



RECENT PUBLIC STATEMENTS

October

- [Comments on FRC Discussion Paper on Promoting Actuarial Quality](#)
The response was prepared by the Professionalism Committee, chaired by Michael Pomery.
- [Comments on IASB Expert Advisory Panel Draft Document on Measuring and disclosing the fair value of financial instruments in markets that are no longer active](#)
The response was prepared by the Insurance Accounting Committee, chaired by Sam Gutterman, and is written from the perspective of actuaries involved in financial reporting for insurers around the world, with an emphasis on measurement of insurance liabilities and of reinsurance assets.
- [Comments on IASB Exposure Draft on an Improved Conceptual Framework for Financial Reporting](#)
The response was prepared by the Insurance Accounting Committee, chaired by Sam Gutterman. The IAA's interest in this project arises, not only from the roles played by its members in insurance and a wide range of other financial institutions that manage a wide range of products and benefits, but also from our members' involvement in the broad field of pension plans and other employee and retirement benefits.
- [Comments on OECD Draft Guidelines for Pension Fund Governance](#)
The response was prepared by the Pensions and Employee Benefits Committee chaired by Esko Kivisaari.

September

- [Comments on IASB Discussion Paper on Preliminary Views on Amendments to IAS 19 Employee Benefits](#)
The response was prepared by the Pensions and Employee Benefits Committee chaired by Esko Kivisaari.

IAA Newsletter

October 2008

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- **IAA COUNCIL AND COMMITTEE MEETINGS LIMASSOL, CYPRUS**
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OFFICERS — 2008

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

- [Comments on IASCF Discussion Document: Public Accountability and the Composition of the IASB - Proposals for change](#)
The response was prepared by the Insurance Accounting Committee chaired by Sam Gutterman. Overall, the IAA is pleased with the continued emphasis being placed by the IASCF on the accountability and transparency of operation of the IASB. As it continues to increase in importance to the capital markets, regulators and users of financial reporting around the world, timely and regular reviews of its transparency and performance will be of even greater importance. The IAA believes that the independence of the IASB, its due process procedures, and the vigorous pursuit of the public and user interests are of significant importance.
- [Comments on IASB Discussion Paper on Reducing Complexity in Reporting Financial Instruments](#)

The response was prepared by the Insurance Accounting Committee, chaired by Sam Gutterman, and was written from the perspective of actuaries involved in financial reporting for insurers around the world, with an emphasis on measurement of insurance liabilities and of reinsurance assets.

- [Comments on IASB Discussion Paper on Financial Instruments with Characteristics of Equity](#)

The response was prepared by the Insurance Accounting Committee, chaired by Sam Gutterman. The interest of the IAA relates primarily to the implications of the proposed approach to distinguishing between liabilities and equity as it would be applied to insurance and other contracts offered by insurers, and in particular to contracts that contain Participation Features (or membership rights in the case of mutual insurers).

- [Comments on IOPS Draft Guidelines for the Supervisory Assessment of Pension Funds](#)

The response was prepared by the Pensions and Employee Benefits Committee, chaired by Esko Kivisaari.

August

- [Comments on IAIS Draft Standard on the Evaluation of Ceded Reinsurance](#)

The response was prepared by the Reinsurance Subcommittee of the Insurance Regulation Committee, chaired respectively by Michael Eves and Rolf Stölting.

IAA COUNCIL AND COMMITTEE MEETINGS – NOVEMBER 1-4, 2008 – LIMASSOL, CYPRUS

The meeting schedule, registration form, bedroom reservation and tour details for the upcoming Council and Committee meetings in Limassol, Cyprus have been announced and are available [online](#).

OUTREACH

Outreach activity is important to the work of the IAA. It is an opportunity for the IAA, through its leadership, to establish and maintain relationships with external organizations, to promote the work of the IAA and to coordinate on issues of mutual interest. It is also an opportunity to liaise with member associations and to bring the IAA closer to their individual members. Prior to accepting invitations, the nature of the event and cost involved are seriously considered. In all cases, the load is shared geographically amongst the Officers in order to ensure the most cost-effective participation.

Asian Development Bank

Vice-Chairperson of the Supranational Relations Committee, Trevor Thompson, and John Maroney, CEO IAAust, visited the Asian Development Bank in Manila on September 22, 2008. The purpose of the meeting was to re-establish relations between the IAA and ADB and deliver an invitation from the President of the IAA for the ADB to join the IAA as an Observer Member.

