REPORT OF THE SECRETARY GENERAL TO THE COUNCIL MEETING
RIO DE JANEIRO, BRAZIL – NOVEMBER 2005

Secretariat
In our revised budget for 2005 and our draft Budget for 2006, we anticipated adding a person to our staff this fall. In August, Nicole Séguin initiated a search process for an additional staff person to provide support to the IAA committees and meetings. Following a series of interviews during the past few months, Nicole came up with a final selection and an offer was made to Celeste Leclerc who accepted and came on board on November 9. I welcomed her aboard in Ottawa on November 6th and she was planning on being here in Rio to meet first hand all involved and to get a real feel for the work of the IAA. I regret to report that unfortunate circumstances prevented her from making the trip.

Her addition to our staff will have an impact to the whole team in the sense that responsibilities are being re-shifted and new titles have been assigned to be more reflective of the individual portfolios. These changes also tie into the strategic planning discussions within the IAA.

Christian, who up until recently also acted as the Canadian Institute of Actuaries’ webmaster, was kept very busy after the meetings in Rome with the re-launch of the CIA website. He worked only part-time with the IAA, but as of last month, he is with us 5 days a week as our Manager, IT and Member Services. His focus is to provide support for all electronic functions, the Web site, the Sections and to the Member Services Committee. In the past couple of months he has been working with the Sections in establishing a distinct site for each within the IAA site, and also with updating these sites. Part of his daily routine included processing all registrations for these meetings and coordinating with the tour organizers. He is also looking into new tools such as Voice over Protocol, web casting and e-commerce.

Katy Martin is now Project Manager, Technical Projects and her responsibilities will focus on the work of all technical committees, standards, public statements, and assistance at meetings. The organization of our meetings from a point of view logistics was also part of her daily tasks. Katy has been quite busy assisting the Accreditation Committee with the processing of Full Member applications. She is also our coordinator for the issuance of public statements and, since June, helped coordinate: four statements prepared by the Insurance Regulation Committee; five statements prepared by the Insurance Accounting Committee, one of which will be released in early 2006; and a third set of Exposure drafts for IAA Standards. She is likely to be involved in the comments being prepared jointly by the Social Security Committee and the Pension & Employee Benefits Committee on the World Bank’s recent publication on Old Age Income Support in the 21st Century.

Celeste’s title is Project Manager, Membership and Development, and her portfolio comprises Accreditation, Education, Professionalism and Advice and Assistance. Celeste comes to us with many years of experience, and more importantly, during the past four years she was Member
Relations Coordinator for Precarn Incorporated, a national, member-owned industrial consortium supporting the development of intelligent systems technologies through its extensive network of corporations, research institutes and government partners. She comes highly recommended by her previous employer and was described as a very good ambassador for the membership. Please join me in welcoming Celeste to our team!

Rosemary Leu, our Finance Director is with us in spirit and also by phone. In addition, she has prepared a short paper on the concept of an IAA Foundation. This is still a work in progress and is being reported for information only. This Foundation would be quite distinct from the concept of dedicated funds as approved by the Council in April and October 2001. Dedicated funds may be necessary to administer grants from international donors “to carry out the expanded actuarial development activities” that are contemplated in the discussions conducted by the A&A Committee with the World Bank and other donors. Such activities, if and when they are to be undertaken, would necessitate a further expansion of the resources of the Secretariat beyond what we described above.

Representations
Since last June, I had the privilege of representing the IAA on two occasions: one in Bali, Indonesia in September 2005 during the 13th East Asian Actuarial Conference (EAAC), followed by the IAA Fund meeting in the same location. The IAA had good visibility and active participation in the EAAC meeting with Peter Clark and myself making major presentations. In parallel to the IAA Fund meeting I organized a private lunch with the newly elected President and Secretary General of the PAI, the Indonesian Society of Actuaries, and with our President, Alf Guldberg, the Chair of the A&A Committee, Steve Handler, and the chair of the Member Services Committee, Peter Clark, to examine how the IAA could assist them in upgrading to the Full member status. This initiative of PAI was reported in the media, a first for the actuarial profession in Indonesia!

Not by coincidence, there is a motion on our Rio agenda to admit Indonesia as a Full member subject to the recommendation of the Accreditation Committee. I would like to point out that Indonesia being the fourth largest country by population and India, USA and Brazil being already members, the IAA would then comprise four out of the top five countries; everybody has guessed that the missing one is China! But there is still work to do because out of the next five we have only two: Pakistan and Japan while Nigeria is still an Associate member with Russia and Bangladesh yet to join.

