



Report to Council
from the Executive Committee Meeting
of March 3, 2015

President Rowley welcomed Jane Curtis, nominated as a new member of the EC to fill the vacancy arising from Ronnie Bowie's resignation. A Council ballot has been issued for approval of her appointment. In anticipation of this approval, Jane has been invited to join in the EC meetings, with no voting rights; this will help her become familiar with the issues being addressed by the EC.

1. Finances

a. 2014 Audited Financial Statements

Chair of the Audit and Finance Committee (AFC) Mike McLaughlin presented the draft audited financial statements for 2014 and highlighted the following:

- The IAA has received an unqualified opinion for the fourth year in a row.
- The IAA received a substantial contribution from its share of the surplus from ICA 2014.
- From an operational standpoint, the unrealized gains and losses do not have immediate impact on the finances.
- A minor correction will be made to the statements to reflect a prize award made by the Life Section in 2014.

The management letter includes a recommendation for a needs analysis of data management and customer relationship management system. The Secretariat is moving forward with this initiative, on the recommendation of the AFC which had approved it as an out of budget item.

The EC accepted the draft audited financial statements, which were sent to Council on March 4 for approval by electronic ballot.

b. Dues Recommendation for 2016

The EC agreed with recommending a no dues increase for 2016 and with the proposed allocation of the funds from the ICA 2014 surplus; these are on the 30-day Council agenda for Zürich. The proposal for the final budget for 2016 will come back to the EC in the June/July timeframe in order to be finalized in time for the 60-day Council agenda for Vancouver (to be issued in mid-August). This will provide committee and working group chairs sufficient time to finalize their committee budget requests.

2. Actuarial Standards Committee (ASC) – Changes to ISAP 1

Chair of the ASC, Alf Gohdes, informed the EC that the ASC had recently become aware that model governance would have an impact on several ISAPs and that the topic needed to be addressed somewhere. The ASC presented two options for addressing this: introduce changes to ISAP 1 or introduce a new ISAP on this topic. The EC concluded that the change was material and would require inclusion in the Strategic Action Plan (SAP) for ISAPs, regardless of the option selected. However, the EC agreed that the work could begin even before an option was selected, as both will be subject to the full Due Process. The EC encouraged the ASC to

engage the FMAs in a discussion on the options; this will be part of the ASC report to Council in Zürich. It is important for the ASC to be, and be perceived as being, transparent. Once a final decision has been made on which direction to take, the ASC will propose to the EC an amendment of the Strategic Action Plan.

3. Strategic Planning Subcommittee: 2014 Committee Effectiveness Survey Report

The EC considered a report on the results of the effectiveness of committees' survey for 2014. Overall, the results were very encouraging. The two main areas for improvement include encouraging a higher level of participation from the Sections in the survey and encouraging certain committees to improve on their communications between meetings. EC liaisons will contact their respective committee Chairs to discuss the results for their committee, and report back at the April 12 EC meeting.

4. FMA Engagement Plan

The EC was updated on the Branding and Communications Subcommittee's proposed action plan for FMA engagement.

5. Report from the Task Force on Recommendation 3: Voting Rights and Geographic Representation

The EC thanked the task force for its work and agreed that the report should be sent, as presented, to Council. Although this is not on the Council agenda for Zürich, it will be discussed through the EC report to Council.

6. Supranational Relations – Update on Relationship with IAIS

The EC received an update on our relationship with the IAIS.

7. EC Goals and Agenda Planning 2015

The EC goals for 2015 were approved as follows:

1. Finalize implementation of recommendations of 2013 governance review.
2. Continue to monitor implementation of stakeholder engagement plan.
3. Elaborate on value proposition.
4. Align the committees with the IAA strategic goals.
5. Improve the effectiveness of committees.
6. Improve recognition of the actuarial profession among external audiences.
7. Approve a branding workplan.

8. 30-day Zürich Council Agenda

The EC took note of the 30-day Council agenda.

Fred Rowley, Chairperson