Minutes of IAAHS Committee Conference Call Meeting
6 November 2008
Yair Babad, Secretary

The meeting was opened at GMT 14:00 by Emile Stipp, IAAHS Chairman. In attendance were Committee members Yair Babad, Howard Bolnick, Chi Cheng Hock, Susan Elliot, Claude Ferguson, and Emile Stipp, and team leaders Lisa Beichl, Dennis Garand, Allen Schmitz, Dan Skwire, and Sheree Swanson. The IAA representative Christian Levac could not attend, due to the IAA Cyprus meeting. Apologies were received from John Bertko, Alvaro Castro Gutierrez, Heather McLeod, Ermanno Pitacco, Ulrich Stellman, and Brent Walker.

1. Approval of the minutes of the last meeting of September 4, 2008

The minutes were approved without modifications.

2. Chairman’s report (Appendix A)

The report was accepted as submitted.

3. Topic Team structure and leaders - Responsibilities of Topic Team Leaders (see Appendix B)

Emile presented a draft detailing the responsibilities of the topic team leaders. The committee discussed the proposed draft, and approved it with the following modifications:

   a. The Academic Liaison activity is not a project team, but rather a Subcommittee of the IAAHS. This committee will work in conjunction with the team leaders and IAAHS members, as discussed in item 5 of the agenda (below).
   b. Ulrich Stellman and Claude Ferguson will be tandem leaders of the Health Capital and Risk Management team.
   c. The committee added two additional responsibilities to those listed in the appendix:
      5. Support cooperation with other Project Teams and with the IAAHS Committee on Academic Liaison.
      6. Foster communication between Topic Team members through whatever method chosen by the Topic Team Leader (such as blogs, list servers, meetings and other methods).
   d. It was understood that some issues may pertain to more than one project team. In such cases the issue will be presented on the web under all the related teams, with appropriate cross-linkage.
   e. The team leaders were requested to register to the list servers of all the other project teams on the IAAHS web page, to assure their knowledge of the other team activities.
   f. It was agreed that all the team leaders will send as soon as convenient to Emile and Christian Levac a two or three line description of their topic team’s area of
interest, so that it can be posted on the website where people would make their choices of which Topic Team to join.

g. It was agreed that all the team leaders will send as soon as convenient to Emile and Christian Levac a list of papers or references that they would like to add to their team reference library. The list need not be long, but it will help greatly to attract members if there is an active and growing library of reference material on the website. The team leaders should ensure, where possible, that the author(s) is/are happy and approves of the paper or the reference being posted on the IAAHS website – this should not be a problem in practice, but it is probably just good governance to make sure that they agree to it being referenced on our website.

h. Emile will draft a note informing members of the new Topic Teams, asking them to join the Topic Teams, update their details, and informing them of some of the plans over the next year.

4. **Task Force on Sections (see Appendix C)**

Emile reported that the final report of the task force provide the sections continued autonomy, subject to some minor governance future changes. Overall, the Task Force came up with a good report, which also stressed the importance of Sections enhancing the value that they offer to members, and of working together with IAA Committees. The reported was accepted as submitted.

5. **Academic liaison (see Appendix D)**

The work of the Subcommittee on Academic Liaison commenced after the Boston May 2008 Colloquium. The Subcommittee approached a significant number of selected academics, and received quite encouraging responses. The Subcommittee requested the team leaders to determine their team’s interests in such a cooperation, as well as the IAAHS membership for their interests in such a cooperation. It was requested that all responses will be first directed to the Subcommittee, which will generate the appropriate communications between the academics and the interested IAAHS members.

6. **Webcasts**

The first webcast is planned for early 2009 with David Dror on micro insurance. Emile requested the committee members and team leaders to help in finding sponsors for the webcasts, as well as to suggest topics and speakers for additional webcasts. Emile noted that all the IAA sections are now interested in webcasts, as it offers their members the opportunity for obtaining CPD credits.

7. **Creating an active member database**

Work on updating the database, and particularly the contents of the related survey, are in progress (the initial contents of the survey was set up when the database was generated several years ago). The committee members and the team leaders were requested to
provide their input and comments to the updating of the survey. Emile, in a note to the IAAHS membership, will request the members to update their entry on the database, which is accessed through the IAAHS web page.

8. **Invitations to participate in local conferences 2009**

- London – meeting of the Health Section of the Institute of Actuaries, 5/11-13/2009. Sue Elliot is helping to organize the meeting, and will also represent the IAAHS. Two IAAHS sessions are planned: wellness programs and micro insurance.
- U.S. – SOA Spring Health Meeting in Toronto, 6/8-10/2009. Dan Skwire is helping to organize the meeting, and will also represent the IAAHS. Planned IAAHS session include comparative health systems, a German speaker on guaranteed services (a comparative discussion), income protection, and critical illnesses.
- Seoul, Korea - East Asian Actuarial Conference, 10/12-15/2009, organized by the Institute of Actuaries of Korea. Will be coordinated by Chi Cheng Hock. At least one IAAHS branded session is planned.
- China – 11/2009, exact date not yet known. Coordinated by Ulrich Stellman. No additional detail are currently available.

Of concern is the refusal of the Korean Actuarial Society to waive registration fees for invited speakers.

