

IAA Newsletter



December 2012

President's Report

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Dear Colleagues,

As my year as President of the International Actuarial Association (IAA) comes to an end, I would like to thank you for having offered me this wonderful opportunity to make a contribution to our profession.

This has been an interesting year. Not only have I learned a great deal, but I've had the privilege of seeing first-hand the IAA continue to grow and expand into new areas. The IAA is very fortunate to have so many dedicated volunteers from all over the world who work tirelessly at carrying out the important work that the IAA is doing. My sincere thanks to each and every one of them!

I would like to highlight briefly some of our achievements this year; these will be addressed in more detail in our 2012 Annual Report to be published in the New Year.

- **Strategic Objective 1:** The IAA has now engaged in a Memorandum of Understanding (MoU) with all of its Institutional Members: International Association of Insurance Supervisors, International Accounting Standards Board, International Social Security Association, International Organization of Pension Supervisors and Organization for Cooperation and Economic Development. The purpose of these MoU's is to create a framework for co-operation that will enable each group to benefit from the common activities in their respective strategies. The program of cooperation includes a portfolio of actions and initiatives (meetings, organized sharing and exchange of information, ad hoc task forces etc.) to enhance their respective impact on issues and topics where both organizations have common interest.
- **Strategic Object 2:** The IAA has issued an exposure draft of its second educational monograph: Issues Associated with the Determination of Discount Rates for Financial Reporting Purposes.
- **Strategic Object 3:** The IAA has adopted its first International Standard of Actuarial Practice: ISAP 1 – General Actuarial Practice.
- **Strategic Object 4:** The IAA is restructuring its Committee on Advice and Assistance and its Section on Actuaries Without Borders in order to better

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- **Strategic Object 5:** The organization of the 2014 International Congress of Actuaries is progressing. Plan to be in Washington DC March 30 to April 4, 2014.
- **Strategic Object 6:** The objective of Branding has been added to the IAA Strategic Plan. A first initiative in this area is the development of a paper on the Role of the Actuary.

I look forward to continuing to serve the IAA in 2013 in my role as Immediate Past President. Once again, thank you for this opportunity.

My best wishes to all of you for a safe and healthy holiday season!



Desmond Smith
President

New Members

We are delighted to announce the admission of the Institut National des Actuairees au Sénégal (Senegal INAS), as an Associate Member, bringing the total number of Associate Members to 29. The INAS was

founded in 2011 and comprises 10 actuaries and prospective actuaries.

We welcome the INAS to the IAA and look forward to working with them towards eventually achieving Full Member status.

IAA Council and Committees to meet in The Hague, Netherlands — May 22-26, 2013.



The next meetings of the IAA Council and Committees will take place at the World Forum

Convention Center at The Hague in the Netherlands from May 22 to 26, 2013. This event will be hosted by one of our Full Member Associations, the Actuariel Genootschap (AG) - Actuarial Association of the Netherlands, which will be celebrating its 125th anniversary during that week.

The AG is pleased to invite IAA meeting participants to their party on the evening of May 24. The AG will host its 125th Anniversary Congress on May 24, as well as the 42nd International ASTIN Colloquium on May 21 to 24, in the same venue.

You can follow developments for these meetings [online](#).

Outreach Activities & Supranational Relations

- September 13: IAIS Macprudential Policy and Surveillance Working Group in Basel; represented by Dave Sandberg, Chair of ComFrame Task Force of Insurance Regulation Committee (IRC).
- September 27-29: IAIS Solvency and Actuarial Issues Subcommittee in Singapore; represented by Toshihiro Kawano, Chair of the IRC, Dave Sandberg, Chair of the ComFrame Task Force of IRC, and Tom Herget, member of the Solvency Subcommittee of the IRC.
- October 8: IAIS ComFrame dialogue in Washington D.C.; represented by Toshihiro Kawano, Chair of IRC and Dave Sandberg, Chair of ComFrame TF of IRC.
- October 9-12: IAIS Annual conference in Washington D.C.; represented by Cecil Bykerk, Immediate Past President, Toshihiro Kawano, Chair of IRC and Dave Sandberg, Chair of ComFrame TF of IRC.
- October 23-25: Ken Buffin, Chair of the Supranational Relations Committee (SRC), and Tarmo Koll, Chair of the Advice and Assistance Committee (A&A), met with representatives from UNCTAD and subsequently ILO in Geneva to discuss areas for collaboration with the IAA. Ken also met with representatives from ISSA to review progress with current activities and to plan new initiatives for 2013. Also while in Geneva, Ken held an initial exploratory meeting with a representative of the United Nations Environment Program (UNEP) Finance Initiative to identify potential areas of mutual interest.
- November 12-14: IAIS Solvency and Actuarial Issues Subcommittee in Washington D.C.; represented by Toshihiro Kawano, Chair of IRC and Dave Sandberg, Chair of ComFrame TF of IRC and Tom Herget, member of Solvency Subcommittee of IRC.

