



Final, January 14, 2020

INTERNATIONAL ACTUARIAL ASSOCIATION
Executive Committee (EC) Conference Call
Westin Hotel, Tokyo, Japan
November 22, 2019 – 08:30 – 12:40
Minutes

Present

Gábor Hanák, Chairperson
Tonya Manning, President-elect
Masaaki Yoshimura, Past President
Jerry Brown
Charles Cowling
Régis de Larouillère
Alf Gohdes
Cathy Lyn
Roseanne Harris

Regrets

Tomio Murata
Jacques Tremblay

Incoming EC 2020 Members

Estella Chiu
Jan Kars

Secretariat

Mathieu Langelier, Executive Director
Carol Ann Banks, Director, Operations & Finance
Christian Levac, Director, Communications & Membership
Amali Seneviratne, Director, Technical Activities
Karla Zuniga, Administrator, Membership

Chairperson Gábor Hanák welcomed all to the second EC meeting in Tokyo at 08:38 local time.

1. Welcome Incoming EC Members for 2020 (Jan, Jacques & Estella)

President Gábor extended a special welcome to the incoming members Jan, Jacques (unable to attend in-person meeting) and Estella.

2. Follow-ups from Tokyo Meetings

The EC shared their thoughts and observations on the meetings in Tokyo over the past week.

There was an overall assessment that the objectives of EC had been achieved especially in terms of the IAA renewal: Council approved the top-down governance recommendations of the EC/RTF with only one 'No' vote (from AWB) and no abstention. This fact was well appreciated by the EC and showed that the hard work of the RTF and EC had not been in vain and the consensus seeking approach paid off. It was also appreciated that Council informally provided overwhelming support for the fundamental principles of the bottom-up restructuring recommended by the EC/RTF. The support in Council, and elsewhere, creates the momentum for carrying out the envisaged changes and the new SPC should be encouraged to work for a successful completion of the bottom-up changes in Brussels.

It was pointed out that the concerns around the bottom-up ideas, such as reservations relating to virtual meetings and the reduction of the number of in-person meetings for most of the IAA entities will need to be discussed and handled

It was commented that the Members' Forum was well organized, and the hard work put into transitioning this from Leaders' Forum has paid off.

At the Presidential Town hall there was overwhelming support for changing ROW to ALOA. The EC will determine how to implement this.

The change of the Nominations Committee (NC) Chair from the Immediate Past-President (IPP) to the Penultimate Past-President (PPP) will be proposed to Council. Council approval will be sought in two steps: first Council will be notified of the nature of the proposed change and request feedback; then, provided Council support has been expressed, a formal electronic ballot will be

issued (that needs 80% acceptance). If approved, this change will be a step toward a more balanced governance and will fulfill the natural need to separate chair of NC & SPC. Assigning different individuals to take care of nominations and strategy makes sense. Also, the PPP will be non-active Officer who will have 3-year experience on the IAA top leadership. The EC was informed that the NC was supportive of this during their discussions in Tokyo. It was pointed out that if the change is approved then President-Elect candidates must be informed that their availability must allow for 3 years an active IAA Officer plus 1 year as NC Chair. After thinking about this, Masaaki confirmed, subject to Council approval, he is available to fulfill another 1-year term as NC 2020 Chair. However, he expressed his concerns about balancing the NC workload with his other commitments after leaving the role of an IAA Officer. To help relieve Masaaki of the heavy workload he will ask NC members to take on more responsibilities. It was noted that, even without the change in chair, the current responsibilities of the NC could be better shared with other members of the committee.

3. IAA Renewal Task Force (RTF) Update, Transition from RTF to SPC and Next Steps on Bottom-up/Strategic Planning Subcommittee (SPC) Establishment

Charles Cowling, Chair of RTF, explained there will be a handover document produced by the RTF to support SPC in its beginning stages. There is a large amount of work to be completed to be ready with a bottom-up proposal for the Council meeting in Brussels. Given the level of support at the Tokyo Council meeting, the important areas will be presented in Brussels and not focus on the small details. President Gábor will request formal feedback from FMAs, committees and working groups with a deadline to submit by the end of the year. The SPC will start their work early January, digest the handover document and prepare for their first physical meeting in February. It was confirmed Charles will attend the first SPC physical meeting of SPC no matter his role.

The EC discussed a possibility of a small “transitional” group of the RTF consisting of Charles and a couple other RTF members to support the transition from RTF to SPC and to allow continuity of thinking and momentum. This group would help the momentum/transition up until the RTF’s physical meeting in February.

After meaningful discussion, the EC decided to disband the RTF with their most sincere thanks for their tremendous and hard work during this very crucial time for the IAA.

Gábor explained that in his role as SPC Chair he will ensure the SPC works on real strategic issues. Those will include the new bottom-up structure to a strategic extent. The operational issues will be delegated to the EC.