9. **Program for ICA2010**

Emile reported that the organizers of the ICA2010 conference allocated to the IAAHS the morning of Monday, the afternoon of Tuesday, and the morning and afternoon of Wednesday; in each period the IAAHS may conduct up to two simultaneous sessions. The meeting is due for March 2010, but papers are requested by June 2009. The team leaders were requested to suggest sessions, topics, and speakers / participants. Emile encouraged members to attend. Lisa Beichl and Yair Babad agreed to help in coordinating the efforts of the IAAHS for this conference.

10. **General**

The Boston May 2008 Colloquium resulted in a loss, and the share of the IAAHS is $48K (IACA bears the highest share of the loss). The IAAHS is in negotiations with the other participating sections (IACA and PBSS) to reduce the share of the IAAHS.

11. **Next meeting**

Will be set for early February 2008, following the Chinese Lunar New Year.

The meeting adjourned at 14:45 GMT.
Appendix A: Report to IAA Council, Limassol, Cyprus, Limassol, Cyprus, November 2008
Emile Stipp, IAAHS Chairman

As stated in our previous report to Council, the focus of the IAAHS since June has been on 3 important developments:

1. Deciding on the way forward with our Topic Team Structure, including setting up new Topic Teams.
2. Investigating the use of webcasts to have more interaction with our members and also to offer more opportunities for members to obtain health-specific CPD credits, particularly in developing countries where health CPD programmes may not be readily available.
3. Working with local societies in terms of setting up IAAHS streams at their conferences.

The Committee held a meeting on 4 September, and the next meeting is scheduled for 6 November (for a variety of practical reasons, we could not have the meeting at the same time as the Limassol meetings).

We have started a new Topic Team on Micro-Insurance, and also combined it with the work done on the Developing Countries Topic Team. The Micro-Insurance Topic Team focuses specifically on health micro-insurance, and has already had two conference calls with representatives from the ILO, and is also active in setting up contacts, information and structures for IAAHS members who want to get involved in health micro-insurance. In addition, the intention is that this Topic Team also liaises directly with the broader IAA initiatives on micro-insurance. The Micro-Insurance Topic Team is under the joint leadership of Lisa Biechl and Denis Garand.

The Public Private Partnership Topic Team is being discontinued and replaced by a Topic Team on Comparative Health Systems (it will retain some of the work on PPPs in respect of those health systems where there is a need for it). This Topic Team will be led by Eduardo Lara, with Cheng Hock Chi as Vice Chairman.

Finally, we have introduced an Academic Relations Committee, under the leadership of Yair Babad. We feel that there is a particular need in the area of health actuarial work to build close ties with health economists and clinicians, and the intention is that this sub-committee will focus on building up ties with academics in the relevant fields, ensure that they are invited to speak on particular topics at our colloquia, and also that they provide access to the latest research in their fields, to the extent that this is relevant to health actuarial work. A letter was sent to a group of academics and we have already had several positive responses on it.

It seems as if the idea of webcasts would be workable. We have secured a speaker for our first webcast, which will be free of charge to our membership and will focus on Micro-Insurance. The speaker is Dr David Dror, who also addressed the Boston Colloquium on this topic, and, due to success of his presentation in Boston, we believe he should have a broader audience.

We are finalizing the costs and practicalities of webcasts with Christian Levac, and we will try to have a programme of around 4 webcasts per year. The intention is to:
- Ensure that actuaries, particularly in developing countries, are also exposed to experts and health actuarial concepts at the cutting edge, without necessarily having to find the funds to travel to a colloquium; and
- Improve the financial position of the IAAHS (see comments below on the Boston Colloquium loss). The way in which we propose to do this is by levying a fee for non-members to get access to the webcasts for a particular year, equal to the annual membership fee.

It seems as if another joint Colloquium will be held with IACA and PBSS in India in 2012. Also, the IAAHS has been invited to participate in the Society of Actuaries Spring meeting next year, as well as the Institute of Actuaries health and care conference, as well as the EAAC towards the end of next year. For each of these, the IAAHS will set up a programme that would form part of the local conference, and will be branded as an IAAHS contribution to the conference.

Since the Quebec meeting, we have continued participating also in the Task Force on Sections, the report of which is now finalised.

Finally, IACA, PBSS and IAAHS are currently still in discussions about the apportionment of the loss incurred in respect of the Boston Colloquium. This loss may cause severe financial difficulties for the IAAHS, and for this reason we are keen to ensure that we grow the membership of the Section via initiatives such as webcasts, and in the process improve the finances of the Section.

Emile Stipp, Chairman
Howard J. Bolnick, Vice Chairman
Appendix B: Responsibilities of IAAHS Topic Team Leaders (Draft, 30 October 2008)

This document briefly sets out the responsibilities of Topic Team Leaders.

At the time of writing, the IAA Health Section has the following Topic Teams:

- Income Protection Team (leader: Dan Skwire)
- Critical Illness (leader: Sue Elliott)
- Medical expenses (leader: Ulrich Stellman)
- Comparative Health Systems (leaders: Eduardo Lara and Cheng Hock Chi)
- Micro-insurance (leaders: Lisa Beichl and Denis Garand)
- Academic Liaison (leader: Yair Babad)
- Traditional Medicine (leader: Heather McLeod)
- Risk Adjustment (leader: Sheree Swanson)
- Long term care (leader: Allen Schmitz)
- Health Capital and Risk Management (leader: vacant)

In the past, Topic Team leaders have mainly been involved in sourcing sessions and speakers for colloquia. Some Topic Teams have been more active than others. We have recently set up listservers for each Topic Team, and members can join the relevant listservers on the website – they can see the relevant information on the home page of the IAAHS.

