



Final, April 16, 2019

**INTERNATIONAL ACTUARIAL ASSOCIATION
Executive Committee (EC) Meeting
Conference Call
March 26, 2019 – 7 a.m. EDT
Minutes**

Present

Gábor Hanák, Chairperson
Tonya Manning, President-elect
Masaaki Yoshimura, Past President
Charles Cowling
Alf Gohdes
Régis de Larouillère (*joined 1 hour into the call*)
Cathy Lyn
Jerry Brown
Ken Hohman
Roseanne Harris (*left 1 hour into call*)

Tomio Murata (*joined 1 hour into the call*)

Secretariat

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

Chairperson Gabor Hanák called the meeting to a start at 7:05 a.m. EDT. The EC approved the agenda as presented.

1. Discussion on the recommendations of the Renewal Task Force (RTF)

The EC reviewed the RTF's proposal which addresses the top down governance issues of effectiveness of Council and Full Member Association (FMA) engagement. An explanation of some key elements in the proposal are listed below.

- There was some progress made on the bottom up governance; however, it was not the main focus of the RTF work thus far. This still requires quite a bit of detail work, some of which will be started at the Cape Town Colloquium.
- The creation of the Strategic Planning Committee (SPC) is the key element of the proposal. FMA engagement in the SPC would allow key strategic issues to be debated and settled in a much smaller and more effective forum than Council. Council is kept as main the decision body. One area the RTF is still debating is the clear need for this committee to be a manageable size. The RTF agreed to recommend 12 FMA representatives plus Officers with 4 FMAs from each 3 tiers of membership size.
- The RTF also agreed on the need to have some non-voting, speaking observers, to ensure FMAs have ability to be heard. The debate on observers continues as to whether they are limited number or not. There is concern that unlimited observers will turn SPC into a mini-Council and fail to address the core idea behind this body. SPC needs to be a smaller group to be effective. On the other hand, a limited number of observers would not allow all FMAs to have the potential to participate. As a majority compromise, the RTF recommendation is to begin with unlimited observers; however, if that does prove to be unworkable there would be a mechanism in place to implement a limit. The minority opinion is to allow unlimited number of observers.
- There was a lot of discussion around the Assure function and how to streamline some of the committee work, this discussion is ongoing and no proposal on this function is included in the RTF recommendations.
- In terms of EC, strategy related issues would be removed from EC and transferred to SPC, this will require a change to the IAA Statutes. Nominations Committee's (NC) ToRs will also need to be amended to include the specificities of populating the SPC. Audit and Finance Committee would remain the same as today.

It was suggested that the EC provides additional material in its own report to Council in which some important background information should be given and the functions of the SPC that are to

be taken from other committees should be clarified. Same goes for functions that have been removed from other committees. It is of prime importance to avoid future conflicts between EC and SPC.

The RTF believes that by Tokyo there will be strong ideas of how the IAA can operate a lot more efficiently and successfully in the future. The recommendations are to go to Council in Tokyo which may be broken down into smaller recommendations to Council so not all has to be approved at same time.

RTF Chair Charles Cowling commented that the commitment of the RTF members is admirable as well as the attendance and willingness to find a consensus has been a testament to the peoples' desires to do the right thing for the IAA.

The EC extended a special thank you to RTF Chair Charles Cowling. He and RTF were congratulated on the amount of work that has been accomplished, very impressive.

The next steps are for the RTF to continue to work on the top-down proposal hearing the guiding message from the Council meeting in Washington as well as work on bottom-up governance issues. The EC will need to consider how to streamline the important parts of the RTF's proposal in its recommendation to Council. It was agreed that the Officers, Charles, Alf Gohdes and Roseanne Harris will help produce this recommendation to Council in Washington on May 18. This will be circulated to EC as soon as it is available.

