ABOUT THE IAA

WHO WE ARE

The International Actuarial Association (IAA) is the worldwide association of professional actuarial associations, representing approximately 70,000 actuaries in more than 115 countries, with seven special interest Sections for individual actuaries. The IAA was founded in 1895 and exists to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served.

Our vision as actuaries is to be the foremost profession in the management of complex problems and their associated risks and opportunities.

Actuaries apply unique skills and a professional approach to solving complex problems, advising on future risks, opportunities and options, across diverse fields and industries.

VISION STATEMENT

The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.

MISSION STATEMENT

The mission of the IAA, as the worldwide organization of actuarial associations, is:

• to represent the actuarial profession and promote its role, reputation and recognition in the international domain; and

• to promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.

VALUES STATEMENT

The IAA adheres to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public.
six
Improve recognition of the actuarial profession among external audiences, including employers, other professionals, academics, business at large, policy makers, regulators, students, and the public.

five
Provide a forum for discussion among actuaries and actuarial associations throughout the world.

four
Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.

two
Facilitate the coordination, use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.

three
Establish, maintain and promote common standards of actuarial education and common principles of professional conduct. Promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards.

one
Identify, establish, promote and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.

STRATEGIC OBJECTIVES
As IAA President in 2017, I was privileged to lead the efforts of more than 800 volunteers representing our 72 Full Member (FMA) and 26 Associate Member associations from around the world, as well as our seven special-interest Sections for individual actuaries.

We accomplished a lot this past year. After considerable effort by so many, we approved a new, updated IAA education syllabus. We put the near-finishing touches to the Risk Book. We launched the final stage of our decade-long, multi-faceted project supporting the implementation of IFRS 17. We began an important strategic planning process. Our Sections hosted successful colloquia in Cancún, Panama City and Barcelona, attracting excellent media attention along the way. And we welcomed new FMAs from Central America, Ghana and Kazakhstan. Our 73rd FMA, the Actuarial Association of Sri Lanka, was admitted in early January 2018.

Our work with supranational organizations is particularly important, and in 2017 we leveraged these key relationships to good effect. Some highlights:

- Our long-standing relationship with the International Accounting Standards Board has resulted in coveted Observer status on its Transition Resource Group for the implementation of the long-awaited International Financial Reporting Standard 17 on accounting for insurance contracts.
- We expanded our realms of participation and influence with the Organization of Economic Co-operation and Development from pensions into healthcare, long-term care and cyber risk.
- We continued to provide valued input into the global insurance capital standards and insurance core principles projects of the International Association of Insurance Supervisors. We also continued our collaboration on inclusive insurance, and we launched an important partnership on supervisory capacity building in actuarial services.
- We supported work by the International Labor Organization and the World Bank on social security sustainability and modelling index insurance respectively.

Data science continued to be an area of considerable focus in 2017. Just over a year ago, we launched an IAA working group to identify and discuss opportunities and practices for actuaries working with big data. But the most important work in this area is being done within our member associations: new local education efforts, new certification courses and consideration of the ethical and professional aspects of actuaries working with big data.

Recognizing this, we facilitated ad hoc discussions among IAA members to share information about these local initiatives. We have learned that the profession is moving forward quickly, motivated by local needs and
local innovation. The IAA will continue to provide a venue for sharing best efforts and successes in big data. We stand ready to jump in and assume a greater role if and when the need emerges.

I like to think of the IAA as a perfect example of “the best of both worlds”. On the one hand, we identify common themes and, where possible, speak with a consensus voice representing the actuarial perspective to relevant supranational organizations. On the other hand, we recognize that innovation in the actuarial profession always has—and always will—occur at the local level, among our member associations.

Accordingly, the IAA is not fashioned as an ivory tower. Rather, it is the vehicle for global coordination and co-operation, tapping the strength, innovation and goodwill of our member associations to serve the greater good of all, both inside and outside the profession.

Our diversity—and our commitment to inclusion—is one of our greatest strengths. And that is what makes us so successful as a global actuarial profession, a profession committed to the stewardship of financial security systems everywhere around the world.

Serving as your President has been an honour and a pleasure. I am enormously grateful for the opportunity to serve such a great organization and such a great profession.
The foremost priority of my first year as Executive Director was to reach out and establish contacts with numerous FMAs and hundreds of our valued volunteers to learn as much as I could about the IAA and the profession. The positive feedback and warm welcome I received were overwhelming. Having the privilege to be present during the adoption of the new syllabus, working alongside our committee volunteers and supporting our leadership, getting to know our Sections, led to a tremendous first year.

During our discussions, I heard constant and clear support for the IAA, and for the work that we do to foster the development of the profession worldwide. Many of you suggested ideas to increase the value we can bring to our members. Many of those ideas have already made their way into our day-to-day operations, even though this is not always visible. Others will be used in our planning efforts as we continue to build the organization to achieve the objectives of our strategic plan.

A frequent comment I received was about the tremendous value most see in the IAA as a gathering forum for the leaders of the profession. I am a strong believer in the value of in-person meetings as the best way to make this possible. As such, we are continuing to enhance our biannual meetings to generate maximum value for all attendees, with special attention placed on first-time attendees and small and newer FMAs. Under Tom Terry’s leadership we launched several initiatives, and we will continue to do so while aiming for a more standardized meeting structure to simplify volunteer attendance at our principal meetings.