Topic Team Leaders have busy professional careers, and the intention is not to burden them with many demands. At the same time, we should ensure that Topic Teams are relevant to their members, and that we play a role in establishing and growing a vibrant community of health actuaries worldwide who are interested in international developments.

I suggest the following minimum responsibilities for Topic Team Leaders:

1. Providing a short description of the main interests of the Topic Team to Christian Levac, for inclusion on the website, and keeping this description up to date.
2. Sourcing speakers and topics for colloquia and congresses.
3. Sourcing speakers for webcasts.
4. Setting up a collection of papers or references to papers, for use by Topic Team members, and adding regularly to this.

In addition to this, Topic Team Leaders are welcome to take on additional initiatives, such as setting up a blog for their Topic Team.

Prepared by
Emile Stipp
Appendix C: Final Report of the Task Force on Sections

The Task Force on Sections (TF) was asked to address a number of issues listed in its Terms of Reference (ToR) (appendix 1) and to produce a final report for discussion by the Member Services Committee (MSC) in Cyprus in November 2008.

This report addresses the issues from the ToR in their order of appearance.

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Upon the review of various aspects related to the IAA sections, the Task Force on Sections identified a number of areas that could benefit from improvements and further consideration. The three top issues are:

1. How can we ensure that the sections best meet the needs of individual actuaries worldwide and complement, rather than compete with, national actuarial associations?
2. How can we best make use of the sections to contribute towards meeting the strategic goals of the IAA and complement the role of the committees and the Council?
3. How can we best balance the sections with the committees and the stakeholders, i.e. the associations of actuaries and individual actuaries, in the overall governance of the IAA?

The Task Force addressed each of the following numbered issues identified within its Terms of Reference. Recommendations to address the top issues identified by the Task Force are incorporated in the specific overall recommendations as follows:

1. Clarification of the roles of sections
   - To clarify what the roles of the sections are and what they are not. Suggestions are made in this regard.

2. Overlap and ambiguity between sections and committees
   - More information sharing and coordination between sections and committees, particularly on ‘hot topics’
   - Retain the existing committees and sections structure

3. Interaction and synergy between sections, committees, and congresses
   - Closer bi-lateral links between sections and committees
   - Retain the concept of a forum where leaders of committees and sections can exchange twice a year and create a meeting with this goal
   - Sections should work with the IAA to develop electronic cost-effective ways to interact with individual actuaries at colloquia and between colloquia
Examine the issue of financial sponsorship of sections' activities and Council to develop proper guidelines.

4. Coordination of activities of sections and those of member associations
   o Develop closer links between the IAA sections and member association sections where they exist.
   o Colloquia and seminars should involve a local association so to avoid conflicts; joint activities between sections and with local associations are encouraged.
   o MSC should examine the opportunities of holding more joint colloquia involving combinations of sections.

5. Potential additional roles for sections, in terms of emerging issues, CPDs
   o A protocol should clarify issues needing IAA’s approval or coordination. A solution may be to list what is forbidden instead of what is permitted.
   o Sections should not be setting CPD requirements; however it is expected that many of their meetings would make a contribution to the CPD of individual actuaries and would be recognized by local associations as worthy of CPD credits where such requirements are formalized.

6. The communications between Council, MSC and the sections
   o Consideration be given to formalizing the informal meeting of section Chairpersons at IAA meetings.
   o Efforts be encouraged for sections, in collaboration with the Secretariat, to publish and disseminate research material both from the sections and from member associations and the IAA Newsletter expanded to include regular sections news.

7. The efficiency in the cooperation with member associations with respect to colloquia and the like
   o A review of the reasons for success and the causes of failure at past colloquia should be documented for the benefit of the newer sections.

8. The alignment of section activities with IAA strategies and objectives
   o The activities of the sections should not be inconsistent with the overall IAA Strategies and objectives.

9. The efficiency and transparency of the governance of sections
   o Sections should be free to choose activities including research, outreach and experimentation.
   o A number of conditions should be met for an application for a new section to be considered by Council.
   o Council retains the right to dissolve a section.
   o Report of sections to Council should go to MSC for discussion of the activities of sections.
Disputes involving sections should be resolved per process to be decided by Council: a three member arbitration panel could be considered

End of Executive Summary

Background
- the history of the sections and their contribution to the IAA and the global profession
- the number and scope of sections

Highlights
- Some sections predate the 1998 reorganization when they became part of the IAA
- IAA Council has created more sections since 1998
- IAA Council approves the rules governing sections
- The responsibilities within the IAA are divided as follows: the sections cater to the interests of individual members, whereas the IAA committees deal with the issues that concern the Member Associations.

