



WHAT HAPPENED IN DUBLIN?

The purpose of this Special Newsletter is to give you a quick report on the discussions and action items arising from the recent IAA Council and Committee meetings held in Dublin, Ireland from October 25 to 28, 2007. More details are available through the minutes of the various committee meetings that will be posted to the Web site as they become available. The next regular issue of the Newsletter will be at the end of December 2007.

COUNCIL

Voting rights represented at the Council meeting (including ballots and proxies): 97 out of 125

Ballots: Udruženje Aktuara Srbije (Serbia), Association Suisse des Actuaires (Switzerland)

Proxies: Cyprus Association of Actuaries, Aktuarvereinigung Österreichs (AVÖ) (Austria), Lebanese Association of Actuaries, New Zealand Society of Actuaries

Total voting rights represented 77.6%

A number of special guests had accepted our invitation to join us in Dublin and we were honoured by the presence of:

Peter Clark, International Accounting Standards Board (IASB)

Rob Curtis, International Association of Insurance Supervisors (IAIS)

Karen Doran, IAIS

Anne Drouin, International Labour Organization (ILO)

Rob Esson, IAIS / National Association of Insurance Commissioners (NAIC)

Luc Kaiser, IAIS

Ad Kok, Chairman, Groupe Consultatif

Paul Seymour, Board for Actuarial Standards (BAS)

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

IAA Special Newsletter

November 2007

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OFFICERS - 2007

Hillevi Mannonen, President

Yves Guérard, Secretary General

David G. Hartman, President-Elect

Jean-Louis Massé, Immediate Past President

Committee Matters

Council approved the numerous appointments and re-appointments, as proposed, of committee chairpersons, vice-chairpersons and other positions, and elected the members of the [Executive Committee](#) for the year 2008. You can also consult the full [deployment chart](#) with dates of appointment and expiry.

The revised terms of reference for the following committees were adopted: [Accreditation](#), [Education](#), [Enterprise and Financial Risk](#), [Insurance Accounting](#), [Actuarial Standards Subcommittee](#), [International Education Program](#) (with modifications), [Pensions and Employee Benefits](#), [Accounting Standards Subcommittee](#). A Task Force on



Mortality, reporting to the Executive Committee, was created with the following terms of reference:

- *To conduct a study of current data collection efforts internationally and to create guidelines to ensure that appropriate data is available.*
- *To coordinate the work done by different Sections and Committees of the IAA in the area of mortality, especially when this involves cooperation with other international bodies*
- *To conduct a survey of current international research on mortality to determine future needs in this area and begin to facilitate a process to enhance future efforts of actuaries in this area.*
- *To propose how actuaries could take a leading role in international research on mortality by acting as the initiator and coordinator of such research..*

The motion contained in item B12 to clarify that Article 4 of the IAA Statutes also applied to Sections, was adopted. However, the motion in item B13 to create a special Task Force to develop a proposed amendment to the IAA's Internal Regulations concerning the authority and accountability of the IAA's Sections was postponed. The presenters of the motion had suggested some changes during the meeting that were deemed substantive amendments. A motion made in accordance with the last sentence of Article 12 of the Statutes (*A motion, duly seconded, requesting that an amendment to an item previously posted on the 60-day agenda be carried to the next meeting's agenda for vote or put to a follow-up electronic vote will be automatically accepted by the chairperson.*) was adopted by the Council.

Internal Regulations

Council approved an amendment to Article 2.1.4 of the [Internal Regulations](#) (re Code of Professional Conduct), on the recommendation of the Accreditation Committee.

Admission of Member Associations

The Bulgarian Actuarial Association was admitted as a Full Member. Council also approved the admission of the Association Marocaine des

Actuaires (Morocco) as a Full Member as of the date the Accreditation Committee confirms that they fully comply with all of the membership criteria.

The Institute of Actuaries – Cameroon, and the Asociatia de Actuariat din Moldova were admitted as Associate Members.

With these new admissions, the IAA membership comprises 58 Full Member associations and 23 Associate Member associations.

Council extended a very warm welcome to its newest members!

Due Process

Council endorsed the proposed approach for the revision of the Due Process for IASPs (*replace the current four class IASP structure with a revised structure that has one class of IASP and a separate category of documents called "International Actuarial Notes (IANs)"; clarify that International Actuarial Standards of Practice (IASPs) are model standards of practice; new reporting requirement in the accreditation renewal process.*) With this endorsement, the Professionalism Committee will commence work to develop a revised draft of the Due Process for approval at the next Council meeting.

International Actuarial Standards of Practice

Council supported the development of an International Actuarial Standards of Practice with respect to Actuarial Practice when Providing Professional Services Concerning Financial Reporting of Employee Benefit Arrangements. The Committee on Pensions and Employee Benefits will be responsible for drafting the standard.

Finances and Administration

The Council received the [report](#) of the Secretary General and approved the [budget](#) for 2008, the appointment of the external auditor for 2008 and revisions to the [investment guidelines](#). Preliminary estimates indicate that the year 2007 will meet expectations for a small surplus.



