Berlin, Germany
30 May - June 3, 2018

SPECIAL NEWSLETTER
IAA COUNCIL AND COMMITTEE MEETINGS
SPECIAL NEWSLETTER – BERLIN 2018

This Special Newsletter summarizes the fruitful activities that took place during the IAA Council and Committee meetings held in Berlin, Germany, from May 30 to June 3. These meetings are a great opportunity for member associations to network and share experiences. In addition to the committee meetings, formal and informal events are organized to encourage interaction between actuaries.

The meetings involved the following:

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The attendees included the following special guests:

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**PRESIDENTIAL TOWN HALL**

President Masaaki Yoshimura delivered the inaugural Presidential Town Hall, which provided assembled delegates with a bird’s-eye view of the IAA’s accomplishments over the last 20 years and a look at the IAA of the future. The session was concluded with a round-table discussion with the chairs of the Actuarial Standards, Advice & Assistance (A&A), Education and Professionalism committees, who delivered updates on their recent committee activities and issues to be dealt with in Berlin. The town hall presentation can be accessed online.

**IFRS UPDATE AND CROSS-TOPIC SESSIONS**

Immediately following the Presidential Town Hall, an update was delivered on the work of the IAA as it relates to the implementation of International Financial Reporting Standards (IFRS) initiatives.

Afterwards, delegates broke off into various cross-topic sessions:

**OECD Initiatives**

This session featured video interviews with key Organisation for Economic Co-operation and Development (OECD) representatives, who provided an overview of the IAA’s relationship with the OECD, including our soon to be re-signed memorandum of understanding (MoU). This was followed by a deeper review of four joint projects (Cyber Risk, Funding DB Pensions, Health and Long-Term Care Insurance, and Post-Retirement Longevity Risk) starting with pre-recorded interviews with OECD project leaders and presented on-site by IAA topic leaders.

**IAIS Initiatives**

The IAA has a long-standing relationship with the IAIS and has been a regular contributor and supporter of IAIS initiatives. This session shared progress on a number of current interactions with the IAIS started with an overview. It then looked at contributions to IAIS standard-setting work (ComFrame and International Capital Standards), risk management (the Risk Book and the Own Risk and Solvency Assessment Working Group) and outreach activities (Proportionate Regulation and the IAIS Core Curriculum). It closed with a report on the three-way partnership regarding supervisory capacity development that was signed in 2017.
Mortality Initiatives

Mortality initiatives and research around the world are shared proactively among members of the Mortality Working Group (MWG), who represent 27 countries. One of the most active of the IAA’s groups, the MWG is great at exchanging knowledge between mortality experts and making it available internationally.

This session provided a flavor of some of the interesting projects that the members had been working on and would be presenting at the International Congress of Actuaries 2018 (ICA), as well as providing audience members with an opportunity to suggest mortality projects that they felt should be researched in more detail at a global level. In addition, the latest research from the UK and U.S. was shared.

LUNCH SPEAKER - JONATHAN DIXON, IAIS SECRETARY GENERAL

Jonathan Dixon, talked to us about some of the challenges the IAIS will be addressing in its next Strategic plan, notably the importance of building actuarial capacity in emerging markets and the flexibility required by having a very diverse membership in different regions of the world, some from very advanced economies, some in very nascent stages of regulatory development. This creates a complex system of layered standards for insurers in order to allow for fair treatment in a proper governance setting of insurance supervision.

He also addressed some of the challenges they are facing such as Cyber Risk and Climate change amongst many.

Finally he expressed his strong appreciation for the good relationship with the IAA in terms of effective collaboration on many subjects that are of key relevance to the IAIS. Notably our quick responses to many of their past consultations, our Risk Book, our key support in the revision of the IAIS Core Curriculum and the Insurance Core Principles, better known as ICPs, and finally our parallel efforts in the development of complementary papers on proportionate actuarial approaches to inclusive insurance markets.

EXECUTIVE COMMITTEE AND PRESIDENTS’ REPORT

Masaaki Yoshimura provided an update on the Executive Committee’s 2018 goals and summarized the achievements of the IAA’s work on each of the strategic objectives. In addition to what was contained in the Council slides, he reported that he would be travelling to Paris the following week to resign the MoU with the OECD.
NEW MEMBERS

At the Council meeting, the admission of the Actuarial Society of Iran (ASI) was approved, making it the 26th Associate Member. President Yoshimura is pictured with President Amin Hassan Zadeh and Secretary Morteza Aalabaf-Sabaghi. Congratulations!