One big project launched in 2017 was the revamp of our IT system. The main element that most will notice will be our new website, which will be live just in time for the International Congress of Actuaries 2018 in Berlin. This website will benefit from a new look, in line with our recent brand refresh. It will also be filled with new functionalities that will facilitate the exchange of information among members. Some of the most important elements for the IAA as an organization will be: online communities, an event management tool, a streamlined payment process, enhanced user tracking and statistics, and much more.

My team and I look forward to continuing our outreach efforts, to remain continually informed about the many great initiatives from our members and to inform them of IAA activities. These efforts will ensure we leverage an expanding number of opportunities to expand the profession worldwide. This is made possible by working together as a strong and unified IAA under the guidance of our amazing volunteers and with the support from our very small, but mighty, Secretariat.

Thank you all for your support.
LEADERSHIP

Thomas Terry
President

Masaaki Yoshimura
President-Elect

Malcolm Campbell
Immediate Past-President

2017 Executive Committee

Jane Curtis
Micheline Dionne
Peter Doyle
Tarmo Koll
S. Michael McLaughlin
Tomio Murata
Jan Kars
David Sandberg
LEADERSHIP

Committee Chairpersons

Actuarial Standards: Alfred Gohdes
Advice and Assistance: Darryl Wagner
Audit and Finance: Cecil Bykerk
Education: Bozena Hinton
Enterprise & Financial Risk: Réjean Besner
General Insurance: Robert Conger
Health: Christelle Dieudonné
Insurance Accounting: William Hines

Insurance Regulation: David Sandberg
Membership: Kenneth Hohman
Nominations: Malcolm Campbell
Pensions & Employee Benefits: Yasuyuki Fujii
Professionalism: David Martin
Scientific: Thomas Béhar
Social Security: Barbara D’Ambrogi-Ola

Working Group Chairpersons

Banking: Michael Tichareva
Big Data: Ashleigh Theophanides
Microinsurance: Nigel Bowman

Mortality: Brian Ridsdale
Population Issues: Assia Billig
Resource and Environment: Kenneth Donaldson

Medallists of the IAA


In Memoriam

- Junzo Tanaka, Chairperson of the Public Statements Committee (1997–2001)
- John J. Kollar, President of the Casualty Actuarial Society (2009), member of the Enterprise and Financial Risk Committee and CERA Treaty Board
INTERNATIONAL COOPERATION

The IAA endeavours to represent and promote the actuarial profession at the global level, and provide key supranational audiences with actuarial input to improve the soundness of decisions being made on important issues with a global impact.

One important way in which it achieves this is through its participation with other supranational and international bodies that pursue common goals. Five supranational institutions involved in this endeavour are the IAA’s Partners: the International Association of Insurance Supervisors (IAIS), International Accounting Standards Board (IASB), International Social Security Association (ISSA), International Organisation of Pension Supervisors (IOPS) and Organisation for Economic Co-operation and Development (OECD); the IAA has engaged in a memorandum of understanding (MoU) with each of the latter four organizations.

The IAA participated in the following activities in support of action plans developed in accordance with the tenets of Strategic Objective 1, namely to bring key relationship bodies into contact with the relevant actuarial groups, build and maintain key relationships and provide actuarial input on matters of importance to relevant supranational organizations.

<table>
<thead>
<tr>
<th>Access to Insurance Initiative (A2ii)</th>
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<tbody>
<tr>
<td>• Signed a five-year partnership agreement with the A2ii and IAIS</td>
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<td>• Created a steering committee consisting of representatives from the IAA, A2ii and IAIS</td>
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<tr>
<th>Asian Development Bank</th>
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<tr>
<td>• Was involved in the Supervisory Capacity-Building Program, which focused on developing actuarial capacity in insurance supervisors</td>
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<thead>
<tr>
<th>International Association of Insurance Supervisors</th>
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<tr>
<td>• Continued a project with the IAIS to develop papers on providing actuarial services in inclusive insurance markets</td>
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<tr>
<td>• Provided comments on various IAIS consultations and papers</td>
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<tr>
<td>• Partnered in delivering an Asia-region supervisory capacity-building program that focused on supporting supervisors making better use of actuarial information and services</td>
</tr>
<tr>
<td>• Signed a five-year partnership agreement with the A2ii and IAIS</td>
</tr>
<tr>
<td>• Joined a steering committee consisting of representatives from the IAA, A2ii and IAIS</td>
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<tr>
<td>• Continued to assist with an IAIS review and update of existing Core Curriculum training modules for insurance supervisors</td>
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<tr>
<td>• Participated in the IAIS Global Seminar in London, UK</td>
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<tr>
<td>• Attended the IAIS Annual Conference in Kuala Lumpur, Malaysia</td>
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## INTERNATIONAL COOPERATION

### International Financial Reporting Standards Foundation (IFRS)

**International Accounting Standards Board**

- Contributed three layers of support to IFRS 17, which was released on May 18, 2017: International Standard of Actuarial Practice (ISAP) 4, an international actuarial note and an educational monograph, each to be exposed for comments in 2018. A news release was issued and the IAA’s work was showcased on its homepage.
- Saw its Insurance Accounting Committee chairperson appointed to serve as an observer to the IFRS 17 Transition Resource Group (TRG) of the IASB.
- Participated in the IFRS Advisory Council meetings. Discussion topics included the role of IFRS in supporting financial stability; update on wider corporate reporting; the IFRS education initiative supporting implementation and application of standards; blockchain technology, and the need to understand any challenges and opportunities it might create; better communications through better disclosure; and IFRS 17 (the benefits of transparency and the mandate of the TRG).
- Created a task force that will coordinate IFRS-17-related activities within the IAA, with member associations and external stakeholders including the IASB.
- Discussed issues connected with revised amendments to IFRIC14 regarding defined benefits in pension plans.

