



PENSIONS, BENEFITS AND SOCIAL SECURITY SECTION (PBSS)

Minutes of the 24th Committee Meeting of the PBSS Section held on Sunday 26, June 2016 from 15:00 to 16:50 hrs at the Sheraton Hotel Newfoundland, St John's, Canada.

1. Welcome and Apologies

The Chair (Marius Du Toit) welcomed everybody to the meeting. Nine PBSS Committee members attended the meeting (including four on the phone. See the table on page 8). Apologies were received from Mr. Brij Bushan, Mr. Geoffrey Rashbrooke and Mr. Rodrigo Ibarra-Jarrin. Two observers (Mr. Thomas Terry and Mr. Junichi Sakamoto) attended the meeting.

2. Adoption of Agenda

MdT briefly discussed the agenda of the Committee meeting, and the agenda was adopted without change.

3. Approval of the minutes of the last committee meeting held on Wednesday, 14 October 2015 from 14:00 to 15:42 hours at the Westin Bayshore Hotel, Vancouver

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

4. Strategic issues

The Committee went through the strategic objectives (SOs) one by one. As for the SO(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,'* MdT explained that we did not have anything specific to do, because this objective was mostly through the IAA committees. Mr. Thomas Terry supplemented the explanation and said that certainly PBSS had a relationship with ISSA, but IAA's formal relationship was through the Social Security Committee (SSC) or the Pension and Employees Benefit Committee (PEBC).

As for the SO(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,'* MdT raised the activity of maintaining relationships with ISSA, IPEBLA and ILO. MdT also raised the following activities: maintaining the Virtual Library, supporting the publication of ASTIN Bulletin, encouraging PBSS members to contribute papers, and, maintaining the Reference List on the web, at least six new posts per annum.

As for the SO(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,'* MdT raised the PBSS Quarterly Newsletters as a tool for such promotion.

As for the SO(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,'* MdT raised the activity of providing bursaries to speakers from countries with developing actuarial profession for attendance at colloquia as in the case of the St. John's Colloquium.

As for the SO(5), *'Provide a forum for discussion among actuaries and actuarial associations throughout the world,'* MdT raised the St. John's Colloquium to be held soon, the Cancún Colloquium to be held in 2017 and webinars that the PBSS Committee was planning to hold eight times per calendar year including three webinars already held this year. Tom proposed that we should keep our eye on the sessions of the St. John's Colloquium to identify topics appropriate for future webinars. Mr. Chris Daykin suggested as one of possible topics the planned presentation of the Population Issues Working Group, jointly with the Actuarial Association of Europe, about challenges of how to cope with the rapidly ageing population in Europe. Chris added that the AAE had set up a separate task force to consider how to explain mortality issues to the public and explained that different countries came up with different policies such as indexing the retirement age to the life expectancy based on period/cohort mortality or proportion between retired population and working population. Then, there were exchanges of views and observations among the Committee members on the mortality and the population issues.

MdT proceed to the development of the discussions of the Section Task Force. Chris pointed out that we could communicate directly to PBSS members, but for communicating to US actuaries we had to rely on US associations. Tom said that some sections had been trying to grow membership by enriching the contents of their web pages, etc., but their attempts had not always been successful and there might be something fundamentally wrong. Chris pointed out that sections had not done membership drive, because sections were working through FMAs. Tom raised the idea of making section membership available to every actuary of every fellow member association. Chris remarked that we had considered the idea before and it would change the whole dynamics of sections. Mr. Abraham Hernández Pacheco said that we should work with other sections to enhance the awareness of sections. Chris remarked that some FMAs were resistant to setting up sections but FMAs in continental Europe are quite fond of sections such as ASTIN. Tom introduced that IAA was going to set up a task force to look at this issue more seriously. MdT pointed out a problem that the financial year of a FMA is sometimes different from that of IAA and people tend to forget paying membership dues of IAA sections. No conclusion was reached about the issue.

5. Bursary and best paper prizes

5.1 Bursary offers for the 2016 St. John's Colloquium

MdT summarised the bursaries offered for the St. John's Colloquium and said that he was not sure whether Mr. Dilip Paudel (from Nepal) had managed to come to St. John's because he had a visa problem. Then MdT continued that we should decide on the bursary for the Cancún Colloquium and proposed offering up to five bursaries under the same conditions as those of the St. John's Colloquium, namely, providing the registration fee and up to CAD 1,000 for travel and accommodation costs. Everybody agreed to the proposal and such was decided.

