



# JANUARY NEWSLETTER 2020

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## MESSAGE FROM THE PRESIDENT



Happy New Year to each of you. As we head into 2020, I wanted to share my thoughts and perspective on the tasks ahead of us.

First, for 2020, I am *your* president. I will do my best to lead the IAA, but I need your support, input and direction. It is not my agenda; it is yours. Please keep me informed of your ideas, concerns, suggestions – and if something goes well, you can pass that along, too! I am hoping for frequent and natural

engagement with both volunteers and Member Associations. No one can or should lead in a vacuum and e-mails are quite easy – please make frequent use. And, communication is a two-way street. I am committed to keeping you informed on developments, small and large. I have found that meaningful and critical dialogue often begins with just a short note.

We have another interesting year ahead of us and it will require both change and choices. We must be a strategically driven organization, and to do that, we must choose how we plan to pursue our vision. As important as what we decide to do, is what we decide not to pursue. Thoughtful choices lead to better direction and focus. As we make these choices to ‘Impact, Assure and Advance’, we cannot forget the underlying ‘why’ expressed in our mission. Let us each commit to the ‘why’, and then support efforts on improving the ‘how’. Structure (or, the ‘how’) must change as we and the world around us change. But, the ‘why’ is what we should keep as central and constant.

My last point is also about change, but not internal...it is looking outward. Our profession has had a great past with many opportunities. But the world is changing. Are we? Will we? Will you? We need new thinking, new skills and new roles. This will take a coordinated effort by our profession and we need to ‘get on with it’. While we are each part of the IAA, we are more importantly part of our global profession, and without proper direction, protection and oversight, it is surely at risk. Let’s embed actuaries in banking and big data and be part of the important conversations around climate risk, sustainability and an aging society. We have the skills and the science – and we can and will have an impact.

In closing, while Gábor has the now famous ‘Love Actuary’ t-shirt, I also have love for our profession. It is a unique profession, not just in skills, but in passion. That is true for all of our many dedicated volunteers. So, let’s use our passion for good, remember the ‘why’, commit to change, and be bold in making choices. With this approach, our profession will be best positioned to continue to make a difference, even in the current challenging environment.

Ralph Waldo Emerson wrote, “Nothing great was ever achieved without enthusiasm.” I would add, also “without change”. So, onward we go into 2020 with a renewed IAA and a bolder and better profession!

*Tonya Manning*  
IAA President 2020

## STAKEHOLDER ENGAGEMENT

### IAIS Consultation – Draft Application Paper on Liquidity Risk Management

The IAA's Insurance Regulation Committee, with input from the Enterprise and Financial Risk Committee and the General Insurance Committee, submitted its [response](#) to the International Association of Insurance Supervisors on January 20.

### COP 25 – Spain

*By Sam Gutterman*

I attended the second week of the COP25 meeting in Madrid (originally scheduled to be held in Santiago, Chile). In addition to the official negotiation sessions, which were to a great extent closed to observers, there were more than a hundred "side events" each day that were high-quality panels.

In an adaptation session, there was a great deal of discussion of microinsurance schemes. I did attend one session that mirrored the recent Resource and Environment Working Group paper "Climate Change, Vulnerable Populations and Insurance". I led a short breakout session on insurance financing.

Overall, limited progress was made on negotiations among the Parties (national governments). The key question appears to revolve upon the degree of commitment to do more than the original Paris Agreement commitments. Based on feedback from other participants, there were a few relatively minor agreements, such as a gender action plan. Concern was raised about many issues, such as the lack of adequately addressing decarbonization in a just manner. Also, a lot of discussion surrounded the need, to the extent possible, to achieve the United Nations Sustainable Development Goals.

## UPCOMING EVENTS

### Global Conference of Actuaries – India

The Institute of Actuaries of India (IAI) will host 21st Global Conference of Actuaries (GCA) from 17-19 February, 2020 at the Renaissance convention Centre Hotel, Powai, Mumbai, India. Please block your calendar.