China Association of Actuaries

President Dave Hartman represented us at the annual meeting of the China Association of Actuaries on September 25-26 in Shenyang, China. His address is available [online](#).





Groupe Consultatif

Immediate Past President Hillevi Mannonen represented us at the annual meeting of the Groupe Consultatif in Zurich, Switzerland on September 26. Her presentation is available [online](#).

Seminar on Evolving Risk-based Solvency Frameworks and Valuation Methods for the Insurance Industry

The Chairperson of our Solvency Subcommittee of the Insurance Regulation Committee, chaired respectively by Stuart Wason and Rolf Stölting, attended the FSI Seminar in Basel, Switzerland from September 30 to October 2. He presented twice, once on the [IAA ERM paper](#) and again on the [IAA Internal Model paper](#).

18th International AFIR Colloquium

President-Elect Katsumi Hikasa participated in the 18th International AFIR Colloquium in Rome, Italy, October 1-3, as the official representative of the IAA. His address is available [online](#).

CONAC Biannual Congress

President Dave Hartman attended the CONAC Biannual Congress in Mexico City October 16-17. His [presentation](#) is attached.

Society of Actuaries – Annual Meeting

President Hartman continued his travels from Mexico City to Orlando, Florida to represent the IAA at the annual meeting of the Society of Actuaries from October 18-21.

GLOBAL ERM SEMINAR

You will all recall that in January this year our Committee on Enterprise and Financial Risks was involved in a very successful Global Webinar on ERM. A sequel to this event is now planned for December 10-11, 2008. "Global Best Practices for Insurers and Re-insurers" will run at three different times in European, American and Asian time zones.

The session descriptions are:

- *Market Consistent Risk Management*: how the MC approach can help an insurer's risk management system as well as an appreciation of the shortcomings that must be considered when using market consistent risk management.
- *Does ERM Need an Economic Capital Model*: about the full range of ways that an economic capital model can be used as well as ways that ERM objectives can be met by alternate means and situations where economic capital may not be the correct risk measure to best manage risk.
- *The Pros and Cons of Economic Capital Models vs. Stress Testing*: how best to use the different types of risk models and the pitfalls that must be managed to achieve effective use of both types of models.
- *Is ERM Any Real Use in Soft Markets*: how an ERM program can be operated to provide meaningful assistance for negotiating a soft market as well as the limitations of ERM in such situations.

Last year's event received very positive feedback so we encourage all those who may be interested to sign up for what looks like some very interesting sessions.

More details of the two-track webcast can be found at:

<http://www.soa.org/meetings-and-events/event-detail/global-best-erm/default.aspx>.

DEVELOPMENTS IN AUDITING

Our representative to the Consultative Advisory Group (CAG) of the International Auditing and Assurance Standards Board (IAASB)'s meeting in Toronto in September was Sam Gutterman, chair of our Committee on Insurance Accounting. He reports on two items of interest to actuaries.



1. At its September meeting, the IAASB adopted a completely revised version of International Standards of Auditing (ISA) 620, *Using the Work of an Auditor's Expert* and related amendments to ISA 500, *Evidence*, dealing with evidence provided by a management's expert. ISA 620 provides guidance as to the relationship and communications between the auditor who uses the work of an expert in the course of an audit and the expert; interestingly, it includes as an appendix the considerations for an agreement between the auditor and an auditor's external expert. The amendments to ISA 500 include much of the same guidance as in ISA 500, but directed to the use of the work of a management's expert as part of the audit evidence. Sam had worked over the past two years with the IAASB task force in the development of this new standard. For those jurisdictions for which ISAs apply, these will be effective for audits of financial statements for years after December 15, 2009.
2. The CAG was updated on the work carried out to date by the IAASB's Fair Value Auditing Guidance Task Force, which has included the development of a proposed staff alert to highlight areas within ISAs of particular relevance to the audit of fair value accounting estimates in the light of the current credit market difficulties.

In addition, Sam also attended a meeting held in conjunction with the CAG meeting of a subgroup of the International Association of Insurance Supervisors (IAIS) Accounting Subcommittee that discussed the current development of an IAIS Issues Paper addressing the relation between the actuary, the independent auditor of an insurer and the insurance regulator. The objective of this effort is to develop this issues paper during 2009.

COMMITTEE AND SECTION ACTIVITIES

The biannual activity reports from the Committees and Sections have just been posted to the website. Read them [online](#).