### International Monetary Fund

- Discussed the reporting of the social security liabilities in National Accounts (2008 System of National Accounts, or SNA) with International Monetary Fund (IMF) representatives. As a result of this call, the IAA Social Security Committee has provided informal comments on the 2008 SNA.
- Witnessed the presentation of a World Bank/IMF paper at the IAA Social Security Meeting in Chicago.

### International Organisation of Pension Supervisors

- Participated in a panel discussion at the IOPS/Financial Services Commission International Seminar on Pension Supervision and Regulation. Consequently, two jurisdictions that were seeking actuarial expertise were put in touch with actuaries connected to their respective regions.
- Provided input to an IOPS paper on draft good practices on the role of pension supervisory authorities in consumer protection related to private pension systems.
- Participated in meetings of the OECD Working Party on Private Pensions and the Insurance and Private Pensions Committee (jointly with the committee meetings of the IOPS).

### International Public Sector Accounting Standards Board (IPSASB)

- Discussed the upcoming exposure draft of the IPSASB standard regarding the reporting for social security benefits. The IAA will comment on the exposure draft when it is released.
INTERNATIONAL COOPERATION

<table>
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<tr>
<th>International Social Security Association/International Labour Organization (ILO)</th>
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<tr>
<td>• Attended an ILO–Eurostat workshop on methodological and technical considerations of pension liabilities of social security pensions. The workshop included a presentation by the IAA on the reporting of liabilities for pay-as-you-go or partially-funded social security systems. This venue provided a unique opportunity for the IAA's voice to be heard in this important debate and contribute to the workshop's conclusions</td>
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<tr>
<td>• Topics at a joint forum on social security, which featured the IAA, ILO, ISSA and Actuarial Association of Europe (AAE), included mortality—in particular the work of the IAA Mortality Working Group, and of the AAE with the Ageing Working Party in Europe; measuring the adequacy of social security systems; suitable mortality tables for use with inclusive insurance products in developing countries; the economic implications of developing healthcare systems; workers' compensation products; and methods for calculating social security liabilities. All of these are areas for continued collaboration</td>
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<tr>
<th>Microinsurance Network (MIN)</th>
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<tr>
<td>• Participated in the MIN annual member meeting</td>
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<td>• The IAA Microinsurance Working Group hosted a session on inclusive insurance and proportionality of actuarial services at an MIN conference</td>
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<tr>
<th>Organisation for Economic Co-operation and Development</th>
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<tr>
<td>• Participated in meetings of the Working Party on Private Pensions and the Insurance and Private Pensions Committee</td>
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<tr>
<td>• Attended the IAIS–IOPS–OECD–NBS Conference on Consumer Protection in Insurance and Pensions</td>
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<tr>
<td>• Provided comments on a variety of OECD papers</td>
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<tr>
<td>• Collaborated on a long-term care and health project</td>
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<tr>
<th>United Nations Environment Programme Finance Initiative (UNEP FI)</th>
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<tr>
<td>• Attended a North American meeting of the Principles of Sustainable Insurance section of the UNEP FI</td>
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<th>World Bank</th>
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<tr>
<td>• Participated in a panel discussion in connection with the World Bank's launch of a book, Risk Modeling for Appraising Named Peril Index Insurance Products</td>
</tr>
<tr>
<td>• Witnessed the presentation of a World Bank/IMF paper at the IAA Social Security Meeting in Chicago</td>
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Actuarial Association of Europe (AAE)

IAA Officers attended the AAE annual meeting, where an MoU was approved. This MoU will enhance collaboration between the two associations, the foundation of which will be the sharing of information and the regular review of co-operative activities.

In addition to the above external relations initiatives, the Officers or an appointed IAA representative gave presentations on the IAA's work at the following events:
# INTERNATIONAL COOPERATION

## Americas
- Canadian Institute of Actuaries (CIA) Meeting in Toronto, Canada
- PBSS Colloquium in Cancún, Mexico
- Canadian Institute of Actuaries’ Annual Meeting in Québec City, Canada
- ASTIN and AFIR/ERM Colloquium and IAA Regional Meeting in Panama City, Panama
- Annual Meeting of the Society of Actuaries in Boston, U.S.
- Annual Meeting of the Casualty Actuarial Society in Anaheim, U.S.
- Annual Meeting of the American Academy of Actuaries (AAA) in Washington, U.S.

