SPECIAL NEWSLETTER – TOKYO 2019

This Special Newsletter summarizes the fruitful activities that took place during the IAA Council and Committee meetings held in Tokyo, Japan, from Sunday to Friday, November 17–22, 2019. These meetings are a great opportunity for member associations to network and share experiences. In addition to the committee meetings, formal and informal events are organized to encourage interaction between actuaries.

The meetings involved the following:

The attendees included the following special guests:

- Esko Kivisaari, Actuarial Association of Europe
- Romain Passerot, International Association of Insurance Supervisors (IAIS)
- Hiroshi Ota, International Association of Insurance Supervisors (IAIS)
PRESIDENTIAL TOWN HALL

On the Monday morning, IAA President Gábor Hanák hosted a Presidential Town Hall, along with Charles Cowling, Chairperson of the Renewal Task Force (RTF), to provide an update to delegates regarding the IAA Renewal. The town hall presentation can be accessed online.

COUNCIL

Executive Committee and President’s Report

Gábor provided an update on the Executive Committee’s (EC) 2019 goals and summarized the achievements of the IAA’s work on each of the Strategic Objectives. Please see the President’s report in the Council slides for more details.

Items Approved by Council

- The Washington Council minutes
- Ratification of an electronic ballot since the Washington Council meeting, which included the admission of the Actuarial Association of Mozambique and the Association Tunisienne des Actuaires as Associate Members. In addition, ratification of the appointments and re-
appointments approved by the EC at its September 17 meeting with respect to leadership of Committees and Working Groups and of IAA Delegates to Sections

- Approval of the appointments and re-appointments to the statutory and limited-membership committees
- Appointment of the firm of Parker Prins Lebano as the IAA auditors for 2019
- Approval of the 2020 Budget
- Approval of the changes to the Financial Policies: Financial Assistance, Signing of Contracts & Expense Reimbursement
- Adoption of the Capitalization Policy
- Approval of the top-down governance proposals with regard to the creation of the Strategic Planning Committee and relevant governance documents
- Approval of International Standards of Actuarial Practice (ISAP 4) – IFRS 17) Insurance Contracts
- Approval of the revised Due Process for ISAPs, which increases the number of years before an ISAP requires review from three to five

2020 ELECTION RESULTS

Council elected Tonya Manning of the U.S. as President for 2020 and Jan Kars from the Netherlands as President-Elect. Special recognition was shown for Gábor as outgoing President for his exceptional and valuable contributions over his year in office. Gábor will continue to serve as an IAA Officer, as Immediate Past President. All terms are effective as of January 1, 2020.
MEMBER FORUM

At the Member Forum (previously the Presidents’ Forum), the agenda focused on several areas:

- **The IAA’s proposed Climate Risk Initiative**
- **Insider views on nominations**
- Setting strategy (Tonya Manning, IAA; Greg Heidrich, Society of Actuaries; Hoa Bui, Actuaries Institute Australia)
- Japanese longevity from a population-projection perspective, and its background, prospects and impacts
- What a 100-year life means for Japan’s youth

SEMINAR ON LONGEVITY INSIDE AND OUTSIDE JAPAN

This half-day seminar was co-hosted by the IAA’s Population Issues and Mortality working groups (PIWG and MWG, respectively) and the Institute of Actuaries of Japan (IAJ). Ninety-seven delegates attended, in a venue that had a maximum capacity of 100. The event commenced with coffee and light snacks.

The first half of the seminar was presented by eminent experts from Japan: Kazuhito Ihara, Director-General for Policy Planning and Coordination at the Ministry of Health, Labor and Welfare; Junichi Sakamoto, JS Actuary; Taisuke Nishimura, Dai-ichi Life Holdings; and Takashi Yamaura, Sompo Japan Nipponkoa Insurance.

The topics covered included:

- The extent of longevity in Japan, and the effect that this has on the population pyramid and the level of the total population
• Extending the working lifetime period to relieve pressure on the social security system
• Extension of the healthy life span, and initiatives taken by both the government and the life insurance industry
• Enhancement of health care productivity (including artificial intelligence and robotics)
• Social security sustainability, and the many potential scenarios tested
• Efforts by the life insurance industry to keep sufficient financial reserves despite increasing longevity
• An increase in policies insuring against costs associated with dementia and long-term care

After a short coffee break, the second half of the seminar was presented by IAA delegates: Michael Eves, Certifying Actuary, Swiss Re Asia; Al Klein, Co-Vice-Chairperson of the MWG; and Sam Gutterman, member of the PIWG and WMG.