The International Actuarial Association (IAA) currently has seven sections. A quick overview of each section can be found in the sections Brochure at http://www.actuaries.org/ABOUT/Brochures/sections_EN.pdf

Some sections predate the 1998 IAA reorganization. Most sections were, however, created by the IAA Council after 1998 when the IAA became an association of actuarial associations but retained the sections as another category of organizations represented within its governance structure (IAA Statutes, art.4).
Sections may establish their own regulations, subject to approval by the IAA Council. Council has sole responsibility to establish and dissolve sections (IAA Statutes art. 9). The sections’ autonomy includes financing their activities and establishing their own accounts, over which they have sole responsibility. (IAA Statutes, art.21)

ASTIN is the largest and oldest section of the IAA. It was officially formed in 1957. IACA was founded in 1968 as a separate and independent organization and became a section of the IAA in 1999. AFIR, the second largest section, was founded in 1988. These three were created because specialist interests were not being adequately addressed at the International Congresses, which at that time were the only IAA activities.

Globally speaking, the responsibilities within the IAA are divided as follows since 1998: the sections cater to the interests of individual members whereas the IAA committees deal with the issues that concern the Member Associations. This division of responsibilities does not preclude the need for joint activities. More on this topic later.

Fuller details on the specific interests addressed by each section can be found in the Sections Brochure. Here is a brief summary of those interests:

- ASTIN: to promote actuarial research and involvement in non-life insurance
- AFIR: to promote actuarial research in financial risks and associated problems
- IACA: to address issues of common interest to consulting actuaries globally
- IAAHS: to promote exchange of educational information and research in health issues
- PBSS: to promote exchange of professional and educational information and research in social security, public and private pension plans and other employee benefits
- AWF: to promote actuarial involvement in developing economies
- LIFE: to promote exchange of knowledge and actuarial research in life insurance

Most sections hold annual or biennial colloquia hosted by a local association (where there is one) or as part of an IAA International Congress of Actuaries. The sections sponsor local seminars and other teaching and research, often at the request of local associations. A history of section colloquia can be found at:
http://www.actuaries.org/index.cfm?lang=EN&DSP=CTTEES_TFS&ACT=BACKGROUND

The actuaries who voluntarily and personally pay a fee to become a member of a section elect the members of the section’s Committee (its governing body) annually or biennially as the case may be. The officers of the section are appointed by the section committee members. A summary of section Membership can be found at:
http://www.actuaries.org/index.cfm?lang=EN&DSP=CTTEES_TFS&ACT=BACKGROUND

The requirement for a membership application and payment of dues may, in effect, be a barrier to embracing the entire universe of actuaries with potentially relevant interests within the membership of each section. Consideration needs to be given to identifying the practice area interests of individual actuaries who are members of IAA Member Associations and approaching them directly to encourage them to join the relevant section, even perhaps with some form of
‘automatic enrolment’ and free first year membership, with the opportunity to opt out if they do not wish to continue their membership.

The section chairs are members of the MSC of the IAA and are also members of the IAA Executive Committee and of the IAA Council, carrying a single vote on behalf of their section.

Each section operates under a set of rules which are approved by the IAA Council. The rules are substantially the same for all sections. The rules can be found at http://www.actuaries.org/index.cfm?lang=EN&DSP=CTTEES_TFS&ACT=BACKGROUND

All sections also have a specific set of guidelines (the Protocol) for the hosting of colloquia. The Protocol can be found at http://www.actuaries.org/index.cfm?lang=EN&DSP=CTTEES_TFS&ACT=BACKGROUND

Roles

- the clarification of the role of the sections in various areas, including research

This is the essential point to start our analysis as everything else should then be a consequence of how the roles are defined.

WHAT THE ROLES ARE NOT

It may be desirable to define first what the roles are not. In our view, the sections should not be engaging in:

a. setting IAA policy

b. developing rules, standards or guidelines related to actuarial practice

c. making public statements on behalf of the global actuarial profession without due regard to the IAA process for making public statements. The IAA GUIDELINES FOR MAKING PUBLIC STATEMENTS define what constitutes a Formal Public Statement and the process for making public statements.

d. representing the IAA to outside bodies

e. interfacing with other international organizations on behalf of the IAA, other than to facilitate participation by representatives of such organizations and discussion opportunities with such organizations at section conferences and colloquia in a spirit of information sharing, and

f. setting CPD requirements, which is more a concern for the regulation of the profession

Therefore, no conflict between the IAA and the sections exists in these areas.
WHAT THE ROLES ARE

Highlights:

- Sections foster actuarial research, where appropriate with cooperation from interested institutions and other professions
- Sections provide an international forum for discussion among actuaries throughout the world and opportunities at the international level for actuaries to develop their knowledge and skills,
- Sections provide Continuing Professional Development opportunities
- The activities of the sections should not be inconsistent with the overall IAA Strategies and objectives.

In our view, the roles of the sections may include the following:

a. to foster actuarial research, a major role, both in the theoretical sphere and in terms of practical applications (note: research is not a major role for AWF)

b. to safeguard the professional status of the actuarial profession at the global level, in disseminating public statements formulated by the IAA as regards different initiatives and also in developing and maintaining relations on sections related matters with actual and potential Institutional Members of the IAA, Observer Members, and other professions

c. to partake in the IAA’s responsibility of
   a. catering to the interests of individual members whereas the IAA committees are dealing with issues of concern to Member Associations
   b. facilitating the use and expansion of the scientific knowledge and skills of the actuarial profession with respect to, and beyond, the traditional areas of actuarial practice,
   c. enhancing the scope, quality and availability of actuarial services offered by individual members of its member associations, and
   d. safeguarding and developing the knowledge base of the profession
d. to create possibilities at the international level for actuaries to develop their knowledge and skills

e. to provide a forum for discussion among actuaries and actuarial associations throughout the world

f. to provide Continuing Professional Development and education opportunities for individual actuaries
g. to encourage the strengthening and extension of the knowledge base of the actuarial profession internationally

h. to provide an opportunity for individual actuaries to get involved in the profession at the international level and to meet and get to know fellow actuaries from around the world

i. to provide support for the global strategy and initiatives of the IAA and to align their activities accordingly, barring conflicts to be discussed with IAA leadership, and

j. to offer opportunities to develop links with members of other professions and disciplines and to encourage inter-disciplinary research and sharing of ideas.