The IAA has become a member of the United Nations NGO Committee on Ageing (NGO COA) and will be represented by Ken Buffin, Chair SRC. The NGO Committee on Ageing, a member of the Conference of Non-Governmental Organizations, works to raise world awareness of the opportunities and challenges of global ageing. The NGO COA advocates within the United Nations community to further integrate ageing in UN policies and programs and encourages member states to include ageing needs in social and economic policy considerations.

Public Statements

One public statement has been issued using the Fast Track Procedure (FTP)

- FTP2012-8 [2012-12-14 IAIS Global Systematically Important Insurers: Proposed Policy Measures](#)

Proposals Seeking Comment

The IAA has issued the following documents and seeks comments from actuarial organizations:

- Exposure Draft of an International Standard of Actuarial Practice (ISAP) on the Valuation of Social Security Programs. Deadline: 28 February 2013.
- Value Proposition and Statement on the Role of the Actuary. Deadline: 31 January 2013.

Links to these documents can be found on the [IAA home page](#) under deadlines, or please contact the [IAA Secretariat](#).

Update on Standards

Interim Actuarial Standards Subcommittee (IASSC)

Dave Pelletier, Chairperson

ISAP 1 was approved by the Council on November 18, 2012, in Nassau, Bahamas.

The ASC and its Task Force on an ISAP supporting IAS 19 conducted meetings in Nassau and were able to make significant progress on standards.

The major issues and outcomes were:

- Approval of communication to FMAs and other interested parties regarding the decision to proceed at this point with an International Actuarial Note (IAN) rather than an ISAP on ERM;
- Lessons learned from the ISAP 1 process;
- A draft final Statement of Intent (SOI) on an ISAP dealing with IAS 19, developed by the IAS 19 Task Force; 17 comment letters received in response to the draft SOI were discussed;
- Documentation of some considerations originally drafted by the IAS 19 TF on what to put into an ISAP vs an IAN;
- Considerations on the strategic plan for standards.

IAA Fund – Advice and Assistance

Advancing the Actuarial Profession in Asia

Chris Daykin, Chief Executive

The A&A Committee, through its IAA Fund and Latin America Subcommittees, sponsored an IAA Fund Seminar in Mexico City on October 5, 2012, following on the ASTIN, AFIR/ERM and IAALS Colloquia.

Approximately 93 participants from 9 Latin American countries attended the event, including delegates from Argentina, Colombia, Ecuador,

Honduras, Panama, Peru, Uruguay and Venezuela, as well as attendees from Trinidad and Tobago, Canada, USA and Mexico. The IAA Fund provided bursaries for six participants from countries in the region where the profession is developing.

Cecil Bykerk, Immediate past President, and Juan Carlos Padilla, IAA Council Delegate, opened the Seminar. Presentations included Solvency II, pension

subjects, catastrophic risk, enterprise risk management and education, and the role of the A&A Committee.

This was another successful IAA Fund seminar which presented a great opportunity for the delegates to

network, exchange experiences, and learn from each other about the actuarial profession's various stages of development in the Latin American region.

Mortality Working Group

Martin Stevenson, Chair

The Mortality Working Group (MWG) is pleased to announce a new means by which persons interested in the field of international mortality can access a significant collection and analysis of information in this area. The MWG has developed an online Information Base which contains information on the studies made to date by the MWG, and references to other papers and websites that are of particular interest.

This information base is located in the MWG section of our website. This resource base is not meant to be exhaustive, but the MWG expects that it will be of particular interest to non-specialist actuaries and non-actuaries looking for information on a variety of topics on international mortality.

What does mortality look like around the world? What mortality issues are actuaries working on? If these questions are of interest to you, then the MWG information base should prove to be an excellent place to seek further information on these and similar topics. Sources of information include the Human Mortality Database, the Society of Actuaries Table Manager, the Continuous Mortality Investigation Library, and International Mortality Experience studies conducted in various countries. These can provide very useful information for someone wishing to study mortality. Members of the MWG, which currently represent 23 countries, also provide a periodic update on what is happening in their own specific regions.