The years since 2000 have seen improving longevity in the vast majority of developed countries, but the rate of improvement has declined in most over the past five years or so.

The question is whether this slowdown in mortality improvements is temporary or the start of a new trend. Some aspects are clear: a substantial decline in cardiovascular disease mortality has underpinned the improvement in longevity, but there may be less distance to go. Smoking, too, has declined, and obesity and drug abuse are rising in some countries.

Speakers analyzed the possible impact on future longevity of present and future changes in behaviors, in medicine and in technology. Detailed projections of deaths by cause remain interesting but complex, given different geographies and the differing effects of changes on socio-economic class, age and other categories. Some of the main factors were discussed.

Seminar attendees were encouraged, in a light-hearted tone, to think about personal aspects of healthy behaviors and diets.

A vote of thanks was then given for the speakers, the staff, the IAJ, the organizing committee led by Al Klein and the sponsors: Gen Re, the IAA’s Life and PBSS Sections, Munich Re, RGA, SCOR, Swiss Re and ToaRe.

The event concluded with a networking break. The agenda and papers are here.
DINNER

Our hosts, the IAJ and the Japanese Society of Certified Pension Actuaries, organized a dinner for delegates at the Meiji Kinenkan (the Meiji Memorial Hall), the building in which the Constitution of the Empire of Japan was drafted. A plaque was presented to the IAJ in appreciation of it hosting the IAA and organizing the delightful meal.

A plaque was also presented to the Actuaries Institute of Chinese Taipei in recognition of their 75th anniversary.
VOLUNTEER APPRECIATION LUNCH

In recognition of their valuable contributions and dedication, an appreciation lunch was held for the remarkable outgoing IAA volunteers below, who were also presented with plaques.

Tomio Murata—EC Member was absent and was given his plaque by Masaaki Yoshimura, Immediate Past President.

OUTCOMES OF COMMITTEE AND WORKING GROUP MEETINGS

Actuarial Standards Committee
Andrew Chamberlain, Chairperson

The Actuarial Standards Committee (ASC) held a full meeting in Tokyo, and some items did have to be deferred to teleconference as time ran out.

The main points dealt with were:

- With input from the original drafting TF, the ASC concluded that recent changes to
the Insurance Core Principles 8 and 16 by the IAIS did not require ISAP 6 to be amended in any way.

• We disbanded with thanks the TFs for the ISAP 1 review and for ISAP 6.
• We agreed the non-substantial drafting amendments to the ISAP 4 draft that was to be presented to Council in Tokyo and was then approved by Council.
• We discussed and agreed to hold a webinar to present ISAP 4 early in 2020.
• We considered an issue raised re the Glossary and agreed that in future we would include a code "G" along with ISAP numbers where a term was used elsewhere in the Glossary, but not refer to all ISAPs that only used the other defined term that relied upon that definition.
• We discussed how to process the requirement to review ISAPs periodically. We did not reach firm conclusions, but we are working on a two-part process, where first we consider whether there is a need for change, and only if considered necessary do we proceed to a full review via statement of intent (SOI).
• In this vein, we agreed that ISAP 2 was not in need of any significant change, and there were insufficient minor changes to warrant a full review, taking into account the inconvenience to FMAs and standard-setters on revising an ISAP for only small changes.
• We set off the pre-review for ISAP 3.
• The ASC agreed to work with the Advice & Assistance Committee (A&A) on developing tools for both FMAs and Associate Members who wish to establish what might be described as core standards in particular practice areas; for example, as a follow-on from adopting ISAP 1. We also agreed we wanted to work actively with that committee and with the Professionalism Committee to support the IAA’s objectives under the Assure area, and encourage standards across the world, especially where none (or very few) exist.

Advice & Assistance Committee
Darryl Wagner, Chairperson

The Japan meetings witnessed a full agenda from an A&A perspective, including meetings of the A&A Committee, the A&A leadership team and the Asia Subcommittee. A&A was also represented at the Assure leaders’ breakfast and the small-association luncheon. Throughout the meetings, we spent considerable time discussing the work of the RTF and the future of A&A in a restructured IAA.