It must be kept in mind that the IAA, although an association of individual actuaries for the first century of its existence, is now an association of associations with clear governance designed to ensure that the views of Member Associations are appropriately reflected in all that the IAA does and says. Meanwhile in the sections, actuaries are members on an individual basis, so the sections can only represent the interests of their members and not make out to be representing the views of actuaries worldwide.

While the IAA's sections are clearly one place where actuaries participate and express their views as individuals, their own member organizations are another. Perhaps we can view all the world's actuaries as existing on a two-dimensional plane divided into numerous grid squares. The vertical collections of these squares represent the IAA-member organizations, essentially national bodies (with some exceptions, like the SOA). The horizontal collections of squares represent the IAA sections, which collect actuaries with common interests across national boundaries. The actuaries themselves are individuals within both realms, but at IAA Council, only the national organizations have substantial voices (with the sections relegated to a lesser role). We accept that.

The sections organize colloquia and also communicate with their members regularly on topic matters. The sections promote the sharing of research and knowledge amongst actuaries, and provide relevant input on subject-specific international standards. It is always difficult for actuaries to find time in their busy schedules to participate in IAA activities, and the only way to increase participation is to ensure that the actuary who shares his / her research or knowledge does benefit from it, and those actuaries with whom the research or knowledge is shared do also benefit from it. It is our belief that these benefits can be achieved via successful colloquia, greater use of technology for more frequent interactions, and providing the means for more regular web-based networking. Sections may also be able to add value for their members in other ways, such as providing access to joint activities with other organizations or negotiating bulk terms for access to a relevant journal or periodical.

OVERLAP AND AMBIGUITY

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<td>• Sections should inform the IAA and inform and coordinate with appropriate committees</td>
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<td>• IAA committees should coordinate with relevant sections by indicating to sections what type of issues have arisen where specific research could be helpful to the committee</td>
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IAA should retain the existing committee and section structure

There may be a perception of overlap between some sections and some committees: for example between AWF and the Advice and Assistance committee (A&A). However, in reality the roles are distinct. A&A’s role is to assist local associations for the purpose of helping the association to become a member association of the IAA. AWF is focused on providing volunteers to provide pro bono actuarial services in support of local populations.

There may be common interests between some sections and some committees: for example, between the Insurance Regulation committee and ASTIN, which is involved in research and could, for example, touch on solvency issues. The PBSS section has some areas of common interest with the Social Security committee and the Pensions committee. Mortality experience is a good example. It became clear at committee meetings in Dublin that there were various concurrent section mortality investigation taskforces at work unbeknown to each other.

We offer those recommendations with a view to reducing if not eliminating ambiguities:

1. For any outreach programs, the sections should inform the IAA and inform and coordinate with any committees that may have an interest in the results of the outreach. Advice & Assistance committee and IAA Fund subcommittees in particular should consider whether sections could assist them in their outreach and development work. ASTIN has already given considerable assistance in this regard.

2. IAA committees should coordinate with relevant sections by indicating to sections what type of issues have arisen where specific research could be helpful to the committee. Sections should accept to help on a best efforts basis, considering that section members are volunteers who can only be encouraged, not directed, to take on certain tasks. A significant degree of independence of sections is attractive to their members and is very important for their vitality. That said, it is our belief that closer communications between relevant IAA committees and sections, particularly on “hot topics”, can attract the interest of researchers and organizers of section activities.

3. The IAA should retain the existing committee and section structure, as the sections allow for the closer identification of section members with the IAA.

Roles

- the interactive relations and the synergy between the sections and the IAA committees, including the International Congress organizing committees, and other bodies

Highlights:

- Sections provide for a wide debate on issues discussed within committees
- There is a need to develop closer links on a bilateral basis between sections and committees,
• Under the contemplated reorganization, a) the sections should nominate a
number of representatives on the EC and b) a forum should be maintained for
leaders of sections and committees to meet

• Publicity on blogs and website should be considered as a means of funding

• Support for webcasts and member-restricted blogs should be provided to the
sections

• Guidelines on publicity at colloquia should be developed

The IAA committees, composed of representatives nominated by Member Associations and non-
voting observers, are the forum to address issues common to Member associations in general
and to produce official public statements on behalf of the whole profession. The sections, composed of actuaries who are members of the Member Associations, are the forum for research
and discussions on topics, sometimes the same as those debated at committees, given the
limitations of the committee meetings in terms of duration of meetings and the number of seats
that can be accommodated. With such important global issues on the table (e.g. IFRS, solvency
and ERM, etc. for insurers), we need the opportunity provided by sections for wider debate.

