



The IAA: What's there for us?

Suomen Aktuaariyhdistys 31.1.2007

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Origins, mission and recognition

- Comité Permanent des Congés d'Actuaires founded in 1895
- Restructured in 1998 to serve as worldwide association of professional actuarial associations and individual actuaries.
- To encourage development of global profession
 - technically competent and professionally reliable
 - to ensure that the public interest is served
- Not-for-profit, non-political, Non-Governmental Organisation
 - on the Roster of the Economic and Social Council of the UN
 - on the Special List of the ILO



Objectives

- Develop the role and reputation of the profession
- Promote high standards of professionalism to serve public interest
- Advance the body of knowledge of actuarial science
- Further the personal professional development of actuaries
- Promote mutual esteem and respect amongst actuaries
- Provide discussion forum for actuaries and associations
- Represent the global profession with supranational bodies



PRINCIPLE OF SUBSIDIARITY

Article 8 Co-operation

- IAA restricts its activities to strategies and programmes which require international co-ordination or direction, or can be handled more efficiently across national and regional boundaries.
- Does not become involved with actions at level of Member Associations or regional groups of actuarial associations, except at express invitation of such association or group.
- IAA takes measures necessary to avoid duplication or overlap with activities of Member Associations or regional groups of actuarial associations.



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Membership and representation

- Full Member Associations: 55
- Associate Member Associations: 24
- Assisting develop profession in 40 additional countries
- Fully qualified actuaries: 40,000+ in 97 countries
- Institutional Members:
 - International Association of Insurance Supervisors (IAIS)
 - International Accounting Standards Board (IASB)
 - International Social Security Association (ISSA)
- Observer Member
 - World Bank



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IAA Membership Requirements

- For Full Member Association
 - Code of Conduct
 - Formal discipline process
 - IAA Education Guidelines and Syllabus
 - Formal process to adopt standards of practice
.....if and when national standards are created
- For Associate Member Association
 - Actuarial association not meeting all conditions above



International Actuarial Association





IAA Officers and Secretariat 2007

- President: Hillevi Mannonen (Finland)
- President-Elect: David Hartman (United States)
- Immediate Past President Jean-Louis Massé (Canada)

- Secretary General: Yves Guérard (Canada)
- Executive Director: Nicole Séguin
- Manager, IT and Member Services: Christian Levac
- Project Manager, Technical Projects: Katy Martin
- Project Manager, Membership and Development: Céleste Leclerc



Council Meetings

- Held twice a year at invitation of Full Member associations
- Criteria for governance and conduct of committee meetings exist
- Full Member association entitled to 1 delegate and 1 alternate delegate on Council
- Council agenda sent 90 days in advance of meeting includes motions for decisions requiring super-majority vote
- Second Council agenda sent 60 days in advance of meeting, followed by final agenda up to date of meeting, if necessary
- Final 30-days agenda can only include non-substantial changes



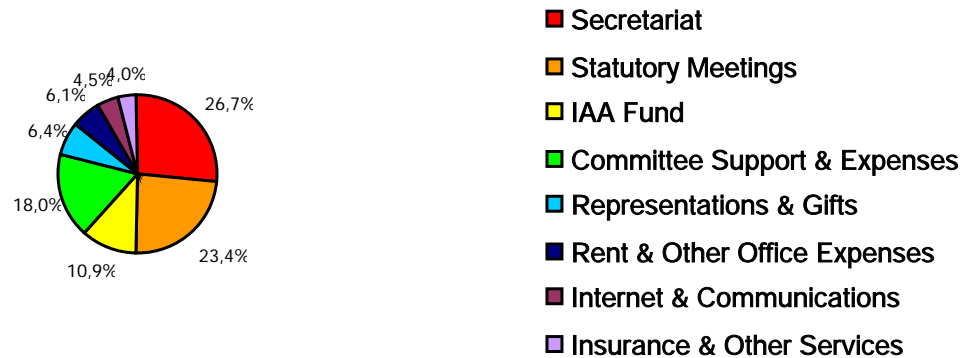
Finances and Expenses

- Budget for 2007:

Full Member Dues: 13,50 CAD\$ per fully qualified actuary

Expected Revenue: 920,713 CAD\$

Expected Expenses: 917,500 CAD\$





Communication and Tools for Members

- Communication is electronic: List servers / discussion groups
- Committee delegates and interested persons can join various list servers to participate / monitor work of committees
- IAA Members' Website contains:
 - specialized online translation tool in 8 pairs of languages
 - specialized search tool
- Guidelines adopted to facilitate participation of non-native English speakers in work of IAA



Committee Participation

- Full Member Associations entitled to one representative (delegate) on most committees – Diversity is desirable
- Committee chairs and vice-chairs can also represent their association as a delegate
- Role of Committee Members :
 - active participation in committee work, discussions, meetings
 - keep home association informed of committee developments
- Delegates assume own travel costs



Committees – Leaders

- **Accreditation** Juan Carlos Padilla (Mexico)
- **Audit and Finance** Curtis Huntington (United States)
- **Advice & Assistance**
 - China Subcommittee: Estella Chiu (Hong Kong)
 - Latin America Subcommittee: Luis Huerta (Mexico)
 - IAA Fund Subcommittee: Stephen Handler (South Africa)
- **Education** Carla Angela (Italy)
- **Executive Committee**
 - Strategic Planning TF Hillevi Mannonen (Finland)
 - David Hartman (United States)
- **Financial Risks**
 - TF on Financial Economics David Kingston (Ireland)
 - Charles Gilbert (Canada)



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Committees – Leaders *(cont'd)*