## Asia-Pacific
- Institute and Faculty of Actuaries’ Asia Conference in Hong Kong
- Meetings with the Singapore Actuarial Society (SAS), the Institute of Actuaries of Japan (Tokyo), and the Japanese Society of Certified Pension Actuaries (Tokyo)
- Institute of Actuaries of Australia - Actuaries Summit in Melbourne, Australia
- South Asian Actuarial Conference in Colombo, Sri Lanka
- Annual General Meeting of the Institute of Actuaries of Japan in Tokyo, Japan

## Europe
- Society of Actuaries in Ireland - President’s Biennial Dinner in Dublin, Ireland
- Annual Meeting of the Deutsche Akturarvereinigung in Berlin, Germany
- Jubilee XV International Symposium on Insurance of the Serbian Actuarial Association in Zlatibor, Serbia
- Meetings with the Institute and Faculty of Actuaries (London), Het Koninklijk Actuarieel Genootschap (Utrecht), Deutsche Aktuarvereinigung (Cologne) and Institut des Actuaires (Paris)
- Institute and Faculty of Actuaries’ Data Science Lecture in London, UK
- 40th Annual Meeting of the AAE in Copenhagen, Denmark
- Life Section Colloquium in Barcelona, Spain
- IAA and Actuarial Society of Turkey Regional Seminar in Istanbul, Turkey

## WHERE WE WERE

International Actuarial Association
PUBLICATIONS AND PAPERS

Six regular newsletters

Two special newsletters about IAA meetings: Budapest (May) and Chicago (November)

Three issues of the ASTIN Bulletin – The Journal of the IAA (January, May and September)

Fourteen news releases

IAA Risk Book

Over the last three years, the Insurance Regulation Committee unveiled the first 15 chapters of the IAA Risk Book, which focused on the actuarial function, professional standards, operational risk, catastrophe risk, non-proportional reinsurance, intragroup reinsurance, addressing the consequences of insurance groups, distribution risk, the Own Risk and Solvency Assessment, resolution of insolvencies, asset liability management, financial statements, governance of models and materiality and proportionality. Last year saw the release of three additional chapters: Capital – A Regulatory Management Tool; Risk and Uncertainty; and Policyholder Behaviour and Management Actions.

This project provides a professional, centralized way to converse about, and build on, the tools and processes needed for effective governance, management and regulation of insurance operations. Two chapters on stress testing and dynamic hedging are under development.

Climate Change and Mortality

Climate change will have significant and wide-ranging effects around the world. One important potential impact is on the mortality of the population, which is the focus of this paper. Included is a summary of some of the leading published research in this area. It describes some of the possible future impacts on the total global population, particularly vulnerable population segments, as well as how they relate to the population covered by insurance and retirement programs.

This paper provides background information to raise
awareness among actuaries and others regarding likely long-term effects of climate change on mortality. The paper also discusses related mitigation/adaptation efforts that have the potential to affect human health and life, both in adverse and favourable ways. It further considers possible quantitative modelling approaches to assess the net effect of climate change on mortality. The paper recognizes that further research is needed to further quantify particular effects and to study ways that the adverse effects might be mitigated in the short, intermediate and long term. Such research should be multi-disciplinary in nature, given the complexity of the issues involved.

This paper was developed by the Resource and Environment Working Group.

**The Impact of Personalised Medicine and Genomics on the Insurance Industry**

This paper discusses personalised medicine, the future of genomics, current challenges, the impact of genomics on the insurance industry and recommendations for actuaries.

Personalised medicine tailors medical treatment to the individual characteristics of each patient. This has long been an ideal in different forms and paradigms of medicine: to focus not only on the disease but also on the person. New technological developments are making it possible to make treatment far more personalised than it has ever been. This approach is dependent on understanding how a person’s molecular and genetic profile makes them susceptible to certain diseases. Genomics enables doctors to better understand why some people get sick from certain infections, environmental factors and behaviours while others do not.

This paper was developed by the Health Committee.

**Long-Term Care: An Actuarial Perspective on Societal and Personal Challenges**

As populations age over the next several decades, the demand for long-term care (LTC) services (assisting individuals with their activities of daily life) will increase dramatically and is likely to reach crisis levels in many countries. Societies should confront this emerging need, if they have not done so already, because historical methods for providing and financing LTC may not be adequate to address future LTC needs.

The primary objective of this paper is to provide information concerning some of the key issues associated with LTC, recognizing that there are significant differences throughout the world in how LTC is delivered and financed. The paper’s overall message is that it is very important for individuals, societies and policy makers to address LTC issues in a timely manner before they become more severe. It is hoped that this paper will encourage further discussion of LTC-related issues by national actuarial associations, individual actuaries and policy makers that can help lead to the development of effective solutions for the provision, delivery and financing of LTC.

This paper was developed by the Population Issues Working Group (PIWG).
The IAA submitted written comments on the:

- European Union’s strategy on sustainable finance – the High-Level Expert Group Interim Report
- Consultation by the International Association of Insurance Supervisors (IAIS) on Revised Insurance Core Principles (ICPs) and ComFrame material integrated with ICPs (ICPs 3 and 25; ICPs 5, 7 and 8; ICPs 9 and 10; ICP 12)
- Task Force on Climate-Related Financial Disclosures Consultation on Draft Recommendations on Climate-Related Financial Risk Disclosures
- IAIS Draft Stakeholder Engagement Plan

**INTERNATIONAL STANDARDS OF ACTUARIAL PRACTICE (ISAPs)**

The Actuarial Standards Committee (ASC) has a mandate to develop and maintain all ISAPs. ISAPs are model standards of practice that directly support part of the IAA’s Strategic Objective 3—to promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards. To date, five ISAPs have been approved:

