

The International Actuarial Association

Moving the profession forward internationally

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Secretary General 1997-2010

Singapore Actuarial Society

The International Actuarial Association (IAA)

- ▶ **Originally formed in 1895, reconstituted in 1998, and restructured in 2010**
- ▶ **The IAA has 63 Full Member Associations, including China since December 2010, and 26 Associate Member Associations, representing over 55,000 actuaries in more than 100 countries**
- ▶ **Extending accessibility to high quality actuarial services worldwide**

Institutional/Observer Members

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

- ▶ **OECD - Organisation for Economic Cooperation and Development**
- ▶ **ADB - Asian Development Bank**

Global Challenges for Actuaries

- ▶ Risk management
- ▶ Financial stability
- ▶ Financial reporting
- ▶ Mortality and longevity
- ▶ Population issues
- ▶ Environment & Climate change
- ▶ Developing economies

The Globalisation of the Actuarial Profession

- ▶ **Minimum education requirements**
- ▶ **Code of professional conduct**
- ▶ **Enhancing knowledge base**
- ▶ **Information sharing**
- ▶ **Contacts with Supranational bodies**
- ▶ **Smaller associations**
- ▶ **Global actuarial standards**
- ▶ **Global educational qualifications/
examinations?**

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.**

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
- ▶ To help improve the soundness of decisions being made on important issues with a global impact.

Supranational organisations

- ▶ **ADB, AfDB, GARP, IAIS, IASB, IOPS, OECD, PRMIA, WB**
- ▶ **BCBS, CISS, EC, FSI, IAASB, IADB, ILO, IMF, IOSCO, ISSA, JF, WHO, WTO**
- ▶ **APEC, BIS, EBRD, EIB, FASB, FSF, ICC, IFC, IDB, UNCTAD, UNO, USAID, WEF**
 - **2011 targets**
 - **2010 achievements**

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**

Prevention of future financial crises- IAA recommendations

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

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.**

Major publications

- ▶ **ASTIN Bulletin - The Journal of the IAA**
- ▶ **A Global Framework for Insurer Solvency Assessment**
- ▶ **Measurement of Liabilities for Insurance Contracts: Current Estimates and Risk Margins**
- ▶ **Comprehensive Actuarial Risk Evaluation (CARE)**
- ▶ **Note on the use of Internal Models for Risk and Capital Management purposes by Insurers**
- ▶ **Note on Enterprise Risk Management for Capital and Solvency Purposes in the Insurance Industry**
- ▶ **Stochastic Modeling – Theory and Reality from an Actuarial Perspective**
- ▶ **Monograph on Determination of Discount Rates (2011)**
- ▶ **The Role of the Actuary in Systemic Risk Regulation (2011)**

ERM and CERA

- ▶ Enterprise Risk Management (ERM) is clearly a key area of interest for actuaries. It is not an exclusive area for the actuarial profession and other organisations are active (examples being PRMIA, GARP, ERMII etc.)
- ▶ A proactive approach is required from the profession if actuaries are to take full advantage of the opportunities in this field.
- ▶ The Chartered Enterprise Risk Actuary (CERA) credential, initially developed by the Society of Actuaries, and first awarded in 2007, is the most comprehensive and rigorous demonstration of ERM expertise available.
- ▶ Recognition of the CERA credential as a global qualification in ERM has been established under the terms of a multilateral treaty signed by fourteen IAA Member Associations, representing about 85 percent of all actuaries in the world currently.