Actuaries without Borders (AWB)

Shirazali Jetha, Chairperson



The AWB is pleased to report that we have continued to develop new projects, some which were hinted at in the Newsletter of September 2012. These include:

1. Pension Course in Azerbaijan completed on November 13, 2012. This was a well-received three day introductory course on professionalism, pensions and social security to help Azeri actuaries respond to the social security and private pension reforms being undertaken in Azerbaijan.
2. Social Security & Pensions Course in Togo for key professionals of C.I.PRE.S. (Conférence Interafricaine de la Prévoyance Sociale) member organizations scheduled for early 2013. Volunteer recruitment to be finalized before the year end.
3. Exam preparation classes in Sri Lanka, Bangladesh and Vietnam, also in 2013. Volunteer recruitment has been completed for the Sri Lanka and Bangladesh classes.
4. Text Book Donation Projects. Work continues to create a format where education material may be donated for use in institutions abroad

To cope with the funding demands for current and upcoming projects, the AWB committee has appointed Sunil Sen, current Secretary, as Donor Funding Director; Renata De Leers will take over the role of Secretary from Sunil effective January 1, 2013.

Funding Support: Actuaries Without Borders is grateful to and wishes to acknowledge the generous contributions of:

- Institute of Actuaries of India for the Sri Lanka and Bangladesh teaching sessions;
- Society of Actuaries (USA) and its International Section for the Azerbaijan seminar mentioned above;
- Institute of Actuaries in Belgium (IA|BE) for its support of the CIPRES forum.

We would also like to remind our members to renew their membership in the section early in the year. New members are also welcome to join AWB; please contact us through the AWB website.

And lastly, if your association or a local institution has a need for assistance of the type AWB can provide, the Committee invites you to submit a request through our website – even if it is just exploring to see what might be possible.

Upcoming Events in 2013

ASTIN Colloquium, May 21-24, 2013, The Hague

AG Anniversary Congress, May 24, 2013, The Hague

"If you always do what you always did, you will always get what you always got." (Albert Einstein)

In 2013 the Actuarial Association of the Netherlands (het Actuarieel Genootschap, AG) will celebrate its 125th anniversary. This milestone is worth celebrating and the AG intends to do this in style. On Friday 24 May 2013 an Anniversary Congress will be held (in English), featuring speakers addressing international and actuarial topics. An exciting and appealing program is being developed which includes speakers Arnoud Boot (Professor of Corporate Finance and Financial Markets at the University of Amsterdam), Henk Schulte Nordholt (Professor of Southeast Asian Studies) and André Kuipers (Dutch ESA astronaut). Their speeches focus on the theme: Global Innovation & Inspiration, True Colours.

The Congress will be followed by an Anniversary Dinner and Party, to which all are invited.

This celebration will occur in conjunction with the events for the ASTIN Colloquium and IAA Council & Committee meetings, hosted by the AG, and followed by the Joint Education Seminar of IAA and Groupe Consultatif on May 26-27, 2013.

We are heading towards a week of international and actuarial topics you cannot miss!

Registration is now open! How to register

Register [here](#) for the ASTIN Colloquium.

Register [here](#) for the AG Anniversary Congress and the AG Anniversary Dinner and Party.

If you are a member of Het Actuarieel Genootschap, registering for the AG Anniversary Congress you will have to log in. The username and password have been communicated to you in a separate message (the username is the same as your username for the AG-website).

Hotels

Arrangements have been made with various hotels nearby the [venue](#). Hotel information is available on the [ASTIN Colloquium website](#) and on [the website of the AG](#). Kindly note the various deadlines and conditions for the early bird prices.

For further information on the ASTIN Colloquium we kindly refer you to the [ASTIN Colloquium website](#).

For further information on the AG Anniversary Congress, AG Anniversary Dinner and Party, we kindly refer you to the website of het [Actuarieel Genootschap](#).

If you require further information, please contact Monique Schuilenburg by phone on +31 30 6866 194 or by email: Monique.schuilenburg@ag-ai.nl

CCA 2013 Enrolled Actuaries Meeting, April 7–10, Washington DC!

Attend the CCA 2013 Enrolled Actuaries Meeting and See Live Actuaries in Their Natural Habitat!