- ISAP 1 – General Actuarial Practice (adopted on November 18, 2012)
- ISAP 1A – Governance of Models (adopted on November 21, 2016)
- ISAP 2 – Financial Analysis of Social Security Programs (adopted on October 13, 2013)
- ISAP 5 – Insurer Enterprise Risk Models (adopted on November 21, 2016)

A strategic action plan for ISAPs, adopted in June 2013 and updated in September 2016, outlines the development of three further standards:

- ISAP 4 – IFRS 17 Insurance Contracts (completion expected in late 2019)
- ISAP 6 – Enterprise Risk Management Programs and IAIS Insurance Core Principles (completion expected in November 2018)
- ISAP 7 – “Current estimates” and other matters in relation to the IAIS capital standards (temporarily suspended)

It is 5 years since ISAP 1 was adopted. The Professionalism Committee and the ASC agreed that the time is right to review ISAP 1. This review of ISAP 1 addresses two issues:

1. Merging the guidance from ISAP 1A Governance of Models adopted in 2016 in Cape Town into ISAP 1; and
2. Incorporating a collection of non-substantial suggested improvements, the ASC has received over the five years since ISAP 1 was adopted.

The exposure draft of the updated ISAP 1 was published for consultation on 29 June 2017. Adoption of the revised ISAP 1 is expected in November 2018
SECTION ACTIVITIES

In order to encourage actuarial research and development in particular areas of practice, and provide suitable international forums for discussion among individual actuaries, the IAA has seven specialized Sections—AFIR-ERM, ASTIN, AWB, IAAHS, IAALS, IACA and PBSS.

AFIR-ERM (Actuarial Approach for Financial Risks/Enterprise Risk Management)

Chair: Michael Sherris

AFIR/ERM has as its primary objective the promotion of actuarial research and knowledge dissemination in actuarial and broader aspects of finance, investment and ERM, to push forward the boundaries of actuarial knowledge and promote and facilitate an international exchange of views, advice, research and practical information among actuaries and other relevant experts.

Activities in 2017:

• Held a joint colloquium with ASTIN in Panama City, Panama, hosted by the Asociación Centroamericana de Actuarios
• Awarded the 2015 and 2016 Bob Alting von Geusau Prizes for “Calculating Variable Annuity Liability ‘Greeks’ Using Monte Carlo Simulation” by Mark J. Cathcart, Hsiao Yen Lok, Alexander J. MacNeil and Steven Morrison; “Life Insurance and Pension Contracts I: The Time Additive Life Cycle Model” by Knut Aase; and “Consistent Yield Curve Prediction” by Josef Teichmann and Mario V. Wüthrich. These papers were judged to be the best of those published in the ASTIN Bulletin with a financial risk or ERM focus.
• Issued reference lists starting in November

ASTIN (Actuarial STudies In Non-life insurance)

Chair: Frank Cuypers (outgoing: Eric Dal Moro)

ASTIN’s main objective is to promote actuarial research, particularly in non-life insurance. It is continually working to develop the mathematical foundation of non-life insurance and reinsurance.

Activities in 2017:

• Held a joint colloquium with AFIR/ERM in Panama City, Panama, hosted by the Asociación Centroamericana de Actuarios
• Produced the Report of the ASTIN Working Party on Individual Claims Development with Machine Learning
• Awarded the Charles A. Hachemeister Prize to Benjamin Avanzi, Greg Taylor and Bernard Wong for “Correlations Between Insurance Lines of Business: An Illusion or a Real Phenomenon? Some Methodological Considerations”
• Supported the Actuarial Sciences for Africa programme in Benin
AWB (Actuaries Without Borders)

Chair: Doug Carey

AWB’s mission is to promote the public good globally, focusing on countries that lack the actuarial resources needed to create productive, sustainable and stable markets for insurance and other risk mitigation and the means to develop the actuarial profession, adhering to a strategic objective of the IAA to support the development, organization and promotion of the profession in areas of the world in which it is not present or is not fully developed.

Activities in 2017: please refer to the International Assistance section of this Annual Report (below).

IAAHS (IAA Health Section)

Chair: April Choi

The Health Section facilitates exchange of knowledge and information among actuaries involved with public and private health issues, and promotes co-operation among actuarial organizations around the world, to advance international developments in health systems and programs. The Section provides its members with an international forum for knowledge sharing, professional development and networking through in-person colloquia, webinars and other online resources.

Activities in 2017:

- Hosted seven webinars that promote joint activities with national actuarial associations and IAA working group:
  - Global Perspective on Risk Adjustment and Effects of Adding Rx Usage Factors
  - Global Perspectives on Long-Term Care: United States and Germany (held jointly with the AAA and the PIWG)
  - Health Assessments: Dr Do-A-Little or Dr Do-A-Lot?
  - Global Perspectives on Long-Term Care: Canada and France (held jointly with the CIA and PIWG)
  - Global Perspectives on Long-Term Care: Japan and Hong Kong (held jointly with PIWG)
  - A Global Look at End of Life Care (held jointly with the AAA)
  - Global Perspectives on Long-Term Care: Singapore and Australia (held jointly with the SAS)
- Re-organized Topic Teams based on member’s survey results:
  - Added Technology/Big Data and Public Private Partnership topic teams, and removed Critical Illness and Income Protection topic teams.
  - Current eight topic teams - Comparative Health Systems Team, Health Risk Capital and Risk Management Team, Long Term Care Team, Medical Expenses Team, Microinsurance for Health Team, Public-Private Partnership Team, Risk Adjustment Team and Technology/Big Data Team.
- Planning for ICA 2018 and future conferences
IAALS (IAA Life Section)
Chair: Marc Slutzky

The Life Section’s mission is to promote actuarial research and the exchange of knowledge in the field of life insurance around the world.

