn, including information on making your [bedroom](#)

[reservation](#) and on alternate hotels in the area. Other events will take place in conjunction with our meetings.



- The IAA Microinsurance Task Force has put together an exciting [program](#) and an impressive list of speakers for a full-day seminar that will take place on May 27.
- The Supranational Relations Committee will be holding a [“meet and greet”](#) session on the afternoon of May 28. Come and see how you can help this committee advance the number 1 strategic objective of the IAA *“Identify, establish, and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.”*
- An Education Seminar is being organized jointly with the Groupe Consultatif to take place on May 27 and 28. The [program and registration form](#) are available online.

- The Estonian Actuarial Association will be holding a special conference on May 26, to which international guests will be invited. The conference will be followed by a celebration of the 10th anniversary of the creation of the association in Estonia.

The month of May is the start of the busy tourist season in Tallinn. If you plan on attending any of these events and have not yet registered or made your plans, please do so as soon as possible.

THE IAA AROUND THE WORLD

15th Regional Social Insurance, Pension and Provident Fund Conference “Pensions in Crisis” – March 2-5, 2009 – Limassol, Cyprus

Secretary General Yves Guérard, participated in this Conference on our behalf. The event was organized by the Ministry of Labour and Social Insurance of the Republic of Cyprus and The Muhanna Foundation, with the support of the IAA. Yves gave the [opening remarks](#) and later made a presentation on the topic of *Risk Management Issues in Pension Funds: The New Role of the Actuary*.



Financial Stability Institute seminar on Evolving Risk-Based Solvency Frameworks and Valuation Methods for the Insurance Industry – March 2009 – Basel, Switzerland

Stuart Wason, chair of the Solvency Subcommittee of our Insurance Regulation Committee, participated on our behalf and [presented](#) on the topics of internal models and enterprise risk management (ERM).

AFIR, LIFE

The AFIR and Life Sections are planning a joint colloquium in Munich, Germany, to be hosted by the DAV (German Actuarial Association) from



September 6-11. Registration for this international event at the reduced early bird fee was opened in mid-February. A special discount for accepted speakers will be available. Details regarding fees and the registration process, as well as the program, can be found online.

Colloquium Website:

www.actuaries.org/Munich2009/

IAAHS

The IAAHS held two very successful two-hour webcasts on March 27 on the topic of Micro Health Insurance, presented by Dr. David Dror. Both webcasts reached maximum capacity at 150 participants per session. Members of IAAHS can access the webcast and related documents through the IAAHS website (www.IAA-IAAHS.org).

Building on the success of these webcasts, the IAAHS plans on holding more in the near future.

PBSS



The 4th PBSS Colloquium will be held in Tokyo, Japan from October 4-6, in conjunction with the 20th Anniversary of the Japanese Society of Certified Pension Actuaries. The program, registration and full details are available online.

Colloquium Website:

<http://4thpbsstokyo.visitors.jp/>

Join or Renew Your Membership in the IAA Sections

Annual membership fees for all sections are low at \$40 CAD each (except for AWF whose dues are \$20 CAD). If you are not already a member, it is not too late to join. Contact your home association.

CONGRESSES

The next Congress is less than a year away! It will take place in Cape Town, South Africa from March 7-12, 2010. Visit the [website](#) often to follow developments and register.



Note to member associations: We will be following the same format as for the Paris Congress and will not request national reports. In its place, the IAA Secretariat will send you a questionnaire approximately six months from the Congress.

The Member Services Committee of the International Actuarial Association (IAA) is conducting a survey which seeks the views of actuaries on International Congresses of Actuaries and Section colloquia. Regardless of whether or not you have attended any of these meetings, Your input will help us determine any possible changes to improve future events being planned.

The survey, which is composed of only 21 questions and can be completed in less than 5 minutes, is available at the link: <http://www.zoomerang.com/Survey/?p=WEB228TZQQTYQM>

We appreciate your input on this matter of strategic importance to the IAA.



OTHER EVENTS

Call for Papers—Living to 100 Symposium IV

In January of 2011, the Society of Actuaries (SOA) will present its fourth triennial international Living to 100 (LT100) Symposium in Orlando, Florida. The exact date and location will be announced soon. The purpose of this announcement is to encourage anyone interested in preparing a paper for the symposium to get an early start on pursuing the research and analyses. The SOA is looking for high quality papers that will advance knowledge in the important area of longevity and its consequences. Please view the topic list found in the [call for papers](#).

Questions may be directed to Ronora Stryker, research actuary, at rstryker@soa.org.

Equity-Based Insurance Guarantees Conference – For the first time in Europe!