Tired of earning EA credits only by listening to disembodied voices over a speakerphone? Are you beginning to feel isolated? Come to the Conference of Consulting Actuaries 2013 Enrolled Actuaries Meeting, April 7 - 10 in beautiful Washington DC! For most actuaries, nowhere but at a meeting are you able to connect with so many experienced practitioners who are passionate about our work and sharing their expertise. The Enrolled Actuaries Meeting also affords the best opportunity to hear from government speakers, ask your questions and share your concerns.

Remember – 2013 is the last year of the 3-year enrollment cycle. The 2013 Enrolled Actuaries Meeting provides a great opportunity to get those missing credits, including fulfilling the ethics and core credit requirements! As a bonus, the meeting is held at the Marriott Wardman Park in Washington, D.C., providing a convenient excuse to get to Washington during the 2013 National Cherry Blossom Festival (March 20-April 14th, 2013). And last but not least, it's a great place to catch up with old friends and co-workers during the Monday evening reception, breakfast and lunch, and breaks between sessions.

This year's meeting promises to deliver a strong line-up of sessions, regardless of your area of focus. Over the last several years, the EA program committee

has worked to strengthen offerings for public plans, small plans, and multiemployer plans. Perennial favorites – Gray Book and Blue Book review, and Dialogues with the IRS, PBGC, DOL, and the Joint Board – are also scheduled.

General Sessions provide expert speakers to explore a range of higher-level topics. The 2013 EA Meeting will provide lively discussions on the prospects for pension or other employee benefit changes making their way through the new Congress, a discussion of the inherent tension between best practices and protecting your firm from malpractice litigation, and pension funding.

Need even more continuing education opportunities? Seminars will take place before and after the meeting, including a Professional Standards Seminar and the ever popular Pension Symposium.

Make your plans now to attend the 2013 Enrolled Actuaries Meeting, while the \$895 early bird registration is still available to Academy and Conference members (available through December 31 – only 64% of a walk-in registration fee). Hosted by the Conference of Consulting Actuaries and the American Academy of Actuaries, this meeting really does provide something for everyone!

Visit <http://www.ccactuaries.org/opportunities/ea2013/index.cfm> for more information and to register.

For upcoming events in 2014, please visit the [IAA Web site](#).

News from Member Associations

The Actuarial Association of Uganda (TAAU)

It is with great sadness that we announced the passing of the president of The Actuarial Association of Uganda (TAAU), Linda Kintu, on September 20, 2012. The IAA shares its condolences and wishes the best for the family of Linda Kintu. Musa Sebuufu, Vice president of the TAAU, has assumed the position of acting President of TAAU.

Deutsche Aktuarvereinigung (DAV) – Germany

Calculating “Unisex” Premiums

After 21 December 2012 it will no longer be permissible to treat men and women differently in calculating premiums and benefits for new insurance contracts in Europe following a landmark ruling by the European Court of Justice (ECJ) on 1 March 2011.

DAV working groups in life, pensions and health insurance have published detailed guidelines for actuaries on how to implement the necessary changes in tariffing and reserving.

Topic of the Year

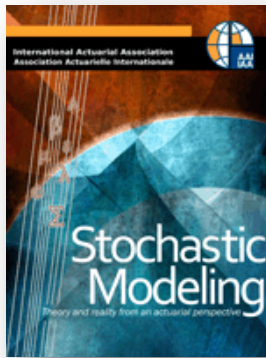
Last year DAV and DGVFM, its scientifically oriented partner organisation, have launched the initiative “Topic of the Year” committing themselves to a special focus in their various activities in the field of research and transfer to practice as well as in the field of promoting young actuaries.

In continuation of this year’s “The future of interest guarantees in life insurance” the topic of the year 2013 will be “Alternative (to) guarantees”.

European Actuarial Academy (EAA) Education for Actuaries

Third seminar based on the book, [Stochastic Modeling – Theory and Reality from an Actuarial Perspective](#), was held on November 27-29, 2012 in Helsinki, Finland

In cooperation with the International Actuarial Association (IAA), the EAA – European Actuarial Academy GmbH offered for the third time a seminar based on the book “Stochastic Modeling – Theory and Reality from an Actuarial Perspective” (© 2010 International Actuarial Association). The seminar took place in Helsinki, Finland, with 52 participants from 13 countries. The seminar format included parallel sessions for life and non-life insurance, as well as a number of hands-on workshops. Andrew H. Dalton (Milliman), primary author of the book and key speaker of the seminar, is pleased with the success of the seminar: “We presented real-world examples of current and developing practices for actuaries working in Europe, while providing valuable continuing education credits. Milliman values the ongoing collaboration with the EAA and IAA in bringing seminars like this to the market.”