Activities in 2017:
- Held a colloquium in Barcelona hosted by the Col·legi d’Actuaris de Catalunya
- Hosted webinars covering:
  - Drivers, cohorts and new horizons in mortality research
  - Advice to young actuaries and other professionals

IACA (International Association of Consulting Actuaries)
Chair: Catherine Lyn

IACA promotes and facilitates the sharing of ideas among international consulting actuaries.

Activities in 2017:
- Held a joint colloquium with PBSS in Cancún, Mexico
- Hosted the following webinars (*held jointly with PBSS):
  - Valuation of the Bermudan-DB-Underpin Option*
  - Life Insurance and Pension Contracts II: The Life Cycle Model with Recursive Utility*
  - The Role of Actuaries in Public Policy
- Produced a member newsletter and submitted articles to various FMA newsletters
- Presented a toolkit “Engaging Young Actuaries” to the Caribbean Actuarial Association Annual Meeting in the Bahamas
- Participated in the following events:
  - Association of Consulting Actuaries Seminar and Annual Convention in UK
  - IOPS Spring Meeting in Jamaica
  - Conference of Consulting Actuaries Annual Meeting in USA
  - Pacific Rim Actuaries Summer BBQ in Canada

PBSS and IACA Colloquium in Cancun, Mexico
PBSS (Pensions, Benefits and Social Security)

*Chair: Abraham Hernández Pacheco (outgoing: Marius Du Toit)*

PBSS serves actuaries around the world with personal, professional, educational or research interests in social protection, as well as actuaries with interests in the commercial, social and public policy issues concerning the provision of pensions and other benefits. Its scope covers public programs and private pension plans, mutual benefit organizations, commercial insurance and pension company contracts, annuities, share options and other types of employee benefit provision.

Activities in 2017:

- Held a joint colloquium with IACA in Cancún, Mexico
- Hosted the following webinars jointly with IACA:
  - Valuation of the Bermudan-DB-Underpin Option
  - Life Insurance and Pension Contracts II: The Life Cycle Model with Recursive Utility
- Issued monthly reference lists

The ASTIN, AFIR/ERM, LIFE and PBSS Sections cosponsor the ASTIN Bulletin—The Journal of the IAA. It is published by Cambridge University Press in print and online in January, May and September. A total of 30 articles were published in 2017.
Global Mentorship Program

Launched in February 2017 as a pilot initiative, the Global Mentorship Program focuses on mentorship for actuarially developing countries. It provides remote mentorship and remote exam tutoring services by leveraging teachers participating in overseas AWB seminars.

The mentorship program provides the following benefits to the global society:

1. It assists in the development of the actuarial profession where there is a lack of such resources.

2. It contributes to the awareness of the actuarial profession and the spread of actuarial education by encouraging actuaries and academics across the world to volunteer in global mentoring, including actuarial exam tutoring, through a convenient platform available around the clock.

Skopje, Macedonia

The Macedonian Actuarial Association, in collaboration with AWB, organized a two-day workshop attended by more than 50 participants from various industry areas. The workshop had the objective of creating awareness of the foundations of the risk-based regulatory framework that will soon be introduced in Macedonia, and to demonstrate that the actuarial association is a stakeholder in this process.

Sofia, Bulgaria

Actuaries Without Borders and the Bulgarian Actuarial Society jointly sponsored a seminar on enterprise risk management (ERM). Fifty-one individuals participated in the event, which emphasized the practical aspects of regulatory and advisory ERM paradigms. Volunteers also presented R scripts to interest attendees in actuarial applications and insights. The Extreme Value Theory and the modelling of dependencies received excellent and intellectually rewarding reviews.

Yerevan, Armenia

A five-day workshop providing extensive tuition towards the Society of Actuaries’ Exam C (Construction and Evaluation of Actuarial Models) was successfully delivered thanks to collaboration by Actuaries Without Borders, the Actuarial Society of Armenia and the Central Bank of Armenia.

Regional Development Seminars Organized with Support from the Advice and Assistance Committee’s Subcommittees

Hungary

The Eurasia and Middle East Subcommittee, with the assistance of the IAA Fund, hosted a seminar for associations of the region with the objective of assisting their leaders to map the key priorities for their associations’ next stages of development and to assess how to better utilize IAA resources to meet
those needs.

This seminar marked the end of a 27-year journey for the IAA Fund and demonstrated the Advice and Assistance Committee’s commitment to continue with the work of developing the actuarial profession through its subcommittees. A report summarizing the IAA Fund’s history was presented by Chris Daykin, Chief Executive, at the IAA Council meeting in Budapest.

Sri Lanka

The Actuarial Association of Sri Lanka, in collaboration with the Asia Subcommittee, hosted a seminar to present the benefits of a strong relationship among the profession and the regulator. Entitled “Actuarial Profession and the Regulator – Relationship for a Better Industry Practice”, the seminar showcased various engaging and thought-provoking panels, providing ample opportunities for the 37 participants to engage with expert panelists.