- **Insurance Accounting**
Actuarial Standards Subcommittee
Sam Gutterman (United States)
David Congram (Canada)
Francis Ruygt (The Netherlands)
- **IAA Education Program (IEPC)**
Steering Committee
Alf Guldberg (Sweden)
Luis Huerta (Mexico)
- **Insurance Regulation**
Reinsurance Subcommittee
Solvency Subcommittee
Rolf Stölting (Germany)
Michael Eves (Switzerland)
Stuart Wason (Canada)
- **Member Services**
Ibrahim Muhanna (Lebanon)
- **Nominations**
Jean-Louis Massé (Canada)
- **Pensions & Employee Benefits**
Accounting Standards Subcttee
Esko Kivisaari (Finland)
Gary Hibbard (United Kingdom)
- **Professionalism**
Helen Rowell (Australia)
- **Social Security**
Robert L. Brown (Canada)
- **Supranational Relations**
Philippe Maeder (Switzerland)



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Relationship Between IAA, Sections and Congresses

- IAA: association driven, focusing on professionalism, standards, representation
- Sections: scientific, research and practical arm
- Congresses: a high point for both
- Colloquia are yearly or biannually, while Congresses are every four years
- In Congress year, section colloquia are held in conjunction with Congress
- Next Congress: March 7-12, 2010 in Cape Town, South Africa



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Sections of the IAA

- IAA has seven specialized sections that form an integral part of the IAA
- Sections focus on actuarial research and development in specific areas of practice
- Each Section has its own area on the IAA Web site: www.actuaries.org
- Anyone may apply to join
- Dues 40 CAD\$ except for AWF 20 CAD\$



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Sections of the IAA (*cont'd*)

- 1957 ASTIN Actuarial Studies in Non-Life Insurance
- 1986 AFIR Actuarial Approach for Financial Risks
- 1968 IACA International Association of Consulting Actuaries
- 2003 IAAHS Health Section
- 2003 PBSS Pensions, Benefits, and Social Security Section
- 2003 AWF Actuaries Without Frontiers
- 2005 Life Section



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IAA International Actuarial Standards of Practice

- Class 1 Compulsory
- Class 2 Voluntary
- Class 3 Recommended Practice
- Class 4 Practice Guidelines:
 - educational in nature
 - not binding
 - Usually start as class 4, can be upgraded later to class 1-3.



International Actuarial Standards of Practice (IASP)

- Current
 - IASP 1 On Social Security - class 4
 - IASP 2-8 On Financial Reporting for Insurers - class 4
 - IAA web page LIBRARY / STANDARDS
- Under development:
 - Financial Reporting for Insurers
 - Pensions



Issuing Public Statements

- Guidelines for making public statements normally require 60-day exposure of proposed response and vote of Full Member associations
- When time is limited, committees can request to use Fast Track Procedure (FTP)
 - Full Member associations:
 - ✓ encouraged to participate in drafting
 - ✓ can object to use of the FTP
 - ✓ no vote required



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IAA External Relations – Representation as of September 2006

- September IAA Fund Meeting Warsaw, Poland
- 7th Annual China Actuarial Conference Chongqing, China
- October Singapore Retirement Conference 2006 Singapore
- Society of Actuaries Annual General Meeting Chicago, US
- Groupe Consultatif Annual Meeting Barcelona, Spain



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IAA External Relations – Representation as of September 2006 (*cont'd*)

- November 50th Anniversary and 15th Annual Conference of New Zealand Actuarial Society Queenstown, New Zealand



Recent IAA Activities

- Financial Risks
 - Prepared Public Statement on IAIS Draft Supervisory Standard on Asset Liability Management
 - Formed Task Force on Financial Economics to promote the evolution of sound practices for the global actuarial profession and help manage any paradigm shift

- Insurance Accounting
 - Prepared responses to:
 - ✓ IASB Exposure Draft of Proposed Amendments to IAS 1 Presentation of Financial Statements: *A Revised Presentation*
 - ✓ Draft IAIS Standard on Disclosure Concerning Technical Risks and Performance for Life Insurers
 - ✓ IASB Discussion Paper – Preliminary Views on an improved Conceptual Framework for Financial Reporting



Recent IAA Activities (cont'd)

- Insurance Accounting (cont'd)
 - Completed work on two International Actuarial Standards of Practice proposed for adoption as Practice Guidelines:
 - ✓ Embedded Derivatives and Derivatives under IFRS
 - ✓ Accounting for Reinsurance Contracts under IFRS
 - Continued work on third set of International Actuarial Standards of Practice to reflect comments received during exposure period
 - Continued development of an IAIS-requested paper on risk margins
 - Represented the IAA, in cooperation with the IAIS and CEIOPS, at an IASB Educational Session (June 2006)



Recent IAA Activities (cont'd)

- Insurance Regulation
 - Prepared responses to IAIS on:
 - ✓ IAIS Common Structure for the Assessment of Insurer Solvency
 - ✓ Revised IAIS Guidance Paper on Risk Transfer, Disclosure and Analysis of Finite Reinsurance
 - Assembling an ad hoc working group on the Role of the Actuary
 - Developing a Best Practices paper on Internal Models to form the basis of an International Actuarial Standard of Practice on Internal Models
 - Provided input on the Practice Guideline on Accounting for Reinsurance Contracts



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Recent IAA Activities (cont'd)

- Pensions and Employee Benefits
 - Exploring the possibility of an International Actuarial Standard of Practice on Pension Cost Accounting
 - Participated in a review of the World Bank paper « Old-Age Income Support in the 21st Century »
- Social Security
 - In process of updating IASP 1 - Guidelines of Actuarial Practice for Social Security Programs