



The Role of the Actuary in the International Scope

Presentation by President Kurt Wolfsdorf

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Moving the profession forward internationally

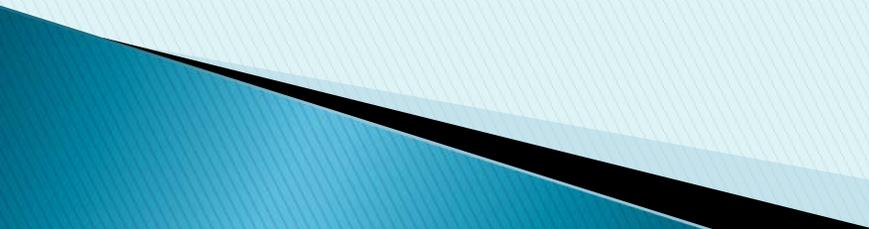


About the IAA

- ▶ Worldwide association of professional actuarial associations
 - 64 Full and 28 Associate Member associations representing approximately 60,000 actuaries in more than 108 countries
- ▶ 7 special interest Sections for individual actuaries
- ▶ Over 750 volunteer actuaries (Council, Committees, Sections) and 9 staff
- ▶ Based in Ottawa, Canada – constituted in Switzerland
- ▶ Exists to encourage development of a global profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served



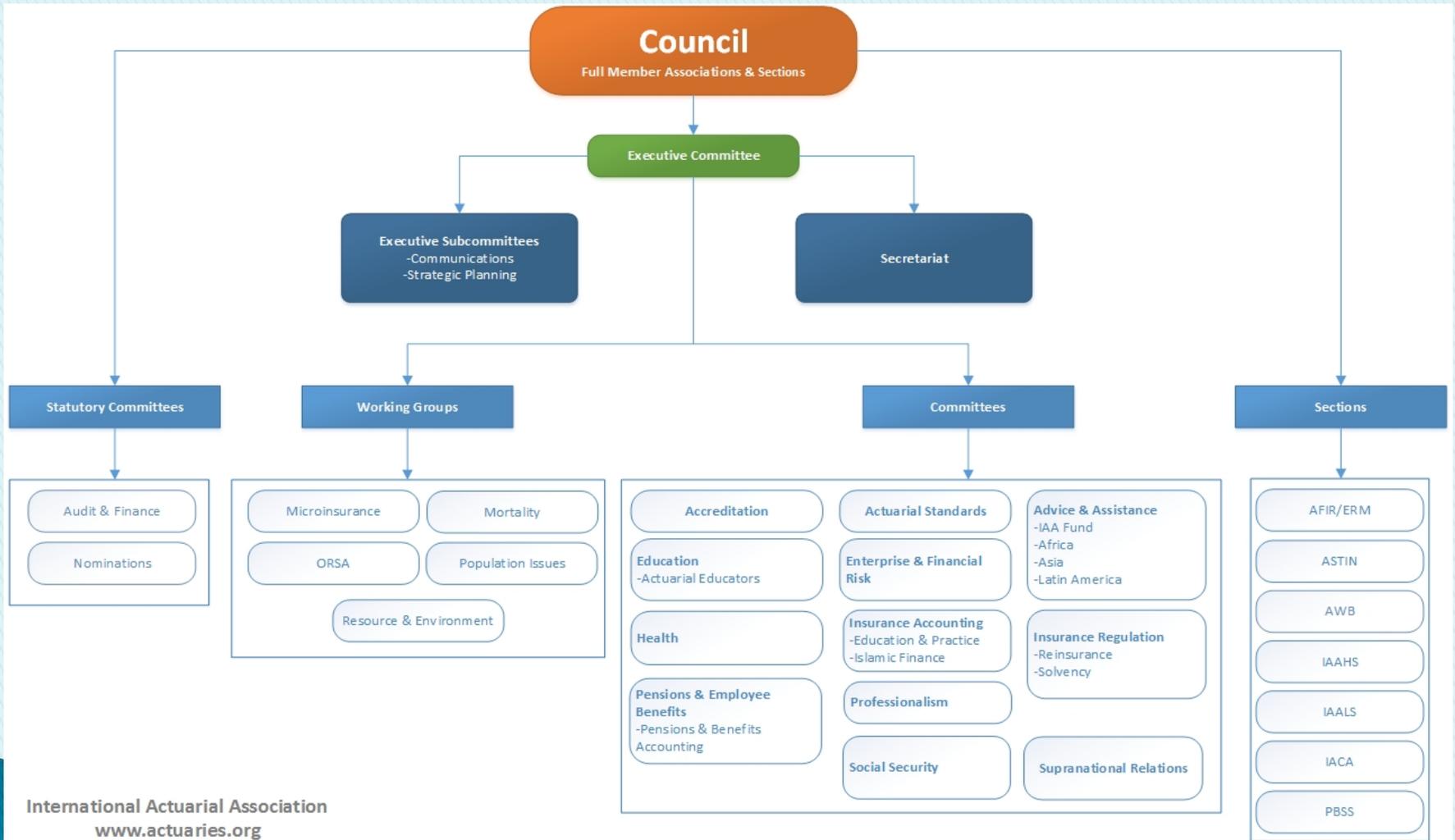
Criteria for maintaining Full Membership status

