IAA Town Hall
Sydney, Australia
Thursday, May 25, 2023
7:15 AM - 8:45 AM (AEST)
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Welcome and Introductions

President: Micheline Dionne (Canada)

Immediate Past President: Roseanne Harris (South Africa)

President-Elect: Charles Cowling (UK)

Executive Director: Mathieu Langelier (Canada)
UNDP/Milliman Actuarial Capacity Building Project

Jan Kellett
United Nations Development Programme (UNDP) 
Milliman Global Actuarial Initiative (GAIN)

Strengthening the actuarial profession in developing and emerging countries in order to promote economic stability and growth

[MAY 2023]

Jan Kellett, UNDP, 
Team and Corporate Lead, 
Insurance and Risk Financing]
Introducing GAIN
INTRODUCING GAIN

Milliman-UNDP Partnership: Global Actuarial Insurance Initiative (GAIN)

Program Launch – 18th September 2022

“Protection from risks is the only way out of a world of deepening inequalities and compounding crises.”

“Our collaboration with Milliman should generate the expertise necessary to support insurers and regulators as they look to effectively address these risks.”

UNDP Administrator Achim Steiner
INTRODUCING GAIN

Overarching goals of GAIN

**Program Goal**

Enhance *global sustainable development* through enhancement of the *actuarial profession* in the developing world.

**Partnership Goal**

Milliman will work within UNDP *target countries*, and with *other stakeholders*, to advance the program goal as part of a *full spectrum of interventions in eradicating poverty*. 
UNDP perspective: Why Gain?
Introduction of UNDP

The UNDP works with developing countries across the globe to **eradicate poverty** and **reduce inequality**.

1. Sustainable development
2. Democratic governance and peace building
3. Climate and disaster resilience
UNDP PERSPECTIVE
UNDP on the ground
Active in 170 countries
Insurance contribution to the Sustainable Development Goals (SDGs)

Insurance as a risk protection mechanism critical and directly supports 6 SDGs:

1. **No Poverty**
   - Insurance helps to end poverty in all its forms everywhere.

2. **Zero Hunger**
   - Insurance helps to end hunger, achieve food security, improved nutrition and promote sustainable agriculture.

3. **Good Health and Well-being**
   - Insurance helps to ensure healthy lives and promote well-being for all at all ages.

4. **Gender Equality**
   - Insurance helps to achieve gender equality and empower all women and girls.

5. **Decent Work and Economic Growth**
   - Insurance helps to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

6. **Climate Action**
   - Insurance helps to take urgent action to combat climate change and its impacts.

...and is important to the completion of five others:
Why Gain: Catastrophic Trends and Levels of Financial Vulnerability

- **$270 Billion**
  - Global economic losses from hundreds of disasters in 2021

- **97%**
  - Of people in sub-Saharan African countries lack insurance coverage

- **$1.4 Trillion**
  - Global health, mortality and natural catastrophe protection gap in 2020, rising 6.3% from 2019

- **15%**
  - Of Africa’s GDP could be lost by 2030 due to climate change, pushing more than 100 million into poverty

- **5%**
  - Inclusive insurance market potential currently being reached

- **$2.7 Trillion**
  - Global value provided by coral reefs, mangroves & seagrass

- **$40 Billion**
  - Annual global cost of coastal floods and storm surges, projected to reach $1 trillion by 2025

- **30 Million**
  - People displaced due to disasters in 2020

- **Human Development: Fell for the First Time (HDR 2022)**

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- **Human Development: Fell for the First Time (HDR 2022)**
Why GAIN: It’s a direct fit with the UNDP IRFF Fundamentals

**Vision:** Work with governments and partners to develop and implement innovative, scalable solutions to contribute to tackling risk, building resilience and combatting vulnerability and long-term poverty.

**Practically:** A one-stop shop for UNDP Country Offices and Partner Countries for insurance and risk financing.

**Internal UNDP:** Harnessing UNDP’s global presence and role, and building on the foundation of the UNDP Country Offices, and its wider portfolio.

