

IAIS Conference
(International Association of Insurance Supervisors)
Santiago – Chile
Friday, 11th October 2002
Edward J Levay – President IAA

Señor Manuel Aguilera
IAIS Executive Committee
Distinguished guests
Dear friends

Thank you for the kind hospitality that you have extended to me and to the International Actuarial Association, the IAA, here in Santiago. This has been a fascinating and thought-provoking three days of presentations and discussions. The Challenges facing the Insurance Industry and its Regulators are greater than ever. But so too is the quality and professionalism of those facing these challenges.

For those of you who do not know, the IAA is the ‘umbrella organisation’ for over 40 National Actuarial Associations and covering more than 95% of all practicing actuaries. The IAA is over 100 years old and its aims include working with other International Organisations to provide objective advice for the public good. We take this obligation to the public good very seriously. Even with all our responsibilities as actuaries to the Regulators, to Boards of Directors and to the public, we see our ultimate responsibility being focused on the consumer (even where that might conflict with our employers!).

The IAIS is one of only three Institutional Members of the IAA, the others being the IASB [International Accounting Standards Board] and the ISSA [International Social Security Association]. Institutional Members are organisations that we see as sharing our goals and aspirations for well managed and financially sound international insurance community. They are our sister organisations.

And, with these shared goals, it comes as no surprise to me that so many individuals here today, with roles in the IAIS, are also members of the Actuarial Profession. Its has made me feel very much at home.

Within the IAA, our work towards these shared goals of well-managed and sound insurers has focused on raising standards of competence and integrity. We seek from our member organisations high standards of training and education, backed by standard syllabuses and examinations. In this way, actuaries from associations in the IAA can be relied on to be highly competent advisors to companies, to policyholders and regulators.

And we seek to promote personal integrity and objectivity by requiring high standards of conduct and backing these by tough disciplinary procedures. No Organisation is accepted as a member of the IAA without meeting these standards.

Actuaries with these qualities of competence and integrity are available to you as Regulators to use either within your organisations or to meet specific responsibilities for Individual Insurers.

And, in a more subtle way, these qualities are an important strand in promoting a culture of competence and integrity within the Insurance Industry.

The relationship between the Insurance Regulators and the Actuarial Profession is a relationship of great value and great effectiveness.

From our side, we will seek to keep that relationship fresh with better communication and stronger standards. More specifically, we offer help to any Supervisor that would like actuarial support for individual projects or to help the development of an Actuarial Profession in your country. Our own resources are limited but we are often able to find actuarial organisations that are prepared to support secondments of training programmes.

From your side, we see goodwill and willingness to listen and discuss, which we value greatly. And here I particularly welcome the encouragement that we have received for our work on risk based capital structures, through Michael Hafeman and his committee, and our work on actuarial standards to support the IASB, through Florence Lustman and her colleagues. These initiatives will bring major changes and challenges to the Insurance Industry and it is essential that our Organisations continue to work together for robust and practical solutions.

Through initiatives such as these, we can respond to the global companies, the global communications and the global capital markets that are driving our changing world.

Earlier this year, Señor Aguilera, you were kind enough to accept our invitation to attend the 27th International Congress of Actuaries held in Cancun, Mexico. Moreover, you impressed the members by delivering not one but three important and perceptive presentations on the issues facing the Insurance Industry and the IAIS. We were most grateful and we could sense then the start of a real and fruitful dialogue between the IAIS and the IAA.

The IAIS can turn to the Actuarial Profession for support that is objective and we hope insightful.

And we trust that the IAIS will regard the Actuarial Profession as an ally in the struggle for a sound and prosperous Insurance Industry.

Thank you once again, Señor Aguilera for your warm hospitality and I look forward to the continuing and increasing dialogue between our two Organisations.

Thank you.