Please note that this book is available for purchase through the IAA. Please visit the IAA web site under Publications - [Stochastic Modeling](#).

Conference of Consulting Actuaries (CCA)

The CCA Announces its 2013 Audio/Webcast Series

Now you can take advantage of significant savings on CCA-hosted audio/webcasts, including all currently scheduled and late breaking presentations. Register now and you can stay on top of the latest developments, the same way many of your peers do, with a subscription to CCA's audio/webcast series. For more information, visit the CCA website at: <http://www.ccaactuaries.org/opportunities/2013audiocasts.cfm>

Save the Date for the CCA 2013 Annual Meeting in San Antonio

As an international practitioner you owe it to yourself to attend the Conference of Consulting Actuaries' 2013 Annual Meeting. The CCA meeting features tracks on consulting, healthcare, and pension, as well as a track of educational sessions with a global focus. Be sure to mark your calendar now for October 20-23, 2013 at the new JW Marriott San Antonio Hill Country Resort & Spa – San Antonio, Texas.

CCA recently held its very successful 2012 Annual Meeting, with an international audience of over 550 actuaries in attendance, at the Boca Raton Resort & Club in Boca Raton, Florida.

Award Honorees at CCA Annual Meeting

The Conference of Consulting Actuaries was pleased to present the following awards at its recent 2012 Annual Meeting in Boca Raton, Florida:

- Paul Angelo was honored as the Conference of Consulting Actuaries 2012 Most Valuable Volunteer, an award presented by CCA President Dale Yamamoto.
- The Conference of Consulting Actuaries 2012 Lifetime Achievement Award was presented to Curtis Huntington by Dale Yamamoto.
- James Pierlot and Faisal Siddiqi were recognized as authors of the paper selected for the 2012 John Hanson Memorial Prize, entitled "Legal for Life: Why Canadians Need a Lifetime Retirement Saving Limit."
- Jim Toole was awarded the 2012 Wynn Kent Public Communications Award.



Longtemps repliés sur le succès de leur économie, les actuaires japonais participent aujourd'hui à la convergence mondiale de la profession. Et malgré la crise, les opportunités restent nombreuses dans l'archipel.

L'actuariat au Japon, une tradition ancestrale

Original title: *L'actuariat au Japon, une tradition ancestrale*

An interesting article on the actuarial profession in Japan was published in [l'actuariel](#), Issue No 06 October 2012, a publication of L'Institut des actuaires (France). This article presents highlights of the future for actuaries in Japan, drawing on comments from leaders of three key institutions, namely Institute of Actuaries of Japan (IAJ), Japanese Society of Certified Pension Actuaries, and Financial Services Agency (FSA), and includes insights from the past and present. Masaaki Yoshimura, member of the Executive Committee of the IAA, was interviewed and his unique detailed comments were shared.

Other News

GROUPE CONSULTATIF Paper on Market Consistency

The Groupe Consultatif, the European association of actuaries, is pleased to announce its recent [paper on Market Consistency](#). This paper, which is the first in a series on this theme, reflects an actuarial view on the concept of a market consistent valuation and aims to contribute to the general insight in this domain. The paper therefore should be viewed as an educational tool with the objective to help the stakeholders in Solvency debate how best to interpret this fundamental basic principle.

The GC welcomes any suggestions, questions or remarks from the IAA. Please do not hesitate to contact [Christoph Krischanitz](#) (editor of the paper and Chairman of the Groupe's Investment & Financial Risk Committee), or the Groupe's Chairman, [Karel Goossens](#).

Secretariat News

We are pleased to welcome Sharon Torley and Tim Mattimoe to the IAA Secretariat as Director of Finance and Manager, Supranational Relations (a new position at the Secretariat), respectively.

You can consult the full list of Secretariat staff and their responsibilities online <http://www.actuaries.org/index.cfm?LANG=EN&DSP=MENU&ACT=CONTACT>

Office closure

The IAA Secretariat is closed December 24 to 26, December 31 and January 1.

Happy holidays and best wishes for 2013!