



Final, February 27, 2019

**INTERNATIONAL ACTUARIAL ASSOCIATION
Executive Committee (EC) Meeting
Conference Call
February 5, 2019 – 7 a.m. EST
Minutes**

Present

Gábor Hanák, Chairperson
Tonya Manning, President-elect
Masaaki Yoshimura, Past President
Jerry Brown
Charles Cowling (left 30 mins into the call)
Alf Gohdes
Roseanne Harris
Ken Hohman
Cathy Lyn

Régis de Laroullière
Tomio Murata

Secretariat

Mathieu Langelier, Executive Director
Norah Neill, Executive Assistant
Carol Ann Banks, Director, Operations and Finance
Amali Seneviratne, Director, Technical Activities

Regrets

Gabor called the meeting to a start at 7:04 a.m. EST. The EC approved the agenda as presented.

1. Renewal Task Force (RTF) Follow-up Discussions

The RTF held a conference call on January 31 which focused on the topics below.

1. A strawman proposal which had three options. The RTF was divided on option 1a and 1b. Discussions have continued through email since that call. This will be continued on the RTF's upcoming call on February 7.
 - Option 1a: create two boards: 1, Policy Board to develop strategy and 2, a Management Board similar to EC. The main element of this option is to create an oversight / strategic / advisory structure that is directly controlled by Full Member Association (FMA) as members of the Policy Board would be representatives of their (FMA). Members on the Management Board would represent the IAA. There was some concern that the separate boards would create unnecessary additional layer and potential conflicts as well as not really helping solve the issue of Council being too large to be an effective decision making body.
 - Option 1b: 1 single board, simpler structure, no additional layer. The role of the current EC would be elevated to mostly high-level/strategic one and the administrative tasks of EC would be delegated to the advance, assure, impact/influence boards/committees. Concern was that there could be unresolved conflict surrounding whether the members of the board work from the FMA point of view or the IAA point of view.
 - Option 2: proposes the IAA structure and governance be started from scratch. The RTF did not discuss this option.
2. Main governance issues
 - role of Council
 - reasons for suboptimal effectiveness of Council
 - how can the IAA provide effective decision making on behalf of Council
 - the disconnect between IAA and FMAs

It was asked how the Policy Board in option 1a would differ from the current EC structure. It was explained, that in this option, the EC would be responsible only for the management of operational tasks in the IAA. The role of Policy Board would take over role of developing Strategy, notably replacing the Strategic Planning Subcommittee but reporting directly to Council and it would become the body responsible for approving creation of new committees, approving strategic

direction/processing the strategy decisions that go to Council and budgets. The EC may be renamed as Management Board or Executive Board.

The RTF agreed that their minutes would be shared with the top leadership of the Full Member Association (FMA) of the members so that members of the RTF can fulfill their role to represent their home FMA, with any names of RTF members taken out so the RTF can continue to speak freely, but with content staying the same.

There are 2 challenges ahead:

1. Governance and the role of the IAA delegates at IAA meetings, especially who assume leadership roles, like Chairs/Vice-chairs. Who do they represent and how do they demonstrate that representation? Delegates especially who take leadership roles should have a vested interest to making the IAA better.
2. How can the IAA be directed by a board comprised of FMA representatives who would come to the table wearing their FMA hat that may not always align with the best interest of the overall profession? The RTF needs to spend some time looking at this challenge. At its next call, the RTF will be exploring different ways of representation, there were a number of proposals sent to the RTF which will all be reviewed and discussed on February 7.

After the RTF's call on February 7, they plan to look at the IAA renewal from another direction. They will take a breather from top down approach and instead explore the essential functions of the IAA.

2. Approve: 2019 EC Goals

The EC reviewed and discussed their goals on their January 22 call. There was an amendment made to include one word into the goals. The EC approved its 2019 goals as amended.

3. Discuss and approve: Revised EC Liaison Role

The EC reviewed and approved the revised role of the EC liaison. This will be circulated to the Leaders' Forum.

4. Plan Meeting/EC Relationship with Committee Chairs

The EC discussed at its last call that the format of the EC meetings with committee chairs for the last two years was not enough effective and needed to be improved. The EC discussed a proposal they received, drafted by an EC member, with ideas of a different approach.

Increasing communications between the EC and chairs is needed, however it is unclear whether the proposal will be effective. A concern regarding the approach proposed is the large amount of time required for the EC liaisons (for example, attend every one of its committees' meetings, etc.). In response to this, the EC liaisons would be encouraged to attend as many of the committees' meetings as possible, but it would be understood that the EC liaisons may not be able to attend every single one of the committees' meetings.