The theme for this year's conference is **Actuaries: Striving for excellence, creating sustainable future.**

Please visit the [IAI website](#) for further details and watch our promotional [video](#).



## 6th African Actuarial Congress – Ghana



The 6th African Actuarial Congress will take place in Accra, Ghana from 16-20 March 2020. Registration is now [open](#).

## IAA Council and Committee Meetings – Brussels, Belgium



The next meetings of the IAA Council and Committees will take place at the Radisson Blu Hotel in Brussels from May 2–8 at the invitation of the Institute of Actuaries of Belgium (IA|BE) to mark the 125th anniversary of both the IA|BE and the first International Congress of Actuaries in 1895. These meetings will be followed by a joint colloquium of five IAA Sections in Paris, France, from May 10–14.

The Brussels meetings event website is now available for viewing. Please [click here](#) for a sneak peek at the schedule and to book your guest room. Updates and other important information will be posted once they become available; therefore, don't forget to visit the website regularly.

## 2020 Actuarial Colloquium – France



## The Actuarial World is Coming to Paris

Individual choices facing societal changes - Can actuarial science bridge the gap between individual and collective choices? In Paris at the Palais Brongniart from May 10-14, 2020, the scientific colloquium organized by the Institut des Actuares and the IAA, will bring together more than a thousand actuaries from around world to explore this multifaceted theme touching upon global and personal challenges. Four days of high-level scientific meetings in the heart of historic Paris.

Plenary Sessions and Roundtables will feature topics such as:

- Facing new risks; what are the major trends for tomorrow?
- Introducing actuarial science within public policy choices: combining risk and governance
- Climate change: individual choice and common good
- Can artificial intelligence improve actuarial science?
- What can behavioral economics bring to actuaries?

**35 NATIONALITIES, 5 SECTIONS, MORE THAN  
150 ARTICLES TO BE PRESENTED (AFIR-ERM,  
PBSS, IAALS, ASTIN, IACA)**

High level scientific exchanges, from all areas  
of global actuarial research.

### Practical information

#### What you need to know

Where: Palais Brongniart, Paris

When: May 10-14, 2020

Who: actuaries, academics, professionals from the insurance and finance industry, actuarial students ...

Contents: workshops, scientific conferences, 4 round tables, speakers of international stature...

And also: networking, social activities, cocktail welcome, gala dinner...

Info and registration:

[www.actuarialcolloquium2020.com](http://www.actuarialcolloquium2020.com)

Open  
to All

## Joint SAS-IAAHS Health Conference – Singapore



## EAA – European Actuarial Academy GmbH

*Data – Ethics – Actuary. Data Science & Data Ethics Conference – Germany*

As the leading provider of high-class actuarial education and CPD activities in Europe, the EAA will be hosting its first two-day conference with the aims of presenting up-to-date solutions to technical problems, sharing best practices and personal insights and offering a discussion forum for actuarial experts.

The EAA's Data Science & Data Ethics Conference will take place in Düsseldorf from June 29–30 at the Courtyard Düsseldorf Hafen hotel.

If you would like to contribute to the discussion about the latest developments in data ethics and data science, exchange ideas with experts and colleagues and make useful contacts, then [register now](#) and take advantage of the early booking offer before March 29.

*CPD Program for 2020*

As the European knowledge centre for actuaries, the EAA offers a broad variety of attractive actuarial training topics within the next months. Below is an overview of some upcoming seminars:

- **Open Source Tools R and Python: Extending the Toolbox of the Actuary**, March 16–17, Lisbon, Portugal

The goal of this [seminar](#) is to introduce the participants to both open-source ecosystems and give them a good understanding of both languages. However, since R and Python are too vast to be covered in two days, the participants will be asked to go through the basics of both languages themselves prior to the seminar. During the first three hours of the event, these basics will be quickly revised. The course material, containing the basics of both languages, will be provided by the organizers several weeks before the seminar, so that participants will have plenty of time to go through it.

