



PENSIONS, BENEFITS AND SOCIAL SECURITY SECTION (PBSS)

Minutes of the Committee Meeting of the PBSS Section held on Wednesday 09 October 2013 from 16:30 to 18:30 hrs at the Pan Pacific Hotel, Singapore

1. Introductions and Apologies

The Chairman (Marius Du Toit) welcomed everybody to the meeting. Eleven PBSS committee members attended the meeting (including three members on the phone. See the table on page 7).

2. Feedback of Lyon Conference

Firstly, Mr Régis de Laroullière (from France) reported on the Lyon Colloquium held on June 2012 as follows:

It was a joint event of three sections (AFIR/ERM, PBSS and LIFE), a summer school of the Groupe Consultative Actuariel Européen and a French summer school that was organised as one event. 265 actuaries from 38 countries attended the Colloquium. The theme of the Colloquium was "Building a System for the Future." The Colloquium was composed of three sections. More than one hundred papers were submitted and among them 75 papers were selected for presentation, which was more than expected and we had to run many parallel sessions. All the papers are obtainable from the IAA website.

In the morning on Monday 24th, we had presentations of some very important persons, including Mr Gabriel Bernardino, who is the president of the EIOPA (European Insurance and Occupational Pensions Authority). He gave an address on the Solvency II reform that will be in force by the beginning of 2016. Mr Denis Kessler, the CEO of SCOR (a reinsurance company), gave a presentation on different ways to solve the debt crisis. In addition, Mr Bernard Spitz, the chairperson of the Fédération Française des Sociétés d'Assurances (FFSA), made a presentation on financial regulation and explained why it would be good to delay regulations a little bit longer. There was also a round table on the use of internal models by the president of the GCAE (The GCAE recently changed its name to the Actuarial Association of Europe).

Then, Mr de Laroullière expressed his thanks to the PBSS members for reading papers and supporting the selection of the best paper of the Colloquium. The best paper was "Market Consistent Valuation of Cash Balance Liabilities" by Mary Hardy, David Saunders and Xiaobai Mike Zhu.

In addition to the program, there were several social programs, including visiting Old Town and vineyards surrounding Lyon, a welcome cocktail at Palais de la Bourse, a Gala dinner in the Château de Sainte-Trys and a welcome reception hosted by Gérard Collomb, who is Senator-Mayor of Lyon, in the City Hall of Lyon. He gave a very interesting speech, which is on the website and downloadable.

3. Preparation of ICA 2014 in Washington

Mr Robert Brown reported that in total 229 papers have been submitted in all areas and 51 of them came under the PBSS. He said they decided six of the PBSS papers to be presented as posters. He described those papers as being very nation-specific and not having general application.

In addition, he noted that in some sense the poster presentation could be viewed as advantageous because you have a longer period over which your paper is exposed to interested delegates. The posters will be in a 'town mall' area within the hotel and during all breaks they will be available to describe to congress participants what they have done and findings, and take a discussion and Q&A.

Then, Rob explained that it left 45 papers for presentation and there would be 15 time slots at the Congress. He explained that they have allocated three papers per time slot. He reminded the committee members that it would be pretty tight and it would end up with 22 or 23 minutes to make a presentation. There would be 90 minutes in total in a time slot, and we would have to introduce the authors and have Q&A during the period.

Rob mentioned the possibility that some of the 45 authors could not finish the products before the deadlines. He said that in such cases, they would have to make a decision as to whether we have two presenters in the time slot or move some of the posters into the presentation slots. However, he noted that the latter case would be with small probability since the posters are chosen because of their specificity from the point of view of having general application.

Rob explained that each of the time slots would have an overarching theme, like 'Financing Public Service Pension Plans', 'Social Security Update Education', or 'Changes to Regulations for DB Plans'. He said that we would have one general session that we have filled ourselves, in a sense, on 'What a DC Actuary Do in the World of 2014'.

Then, Rob explained the preparation work. Most of the works were starting to get very close to very serious deadlines. He explained that he communicated with all of the 51 authors and informed them of the deadlines. Namely, the final version of the paper should be submitted by October 30th and the Power Point presentation document should be submitted by November 30th. He said that these deadlines were set because these documents are all going to be uploaded to the website early in December, in order that the people registering for the Congress can see the documents by Christmas time.

Rob said that the other workload would be arranging moderators for these 15 sessions. He said that they would probably be contacting some people in the room and on the phone to see if they can play a role as a moderator. He explained that the task of a moderator is not particularly onerous but a moderator have to take on the responsibility of contacting his/her three speakers, getting some bios and making sure some overarching theme that is consistent. Rob added that the moderator would have to manage the process. He reminded that managing the process would be extremely important because it would be unfair if we had three speakers and we allowed any one of those three speakers to go on for 45 minutes. He emphasised that you have to be a disciplined person as a moderator, and at the same time you can do that job in a polite way.