ITEMS APPROVED BY COUNCIL

• Ratification of electronic ballots since the Chicago Council meeting;
• Approval of the new IAA logo and Section logos;
• The short-term plan of the Nominations Committee (NC) to re-establish proper staggering of members and the related revised Nominations Committee Protocol;
• Approval of changes to the membership of the Audit & Finance Committee;
• Ratification of Ashleigh Theophanides’ appointment to fill Vice-chairperson vacancy on the Big Data Working Group (BDWG);
• Education Committee’s Terms of Reference, and
• Changes to the Internal Regulations regarding Patrons.

The motion on the approval of the Chicago minutes was deferred to an electronic vote at a later date.
DINNER

Our hosts, the Deutsche Aktuarvereinigung (DAV), with sponsorship by PricewaterhouseCoopers, organized a spectacular evening for delegates at the official dinner to celebrate the IAA’s 20-year anniversary. It took place at the Great Orangery at Charlottenburg Palace, a lavishly decorated Baroque-style building commissioned by Sophie Charlotte, the wife of Friedrich III.
OUTCOMES OF COMMITTEE AND WORKING GROUP MEETINGS

Actuarial Standards Committee (ASC)

Godfrey Perrott, Chairperson

The ASC spent significant time on an inter-related pair of issues:

1. The update of International Standard of Actuarial Practice 1 (ISAP 1) has flagged the definition of "report". The current definition has some flavor of classic actuarial work where a project produced a single report (usually voluminous) that was delivered to all users. This is no longer true (some projects have no report; others may have multiple reports) so the definition needed revision.

2. Integrating that revised definition into ISAP 1 also involves significant work. ISAP 1 contains the word "report" 35 times in many different contexts.

We made significant progress in Berlin and are finalizing our drafts of the ISAP 1 final review package.

We also discussed other important topics:

• How we get ideas for future ISAPs. We have no appetite for producing ISAPs that no one wants, so we have started an active campaign of asking Full Member Associations (FMAs), especially those FMAs at an early phase of establishing actuarial standards, what they would like to see. Please let us know; we need to hear from you.

• We have worked with the Professionalism Committee (PC) to completely revamp the way we find out what FMAs do with the ISAPs. We want to make it very clear that answering is voluntary and the IAA (especially the PC and ASC) is not in the business of policing what FMAs do with ISAPs.

• Lastly, we discussed when (and where) we should next hold a seminar for FMAs. Mexico City, Washington, DC, and Tokyo are all possibilities. Stay tuned and, again, feel free to tell us what you want in our seminars.

Advice & Assistance Committee

Darryl Wagner, Chairperson

The A&A Committee and three of its subcommittees (Africa; Asia; Eurasia and Middle East) presented updates on the work they are carrying out in their respective regions. Also, the leaders of the A&A, along with the Executive Director of Actuaries Without Borders (AWB), had the opportunity to engage in a morning of strategic planning to re-evaluate the committee's work to better reply to the needs of developing Full, Associate or non-member associations. We will be distilling the results of the session to strengthen and clarify our working model. Among the objectives coming out of the session was the importance of the A&A becoming and staying more connected with the many IAA committees involved in providing assistance to actuarial associations.

Building on our continuing efforts to reach out to our developing member associations and listen to their needs, a session on associations’ development initiatives was held to cover topics such as setting standards of practice and the development of educational seminars with the assistance of AWB, webinars on professionalism topics and a toolkit for associations. Presentations from
this session are available online. A small-association reception and a breakfast were also held in Berlin.

A&A sponsored an afternoon of programming during the ICA. Included as part of the professionalism track, the first session featured presentations from association representatives in Panama, Nepal, Bangladesh and Russia. The presentations were thought-provoking, helping audience members better understand the needs of small associations and triggering ideas for ways in which the IAA might assist. We rounded out the afternoon with a session describing the ways in which the IAA is providing advice and assistance through partnerships with supranational organizations, Sections, committees and FMAs. A reception for small and developing association was also held during the ICA. All ICA bursary recipients were invited, and the generosity of the donor organizations that made these bursaries possible was gratefully acknowledged.

**Education Committee**

*Bozenna Hinton, Chairperson*

New members Louis Doiron (Canada), Vladimir Bubalov (Macedonia), Mercè Claramunt Bielsa (Catalonia), Christophe Heck (Switzerland) and Erzsébet Kovács (Hungary) were welcomed, along with Sevtap Kestel (Turkey), who was attending her first Education Committee meeting. The committee voted unanimously to recommend to the Membership Committee that the Nigeria Actuarial Society be admitted as an FMA.