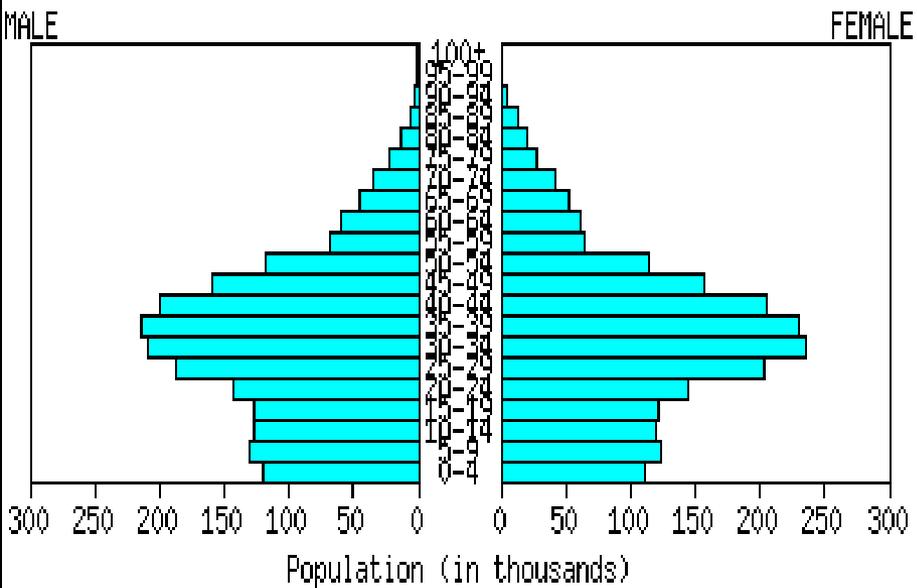
Mortality Working Group

- ▶ Create an authoritative body of knowledge
- ▶ 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 – implication

Population Issues Working Group

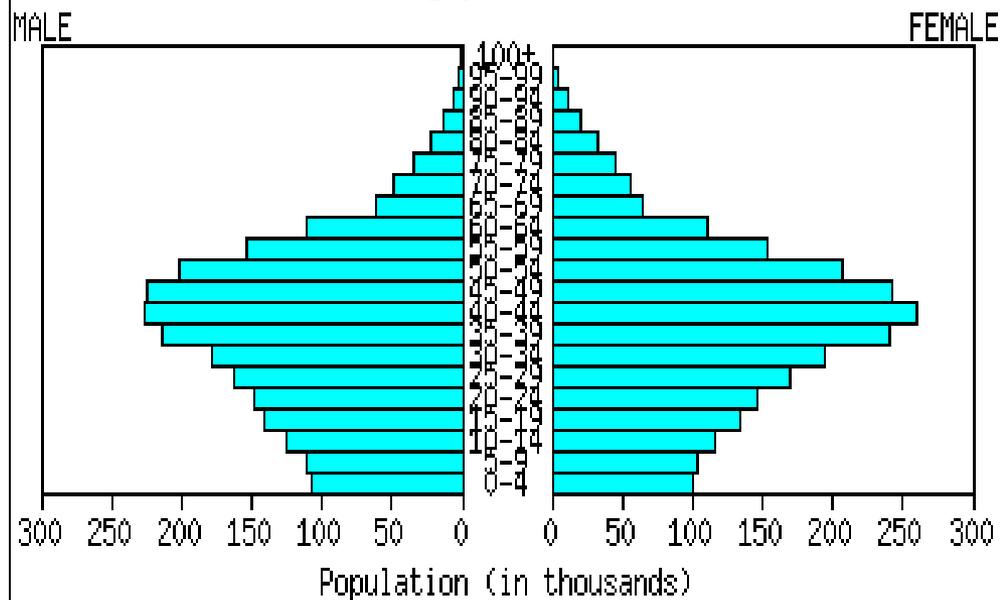
- ▶ Create a network of interested actuaries and others
- ▶ Identify population issues of interest to actuaries
 - Initial focus is ageing and migration
 - Supporting 9 billion people by 2050
- ▶ Monitor population studies and research