- ▶ Must not act in a manner that is prejudicial to the aims or interests of IAA
 - ▶ Must have a code of conduct which must be consistent with certain principles
 - ▶ Must have a formal disciplinary procedure, including procedures for initiation of complaints, due process of defence and appeal
 - ▶ If FMAs adopt standards, they must have a formal process to do so
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How we are organized

- ▶ Council
 - Main decision body
 - Full Member associations and Sections entitled to one Delegate each
- ▶ Officers: President, President-Elect, Immediate Past President
 - elected by Council; 1 year terms
- ▶ Executive Committee: Officers and 8 members at large
 - elected by Council; geographical representation; no explicit goal regarding practice area or type of employment
- ▶ Strive for diversity: cultural, linguistic, gender, geographical

Organization Chart



IAA Strategy

- ▶ Vision
- ▶ Mission
- ▶ Values
- ▶ Subsidiarity
- ▶ Strategic Objectives

Vision

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.

Mission

- ▶ 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.

Values

- ▶ Integrity
- ▶ Accountability
- ▶ Transparency
- ▶ Objectivity when dealing with Member Associations, other stakeholders and the public

Principle of Subsidiarity

- IAA activities relate to strategies and programmes which require international co-ordination or direction
- IAA assists at national level on invitation of local actuarial association or group
- IAA and member associations collaborate to avoid duplication or overlap of activities
- IAA is developing model standards – implementation is a local issue



Strategic Objectives

1. Identify, establish, promote 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.
2. Facilitate the coordination, 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 Objectives *(cont'd)*

3. Establish, maintain and promote common standards of actuarial education and common principles of professional conduct. Promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards.
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.
5. Provide a forum for discussion among actuaries and actuarial associations throughout the world.
6. Improve recognition of the actuarial profession among external audiences, including employers, other professionals, academics, business at large, policy makers, regulators, students, and the public.

PRIORITY: Strategic Objective 1

- ▶ Relationships with key supranational audiences
- ▶ Provide actuarial input to improve the soundness of decisions being made on important issues with a global impact



International Co-Operation

- ▶ 5 Institutional Members - Have engaged in Memorandum of Understanding with each of them
 - International Accounting Standards Board
 - International Association of Insurance Supervisors
 - International Organization of Pension Supervisors
 - International Social Security Association
 - Organization for Economic Co-Operation and Development
- ▶ 1 Observer Member
 - Asian Development Bank



Other organizations we have contact with

- African Development Bank
- Inter-American Development Bank
- International Auditing and Assurance Standards Board
- International Labour Organization
- International Monetary Fund
- International Valuation Standards Council
- Microinsurance Network
- United Nations and UN Commission on Trade and Development
- World Bank
- World Health Organization



CERA - the Enterprise Risk Management (ERM) credential

- ▶ most comprehensive and rigorous globally-recognised Enterprise Risk Management designation
- ▶ supported by 13 member associations in 12 countries, including many of the major economies

International Standards of Actuarial Practice (ISAPs)

- ▶ ISAP 1 – General Actuarial Practice (adopted November 2012)
 - general standard will apply to all actuarial services performed by an actuary except for those elements of guidance explicitly superseded by another standard such as a practice-specific standard or by law
- ▶ ISAP 2 – Social Security (expect October 2013 adoption)
 - intended to apply to actuaries who are performing, reviewing, advising on, or opining on financial analyses of social security programs

International Standards of Actuarial Practice *(cont'd)*

- ▶ ISAP on actuarial services in respect of IAS 19: exposure draft October 2013 (expected final adoption in 2015)
 - provide guidance for actuaries providing actuarial services under IAS 19 to facilitate convergence in actuarial practice within and across jurisdictions
 - increase confidence in actuarial services provided under IAS 19



International Standards of Actuarial Practice *(cont'd)*

- ▶ ISAP on actuarial services in respect of IFRS 4: Insurance Contracts: Targeting draft Statement of Intent by end of 2013 (expected final adoption in 2017, prior to effective date of revised IFRS 4)



Other recent important work

1. Educational monographs
 - Stochastic Modeling (*published in 2010, reprinted in 2012*)
 - Discount Rates (*to be published in August 2013*)
 - Risk Adjustments in Financial Reporting (*to be published in 2014*)
2. Role of the Actuary Paper
 - Adopted by Executive Committee June 18
 - To promote the importance of, and educate on, the function of actuary
3. Paper on Systemic Risk Regulation
 - Published June 2013
 - will help actuaries deal with the assessment of systemic risk in insurance markets



Iberian Contribution to development of actuarial profession throughout the world

- ▶ Iberian Education Modules targeted to Latin America and some parts of Africa
- ▶ Available in Spanish and Portuguese
- ▶ Provides a reasonable template for an actuarial association wishing to become an IAA Full Member

Questions?



www.actuaries.org