Panama

The Asociación Centroamericana de Actuarios and the Latin America Subcommittee of the IAA collaborated with Willis Towers Watson to host a workshop immediately after the ASTIN/AFIR-ERM Colloquium. During the event, entitled “Building a Canal from Data to Improved Results”, experts from Willis Towers Watson led the 56 participants on a full-day session on predictive models and gave an overview of their basic applications.

Turkey

Following its admission as a Full IAA member, the Actuarial Society of Turkey hosted a regional seminar in Istanbul with the support of the Eurasia and Middle East Subcommittee to reinforce its commitment to advance the profession in Turkey. The seminar attracted 180 participants, including local CEOs and the regulator, and enabled the society to strengthen its position and relationship with key industry stakeholders.
2017 was the first fiscal year under our new operational structure. The former Treasurer function has now been replaced by increased operational responsibility by the Secretariat – notably Carol Ann Banks, Director - Operations and Finance – and an increased oversight role by the Chair of the Audit and Finance Committee, Cecil Bykerk. We wish to thank them both for their hard work and dedication on financial matters that resulted in an audit without any reservations (commonly referred to as a “clean audit”) from the external Auditors as well as adoption of a revised investment policy.

The IAA operated with a slight deficit of approximately $12,000 CAD in 2017. Compared to 2016, revenues increased slightly at 1% while expenses increased at 4%. The expense increase reflects costs associated with a number of new initiatives including member engagement, increased assistance to some of our developing FMA’s, the introduction of our new Executive Director, and increased contributions to the Congress Bursary Fund in anticipation of the 2018 ICA.

The overall financial position of the Sections remained healthy with only two Sections reporting slight deficits in 2017. Overall Section membership has also increased with five of the seven Sections reporting an increase in membership.

Excluding Sections, the IAA’s financial position remained relatively stable with a slight reduction in unrestricted net assets down to $646,000 CAD.

The 2018 year will be a transition year as we agree on a new IAA membership fee basis to be effective in 2019. As such, we look forward to the continued partnership with our Full Member Associations in order to ensure stable and proper financing for the IAA’s operations and support of the growth of the profession across the world.

Tom Terry, 2017 IAA President
Mathieu Langelier, Executive Director
### Financial Review

**Statement of Financial Position**

<table>
<thead>
<tr>
<th></th>
<th>IAA excl</th>
<th>Sections</th>
<th>Total</th>
<th>IAA excl</th>
<th>Sections</th>
<th>Total</th>
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<td></td>
</tr>
<tr>
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<td>70</td>
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<td></td>
<td>$ 1,320</td>
<td>$ 2,159</td>
<td>$ 3,479</td>
<td>$ 1,532</td>
<td>$ 2,165</td>
<td>$ 3,697</td>
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<tr>
<td><strong>Current liabilities</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Accounts payable and accrued liabilities</td>
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<td>1</td>
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<td>Contributions held for Funds and Monographs</td>
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<td>17</td>
<td>182</td>
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<td>32</td>
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<td>Contribution held from ICA 2014 Surplus</td>
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<td>5</td>
<td>287</td>
<td>283</td>
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<td>Net Assets - unrestricted</td>
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<td></td>
<td>646</td>
<td>2,137</td>
<td>2,783</td>
<td>667</td>
<td>2,128</td>
<td>2,795</td>
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<tr>
<td><strong>Total</strong></td>
<td>$ 1,320</td>
<td>$ 2,159</td>
<td>$ 3,479</td>
<td>$ 1,532</td>
<td>$ 2,165</td>
<td>$ 3,697</td>
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</table>

**Statement of Revenue, Expenses and Net Assets**

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<td>Memberships</td>
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<td>Other revenue</td>
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<td>102</td>
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<td>Income for Funds and Monographs</td>
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<td>55</td>
<td>43</td>
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<td></td>
<td>2,039</td>
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<td>2,337</td>
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<td><strong>Expenses</strong></td>
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<tr>
<td>Committee and representation expenses</td>
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<td>170</td>
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<td>129</td>
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<td>Operating costs</td>
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<td>478</td>
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<td>Statutory meetings</td>
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<td>1000</td>
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<td>Support staff</td>
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<td>1,070</td>
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<tr>
<td>Expenses for Funds and Monographs</td>
<td>69</td>
<td>69</td>
<td>43</td>
<td>43</td>
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<td></td>
<td>2,205</td>
<td>149</td>
<td>2,354</td>
<td>1,976</td>
<td>295</td>
<td>2,271</td>
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<tr>
<td><strong>Excess (deficiency) of revenue over expenses from operations</strong></td>
<td>(166)</td>
<td>149</td>
<td>(17)</td>
<td>(141)</td>
<td>185</td>
<td>44</td>
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<tr>
<td>Section administration recoveries (expenses)</td>
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<td>(126)</td>
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<td>129</td>
<td>(129)</td>
<td>0</td>
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<tr>
<td>Unrealized gain (loss) on investments</td>
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<td>(14)</td>
<td>5</td>
<td>60</td>
<td>(7)</td>
<td>53</td>
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<tr>
<td><strong>Excess (deficiency) of revenues over expenses</strong></td>
<td>(21)</td>
<td>9</td>
<td>(12)</td>
<td>48</td>
<td>50</td>
<td>97</td>
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<tr>
<td>Net Assets, unrestricted, beginning of year</td>
<td>667</td>
<td>2,128</td>
<td>2,795</td>
<td>620</td>
<td>2,078</td>
<td>2,698</td>
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<tr>
<td>Net Assets, unrestricted, end of year</td>
<td>$ 646</td>
<td>$ 2,137</td>
<td>$ 2,783</td>
<td>$ 667</td>
<td>$ 2,128</td>
<td>$ 2,795</td>
</tr>
</tbody>
</table>