Register today for the Equity-Based Insurance Guarantees Conference to be held May 11-12, 2009 in London, sponsored by the [Society of Actuaries](#) and [Annuity Systems Inc.](#), and designed to give professionals with limited to moderate experience an understanding and appreciation of how better to quantify, monitor and manage the risks underlying the VA and EIA products. For professionals well-versed in intricacies associated with managing such risks, the seminar provides an overview on what is being done by other experts in the field via case studies, the current state of affairs in the industry and how the market is expected to change in the future. Additionally, participants can expect to meet fellow professionals in this area so as to network and exchange ideas. Full details and registration are available at <http://www.soa.org/meetings-and-events/event-detail/equity-based-london/default.aspx>. This event has been nearly sold out in every North American venue.

Europe – Actuarial Summer School

Since 1990, summer schools have been organised under the auspices of the Groupe Consultatif

Actuariel Européen, bringing together actuaries from all over Europe and providing an in-depth consideration of subjects of specific concern to actuaries. As Carla Angela, former chairwoman of the Groupe Consultatif (GC), wrote in 1989 when promoting her idea for a Groupe summer school, “The experiences of the Groupe Consultatif have confirmed the legislative, fiscal and market differences amongst the EC countries, and therefore we need to develop a common background of knowledge and keep ourselves up-to-date with current thinking and practices”.

The European Actuarial Academy (EAA) and the Dutch Actuariel Genootschap are happy to contribute to this cross-border exchange, and to hold the GC summer school 2009! The event is planned to take place July 8-10, 2009 in Utrecht, The Netherlands.

Every European insurer will be dealing with considerable changes in the solvency demands the next few years. What used to be a simple calculation in 2000, based on the core figures of a portfolio, is part of integrated risk management just a decade later. The new model shows similarities with Basel II and demands a much broader knowledge of risks and risk management than is the case now. Insurers, as well as accountants and actuaries, must prepare for the consequences of these changes.

In order to handle these changes well, the EAA is organizing, in cooperation with the Dutch actuarial association ‘Actuariel Genootschap’, this interactive training which will deal with the Solvency II guidelines.

The early-bird registration fee of € 695 is available until May 1, 2009. After this date, the fee will increase to € 750.

The registration form and detailed information are available on the seminar website at www.actuarial-academy.com.



57th Session of the International Statistical Institute (ISI 2009) Statistics

South Africa is hosting the 57th Session of the International Statistical Institute (ISI 2009) in Durban from August 16-22, 2009.

The International Statistical Institute is a scientific association of more than 2000 elected members who are internationally recognised as the definitive leaders in the field of statistics. This reservoir of expertise is supplemented by approximately 3000 additional individual members of the ISI's specialised sections.

The ISI organises a biennial conference in which the entire membership and other invited and interested delegates congregate to exchange ideas, develop new links and discuss current trends and developments in the statistical world. Delegates are generally from a wide range of backgrounds including academic institutions, researchers, demographers, economists, environmental, medical, pharmaceutical, theoretical, computational, quality control and financial statistics.

The ISI believes that members of the actuarial profession worldwide, and especially the International Actuarial Association (IAA), can contribute and benefit immensely by attending the ISI 2009 which is comprehensively covered on this Website: www.statssa.gov.za/isi2009.

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.

NEWS FROM MEMBER ASSOCIATIONS

Deutsche Aktuarvereinigung (DAV), Germany

Annual Meeting 2009 in Berlin

The Annual Meeting of DAV and its scientifically orientated partner organisation DGVFM will take place April 28-30, in Berlin. The event will start on Tuesday with the meetings of the German Sections PENSION, HEALTH and AFIR. The General Assembly of DAV will be opened on Wednesday morning with a plenary discussion on security of financial products and reliability of providers before the LIFE and ASTIN Sections meet in the afternoon. The Annual Meeting will conclude with the 8th Scientific Day of DGVFM on Thursday aimed at linking applied research with actuarial practice in the insurance and finance industry. The DAV and DGVFM expect over 1,000 guests and members to attend this conference in Berlin.

Membership Numbers of DAV exceed threshold of 3000

In March 2009, the 3000th member of the DAV entered the association as a fully qualified actuary. With more than 2,000 young actuaries still enrolled in the training and examination system, the DAV continues its dynamic growth.

European Actuarial Academy (EAA)

Lecture Notes – "Recursions for Convolutions and Compound Distributions with Insurance Applications"

The third title of the EAA Lecture Notes, "Recursions for Convolutions and Compound Distributions with Insurance Applications" by Bjørn Sundt and Raluca Vernic will be published in April! EAA Lecture Notes are a series, supported by the European Actuarial Academy GmbH (EAA), on actuarial topics in a broad and interdisciplinary sense, aimed at students, academics and practitioners in the fields of insurance and finance.