The committee reviewed the updated Education Questionnaire that now incorporates references to both the 2013 syllabus and the new 2017 syllabus that was approved at the Chicago meeting. The questionnaire is used as part of members’ annual renewal process and for new applicants.

A large part of the meeting was spent on sharing experiences and lessons learned, in line with the new Terms of Reference. This included presentations on progress towards implementing the new Education Syllabus from Austria, Canada, the Netherlands, Germany and the Society of Actuaries (SOA). In addition, the committee heard reports from Canada, Switzerland and Ghana on how professional/normative skills were being incorporated into actuarial education. It also heard reports on continuing professional development (CPD) from Austria, Italy and the Netherlands.

Andrew Gladwin reported that the Banking Working Group (BWG) had developed an example global banking syllabus, and shared this model with the committee.

Finally, the Institute and Faculty of Actuaries (IFoA) made a presentation on educational techniques and media for delivering educational content to its members and candidates for discussion by the member associations. Videos, podcasts and emerging virtual reality media are increasingly-relevant techniques for training actuaries, both in basic education and as part of our commitment to lifelong learning.

Committee members appreciated the fact that additional time had been allotted for the meeting, and believed that the discussions were more robust and useful as a result.

**Branding and Communications Subcommittee (BCS)**

*Bob Beuerlein, Chairperson*

The most significant item of discussion for the BCS in Berlin related to public policy and the review of committee and working group papers. BCS leadership attended several committee and working group meetings to discuss and share the draft peer review considerations. They were also exposed more broadly to the Leaders Forum group. BCS will consider the comments received and report to the Executive Committee (EC) later in June.
Development of Sections Task Force (DSTF)

Bob Conger, Chairperson

The DSTF continued its collaborative process of exploring and experimenting with ideas that might support the strengthening, development and growth of the seven IAA Sections.

Our discussions in Berlin focused on:

- Section visibility through the ICA and the Virtual ICA, which will broadcast ICA sessions to actuaries and universities across the globe;
- A toolkit project, whereby several task forces are gathering, creating and documenting processes and tools by which the Sections conduct activities such as organizing colloquia, producing webinars, interacting with members, creating a permanent accessible record of intellectual content created by the Sections and collaborating with FMAs. The objectives are to document best practices and create templates so that each new team does not need to reinvent the wheel, but rather can build on and improve what has been done before; and
- Evolving permanent mechanisms through which the Sections interact and collaborate with one another to create more far-reaching, better and more efficient outcomes than can be achieved operating alone.

Our goal is to complete these projects, plus two others focused on (a) enhancing the dues and membership models being used by the Sections, and (b) developing a list of potential projects and initiatives for the Sections to consider. This task force plans to wrap up its work and make a series of recommendations by the end of 2018.

Strategic Planning Subcommittee

Masaaki Yoshimura, Chairperson

The bulk of the subcommittee’s time in Berlin was focused on the wording for the revised vision, mission and values statements. These were reported during the Council meeting. The EC will begin preparing a concrete proposal, including strategic initiatives, for consideration and approval at the next Council meeting, in Mexico City in November.

General Insurance Committee (GIC)

Bob Conger, Chairperson

In accordance with its Terms of Reference, the GIC focuses on serving as a source of GI expertise and perspective to the work of other IAA committees and initiatives, to supranational organizations with whom IAA maintains relationships and to IAA member associations. Most of its work is carried out by smaller task forces, which typically conduct their business by email and teleconference throughout the year, and which rely in part on actuarial volunteers beyond the specific individuals who serve as delegates to the committee.

Recent GIC projects highlighted during our Berlin meeting included:

- Responding to a request from the Caribbean Actuarial Association (CAA) to provide comments and suggestions on a draft actuarial standard (“Premium-related liabilities”) being developed by the CAA;
- Giving assistance to the China Association of Actuaries regarding approaches used in developing loss reserve margins for GI insurance in other jurisdictions;
Providing input for an OECD report on the cyber insurance market; and
Reviewing chapters of the Risk Book of the Insurance Regulation Committee (IRC) to ensure that GI issues and perspectives are adequately and appropriately addressed. One suggestion resulting from this review is to add a chapter focusing specifically on the management of risks arising from agents that damage property (fire, weather, theft, etc.) and from liability obligations (damage and injuries caused to other parties and their property); the GIC will be conducting additional work to develop this idea.

Other ongoing, upcoming and potential GIC projects include:

- Assisting with drafting and other input to Core Curriculum educational materials that the IAIS provides for its member regulators;
- Development of and input to actuarial educational material and model standards for GI actuarial work conducted under IFRS 17;
- Preparation of a paper or presentation on the GI business implications (such as the effects on product design and management, reinsurance utilization, and capital management) of the IFRS 17 reporting changes; and
- Participating in the development of an Actuarial Perspective on Flood Risk memorandum being drafted by the IAA Resource and Environment Working Group (REWG).

