

## SLIDE 1

### Seminario Internacional IAMCH – Santiago, Chile

Opening Address – Thursday, March 13, 2008

**David G. Hartman, FCAS, MAAA, FCIA**

President of the IAA (2008)

## SLIDE 2

First of all, let me express my sincere regret for not being able to join you in person for this Seminar. Nonetheless, my fellow Officers of the IAA join me in bringing you greetings and best wishes for a successful Seminar.

On behalf of the IAA, I offer my congratulations and sincere thanks to all those whose efforts have made this Seminar possible: the distinguished speakers and all of you who have accepted the invitation of the organizers of this Seminar to meet in this great city to respond in a timely manner to the challenges facing actuaries regarding changes in supervision of insurance in Latin American and around the world.

## SLIDE 3

As you may be aware, the IAA is a worldwide association of actuarial associations. In this respect, fully qualified members of its Full Member associations are automatically members of the IAA, thereby fulfilling our goal to serve as a bond among actuaries throughout the world, together with the support of our member associations, in *“moving the actuarial profession forward internationally.”*

## SLIDE 4

The IAA is a not-for-profit and non-political, non-governmental organization with its Secretariat in Ottawa, Canada. There are currently 58 Full Member associations plus 23 Associate Member associations. There are also 3 Institutional Members of the IAA: the International Association of Insurance Supervisors (IAIS), the International Social Security Association (ISSA), and the International Accounting Standards Board (IASB).

## SLIDE 5

Virtually all fully qualified actuaries around the world belong to the IAA so that the IAA Full Member associations comprise over 43,000 qualified actuaries from 102 countries. To this list, we can add a significant number of actuaries from Associate Member associations. The IAA serves its members through seven Sections covering various areas of practice, 15 Committees, plus many subcommittees and task forces.

## SLIDE 6

I would like to offer special acknowledgement of the Instituto de Actuarios Matemáticos de Chile as an Associate Member of the IAA.

The IAA is currently promoting in nearly 40 additional countries the development of local associations or the upgrading of those that are not yet Full Members.

## SLIDE 7

A recent major initiative of the IAA is to develop an International Actuarial Education Program (IAEP). This is an ongoing project started in 2006, which is now at the feasibility study stage and which will continue for years to come. It should be of assistance to small or medium size associations that cannot develop and run their own education system. This program is intended to assist member associations in providing high-level actuarial education and to open new opportunities for students around the world by providing access to that education.

## SLIDE 8

This year, the IAA is celebrating the tenth anniversary of its restructure as an association of associations. We will be publishing a paper before June recounting the history of the IAA and highlighting significant accomplishments of the IAA during the past ten years which we can celebrate today.

## **SLIDE 9**

The IAA is involved in a strategic planning effort. Recently, the delegates to Council supported the following statements of vision, mission and values for the IAA:

### **Vision**

To seek worldwide recognition for the actuarial profession as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, for the well-being of society as a whole.

## **SLIDE 10**

### **Mission**

To promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs, and promote the international role, reputation and recognition of the actuarial profession which it represents as the worldwide organization of actuarial associations.

## **SLIDE 11**

### **Values**

To adhere to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public.

The next step in the strategic planning process is to identify strategic objectives to fulfill the mission and work toward the vision.

## **SLIDE 12**

The following six strategic objectives have been proposed:

- 1. 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 global issues.**
- 2. Facilitate the use and expansion of the scientific knowledge of the actuarial profession to wider fields to help enhance the scope, quality, and availability of actuarial services offered by its member associations.**
- 3. Establish, maintain and promote common standards of actuarial education and professionalism as well as model standards of practice for use by member associations worldwide.**

## **SLIDE 13**

- 4. Support the promotion, organization and development of the actuarial profession in areas of the world in which it is not present or is not fully organized.**
- 5. Provide a forum for discussion among actuaries and actuarial associations throughout the world.**
- 6. Promote and facilitate the globalization of the actuarial brand.**

We look forward to further discussion of these strategic objectives and their related action plans over the next several months. The goal is to incorporate them into a strategic plan for the IAA that can be adopted by the Council of the IAA this year.

## **SLIDE 14**

As you can see from the vision, mission, and values statements, together with the proposed strategic objectives, the IAA represents the global actuarial profession in dealing with supranational organizations. One of those organizations with whom we work most closely is the International Association of Insurance Supervisors, or the IAIS. We commend the IAIS on

**its efforts to raise the quality of supervision of the insurance industry around the world.**

## **SLIDE 15**

**As the IAIS goes forward, it is following a principles-based approach to regulation. Under this approach, specific rules are minimized and replaced by principles that describe work to be done in terms of the goals that it intended to satisfy. This approach puts a greater responsibility on the company and on its appointed actuary to do what is needed to maintain solvency.**

## **SLIDE 16**

**Some specific applications of the principles-based approach are the integration of solvency measures with financial reporting and with the company's risk management process. Since this approach gives the actuary more freedom and also places greater reliance on the actuary's results, peer review of the actuary's work is usually seen as a need. This will also mean that many actuaries will have to improve the quality and clarity of their reports.**

## **SLIDE 17**

**In addition to working with the IAIS on supervision, the IAA is working with the International Accounting Standards Board (IASB) on International Financial Reporting Standards. Many draft standards of practice have been prepared and can be found on the IAA website ([actuaries.org](http://actuaries.org)).**

## **SLIDE 18 (LAST SLIDE)**

**As I looked over the program and saw topics covering the areas of insurance supervision and IFRS and the role of the actuary in them, and in consulting the list of distinguished speakers who are presenting these topics, I was impressed!**

**I congratulate the organizers for having done a terrific job of putting this Seminar together. As participants, you have a treat in store for you as you listen to the presentations, discuss them and learn from them.**

**Thank you for being here. Have a great seminar!**