The question was raised that if volunteers currently working in a leadership capacity of the IAA and their home association were about to appoint them as their delegate on the SPC, would this be a conflict of interest? Potential SPC membership conflicts like these will need to be addressed. However, it was pointed out that the top-down governance changes just approved by Council ensure full discretion about the individuals SPC members select for their representation.

The Officers shared with EC the items they suggest go on the first SPC agenda as listed below.

- Completion of bottom-up structure proposals for Council
- Membership fees and finances
 - Risk due to departure of an FMA. It is difficult to assess this probability; however, the risk of a key FMA leaving can leave a large impact.
 - Implement a limited amount of member contribution to limit IAA financial reliance on a single FMA. Perhaps to percentage of total membership fee to reduce impact should an FMA leave.
- 5-year strategic plan

The SPC's priority should be the bottom-up structure proposal. The EC suggested a couple of other items for future SPC agendas: role of the Education Committee and update of the IAA syllabus. This topic will be discussed in more detail at the next EC call in December.

4. IAA Section Issues: Summary from the Meeting with Section Chairs and Treasurers

At the October meeting in Vienna with the Officers and Section leaders, there was agreement on the principles on how to solve specific issues. Considering these principles, 4 task forces were created (see EC November 17 minutes item 6 for detailed list of each task force). Three out of the four task forces are finalizing their agreements, and these will be sent to EC and to Section Boards for their consideration. The task force dedicated to outlining effective methods / regulations that are in effect when Section leaders communicate with their member will start after Tokyo. President Gábor was happy to report that the momentum created at the in-person meetings in Vienna is being maintained to solve Section issues.

5. EC Liaisons' Summary on their Respective Committees

EC liaisons gave short verbal summaries from their respective committee meetings in Tokyo, with the exception of Régis, he sent his in writing to EC prior to the meeting. Gábor requested that the EC members send their written summaries to be presented/discussed at the next EC conference call on December 18.

6. Report from Communications Subcommittee (CS)

CS Chair, Alf Gohdes, reported to EC on the subcommittee's activities.

The EC discussed how to handle papers that do not adhere to CS' feedback. The EC had previously discussed this issue at their June 18, 2019 conference call (see item 3). It was pointed out that looking forward at the role of the Advance Committee (AC) and decisions they will make on the projects the Forums will want to do, the AC will need to give alternatives. What would be the Forums' opportunity to get papers published and where would they find support? Does the IAA need to implement some sort of mechanism to have individual papers published and supported? It was pointed out that such papers can be put on the IAA website as an internal paper for IAA members use, which was done with the Banking Syllabus paper.

The CS Chair was asked to name one aspect he believes would help the CS operate more efficiently towards to future to produce quality products. Alf explained that increasing the level of awareness of the CS within membership would help CS to function better and would allow the CS to provide meaningful reviews of publications/papers.

7. Update on Meeting with ICA 2022 Delegation

The Officers, the leadership of the Actuaries Institute Australia (AIA) and the ICA 2022 organizers met in Tokyo to complete the draft regulations for ICA 2022. They negotiated on the distribution of potential gain. Considering the location of the congress is in an area far away from most parts of world, participation and income is risky and the AIA will bear the full downside risk. The agreement is, tentatively, for a \$500,000 threshold. If there is any loss, it is observed by the AIA. If there is gain the threshold would be collected by AIA. If the gain is above the threshold it would be split between the IAA and the AIA.

The EC pointed out that these kind of location risks should be resolved before the Congress location is approved by Council. The IAA should consider changing its process for this aspect to be presented and agreed upon from the start.

The ICA 2022 regulations will be finalized by Mathieu and sent to EC in next couple of days. The EC will finalize these at their next meeting on December 18 to recommend to Council for their approval.

8. Other Business

There was no other business to discuss.

9. Recognition of Outgoing EC Members Tomio and Masaaki

President Gábor recognized and extended a very profound thank you to Masaaki for all his contributions over the past 3 years as IAA Officer and member of the EC. Masaaki shared that this was the busiest, but most fulfilling 3 years of his professional life. He is happy to note the closer engagement from the Asian associations over the course of his IAA Officer term. He thanked the Officers, EC and IAA Secretariat for their teamwork/support. Masaaki extended a warm welcome to the incoming President-Elect, Jan Kars, and commented that the 2020 Officers will make a strong team.

President Gábor also recognized outgoing EC member Tomio. Tomio was unable to attend this EC meeting and sent his regrets for the next EC meeting on December 18. Tomio was awarded with a plaque prior to the Council meeting on November 21 recognizing his 4-year term as EC member.

10. Next Meeting and Adjournment

The next EC meeting is through conference call on Wednesday, December 18, 2019, starting at 7 a.m. EST. Gábor adjourned the meeting at 12:40.