STAKEHOLDER ACTIVITIES

IAA Representatives at the OECD

Observations from the IAA Representatives at COP 27 in Egypt

By Stuart Wason and Rade Musulin

Since 1995, the United Nations (UN) has hosted an annual Conference of Parties (COP), which brings together leaders from around the globe to address human-related climate issues. Last year’s COP 26 in Scotland saw progress in a number of areas, including presentation of a major scientific assessment by the Intergovernmental Panel on Climate Change (IPCC), agreements to phase out some fossil-fuel subsidies, a framework for carbon trading, and commitments on deforestation and methane emissions. However, much was left to be done, including making specific commitments on fossil-fuel investments and funding for adaptation efforts in developing countries.

The focus of COP 27 in Sharm el-Sheikh was billed as a move from commitments to action on specific activities to address climate change. It was to have been the “Implementation COP.” Ahead of COP 27, the IAA issued a statement on climate change adaptation.

We were among the only actuaries in attendance among more than 40,000 participants spread out over hundreds of pavilions, and had many discussions introducing the profession to participants, in addition to holding meetings with several key stakeholders. This will help the IAA become a more prominent player in this important emerging area of actuarial practice.

Global activity is enormous

COP helped us to understand the breadth of efforts in climate and sustainability. In addition to the “usual suspects” of climate science and financial reporting (e.g., the International Sustainability Standards Board, or ISSB), we saw significant activity in agriculture, food security, blue carbon, adaptation and greenhouse gases mitigation. This will help us further contribute to IAA (and Full Member Association) activities in the coming year. It is also clear that almost every economic activity will be impacted by climate risk and decarbonization, underscoring the importance of this to our profession.

Beyond the news

There is much more going on at these meetings than one sees on the news, which tends to focus on major government agreements (or lack thereof). Being physically present allowed us to see presentations on new technologies, adaptation, mitigation, etc., that do not make the news. At the meeting it became clear that there is far more going on than the government agreements, and this is a cause for hope.

1.5°C is not achievable

Despite it being an almost “totemic” goal (a term used by the Economist magazine in an excellent article on the subject), scientific presentations made it clear that there is almost no realistic path to limiting warming to 1.5°C. On the other hand, it is also becoming clear that we are unlikely to see the most extreme scenarios. Thus, the range of likely outcomes is decreasing as scientific understanding improves.

As an example of the richness of presentations at COP, we saw very good sessions on high-latitude (mostly Arctic) permafrost loss and its effect on methane levels. Such information will be very helpful in constructing realistic scenarios, the subject of several Climate Risk Task Force papers.
Adaptation is key

The high likelihood of warming at levels above 1.5°C makes a powerful case for adaptation. We saw several very good sessions on vulnerable populations and the challenges regarding measuring risk and the success of adaptation in developing countries. While the case for adaptation is important for all parts of the globe, vulnerable populations may well benefit the most from adaptation. The IAA has produced a paper on vulnerable populations, Climate Change, Insurance and Vulnerable Populations, which we noted in some discussions.

Beyond climate to sustainability

There was a great deal of attention being paid to food security, water resources, biodiversity, plastics pollution and other ‘sustainability’ topics. This shows an evolution of thinking about climate risk to include related sustainability issues. COP also contained a great deal of discussion about the importance of a just transition, the needs of vulnerable populations, etc.

In person presence allowed for key meetings

Our presence at COP, in addition to allowing us to interact with a wide range of experts and introduce the profession, offered a valuable opportunity to hold face-to-face meetings with several key stakeholders, including the IPCC, ISSB, UK Financial Conduct Authority, UN Development Programme and UN Environment Programme.

We were able to discuss directly with members of the IPCC’s Working Group II their potential collaboration with the IAA on a joint report related to adaptation. We also met with members of the ISSB, including its vice-chair, and set the stage for future discussions about their new standards.

Where do we go next?

