

The International Actuarial Association

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***MOVING THE PROFESSION
FORWARD INTERNATIONALLY***



Global Challenges for the Actuarial Profession

Caribbean Actuarial Association
Barbados
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Global Challenges for the Actuarial Profession

- The International Actuarial Association
- Vision and Mission
- Strategic Objectives
- Supranational outreach
- Sections
- Working Groups

The International Actuarial Association

- Originally formed in 1895, reconstituted in 1998, and restructured in 2010
- The IAA has 62 Full Member Associations and 26 Associate Member Associations, representing over 50,000 actuaries in over 100 countries
- Extending accessibility to high quality actuarial services worldwide



The Vision of the IAA

- The actuarial profession is recognised 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.

The Mission of the IAA

- To represent the actuarial profession and promote its role, reputation and recognition in the international domain
- 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



Strategic Objective 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 issues with a global impact.

Strategic Objective 2

- Facilitate the use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.

Strategic Objective 3

- Establish, maintain and promote common standards of actuarial education, common principles of professionalism and model standards of actuarial practice for use by member associations worldwide.

Strategic Objective 4

- Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.

Strategic Objective 5

- Provide a forum for discussion among actuaries and actuarial associations throughout the world.



Global Challenges for the Actuarial Profession

- Financial stability
- Financial reporting
- Mortality and longevity
- Population ageing
- Developing economies
- Climate change

Targeting supranational organisations

- To raise awareness of actuaries and the areas in which they can contribute
- To contribute to their work, through briefs, representation at meetings and joint projects
- To engage them in dialogue and involve them in IAA discussions and developments

Institutional/Observer Members

- International Association of Insurance Supervisors – IAIS
- International Social Security Association – ISSA
- International Accounting Standards Board – IASB
- International Organisation of Pension Supervisors – IOPS

- Organisation for Economic Cooperation and Development – OECD
- Asian Development Bank - ADB



Regulation/Standards

- IAIS – insurance regulation and solvency
- IASB – insurance & pensions accounting
- IOPS – pensions regulation
- OECD – pensions best practice

Social Affairs

- ISSA – social security
- ILO – poverty alleviation & microinsurance
- Aga Khan Agency for Microinsurance
- World Bank – pensions & microinsurance
- WHO – health & ageing
- OECD - health

Financial

- IMF – systemic risk & stress testing
- Geneva Association – insurance issues
- CRO Forum – risk management issues
- CFO Forum – financial issues
- WTO – trade in financial services

The Global Financial Crisis

- “Dealing with Predictable Irrationality – Actuarial Ideas to Strengthen Global Financial Risk Management” – IAA Feb 2009

Targeted at the Financial Stability Forum, Governments, and major financial institutions

Presented to the Joint Forum, of IAIS, BCSB, IOSCO

- “The Global Financial Crisis – What Next?” – IAA July 2009, focused more on insurance and pensions



Prevention of future financial crises

The G 20's
common
principles for
reform:

- Strengthen transparency and accountability
- Enhance sound regulation
- Promote integrity in financial markets
- Reinforce international co-operation
- Reform international financial institutions

Actuaries believe
additional
measures are
needed:

- Introduction of more counter-cyclical regulatory arrangements
- Creation of Country Chief Risk Supervisor role
- Wider use of comprehensive risk management concepts in banks and non-regulated sector
- Improved use of ERM & risk governance

How Caribbean Actuaries can get involved

- Representation in Council, Presidents Forum and committees
 - Supranational – Cathy Lyn
 - Pensions – Astor Duggan
 - Insurance Accounting – Ravi Rambarran
 - Insurance Regulation – Kyle Rudden
- Participation in Sections and Working Groups
- IAA 2012 Q4 meetings in the region



IAA Sections

- ASTIN – Actuarial Studies in Non-life Insurance
- IACA – International Association of Consulting Actuaries
- AFIR – Actuarial Approach for Financial Risks
- IAAHS – IAA Health Section
- PBSS – Pensions, Benefits and Social Security
- AWB – Actuaries Without Borders
- LIFE – Life Section



IAA Sections

Individual actuaries should join a Section to get involved and broaden their horizons



Mortality Working Group

- Create an authoritative body of knowledge
- Data sources and collection
- Research
- Coordination of input to projects

Mortality and Longevity Needs

- Social Security – the cost of old age support
- Health care – cost of public/private provision
- Pension funds – funding of DB schemes; adequacy of DC schemes
- Life insurers – solvency and pricing
- Care services – implications

Population Issues Working Group

- Identify population issues of interest to actuaries – initial focus is ageing and migration
- Monitor population studies and research
- Create a network of interested actuaries and others

Microinsurance Working Group

- Identify actuarial needs of microinsurance organisations
- Assist in training
- Expand knowledge

Environmental Issues Working Group

- Just being established
- Initial interest from CAS/SOA, CIA, IAAust, IFA



The IAA

The International Actuarial Association provides a vital vehicle for coordinating worldwide engagement

