



International Actuarial Association  
Association Actuarielle Internationale



# Pre-Council Webinar

Masaaki Yoshimura  
IAA President

15 May 2018 — 7:00 EDT



# Welcome!

## Opening remarks by President Masaaki Yoshimura



The purpose of this webinar is to preview certain topics that we will discuss at our in-person Council meeting in Berlin.

We will not do a roll call of participants. The attendance list and recording of webinar will be sent afterwards.

We will set aside 5 to 10 minutes at the end for questions or comments. Please use the WebEx Question & Answer facility for this.



## Today's agenda

1. Brief overview of Berlin meetings (May 30 to June 3)
2. Council agenda – June 2
3. More background on three Council agenda items
  - Strategic planning update
  - Membership fee payment mechanism
  - 2019 Preliminary budget with 5-year forecast
4. Questions or comments

# Brief overview of Berlin meetings

May 30 to June 3



## Overview of Berlin meetings

### **Wednesday, May 30: Special sessions in the morning**

- Presidential Town Hall 08:00 – 09:30 (extended 15 minutes)
- IFRS 17 Update 09:50 – 11:05
- Parallel Session 11:15 – 12:30
  - OECD
  - IAIS
  - Mortality

### **Saturday, June 2: Guest speaker**

Jonathan Dixon, Secretary General, IAIS

### **Sunday, June 3: Association Development Initiatives**

# Council Agenda

Saturday, June 2



# Council agenda

## Consent agenda

- Results of electronic ballots since October 7, 2017 Council Meeting
- Approve the new IAA logo, Section logos and related IAA brand specifications



# Council agenda

## **Statutory committee reports**

- President and Executive Committee
- Nominations Committee
- Finance and Administration
  - Audit & Finance Committee
  - IT project update





# Council agenda

## Business agenda

- Future of the IAA
  - Strategic planning update
  - Membership fee payment mechanism
  - 2019 Preliminary budget with 5-year forecast
- New Associate Member – Actuarial Society of Iran
- Revised Internal Regulations – Patrons
- Education Committee Terms of Reference
- Report of Actuarial Standards Committee



# Council agenda

## **More background on the Future of the IAA**

1. Strategic planning update
2. Membership fee payment mechanism
3. 2019 Preliminary budget with 5-year forecast

# Council Agenda - Strategic planning update

Saturday, June 2



## Strategic planning update

- The aim of revisiting Strategic Plan Package is to:
  - Re-acknowledge the achievements of the IAA in the past years
  - Simplify Vision statement and Mission statement to be easy to understand and to be able to focus more on specific strategies by facilitating common understanding of member associations regarding the future course of the IAA

# Current Strategic Planning Package Overview

Vision  
Statement

Mission  
Statement

Strategic  
Objectives

Values  
Statement

+

Value  
Proposition



## Using 3 Key Words in the Mission Statement

### Influence:

- ✓ SO1 (Relationships with key international audiences)
- ✓ SO6 (Improve recognition of the actuarial profession (branding))

### Assure:

- ✓ SO3 (Encourage sound practice and education standards)
- ✓ SO4 (Promote development of the profession)

### Advance:

- ✓ SO2 (Expansion of scientific knowledge and skills of the actuarial profession)
- ✓ SO5 (Provide a forum for discussion)



## A draft Mission Statement

*The mission of the IAA, as the worldwide organization of actuarial associations, is to:*

- *Inform and **Influence** global stakeholders*
- ***Assure** the reputation of the profession*
- ***Advance** the competency of the profession*



## Draft Strategic Objectives

Title	Strategic Objectives
Influence: Supranational Relationships	Develop relationships with key supranational institutions, providing actuarial input on issues of relevance in global forums
Assure: Promotion of the Profession	Support the development of the actuarial profession worldwide and promote appropriate professional/educational standards through Member associations
Advance: Development of Competence	Promote the advance of scientific knowledge and the skills of the actuarial profession by providing a discussion forum for Member Associations and by supporting the activities of Sections