NEWS FROM YOUR SECTIONS

ACTUARIES WITHOUT FRONTIERS (AWF)

Teaching Enterprise Risk Management (ERM) in Nairobi, Kenya

Actuaries Without Frontiers (AWF) would appreciate hearing from individuals interested in volunteering to conduct an introductory two to three week course into Enterprise Risk Management and Economic Capital concepts at two universities in Kenya – the Nairobi and JK Universities. The planned date for this event, which will also include two “half-day” industry seminars aimed at senior management and regulatory staff and held under the auspices of The Actuarial Society of Kenya (TASK), is during the period April through June 2009. Travel and hospitality related expenses would be covered.

AWF is involved in enabling the provision of actuarial resources to emerging countries on a short-term, voluntary basis. It currently has around two hundred members from twenty two countries – the majority of whom are from the US, UK, Canada, France, South Africa and Japan. Volunteers for this and other future assignments will be selected from the section's membership.

Kenya is a country of around 34 million on the eastern coast of Africa (on the equator) and is well known for its beautiful game parks and beaches. Mount Kenya is a 13,000 ft climb done over three days while Mt Kilimanjaro (19,000 ft) across in Tanzania also is a popular climb. Beyond the opportunity to visit a country and enjoy its resources, the volunteer will also have the satisfaction of contributing to the development of the profession.

Kenya has some forty insurance companies, four reinsurers and a few locally resident consulting firms. P&C coverages generate the majority of premium revenues with retirement savings, life insurance and health products, especially those that are employer based, also important in the sector. Historically, regulation of the insurance



sector came under the purview of the Insurance Commissioner's office; however in 2007, a new regulatory framework was established through an independent Authority.

TASK, which was formed in the early nineties, assumed a new mandate in 2007 to organize and strengthen the profession in the country. It hopes to develop an important regional presence and as such is interested in building up its expertise in the newer developments of actuarial science such as ERM, modeling of natural disasters, climate change issues, etc. There are currently eight "practicing actuaries", five of whom are fellows of leading actuarial organizations such as the Institute of Actuaries. Several new fellows are expected in the next three years. The actuarial science programs at the two universities are generating significant interest in the student community.

At this point we would welcome responses if this opportunity would be of interest. Please email Pritesh Modi at pmodi@nfs.bm or Shiraz Jetha at sjetha@nooractconsulting.com indicating your interest level (High, Medium or Low). As membership of AWF will be required, individuals interested should join the AWF section, if they have not done so, at the modest cost of \$20 CAD per year.

ASTIN

ASTIN Elects Jean Lemaire as Honorary Chairman

At its regular annual meeting of ASTIN in July 2008, Jean Lemaire was elected as Honorary Chairman, only the third Honorary Chairman in ASTIN's 51 year history. Professor Lemaire was cited for his many contributions to ASTIN over more than 30 years. He served as Chairman of ASTIN for seven years and as an author and editor of the ASTIN Bulletin (now known as the Journal of the IAA). In addition, he organized many ASTIN seminars in actuarially developing countries. Finally, it was noted that he developed and managed the contribution by ASTIN of leading textbooks to universities in developing countries.

ASTIN Contributes \$50,000 to ICA 2010

ASTIN has committed to providing bursaries up to a total value of \$50,000 (CAD) to ICA 2010. Bursaries will allow persons with financial needs to attend the Cape Town congress to be held in March 2010. The amount is a 25% increase over that provided to the 2006 Congress in Paris in recognition of the likelihood of greater travel costs for Cape Town.

ASTIN Selects Sites

ASTIN has agreed to a proposal from Spain to host the 2011 ASTIN Colloquium. While the dates are not finalized, the location is expected to be Madrid. Also, ASTIN agreed to a proposal from the Netherlands for 2013.

Readers are reminded that the 2009 ASTIN Colloquium will be held in Helsinki in the first few days of June 2009, immediately following the IAA Council and Committee meetings in Tallinn, Estonia from May 27 to 30.

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 only 16 months away!! It will take place in Cape Town, South Africa — March 7-12, 2010. Visit their website often www.ica2010.com to follow developments and register.

The theme of the congress is **United in our Diversity** and recognises that actuaries, through



their specific education, training and experience, have a particular way of looking at business and that their conceptual approaches have relevance across the wide range of technical fields in which actuaries operate.

The ICA 2010 scientific programme is structured to include subject-specific tracks linked to IAA sections and certain committees, as well as professionalism and management tracks. The format of the congress will include general plenary sessions, subject-specific plenary sessions and subject-specific parallel sessions.

