



International Actuarial Association  
Association Actuarielle Internationale



# Pre-Council Webinar

Masaaki Yoshimura, President  
Tom Terry, Immediate Past President

November 6, 2018



# Speakers



**President:**  
Masaaki Yoshimura  
(Japan)



**Immediate  
Past President:**  
Tom Terry  
(USA)



# Today's Discussion

- IAA history – very high level
- 2016: beginning of strategy discussion
- 2017-2018: review mission, vision, and strategic objectives
- 2018: begin process for possible IAA re-structuring



## The IAA prior to 1998

- The IAA hosted an International Congress every three or four years
- Individual membership Sections were created
  - ASTIN in 1957
  - AFIR in 1988



# Discussions among association leaders during the 1990s

- 1992: Discussion of cooperation and collaboration among associations began
- 1995: The International Forum of Actuarial Associations (IFAA) was created
  - Admitted as an IAA Section
  - Emphasis on public interest and global professionalism
- 1998: The “renewed” IAA was created
  - IFAA was disbanded
  - IAA moved forward as an association of associations



## Creation of the “renewed” IAA in 1998

- Recognition of both more frequent cross-border practice and emergence of supranational organizations
- Incorporated under Swiss law, secretariat in Ottawa, Canada
- An association of associations
  - Principle of subsidiarity to be reflected in the IAA’s strategy and in the execution of that strategy
- 39 FMAs
- 2 individual membership Sections



## From 1998 to 2008

- Focus on pension and insurance accounting
- Established/admitted several new Sections
  - 1999: IACA (was created as an independent section in 1968)
  - 2003: AWB, IAAHS, PBSS
  - 2005: IAALS
- IAA becomes a forum for FMAs to build relationships with one another



2008

- 13 committees, 6 subcommittees, 5 task forces
- 58 FMAs
- 7 individual membership Sections





## From 2008 to 2018

- Global financial crisis
- Increasing attention on capital standards and accounting standards
- Development of model International Standards of Actuarial Practice
- Etc.