Currently the communication between sections and IAA committees is rather informal. The IAA
Council receives, usually with little if any discussion or exchange, written reports from sections.
The section chairpersons sit on Council, the Executive Committee and the MSC, a forum – only
recently opened to member associations – specifically to exchange on section’ matters. Council
Delegates have on occasion reported on section’ activities to committees; there have been some
Congress sessions jointly sponsored by a section and an IAA committee. That said, there is a
need to develop closer links on a bilateral basis between sections and committees, if only to
discuss topics in need of research. It is not enough to rely on cordial rapport between busy
leaders of sections and committees or to rely on a mutual exchange of Minutes for example. It
would be desirable, that numerous section members attend IAA committee meetings on a regular
basis and vice versa. Recent experience has shown that many committees have research to do
and could benefit from precious help from sections. It is recognized however that sections, as is
the case for committees, depend on voluntary efforts of their members and those sorts of
constraints may impose limitations on the services the sections can offer the committees.

(Note to the readers: the IAA Council appoints two Council Delegates to the governing
body of each section. These Delegates a) represent the IAA and its policies at relevant
section meetings, b) chair the process of elections held by sections and c) report to the MSC
on developments and to the appropriate IAA committee(s) on relevant matters)

It is recognized also that the composition of the EC membership is currently under review,
including the question of the representation of the sections on the EC. It is the view of the TF that
some of the seats on EC should be reserved for representatives designated by the sections and
there should remain in whatever new governance structure is adopted, with a view to minimizing
layers of management, a forum for chairpersons of sections and of committees to exchange on
common matters of interest.
Sections vary significantly in terms of their scope of activity. However, this does not mean that research and other activities of the sections do not reflect the interests of committees. Sections provide opportunities for some of the issues being discussed and debated in the IAA committees to be given a wider exposure to individual actuaries and for further research to be encouraged, where the timetable permits, to enable the section membership to contribute to the formulation and development of ideas in areas for which the IAA committees are responsible.

If a section wants support from the IAA to routinely set up webcasts on specific topics, e.g. health or whatever, we understand that the necessary support would be provided either by MSC and / or the Secretariat. Webcasts could be an easy and cost-effective way for members of sections to interact on hot topics, and should in our view become a standard fixture of our engagement with members between colloquia. We would like to see an infrastructure or governance process in place to set up such events, so that all the sections could benefit from synergies in the development of technology at the IAA level.

Also, if a section wants to set up member-restricted blogs for specific Topic Teams, to which they can post existing research and have discussions on particular topics, what are the governance and technical support issues that need to be established? Blogs could play an important part in knowledge management, and may replace and be more effective than an on-line journal, but we are not sure of the resources required to operate a blog successfully.

The same questions apply to formalization of a web-based professional network for health actuaries who are members of IAAHS, or actuaries from other practice areas with other sections, similar in concept to www.linkedin.com.

Also, in order to encourage participation and funding, should we allow actuarial service providers to advertise on the blog or on the network site? At the very least, a blog could be a good way for member organizations to let the international community know about local conferences and activities.

There is perhaps a more general issue here about sponsorship, as the activities of the sections could be facilitated by financial sponsorship in different areas (this is common practice already at section colloquia). The same issue is of interest to others such as the IAA with respect to its website, the committees and the host associations at IAA meetings. Therefore, there should be some general guidelines set by the IAA as to sponsorship.
Roles

• the coordination of the activities of the IAA sections with the sections, or similar entities, within member associations

Highlights:

• We applaud efforts to develop closer links between the national associations and their sections and the IAA sections

• All colloquia or seminars should involve a local association in the organization of the activity in order to avoid conflicts

• Information about all proposed section activities should be made available to all sections through the Chairs as a way of encouraging joint activities

• Should be considered: joint colloquia and/or more frequent Congresses with a lesser social part and internet presentations (live or pre-recorded)

• We recommend that the sections and local associations be encouraged to develop – and to sort out bilaterally – links between the IAA sections and sections of national associations and other related bodies

Past experience has produced mixed results on this topic.

A recent colloquium held in Boston by three sections is a success story of coordination between three sections in combining or coordinating colloquia. ASTIN and AFIR have also held joint colloquia in the past.

There are many examples of fruitful coordination between sections and local associations: for examples,

• ASTIN colloquia are traditionally hosted by a local association at the invitation of the local association. The local association determines the timing of the colloquium, its location and its content, subject to review by ASTIN. AFIR operates similarly.

• ASTIN and the CAS joined their efforts in integrating, or at times attaching, a colloquium with the regular meetings of the association. Same was done by AFIR and the SOA.

• ACA (UK) and CCA (US), two organizations whose members are consulting actuaries in their respective countries, have accepted the invitation from IACA to nominate a representative on the IACA Council. If and when other national consulting groups emerge, they can expect similar invitation.

We applaud such efforts to develop closer links between the national associations and sections and the IAA sections. Such links may even lead to mutual recognition of membership on some bulk fee basis thus facilitating the creation of a critical mass and more mutual cooperation. Such co-operation is growing in importance as the profession globalizes rapidly in new fields where the recently developed actuarial practices and experience in one country can be used cross-border.
We are of the view that a) all colloquia or seminars should involve a local association in the organization of the activity (as mentioned in the Protocol of last October) in order to avoid conflicts and b) information about all proposed section activities should be made available to all sections through the Chairs as a way of encouraging joint activities. In the same vein, the TF is toying with another solution that is not incompatible with earlier comments and would require a change to the IAA practice with regards to Congresses, namely

- to hold Congresses every second year instead of every fourth year
- to cut down on the social part of Congress in order to reduce their duration and cost, and
- to offer presentations on the internet (live or at least recorded and stored on the IAA web page for the benefit of the maximum audience).