- **EAA Forum: Managing Risk & Capital in a Volatile World: Business Game for the Insurance Industry**, March 23–24, Strasbourg, France

The [EAA Forum](#) will start with an introduction to a business simulation. Groups of up to five “board members” will then run their own company with decisions on strategy and operations to be taken on a yearly basis. After each year of simulation a detailed analysis and discussion of the companies’ performance and the effects of Solvency II on risk and capital management will be conducted by the instructors. Finally, after four simulated business years, a look back will decide which company took the most successful strategy.

- **Webinar: Data Quality, Validation and Movement Analysis: Manage Quality under Solvency II**, April 22, online

The aims of this [webinar](#) are to provide an overview of the Solvency II requirements on data quality, and present a practical framework of data quality and practical approaches to maintain and increase data quality in actuarial applications. The event also includes a case study to show practical applications in actuarial and regulatory contexts.

- **Webinar: Data Science Pricing of Motor Insurance**, May 27, online

The aim of this [webinar](#) is to provide an overview of recent and future developments using data science methods in pricing of motor insurance. It will discuss the most relevant data science methods in detail from the theoretical and coding points of view. The webinar also includes a look at changes in actuarial work in the pricing department as well as business cases arising from the use of data science methods in property/casualty insurance pricing.

## NEWS FROM MEMBER ASSOCIATIONS

### Canadian Institute of Actuaries

*The Canadian Institute of Actuaries Releases Enterprise Risk Management 2019: The New Wave of Risks*

As actuaries, we are in the business of risk and uncertainty – we estimate it, model it, analyze it and assess it. Depending on our appetite, we either accept it, manage it, mitigate it or try to eliminate it altogether. Doing nothing is generally not an option.

Enterprise Risk Management 2019: The New Wave of Risks explores the new and emerging topics taking centre stage in today's world of risk management. Written by subject-matter experts, both actuaries and non-actuaries, this seven-part series provides a glimpse into the universe of risk.

You can listen to the Institute's [podcast](#) (Episode 22) that introduces the series, and read the [press release](#) and the full [publication](#).

### Asociación Ecuatoriana de Actuarios – Ecuador

*Asociación Hosts Pensions, Solvency and Actuary 4.0 Seminar*

The Pensions, Solvency and Actuary 4.0 seminar in November was hosted by the Asociación with the support of the Latin America Subcommittee of the IAA's Advice and Assistance Committee. It showcased an engaging [program](#) geared to create a space for discussion and collaboration for Ecuadorian and regional actuaries around the following main topics:

- Professionalism and the role of the actuary;
- Challenges and opportunities in social security;
- The implementation of the Solvency II regime in Latin America; and
- The actuarial application of new technologies.

More than 50 participants, mostly from Ecuador along with Argentina, Belgium, Brazil, Canada, Chile, Colombia, Switzerland and the United States, were welcomed by Asociación President Rodrigo Ibarra, who emphasized his organization's interest in working with the IAA to promote the profession in Ecuador, establishing standards of practices and achieving Full Member status.

This activity contributes towards achieving the IAA's strategic objective to 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.

To learn more about the work of the IAA Advice and Assistance Committee, contact the [IAA Secretariat](#).



## Deutsche Aktuarvereinigung e. V. – Germany

*Annual Meeting 2020*

The next Annual Meeting of Deutsche Aktuarvereinigung (the German Actuarial Society, or DAV) and its scientifically oriented partner organization DGVFM will take place from April 28–30 in Berlin. The conference includes the scientific programs of all seven German sections: Actuarial Data Science, AFIR-ERM, ASTIN, Building Associations, Health, Life and Pensions. Each section will present a full- or half-day program with several breakout sessions. In addition, there will be plenary sessions each day with high-class speakers and panellists. The conference will be presented by three networking partners – Deloitte, msg life and Munich Re – and include an exhibition area with several companies from the industry.