The A&A leadership meeting resulted in a revised version of the new A&A terms of reference after a robust and healthy discussion. In brief, we see the primary roles for A&A as supporting the delivery of assistance to developing actuarial associations and coordinating the interaction of stakeholders, both internal and external to the IAA, to achieve this. We are optimistic about the future of A&A within the evolving
structure, and are already seeing benefits from greater collaboration across the Assure committees around topics such as actuarial standards for developing associations.

At the committee and subcommittee meetings, updates were also presented on A&A activity, encompassing ongoing assistance to many developing associations across our regional construct, successful regional events recently hosted in Latin America and Asia, and an update from AWB, whose volunteers continue to work closely with A&A. We also received an update for the African Congress coming up in March in Ghana.

Finally, this was my last meeting as Chairperson of A&A, and I am pleased that Richard Galbraith will be stepping in as Chairperson in 2020. I have thoroughly enjoyed my time in this role and want to thank and congratulate the many individuals and entities that help advance the work of A&A throughout the world.

Communications Subcommittee

Alf Gohdes, Chairperson

As in the past, the subcommittee experienced engaged and constructive discussions during its meeting in Tokyo. Particular mention should be made of the positive contribution that the attending observers made to the discussions.

It was encouraging to note that three FMAs have already or will soon put forward candidates to replace the three members who have already left or are due to at the end of the year.

It was decided that the Considerations and Readability Guidelines against which the subcommittee tests papers being proposed for publication under the IAA logo should be up for renewal. However, it was also agreed that any revision would not be proposed to the EC before the end of the next calendar year at the earliest, unless serious issues are identified.

The papers currently in the review process were discussed, and the next steps to be taken agreed upon.

Education Committee

Bozenna Hinton, Chairperson

Sunil Sharma from the Institute of Actuaries of India was welcomed as a new committee member. We reviewed the status of action items identified at our last meeting. Importantly, the DAV (German Actuarial Association) review was completed with its syllabus found to be in complete compliance.

Roseanne Harris presented the EC’s Guidance on Education Reviews. We will discuss the implications of this at our next meeting in Brussels.

Reviewers for the AAE syllabus review were identified. This syllabus is closely aligned with the IAA syllabus, with a few additions.

Malcolm Campbell and Henning Wergen presented a draft syllabus review template for discussion. Some improvements were suggested, including highlighting that reviews were fact-based, incorporating the
John Lowell presented on actuaries of the future, which led to a discussion on how actuarial education will need to change to remain relevant. South Africa gave an update on its banking education program, and Taipei, the Baltic States and Japan each outlined their CPD programs. Lan Wu gave a presentation on teaching methods that generated a good discussion.

We received a report from Rafael Moreno on the Actuarial Educators Network, and discussed the IAA restructure, which has proposed an in-person meeting once per year and more frequent virtual meetings.

**Enterprise and Financial Risk Committee**

*Paul Braithwaite, Chairperson*

Along with other routine matters, we received updates on the IAA renewal process and activities of the Global CERA Association (celebrating its 10th anniversary) and the AFIR-ERM Section. Gábor Hanák joined the meeting to discuss current renewal proposals that would transform the committee into a forum. He requested comments from our members by year-end 2019. Consistent with the aims of renewal discussions, we are increasing efforts to interact with the AFIR-ERM Section and work more productively together.

We also refined the outline for a potential new Risk Book chapter on ERM failures. This would include several instructional case studies. Subsequent to our meeting, the Risk Book TF approved proceeding with this chapter.

We also discussed the online ERM Library developed by the Irish Society of Actuaries, which is considered valuable but potentially challenging to maintain. We are awaiting feedback from the AFIR-ERM Section on the resources it could contribute to maintaining the library.

**General Insurance Committee**

*Bob Conger, Chairperson*

The General Insurance Committee (GIC) discussed several in-process chapters of the IAA Risk Book, with a particular focus on chapters that seem to warrant a specialized treatment of GI due to its significant differences from life insurance and health insurance. We have prepared a proposed outline of a chapter on hazard risk, and are assembling a team to draft the chapter. We reviewed a proposed “market conduct” chapter outline, and offered to develop a parallel treatment of market conduct issues for GI. We will be providing comments on a recent draft rewrite of a chapter on reinsurance, and outlines for two ERM-focused chapters.

We discussed IAA initiatives related to IFRS 17, and suggested that the IAA:

- Actively publicize and disseminate the excellent materials in International Actuarial Note 100 (IAN 100)
Facilitate broader sharing of useful resource materials developed within various FMAs
Consider a periodic pulse survey regarding issues of greatest concern to GI practitioners
Develop case studies to illustrate potential ways to treat specific issues for GI companies as they prepare IFRS 17 financial statements

These ideas will be discussed further with the IAA leadership.