Singapore: 2000



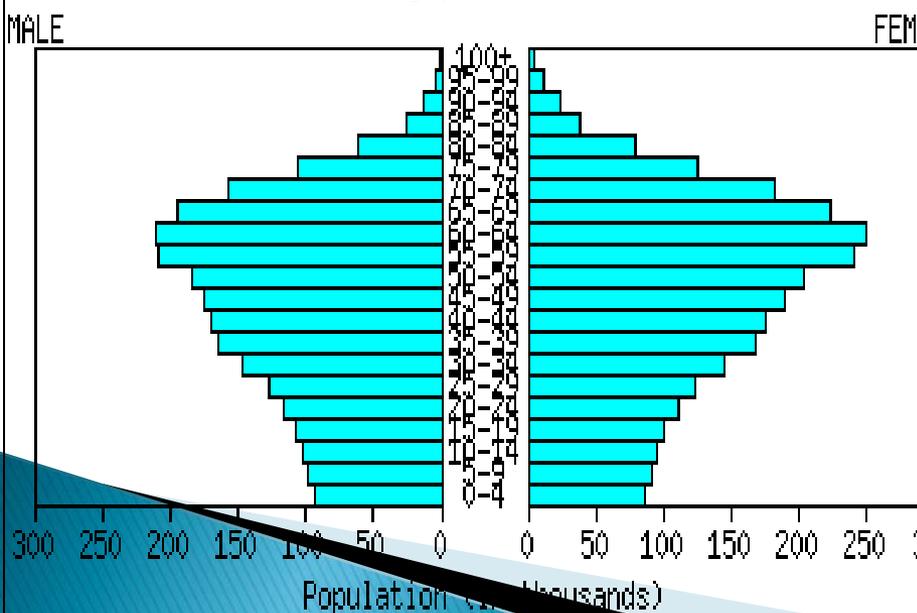
Source: U.S. Census Bureau, International Data Base.

Singapore: 2010



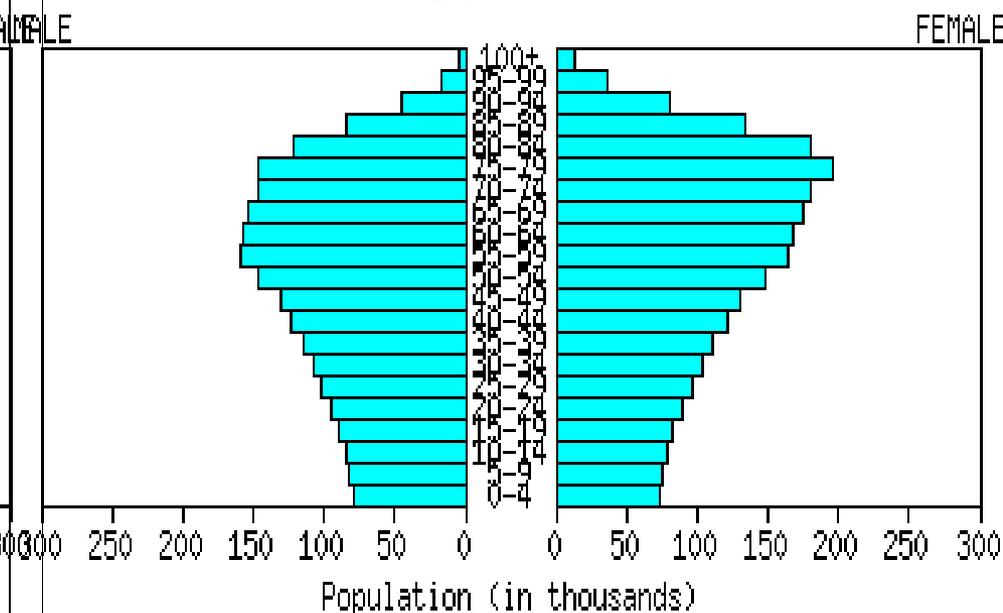
Source: U.S. Census Bureau, International Data Base.

Singapore: 2030



Source: U.S. Census Bureau, International Data Base.

Singapore: 2050



Source: U.S. Census Bureau, International Data Base.

Microinsurance Working Group

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

Environmental Issues

Working Group

- ▶ Created in December 2010; a few member associations have already created a special interest group
- ▶ 1st Asia Climate Summit held in Singapore in January 2011
- ▶ Climate change, resource depletion and other environmental factors increase uncertainty and may entail discontinuities rather than incremental adjustments in some of the assumptions that we derive from past experience.
- ▶ These changes are likely to be pervasive and affect actuaries working in all areas be it life, non-life, pensions and social security , health, ERM and others.
- ▶ Individual actuaries invited to join

Islamic Finance Discussion Group

- ▶ Support to actuaries practicing in the Shariah legal context
- ▶ Support to IAA Committees on Insurance Accounting, Insurance Regulation, Pension and Employee benefits, Education
 - Harmonization with Solvency II (or III), IFRS4, IAIS19 and in general reporting and accounting rules applying to conventional business
 - Review of syllabus and model standards