Since 1980, methods for recursive evaluation of aggregate claims distributions have received



extensive attention in the actuarial literature. This book gives a unified survey of the theory and is intended to be self-contained to a large extent. As the methodology is applicable also outside the actuarial field, it is presented in a general setting, but actuarial applications are used for motivation. The book is divided into two parts. Part I is devoted to univariate distributions, whereas in Part II, the methodology is extended to multivariate settings. Primarily intended as a monograph, this book can also be used as text for courses on the graduate level. Suggested outlines for such courses are given. "Recurions for Convolutions and Compound Distributions with Insurance Applications" is of interest to actuaries and statisticians working within the insurance and finance industry, as well as to people in other fields like operations research and reliability theory.

Are you interested in publishing your own manuscript as an EAA Lecture Note? Please send your submission to contact@actuarial-academy.com.

Details on published and upcoming titles are available at www.actuarial-academy.com.

Singapore Actuarial Society (SAS)

The General Insurance Committee of the SAS is organising a General Insurance Conference to be held May 6-7, 2009 at the Amara Hotel in Singapore. More details are available at www.actuaries.org.sg, including the synopsis of the papers to be presented.

Members are entitled to a 10% discount on the registration fee. Early bird registration ends on April 15, so hurry and send your completed form to Patsy Lau at patsy@actuaries.org.sg to take advantage of the special price.

The SAS encourages all members to pass on this information to their non-actuarial colleagues within their organisation as the conference is open to all general insurance professionals and other interested parties.

CLICK to DOWNLOAD [Registration Form](#)

Actuarial Society of Turkey

Announcement for New Website of Actuarial Society (Turkey)

The Actuarial Society of Turkey is pleased to invite you to visit their newly redesigned website. <http://www.aktuerlerdernegi.org>. It is expected that more qualified interaction related to the Actuarial Science will arise due to this redesign.

The Rules for becoming an Actuary in Turkey have changed...

Regulation on Actuaries was published on August 15, 2007 in the Turkish Official Gazette No: 26614. The Regulation governs provisions for entry into the actuarial profession, working principles and rules, competencies, liabilities and qualifications for actuaries.

The rules for becoming an actuary are prescribed by Turkish Treasury. Candidates must meet the following basic qualifications:

- Obtain a BSc degree
- Not commit offences, as determined by the Turkish Treasury
- Pass actuarial exams arranged by the Treasury

Candidates must work with an actuary in an actuarially related department in the public sector, a private company or a university for three years (this requirement is not necessary for the trainee or assistant actuary).

The contents of the examinations are determined by the Exam Arrangement Committee.

- First level exam: Basic Insurance and Economics, Mathematics, Statistics and Probability, Financial Mathematics
- Second level exam: Accounting and Financial Reporting, Insurance Mathematics (life and non-life), Risk Analysis and Actuarial Modeling, Financial Theory and Applications
- Third level exam: Finance, Investment and Risk Management, Non-life Insurance, Life Insurance, Health Insurance, Pension Systems



- Fourth level exam: Turkish Insurance Applications and Regulatory Framework, Special Area Exams (if necessary). These exams are given to an actuary who has obtained a qualification through accepted international procedures.)

Candidates who meet the above requirements can become a trainee actuary without having obtained three years' experience, if they pass the first level exam; they can become an assistant actuary if they pass the second level exam. In order to take the second level exam, one must first pass the first level exam. Assistant actuaries can become an actuary, if they satisfy the above requirements and pass the third level exam.

Candidates who obtain their title through any generally accepted international exams or procedures are exempt from the first, second and third level exams. However, they should pass special area exams and satisfy the above requirements. They also must take the Turkish proficiency exam from TÖMER or any foundation accepted by the Treasury.

Yours respectfully,
Actuarial Society Board of Directors
Taylan Matkap, Secretary General

MISCELLANEOUS

Actuarial Books Available

The IAA was pleased to donate books to an actuarial education programme in Benin. A major part of these books was handed over on the occasion of a personal visit by Mr. Guillaume Moussa. This donation was covered in the local press, and the IAA is explicitly named in the [article](#).

The IAA still has available several actuarial books available. We are ready to donate these books to actuarially developing associations for whom these would be an asset, subject to the association assuming the cost of shipping. Please contact [Céleste Leclerc](#) at the IAA Secretariat if you are interested in consulting the full list.

Surfing the IAA Website

Since making the Search box more visible on our Home page, the number of visits to our Virtual Actuarial Library has increased dramatically, reaching an estimated annual rate of 35,000. Our Library, accessible through the search engine, now comprises close to 770,000 documents in three collections:

- IAA: 17,210
- Actuarial associations: 191,711
- Standard setting bodies: 558,091

Translation of the material is facilitated by a link to our online [Translation Tool](#).