We welcome the IAA’s plans to pursue a focused approach previously laid out by the Strategic Planning Committee as a starting point (with three topics of long-term health planning, water resources, and insurance and social security addressing the UN Sustainable Development Goals). We can eventually build towards a broader, well defined approach to sustainability topics such as food security (which has obvious links to actuarial work in many countries).

IAA Releases Paper on Climate-Related Disclosures and Risk Management: Standards and Leading Practices

On October 3, the IAA announced the publication of the paper Climate-Related Disclosures and Risk Management: Standards and Leading Practices, developed by the IAA’s Climate Risk Task Force.

This paper is the fifth in a series that will be developed, aimed at creating awareness and promoting actuarial approaches in climate-related risk management and reporting. The preceding four papers along with this latest one are available on the IAA website.

There are multiple areas where actuaries can contribute to the preparation and analysis of climate-related disclosures, and to incorporating the impacts of climate change into risk management processes. The aim of this paper is to assist actuaries (and others) to understand the principles and leading practices for preparing climate-related disclosures, and how they can be used to inform risk management processes in relation to the impacts of climate change.

The paper discusses a number of global climate-related disclosure initiatives as well as a few selected national
regulations. The paper provides insights into climate-related risk as part of enterprise risk management (ERM) and general considerations on the need for quality climate-related disclosures, supplemented with helpful examples of leading practices on climate-related disclosures.

**IAIS Annual Conference – Chile**

Last month, IAA President Roseanne Harris and Executive Director Mathieu Langelier attended the International Association of Insurance Supervisors (IAIS) Annual Conference in Santiago, Chile. Roseanne had the opportunity to meet with six other exemplary women from around the world, and they all shared their personal stories and powerful messages of advice and encouragement to a full room at the Women in Insurance lunch. Pictured with Roseanne are:

- Vicky Saporta – Chair, IAIS Executive Committee and Executive Director, Prudential Regulation Authority and Bank of England
- Farzana Badat – Deputy Commissioner, Financial Sector Conduct Authority of South Africa
- Solange Berstein Jauregui – Chairwoman of the Financial Market Commission of Chile
- Petra Hielkema – Chairperson, European Insurance and Occupational Pensions Authority
- Michaela Koller – Director General, Insurance Europe
- Susan K. Neely – President and CEO, American Council of Life Insurers

Roseanne and Mathieu also had the opportunity to meet with representatives of the Chilean actuarial association and insurance regulator.

**IAA NEWS**

**Council and Committee Meetings – Canada**

The IAA held successful meetings in October in Montréal at the invitation of the Canadian Institute of Actuaries (CIA) – thank you for being our hosts!

At the Council meeting, Micheline Dionne was elected as IAA President and Charles Cowling as President-elect for 2023. Congratulations to you both!

Micheline, Charles and Roseanne Harris will serve as Officers in 2023. We thank Roseanne for her years of service to the IAA presidency and the actuarial profession.
We also recognized our outgoing committee chairs and statutory committee members. (In order, Jerry Brown, Alf Gohdes, Estella Chiu, Dieter Köhnlein, Jane Curtis, Charles Cowling, Lisa Wade, Jason Malone and Abraham Hernandez)
ICA 2023 Bursaries

We are pleased to launch a bursary program for faculty members of academic institutions to access the virtual platform for ICA 2023. Considering that the ICA will be a hybrid event and will be broadcast via a state-of-the-art virtual platform, we have created a bursary program for academic institutions with the intent to amplify the impact of ICA 2023 across the entire actuarial globe.

This bursary program is limited to academic universities that have actuarial programs and that are located in countries with a GNI of under 22,000. The program prioritizes applications from universities and faculty members demonstrating a plan and a commitment to sharing ICA content with groups of students, and to leveraging the ICA content via classroom discussions and research on the ICA topics. Applications are now open!

