



PENSIONS, BENEFITS AND SOCIAL SECURITY SECTION (PBSS)

Minutes of the Committee Meeting of the PBSS Section held on Wednesday 14 November 2012 from 16:30 to 18:30 hrs at the Sheraton Nassau Beach Resort & Casino, Nassau

1. Introductions and Apologies

The Chairman (Marius du Toit) welcomed everybody to the meeting. It was attended by 7 PBSS committee members (including 2 members via telephone) and two observers.

2. Adoption of Agenda

The Chairman briefly discussed the agenda and the following two agenda items were added:

- Cost distribution of ASTIN Bulletin
- Editorial Policy of ASTIN Bulletin.

3. Future Colloquia, Meetings, Conferences or Seminars

On the 2013 Colloquium to be held at Lyon, France, on 23-26 June 2013, Mr Chris Daykin reported the following: (i) It is quite a big event since not only three sections are involved but also a summer school will be combined at the same time. (ii) Registration is getting within reach now and will soon begin in December, through a French website. If you come to the IAA website, it will be redirected to the French site, which is the same way as in the Colloquium held at Helsinki. It was noted that the organiser's main concern was about social security elements.

On the ICA 2014 to be held in Washington DC, USA, from 30 March to 4 April, Mr Robert Brown reported the current situation as follows: (i) 221 responses for papers were received until the September deadline. (ii) 45 responses among them clearly belong to the category of pensions and social security. (iii) 9 responses are in overlapping areas of insurance and pensions, things like mortality trends, modelling longevity, variable annuities, mortality sensitivity, etc. (iv) Some responses will be rejected since they are very centric type of reports of a little country and have no broad implication or general application. (v) However, the scientific committee is thinking about another option, namely dealing them as a 'poster option'. That is to say, although the paper concerned does not really belong to the program, it is put up in the central observation hall and everybody can chat about the matters. (vi) A 90 minutes session will be organised with three presentations. (vii) there are large imbalances among the categories with respect to the number of papers belonging to the category. (viii) Of course, the organising committee is not solely relying on the papers applied but some plenary sessions and key-note speakers will also be arranged. (ix) The papers applied are widespread geographically, because of the traditional situation that the US actuaries are usually not widely participating in the ICA. Thus the papers to be presented will not be overwhelmed by US actuaries. (x) Everything is very well organised and thus the concrete time schedule will be sent before the first notice of the registration.

On the 2015 Colloquium to be held in Oslo, Norway, in May/June 2015, Mr Chris Daykin said that the Colloquium will be a joint Colloquium with the Life section. It is on track, but it is still in early stage and the date has not been fixed yet.

On the 2016 Colloquium, the Chairman noted that we received an offer from Canada to host in Halifax, Nova Scotia, Canada (in June?). The chairman also noted that it will be held jointly with other sections like Life section and Health section. With reference to the issue, Mr Chris Daykin commented that Caribbean actuaries are quite open to hold a Colloquium with the IAA sections. Ipebla was also keen to partner for the 2016 colloquium.

Mr Abraham Hernández Pacheco offered to hold a Colloquium in Mexico City in the future. He said that the Mexican actuarial society held a joint colloquium of AFIR and LIFE a couple of months ago which had gone well, so they want to hold another one. Mr Abraham also suggested that the Colloquium will be held jointly with the Health section. The Chairman suggested holding the Colloquium provisionally in 2017 and Mr Abraham agreed. All of the committee members attended at the Meeting agreed the offer of Mr Abraham. Mr Chris Daykin suggested that, as the 2018 Congress will be held in April or May, it would be better if the Colloquium will be held not at the far end of 2017 but at about the middle of the year. Mr Abraham agreed and suggested that April or May might be the good time of the year.

4. Finance report

Firstly, the offer of the JSCPA was considered at the Meeting, namely paying the annual dues in full for certain number of its members and reduced amounts for other members. Mr Chris Daykin noted that the JSCPA is still keen to proceed the issue. The Chairman reported that at the recent meeting of section treasurers nobody objected the issue. The Chairman would take the matter further with a view to finalising before the next meeting. It was noted that Mexico might be interested in a similar arrangement.

On the budget of the next year, the Chairman explained that in the income statement we have 485 memberships at CAD 50 per person. Administrative cost is about CAD 9,400. Mr. Doug Andrews reported that the accumulated surplus is CAD 44,809 at the end of 2011. Chris Daykin noted that the PBSS section had very low surpluses in the past but now it is in a relatively good position.

Mr Chris Daykin noted that a couple of travel support (in total CAD 5,000?) will be needed next year to attend some closely related meetings. Mr JC Menard mentioned about the ISSA meeting to be held in Muscat, Oman, in February 24-25 February (Saturday and Sunday) next year. The Chairman mentioned that Mr Doug Andrews appropriated about CAD 5,000 in the budget for the support to attend meetings.

(Mr JC Menard and Mr Robert Brown left the Meeting since they had to attend another meeting.)