Volunteers from small and large associations around the world will be needed for these and other future projects. The GIC also partners with ASTIN in identifying and organizing practitioners and researchers to work on pertinent projects.

Health Committee (HC)

Christelle Dieudonné, Chairperson

The first part of the meeting was dedicated to reviewing the HC’s strategy and internal process. We proposed to all members a process to follow when a member desires to develop a project. This proposed process has been validated and will be shared to the EC in case this can help other committees.

The second part focused on projects validated by the HC:

- Health discussion papers (on actuaries and Big Data, and medical inflation); and
- A project on the evolution of the role of health actuary—the aim is to update the IAA paper on the role of the actuary that was completed in 2013.

We also had the pleasure of welcoming external participants regarding:

- Microinsurance (a presentation by Nigel Bowman, Chairperson of the Microinsurance Working Group, or MiWG);
- Global supranational activities (a presentation by Carla Melvin, Supranational Relations Manager); and
- The Social Security Forum (a presentation by Barbara D’Ambroggi-Ola, Chairperson of the Social Security Committee, or SSC).
Insurance Accounting Committee (IAC)
William Hines, Chairperson
The IAC spent much of its meeting in Berlin discussing issues surrounding the implementation of IFRS 17. These included issues that have been discussed, and will likely be discussed, by the IFRS 17 Transition Resource Group of the International Accounting Standards Board (IASB). The committee received an update on the status of ISAP 4, the IFRS Coordination Task Force and the expected timeline and resource needs for the development and exposure of an International Actuarial Note (IAN) related to IFRS 17. It also discussed interactions with the Accounting Committee of the IAIS and the desire to develop a closer working relationship with the International Auditing and Assurance Standards Board.

The Education and Practice Subcommittee met for almost two full days, discussing initial feedback on the first set of chapters of the IFRS 17 IAN and developing a work plan for updating those chapters and completing the remaining chapters with the goal of issuing an exposure draft of the full IAN by the end of the calendar year.

Insurance Regulation Committee
Dave Sandberg, Chairperson
In Berlin we identified the following valuable outcomes of our meeting together in person:

- We reenergized our work on the Risk Book. We have laid a good foundation with the individual chapters. The rest of 2018 will focus on any needed updates and organizing the chapters to better identify them by broader topics and specific audiences who could benefit from the individual chapters, be they supervisors, boards, broader actuarial community, educators, etc.

- Big Data needs to be a regular part of our agendas. We had an excellent presentation on the American Academy of Actuaries’ White Paper on Big Data.

- There may be real value in planning for joint discussions on specific topics like Big Data and climate change with other committees and subgroups.

- Thanks to our diverse committee membership, our regional issues update included contributions from regulators, consultants and company actuaries from around the world. It is a great opportunity to see what the emerging issues are in various jurisdictions.

- We identified important opportunities in 2018 for increased collaboration with the OECD and IAIS.

Membership Committee
Michael McDougall, Chairperson
Earlier this year, the committee received an application for Associate membership from the ASI. As reported earlier in the Newsletter, the ASI was admitted during the Council meeting. Further to this, the committee evaluated and initiated the exposure period to Council for the Full Member application of the Nigeria Actuarial Society. The committee is expected to expose to Council applications for Associate membership submitted by the Ecuadorian Actuarial Association and the Association Tunisienne des Experts Actuaires.

Finally, the committee is reviewing the membership status of some associations due to the non-payment of fees and/or a failure to submit confirmation forms.
Nominations Committee

Tom Terry, Chairperson

The NC’s activity since the beginning of the year is summarized in the Council slides under NC’s Report.

Subsequent to the meetings in Berlin, the NC announced the selection of Tonya Manning as its President-elect candidate for 2019.

Pensions and Employee Benefits Committee (PEBC)

Yas Fujii, Chairperson

The Pensions and Benefits Accounting Subcommittee, led by Tim Furlan, and the OECD Subcommittee (appointed jointly with the IRC), led by Christelle Dieudonné, reported to the PEBC on their outcomes and strategies. Strategic relationship activities with the International Organization of Pension Supervisors and OECD were also reported, including our attendances at several events since the last meeting in Chicago.

The result of the PEBC ballot on issuing the Funding Monograph, previously executed electronically, was reported as approved by a unanimous vote. The monograph, with a foreword provided by the OECD, has been posted on the website. We agreed on continuing activity to make the monograph a living document.