Our President, Alf Guldberg, was invited to make the final remarks at the closing ceremony of the EAAC and was a speaker at the IAA Fund meeting. He then went to Florida, USA to participate in the meeting of the North American Actuarial Council (NAAC) at the end of September. Last month he attended the IAIS annual conference in Vienna where he also met privately with IAIS Secretary General, Yoshihiro Kawai. This meeting was followed by the Groupe Consultatif Annual meeting in Cyprus. Before leaving Europe for Rio, he attended the CEA conference in Brussels.
On my way to this meeting, as Alf had to be in Brussels, I represented the IAA at the Society of Actuaries’ meeting in New York City and participated to the meeting of the Senior Actuaries Club in the same location.

The IAA was also represented at various meetings of the OECD, IAIS, IAASB, IASB and ILO. At the risk of forgetting someone, you can read about the IAA’s many contributions in these areas in the various committee reports circulated in advance of this meeting.

**Congress Bursaries**

ASTIN’s challenge for contributions was truly successful. Since Rome, generous contributions have been received from AFIR, IACA, PBSS and the Canadian Institute of Actuaries. It is not too late to make a contribution. What will not be used for Paris will stay in the Congress Fund for South Africa in 2010!

The availability of bursaries for the Paris Congress has been communicated to all attendees and invitees from actuarially developing countries to the IAA Fund meetings from the past few years and over 40 requests are being considered by the Member Services Committee. Peter Clark will be reporting in greater detail on this important task.

**Web Site and Services**

Those of you who are frequent visitors to the web site will have noted a number of improvements and a more user friendly new look. The Section web sites are now both stand alone and integrated in the IAA web site. That is, each can be accessed directly using a specific URL or by clicking on their icon from within the IAA web site. Upon request, we will customize the look for each section in accordance with their preferences. We are now gearing up to supporting directly the Colloquia and Seminars; this will avoid reinventing the wheel each time, will help us build internal expertise and to share new developments and best practices between all sections.

You will have seen our rolling demo promoting two website services: the search tool for the Global Actuarial Library and the Automatic translation tool. Rio is our pilot project; we plan to expand that demo for the Paris Congress and future meetings.

**Fast Track Procedure (FTP)**

I reported earlier on the number of times the FTP had been utilized since the Rome meeting and on pending requests. All of our public statements during the period went through the FTP and the comments we received are very positive: “we could not live without it” seems to be the common opinion of committee chairs. May I suggest to some of you to re-read the rules this Council had approved in June 2004 as for specific FTP we have received communications from associations telling us they had approved the use of the FTP or telling us they could not yet approve the utilization of the FTP. We appreciate your interest and support, but you can eliminate this extra
burden for yourselves and for the IAA Secretariat: the approval of the FTP is a responsibility delegated in June 2004 to the President of the IAA by the second paragraph of the rules. Full member Associations need to act only if they wish to oppose the release of the public statement developed by the responsible committee, which they can do after reviewing the draft statement, up to five (5) days before the target publication date as per the fifth paragraph “by expressing a negative vote indicating the reasons for the objections to enable the committee chairperson to address the issues and to mitigate the differences of opinion, if possible”.

One of the objectives of adopting this procedure was to eliminate the need for each association to approve explicitly each public statement, which many cannot accomplish in a timely manner, while reserving the possibility for an association to disagree with the release of a statement if its objection to the contents cannot be resolved. If the negative votes reach 20% of the voting rights, which at this point in time would mean 24 votes, the President will withdraw the authorization. So there is no need to oppose the use of the FTP at the start of the process just in case you may not agree later. This is unnecessary as the right to register a negative vote is embedded in the rules and it would defeat the purpose of the FTP since it could result in stopping the work of the committee

**Year-End Forecast**
As all actuaries know, it is very risky to make estimates about future events. Nevertheless, we produce many opinions that imbed such estimates. I will not issue an opinion, but just report with the usual qualifications that it seems we will end year 2005 in black with a small surplus, but maybe smaller that the one budgeted.

**Budget for 2006**
The budget for 2006 has been published on the web site with the agenda and contains no major changes from the earlier draft, but as provided by our new rules, the Executive Committee at its meeting in Rio, has allocated specific amounts to various committees within the total budget allocation shown in the IAA budget. This budget is on the agenda for final approval by the Council at this meeting. The C$12.50 fees for 2006 has been approved by the Council in Rome.