We wish to extend a big THANK YOU to the following for their generous donations:

The IAA has received over 130 Bursary Applications. Help us bring actuaries to the ICA and the ICA to universities across the globe.

If you would like to contribute, please click here to get our payment information.
YOUNG ACTUARIES WORLD CUP

We are pleased to announce the quarter-finalists of the Young Actuaries World Cup! We wish these participants all the best in the next stages of the competition. The quarter-finals competition per Continental Zone will take place in January.

The Quarter-Finalists

UPCOMING EVENTS

IAA Council and Committee Meetings – Australia

These meetings, taking place in Sydney from May 24–28, provide an opportunity for numerous groups to discuss ongoing projects and consider new developments. In bringing together actuaries and other experts from around the world, these meetings are key events enabling the international actuarial profession and the global financial industry to network and collaborate.

For more information, please visit the event website.
ICA 2023

It’s as Aussie as a hot summer’s day.

Australians love summer – the sun, sand and surf. The other thing they love is a mates’ rates discount.

ICA2023 SUMMER SPECIAL SALE
Save up to AUD$400 on registration!*

Learn from the brightest actuarial and business minds.

- 500+ speakers from 50 countries
- 1,000+ actuaries in attendance
- Discounted flights to extend your stay
- Distinguished speakers including:
  - The Honourable Kenneth Hayne AC, Justice of the High Court of Australia (AU);
  - Neil Howe, Managing Director of Demography, Hedgeye Risk Management (USA); and
  - Tan Suee Chieh, Past President, Institute and Faculty of Actuaries (Singapore).

Opening Keynote Speaker
Dame Inga Beale DBE
Portfolio Director & Former CEO of Lloyd’s

Register now: www.ica2023.org

*Offer ends on 28 February 2023.
Actuarial, Finance, Risk and Insurance Congress – Victoria Falls

The Actuarial, Finance, Risk and Insurance Congress (AFRIC), taking place from July 23–28 in Victoria Falls, on the Zimbabwe/Zambia border, has been designed to be a premier actuarial science academic conference. It will be rotationally hosted across Africa, bringing together academics and practitioners with research interests across all speciality areas of actuarial science, risk management and financial system regulation.

Key topical areas including climate extremes, longevity risk, pensions and insurance regulations form part of the AFRIC agenda. The event will bring leading experts before a talented audience with huge potential to impact their respective countries and societies.

AFRIC is partnering with various universities across Africa and around the globe, plus actuarial societies, insurance regulators and financial institutions. Pre-conference workshops will be run at each AFRIC gathering, aimed at providing hands-on skills for tackling critical challenges in today’s world.

Registration is now open, and visit the event website for more details.

NEWS FROM MEMBER ASSOCIATIONS

Canadian Institute of Actuaries

The year is coming to an end, but the CIA has a lot to show for it. Take a look at its highlights below.

Canadian actuarial education: the next step in the CIA's actuarial education transformation program is live

The new syllabus for the ACIA modules and Capstone Exam is now available! Designed to bridge education and the work environment, the modules are a core educational requirement towards the ACIA designation and the next step in how the CIA is transforming actuarial education in Canada.

Covering everything from an introduction to the profession and actuarial communications to advanced actuarial models and predictive analytics applications, the new syllabus ensures that new actuaries are well prepared to help ensure financial security for all Canadians.

Research updates

- A full review of the pandemic’s impact on the life insurance industry
  The sixth report demonstrating the impacts of COVID-19 on the life insurance industry in Canada has been released. As the final entry in the series, the report covers pandemic data up to June 2022 and provides a near-complete view of the life insurance claims experience throughout the pandemic.

- Scenario generator offers additional insight into pandemics
  New research by Kailan Shang, ACIA, provides insight into the impact of potential financial and insurance claims under various pandemic and epidemic scenarios, as well as a pandemics-driven scenario generator developed through analysis of more than 800 historical events.
What’s new on Seeing Beyond Risk

- **Mentorship in the actuarial space**
  Having a mentor can boost the confidence of new workers as they navigate the working world, but little focus is placed on the experience of being a mentor. A new article shares the benefits of leading others as a mentor and discusses how mentorship is being promoted within the actuarial space.