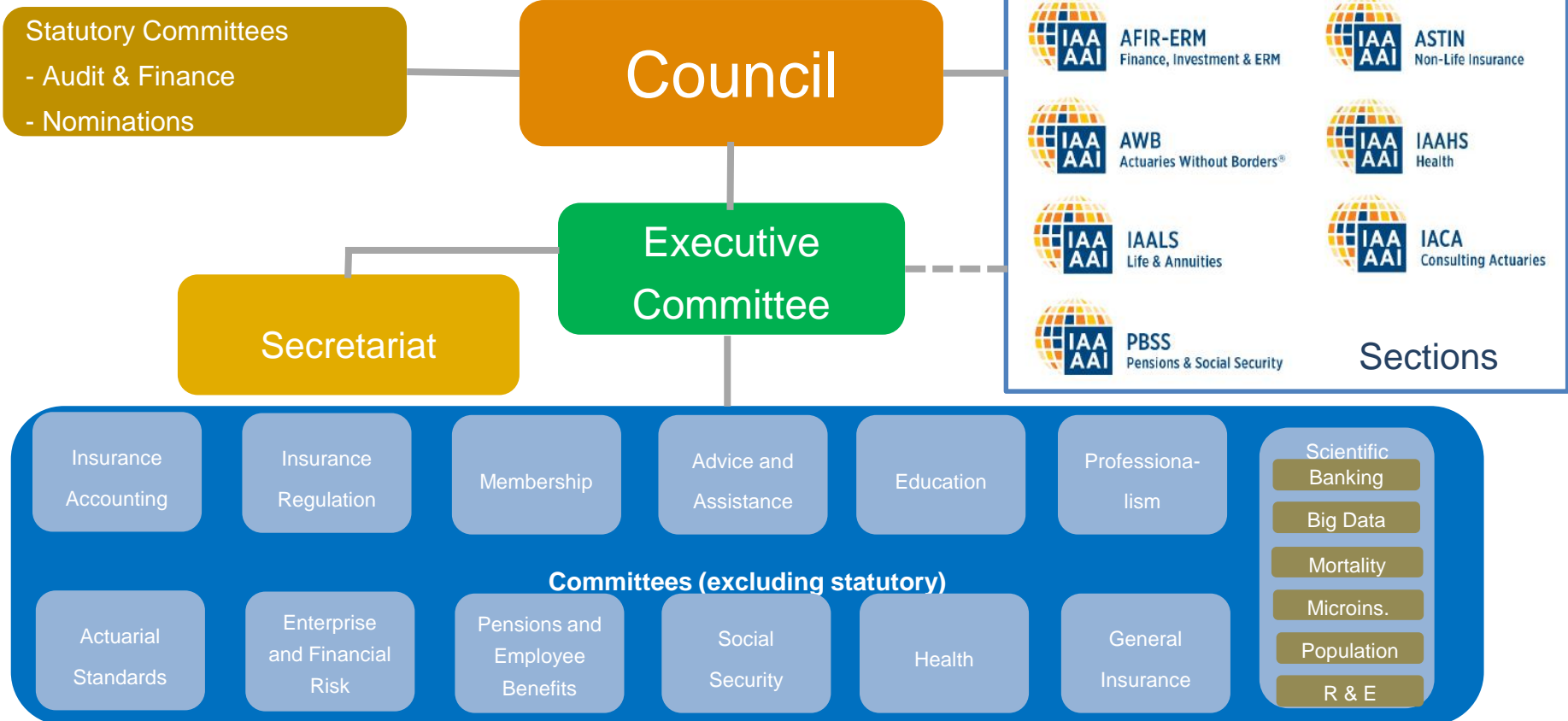


# 2018

- 16 committees, 13 subcommittees, 10+ task forces, 6 working groups
- 74 FMAs
- 7 individual membership Sections



# Current IAA Organizational Chart





# 2016 Strategy Review

- Cape Town, November 2016
- Executive Committee and Strategic Planning Subcommittee
  - Full-day of strategy discussions
- Reported to Council on key conclusions



# Strategy Discussions [Cape Town 2016]

- What's good: IAA's mission and objectives
- What needs improvement:
  - How we're organized
  - How we do our work



## Key Conclusions [Cape Town 2016]

Strategy	Organization	Execution
Strong agreement: IAA's strategic objectives (SO's) are correct	We should rationalize our structure	We should improve focus and efficiency
We should re-write SO's to be more clear	We should improve collaboration with our FMAs	We should direct energies toward most important strategies and initiatives



## Rationalize our structure – Possible changes [Cape Town]:

- Fewer committees, subcommittees, working groups, etc.
  - From 65 to XX?
- Align committee structure with strategy
- More use of time-limited or project-limited task forces
- Other ideas?



## Improve collaboration with FMAs – Possible ideas [Cape Town]:

- Seek input on significant new initiatives
- Seek involvement where relevant
- Solicit ideas and reactions
- Other ideas?





## Improve focus and efficiency – Possible ideas [Cape Town] :

- Develop process for critically screening new projects
  - Screen for “fit” with our objectives and priorities
- Ensure energy is directed at the most important initiatives (resources are limited)
- Be willing to turn down new project ideas
- Other ideas?



## Direct our energy toward most important strategies and initiatives – Possible ideas [Cape Town]

- Strengthen our focus on key, relevant supranationals - enhance specific collaborations
- Ensure that our organization and execution fully support our most important objectives
- Other ideas?



## Since Cape Town

- 2017: Survey of all FMAs
- 2017-2018: Affirmation of IAA's strategy
- 2018: Clarifying and simplifying our Strategic Objectives



# Proposed New Mission Statement

Influence – Inform and influence global stakeholders

Assure – Assure the reputation of the profession

Advance – Advance the competency of the profession

These elements were presented and discussed in Berlin and will be proposed as three new strategic objectives for approval in Mexico City.