5.2 Prizes for best papers of the 2016 St. John's Colloquium

MdT explained that the scientific committee of the St. John's Colloquium did not assess papers for prizes, and we now had to decide after the Colloquium. Chris pointed out that there were very few papers and most presentations were just with PowerPoint presentation documents and continued that it might be difficult to judge. Abraham said that in the Cancún Colloquium they are planning to give two prizes, one for scientific paper and another one for practical paper. Abraham added that in the case of the Cancún Colloquium the scientific committee would be tasked with selecting best papers.

6. Webinars

This agenda was already paid consideration in agenda 4 and MdT proceed to agenda 7.

7. Website and information exchange

7.1 IAP platform

MdT introduced that at the Council meeting there was a presentation proposing to create an international actuarial platform. MdT asked Abraham to explain the IAP initiative since Abraham was involved in it. The explanation of Abraham was largely as follows:

The German association (DAV) said that they were building a new platform (IAP) for serving for the Berlin ICA and wanted to engage IAA and the IAA sections into using the platform and paying for it. It is a social platform like Facebook to which everything can be added. The platform could be used for registering and posting things. The platform would make interaction and collaboration very easy and be useful for committee meetings. DAV was also thinking about using it as a webinars platform. We said let's start with something, but without losing focus. We received a presentation by a sales force last week. There are at least two points to be paid attention. One point is that we need a manager for this big project. Another point is that we need to get everybody to use the platform. In short, it is a good idea, but might be too ambitious.

Then, Tom pointed out that it is a kind reverse because DAV was inviting IAA and the sections to come under their platform and added that what would be attractive for IAA would be that DAV had the capability to run the platform for a long time and would be able to append what IAA needs to this robust and flexible platform, whereas IAA did not have any IT business thus had to outsource the business of developing and managing the platform and was able to outsource the business to an organisation, understanding the actuary and actuarial business very well. Abraham remarked that ASTIN was also involved and had circulated draft requirements from the ICA, EC, ASTIN and other sections. Tom pointed out that DAV understood that they had to get something up and running for their vision of the Berlin ICA and they felt urgency. Mr. Yasuyuki Fujii expressed his view that people would attend colloquia because they are attractive and introducing such an IT system might reduce the number of physical attendees. Abraham expressed a different view, that attending webinars would be a very different experience than following the event on-line and said that we wanted to increase the number of attendees of webinars but that it would be still more compelling to meet the authors and have the full face-to-face experience of a colloquium or a congress. Chris said that Germans saw it as both, namely, they want to reduce the number of people who come and experience face to face the Berlin ICA but they also want to make the congress open to especially younger actuaries.

8. Future Colloquia, Meetings, Conferences or Seminars

8.1 2017 Colloquium – Cancún, Mexico, 04-07 June 2017

Responding to Chair's request, Abraham explained the preparation status of the Cancún Colloquium largely as follows:

The preparation status of the Cancún Colloquium is very favourable. We already decided the venue, which is the Marriot. Some months ago, we went to the Westin, understanding that the Westin is the preferred choice of the IAA. However, they did not have rooms for the colloquium. One of the problems is that the convention meeting facilities are under construction and probably only a room is available. Prices and costs are almost the same. We will upload the preliminary program in the near future. We are planning to have a roundtable about the social security expansion such as in the Canada Pension Plan and another one on behavioural economics. One concern is that at the same dates, 5th and 6th of June 2017, a meeting of the OECD Working Group on Pensions is planned in Paris, but Tom said he would attend the Cancún Colloquium.

Chris remarked that the IAA Council meeting was scheduled at 19th – 20th of April, six or seven weeks before the Cancún Colloquium.

8.2 31st ICA – Berlin, Germany, 04-08 June 2018

There were no discussion on the Berlin ICA, other than the platform being developed for it, as mentioned in 7.1.

8.3 2019 Colloquium – South Africa

MdT explained that ASTIN, AFIR and LIFE had already shown their interests in having a joint colloquium in Cape Town and added that the number of the sections showing their interests seemed growing. He said that if all the sections came together, it would become a mini-congress, about which the Actuarial Society of South Africa expressed some concern. As for the timing, MdT mentioned the possibility of scheduling the colloquium at the end of March or the beginning of April in 2019, which is about nine months after the Berlin ICA, and another possibility of scheduling the colloquium in the autumn, but the timing of March – April would be more likely. Chris remarked that the IAA council meeting was scheduled in Washington D.C. in 2019 but the specific dates had not been fixed yet and said that it would be needed to watch the dates.