The highlight of the conference will be the celebration of the DAV's Institute of Pension Actuaries branch, which is marking its 40th anniversary this year. The Federal Minister of Labour and Social Affairs, Hubertus Heil, will give the keynote speech on the first conference day.

*actuvview and AAE Enter into Partnership*



**actuvview**



**aae**

actuarial association of europe

The streaming platform actuvview and the Actuarial Association of Europe (AAE) signed a two-year partnership agreement on December 4 in Brussels, Belgium. With this step, more than 30,000 members of the AAE's national actuarial associations now have access to all actuvview content, including major events such as this year's Section Colloquium in South Africa, the European Congress of Actuaries 2019 in Portugal, and the Asian Actuarial Conference 2019 in Singapore, as well as a number of upcoming congresses in 2020.

AAE Chairperson Falco Valkenburg said: "As reflected in our strategic objectives, we want to promote the exchange of information and ideas between our member associations and individual actuaries. To achieve this goal, we believe it is the ideal strategy to provide all European actuaries with a comprehensive and constantly updated library of actuarial content."

With this new partner, the actuvview community has grown considerably: now more than 42,000 actuaries worldwide can access 600-plus videos from all sectors and subject areas. Find out all about actuvview [here](#).

## Instituto de Actuarios Españoles – Spain

The Instituto de Actuarios Españoles (IAE) has produced a technical report in order to tell Spaniards about its vision of the current situation of Social Security in Spain. It said:

Why we have done it:

- We are concerned about the welfare of society and transparency, both towards retirees and towards workers/contributors
- The current situation of pensions requires political decisions based on technical analysis
- The perspective of the IAE is technical, not political
- Transparency is needed. For each proposed measure or decision that is taken in the matter of pensions, society should know:
  - > How much does it cost
  - > How are you going to pay
  - > Who will pay it
  - > When are you going to pay

What we have studied:

- Financial sustainability
- Sufficiency
- Actuarial sustainability
- Actuarial equity
- Efficiency of the Spanish pension system

The IAE's main conclusions about the Spanish public pension system were that:

- It is not financially sustainable.
- In relation to sufficiency, it is very generous, compared to systems used in similar countries and when contributions are related to pensions.
- It is not actuarially sustainable.
- Spain's pensions are not actuarially equitable.
- The country does not have an efficient system.
- Currently, the pension system has worrying sustainability indicators, and the situation will get worse.
- The Substitution and Longevity Rate factors in Spain are the largest in the European Union.
- The benefits committed by the system for each individual hardly correspond to the contributions made by that same individual.
- There are problems regarding equity in terms of: gender, regimes, years quoted, retirement age, the maximum contribution base with respect to the maximum pension and type of contribution, and the maternity ratio.



If nothing is done, the IAE said, in 30 years the deficit of Spain's Social Security could be -4.87% of GDP. It added that it was proposing:

- A transparent public pension system
- An important leap in the technical rigor of the model:
  - > The medium-term financial position (ten years, for example)
  - > The long-term financial-actuarial position (50, 75 or 100 years)
  - > The actuarial justification of the system parameters (e.g. the relationship between years of contribution and full pension)
- The inclusion of an independent and rigorous source, with actuarial knowledge, to prepare and/or supervise the system (such as the "Chief Actuary")
- An ongoing policy of adjustments or changes
- Incorporating automatic correction or adjustment, which is a good practice to get pensions out of the political debate
- On the basis of the intergenerational pact, system adjustments should be done gradually to ensure an equitable distribution of burdens between different generations
- The solution to the problems will come from an integral approach to all aspects of the problem, and not just one
- We must face an ambitious and complete strategy for our pension system

The Instituto said the main objective of this report was to carry out a technical, objective, rigorous, independent and transparent diagnosis of the current situation of the Spanish public pension system and its future sustainability, and to position and publicize the profession and the Instituto itself as a chartered body. The organization is a body or think tank for consultation by and discussion with government, public administrations and parliamentary groups in matters of pensions.

