



Final, October 15, 2019

**INTERNATIONAL ACTUARIAL ASSOCIATION
Executive Committee (EC) Conference Call
October 1, 2019 – 7 a.m.
Minutes**

Present

Gábor Hanák, Chairperson
Tonya Manning, President-elect
Masaaki Yoshimura, Past President
Jerry Brown
Charles Cowling
Régis de Laroullière
Alf Gohdes
Cathy Lyn
Tomio Murata

Regrets

Roseanne Harris

Secretariat

Mathieu Langelier, Executive Director
Norah Neill, Executive Assistant
Carol Ann Banks, Director, Operations &
Finance
Christian Levac, Director, Communications
& Membership
Amali Seneviratne, Director, Technical
Activities

Chairperson Gábor Hanák called the meeting to a start at 7:03 a.m. EDT. The EC approved the agenda as presented.

1. IAA Renewal Task Force (RTF)

President Gábor and RTF Chair, Charles Cowling, reported that there was a lot of progress made at the RTF meetings in Prague on September 19 & 20. The RTF also held a meeting through conference call on September 26 following the Prague meetings. The EC received background documents that expressed the RTF's agreements/decisions made thus far.

Top-down Governance

After a robust debate and comprise, the RTF finalized how the SPC would be populated. Some aspects are still being refined. All related documents (after the result of the legal review) will be issued on the 30-day Council agenda to be sent on October 22.

There was concern surrounding a potential risk that the EC and SPC end-up being two bodies with some potential overlap. Response to this concern was the SPC is a vehicle for Council for debate amongst themselves regarding strategy and the EC is operations focussed, EC members represent the IAA. The SPC will not decide on anything but what to present to Council. Still, there is risk that there could be potential tension. Hence, need to be clear where the divide sits and ensure this is managed efficiently and effectively. The Executive Director and Officers will be on both SPC and EC to promote that everything flows as it should.

It was asked how many face-to-face meeting SPC members will be required to attend other than the IAA meetings. The SPC is expected to meet at least two times per year at IAA meetings and potentially other times as workload dictates. There is a strong preference for SPC members to attend meetings in person rather than by phone since joining by phone does not enable full participation.

It was also asked what kind of qualities an individual would be expected to have in order to be appointed to attend an SPC meeting on behalf of an SPC member. This is not yet clear and will be added to the RTF's list of items they need to confirm and agree on.

The EC will finalise at its next call on October 15 the RTF top-down governance proposal that will be linked to the 30-day Council agenda for Tokyo on October 22.

Bottom-up Structure

Charles reported that the RTF made a lot of progress along with plenty of compromise to come to a unanimous decision.

Charles highlighted key things that had driven RTF decisions/discussion. Focusing on delivering to the strategic objectives has driven much of the discussion on structure. Priority on the activities that make the most difference/are the most important to IAA. Building up international community is very important rather than allowing actuaries to meet/network twice a year.

Earlier, the RTF deliberated merging the Advice & Assistance & Membership Committees. It was eventually decided to recommend that these would be kept as separate committees. There would be a lot of information sharing amongst FMAs within many committees mostly virtually and, as a default, such committees would meet face to face once a year. Key governance entities, entities that have big workload and entities carrying out strategic efforts would meet face to face twice a year. The RTF discussed whether it is practical that the IAA meetings make use of convenient location of colloquia. This may not be desirable given colloquia have different requirements for its locations. The IAA has less focus on tourist attractions and places high priority on locations that are good for business and are cost effective.

Forums (formerly known as communities) would be places for sharing knowledge and expertise for FMAs to find out current activities. Forums cannot produce a project but can propose a project, should it be in line with the IAA's strategic objectives, to the Advance Committee. The Advance Committee would take over the role of the Scientific Committee. Forums would be encouraged to meet virtually and would meet face-to-face once a year. The RTF concluded that the existing working groups would be turned into Forums. A couple of them may be disbanded after further analysis. The Advance Committee would determine whether a Forum continues.

An important objective highlighted by RTF is the importance of the relationships with supranational organizations which would now be at EC level. Relationship Managers (RMs) would have an important role and would need to have good contacts with EC.

The renewal has no impact on Sections at all at this stage. The RTF is moving forward with the structure of how the IAA should look without proposing any changes to the Sections at this time.

The EC was encouraged to focus on the fundamental and principle ideas in the bottom-up proposal which is what will be presented in Tokyo. This will not be voted on in Tokyo but will be presented as the results of the deliberations of the RTF.

An EC member pointed out that the Pensions and Benefits Accounting Subcommittee (PBAS) and IASB have an integral and close relationship and the new structure threatens this. The RTF discussed this in Prague. Charles is meeting with IASB representatives later in the week to see whether the IAA and IASB can still operate within Pensions and Employee Benefits Committee arena as a subgroup so that 2 or 3 people would carry out the relationship with the IASB. If the IAA needs to deliver a formal response, then the PEBC would have the ability to create a TF to deliver. It was pointed out that creating a TF may take too long to submit a response. The IAA must have a quick solution to address key stakeholders if they request feedback. This is a detail to present in Tokyo that the RTF would like response/comments on ahead of putting a final proposal forth in Brussels.

The EC was concerned whether Council will feel a simplified structure has been achieved. The significant advantage of this new structure is separating the important activities the IAA has been and would be doing, i.e. management tasks (committees), information sharing tasks (Forums), and doing/producing (TFs). Although the number of entities will not decrease greatly, the transparency and efficiency of the IAA will increase by introducing this clearer picture.

The EC discussed when would be the appropriate timing to disband the RTF. The EC will wait until the SPC is populated. If there is significant overlap between SPC and RTF membership perhaps the RTF can be disbanded at the end of 2019. If there is not significant overlap the RTF may continue in an advisory role to help the SPC conclude the renewal.

The EC was broadly supportive of the recommendations on the bottom-up structure subject to the RTF sorting out some of details (particularly surrounding the PBAS/IASB). The EC was given a deadline by the end of the week to submit further comments on the fundamental issues of the bottom-up proposal.

2. Approve EC September 17 Minutes

The EC approved its September 17 minutes as presented.

3. Other Business

Supranational Organization TF

The TF had requested information (listed below) from RMs with a deadline of September 30.

- update activity reports
- input on future workplans
- update the summary fact sheets (explain on 1 page what that organization does)

The TF is currently gathering the feedback received and will broadly distribute to EC, FMAs, committee chairs and RMs to keep everyone informed.

President Gábor added that the Impact function will be delivered by the EC. Therefore, going forward the EC will have a closer relationship to the RMs of the IAA stakeholders.

Meetings in Vienna

The Officers are travelling to Vienna next week where they will meet with various European leaders and attend the AAE meetings. On October 12 the Officers will be meeting with Section leadership and will report back to EC on the outcome of that meeting on the next EC call.

4. Next Meeting and Adjournment

The next EC meeting is on Tuesday, October 15 at 7 a.m. EDT. Gabor adjourned the meeting at 8:50 a.m. EDT.