Finally, Rob said that he felt very confident to have a good congress. He explained that it has been planned in order that almost every stage has been completed at an earlier time point than previous ICAs. He noted that such a management process certainly has administrative advantages but it also has some disadvantages because some of the papers would not be up-to-date on the day of presentation, although comments can always be added orally. He said that you had to tell the ICA over 16 months prior to the congress, and thus we would not have a high percentage of very timely presentations.

MdT asked the members whether they would attend the next ICA and everybody expressed their willingness to attend, including the members on the phone. Rob ended his report by adding that he is looking forward to seeing all of the committee members in Washington DC next year.

4. Adoption of Agenda

MdT briefly discussed the agenda and two agenda points, namely Feedback of the Lyon Colloquium and Preparation of the next ICA were added (although they were added *ex post*).

5. Approval of the minutes of the last meeting held on Sunday, 23 June 2013 from 12:30 to 14:30 hours at the Hôtel des Congrès, Lyon

No comments were made and the minutes were approved without change.

6. Matters arising from the minutes

6.1 Corporate membership

MdT said that we have decided that as from next fiscal year the JSCPA would have a corporate membership, which means that JSCPA would pay normal membership dues for 50 members and additional fees of CA\$ 5 per person for all the balance of its members. MdT explained that this arrangement would benefit the PBSS because it would increase the members and the income. MdT also explained that it would benefit the JSCPA since all its members would have access to all PBSS documents. MdT wanted to ensure that no JSCPA member would pay PBSS fees individually and Mr Christian Levac responded that they had not sent out the usual IAA dues notices yet and confirmed that they would send a corporate member's invoice first to the JSCPA.

Responding to the question of Mr Abraham Hernández Pacheco, MdT said that there are other associations showing their interests in corporate membership and we should consider same arrangements maybe next year. Then, there was a discussion on the number of members for which normal membership dues should be levied in a corporate membership arrangement. MdT said that it would not be fixed at 50 for all associations and would depend on the numbers of the members of the association. Abraham mentioned the case of the Mexican association and said that there is a sub-association AMAC for pension actuaries and it has 17 members.

There was also a question about the number of voting rights that would be given under the corporate membership arrangements in the case of electronic voting. MdT suggested 50 voting rights which is the entitled number of full members. However, nothing is determined on the issue.

6.2 Bursary offers

MdT confirmed that we decided to make a contribution of CA\$10 000 to the ICA bursary fund. This decision was taken during the Lyon meeting and communicated with the organising committee.

6.3 Prizes for best papers

MdT explained that for selecting the best paper of the Lyon Colloquium, every committee member assessed three or four papers and MdT would average out the score out of 100, although he has not yet received the assessments from all members. Then, it was decided that the best paper selected by the organiser of the Lyon Colloquium (Hardy's paper) would not be excluded from the selection of the best paper of PBSS. It was also decided that we choose a short list of top 3 or 5 papers and every committee member should read the papers from wider viewpoints and send their scores to MdT within a month.

MdT added that he could not find any pension papers in the ASTIN Bulletin published this year and it was decided not to select the best paper from the ASTIN Bulletin this year.

6.4 ASTIN Bulletin

MdT said that the IAA was looking at the possibility of expanding the scope of the ASTIN Bulletin or creating a new different journal with more practical purposes.

Mr Douglas Andrews explained as follows: Section chairs agreed that it might be feasible to have either another academic journal or some form of extension of the ASTIN Bulletin as an academic journal, but it would require some champion to take it forward. Since Mr Robert Brown is extremely busy right now Doug agreed to take it forward as a champion. Doug organised an 'advisory group' in Lyon with the editors of ASTIN Bulletin, including Rob and Mr Christopher Daykin. They exchanged their thoughts electronically and tried to determine what questions need to be resolved. Through the help of the advisory group, Doug put together an 'editorial group' that involves people from a number

of different sections and different countries. The editorial group had a tele-conference to discuss the issues and he tried to put together a report summarising the thoughts. There was rather a strong feeling that there is a need for two types of publications, not just one. One publication would be an academic journal that is more practical and dealing with all sciences, including social policy issues, behavioural economics, and demography. The other journal should be a professional magazine with much broader reach. From the IAA's point of view, it might actually be a more effective way to have an extending academic journal. In the discussion, it was suggested that one route to have a professional magazine would be to add to the IAA newsletter articles with professional interests internationally and then it would gradually develop into a magazine. The IAA newsletter is distributed to the actuaries of all of the member associations. However, the IAA newsletter is somewhat outside the mandates of the section chairs, so they decided to seek further feedbacks from the advisory group. Doug added that in terms of the academic journal, the idea would be not expanding the ASTIN Bulletin. There was a strong feeling that if you changed the ASTIN Bulletin in any way, it would lose its reputation. Therefore, the idea would be to have a parallel journal. For instance, some associations have parallel journals like series A and series B. Doug emphasised that we should recognise a possible push back from the side of the ASTIN Bulletin.