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.**

Actuarial Standards

- ▶ **The Task Force set up to address the strategic goals of the IAA recommended a goal of “medium convergence”.**
 - **model International Actuarial Standards of Practice should be developed for Member Associations to adopt, adapt or confirm congruence with, on a voluntary basis over the foreseeable future.**
- ▶ **In October 2010 Council set-up an interim structure to develop IASP’s for IFRS4, IAS19, Social Security calculations and for work in ERM, together with a Generic IASP to accompany them.**
- ▶ **The IAA also hosts a Standard Setters Roundtable,**

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.**

IAA Fund and Special Fund

- ▶ **Special Fund created in 2010 to facilitate the participation of associations and individual actuaries from smaller and developing countries**
- ▶ **IAA Fund created in 1991 to stimulate and support the development of the actuarial profession and actuarial education in actuarially developing countries, in particular where there is no professional association or where the local association is at an early stage of development.**
- ▶ **For 2011 meetings are planned**
 - **for Latin America in Bogota, Colombia on 31 August or 1 September, followed by the 21st Panamerican Congress of Actuaries**
 - **for new associations in the Balkans to follow on from the IAA meetings in Zagreb on 3-4 October (in Zagreb)**
 - **for Africa, possibly to be held in Kenya at the beginning of November, although this is still not confirmed.**

Strategic Objective 5

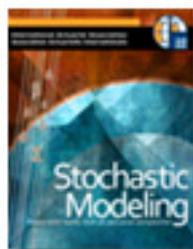
- ▶ Provide a forum for discussion among actuaries and actuarial associations throughout the world.

Since 1998 the IAA has operated as an e-organisation to facilitate worldwide communications within the global profession



INTERNATIONAL ACTUARIAL ASSOCIATION

Founded in 1895, and reformed in 1998 with a new constitution, the International Actuarial Association (IAA) is the worldwide association of professional actuarial associations, with a number of special interest sections for individual actuaries. The IAA exists to encourage the development of a global profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served. [Read More ...](#)



- Statutes & Internal Regulations
- Strategic Plan
- Standards
- Education Guidelines & Education Syllabus
- Papers
- Public Statements

Vision Statement

DEADLINES

BALLOTS

- Electronic Voting Ballot (Motions) *(Due date: 15 March 2011)*

ASSOCIATION REQUIREMENTS

- IAA and Section Dues for the Year 2011 *(Deadline: 31 January 2011)*
- 2010 Annual Confirmation Form *(Deadline: 25 March 2011)*

HOT TOPICS

- News Release February 17, 2011 - Educational Monograph: Determination of discount rates for financial reporting purposes
- NEWLY RELEASED PUBLICATION: Stochastic Modeling – Theory and Reality from an Actuarial Perspective
- Note on the Use of Internal Models for Risk and Capital Management

IAA Sections

- ▶ **ASTIN – Actuarial Studies in Non-life Insurance**
- ▶ **IACA – International Association of Consulting Actuaries**
- ▶ **AFIR – Actuarial Approach for Financial Risks-will expand to include ERM**
- ▶ **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