The PEBC discussed actuaries and defined contribution plans, which is a hot topic among actuaries internationally. We agreed to continue discussions and to provide information on any outcomes.

We highlighted developments in each member’s country relevant to the international community; in particular, an overview of the German pension environment was presented by a German delegate.

Updates were provided on the PBSS-track events at ICA 2018 and the colloquium in Cape Town, South Africa, in April 2019.

At the Pension Accounting Subcommittee (PBAS) meeting, the main item of discussion was potential developments with the IASB. For some time, the IASB has been considering changes to its interpretation that provides guidance on the value of pension plan surpluses that employers can recognize in their financial statements. The proposed changes would require a cap where third parties (like trustees) have power over how they can wind up a pension plan. The changes were delayed last year after PBAS representatives raised concerns with the IASB about how the changes could be far more wide-reaching than the IASB envisaged.

The IASB has also been considering a project on accounting for a limited subset of “hybrid” pension plans where the benefits depend on asset returns in some way. The PBAS discussed the prevalence of those types of plans and the accounting issues that they raised. Those discussions identified significant divergence in accounting practice across countries.

The PBAS is planning to have representatives meet with the IASB to discuss these projects.

The PBAS also discussed previous Financial Accounting Standards Board statements about the declining prevalence of defined benefit (DB) plans in the U.S., its intention not to halt work on its DB accounting projects and the role of pension actuaries in advising pension funds as large investors that are becoming increasingly interested in environmental, social and governance investing.
OECD Subcommittee

Christelle Dieudonné, Chairperson

The OECD Subcommittee was set up jointly by the Insurance Regulation and Pensions and Employee Benefits committees. Its mission is to coordinate interaction with the OECD based on the MoU between these organizations.

Discussion took place on the following areas of the OECD Subcommittee’s work:

- Renewal of the OECD/IAA memorandum of understanding (MoU). This revised MoU was signed in Paris on June 6, by IAA President Masaaki Yoshimura and OECD Deputy Secretary-General Masamichi Kono. IAA Immediate Past President Tom Terry and OECD Subcommittee Chair Christelle Dieudonné, were also in attendance.
- The joint project on long-term care and health that an IAA task force is working on closely with the OECD.
- Comments that the subcommittee has provided on the following OECD papers:
  - Pros and cons of different policies to design funded pension arrangements;
  - Post-retirement arrangements to address longevity risk; and
  - Role of reinsurance markets in managing risks.
- Meetings attended by IAA delegates:
  - International Seminar organized by the OECD, International Organisation of Pension Supervisors, and the Pensions Authority of Ireland;
  - OECD Seminar on Cyber Risk; and
  - Roundtable on Insurance and Retirement Saving, organized by the Asian Development Bank Institute, Financial Services Agency of Japan, and the OECD.
- Future projects on longevity risk, and Big Data and annuities.

Professionalism Committee

Yvonne Lynch, Vice-chairperson, on behalf of David Martin, Chairperson

The PC was delighted to welcome new members from Catalonia, Finland, Lithuania, Macedonia and Switzerland.

Committee members were very interested in two comprehensive presentations about the disciplinary processes of the Canadian Institute of Actuaries and the IFoA.

Following on from previous work, we had a good discussion on the purpose of IANs. This will feed into ongoing work on the definition of an IAN and the Due Process for IANs.

A subgroup of the PC reported on its work on monitoring the development of the proposed IAN on IFRS 17.

We decided on the content of a voluntary survey to explore the usefulness of ISAPs. This will replace the current annual questionnaire on associations’ use of ISAPs. PC members will follow up with associations that wish to participate in the survey.

A subgroup is helping AWB to develop educational materials on professionalism.

We considered a task force paper on whether the IAA’s Code of Conduct requirements need to be amended. The task
force compared the IAA’s requirements with a new code issued by the AAE and with several actuarial associations’ codes. The committee concurred with the task force’s recommendation that no changes are necessary at present.

**Scientific Committee (SC)**
Thomas Béhar, Chairperson

The SC’s purpose is mostly to monitor the work of the six WGs: BDWG, BWG, MiWG, MWG, Population Issues (PIWG) and REWG. The SC consists of six appointed members, with each acting as liaison to a WG, and the chairpersons of each group acting as ex officio members. The main activities of the WGs were monitored during the session. Representatives of the BSC made a presentation to reinforce the process of quality and adequacy for WG publications. The BSC and SC will work closely to find the best way to avoid diluting the voluntary work of WG members—who are already subject to peer review and a second review from SC—but instead increase the impact of any papers.