The ICA 2010 Scientific Programme Committee has issued its [1st Call for Papers and Presentations](#). Those interested in giving a paper or presentation are invited to submit an abstract for review. Please click here to download the complete Call for Papers notice.

We'd like to acknowledge our [sponsors](#), and invite other interested companies and organisations to get on board as early as possible in order to enjoy the full range of sponsorship benefits. The full sponsorship prospectus is available [here](#).

Contributions to the Congress Bursary Fund are still needed. These contributions help ensure the participation of actuaries from countries where the profession is still in the developmental stages. The [contribution form](#) is accessible online at:

Congresses are normally held every four years. Any association interested in organizing a future Congress of the IAA can signal its interest to the Member Services Committee by contacting Chairperson Ibrahim Muhanna; the committee will consider all proposals received. The next open date is 2018. Two associations, the Institute of Actuaries of Australia and the Deutsche Aktuarvereinigung e. V. (DAV) of Germany, have submitted separate proposals to host the 2018 Congress.

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

Casualty Actuarial Society (CAS) – United States

CAS Annual Meeting Next Month

The 2008 CAS Annual Meeting will be held at the Sheraton Seattle Hotel & Towers in Seattle, Washington from November 16-19. Non-members are encouraged to attend and take advantage of the multiple sessions and networking opportunities.

Read the Fall E-Forum

The Fall 2008 issue of the E-Forum, which has replaced the traditional printed forum, features the Reserve Call Papers. Six additional papers, including "Grouping Loss Distributions by Tail Behavior" Parts I-III and "Modeling the Claims Development Result for Solvency Purposes," are also included in the E-Forum and available on the CAS Web Site.

Webinar: Solvency II-Common and Specific Issues for Developed and Emerging Markets

This Webinar, which will be held on October 23 at 12:00 EST, will offer participants a comparative overview of Solvency II for both developed markets and emerging markets, contrasted with the US RBC regime and the development of ERM, as well as the developing solvency regimes in China and elsewhere in Asia. Visit the CAS Web Site to learn more or to register.



New Seminar: Ratemaking and Product Management (RPM)

The CAS will hold this new seminar in Las Vegas, NV on March 9-11, 2009. The Seminar replaces two CAS staples, the Predictive Modeling Seminar and the Ratemaking Seminar. Attendees will benefit from a full day of workshops and two additional days of concurrent sessions, complete with dynamic keynote speakers and interactive learning experiences. Don't miss your chance to attend the very first RPM Seminar!

For more information on these initiatives and other CAS events, please visit the CAS Web Site, www.casact.org

Deutsche Aktuarvereinigung (DAV) – Germany

DAV/DGVFM internship programme

Two years ago the DAV, together with its scientifically orientated partner organisation DGVFM, started an internship programme for students of mathematics concentrating on actuarial sciences. The initiative was quickly accepted by companies and students and, in its third year, more than sixty challenging internships offered by more than fifty companies in the insurance and finance industry can be advertised at universities all over Germany.

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.

If other actuarial associations are interested in extending this successful programme to an international level, please contact DAV at international@aktuar.de.

Membership Survey

Following its first membership survey in 2005/06, DAV has implemented many suggestions and recommendations it received from its members. Thus, the internet website www.aktuar.de underwent a complete relaunch and new communication media, such as a regular newsletter, were installed. In order to evaluate how

members assess the improvements as well as the new activities, a follow-up membership survey will be launched on December 1. As in the past, the survey will be developed and evaluated in cooperation with the Technical University of Munich.

Year of Mathematics 2008

DAV and its partner organisation DGVFM – continuing their mission to promote actuarial practice and science – support the German Year of Mathematics through several activities. Among other projects, DAV and DGVFM have launched a new initiative “Companies introducing themselves” aiming at informing students at an early stage about their career perspectives as actuaries. For this year, DAV and DGVFM could win SCOR Global Life as a partner; for the following years several companies have already shown their interest in supporting the initiative.

EAA Education for Actuaries – Cooperation with the University of Ulm – Master Degree

The European Actuarial Academy GmbH (EAA) in cooperation with the University of Ulm, Germany, offer participants of the EAA Education courses a unique chance to combine their professional education with a master degree. In order to meet the requirements for the academic certificate, a successfully completed bachelor study with strong mathematical orientation, one year of relevant professional experience, sufficient knowledge of the English language, and an adequate preparation certified by an educational institution are needed. The preparation is conveniently provided via the completion of the EAA modules. If participants have collected other certificates, EAA will assist in closing the gaps with selected modules.