After some discussion from various viewpoints, MdT concluded that we should encourage a separate publication. The matter was on the agenda of the section chairs meeting the next day.

7. Future Colloquia, Meetings, Conferences or Seminars

It was already determined that 2015 Colloquium is to be held in Oslo. MdT said that he communicated with Ms Gunn Albertsen very recently and mentioned that there might be a need that we moderate some sessions. As for the 2016 Colloquium, MdT said that he contacted with the chairpersons of the IPEBLA, the IACA and the Health section. MdT said that the Canadian Institute of Actuaries would probably have a conference in Newfoundland in 2016 and everybody seemed to be quite keen to have a joint colloquium of the CIA, PBSS, IACA and the Health sections in 2016 in Newfoundland, together with IPEBLA.

However, there was an opinion that the CIA originally wanted to have a meeting in Halifax and did not want to have this event tied with their annual meeting in June and they wanted to have a Colloquium separately at another time in Toronto, although MdT said that it was not his understanding. On the other hand, the IPEBLA would probably be happy to have their meeting in Canada and the IACA said that they would have a meeting in Canada even if it would not be with the CIA. There was also a strong opinion that we should investigate carefully before we decide, reminding that in the case of the Boston Colloquium, the PBSS was burned very badly. He reminded that at that time SOA did not promote the event. He also mentioned that the PBSS has very few Canadian members and thus he felt reluctant to go forward in Canada unless we make sure either the CIA is going to support the event or other organisations are going to have a joint event. Chris said we should have some invitation from local associations in general and local associations should bear the financial guarantee in principle, both of which were not the case in Boston. Finally, MdT said that he would talk with other chairs about the issue at the meeting the next day.

As for 2017, MdT said we would have a Colloquium in Mexico. As for 2018, MdT said that the 31st ICA is to be held in Berlin.

8. Finance report

Mr Douglas Andrews explained half-year financial statements as follows: Every treasurer would be happy to have such a financial statement that we have. As of June 2013, we have total assets of CA\$56,942 and some liabilities of CA\$ 10,200. Thus, we have unrestricted assets of some CA\$46,742. As for the income side, we have very little expenditures and continue to have revenues flowing in. The excess of revenues over expenses was CA\$ 5,155. So, he thinks that we got to the point where we need to talk about how we should spend some of our money.

MdT said that CA\$ 10,000 would be donated to the congress fund and is not yet seen in the expenditure MdT added that for the Lyon Colloquium we offered some bursaries. It was reminded that the corporate membership would bring in more income. MdT said that there would still be thousands of the excess of revenues over expenditures and we have started to discuss for what we should spend our money in consideration of the benefit of PBSS members.

Doug raised holding webinars as a candidate of spending our money. Another candidate would be a possible journal parallel to the ASTIN Bulletin and Doug explained that it would cost approximately CA\$ 20,000 for publishing two issues a year. Doug added that the cost would be allocated across all of the sections that have agreed to support the new journal and the share of the PBSS would not be enormous.

As for the ASTIN Bulletin, there was an opinion that we should decide whether we still want to fund the ASTIN Bulletin, if we could not recognise any value for PBSS members. MdT said that the ASTIN section currently carries a much larger part of the costs. This was an item for the section chair's meeting the next day.

Abraham pointed out that one of the most important tasks of the section would be encouraging the members to participate in the colloquium. He said that the question of how to use our money should be considered from the point of view of promoting to engage more PBSS members into the colloquium activities or sharing the live contents of the colloquia among PBSS members through the internet. Chris mentioned that some other sections decided to have a webinar each November. Gary said that the PEBC committee organised a webinar in the past, and it went quite well. He said they are thinking about having more webinars. He pointed out that it seemed sensible to maximise the number of people who attend the event. He also suggested an idea that that webinars could be used as the way of publicising the best papers and raised an example that the IACA was holding a webinar on the 'defined ambition' plans in the UK. MdT said that we are planning a webinar in November and mentioned the possibility of holding a webinar on the best paper in January. Gary said that ISAP2 might also be an appropriate theme for future PBSS webinars.

It was reminded that all the members should be aware of the advertising of webinars. With this regard, in the case of the Health section, about 20 to 30 percent of members participate in their webinars. It was also reminded that the licence is limited to 50 and downloading the contents of a webinar afterwards is limited to the persons registered to the Webinar in the case of WebEx. As for the fees, it was mentioned that Health section has a two tier pricing policy where a person who is not a member of the section has to pay higher fees.