We will create a team to respond to a request from the Caribbean Actuarial Association (CAA) to review a second draft of a proposed CAA actuarial standard on premium-related liabilities.

An idea for research regarding the impact of interest rates on motor insurance claims was referred to ASTIN as a potentially interesting topic for an ASTIN working party. It is anticipated that several GIC members would volunteer to participate in such a working party.

Health Committee
Christelle Dieudonné, Chairperson

During our meeting in Tokyo, members had the opportunity to talk about the IAA’s renewal and especially the idea to develop a health forum with the Health Section (HS). The HS chair has always attended our meetings and we are used to developing joint projects. We used the opportunity of this face-to-face meeting to confirm with our members their role (to liaise with their home association to create the bridge between the IAA and local FMA) while the HS chair liaises with Section members. Therefore, it seems that we are already working together as a forum.

In term of projects, a joint project with the HS was a survey on the role of health actuaries, in which more than 180 actuaries responded. The global report will be finalized and our members, along with the HS, will discuss how to communicate the results. Also, and considering the next HS colloquium in Singapore (2020), our members confirmed the intention to work jointly with the HS on the following subjects:

- Key drivers for medical expenses per country (our members will confirm with their local FMAs if they want to participate)
- Health hot topics around the globe: a first presentation will be done in Brussels and, based on the different responses, it could be also an opportunity for a specific session during the colloquium
- Health actuaries in the health sector: the idea could be to develop a round table with the HS during the colloquium

We welcomed the work done by the IAA to finalize the SOI for its activities on climate-related risk, but noted the need to make specific reference to health-related risks. We agreed to prepare a global response to the IAA with potential comments (with a deadline of December 31).

As a final point, we will be happy to start working on the IAA virtual platform. We look forward to trying this new way to work together and be closer! A call has been organized for January 8 to kick-off this tool.
Insurance Accounting Committee
William Hines, Chairperson

At our meeting in Tokyo we discussed the agenda of the International Accounting Standards Board (IASB) with regard to its deliberations of proposed amendments to IFRS 17. We submitted comments on the exposure draft and decided that no further comments would be developed at this time. We agreed to monitor the re-deliberations and determine if additional input would be desirable.

We also discussed a draft proposal for revised terms of reference for the committee from the RTF. Committee members were asked to provide any further comments to the committee’s leadership team so they could be combined before forwarding to the RTF.

The Education and Practice Subcommittee focused almost entirely on reaction to the responses received on the Exposure Draft of IAN 100 (educational support for IFRS 17: insurance contracts). The next steps are to obtain a review of the updated draft from the Professionalism Committee and to move to a “fatal flaw” draft of the initial version of IAN 100 in the first quarter of 2020.

Insurance Regulation Committee
Stuart Wason, Chairperson

Members of the Insurance Regulation Committee (IRC) met in Tokyo on November 19 to discuss key regulatory developments involving or affecting the work of actuaries.

We welcomed Romain Paserot, Deputy Secretary-General of the IAIS, who outlined the important developments arising from the IAIS annual meeting held the previous week in Abu Dhabi. During that meeting the IAIS adopted a comprehensive set of reforms that will enable effective cross-border supervision of insurance groups and also contribute to global financial stability. Full details can be viewed here. The adopted reforms include:

- **The Common Framework** (ComFrame) establishes supervisory standards and guidance focusing on the effective group-wide supervision of internationally active insurance groups (IAIGs). ComFrame is a comprehensive and outcome-focused framework that provides supervisory minimum requirements tailored to the international activity and size of IAIGs. ComFrame will provide supervisors with a common language for the supervision of IAIGs. It builds on the revised set of Insurance Core Principles that are applicable to the supervision of all insurers, and which were adopted after extensive review.

- **The Insurance Capital Standard** (ICS) is being developed with the purpose of creating a common language for supervisory discussions of group solvency of IAIGs to enhance global convergence among group capital standards. The newly agreed ICS Version 2.0 for the five-year monitoring period starting in January 2020 was developed as a result of extensive quantitative field testing exercises over the course of 2014–2019. During the monitoring period, ICS Version 2.0 will not trigger any supervisory action but will be used for confidential reporting and discussion in supervisory colleges to provide feedback to the IAIS on the ICS
design and performance. The IAIS has agreed to a detailed plan for the operationalization of the monitoring period, including a workplan and timeline for the period 2020–2024. At the same time, the IAIS agreed on a definition of comparable outcomes and an overarching approach for the development of criteria to assess whether the Aggregation Method, being developed by the U.S. and other interested jurisdictions, provides comparable outcomes.