Mr Abraham Hernández recalled that the Committee was considering ways to spend some of the PBSS money to offering travel bursaries to attend the 2014 Congress for PBSS members. Mr Chris Daykin said that ICA is going to prepare an apparatus for giving bursaries for Congresses whereas generally the PBSS Colloquiums are not supported in that way. Mr Christian Levac said that at the occasion of attending other colloquium held in Mexico City recently, he was informed from a French delegate that they had approaches of other sections to contribute money for bursaries for attending the Lyon Colloquium. Then the Chairman proposed to consider offering bursaries up to CAD 5,000 to facilitate to cover (for example) the registration fee of PBSS Colloquium and ICA and everybody agreed to consider the proposal. Up to 5 bursaries of CAD1000 each will be offered.

The Chairman mentioned the draft policy on the initiative of cost distributions between IAA Secretariat and IAA Sections. The Chairman said that we have to sign presumably this week. The Chairman explained the contents of the draft. For instance, direct costs of a section will be directed to the section and general administrative time will be apportioned proportionately in accordance with time spent by admin staff. Mr Chris Daykin recalled the past discussion about rich sections and poor sections. The Chairman noted that there is also 10% subsidy and IAA will pay something back to

sections. Mr Christian Levac explained the basic idea, namely all of the costs that the secretariat provided to sections in the year less 10% is divided up amongst the sections according to how many members there are in the section. The estimated amount per member in this year is about CAD 20.

5. Membership and constitution

The Chairman mentioned that we still need a vice-chairman. However, nobody in the Meeting showed interests in filling the post.

6. Cooperation with ISSA, ILO and other organisations

Mr Junichi Sakamoto explained about the ISSA meeting in Berlin. (i) The meeting was divided into two parts, the one about pensions and the one about health system. (ii) As for the pensions part, there were discussions about automatic balancing mechanisms, funded and unfunded schemes, etc. (iii) There was also a country specific presentation about the German pension system. Mr Chris Daykin supplemented as follows: (i) There were also some discussions about the activities in the next 5 years. Among them is sustainability of pension systems, which will be the main topic of the Muscat Meeting. (ii) There was also a supranational committee and there were very fruitful discussions about the topic with the representatives of ILO, ISSA, WHO, etc. The atmosphere was welcoming more cooperation, working together and keeping good relationship. Mr Sakamoto added that with respect to the relationship with the ILO, Michel Cichon of the ILO proposed that there should be a MOU between IAA and ILO by the end of this year. For the IAA side, Ken Buffin is dealing with this. Mr Chris Daykin mentioned that the ILO is doing work particularly on the minimum protection floor (pillar zero), whose scope is not restricted on pensions but includes some other areas. He also said that the ILO is trying to develop some actuarial methodologies for dealing with that type of work in relatively low information countries. They are running a seminar at the Turin Centre for training purpose. He also mentioned about the actuarial analyst qualification in the UK. He said that such qualification is meaningful for social security actuaries in African nations and so on since full qualification as an actuary is a long route. Among them the social security module is provided by the ILO.

7. Website and information exchange

On the issue of reading list, Mr Abraham Hernandez said that he will send the list hopefully this week. As for the issue of section library, it was agreed to block the section library for the benefit of the PBSS section.

The Chairman proposed offering prizes for the papers on pensions either published in the Astin Bulletin or presented at PBSS Colloquiums or ICA Congresses. The Chairman noted that the AFIR section and the Life section have prizes. Then it was agreed to offer prizes of CAD 1,000 from next year (2013) for the best papers published on Astin Bulletin or presented at Lyon Colloquium.

The issue of how to increase the PBSS members was also discussed. Many ideas were proposed and Mr Christian Levac explained the situation in several countries including Portugal. However, no conclusion was reached at the Meeting.

8. Added agendas

Mr Christian Levac explained about the ASTIN bulletin as follows: (i) The current contract will be nullified and the publisher will be transferred to Cambridge. (ii) Fixed cost is about CAD 10,000 a year. Cambridge showed a spread sheet for cost expectation. (iii) One issue is whether or not each section wants paper copies to the members. Some sections like AFIR and ASTIN selected the option of paper copies to the members for 2013. Life and PBSS sections have the option of electric copy only. (iii) About the costs of each option, we have 3, 000 copies right now. Even if we are going to have three issues next year, the cost of printing and distributing copies is CAD 5.18 (printing cost). (iv) It was

agreed long ago PBSS pay CAD 5 for an issue. (v) The variable cost will drop by 50% if electronic copy only. (vii) Last year, the cost for the PBSS section was CAD 3,400. Mr Gary commented that electronic paper is more useful in these days.

On the editorial policy of Astin Bulletin, Mr. Chris Daykin said that the present policy is quite narrow and it only encourages mathematical scientific papers and which is disadvantageous for the pensions area. He said that Astin Bulletin is a journal of IAA and thus the editorial policy should be broadened and should be equipped with wider criteria. Mr Abraham and Mr Nobu expressed agreement to the opinion of Mr. Chris. Mr Gary noted the importance lies on the quality of papers, not on whether or not it is mathematical.

Mr Chris Daykin said that he belongs to the editorial board of Cambridge University Press for the actuarial science textbooks and he is looking for anybody interested in editorial topics on social security issues.

9. Close

The Chairman noted that the next Meeting will be in Lyon, in June next year. There being no further business, the Chairman closed the meeting, and thanked all for their attendance.

Chairman, PBSS

November 2012