Gary said that the PEBC committee would organise a Webinar provisionally in November and a second round webinar in late January. MdT said that we could spend some money for Webinars. Christian said that another possible way of spending our money would be recording the next ICA. He said that the Congress organisers were wondering whether sections should pay for the recording of the sessions related to the section. He also said that they will use PowerPoint slides and audio recording, as video recording is extremely expensive. The overall costs of recording all the sessions would be about CA\$ 20,000.

9. Membership and constitution

MdT said that the PBSS membership is now approximately 550. With respect to the PBSS committee membership, MdT said that we have a full committee at the moment with Mr Carl Hansen elected at the Lyon AGM. Then, MdT pointed out that Mr Douglas Andrews is retiring in 2014 and thus we need a new Treasurer. MdT said that there is a person who expressed interests in both of the positions of vice president and the position of new treasurer and asked the committee members whether there is anybody else to be prepared to take either of the two positions. Abraham showed his interests in taking either position. MdT said that now we have two people for two positions. MdT said that if they prefer a same position it might be needed to have a vote.

10. Cooperation with the ISSA, the ILO, the IPEBLA and other organisations

MdT mentioned that the IAA is busy entering into a MOU relationship with the ILO and the ISSA. MdT said that Mr Florian Leger, who is in the ISSA, is in the PBSS committee and Mr Junichi Sakamoto, who regularly attend ILO meetings, is also in the PBSS committee, and thus we have a lot of formal and informal contacts. MdT asked Sakamoto to send anything coming from the ILO to him and Sakamoto promised to do so.

11. Website and information exchange

MdT said that we have a reference list on a monthly basis and asked to send anything to Abraham Hernández if you want to provide input to the list. MdT asked how many hits we have had and Christian promised to provide the information.

12. Council Issues

None

13. Newsletter

We have a newsletter on a three months basis and MdT expressed his thanks to Gary for providing some input into the last newsletter. MdT pointed out that it is quite difficult to get something meaningful every time. MdT said that next newsletter would include information on the best paper of the Lyon Colloquium and the webinar that we would have. With regard to newsletter, MdT asked every committee member to send any contributions (if any) to him.

14. Any other business

MdT mentioned the 9th Asia Conference on Pensions and Retirement Planning held in Singapore in September 2013 but nobody attended. MdT emphasised that if we got information on conferences related to pensions, benefits or social security committed by some supranational organisations, we should advertise all of those through our newsletter. Chris mentioned ISSA meetings organised for its member institutions and said that ISSA would be very happy to accept a PBSS representative. Chris added that we would have to inform PBSS members that let us know if you really want to attend an ISSA meeting, then we nominate them as PBSS representatives. Mr Junichi Sakamoto said there would be an OECD/IOPS meeting in Seoul, on November 5th and 6th.

15. Next meeting

MdT said that the next PBSS meeting is in Washington DC next year and added that he would try to arrange the committee meeting after the IAA meeting but before the PBSS AGM and ICA.

16. Close

There being no further business, the Chairman closed the meeting, and thanked all for their attendance, including Mr Carl Hansen, Mr Wenliang Wang and Mr Geoffrey Rashbrooke who attended the meeting via telephone.

Marius Du Toit
Chairman, PBSS
October 2013

Attendance Register
Meeting of IAA PBSS Section Committee
Wednesday, 9 October 2013
Singapore

	Name	Country	Attendance	Date appointed	Date re-elected	End of term
Immediate past Chairman	Christopher Daykin	UK	Yes	11/2004	5/2008	5/2014
Chairman	Marius Michiel Du Toit	South Africa	Yes	5/2008	5/2012	5/2016
Secretary	Nobuhiro Shimizu	Japan	Yes	9/2011		9/2015
Treasurer	Douglas W. Andrews	Canada	Yes	3/2010		3/2014
	Abraham Hernández Pacheco	Mexico	Yes	9/2011		9/2015
	Cahl Hansen	Guernsey	On the phone	6/2013		6/2017
	Douglas Carey	USA	Yes	5/2012		5/2016
	Florian Leger	France	No	9/2011		9/2015
	Geoffrey Rashbrooke	New Zealand	On the phone	5/2008	5/2012	5/2016
	Klaus Heubeck	Germany	No	5/2012		5/2016
	Rodrigo Ibarra-Jarrin	Ecuador	No	5/2008	5/2012	5/2016
	Wenliang Wang	China	On the phone	5/2012		5/2016
IAA delegate	Gary Hibbard	UK	Yes	-	-	-
	Junichi Sakamoto	Japan	Yes	-	-	-