2. IAA Section Related Issues

The Section chairs will meet in Cape Town with Gabor, Mathieu Langelier as well as Committee Chairs and EC members who will be in Cape Town to continue discussions on the role of IAA Sections as internal divisions in the IAA and to determine the best approach regarding the idea of the future Communities. A draft document has been prepared to facilitate the meeting explaining an enhanced role for Sections within the IAA. However, Sections are not FMAs, so the role should be designed accordingly. The role of Sections in the envisaged SPC has not been incorporated in the RTF document yet, work is ongoing as there was no agreement amongst RTF members to the presence of the Sections as SPC members. Officers and EC members attending the meeting with Section Chairs in Cape Town will report back to the EC on the outcomes.

3. Supranational Relations Activity Update

The EC reviewed the quarterly activity chart. Below are some highlighted activities with supranational organizations:

- There has been plenty of activity with the International Association of Insurance Supervisors (IAIS), reinforcing the message the IAA is a key player with this group. IAA Executive Director, Mathieu visited the IAIS offices in Switzerland and had good meetings with staff prior to the RTF February meetings in Paris.
- International Accounting Standards Board (IASB) and the IAA have a joint webinar organized that will be hosted by the IAA and co-presented by a member of the IASB and IAA volunteers on April 3. Some Sections expressed frustration that this coincides with colloquium meeting in Cape Town; however, unfortunately April 3 was the only feasible date for all hosting/presenting the webinar. The webinar will be recorded, and the recording made available on our website for all to access.
- Simon Brimblecombe and President Gábor Hanák attended a meeting held by the UN Environment's Principles for Sustainable Insurance Initiative, hosted by Allianz. Simon presented on climate change and mortality based on the discussion paper of the IAA that was issued in November 2017. There was very good overall discussions and promotion of the role of the actuary at the meeting.
- Alongside the IAA meetings in Washington D.C., there is work underway to organize two potential meetings with the International Monetary Fund (IMF) one also including the World

Bank (WB). One meeting will be a workshop with key IAA relationship managers and the other will be a technical meeting on mortality and longevity.

It was requested to update the document with the above information/what was done in the period, as well to highlight the upcoming activities to alert EC members in advance and to make for easier reading.

Romain Paserot, IAIS Deputy Secretary General, was to present at the Presidential Town Hall in Washington, unfortunately he cannot attend but will be attending Tokyo.

It was commented that the amount of activity the IAA is doing with supranational organizations is tremendous and of high value to our FMAs.

4. Recommendation: Supranational Organizations Relationship Managers

Alf Gohdes and Cathy Lyn have been reviewing how the IAA governs its relationships with supranational organizations. The basic documents that are relevant regarding the IAA's relationships with supranational organizations were circulated to EC and are lettered below.

a. Working with Supranational Organizations

It was proposed that this document needs to be updated to address how the IAA will work with supranational organizations going forward. The work needed on this document is not urgent, but it needs a good amount of thinking.

It was suggested the scope of this document would need to be widened as it addresses 1 out of the 3 tier IAA functions. Note these 3 functions have not been approved by Council yet.

b. Role of Supranational Relationship Managers and Delegates

Document is valid, no amendments proposed.

c. List of Supranational Organizations

It was recommended that a task force contacts relationship managers (RMs) and get them more involved. Some supranational organizations don't seem to have much activity and it should be reconsidered whether to continue to include that organization on the list. EC needs to get a better feeling of the relevance of keeping these relationships. It was suggested some of the RMs and delegates be formally replaced or confirmed which needed EC's immediate decision. Below are the EC's decisions subject to verifying availability.

- IASB: RM—replacing Micheline Dionne with Andrew Chamberlain. Gabor will also contact Andrew to confirm he can commit to serve this role.
Delegate—add Charles Cowling along side William Hines.
- IAIS: RM—Stuart Wason will replace Fred Rowley. Stuart is very active and would be committed to this role. Gabor will contact Stuart to confirm.
Delegate—Dave Sandberg is included as a delegate. Tonya to contact Dave to confirm whether he is able to serve.
- Access to Insurance Initiative (A2ii): Delegate—the EC was informed that Tom Terry had expressed he is not closely involved in these discussions on the A2ii and requested that he be removed as delegate. He will be removed. Mathieu will work with Fred on ideas for replacement and send to EC.