The preparation of the report involved Enrique Devesa (Universidad de Valencia) as Technical Coordinator, along with Mercedes Ayuso (Universidad de Barcelona and Risk-Center), Iñaki De la Peña (Universidad del País Vasco), Rafael Doménech (University of Valencia and BBVA Research), Miguel Ángel García (Univesidad Rey Juan Carlos), Gregorio Gil de Rozas (IAE), José Antonio Herce (Analistas Financieros Internacionales), Javier Olaechea (IAE), Luis M<sup>a</sup> Sáez de Jáuregui (IAE and Universidad Carlos III) and Miguel Ángel Vázquez (UNESPA).

The report (in Spanish) is available [here](#).

## **Singapore Actuarial Society**

*By Ong Wei Chang, Secretary of the SAS International Committee, and Chua See Ju, SAS Council Member and Chair of the SAS International Committee*

Singapore Actuarial Society International Committee's Outreach Efforts at 3rd SAS–IAC Actuarial Seminar

With the support of the Ministry of Economy and Finance of Cambodia (MEF), the Singapore Actuarial Society (SAS) and the Insurance Association of Cambodia (IAC) organized an actuarial seminar in Phnom Penh, Cambodia, in November to support development of the actuarial profession in Cambodia. This third seminar builds on the foundation of previous events in 2017 and 2018.



Opening address by H.E. Mey Vann, Director General, General Department of Financial Industry, MEF



Delegates and speakers at the 3rd SAS-IAC Actuarial Seminar 2019



Delegates presenting their conclusions at a workshop session

We were truly honoured to have a great panel of speakers presenting at the event over the two days:

- Aditya V. Tibrewala from Sompo
- Chan Tze Leong, Gen Re
- Eng Cheang Giap Philip, AIA
- Michael Goodwin, Enya-Lea
- Neo Pay Peng, Munich Re



- Subhash Chandra, Aon
- Tola Ponlu, Manulife

This seminar reflected ongoing engagements by the SAS International Committee in the Association of Southeast Asian Nations region since 2015 in collaboration with other actuarial, industry and insurance regulatory bodies, with more to come. They reinforce the continuous effort by the SAS in promoting the actuarial profession and providing actuarial education in emerging markets.

For more information:

- Click [here](#) to view the highlights of this seminar.
- Click [here](#) to read more about SAS activities and events.
- Email [sasinternational@actuaries.org.sg](mailto:sasinternational@actuaries.org.sg) to reach the SAS International Committee.

## Casualty Actuarial Society – United States

*CAS Names Victor R. Carter-Bey, Credentialing and Member Engagement Expert, as New CEO*

The Casualty Actuarial Society (CAS) announced that Victor R. Carter-Bey, D.M., M.B.A., has been appointed as the new CAS chief executive officer. Carter-Bey is an accomplished senior executive with deep experience in credential development and member engagement. He was most recently director of certification at the Project Management Institute (PMI), where he oversaw the development and implementation of product growth and workforce development strategies to enhance member value and engagement for over 1,000,000 global professionals in the project management profession.

"I am humbled by this appointment and incredibly excited to begin my journey alongside the CAS Board of Directors, volunteers, and staff," said Carter-Bey. "As workforce development is a critical element of global business, I am looking forward to the collective contributions we at CAS will make to influence the professional development and career trajectories of our current and future members around the world."

Carter-Bey officially assumed the role on January 1.

*Steven D. Armstrong Begins Term as President of CAS*

Steven D. Armstrong, FCAS, an insurance industry veteran with more than 25 years of experience, began his term as the president of the Casualty Actuarial Society (CAS) in conjunction with the 2019 CAS Annual Meeting.