A second topic under discussion was the potential evolution of the IAA’s organizational structure, where WG and Sections could work closely together. Some Section chairs were present and clearly interested in the SC’s activities.

Among all WG activities that are listed below, the following key communications may shortly be produced: a banking global syllabus and banking toolkit, a decarbonization paper, an actuarial perspective on inequality, and documents on: housing and retirement, a project on actuaries and inclusive insurance, climate change, insurance and vulnerable populations, and insurance principles in the age of Big Data. A webcast will be organized to present a REWG proposal to monitor the Paris Agreement proposal and ask FMAs if this new activity could fit in the IAA streams. Many contributions by WGs were proposed for the ICA, and a joint PIGW and MWG seminar will take place in Mexico.

As the SC has limited attendance, any FMA interested in participating in the work of a particular group is strongly invited to contact a member of the relevant group. Their 2018 workplans give an overview of their activities in the coming months.

**Banking Working Group**
*Michael Tichareva, Chairperson*

The BWG has been busy during the last few months and now has members from 17 countries, which is certainly encouraging.

The proposed global banking syllabus developed by the Banking Education Interest Group was discussed in Berlin and is now out for comment by members of the BWG, the SC and the Education Committee. We look forward to finalizing it before the next meetings in Mexico. We hope that this will provide a framework for member associations who may wish to develop their own banking syllabus. The expectation is that it will be adopted on a voluntary basis by individual member associations.

The results of the Banking Survey from August 2017 to March 2018 were reported at the meeting. We received more than 800 responses from 37 member associations. We noted significant interest in banking practice for actuaries. In particular, 56 percent of the respondents indicated that they did not work in banking practice, and of those, 73 percent indicated that they would consider moving into banking. Whilst this cannot be generalized to the whole actuarial population, the results are interesting and encouraging. They certainly give us ideas on our future strategic objectives. A summary of the results will be posted on our webpage in due course.

In continuing to raise awareness of banking practice among individual actuaries, BWG members presented at two banking sessions at the ICA, under IACA. These sessions were recorded and are available via the Virtual ICA. We will continue to seek opportunities to present at various forums, including regular webinars, sessional meetings and
seminars, so please look out for upcoming events and join us. Be sure not to miss a proposed banking seminar in Mexico!

Finally, we are continuing our work on developing a “banking practice area development toolkit” that we believe will assist and guide member associations in developing their banking practice, including developing education and CPD opportunities. The toolkit was presented at the meeting, and we are working with members of the Actuarial Society of South Africa Banking Committee in developing it. The toolkit is being reviewed and we look forward to finalizing it before the meetings in Mexico.

The meeting ended with a review of our strategic priorities for 2018 based on our three-year work plan, and we are pleased to say that we are making significant progress in achieving our objectives. We continue with our efforts as we develop this emerging practice area for actuaries.

**Big Data Working Group**

*Ashleigh Theophanides, Chairperson*

The BDWG held a face-to-face meeting in Berlin. New members Robert Beuerlein, Aashik Jain and Olivia Sanchez were welcomed. Current topics, including follow-ups on some issues raised at the previous BDWG meeting in Chicago, and new initiatives were discussed. Highlights from this meeting include:

- Countries represented at the meeting gave feedback on their progress on their formal and informal education programs. The need for additional formal education programs, CPD events and technical demonstration sessions was noted.
- The need for an international designation for specialists in data science is still being considered.
- With ICA fever underway it was good to hear that there was a great number of data analytics papers to be presented. We were also pleased to hear that most of the sessions would be recorded to allow these presentations to be viewed after the conference.
- Further work on the paper The Insurance Principle in the Age of Big Data is being conducted. This work will include a discussion on whether there is still a need for an institution like an insurance company to make this pooling of risks happen.
- There is a great focus on the ethical and professional use of data. We believe there will be a need for further work on this topic. We are looking to create a paper dealing with this very important and topical item.
The IAA MWG held two meetings in Berlin. At the first, Mortality Initiatives, the current MWG projects that were also going to be presented at the ICA were summarized: E-cigarettes; Older Age Mortality, by Sam Gutterman; Underwriting Around the World; Long-Term Drivers of Future Mortality, by Al Klein; and An International Look at Recent Trends in Longevity, by Brian Ridsdale. An overview was also given of two of the projects carried out by the PIWG: Actuarial Perspectives in Inequality, by Assia Billig; and Climate Change and Mortality, by Sam Gutterman. The meeting closed with updates on research in the U.S. and the UK and a Q&A among all attendees.