8.4 2020 Colloquium

As for 2020 or later, Abraham said that the President of the Portuguese association expressed to him its interest in holding a PBSS colloquium. He added that they had just held the ASTIN colloquium. MdT commented that Europe might be a suitable location for the venue of the 2020 Colloquium.

9. Finance report

9.1 Fiscal 2015 financial statements

Responding to Chair's request, Mr. Carl Hansen explained about the fiscal 2015 financial statements as follows:

I think the message would be that PBSS is well financed but we probably need to spend more for the membership of PBSS. We are running a bit behind what we planned to do on the budget basis, although we will have some expenses for the St. John's Colloquium like the best paper prizes and the bursaries. We would have to share the small loss of the St. John's Colloquium envisaged at this point, and, also have a few expenses with which we would come through for 2016.

The other issue is that during the last couple of years we have not been paying the entire per member rate to IAA to cover the operating expenses of IAA, which is currently subsidized by the surplus of the Washington ICA. I am not sure how long the subsidy will last but maybe another year or so. After that the member cost to cover the administrative activities of IAA will go up by a few Canadian dollars per year. It might be desired that the Berlin ICA will result in a same sort of surplus, but for the budgeting purpose we need a plan taking into account the entire cost to be paid to IAA.

MdT informed that the latest news was that there would not be a shortfall for the St. John's Colloquium. Abraham supplemented MdT's information by saying that we needed to prepare for the expected demand to us to contribute something for the IAP platform, although there had not been any price tag yet. Abraham also mentioned about the reserve policy and said that we should aim to have a reserve of about some hundreds of thousands Canadian dollars that would make it possible for us to organize a colloquium at the risk of the PBSS, namely to underwrite the possible shortfall of the colloquium. Abraham added that this amount would be reasonable and explainable. Chris recalled the experience of the Boston Colloquium. MdT added that such a view had always been shown at the IAA meetings that some sections have too much money.

Responding to Chair's question about the item 'IAA Subsidy' in the Income Statement, Carl said that the amounts of the 'IAA Subsidy' and the 'ICA Subsidy' would correspond to the difference between the amount of full per member rate for paying the 'Section Administration Expenses' and the amount that we were currently paying. Carl supplemented that we were currently paying CAD 24 per member and the true rate would be CAD 27 or 28 per member.

Then MdT raised the item 'Meeting/colloquia' in the Expenses and asked if it was an expense for the Oslo Colloquium. Carl answered that the amount of CAD 4,699 was expenses for the bursaries and the best paper prizes and might include some other expenses like telephone calls, etc. MdT pointed out

that CAD 1,402 for the item 'Bursaries' seemed a very strange number. Carl answered that it would be safe if we combined these two numbers, namely, Bursaries and Award/prizes.

MdT raised the negative amount of the item 'ASTIN Bulletin' and asked whether the amount was because of the royalty of the CDC platform. Carl answered that we had talked last year in Vancouver that we had been waiting for the royalty to come in and now the royalty had come in. Carl added that as for the item 'ASTIN Bulletin' more money would come in more often in the long term.

10. Membership and constitution

10.1 Rules of the PBSS Section

MdT showed the proposed changes of the Rules of the PBSS Section to be approved at the next AGM. MdT explained that we had gone through the changes in the last few committee meetings. Everybody agreed and MdT said that he would go through the proposed changes briefly at the AGM. Then MdT explained the process of approval in IAA and said that after the approval at the AGM the proposal would go to the EC and the Council in Cape Town for final approval for adoption.

10.2 Committee membership election at the AGM to be held on Wednesday, 20 June 2016

MdT explained that we had five vacancies, because Mr. Geoffery Rashbrook had done two terms and could not continue and Mr. Rodrigo Ibarra-Jarrin, Mr. Wenliang Wang, Mr. Klaus Heubeck and Mr. Douglas Carey's would be coming to an end. MdT continued that we actually had six people showing interest in being a committee member including Doug, but one of them was not a PBSS member, so we had five people for five positions (namely, four people for four new positions) and we did not need an election.

MdT continued that the four new candidates were Mr. Krzysztof Ostaszewski, a Polish American, Mr. Allan Paldanius from Finland, Mr. Ignacio del Barco Martínez from Spain and Mr. Paulo Gouvea da Gama from Brazil. Chris asked about Mr. Brij Bushan because he had never been to any events. MdT answered that he had responded by e-mail.