It was commented that building longer term assignments to assume these roles should be taken into consideration.

It is important that in future work, more effective communications with FMAs is needed. Currently, there is a gap in between the volunteers who work so closely with supranational organizations and FMAs.

d. Supranational Activities

IAA record of activities with supranational organizations was circulated for information only.

The EC will send comments on documents a & c no later than April 5. The documents will be presented to EC and finalized on the April 16 call. Alf and Cathy who have undertaken this important task were thanked for their good work.

5. AWB Election

The IAA delegates to the AWB Section reported to the Officers regarding this year's AWB election and succession plans for the next chair. The AWB rules state that the current chair's term cannot be renewed as it would go against Section 8.8 of the AWB Rules ("No Ordinary Member may serve as an Elected Board Member for more than seven and one-half consecutive years **nor run for a term whose completion would violate this limit**"). The next step is that the AWB Board will need to appoint a successor from the newly formed Board at or after the Annual General Meeting in Washington. As per the AWB Rules 10.1, "The Board will choose biennially from amongst its members four Officers: a **Chairperson**, a Vice-Chairperson, a Secretary, and a Treasurer. The IAA Delegates shall oversee the process for the election of the Officers". The EC was encouraged to share their comments and/or advice on this topic. Gabor has sent a message to the AWB Board accordingly.

The EC has responsibility of oversight of the Sections and is now in the initial stages of taking an active role of overseeing the Sections more closely. This also included better leveraging the important role of Section delegates.

An important aspect to keep in mind is potentially merging the AWB and Advice and Assistance Committee or have them work closely together. The EC was reminded that a few designated members of the RTF are currently developing a proposal regarding this. Many EC members expressed their strong support for this merger.

The EC supports the way forward stated above and Gabor will confirm it with the current chair of AWB.

6. Plan Meeting/EC Relationship with Committee & Section Chairs as well as Delegates

Due to time constraints and also considering the ongoing work of the RTF this will be discussed at a later meeting.

7. Internal Regulations/Process to Follow During Council

Refer to item 10 in the EC March 5 minutes for the background on this topic. The Secretariat is in contact with some Counsel from different FMAs and has also sent Officers a draft document addressing 3 main topics to avoid the situation that happened at the Council meeting Mexico City: clarification of what can and cannot be amended, a possible reduction in the notice delays and adding new definitions. Officers will review the draft and will send to EC before the next meeting.

8. Finances: 2018 Audited Financial Statements & 2020 Budget

The Audit & Finance Committee recommended that Council approve the audited financial statements at their meeting yesterday, March 25. The 2020 draft budget has been sent to the Officers. Once Officers have reviewed it will be circulated to EC in advance of the next call on April 16. There is no forecast fee increase and it is very similar to the forecasted budget presented in Mexico City. These financial documents are for EC information only at this point.

9. Washington Meetings

a. Presidential Town Hall Meeting

The topics at the town hall meeting in Washington are the following:

- IAA Renewal: 75 minutes
- IFRS-17 update: 45 minutes
- Followed by three 30 minutes sessions:
 - IAIS update
 - OECD r update
 - Sections update

b. Pre-Council Webinar

The potential dates April 24 or May 2 to discuss important topics that will go to Council in Washington, the main point being the renewal.

10. Other Business

EC March 5 Minutes

The EC agreed these be marked as final.

11. Next Meeting and Adjournment

The next EC meeting is scheduled on April 16 at 8 a.m. EDT. It was agreed the hour is not long enough so the EC meeting will be extended for 1 hour earlier. The next EC meeting will be April 16 at 7 a.m. EDT. Gabor adjourned the meeting at 9:08 a.m. EDT.

Respectfully submitted, Mathieu Langelier