Strategic Planning

A document on [vision/mission/values statements](#) for the IAA had been circulated in advance of the meetings. Discussions by the Executive Committee and the Task Force on Strategic Planning in Dublin led to a [slide presentation](#) that was presented and discussed; it received wide support from Council Delegates. The Task Force on Strategic Planning subsequently discussed the comments made by Council and made some additional revisions to the document that will be circulated shortly for electronic vote by Council.

Final Report on ICA 2006 – Paris, France

Council learned that the ICA 2006 had generated a surplus of €14,725 which will be transferred to the Congress Fund. Council joined in a vote of thanks to Jean Berthon, Chairperson of the ICA 2006 Organizing Committee, for having led such a successful event.

PRESIDENTS FORUM

The Presidents of Full Member associations met on October 29 to discuss the following items: the status of the governance process at the IAA; enterprise and risk management; global mutual recognition at IAA Core Syllabus level; the need for a more comprehensive Continuing Professional Development framework; and, the concerns of small and medium sized associations. The minutes will be posted to the Web site when available.

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 Mexico City in April 2007. Below are the highlights of their discussions in Dublin, along with a link to their full written report which provides additional details.

Accreditation

Juan Carlos Padilla, *Chairperson*

The self-assessment form will be amended and circulated to all Full Member Associations before the end of December 2007.

The Caribbean Actuarial Association and the Russian Guild of Actuaries have applied to upgrade their membership status to that of Full Member association.

[Full Committee report.](#)

Advice & Assistance

Steve Handler, *Chairperson*

[Full Committee report.](#)

Education

Carla Angela, *Chairperson*

[Full Committee report.](#)

Executive Committee

Hillevi Mannonen, *Chairperson*

The Executive Committee (EC) received an invitation from the Institute of Actuaries of Australia to hold the IAA Council and Committee meetings in May-June 2011 in Sydney, Australia and one from the Hrvatsko Aktuarsko Drustvo to meet in Zagreb, Croatia in the last quarter of 2011. Both invitations received the support of the EC and will be included on the Council agenda of the June 2008 meeting for consideration and approval.

Enterprise and Financial Risk

David Kingston, *Chairperson*

Enterprise Risk Management: The committee was briefed on joint work done between the IAA and the International Association of Insurance Supervisors (IAIS) which had led to an IAIS draft paper on Enterprise Risk Management (ERM) for capital adequacy and solvency purposes. Rob Curtis (Chair, IAIS Solvency and Actuarial Issues Subcommittee) went on to outline current IAIS work



by his committee which included developing papers on valuation, capital resources and group solvency.

INARM: The committee was informed of the foundation of the International Network of Actuarial Risk Managers (INARM). Its first project is a webinar (web based seminar) to be held on 16 January 2008. This will be held over three time zones. Participation is encouraged.

Global Risk Management Credential: The committee received a report on this developing initiative which was supported by a group of large national actuarial associations. This is an ambitious project which seeks to develop a shared international risk qualification for actuaries.

Financial Economics: The first draft of the Task Force report was introduced with encouragement to bring it forward quickly with some amendment, rather than trying to make it all embracing.

[Full Committee report.](#)

Insurance Accounting

Sam Gutterman, Chairperson

Committee on Insurance Accounting

The committee devoted most of its two day meeting to a discussion of draft IAA comments on the IASB Discussion Paper on Insurance Contracts. It decided to respond to the invitation from the Financial Accounting Standards Board (FASB) to comment on whether to add Insurance Contracts to its agenda and to the International Valuation Standards Committee (IVSC) in response to its discussion paper on the fair value of intangible assets.

Actuarial Standards Subcommittee

The subcommittee, in conjunction with its parent committee, approved a researcher for the development of a monograph on the application of stochastic modeling on liabilities and capital assessment for insurers. It also moved forward to a future re-exposure of two International Standards of Practice on *Disclosures* and on *Business Combinations*, as well as discussing future direction

of IASPs under a new IFRS on insurance contracts. Prior to the Quebec City meeting in June 2008, it plans to examine whether it will undertake a revision of current IASP 2, *Actuarial Practice*, to becoming a class 3 IASP. It positively endorsed the more clear presentation of IAA standards on the IAA website, particularly noting the need for IAA member associations to include a link with their standards of practice, if any.

Ad hoc Risk Margins Working Group

The working group devoted all of its time to a discussion of the current working draft of its paper on Measurement of Insurance Contracts. It will continue to do so, with the objective of re-exposing it for public comment in either January or February.

[Full Committee report.](#)

Insurance Regulation

Rolf Stölting, Chairperson

The relationship between the IAA and the IAIS (International Association of Insurance Supervisors) continues to grow. The IAIS Subcommittee asked the IAA to develop additional guidance or practice notes in the area of internal models and ERM, which the IAIS could acknowledge as a source of additional information. The Subcommittee is also working on an issues paper on group solvency, perhaps including work on mutual recognition and what kind of structure might accommodate mutual recognition. Completion is targeted for February 2009. They are also working on a guidance paper on assets and liabilities (targeted for October 2009) and a guidance paper on forms of capital.