10.3 Election of Officers

MdT proposed to do election of Officers and said as follows: Abraham to be Chair, Carl to be Vice Chair, Mr. Nobuhiro Shimizu to be Secretary. If these are accepted, then we just need a person to be Treasurer.

Everybody agreed to the proposal and Abraham, Carl and Nobu accepted it. Thus Abraham was elected Chair, Carl was elected Vice Chair and Nobu was elected Secretary. Chris proposed to proceed with the election of Treasurer by e-mail and announce the result at the AGM on Wednesday. Everybody agreed to the proposal. (After the Committee meeting, MdT informed by e-mail that there were three members showing interest in serving as Treasurer and requested Committee members to vote. As a result of the voting, Mr. Douglas Carey was elected Treasurer.)

11. Cooperation with supranational organisations

MdT said that we had already discussed this issue in agenda 4.

12. Feedback from PEBC and SSC

Yas reported on the activities of PEBC as follows: PEBC is developing the Actuarial Notes. IAA is in general trying to create such documents. PEBC has also been paying consideration continuously to the matter since the previous two or three meetings. Members of the PEBC do not have so much appetite for creating such documents but many want to know any other related documents of FMAs, but there is a question of how to do it. Thus we are interested in the IAP plan proposed by DAV and we still continue to discuss that point. Abraham raised his hand to volunteer to manage the plan. If we reach agreement about what will be done, sharing such kind of documents with PBSS would be useful, although PEBC is more focusing on practice.

Abraham responded that he would involve such documents on the IAP in the Library and the Reference List. He also noted that the Reference List involves not only scientific materials but also practical ones.

13. Any other business

Mr. Adam Reese, who is the chair of the organizing committee of the St. John's Colloquium, joined the meeting and kindly gave an explanation about the managing matters of the Colloquium, answering the questions from the attendees. His explanation was largely as follows:

We have about 150 attendees (IACA has the largest number of attendees). We have two contracts, one with the Sheraton and the other with the Delta. The contract with the Sheraton includes a room-lock, a welcome reception and a gala diner. Two and half years ago, we wrote a contract for a room-lock and afterwards we had an opportunity to reduce the room-lock, because at the close of early-bird registration we had 122 people registered to the meeting and only half of them registered to the Sheraton. Many of them registered to the Delta. Two weeks ago, we had CAD 38,000 penalty because we failed to meet the condition of the room-lock. But the manager said that St. John's was a popular destination and rooms would be sold off. Therefore, we are close to the situation of not having a penalty and the contract with the Sheraton is kind OK.

As for the contract with the Delta, we get all of the conference space free of charge, as long as we spend CAD 38,000 for food. We do not have the gala dinner there but we have luncheon on Monday, Tuesday and Wednesday and also breakfast for 175 people. That is more than enough. But we don't have 175 people and three days ago, I got a call that we get CAD 6,000 penalty for the Delta. But not all of the attendees are staying at the Sheraton and those staying at the Delta are getting the hot breakfast as part of the rate. Thus the breakfast is adding to the cost and reducing the penalty by CAD 4,000. In addition, we know the names of the colloquium delegates staying at the Delta. Some of them might have made their hotel reservations via the CIA. If the Delta takes account of these persons as revenue offsetting the penalty, I think that the penalty will also be gone away.

We arranged the bus contract and actually got two quotes from local bus companies. There are two buses for the most part doing the 20 minutes round trip. You should have to wait only 10 minutes for the next bus.

As for entertainment, we have a welcome reception at the Court Garden in the Sheraton this evening, a gala dinner in the Sheraton in Monday evening with entertainment, and, rally in the alley in Tuesday evening starting from and backing to the Delta, because it is a joint entertainment with the CIA.

We got a couple of joint sessions with the CIA. In Tuesday evening, we have a Joint Plenary Session 'The Personalized Medicine Revolution,' with CIA speakers and some of the Health Section. In Wednesday morning, we have a joint session with Mr. Michael Woodford, who is a keynote speaker from London. He has a speaking fee but he is donating it to a charity supporting to improve road signage in developing countries. We tried to get the cost down and I think we got the Europe price even though it was outside Europe (He has three prices, namely a price in the UK, a price in Europe and a price outside Europe).