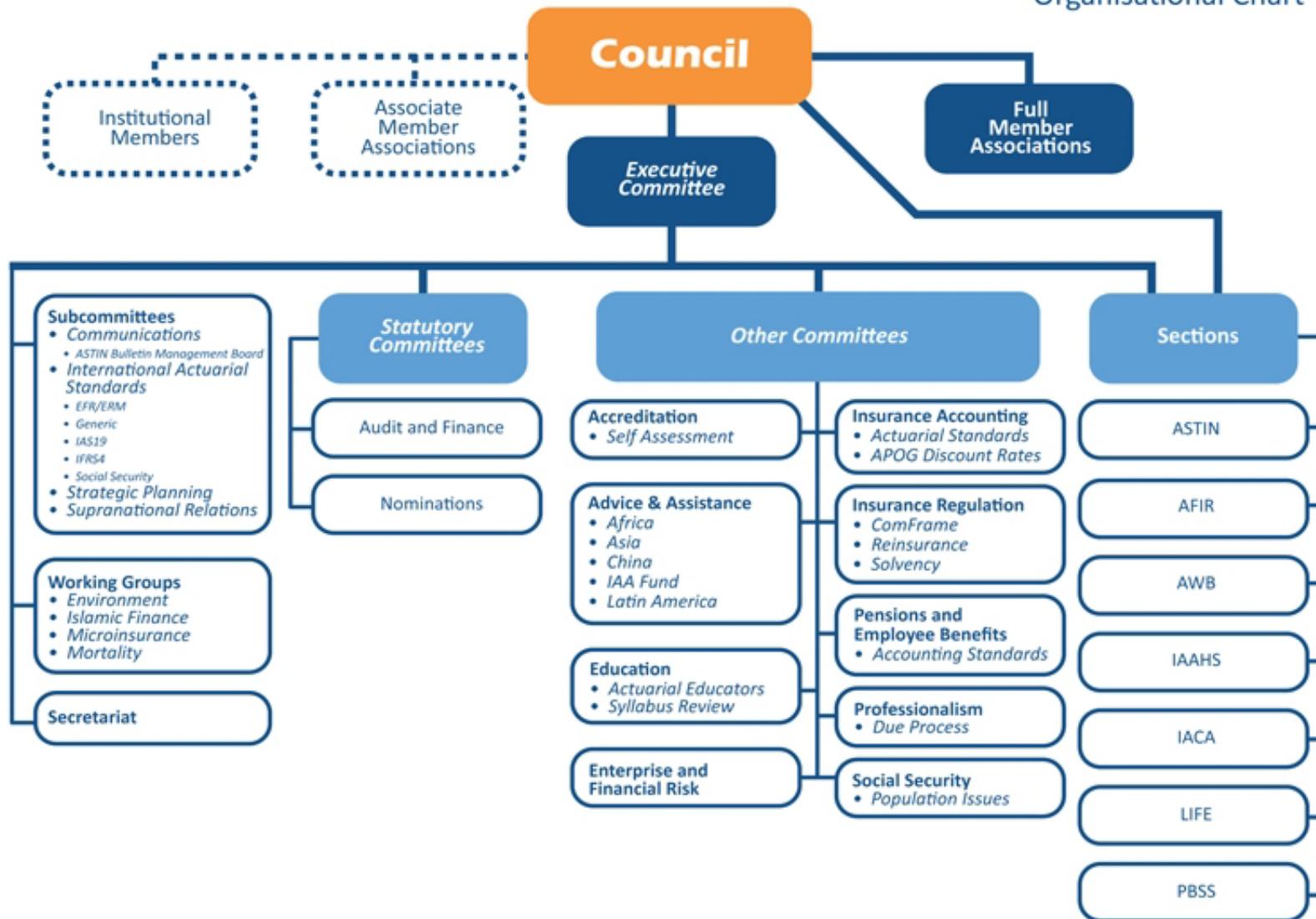
Volunteers are welcome!

Forthcoming meetings

- ▶ **Committees, Council and President s' Forum in Sydney, Australia, from April 6th to 10th 2011**
- ▶ **Also in 2011, June 19-22 a joint colloquium of the ASTIN/AFIR sections in Madrid, Spain. September 26-27 the PBSS section will hold a colloquium in Edinburgh, Scotland.**
- ▶ **Looking ahead to 2012, the IACA and the IAAHS sections will be in Hong Kong and in 2013 the IAA meetings will come to Singapore likely back to back with EAAC meetings**
- ▶ **The 29th International Congress in Cape Town, South Africa, in March of 2010 was extremely successful In March/April of 2014, the 30th ICA will be held in Washington, DC. In 2018, the 31st Congress will take place in Berlin, Germany.**

International Actuarial Association

Organisational Chart



All actuaries can contribute

- ▶ Representation in Council; 8 Executive Committee members elected at large
- ▶ Participation in one or more of 17 Committees and 7 Sections plus Working Groups & Task Forces on specific issues
- ▶ IAA facilitates remote participation through electronic means:
 - E-mail and List servers
 - Multilingual website
 - Teleconferencing and Skype
 - Webcasts
- The Global actuarial e-Library offers over 1 m selected documents accessible to actuaries from all over the world and searchable in 8 languages

The IAA

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

www.actuaries.org