**Partnerships:** Positioning UNDP as a platform for increasing volumes of technical and financial resources for building financial resilience.

**Industry Collaboration:** Building upon and leveraging industry expertise, not duplicating.
UNDP GAIN: Its Easily Part of What UNDP does

1. Advocacy, Research & Evidence
   - The Political Economy of Insurance and Risk Financing
   - Geographic, Sectoral and Technical Research
   - Communications and Advocacy to Promote Implementation and Influence

2. Enabling Environment
   - Market Transformation
   - Institutions, Legislations and Regulations
   - Risk Modelling

3. Products Development & Delivery
   - Insurance Services
   - Technology Innovation
   - Training and Education

4. Development Policy & Frameworks
   - Integrating insurance and risk financing into NDCs and NAPs
   - Integration into Public Financial Management and Development Financing
   - Effective and Transparent Management of Insurance Payouts

Building Blocks

Diagnostics

Strategy
Why GAIN: Implemented Alongside, Strengthens Programming

Tripartite Agreement - 22

Latin America and the Caribbean
- Argentina: Public assets flood insurance, Livelihood protection and Urban Resilience
- Colombia: Agriculture insurance
- Mexico: Public schools insurance
- Peru: Public assets flood insurance
- Dominican Republic
- Ecuador

Africa
- Ghana: Urban flood insurance
- Nigeria: Urban flood insurance
- Tanzania: Agricultural Insurance
- Ethiopia
- Madagascar
- Mozambique

Arab States
- Algeria
- Jordan
- Egypt
- Tunisia

Europe and the CIS

Asia and the Pacific
- Viet Nam: Coastal cities public assets insurance
- Bangladesh: Flood and cyclone insurance
- Pakistan: Large-scale flood and earthquake, public assets
- Thailand: Public assets insurance
- Nepal

Engagement Initiative - 3
- Comoros
- Senegal
- Uganda

Advancing Small-Scale Farmers' Financial Resilience - 5
- Ethiopia
- India
- Bangladesh
- Uganda
- Tanzania

Tailored Delivery Programmes - 5
- India
- Indonesia
- Maldives
- Yemen
- Ukraine

Phase 1: Diagnostic and Exploratory
Phase 2: Conceptual and Planning
Phase 3: Full Implementation

Ambition for 2025: 50
Why GAIN: The Direct Line to Financial Resilience and Growth

Growth of actuarial profession

Better functioning insurance markets and risk management

Develop and price risk-responsive and inclusive insurance

Affordable insurance solutions for poor and vulnerable people

Stimulate and incentivize growth by stripping away uncertainty and risk

Allow families and governments to invest more with the knowledge that their critical assets are well protected

Build financial resilience, protect development gains and sustain better lives
Project Implementation & Progress
Milliman / UNDP coordination

**UNDP**

- Advocacy for public policy change
- Focus on Governance and Integration into Development
- Hosting of meetings
- Linkages to local stakeholders
- Local representation of partnership
- Partnership relationship management

**Milliman**

- Actuarial capacity and expertise
- Actuarial Situation Assessment
- Intervention Roadmap
- Program assessment tool
- Implementation with local partners
- Linkages with international associations and more
Project implementation

**Actuarial situation assessment**

**Pillars of success**

- Public policy & regulation
- Thought leadership, professional development & networking
- Data quality & accessibility
- Expertise in climate risk
- Educational pathway (Supply)
- Employment opportunities (Demand)
Key stakeholders

- Academic institutions
- Training institutions
- Disaster risk financing authority
- Bureau of meteorology
- Regulator
- Global actuarial associations
- Local actuarial associations
- International Actuarial Association (IAA)
- UNDP IRFF
- UNDP Country Offices
**PROJECT IMPLEMENTATION**

**Key steps**

1. Preparation for in-country
   - Contact in-country stakeholders
   - Set up meetings

2. Assessment Trip
   - 5-10 days in-country visit
   - Roadmap working session across all stakeholders
   - Establish working group