For further information on how to take part in the master study, please send an e-mail to contact@actuarial-academy.com.

NEWS FROM INSTITUTIONAL MEMBERS

International Social Security Association (ISSA)
The Technical Commission on Statistical, Actuarial and Financial Studies of the ISSA has agreed to holding a technical seminar in Limassol, Cyprus on 30-31 October 2008. This seminar will provide a key platform for exchanges on the theme "Optimal funding of social security pension schemes". The purpose of this technical seminar is to bring economists and actuaries together to debate on competing views of social security pension design. It is expected that around 100-120 participants will attend from various ISSA organizations.

MISCELLANEOUS

5th Asian Conference on Pensions and Retirement Planning

**Are pension plans in jeopardy as a result of the global financial crisis?
What can the insurance industry and governments do to boost confidence and provide peace of mind?**

Go to Beijing to explore the challenges in today's turbulent market!

Theme : "The Gold in Sustainable Pensions for the Silver Market"

6 - 7 November 2008, Grand Millennium Hotel, Beijing, China

Asia Insurance Review's two-day Pensions Conference aims to help you:

- Stay on top of the Recent Developments and Innovations in Pensions;
- Get familiarize with features of New Generation of Savings and Retirement Products;
- Look at Best Practices in Pensions Fund Governance, Investments and Regulations;
- Learn and exchange ideas about Pension Experiences Around the World;
- Discover and discuss new Scenarios and Strategic Options of the Future of Retirement in A Rapidly Ageing World; and

- Find out "Is There A Right Pensions Model for Success in Asia? How should Policy Makers Design A Pension System that will Work for Their Country?" and
- Understand the Creeping Green Movement in Pension Schemes- Is It Sustainable?

Click here to view programme

Be sure to attend this comprehensive conference that will explore golden opportunities in the silver industry as well as the increasingly complex challenges and pensions risks faced today.

The IAA is a non-financial sponsor of the conference. Our Secretary General, Yves Guérard, will be a speaker at this conference.

3 Easy Ways to register:

- Website: www.asiainsurancereview.com
- Call: Ms Loga 65-63723184 or Email at loga@asiainsurancereview.com
- Fax: 65-6512 5335 (Download registration form:Conference on Pensions)

Other Upcoming Events:

2nd Middle East Healthcare Insurance Conference
30 Nov - 1 Dec 2008, Singapore

Obituaries

It was with great sadness that we learned of the recent passing of two of our current volunteers and of one of our past volunteers.

John Darvell (United Kingdom)

passed away in mid-August. He was a member of the Solvency Subcommittee and a great contributor to the work of the IAA, in particular with respect to the Risk Margins Working Group and the internal model paper. He worked on these international papers until the day before his passing. John was a very active and most valued member of the Solvency Subcommittee. His



wisdom, energy and good humour are much appreciated and admired. John will be missed greatly, as a person and as a fellow actuary.

Dan McCarthy (United States) passed away on September 26, at the age of 70. As the Council Delegate for the American Academy of Actuaries and a member of the Education and Professionalism Committees as well of the Task Force on Strategic Planning, Dan was a very active participant. His wisdom, high energy and overall dedication to the work of the IAA will be missed. Dan is survived by his wife, Virginia, six children and fifteen grandchildren.



Ronald Bornhuetter (United States) passed away on October 16. Ron was active for many years on the IAA Council up until 1996. He also served as CAS President, President of the American Academy of Actuaries and Chairman of the Actuarial Standards Board. In 1972, he co-authored the award winning paper "The Actuary and IBNR," which is still considered to be the standard model for determining loss-reserving procedures for liability lines of the insurance business. The paper was awarded the CAS's Dorwelier Prize in 1973.



Articles of Interest

International: World Association: Article written by Chris Daykin for The Actuary, a publication of the United Kingdom Actuarial Profession
<http://www.the-actuary.org.uk/814432>

Going Global: Some Advice on Expanding your Actuarial Universe: Article written by the late Dan McCarthy for Contingencies, a publication of the American Academy of Actuaries in the United States
<http://www.contingencies.org/mayjun08/global.pdf>

Actuarial Books Available

The IAA still has available several actuarial books ranging from seminar, congress and colloquia transactions to the proceedings of various actuarial associations such as the United Kingdom Institute, the Society of Actuaries and the Canadian Institute of Actuaries, to books on topics of actuarial mathematics and science. The IAA is 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](mailto:Celeste.Leclerc@actuarial.org) at the IAA Secretariat if you are interested in consulting the full list.