In the same vein, other possibilities considered are:

- joint colloquia of, say, two or three sections held in the middle year separating two Congresses,
- Congress held every three, instead of current four, years,
- three joint colloquia each year with a regional flavor, one in each geographical area (namely, a) Europe, b) US and Canada and c) Rest of the World), or
- some combination of the above.

The TF is of the view that discussion of such matters should be pursued by the MSC.

Despite the above-mentioned successes, the topic of coordination has been the subject of some confusion in some quarters. In smaller associations there are generally no sections and hence no issue regarding their relationship with the IAA sections. In some cases, there are sections identified clearly and specifically as ASTIN sections, AFIR sections, etc or there are separate organizations for consulting actuaries (such as ACA in the UK and CCA in the US), which have varying types of relationship with the IACA, in this case.

We recommend that the sections and local associations be encouraged to develop – and to sort out bilaterally – links between the IAA sections and sections of national associations and other related bodies. We are confident that the new membership of the MSC, including representatives from all member associations, can help MSC to coordinate things at the IAA level. We recommend that the governance structure of the IAA be monitored to ensure maximum coordination.

Some analogous issues arise concerning the possibility of interaction between sections active in a particular practice area and committees or boards within member associations with responsibilities in that practice area. Several member organizations have such committees, and it could potentially be useful for sections to share resources, technology and programme development with conferences of national organizations.

We were not sure whether it would be possible or necessary to formalize this without just relying on personal relationships amongst section committee members, but there could be scope for synergies if there was interest on both sides. Again the MSC in particular and the IAA in general may have a role to play here in order to facilitate the desirable direct links between the relevant parties.
• the potential additional roles that could be delegated to sections, such as emerging issues, Continuing Professional Development, linkage with the academic world and research institutions

Highlights:

- The sections are best to deal with emerging issues via research activities;
- The colloquia and seminars could meet the requirements of CPD of any member association;
- Academic actuaries and others who conduct research are naturally attracted to those sections with research agendas and they publish in the ASTIN Bulletin, The Journal of the IAA, a scientific journal listed in the ISI Thomson citations index;
- The sections play an important role in regard to creating opportunities for individuals to meet their Continuing Professional Development (CPD) needs;
- However, success here depends on the effective use of technology.

The main question should not be what sections can do, as we need to encourage creativity and innovation here, but what sections should not be allowed to do by themselves. It might also be necessary to develop a protocol defining the issues where approval by the IAA or coordination at the IAA level might be needed. What is not prohibited by the IAA should be allowed, not the other way round. We have mentioned earlier a list of what THE ROLES ARE NOT for the sections.

The sections are responsible to their governing committees (e.g. the section committee) and ultimately to their members at each General Assembly. It is our belief that:

(i) the sections are best to deal with emerging issues via research activities;
(ii) the section colloquia and seminars could meet the requirements of CPD of any member association (this may be a decision of the member association or in some cases assessed by individual actuaries);
(iii) academic actuaries and others who conduct research are naturally attracted to those sections with research agendas. This is reflected in the attendance by numerous academics at ASTIN and AFIR colloquia, for example;
(iv) academics and others who conduct related research do publish in the ASTIN Bulletin, recently renamed The Journal of the IAA, a scientific journal that is well regarded by academics and has a listing in the ISI Thomson citations index.

Earlier in this report, we raised the issues of blogs, offering a possible solution to improve participation, funding and communications with member organizations in disseminating the news at large about local conferences and activities. Thus, there is no need to elaborate further.

The sections play an important role in regard to creating opportunities for individuals to meet their Continuing Professional Development (CPD) needs. However, as mentioned earlier, they should not get involved in matters relating to setting CPD requirements, which are more a
concern for the regulation of the profession. Any activity by the IAA in that direction would be the responsibility of the Education committee and the Professionalism committee.

In terms of social responsibility, the sections can be a powerful way of providing information to actuaries internationally who may not have the same opportunities as others to attend CPD activities. But this depends on the effective use of technology. Furthermore, through web-based professional networks, it may also be easier to promote the work of Actuaries Without Frontiers.

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<tr>
<td>• <strong>the Rules of the sections</strong></td>
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<tr>
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The MSC currently serves as the forum where the various sections interact with each other and discuss matters of shared interest.

Consideration should be given as to whether the MSC meetings offer the best way for sections to interact amongst themselves. From time to time there have been meetings specifically of the Chairs of the sections to seek to improve coordination and to share ideas of common interest. These meetings should be made formal and held on a regular basis.

Each section is represented on the IAA Council by its Chairperson, but the voting power of the sections, to the extent that this is important, is quite limited and it would be difficult for the
sections alone to wield any influence. That may be appropriate, given that IAA is now primarily an association of associations, but the 1998 constitution was a careful balancing act to ensure a continued concern for the individual member at the level of the IAA. The MSC and the sections are the bodies responsible for looking after that aspect of the IAA. The Task Force is of the view that sections that meet the minimum level of membership to justify their creation (more on this later), should each have one vote at Council meetings. A two-year transition period could be given to existing sections to meet their respective membership threshold.