Armstrong has been actively involved with the CAS for over two decades, having earned his Associateship with the CAS in 1995 and his Fellowship in 1996. He has taken on various leadership roles within the organization, such as serving on the CAS Board of Directors from 2011 to 2014 and as vice president-admissions from 2014 to 2017.

"I am thrilled to become president of this incredible organization," Armstrong said. "The Casualty Actuarial Society has been the premier educator of property and casualty actuaries for over 100 years, and CAS continues to expand its presence both in the United States and globally. CAS members continue to be valued and trusted advisors within their companies, and with our expanded efforts in the areas of diversity and inclusion that body of trusted CAS actuaries continues to strengthen and diversify."

*CAS Invites Schools to Apply for the 2020 CAS University Award Program*

The CAS is now accepting applications for the 2020 CAS University Award Program. This program celebrates and promotes universities for the innovative and exemplary ways they prepare students for a career in the property and casualty insurance industry, with a focus on three primary areas: Curriculum, Research and Engagement.

This year up to three schools will be honored through the program. The winners will each receive substantial recognition, such as on the CAS website and in a press release, as well as a monetary award of \$5,000 USD to further



enhance their programs. The application deadline is March 30, 2020 and winners will be announced on June 1, 2020. Additional details are available at the [CAS website](#).

*CAS to Host 2020 Ratemaking, Product and Modeling (RPM) Seminar*

The CAS invites you to join us at the [2020 Ratemaking, Product and Modeling \(RPM\) Seminar](#), scheduled for March 23-25 in New Orleans, LA. This three-day event allows attendees to target their learning by presenting sessions within a streamlined set of tracks in areas that include modeling, ratemaking, product management, innovation, emerging trends, professionalism and regulation. The seminar will also have sessions available for remote streaming. For more information, visit the [RPM website](#).

*2020 ARECA Actuarial Scholarship Announced for Undergraduates in Asia*

ARECA (Asia Region Casualty Actuaries) is pleased to announce the 2020 scholarship competition for current undergraduate students in the Asia Pacific region who are interested in pursuing the actuarial profession.

The primary element of the scholarship competition is an essay addressing a business scenario that is illustrative of the issues that are analyzed by property / casualty actuaries in their daily work.

Scholarship awards of \$1,000 USD each will be awarded to three students. The funding for these scholarships is sponsored by AXIS. Applications are due by March 1, 2020.

Get more information and [apply here](#). If you have questions about the scholarship, please contact Michael Chou, CAS International Relationship Manager, at [mchou@casact.org](mailto:mchou@casact.org).

## **Society of Actuaries – United States**

*2020 Living to 100 Symposium*

Thought leaders from around the world gathered from January 13–15 in Lake Buena Vista, Florida, for the 2020 Living to 100 Symposium. Attendees included actuaries, gerontologists, demographers, economists, physicians, scientists and other professionals involved in areas affected by the increase in human longevity and its impact on social, financial, health care and retirement systems.

Featured speakers Steve Horvath, Jacquelyn B. James and Ronnie Klein provided diverse perspectives on future life expectancy and the implications to individuals, the insurance industry and the actuarial profession. Other distinguished speakers presented information on topics including disease and longevity, policy challenges and longevity, mortality trends and projections of older age, and how developments in the biology of aging impact the actuarial profession.

*Save the Dates for SOA Events in Asia*

The Society of Actuaries will hold two major meetings in Asia this spring. Save the dates for the [2020 SOA China Symposium](#) that will be held from May 28–29 in Shenzhen, China, and the [2020 SOA Asia-Pacific Annual Symposium](#) taking place from June 1–2 in Singapore.

## **OTHER NEWS**

### **AAE Publishes Commentary Paper “Application of Professional Judgment by Actuaries”**

The AAE has [announced](#) the publication of the AAE Commentary Paper “[Application of Professional Judgment by Actuaries](#)”.