## We began organizational discussions in Berlin

- Presidential Town Hall
- Leaders Forum
- Presidents Forum
- Council



# Observations about how we are organized

**SO1 – Influence:**

**SO2 – Assure:**

**SO3 – Advance:**

**Supranational  
Relationships**

**Promotion of the  
Profession**

**Development of  
Competence**

**Committees**

**Working Groups**

**Sections**




# Observations about how we are organized

**SO1 – Influence:**

**SO2 – Assure:**

**SO3 – Advance:**

**Supranational Relationships**

**Promotion of the Profession**

**Development of Competence**

**Committees**

**Committees**

**Committees**

**Working Groups**

**Sections**


**Truly international topics affecting the entire profession of primary concern to FMAs**

**Topics of general interest not directly international, topics led by key volunteers**



## Four ideas [Berlin]

- Not all IAA groups are alike
  - Not all committees are alike
  - Not all working groups are alike
  - Not all sections are alike
- FMA desires are often different from individual volunteer desires
- Fewer committees and more time-limited task forces may make sense
- Can we make our meetings work better for all?





## Following Berlin

- Continuing EC focus on “re-structuring”
- EC circulated a re-structuring background paper on August 9
- Key considerations:
  - Focus and relevance
  - Effectiveness
  - Engagement
- Four possible options were suggested as “thought-starters”
- Feedback received from several FMAs



# Four “thought-starter” options

## Option 1

Baseline: keep current structure, with modest but obvious changes

## Option 2

Lower costs by keeping most of the current structure but change the Terms of Reference of certain IAA entities or reduce the need for in-person meetings.

## Option 3

Aggregate multiple IAA entities with common themes aiming to reduce the number of IAA entities.



# Four “thought-starter” options

## Option 4

Keep only the statutory committees (EC, Nominations, Audit and Finance), and eliminate most or all other current IAA entities.

Create three new committees to align with the three new Strategic Objectives.

Most of the work of the three new committees would be accomplished through time-limited task forces.



## Feedback received from several FMAs

- Actual and perceived concerns about our current structure
- Ideas about being more effective
- Valuable aspects of the IAA



## Identified issues with our structure

- Our current structure has grown to be quite complex
  - Difficult for FMAs to understand and have meaningful involvement in IAA initiatives
  - Difficult to assure that all our work is in alignment with the strategy of the IAA
  - Duplication of topics; duplication of effort
- Small or decreased participation in some committees
- Not all committees are alike
- Increase in cross-committee activities



## Identified issues with our structure (continued)

- Insufficient “top-down” direction and management to assure IAA work product fits with our strategy
- Few opportunities for more direct involvement of large and resourceful FMAs
- Efficiency of bi-annual IAA meetings
- Efficiency of the operations of Sections (regarding the involvement of IAA Secretariat)
- Assuring the quality and strategy-alignment of all work produced under the IAA brand
- IAA governance – decision making, role and composition of the EC, assuring strategy alignment, etc.



## Valuable aspects of the IAA

- IAA as an inclusive organization
  - Promoting the development of the actuarial profession around the world
  - Face-to face meetings are critical with such a diverse membership
- IAA as a valuable forum for collaboration and cooperation between and among the FMAs
- Our ability to develop excellent model practice standards, updated education syllabus, etc.
- High esteem of the IAA in the eyes of key supranational organizations



## Key Conclusions [Cape Town 2016]

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# August, September, October

- August 29: EC meeting
- August 30: Informal advisory group
  - EC members
  - Representatives from small, medium and large FMAs, as well as Sections
- September: EC appointed task forces to further explore:
  - Influence structure issues
  - Assure structure issues
  - Advance structure issues
- EC began its review of task force work
- Planning ahead for Mexico City discussions



## November 14 Council Webinar

- President Masaaki Yoshimura will preview several restructuring ideas that have emerged from our process since Berlin

# Thank you



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