# The image of the revised Strategic Planning Package

**Vision:** The actuarial profession is globally recognized as leading experts in risk and financial security, contributing to the well-being of society

## Mission

- Inform and **Influence** global stakeholders
- **Assure** the reputation of the profession
- **Advance** the competency of the profession

Supranational Relationships

Promotion of the Profession

Development of Competence

**3 Strategic Objectives**  
(with title)

Values Statement (no change)



## Next Steps

After the discussions of the Strategic Planning Package at the Council meeting in Berlin, the EC will begin preparing a concrete proposal, including detailed Strategic Initiatives, for consideration and approval at the next Council meeting in Mexico City in December.

# Council Agenda - Membership fee payment mechanism

Saturday, June 2



## Membership fee payment mechanism – reason

- Due to lacking consistency among Full Member Associations (FMAs) on what is a Fully Qualified Actuary (FQA), the fee calculation methodology had to be changed.
- One of the results of the discussions at Council in Chicago was that the Executive Committee (EC) set up the Fees Task Force (FTF) to address the fee paying mechanism issue.



## Membership fee payment mechanism – the FTF

- All FMAs could delegate a member to the FTF
- Finally 22 FMAs did so
- Chair: Jane Curtis of the Institute and Faculty of Actuaries
- EC liaison: Gábor Hanák, President-Elect 2018
- Secretariat: Mathieu Langelier, Executive Director
- Additional staff support: Michael Williams (IFoA)



## Membership fee payment mechanism – ToR of the FTF

The Terms of Reference of the FTF included

- Review the terms on which FMAs pay their membership fees to the IAA and recommend a mechanism that will secure future budgeted revenues as presented to Council
- High level principles the new mechanism should comply with - such as be fair, transparent, robust, sustainable and simple



# Membership fee payment mechanism – FTF activities

## The FTF

- Issued a survey to all FMAs in December 2017
- Processed the results of the survey
- Defined 17 potential mechanisms
- Created a shortlist of 2 new mechanisms and tested those against each other and the existing FQA based mechanism for all responses
- Ended up by choosing one option for the proposed new mechanism (“Option 5”) and sent its report to EC on 11 April 2018



## Membership fee payment mechanism – FTF proposals

- “Option 5”: The fee shall be a flat amount per member of an FMA, excluding the following defined categories:
  - Members who are not in receipt of any actuarial credential recognized by the FMA
  - Members whose annual membership fee is \$0CAD
- Additionally the FTF proposed a transitional mechanism for small FMAs that will experience a high increase of IAA fees
- Also FTF proposed to consider support, for FMAs experiencing financial hardship





## Membership fee payment mechanism – EC actions

### The EC

- Endorsed and accepted the key recommendations of the FTF at its meeting on 1 May 2018.
- Included both the FTF report and its own report into the 30-day Council agenda for discussion on 2 June 2018 in Berlin.
- Provisionally named the members for whom FMAs would pay fees as “Member with an Actuarial Credential” (MWAC)



## Membership fee payment mechanism – Next steps

After and in light of the discussion at Council in Berlin

- EC develops final recommendation as well as a Council motion for approval.
- EC sends out a survey to all FMAs to finalize the list of actuarial credentials and membership counts.
- FMAs vote on the motion electronically.
- The 2019 Budget will be based on Members with an Actuarial Credential

# Council Agenda - 2019-2023 budget principles

Saturday, June 2



# 2019 Preliminary budget with 5-year forecast

## Highlights

- Keep C\$18.75 per count in 2019.
- Finance priority: restore IAA reserves to appropriate level.
- Flat expenses, except for 2019 meetings in Washington D.C. and Tokyo, 2 expensive cities (approved in 2016).
- Future meetings in more affordable cities. For Example in 2020, Vancouver has already been changed for Ottawa to save costs.
- Rationalized IAA structure will generate other savings.
- Increased IAA support for key strategic areas.



Questions or comments?

# Thank you - See you in Berlin!



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