- Lastly, in delivering its commitment to contribute to global financial stability, the IAIS adopted the Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector for implementation from the beginning of 2020. This framework recognizes that systemic risk can arise both from sector-wide trends with regard to specific activities and exposures as well as from a concentration of these activities and exposures in individual insurers. The Holistic Framework consists of an enhanced set of supervisory policy measures and powers of intervention, an annual IAIS global monitoring exercise and collective discussion on the outcomes and appropriate supervisory responses, plus a robust implementation assessment.

We also welcomed Hiroshi Ota, Vice-Chair of the IAIS Executive Committee and Deputy Commissioner for International Affairs at Japan’s Financial Services Agency (JFSA); and Norio Hida, Assistant Commissioner for International Affairs, JFSA. Mr. Ota described the IAIS perspective on the emerging topic of FinTech and challenged the IAA and actuaries with respect to the following issues:

- Ethical use of data
- Explainable artificial intelligence
- Use of Big Data analytics in claims processing
- Outsourcing of data storage and analytics
- The lack of sufficient experts with data analytic skills
- The need for effective communication with management and supervisors

As the IAIS is one of the most important supranational organizations for the IAA due to the high degree of interaction between the members of each body, Stuart Wason (IRC Chairperson and IAA/IAIS Relationship Manager) thanked Mr. Paserot, Mr. Ota and Mr. Hida for their reports, insights and invitations for future collaboration on the various issues they had raised during the meeting.

During our meeting, we reviewed IAA work with respect to climate-related risks. Micheline Dionne spoke to the abovementioned draft SOI (comments due by December 31) that defines the need for and extent of work to be conducted by the IAA to leverage and support the work of FMAs on this topic. Climate-related risk is very important for several international groups, including insurance supervisors. Also discussed during the meeting was a recent Financial Stability Institute paper entitled “Turning Up the Heat”. The paper leaves open the door to actuaries to contribute to this topic through their knowledge and involvement with topics such as Own Risk and Solvency Assessment, non-linearity of risk dependencies and design of
suitable climate-related risk frameworks, scenarios, etc. We will be working within the overall IAA climate-
related risk project to further contribute to the insurance regulatory discussion of these issues.

Finally, the IRC was briefed on the ongoing work of its Risk Book WG by Jules Gribble. Important in his
update was the impending conversion of all current chapters to a new format and organization that
promises to afford new and existing users a more pleasing and easier-to-use online experience through
the IAA website. The IRC is planning a spring 2020 re-launch of the Risk Book.

**Membership Committee**
*Mike McDougall, Chairperson*

The Membership Committee held a brief meeting in Tokyo to discuss a few issues; the
meeting was completed within an hour.

It was decided to seek guidance on the balance required between whether the IAA strives
primarily for inclusiveness or quality when considering both the acceptance of new FMAs
and the maintaining of standards by existing members.

Committee members were in support of the recommendations of the RTF and felt that, with the exception
of a few controversial elements or other items requiring extended discussion, much of the work can be
conducted through emails and teleconferences.

The main issue of focus is how to ensure we can review documents and respond within a reasonable
period.

To commence work towards the revised operating process, reviews will be allocated between meetings as
confirmation forms are returned for discussion to occur during meetings. This is a change to the existing
process of allocating reviews in meetings to be discussed at the subsequent meeting. This should contribute
to both reduced costs for the IAA and delegates as well as more efficient and speedier completion of
reviews.

**Pensions and Employee Benefits Committee**
*Charles Cowling, Chairperson*

There was an excellent discussion on the IAA’s restructure proposals, and there was
largely a lot of support for the proposals, but a number of individual concerns were raised
that will be fed back. There was considerable enthusiasm for working more closely with
the PBSS Section in future.

Abraham Hernandez provided an update on the activities of the PBSS: one of its goals is
to provide webinars every other month, and there is a call for papers for the colloquium
in Paris in May.

Yas Fuji provided an excellent overview of the Japanese pension system. He detailed the framework of
the system from public to private pension plans as well as the current difficulties with the ageing of the
population and taxation of benefits.
Tim Furlan provided an update on the joint project with the Resource and Environment WG (REWG) on environmental, social and corporate governance (ESG) investing in pension plans, which is of interest to the International Organisation of Pension Supervisors (IOPS).