3. Ambassador mission/work
   - Recruit volunteers
   - Prepare volunteers for work in line with roadmap
   - Working group oversight

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Egypt  ➔  Nepal  ➔  Nigeria  ➔  Colombia  ➔  Ghana  ➔  Ethiopia  ➔  Tanzania  ➔  And more
## Program activities

### Capacity

Enhancing the actuarial profession in the target countries

**How:** By working with the *supply side* - associations, universities, actuaries – and the *demand side* - supervisory authorities, insurance industry and public sector players

### Data

Enhancing data availability and effective utilization

**How:** Through regulators and the insurance industry and well as data "owners" like meteorological agencies and statistics offices

### Climate risks

Supporting countries in adapting with more resilient risk management to help mitigate financial impacts of climate change

**How:** By improving the meteorological risk modelling and associated liability valuation.

### Advocacy

Supporting advocacy to governments, insurers and others in achieving the goal of an enhanced actuarial profession.
GAIN Reach: Implementation across 29 countries

2022: Nepal, Egypt, Nigeria, Colombia
2023: Ethiopia, Tanzania, Ghana, Ecuador, Dominican Republic, Madagascar, Vietnam
2023 Plus: Vietnam, Uzbekistan, Maldives
Thank you to Milliman
Committed team

Queenie Chow  
Senior Program Director

Josh Collins  
Program Manager

Ong Xie  
Program Manager

Steve White  
Senior Consultant

Merideth Randles  
Senior Consultant

John Meerschaert  
Senior Consultant

Ibukunoluwa Oyebanji  
“Intern” - Nigeria

Michael J. McCord  
Principal & Managing Director  
MIC@M

Ken Mungan, Jo Buckle, Aaron Koch  
comprise the initial Advisory Committee

Many others from Finance, HR, MarComm, the Board, Micro-Assist committee and contributors, Dermot Corry, Steve Kaczmarek, Andrew Naugle, Novian Janus, Craig Reynolds, and more have supported our efforts thus far.
The End of Presentation

Thank you
IAA Restructure – Where Are We Now?

Charles Cowling
Ralph Blanchard
IAA Restructure – How we got here

2017-2018 : IAA Fees Task Force

- To address fundamental funding issues
- Need to focus IAA activities on issues supported by FMAs

Results:

- Change in the basis of calculating IAA fees
- Introduction of the term "Member with an Actuarial Credential"
- Discontinue the use of the term "Fully Qualified Actuary" from IAA language

Led to lengthy consultations with FMAs and Council
IAA Renewal Task Force 2018-2019

Objectives

• Improve governance and organizational structure
• Simplify the IAA with better operations, efficiency and decision-making

• 14 FMAs members
• 1 IAA Sections observer
• Chaired by Charles Cowling
Main outcomes:

• Refocus on FMAs at the heart of IAA work products and decision making

New Mission Statement:

• Impact: Supranational Relationships
• Assure: Promotion of the Profession
• Advance: Development of Competence
FMAs at the heart of IAA decisions

New IAA entities with FMA representation

• **Strategic function**
  – Creation of the Strategic Planning Committee (SPC)
    • Very effective to address difficult topics (5-year plan, ISAP, future topics…)

• **Management function for IAA Advance work**
  – Creation of the Advance Committee
    • Oversees the approval of advance related projects of importance
    • Help respond to Supranational needs
New IAA entities with FMA representation

• Sharing function
  – Creation of Forums
  – Main function to allow sharing of information / knowledge / expertise amongst FMAs
  – Important role of horizon scanning
  – All FMAs can have 1 member plus unlimited number of observers
  – Participants discuss with their FMA’s perspective in mind

• Doing function
  – Use of time-limited task forces to deliver approved projects such as papers, research, responses to supranationals…
  – Members selected based on expertise for the topic
Do all ideas/initiatives (eg for papers) need to be pre-approved by SPC/Council?
- No, the role of SPC/Council is to approve major strategic initiatives, not detailed papers, webinars or operational matters.