- **Balancing personalization of risk and risk pooling**
  The introduction of big data to risk classification can bring both personalization and cost benefits, but some are concerned about privacy. Blake Hill, a member of the CIA’s task force on risk classification, reflects on both sides of the story.

- **Tackling missing data – actuarial evidence with a twist**
  While tackling a problem with missing data is never the best-case scenario, there are a few strategies that can help to fill in the blanks. CIA member Peter Gorham reflects on his experience with a historical case dating back to the 1940s and the approaches he used to fill in the missing gaps.

*Tune in! A new selection of podcasts is here*

The CIA is continuously engaging with knowledgeable guests on its Seeing Beyond Risk podcasts. Do not miss out on:

- What actuaries should keep in mind for International Financial Reporting Standard 17 (IFRS 17) implementation – Part 1 and Part 2
- New standards of practice regarding International Standard of Practice 6 and ERM
- How the power of math is being shared with school-aged girls
- An instructor’s perspective on changes in Canadian actuarial education
- A look at the job market for Canadian actuaries

Do not forget to check out the archive for more exciting episodes in both French and English.

**Deutsche Aktuarvereinigung e. V. – Germany**

**DAV/DGVFM Annual Autumn Meeting 2022 – hybrid event format**

This year the Annual Autumn Meeting 2022 of the Deutsche Aktuarvereinigung (DAV) and its scientifically orientated partner organization the DGVFM (German Society for Insurance and Financial Mathematics) took place as a hybrid event format on November 14–15 in Mainz. Almost 400 actuaries from all over Germany attended in person. Additionally, more than 650 members had the chance to watch the presentations from their home or workplace via a live stream. Traditionally, the specialist groups Actuarial Data Science, AFIR/ERM, ASTIN, Health and Life also meet at this event, the second largest actuarial conference in Germany.

The two-day program brought together experts from Germany’s largest insurance sectors, offered new insights into defining topics of the industry and created opportunities for exchanges and networking. Furthermore, the format “DAV intern” has been continued to discuss the strategic orientation of the DAV with members.

*The team around Dr. Felix Spangenberg wins the DAV Data Science Challenge*

The DAV has selected the winner of its Data Science Challenge 2022. This year’s topic was the current, challenging as well as increasingly important role of automated machine learning. At the hybrid DAV/DGVFM Autumn Meeting,
a group was rewarded after convincing the expert jury with their Python notebook, which is used to create loss frequency models with a general linear model as well as with machine learning methods on the basis of a large French motor liability portfolio. Dr. Felix Spangenberg was awarded the prize on behalf of the winning team by moderator Dr. Stefan Nörtemann. The other winners are: Christian Brunner, Yanyang Zhou, Dirk Wegmann and Andreas Zimmer.

Establishment of the DAV coordination group on inflation

The spectre of inflation is haunting. Increasingly, the German actuarial community is engaged with understanding and quantifying this contemporary phenomenon. The DAV has set up a coordination group on inflation, which is designed to make sure that the work across the different DAV divisions is complementary. Importantly, the DAV is working intensively on a related position on inflation, to be released soon.

Actuarial Media Center / actuview

Successful CONVENTION A 2022

After lengthy preparations, CONVENTION A is now over. Five days with over 200 sessions, almost 11,000 minutes of content and 1,400 spectators from 86 countries – that was the first and very successful CONVENTION A. The European Actuarial Academy (EAA) and actuview especially thank their 35 partners from all over the world for jointly creating such an exciting program.