A note on the role of actuaries in defined contribution systems was considered and feedback sought.

Christelle Dieudonné provided an overview of the Organisation for Economic Co-operation and Development’s (OECD) current pension projects, and there was a discussion of the work that the IAA is doing in partnership with the OECD, IOPS and IASB/Financial Accounting Standards Board.

Jim Verlautz updated the committee on Pension Benefits Accounting Subcommittee (PBAS) activities. The main focus of the work has been on the projects currently underway at the IASB, including the current disclosure project, asset-return-based plans and International Financial Reporting Interpretations Committee 14 (IFRIC 14). Also discussed were the next steps in relationship with the International Public Sector Accounting Standards Board (IPSASB).

There was an update on our funding monograph and a call for any final edits ahead of a redraft of the monograph at the end of this year.

There was also an update on work of the AAE, including its discussions on negative interest rates.

Pension Benefits Accounting Subcommittee
James F. Verlautz, Chairperson

The PBAS is currently interacting with the IASB on:

- How the IASB intends to incorporate our concerns regarding proposed changes to IFRIC 14 so that it has a more principles-based approach
- The status of the IASB project on “reducing” disclosures and how we can be of assistance going forward
- Our continuing to provide input to the IASB on its project regarding asset-linked liabilities

Understanding the somewhat similar roles of the Public Company Accounting Oversight Board and the IAIS, and coordinating PBAS activities with the rest of the IAA in its involvement with the IAIS

- The status of the IPSASB’s pension project and maintaining contact with it
- Discussing the technical aspects of handling negative discount rates and gathering information regarding auditor opinions on the matter in various parts of the world
Professionalism Committee

David Martin, Chairperson

As agreed at the Washington DC meetings of this committee and the Standard-Setters Round Table (SSRT), a session covering standard-setting matters, led by Dave Pelletier, chairperson of the SSRT, was held. This enabled discussions on this topic to be heard by a wider audience, including those whose associations do not set standards but might consider doing so. Members reported on developments related to International Accounting Standard 17 in their countries. Individual reports (on developments on other professionalism matters from FMAs) that had previously been received were noted, and questions arising addressed. A presentation on standard-setting in Canada – updated from an earlier one at the spring SSRT meeting – was made, giving rise to a number of queries and comments, including some from those who had not attended the SSRT previously. It was agreed that the purposes of the SSRT and the committee were sufficiently close that the former should be merged into the latter at future meetings.

A report from the ASC noted that work was complete on ISAP 4, prepared in connection with IFRS 17, and was on the agenda for approval at Council. The Due Process TF’s final report on this was also noted. ISAP 2 had been reviewed by the ASC, which had concluded no changes were needed. ISAP 3 will similarly be reviewed by the ASC next. Since the last meeting, the proposed increase in the minimum period for review of ISAPs from three to five years, as mentioned above, had been agreed by the EC. The ASC is considering preparing a “toolkit” of basic model standards for associations that have not yet set their own actuarial standards.

Progress on the development of an IAN related to IFRS 17 (IAN 100) was noted. Following very extensive comments after its initial exposure, a further draft was expected by the end of November. Volunteers to review the due process for this on behalf of the committee were recruited.

A WG on revising the due process for the production of IANs reported, and the document was agreed. It would be sent to the EC for eventual formal agreement.

The task force appointed to consider changes required to Professionalism Guideline 2 (on cross-border work) reported, and these were discussed. It was agreed that comments made should be considered and the earlier WG that suggested the changes should reconsider the matter before the revised version is agreed and sent to the EC for its consent, and for later ratification by Council.

A report was made on a webinar that had been held shortly after the last meeting for actuaries in Eastern Europe (and others worldwide) on professionalism, using material from one of the case studies being developed for this project. It was agreed that further such seminars would be the responsibility of the A&A Committee and be the subject of cooperation in future meetings of the Assure chairpersons.

At the start of the meeting, Alf Gohdes, the new liaison with the EC, was introduced. He briefly summarized the work of the RTF and the implications of its proposals for the committee. Later there was a short discussion on this matter. There was agreement to the proposed shortened version of the terms of reference.
Scientific Committee
Thomas Béhar, Chairperson

At its meeting in Tokyo the committee and the various WG meetings that were held considered the past, present and future.