As for sponsorship, we had a too high sponsorship target. We had a hundred thousand dollar goal. 50,000 dollars were collected for the Hong Kong Colloquium. We allocated a lower target of CAD 15,000 for each section and we are still waiting for a PBSS money. I think there are some lessons learned here. Sponsors want a pound of flesh. They want to see their clients, want to see the people who they would like to recruit, not the people who are two years away from retirement. It has been a challenge. We are sharing the sponsorship dollars on the joint sessions with the CIA, offsetting the costs we have with the speakers. The largest sponsor was Robbins Geller, which is both a law firm and an actuarial firm. One thing positive on the sponsorship is that we dropped the lowest bound to CAD 2,500 including one free registration. I think this really helps for getting the sponsorships with the bronze. If it is a meeting that you want to attend, only small extra money is required to be a sponsor.

This is a complex meeting because this is a joint colloquium of different sections and joint with IPEBLA. Kathy Lane of the Caribbean Actuarial Association has done a joint one with IPEBLA, but that was because a lot of pension regulations was done in the Caribbean and pension lawyers do not mind flying down to the Caribbean. St. John's is not a great destination. We have a joint intellectual capital but not all of the people want to put their own money to come here. And in addition they need some business reason, such as networking and business development associated with attending the meeting, not just a scientific reason because you can go online to get the presentations.

We have been talking about what would be done for the next colloquium, who should be partner with, and what works well. We think location is an important part of this. Having local actuaries is also an important part. More people are thinking about 'busicating,' namely business and vacation combined. We know that large actuarial organisations already have lots of meetings in the UK and in the US, but not in Africa, Hong Kong, Singapore or elsewhere. A possible location in the US is Hawaii. It is a good location to go to for a vacation and for a meeting. It is also a good location because it is close to Japan and the mainland of the US.

Local actuaries are important and it changes the economics. You will get the conference space for free of charge because you spend enough money for food even if you are not staying at the hotel. You still pay for the registration and it covers the food.

There are number of aspects: Accounts really does matter. For the budgeting purposes, do not budget on sponsorship. Use sponsorship to enhance the food or to do something else, such as supporting more of the speakers.

Then Adam asked somebody to moderate the first session starting at eleven o'clock on Monday, because Mr. Dilip Raj did not get visa. He explained that they assigned a moderator for plenary sessions but not for parallel sessions. He also asked whether there would be a need to rebalance the speaker allocation of the slot 15:15-16:45 in Monday afternoon, because one session has three speakers but the other has only one speaker.

As for the best paper prizes, Adam said they did not have any opinion and MdT said that we had to discuss the issue afterwards.

Carl commented that from the aspect of organising committee, there had been a lot of good discussions and materials for budgeting, sponsorships, etc., and they would be quite helpful if we would share them for future colloquia. Adam added a recommendation that you need to have good back-officers who know your organisations.

14. Close

There being no further business, the Chair closed the meeting, and thanked all for their attendance.

Marius Du Toit
Chair, PBSS
June 2016

Attendance Register
Meeting of the PBSS Section Committee
Sunday, 26 June 2016
St. John's, Canada

	Name	Country	Attendance	Date appointed	Date re-elected	End of term
Honorary Chair	Christopher Daykin	UK	Yes	3/2014	-	-
Chair	Marius Michiel Du Toit	South Africa	Yes	5/2008	5/2012	5/2016
Deputy Chair	Abraham Hernández Pacheco	Mexico	Yes	9/2011	6/2015	6/2019
Secretary	Nobuhiro Shimizu	Japan	Yes	9/2011	6/2015	6/2019
Treasurer	Carl Hansen	Guernsey	On the phone	3/2010	3/2014	3/2018
	Brij Bushan	India	No	3/2014		3/2018
	Douglas Carey	USA	On the Phone	5/2012		5/2016
	Florian Léger	France	On the Phone	9/2011	6/2015	6/2019
	Geoffrey Rashbrooke	New Zealand	No	5/2008	5/2012	5/2016
	Jack Mack	Hong Kong	No	3/2014		3/2018
	Klaus Heubeck	Germany	No	5/2012		5/2016
	Rodrigo Ibarra-Jarrin	Ecuador	No	5/2008	5/2012	5/2016
	Wenliang Wang	China	No	5/2012		5/2016
IAA delegate	Yasuyuki Fujii	Japan	Yes	-	-	-
	Barbara D'Ambrogio-Ola	Finland	On the Phone	-	-	-