And, of course, it was not only about the event days: the recordings are now available on actuview, including all 29 sessions by the IAA and its Sections:

- IAA channel on actuview
- IAA Sections channel

EAA - European Actuarial Academy GmbH

As the European knowledge centre for actuaries, the EAA is offering a broad variety of attractive actuarial training and conference days within the next months. Below is an overview of an upcoming online event:

- Understanding the Performance of an Insurance Company (Introduction), March 6–9

Due to the inversion of the production cycle, the insurance business is very different from other traditional industries. Understanding, measuring and managing the performance of insurance companies is difficult due to the specific risks insurance companies must cover. It is therefore essential that employees of the insurance sector understand how their company is functioning, how its activity is measured via the balance sheet and the profit-and-loss statement (P&L), the main regulations influencing this measure, which indicators are used to assess performance and what levers can improve it.

The aim of this workshop is to present the functioning of an insurance company and the insurance and financial products it manages, explain how to read and understand the different elements of an insurance balance sheet and P&L, compute performance indicators used in different regulatory frameworks (Local Generally Accepted Accounting Principles, Solvency II), and understand the impact of pricing and portfolio management, risk mitigation (reinsurance) and asset and liability management on performance.

The session will cover life as well as non-life insurance (health insurance will not be specifically covered).
EAA e-Conference on Data Science & Data Ethics call for papers

More and more data is becoming available and modern data-related techniques are entering the actuarial work sphere. This combination puts the actuarial profession into a position where a new understanding has to be developed regarding today’s possibilities of actuarial (data) science and its ethical implications.

The new role of actuaries within big data and ongoing digitalization is not yet fully defined. Best practice experience-sharing and the exchange of ideas is needed. The EAA is delighted to offer all interested actuaries and other experts a forum for knowledge exchange: the fourth virtual EAA e-Conference on Data Science & Data Ethics on May 16. The call for papers is now open, and the deadline for submissions is January 23.

Please visit actuarial-academy.com for further information on EAA events and training.

Casualty Actuarial Society – United States

Roosevelt Mosley Begins Term as President

Roosevelt C. Mosley Jr. began his term as the President of the Casualty Actuarial Society (CAS) last month in conjunction with the 2022 CAS Annual Meeting.

Mosley is a long-time volunteer with the organization, having served on the CAS Board of Directors and on the CAS Executive Council as CAS Vice President Marketing and Communications. Frank H. Chang assumed the role of President-elect. For additional information, see the full announcement.

CAS members speak on general insurance around the globe

The CAS has been pleased to partner with local actuarial associations around the world to provide insight on a variety of topics, including professionalism, inclusive insurance, non-traditional roles for actuaries, and more. CAS members have spoken at recent actuarial conferences in Singapore, Kenya, Brazil, Colombia, Mexico, Malaysia, the UK and the Caribbean.

As the only actuarial organization focused solely on general insurance, the CAS has a long list of experienced speakers who can present on a wide range of risk management issues. If you are interested in having a CAS member present at your actuarial educational events, please contact Katie Mulembe, CAS Director of International Relations and Affairs, at kmulembe@casact.org.

CAS selects two winners in first Hacktuary Challenge

The CAS recently announced the winners of the first-ever CAS Hacktuary Challenge, a contest designed to showcase the actuarial skill set in developing novel risk engineering solutions. Entrants were challenged to create an end-user application that would be actuarially grounded but address a risk management problem of relevance to a typical consumer. The challenge also required that all code for the application be made publicly available on the CAS’s GitHub site.

The selection panel chose to award the prize to two submitters: Caesar Balona and Michaël Bordeleau-Tassile. The winners will split the cash prize of $15,000.
Society of Actuaries – United States

Society of Actuaries and Milliman collaborate to develop Climate Risk Certificate Program

The new Climate Risk Certificate Program is the first to focus on measuring and managing climate risk for actuaries. Developed by the Society of Actuaries (SOA) and Milliman, this program is designed for actuaries working within the fields of life, health or general insurance, pensions, or finance and investments. This certification requires six out of 10 self-paced, online learning courses, and participants have the option to take “Climate Risk Fundamentals” as a standalone, introductory course. Enrollment is expected to open in early 2023.