The Past

The committee considered the papers that have recently been issued by the various WGs since the Washington meetings. These include “The Interaction between Pensions and Housing”, “Flood Risk” and “Climate Change and Vulnerable Populations”. These all appear to have been well received and, except for the last, have also had webinars to market the content. The Micro-Insurance – or, more correctly, the Inclusive Insurance – WG has also been publicizing its work product and presenting at conferences of interested parties.

The Present

The committee discussed a number of papers that are currently in the pipeline and planned in the short term. It was agreed that when an IAA paper is produced through the Scientific Committee the purpose and target audience must be clearly identified and that the resulting papers then need to be well marketed to members of the IAA, and their members, so that the value of the work product is realized.

The Future

The ongoing restructuring of the IAA was considered and discussed by both the committee and the WGs. With the “top down” approach largely settled, the focus was on the “bottom up” parts of the restructure. The general direction of the thinking was supported and most of the WGs were reasonably comfortable with the proposed transition to “forums”, and were ready to make the change. However, two key considerations arose:

- There is a need to be clearer on what a forum is, what it does and which roles it plays when a TF is formed by the proposed Advance Committee and is producing an agreed project.
- It is critical that in the transition to a forum that is focused on sharing, the actual work does not get lost. In this respect, it was noted that there is a lot of actual “work” done in the current WGs (such as production of mortality information in multiple languages by the MWG) and that if the focus of the forums only becomes sharing information, this “work” could be lost.

One of the most significant future projects emerging from the Scientific Committee and the Resource and Environment WG is the intended creation of a Climate Risk TF presented at Council.
Big Data Working Group  
*Ashleigh Theophanides, Chairperson*

In Tokyo the Big Data WG meeting proved to be very productive, with a focus on sharing. The IAJ presented on its current data science focuses, and we were encouraged to see the emphasis and attention these topics have received. This could be demonstrated by the number of data-science-specific sessions/meetings held per year, and also the IAJ’s focus on data science education for its members. In addition, the IAJ shared a few use cases of how its efforts have been implemented. As a group we gained huge insights into what the local association was currently driving, and moving forward we agreed that it would be beneficial to invite it to present on its data-science-focused initiatives in future meetings.

Furthermore, the use of data by the actuarial profession was the major topic of conversation, with various presentations focusing on questions and themes that are being asked with regard to professionalism and ethics. The WG has made significant progress in putting together a framework promoting a common understanding of the principles of professionalism in the field; more specifically, numerous reports have been reviewed, which resulted in the creation of a summary discussion of the topic and its relevant themes. We target the finalization of the document early next year in order to host a webinar in the first quarter of 2020.

Another important initiative that we will be driving is the creation and development of the IAA Big Data Survey, in which the WG looks to collaborate with the other committees and Section leaders. The focus of the survey will be around understanding the current impact and influence Big Data has within the various fields of IAA members, while also looking to gain further insights on how we can structure future relevant Big Data seminars or sharing of related information. We aim to launch this survey in the next few weeks, allowing us to identify how we can further support the IAA and associations with this matter.

Mortality Working Group  
*Brian Ridsdale, Chairperson*

The MWG had a productive meeting in Tokyo, and received country reports from Portugal, Italy and Azerbaijan; mortality updates from the UK and U.S.; and updates on research projects in progress.

Al Klein, chairperson of the seminar organizing committee for the MWG, reported that the joint Seminar with the PIWG and the IAJ had been fully booked and was a great success.

The group welcomed Gábor Hanák to discuss the proposals for the IAA reorganization. Another highlight of our meeting was a couple of presentations from actuaries from Japan: Dr. Tsukasa Nagaoka and Dr. Atsuyuki Kogure.

Minutes and all papers from the seminar and the MWG meeting are available [here](https://www.iaa.org).
A robust discussion was held about the proposed restructure, which would result in the PIWG becoming the Population Issues Forum. Reporting would be to the newly formed Advance Committee rather than to the Scientific Committee. The meeting requested the chairperson to forward a number of comments about the proposed restructure to the Strategic Planning Committee.

A comprehensive paper on actuarial aspects of inequality has been drafted, and is now with the Communications Subcommittee for review.

Three outlines for future papers were discussed. The first was in respect of “the future of work: actuarial perspectives on the impacts and challenges”. While this was considered a worthwhile topic, it was recognized that it would be a long and complex paper, with work extending beyond the commencement of the new structure. It was agreed to defer consideration.