It was pointed out that the EC liaison role is to provide a means of information flow between the committee and EC and should remain that way and the EC liaisons do not have to be an expert in the field of the committee he or she is liaison to in order to be an effective liaison.

The EC will do some further thinking on this important topic, further comments by email were encouraged. This will be added to the EC agenda for its next meeting.

5. Supranational Organizations Relationship Managers

The EC received a chart outlining relationship managers with some recommendations. Due to limited capacity, the IAA prioritizes a close working relationship with 6 supranational organizations. The IAA also has relationship managers with numerous other organisations with

which we do little work, thus the need to review this list both in terms of the Relationship managers and the expected goals of each relationship.

Two designated EC members will work with staff to assess the organisations outside of the top 6 and to explore where improvements could be made. This will be on the EC's agenda for its end of March meeting.

6. Discuss: Openness of EC

The EC discussed at its January 22 call how to make its work more transparent. It was proposed that the EC minutes would be shared with Council and the minutes would replace the separate reports to Council. The EC agreed that this would be the procedure going forward with the note that at the end of every EC agenda there will be a standing item labelled "EC Agreement on What is Confidential" that is designated for the EC to specify what items, if any, should remain confidential. Also, these minutes will be anonymized in order to avoid stifling discussions.

7. Discuss: Revised EC Code of Conduct

This was brought to EC's attention at its first call in 2019, as per usual procedure at the beginning of the year. This sparked some discussion and the EC wanted to review and revise this policy. Since that first 2019 call, revisions were proposed. The EC reviewed and noted that regarding the section on "Confidentiality", point 18 refers to documents while point 17 addresses EC deliberations. It means that the deliberations of EC, as a default, will remain confidential and may be shared outside of EC by an explicit agreement by EC while the documents related to EC decisions, as a default, will be shared with Council and may become confidential by an explicit agreement by EC. The revised EC Code of Conduct was approved.

8. IFRS 17 Coordination Task Force Update

Gabor briefly updated EC on the recent work of the TF. There was a good discussion with the ASTIN Board on their January 23 call. Gabor as the chair of the IFRS17 Coordination Task Force (IFRS17 CTF) & ASTIN Board discussed and agreed that there is a need for a review of the ASTIN working party's draft publications on IFRS 17 which would be sent to the IFRS17 CTF and they would appoint a reviewer. By that review a necessary coordination and consistency check will be ensured considering the various IAA publications on IFRS 17. This review overrides the general rule that applies to other Section publications which requires review by the Communications Subcommittee in terms of language only.

The IAN on IFRS 17 has been issued for consultation with deadline for comments by April 26.

The IFRS17 CTF has been organizing some educational events. One will be a webinar late February or early March together with IASB. Derek Wright, who has been a major coordinator and author of the IAN, will co-present with an IASB representative. This webinar is expected to be hosted from the Institute and Faculty of Actuaries' office in London. The IASB representative would have a good role in this webinar due to the IASB making important proposed amendments to IFRS 17.

The IFRS17 CTF has sent the IASB invitations to co-host 1 day seminars: June 2019 in Lisbon & later in 2019 in Asia. The IASB has yet to respond to the IFRS17 CTF's invitation.

It was asked if the implementation date would be delayed due to the IASB's proposed amendments. The IASB confirms that the already delayed implementation date of 2022 will not change. They plan to finalize their deliberations in first half of 2019 and then start the formal consultation process for the amendments on IFRS 17 by issuing an exposure draft in the second half of 2019.

9. Other Business

Revised Actuarial Association of Europe (AAE) Memorandum of Understanding (MoU)

Due to this being sent to EC very close to this meeting, the EC was not expected to approve today. The proposed amendments are minor, they clarify who has access to what, what kind of information will be deferrable and that this MoU does not need review yearly but instead every few years. The EC will consider these amendments by email.

Draft EC January 22 minutes

Due to these being sent very close to the call, the EC was not expected to approve today. Members will review and send any comments by the end of this week. The final step is that these will be marked as final and will be shared with Council.

Follow-up: Process to follow during Council meetings

Progress on this issue had stalled due to unavailability of an expected resource. When there is more movement on this, this will be put on an EC agenda for an update.

10. Adjournment and Next Meeting

Gabor adjourned the meeting at 8:51 a.m. EST. The next EC meeting will be through conference call on March 5 at 7 a.m. EST.

Respectfully submitted, Mathieu Langelier