Why do we need to approve Statement of Intents (SOI) for new initiatives?
- SOIs ensure FMAs are aware of new initiatives and have the chance to contribute views before work is approved.
- They are not meant to be rigid but unplanned work still needs to be approved by EC.
- They help to organize and plan work products.
Frequently Asked Questions

• How are Forums different than Sections?
  – Forums are for sharing information amongst FMAs. FMAs control who they want as members and observers on each Forum.
  – Sections are for individual actuaries and research.

• Why can’t Forums do anything?
  – This is a misconception. Forums house FMA discussions on specific topics.
  – This sharing of information can lead to recommendations on work products.
  – Forums play a crucial horizon scanning role in support of the Advance Committee.
  – Forums provide a pool of resources.
Lessons Learned

- Need to articulate better the governance of IAA entities and their roles
- Clarify the role of Forums, energize their members and enable scanning for potential future projects
- Look at the future of the profession to guide our work and TFs
- Focus on rapid response for Supranational requests
- Increase the use of the Mobilize tools for all IAA entities
  - Reduce the number of emails
- Remain nimble and flexible responding to needs
  - Pension Accounting Committee was not needed as a committee and is now merged with the Pension Forum
- Become pro-active for strategic priorities
IAA's lifeblood is our volunteers!

Executive Committee

Gunn Albertsen (Norway)
Jill Hoffman (Singapore)
Peter Withey (South Africa)

Al Beer (USA)
Jacques Tremblay (Canada)

Jerry Brown (USA)
Lisa Wade (Barbados)
VACANT
Committee Chairpersons 1/2

Actuarial Standards
Andrew Chamberlain (UK)

Advice & Assistance
Mohamed Amrani (Morocco)

Advance
Barbara D'Ambrogi-Ola (Finland)

Audit & Finance
Brendan Counsell (Australia)

Education
Henning Wergen (Germany)

Insurance Accounting
Derek Wright (UK)
Committee Chairpersons 2/2

- **Insurance Regulation**
  - Nick Dexter (UK)

- **Membership**
  - Mike McDougall (South Africa)

- **Nominations**
  - Jan Kars (Netherlands)

- **Professionalism**
  - Peter Withey (South Africa)

- **Strategic Planning**
  - Roseanne Harris (South Africa)
Forum Chairpersons

Enterprise & Financial Risk
Paul Braithwaite
(USA)

General Insurance
Bill Weiland
(Canada)

Health
Terry Narine
(Canada)

Pensions, Benefits & Social Security
Jason Malone
(Canada)

Virtual Forum Chairpersons

Banking
Michael Tichareva
(South Africa)

Data Analytics
Ashleigh Theophanides
(South Africa)

Inclusive Insurance
Nigel Bowman
(South Africa)

Mortality
Marc Tardif
(Canada)

Resource & Environment
Rade Musulin
(Australia)

IAA Town Hall – Sydney, Australia – May 25, 2023
Section Chairs

AFIR-ERM
Alexander Bohnert (Germany)

ASTIN
Eric Dal Moro (Switzerland)

IAAHS
Ed Pudlowski (USA)

IAALS
Thomas Béhar (France)

IACA
Brian Spence (UK)

PBSS
Doug Carey (USA)
And our Secretariat

Executive Department

Executive Director
Mathieu Langelier

Meetings Manager
Anne Lamarche

Operations Manager
Caroline Désilets

Office Administrator
Tasha Lebel

Executive Assistant
Norah Neill

IT Manager
Vacant

Communications & Membership

Director, Communications & Membership
Christian Levac

Membership Administrator
Karla Zuñiga

Director, Technical Activities
Amali Seneviratne

Sections Coordinator
Teboho Mabeba

Finance

Director, Finance
Carol Ann Banks

Technical Activities

Assistant, Technical Activities
Nancy Kelly
IAA Climate-Related Initiatives

Gábor Hanák
Andrew Chamberlain
Derek Wright
Micheline Dionne
Roseanne Harris
Gábor Hanák – Climate Risk Task Force (CRTF)
Past Papers