At the second meeting, guest speaker Kai Kaufhold gave a presentation entitled Death is Certain, But Survival Isn’t. It covered the uncertainty when estimating death rates. Country mortality reports from Russia, Iran, Norway and Australia were presented. Presentations were also made on work on mortality in East Africa, recent trends in mortality improvements rates in Canada, life preparancy, and longevity risk management and the development of a value-based longevity index.

Possible future MWG projects were discussed. The group voted and decided to start new projects on cause of death and better mortality models. Detailed plans on these will be presented at the next MWG meeting in Mexico City. There was a lot of interest in these topics and most MWG members volunteered for one or both of the projects.

Following the IAA meetings, MWG members Brian Ridsdale, Al Klein, Ermanno Pitacco, Dale Hall, Ayse Arik, Farid Flici, Ibrahim Muhanna, Assia Billig and Sam Gutterman presented papers at the ICA.

At the meetings the MWG Chairperson Brian Ridsdale noted the wide representation of countries in the group (currently 28 countries). He welcomed further country representation.

The MWG and PIWG have arranged a seminar on international and local population and mortality issues on November 27, to precede the IAA meetings in Mexico City.

The PIWG meeting in Berlin attracted almost 35 members and observers. The group discussed our current projects: actuarial perspectives on inequality, coordination of housing and retirement outcomes, and pros and cons of basic income guarantees.

Further, we have identified a possible topic to be studied: the impact of the changing labour market structure. It was decided that by the Mexico meeting we will prepare the outline of this project, which will need approval from the SC.

The meeting featured a presentation from Simon Brimblecombe from the ISSA on its projects on megatrends and social security (family and gender).

We have been active in familiarizing actuaries around the world with our work. As a part of the Council and Committee meetings we participated in a special session on mortality initiatives. Further, four PIWG projects (on retirement and...
eligibility age, long-term care, coordination of housing and retirement, and actuarial perspectives on inequality) were presented at the ICA.

We have also promoted our work to various supranational organizations. In particular, it was prominently featured at the joint IAA, ISSA and International Labour Organization (ILO) forum that took place on June 3 in Berlin. Both ISSA and the ILO were very interested in our projects and expressed interest in cooperation on various initiatives. Further, we made a presentation to an OECD round table on June 7 in Paris on actuarial insight into long-term care products, with a U.S. perspective.

Following the success of seminars organized jointly by the PIWG and the MWG, both groups continue to prepare for the aforementioned seminar in Mexico City on November 27.

**Resource and Environment Working Group (REWG)**

Sam Gutterman, Vice-chairperson

The REWG, as has been its custom, met twice, once by phone in advance of Berlin and then again in the city. The discussions at both meetings focused on immediate past, current and future projects. There is so much important and interesting work from an actuarial perspective within our scope that the only limiting factors are time and the capacity of the small number of dedicated volunteers who make this group what it is. Here is a flavor of the range of subject matter our discussions included:

- **Climate change and mortality.** We published a paper about six months ago that has received many favorable comments. Sam Gutterman has made several presentations on it, including one at the Berlin ICA, and summarized the paper in this month's Actuary (SOA). We have been told that this will be a topic for us to present on a webcast to be sponsored by the United Nations Environment Programme Finance Initiative Principles of Sustainable Insurance, to which the IAA is a supporting institution.

- **Decarbonization.** An educational paper on this topic is very close to being finalized; Paul Meins presented it to a recent meeting of the Hungarian actuarial society.

- **Monitoring the Paris Agreement regarding CO2 concentrations.** Much work and thought has gone into this initiative, which tracks the success or otherwise of the world's efforts to contain the damage caused by the greenhouse effect. Together with the SC, we are exploring the most appropriate approach to keep our member associations apprised of this important societal development.

- **New economic readings.** Rob Thomson has been preparing a series of book reviews/highlights of books in this area and distributing them to a separate listserv. It was agreed that we should extend this project to include issues relating to banking (particularly problems with the creation of money) and heterodox economics (e.g., ecological economics and institutional economics). If anyone would like to be added, please contact Rob.

- **Triple bottom line.** Rob Thomson has been working with a PhD candidate on this topic. A presentation entitled A Formulation of Ecological Value Added was made at the ICA and a presentation on social value added will follow at the International Society of Ecological Economics in Mexico in September.

- **Climate-related financial disclosures.** The REWG has been following developments in this area, especially related to the output and recommendations of the Task Force on Climate-related Exposures. At its Berlin meeting, a consensus was reached that we will focus attention on this area, especially related to the use of scenarios in insurance and pension areas. A presentation on financial disclosures (primarily prepared by Kenneth Donaldson and delivered by Sam Gutterman) was given at the ICA.