The Committee on Insurance Regulation is making progress on an initiative to develop a common worldwide glossary on insurance related terms that would include existing glossaries from the CEA (Comité européen des assurances)/Groupe Consultatif, the IAIS (International Association of Insurance Supervisors) and the IAA.

The ad hoc Role of the Actuary Working Group reported that its members had agreed that the



group should remain an informal working group of the Committee on Insurance Regulation that would coordinate discussion of items dealing with the role of the actuary. The working group expects to refer issues to existing committees, rather than to duplicate work that is already going on.

The Solvency Subcommittee of the Committee on Insurance Regulation expects to finalize its internal models paper by the end of December 2007.

[Full Committee report.](#)

International Education Program Committee Alf Guldberg, *Chairperson*

Steering Committee

Ibrahim Muhanna, *Chairperson*

The IEPC was informed of an offer of funding from the Dubai International Financial Centre (DIFC) in the amount of \$5M US. The IEPC Steering Committee is liaising with DIFC to follow through on this offer.

The International Education Program Committee received a [report on accreditation of universities](#) on which comments are invited.

[Full Committee report.](#)

Nominations

Jean-Louis Massé, *Chairperson*

[Full Committee report.](#)

Professionalism

Helen Rowell, *Chairperson*

The Professionalism Committee will assist the Education Committee with the development of a template/framework for a professionalism course.

The Committee discussed a paper on the governance of international actuarial work, following which a paper is to be developed that updates the previous (2001) IAA paper on Mutual Recognition and other Cross-Border Practice Issues. It will also elaborate issues for both associations and

individual actuaries and alternative approaches that may be adopted by associations to address some of these issues.

There was some further discussion on the topic of the public interest, which was one of three topics previously discussed on which the Committee is preparing a paper. This paper, and papers on whistle-blowing and conflicts of interest, will be advanced for the June 2008 Committee meeting.

[Full Committee report.](#)

Social Security

Rob Brown, *Chairperson*

All papers and presentations from the joint PBSS/ISSA meetings in Helsinki have been posted to the IAA Social Security web site.

The IAA has formed a much stronger bond with the International Labour Organization (ILO) and with the International Social Security Association (ISSA) through Anne Drouin who attended the Social Security Committee meeting in Dublin.

The Committee considered amended Guidelines for Social Security actuaries. However, at the request of the ILO, these will be held for further review and brought back at the committee meeting in Quebec City. The ILO feels that parts of the Guidelines may not be appropriate for actuaries in developing nations where data quality is of utmost importance.

The Committee would like to see Education for Social Security actuaries contained within the International Education initiative.

The Social Security Committee will re-write its World Bank review paper with a focus on the new Swedish National Defined Contribution (NDC) system. The World Bank is promoting this NDC model around the world while actuaries see many problems with it.

[Full Committee report.](#)

Supranational Relations

Philippe Maeder, *Chairperson*

The Supranational Relations Committee reviewed activities undertaken in initiating, maintaining and developing relationships with supranational organisations that would benefit from what the actuarial profession could bring them. Relationship managers oversee the activities between the IAA and these organisations at various levels, either through this committee, other IAA committees and/or the Sections. The distribution of these roles was revisited in order to take into account the contacts that new committee members already had and their geographical proximity to those organisations.

Priorities were reviewed and the most important actions were identified as being:

- renewing ties with the World Bank and building new contacts with them
- developing contacts with organisations linked to the risk managers profession

The committee expects to progress these action items by the end of 2007.

[Full Committee report.](#)

HEALTH SECTION (IAAHS)

The IAAHS Committee met in Dublin. Committee discussions focused on plans for our 2008 health colloquium in Boston and options for a 2009 colloquium. The next Committee meeting will take place in Quebec City as a part of the IAA Committee and Council meetings.

[Full report.](#)

ESTABLISHMENT OF A GLOBAL ENTERPRISE RISK MANAGEMENT QUALIFICATION

A statement of intent was signed by the leadership of the Institute and Faculty of Actuaries (United Kingdom Profession), the Canadian Institute of Actuaries, the Actuarial Society of South Africa, the

Institute of Actuaries of Australia and the Colegio Nacional de Actuarios A.C. (Mexico) engaging in discussions concerning the establishment of a globally-recognized qualification in enterprise risk management. The leadership of the Casualty Actuarial Society and the Society of Actuaries in the United States agreed to seek the support of the organizations to enter into this agreement as well.

NEXT MEETINGS

The [next meetings of the IAA Council and Committees](#) and of the Presidents' Forum will take place at the Loews Le Concorde Hotel in Québec City, Canada from June 11-14, 2008. Plan to come to Québec City in 2008 to celebrate the 10th anniversary of the restructure of the IAA and the 400th anniversary of the City of Québec. Plan early as Quebec will be host to many activities during that period!