*Summarized from the audited financial statements available at www.actuaries.org*
MEMBERSHIP

FULL MEMBERS

Asociación Centroamericana de Actuarios (ACEA)
Caribbean Actuarial Association
Argentina
Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires
Australia
Actuaries Institute of Australia
Austria
Aktuarvereinigung Österreichs (AVÖ)
Belgium
Institut des Actuaires en Belgique
Bosnia and Herzegovina
Aktuarsko Drustvo U Bosni I Hercegovin
Brazil
Instituto Brasileiro de Atuária (IBA)
Bulgaria
Bulgarian Actuarial Association
Canada
Canadian Institute of Actuaries
China
China Association of Actuaries
Chinese Taipei
Actuarial Institute of Chinese Taipei
Colombia
Asociación Colombiana de Actuarios
Côte D’Ivoire
Institut des Actuaires de Côte d’Ivoire
Croatia
Hrvatsko Aaktuarsko Drustvo
Cyprus
Cyprus Association of Actuaries
Czech Republic
Ceská Spolecnost Aktuarů
Denmark
Den Danske Aktuarforening
Egypt
Egyptian Society of Actuaries
Estonia
Eesti Aktuaaride Liit
Finland
Suomen Aktuaariyhdistys
France
Institut des Actuaires
Germany
Deutsche Aktuarvereinigung e. V. (DAV)
Ghana
Actuarial Society of Ghana
Greece
Hellenic Actuarial Society
Hong Kong
Actuarial Society of Hong Kong
Hungary
Magyar Aktuárius Társaság
Iceland
Félag Islenska Tryggingsastæðfræðinga
India
Institute of Actuaries of India
Indonesia
Persatuan Aaktuarsi Indonesia
Ireland
Society of Actuaries in Ireland
Israel
Israel Association of Actuaries
Italy
Istituto Italiano degli Attuari and Ordine degli Attuari
Japan
Institute of Actuaries of Japan
Japan
Japanese Society of Certified Pension Actuaries
Kazakhstan
Actuarial Society of Kazakhstan
Kenya
The Actuarial Society of Kenya
Latvia
Latvijas Aaktuariu Asociācija
Lebanon
Lebanese Association of Actuaries
Lithuania
Lietuvos Aktuarių Draugija
Malaysia
Persatuan Aktuari Malaysia
Mexico
Colegio Nacional de Actuarios A. C.
Morocco
Association Marocaine des Actuaires
Netherlands
Het Koninklijk Aaktuariële Genootschap
New Zealand
New Zealand Society of Actuaries
Norway
Den Norske Aktuarforening
Pakistan
Pakistan Society of Actuaries
Philippines
Actuarial Society of the Philippines
Poland
Polskie Stowarzyszenie Aktuarzy
Portugal
Instituto dos Actuários Portugueses
Romania
Asociatia Romana de Actuarat
Russia
Russian Guild of Actuaries
Serbia
Udruzenje Aktuara Srbije
Singapore
Singapore Actuarial Society
Slovakia
Slovenska Spolocnost Aktuárov
Slovenia
Slovensko Aaktuarsko Drustvo
South Africa
Actuarial Society of South Africa
South Korea
Institute of Actuaries of Korea
Spain
Col.legi d’Actuaris de Catalunya
Spain
Instituto de Actuarios Españoles
Sri Lanka
Actuarial Association of Sri Lanka
Sweden
Svenska Aaktuarieföreningen
Switzerland
Association Suisse des Actuaires
Thailand
Society of Actuaries of Thailand
### MEMBERSHIP

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<th>Country</th>
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<tbody>
<tr>
<td>Turkey</td>
<td>Actuarial Society of Turkey</td>
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<td>United Kingdom</td>
<td>Institute and Faculty of Actuaries</td>
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<td>Association of Consulting Actuaries Limited</td>
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<td>Society of Actuaries</td>
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<td>Zimbabwe</td>
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### ASSOCIATE MEMBERS

- Channel Islands Actuarial Association
- Albanian Actuarial Association
- Instituto Actuarial Argentino
- Actuarial Society of Armenia
- Actuarial Association of Azerbaijan
- Actuarial Society of Bangladesh
- Association des Actuaires Beninois
- Actuarial Association of the Republic of Srpska
- Instituto de Actuarios Matemáticos de Chile
- Association of Actuaries and Financial Analysts
- Association Luxembourgoise des Actuaires
- Asociacion Mexicana de Actuarios, A.C.
- Asociatia de Actuariat Din Moldova
- The Society of Actuaries of Mongolia
- Society of Actuaries of Namibia
- Nigeria Actuarial Society
- Asociación de Actuarios de Panamá
- Association of Professional Actuaries

### PARTNERS

See section on international cooperation

### OBSERVERS

Asian Development Bank (ADB)

### PATRONS

**GOLD**

[Allianz](#)

**SILVER**

[Milliman](#)

**BRONZE**

[INAIL](#)
MEETINGS AT A GLANCE

BUDAPEST, HUNGARY

CHICAGO, IL, UNITED STATES