The second outline was in respect of “fertility – actuarial aspects”. The paper will look at trends in fertility, and the financial effects of low fertility, leading to an aging population. The outline will be forwarded to the Scientific Committee.

The third was about “global population projections”. This paper will analyze the United Nations’ World Population Projections in 2019, inform actuaries of their key features, and comment on methodology and assumptions from an actuarial viewpoint and on the possible impact of the projections. This outline will be forwarded to the Scientific Committee.

The acting chairperson of the PIWG will not continue in the role beyond the end of the year, and the name

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Pictured: IAA MWG and guests. Front row: Marc Tardif, incoming Chairperson; Ermanno Pitacco, Co-Vice-Chairperson; Brian Ridsdale, Chairperson; Al Klein, Co-Vice-Chairperson; Dale Hall, Managing Director Research, SOA.

Population Issues Working Group
Martin Stevenson, Chairperson
of a candidate for the role of chairperson has been forwarded to the Nominations Committee.

Resource and Environment Working Group
Sam Gutterman, Vice-Chairperson (filling in for currently vacant chairperson position)

The REWG met in Tokyo, discussing past projects, current projects and its future.

In the last six months, the REWG published discussion papers entitled “Flood Risk” and “Climate Change, Vulnerable Populations and Insurance”. A webcast was given on the former paper. Attendees were requested to promote the availability of these papers.

Three briefing papers are currently being developed: (1) water risks, (2) disclosure of climate risks in pension plans and (3) adaptation and climate change. In addition, three REWG members are working on the development of a Risk Book chapter on climate change risks.

FMA activity was also discussed, focusing on the Actuaries Climate Index, and a proposed Actuaries Climate Risk Index for Australia, Canada and the U.S. Encouragement was given to other FMAs to develop similar indices.

The future of the REWG was also discussed, with the possibility of a forum in this area. Chairperson Micheline Dionne discussed the draft SOI that was being circulated to Council members regarding how the IAA should best address climate risk.

Social Security Committee
Barbara D’Ambrogi-Ola, Chairperson

One of mostly important topics was the influence of the IAA restructure on activities of the committee, which will become the Social Security Forum. Invited guest Charles Cowling, representing the EC, gave information on this, started discussions and answered our questions.

We have a nice tradition of having a presentation on social security in the host country. This time a really interesting presentation was given by Junichi Sakamoto, ex-chairperson of the committee. He covered problems arising in social security, results of actuarial valuation and proposed actions. Since Japan, like many Western countries, suffers from population ageing and increases in non-formal employment, lessons from Japan may be learned by other countries.

Later we heard updates on activities of the International Social Security Association and the Social Security Subcommittee of the AAE, as well as news from the Social Security Forum organized jointly with the International Labour Organization.

Afterwards we discussed progress of projects carried out by our committee: on balancing the adequacy and sustainability of social security systems and on workers’ compensation systems around the world. We also discussed how ISAP 2 influences the work of actuaries in different countries.
OUTCOME OF SECTION COMMITTEE MEETINGS

AWB

Mike Smith, Chair

While AWB did not have a Board or Annual General Meeting in Tokyo, several individual AWB Board members were in attendance at many scheduled meetings and were also able to meet informally among themselves and with other IAA delegates. By its defining nature, AWB works in a broad space that intersects the work of many IAA committees and other sections in support of its mission. As such, close coordination is needed with FMAs.

The IAA Renewal project will have an effect on AWB; however, the nature of that effect and resulting changes will evolve over time. In the meantime, AWB continues its mission of assisting its clients on the important in-scope projects they bring to AWB. In pursuit of those efforts, AWB strives to work closely with members of the A&A committee. AWB remains committed to its mission. However, its structure and governance may change once the IAA Renewal project is completed and implemented.

If you are interested in our mission, please consider joining us.

NEXT MEETINGS

The next meetings of the IAA Council and Committees will take place at the Radisson Blu Hotel in Brussels, Belgium, from May 2–8 at the invitation of the Institute of Actuaries of Belgium (IA|BE) to mark the 125th anniversary of the IA|BE and of the first International Congress of Actuaries in 1895. These meetings will be followed by a joint colloquium of five IAA Sections in Paris, France, from May 10–14.

The Brussels meetings event website is now available for viewing! Please CLICK HERE for a sneak peek of the schedule and to book your guest room. Updates and other important information will be posted once they become available; therefore, don’t forget to visit the website regularly.