- **Climate Change, Insurance and Vulnerable Populations.** This joint project with the MiWG has been
refreshed and a draft should be prepared for REWG to review in the next several months.

- Flood risk. A team has been assigned with the help of the GIC. Initial drafts are expected to be shared by the project team shortly. It is hoped that a paper (tentatively between 20 and 30 pages) will be finalized later this year.

**Social Security Committee (SSC)**

*Barbara D’Ambrogi-Ola, Chairperson*

The meeting was attended by about 35 members and invited guests representing various countries throughout the world.

We have a tradition of starting meetings with a presentation on the social security system in one country, and this time we heard about Finland. The goal of the presentation was to share trends and issues Finland is coping with now, or may face. It was very interesting to hear how Finland addresses issues of inequalities and fairness, since these are today’s hot topics for social security. The latter was also addressed in the presentation by Simon Brimblecombe of ISSA, Changes in Family and Gender Dynamics: The Impact on Social Security.

We heard an update on the status of the paper prepared and approved by our Committee on measuring and reporting actuarial obligations of social security systems. It was published a couple months ago as an SSC paper. The SSC believes that due to its relevance the paper would have a stronger impact on supranational organizations as an IAA public statement. As such, the committee will continue the process of upgrading the paper’s status.

The SSC is working on two main projects, analysis of workers’ compensation systems throughout the world and balancing adequacy and sustainability in social security systems, and we heard updates on both. We also discussed ideas for new projects and decided to address issues involving discount rates and actuarial fairness.

I informed participants about ICA sessions that were related to social security problems, and particularly the one organized by our committee and dedicated to the topic of measuring obligations for social security systems. Later we heard updates on the activities of the ISSA, the PIWG and the Social Security Subcommittee of the AAE.

As mentioned above, the annual joint forum of the IAA, ILO and ISSA took place in Berlin two days after the SSC meeting. Discussions on hot topics in social security continued with a broader audience of experts.

**OUTCOME OF SECTION COMMITTEE MEETINGS**

**AWB**

*Doug Carey, Chair*

AWB held its Annual General Meeting in Berlin. AWB has around 300 members, about 70 of whom are actively contributing to the Global Mentorship Program. It has 100 mentees, 80 percent of whom come from Africa. Two-thirds are looking from assistance preparing their professional exams with one of the big associations (the SOA, IFoA or Casualty Actuarial Society). The others are looking for technical assistance as they are working in an environment lacking senior actuarial professionals to guide and help them in their day-to-day activities.
Some AWB members volunteer for on-site educational seminars requested mainly by actuarial associations on topics introducing the future changes in regulation in developing and emerging countries. CPD seminars related to professionalism and the role of the actuarial profession are requested by small associations. AWB is also collaborating with the IAA PC to produce a webinar on professionalism, embracing case studies on pricing and reserving in general insurance for small associations in Eastern Europe, which originated at the regional conference in Budapest in April. This initiative may be extended to other parts of the world should similar queries arise.

This year, four members of the AWB Board (previously the Committee) were elected: Thierry Poincelin was re-elected and three new AWB members—Arpita Das, Jed Linfield and Jeremy Reed—came on board. Each Board member’s mission is to promote AWB activities, recruit new members and find new projects for our members.

AWB is a Section of the IAA. In addition to managing its own projects, it assists the A&A Committee in the realization of its goals and can, from that point of view, be considered a functional part of the A&A Committee. AWB expresses its sincere gratitude for your interest, your continued assistance and collaboration in the achievement of the AWB mission.

**PRESIDENTS’ FORUM**

The Presidents’ Forum was attended by the Presidents (or senior members of the current leadership) of 46 Full and Associate Member associations.

The agenda featured presentations from:

- Dr. Thomas Steffen, former German Deputy Finance Minister: Politics and Actuaries: Friends or Foes;
- Dr. Manuela Zweimüller, Head of the Policy Department at the EIOPA: Two Years of Experience with Solvency II;
- Birgit Kaiser, Managing Director of the DAV: What Members are Expecting from their Professional Association; and
- Tom Terry, IAA Past President: The IAA of the Future.

**NEXT MEETINGS**

The next meetings of the IAA Council and Committees will take place at the Sheraton Mexico City Maria Isabel Hotel in Mexico City, Mexico, from November 27 to December 2 at the invitation of the Colegio Nacional de Actuarios. Information on the [IAA room block](#) was released on June 15. Further details will posted on the [IAA website](#) as preparations continue.