- Importance of Climate-Related Risks for Actuaries
- Introduction to Climate-Related Scenarios
- Climate-Related Scenarios Applied to Insurers and Other Financial Institutions
- Application of Climate-Related Risk Scenarios to Asset Portfolios
- Climate-Related Disclosures and Risk Management
- The Climate Change Adaptation Gap: An Actuarial Perspective
- Joint IPCC WGI paper: Climate Science: A Summary for Actuaries
CRTF – Future Papers

- Working title: Actuarial considerations around climate-related risks on Social Security; [2023]
- Internal paper on identifying climate related gaps in certain IAA publications; [2023]
- Joint IPCC WGII paper: Summary for Actuaries type paper focusing on adaptation; [2023]
Climate Risk Action Plan

- **ASC – Development of ISAP8**
  - Strategic action plan for ISAPs
  - TF recruitment and SOI development
  - ISAP 8 for approval at Council

- **IAC – Development of IAN(s)**
  - Gather info on work done or planned by FMAs
  - Recommend topics and develop IAN(s) accordingly
1. ISAP 8 will address IFRS S2 (and S1 where relevant to work covered by S2)
2. ASC has established a Task Force
3. Task Force has an early draft Sol which will be debated this morning at ASC
4. Hoping to consult in Q3 of 2023 and seek approvals in Q4 (optimistic!)
5. Work of ISAP would commence early 2024

6. Other ISAPs will progressively be reviewed under due process:
   ISAPs 5 and 6 in process
   ISAP 1 following on
IAN and IAN xxx for ISSB S1 & S2 - Format

- IAN is a non-binding educational document normally issued:
  - To assist actuaries in complying with an ISAP,
  - To provide non-binding guidance on an actuarial topic for which the IAA has not developed an ISAP.

- Number of substantive chapters divided into sections
  - Probably one section covering each of S1 & S2
- Format likely to be a series of Questions and Answers as pr IAN 100
- Retain flexibility to enable updates as ISSN standard develops
IAN xxx for ISSB S1 & S2 – Membership of drafting team

- Team likely will comprise of individuals from some or all of
  - Insurance Accounting Committee
  - Climate Risk Task Force
  - Pensions Forum
  - Insurance Regulation Committee
  - Resource and Environment Virtual Forum
  - ISAP8 Task Force
Climate Risk Action Plan

• Further Activities
  – Assessing further needs through consultations with FMAs, Supranationals, climate experts to support actual work by actuaries

• Road Map (2023-2026)
  – Including potentially broader Sustainability topics according to identified needs
Actuaries can help achieve the Sustainable Development Goals (SDG)

- Actuaries have the skills to help achieve the SDGs
- We can provide valuable insights to inform policy decisions
  - Financial sustainability of projects that support the SDGs
  - Measurement and monitoring of progress towards achieving the SDGs
  - Developing evidence-based solutions and risk assessment to achieve the SDGs
The Statement of Intent (SOI) for IAA Activities on UN Sustainable Development Goals (SDGs)

Gather information on activities from IAA entities

Awareness amongst actuaries of the potential to support SDGs

Identify protection coverage gaps and provide suggestions as to ways of bridging the two.

Focus on 4-5 of most relevant SDGs

Suggest better or increased use of insurance and social security in these times of increased uncertainties

Identify means to reduce protection gaps including identifying potential Private-Public Partnerships

Awareness of the role of actuaries in making insurance and social security effective in addressing SDGs

Environment scan
Water Risk

Why focus on water risks?

➢ Growing concerns affecting every part of the world
➢ Risks: too much water, not enough, not clean enough
➢ Insurance and investments impacts
Identified Needs:

- Awareness of the broad implications
- Understanding the base science to project impact on water
- Modelling of the various water risks
- Risk Management and Adaptation
Thank you!