

4th PBSS Colloquium
Tokyo, October 4-6, 2009

Thank you for your kind introduction.

Distinguished speakers, honored guests, and dear colleagues,

I am privileged and honored to give this address at the opening ceremony of the 4th PBSS Colloquium, representing the International Actuarial Association - the IAA - in my capacity as President. Since I assumed presidency of the IAA in January, I have been particularly looking forward to this event. Being the first IAA President of Asian origin, to give a welcome address at an event in Tokyo, my hometown, evokes a special feeling in me. At this moment, as I am actually welcoming you all, including many Japanese colleagues, to this Colloquium, I have never felt more proud of being the IAA President.

Indeed, the year 2009 has turned out to be a year which deserves special recognition in terms of relationships between the IAA and the Asian region. Other than the IAA President being from Asia, the Institute of Actuaries of India will host the IAA Council and Committee Meetings in Hyderabad, India in November. Also, back in May, we were delighted to welcome the Asian Development Bank - the ADB - as an Observer Member of the IAA. There is great potential for the IAA to cooperate with the ADB in future. And last but not least, this 4th PBSS Colloquium is now under way in Tokyo.

On behalf of the IAA and also as a fellow Japanese actuary, I would like to express my congratulations and sincere thanks to Kojima-san and the Japanese Society of Certified Pension Actuaries for hosting this important international actuarial event in Tokyo in commemoration of its 20th anniversary. You have worked so hard to make this Colloquium possible.

Currently, the IAA has seven sections under its aegis. They are, in order of creation, ASTIN, IACA – the International Association of Consulting Actuaries, AFIR, IAAHS – the IAA Health

Section, PBSS – the Pensions, Benefits and Social Security Section, AWF – Actuaries Without Frontiers, and IAALS – the IAA Life Section.

All of their activities are quite instrumental in order for the IAA to meet the challenges which it now faces in this dynamically changing environment. We as actuaries need to be heard by the world outside the actuarial community, including regulators, industry executives, academics and the general public. In order for our voices to be heard, we must speak with scientific credibility backed up with quality research. In this sense, the activities of the sections of the IAA are not only scientifically important, but they are also strategically important for the IAA.

It is particularly true in the case of PBSS, because in any country it is critical to develop an actuarially sound social security system or retirement benefit system in order to ensure the well-being of the society. The PBSS has been contributing a great deal to the promotion of the actuarial profession in the field of social security, pension and retirement benefit. In other words, the activities of PBSS are very much in line with the IAA's Vision, which is "The actuarial profession is recognized worldwide 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, contributing to the well-being of society as a whole."

Now, let me turn to the highlight of the recent activities of the IAA.

Needless to say, how to deal with the consequences of the global financial crisis is one of the great challenges the actuarial profession must address. This past February, the IAA published a paper entitled "Dealing with Predictable Irrationality – Actuarial Ideas to Strengthen Global Financial Risk Management" in order to demonstrate to the world the actuarial profession's response to the crisis. As one of the highlights of this paper, the IAA has proposed four measures to be taken in order to prevent a future financial crisis. They are:

- Introduction of more counter-cyclical regulatory arrangements
- Creation of a Country Chief Risk Supervisor role

- Wider use of comprehensive risk management concepts in banks and non-regulated sectors
- Improved use of ERM & risk governance

The paper was presented to the IAIS and the Joint Forum with the aim of promoting the actuarial profession. Also, the paper received excellent media coverage, making the presence of the IAA and the actuarial profession felt more by the world outside the actuarial community. The most significant news is that the four recommendations that the IAA made in the paper are reflected in the proposals adopted by the G20 in April. This is a testimony about the role and influence of the actuarial profession.

Our February paper was more focused on the banking sector, but a follow-up paper entitled "The Global Financial Crisis – What Next?" issued in July focuses on the consequences for the pension and the insurance sectors.

Getting back to the Colloquium, when I looked over the program, I was impressed with the wide variety of topics covered. I am particularly grateful to the invited speakers for taking the time to participate in this Colloquium and for sharing their expertise with us. Also, I would like to thank IACA, another section of the IAA, for their contribution to the program. Again, congratulations are due to the organizers for putting together such an interesting and stimulating program. I strongly encourage every participant to make the best use of this opportunity and, not only passively listen to the presentations and lectures, but also actively engage in discussions.

Thank you very much for having invited me and for your attention. I wish every participant a memorable experience over the next two days.