



## **Joint Colloquium of the IAA AFIR-ERM, Life and PBSS Sections Gala Dinner, Château de Saint Trys – Monday, June 24, 2013**

### **Kurt Wolfsdorf President of the IAA (2013)**

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As many of you know, the IAA is the worldwide association of professional actuarial associations. We currently have 64 Full and 28 Associate Member associations representing approximately 60,000 actuaries in more than 108 countries; it is important to note that the scope of some member associations covers more than one country. We are currently working with associations in 12 additional countries toward membership in IAA and we have contacts in 18 other countries where there are actuaries, but no association.

We are gathered here this week to join 3 Sections of the IAA: PBSS, Life, AFIR-ERM. The IAA has 4 other Sections: ASTIN (non-life), Health, IACA (consulting section) and AWB (Actuaries Without Borders). The focus on this latter Section is on strategic objective in support of 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.

There are over 750 volunteer actuaries from around the world working together to achieve the various objectives of the IAA through the work of our Council, Committees, and Sections. For all of this work, we are supported by a staff of 9 full-time employees who are based in Ottawa, Canada, although our constitution is in Switzerland.

We exist mainly to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served.

As mentioned during the opening session this morning, we have recently concluded our first set of meetings for the year; hence my update to you on all the important work being carried out at the IAA is very relevant.

The highlight of our Council meeting was the address by Mr. Errol Stoové, President of the International Social Security Association, whose speech at Council stated the importance of actuarial matters, including strategic issues relating to the sustainability of social security systems. Mr. Stoové provided an overview on ISSA, followed by highlights of its many accomplishments and plans. He addressed ISSA's growing collaboration with the IAA, which has been well appreciated, and stated that they look forward to the publication of the International Standard of Actuarial Practice 2: Valuation of Social Security

Programmes (ISAP2) and to continue to mutually cooperate on other projects and attend each other's events. In his words, as social security is increasingly in the spotlight and faced with a range of challenges – demographic, financing and management amongst others – this relationship provides an excellent and mutually beneficial base for future work and ultimately, for strengthening the financial, social and political sustainability of social security systems around the world.

As I mentioned during the opening this morning, Gabriel Bernardino of EIOPA was also a guest speaker at the IAA meetings last month. Mr. Bernardino spoke at the Presidents' Forum about the present economic challenges in Europe, Solvency II and the new role of EIOPA as one of the European supervisors. In closing, he reiterated that EIOPA will be contributing to the development of sound global regulatory and supervisory standards (not just for Europe) in insurance and pensions. His parting words to the IAA were that standards will be there in the future although he could not predict when nor who would be developing them. His message was clear: "There is a role for the actuarial profession and there is a role for the IAA. You should not wait to be asked; think about the future and lay out the agenda yourself."

Other activities of the Council include the support for a strategic action plan for international standards of practice which has now been released for formal approval and the adoption of an updated version of the IAA's overall Strategic Plan. The most significant change was to include branding of the actuarial profession at the global level as an explicit objective. Strategy and branding will continue to figure prominently on our agenda in the coming months as we continually seek to achieve our vision of worldwide recognition of 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, contributing to the well-being of society as a whole.

In 2010, the IAA published its first educational monograph on Stochastic Modeling. This publication was a success and in 2012 we had exhausted our first supply and commissioned a reprint. We anxiously await the publication of our second educational monograph, on Discount Rates, in August and to the publication of a third one on Risk Adjustments in 2014.

The IAA's priority is to undertake activity in relation to Strategic Objective 1: relationships with key supranational audiences and providing them with actuarial input to improve the soundness of decisions being made on important issues with a global impact. In this respect, the work of many of our committees is focused on responding to requests from key supranational organizations on matters of actuarial importance. Specific activities include the development of model international standards of actuarial practice, providing input on the various exposure drafts and papers of these organizations, and providing advice on topics of mutual interest.

The IAA currently has 5 Institutional Members

- 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

and we have engaged in Memorandum of Understanding with each of them in order to ensure continued collaboration and focused activity.

The IAA Executive Committee adopted last week a value proposition statement for the actuarial profession, intended to help someone who is unfamiliar with the work of actuaries to understand when and why to engage the services of an actuary. This statement is accompanied by a paper on the Role of the Actuary. This initiative of the IAA is intended to, not only help educate our various stakeholders about the importance of the actuarial profession, but also to serve as a tool that can be used by our member associations for the benefit of the profession locally. We consider this our first activity in the area of global branding.

In concluding, I would like to remind you that the highlight of the global actuarial profession in 2014 will be the International Congress of Actuaries, to be held in Washington US March 30 to April 4. This Congress, which is held every four years, will include specialty tracks for each Section of the IAA. I look forward to seeing many of you there!

Encore une fois, félicitations à toutes les personnes qui ont participé au succès de ce colloque. Un grand merci aux nombreux collaborateurs, à la Cité de Lyon pour leur accueil chaleureux et surtout à l'Institut des Actuaire pour avoir relevé le défi de nous offrir un colloque mémorable!