SOA Research Institute releases updated China Mortality Rate Report

The SOA Research Institute has released a report based on data provided by the Chinese Center for Disease Control for 2004–2019. The research focused on geographical regions and causes of death to model and forecast future mortality improvements in China. The project conducted mortality prediction using various cause-elimination scenarios and evaluated the impact on the regional-level and overall mortality improvement. Additionally, the report presents several impacts on mortality forecasted for 2020–2029.

2022 SOA–SOAT Joint Professionalism Seminar – Thailand

The SOA, in partnership with the Society of Actuaries of Thailand (SOAT), presented the 2022 SOA–SOAT Joint Professionalism Seminar last month in Bangkok. The event provided sessions on data engineering and cloud computing, case studies around interpersonal relationships and data insights in a non-actuarial world. Experts in professionalism discussed opinions on the future of the industry during a panel discussion. There were also opportunities to network with speakers, industry leaders and attendees.

SOA Dubai Regional Symposium and India symposiums in Delhi and Bengaluru

In November, the SOA hosted its first symposiums in Dubai, United Arab Emirates, and in Delhi and Bengaluru, India, to advance the actuarial profession. Sessions focused on the future of actuarial science, international growth of the profession, societal purpose and education.

SECTION NEWS

AFIR-ERM Section

The AFIR-ERM Section has recently released two surveys listed below. It would appreciate having the survey circulated to members of IAA member associations. Please use the text provided below or share its social media posts.

AFIR-ERM ESG Survey

The AFIR-ERM Section invites you to participate in a survey focused primarily on the professional impression of the financial services sector’s environmental, societal and governance (ESG) risk management framework.

It aims to provide anonymous insight for the Section in understanding the reality of the current and near-future landscape of ESG (sustainability) management and priorities, at a portfolio level.

The terms “ESG” and “sustainability” will be used interchangeably in this survey. The term “portfolio” refers to a book of business for banks, a scheme for a pension fund or a portfolio of assets/funds for insurers and asset management.
AFIR-ERM welcomes the professional (independent) response participation of third parties and employees of firms with direct interaction with the portfolio for this survey.

**Actuarial and Risk Management Survey to Support Pandemic Working Parties 2022–2024**

The AFIR-ERM Section is also inviting you to participate in a survey, focused on risk crisis management of the coronavirus pandemic for the financial services sector.

The survey aims to provide a systematic and structured insight to the IAA – Finance and Risk Management Section (AFIR-ERM) in understanding the reality of the current and near-future landscape of the management and priorities for the financial services sector across the world.

**ASTIN Section**

The Section is pleased to announce that the first two parts of the ASTIN Masterclass on Model Risk Management, by Andrew Smith, have been made freely available to everyone on YouTube: the first part is [here](#) and the second [here](#).

The remaining six parts are accessible by ASTIN members.

**OTHER NEWS**

The new issue of The European Actuary (Number 32 – December 2022) is now available and can be downloaded from the AAE website.

The theme of this issue is: the new role of the actuary. The featured articles are:

- Getting under the skin of Solvency II – an interview with Karel Van Hulle, by Jennifer Baker
- The future role of the actuary, by Giampaolo Crenca
- Reimagining the profession, by Matt Saker
- Challenges or chances: a changing market landscape for actuary versus data science, by Yiru (Eve) Sun, Roger Yuan and Mark Spong
- Inflation and insurance, by Wilbert Ouborg and Pieter Bouwknegt
- IFRS 17 revisited, by Servaas Houben
- Fit and proper: an opportunity for the actuarial profession, by Lutz Wilhelmy and Christophe Heck
- Where is the actuarial journey headed?, a column by Frank Schiller

Please visit the [webpage of The European Actuary on the AAE website](#) for prior issues and further details.