At present the Chairpersons of the sections and of the committees are members of the Executive committee (EC), common issues can be included on the agenda and the sections do have a voice in the IAA governance. We understand that the composition and the limited, if any, powers of the EC are the subject of a review on governance. In the event of a smaller and more powerful EC emerging from that review, careful consideration would need to be given to the way in which the sections should be represented and play their part in the governance structure and to the way chairpersons of the sections and of the committees can interact on substantive content issues of common interest.

On the question of communications, the TF is of the view that efforts should be made to improve the publication and distribution of research material globally to all actuaries. We understand that colloquia material is available on the IAA web page for all to access freely. Same for the ASTIN Bulletin, The Journal of the IAA, albeit after a few months of its publication. It is hoped that eventually that time gap will shrink and possibly disappear. The TF further suggests that the IAA should create a library of research material on its web pages with links to material produced by sections and also links with research articles published by national associations in their magazines, Journals or whatever. It is appreciated that the IAA may have to negotiate a bulk fee or a time delay after printing for such service. Furthermore, the IAA Newsletter should contain a sections component to which each section would be invited to contribute and which would bring to the attention of the readers practice-oriented abstracts drawing from Congress or colloquia and Bulletin articles. The goal here is to achieve the widest possible dissemination of research material and to possibly generate some healthy competition between sections.

Authority/Responsibilities

- the efficiency in the cooperation with the IAA member associations when organizing colloquia and other events

Highlights:

- There is a need to review a) what works and what doesn’t work and b) whether the organizing structures of the past are drawing in the crowds that are desired
- The recent protocol regarding the organization of colloquia and seminars should form the basis for better handling of these meetings going forward
- Active cooperation by all IAA Member Associations in promoting and
marketing the activities of the IAA sections would be highly desirable for the overall health of the IAA.
- The costs of webinars are coming down. They should be considered as a way to increase participation in colloquia.

The efficiency in organizing colloquia is mixed. Some sections have an established track record in this regard while others are just finding their way: for example,
- the ASTIN committee receives proposals from applicant host associations several years ahead of date. There is typically a detailed plan for the colloquium presented to the ASTIN committee with follow-up reporting as the date approaches
- the more recent “success” of the IAALS in organizing a track at the SoA meeting in Quebec City came with a significant amount of effort.

There is a need for MSC and the sections to review a) what works and what doesn’t work and b) whether the organizing structures of the past are drawing in the crowds that are desired. The sections need to understand better what services their membership want and what would make the sections more attractive to other actuaries who have not so far joined a section, or have joined and not maintained their membership.

Most of the sections do delegate to organizing committees established under the auspices of national associations the task of organizing colloquia and other events, which usually entails a significant degree of cooperation between the section committee and the Member Association. However, the newer sections have less experience of organizing such meetings. The MSC has recently prepared a protocol regarding the organization of colloquia and seminars and this should form the basis for better handling of these issues going forward.

It is not only the host country association with which there needs to be good coordination. For several recent section colloquia the organizers have had to work very hard to get a reasonable level of participation, which is disappointing given the large number of actuaries around the world who are members of all the IAA Member Associations. Active cooperation by all IAA Member Associations in promoting and marketing the activities of the IAA sections would be highly desirable for the overall health of the IAA.

On the question of participation to colloquia, the TF is aware that participation via the web either live or recorded for future viewing has been examined in the past and found to be too costly. The costs of webinars, and the like, are however coming down fast. It is our suggestion to MSC to revisit the question periodically with a view to increasing participation in colloquia.
• the alignment of activities of the sections with IAA strategies and objectives

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It is important to align these interests where possible and yet retain and understand the need for differences. The rules of the sections should stipulate that each section’s representative on the IAA Council should communicate to his/her section the strategies, objectives and general direction adopted by the IAA Council and each section should align its activities accordingly.

The section Committees determine the activities of the sections. These are reported to Council and the MSC by the sections. The representatives of the Member Associations now can nominate their delegate to the MSC. If the IAA Council wishes to place priority on certain activities, those wishes can be communicated through the MSC.

We refer the reader also to other comments made earlier on the reporting relationship of sections, the MSC and Council and on the coordination between sections and committees.

We should investigate the governance and support of sections, and perhaps use these initiatives as examples to explore the relationship between sections and the IAA committees and Secretariat. Committees should have a strong relationship with the sections that impact on their area of activity and should consider inviting the sections to help with the development of ideas and responses, for example by focusing on relevant topics at colloquia, as well as using the membership of the sections as a sounding board for ideas.

Conversely, we should encourage the sections to be more proactive in working with the committees and to seek the input of committees into the development of the agenda for upcoming colloquia.

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<th>Governance: The efficiency and transparency of the governance of the sections with regards to:</th>
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<tr>
<td>a. the IAA process for the creation of sections</td>
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<td>b. the process followed by sections in planning their activities</td>
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<td>c. their reporting process</td>
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- Sections should be free to choose activities including research, outreach and experimentation.
- A number of conditions should be met for an application for a new section to be considered by Council.
- Council retains right to dissolve a section.
- Report of sections to Council should go to MSC for information on activities.
- Disputes involving sections should be resolved per process to be decided by Council: a three member arbitration panel could be considered.

The good thing in bureaucracy is that everybody can know what is happening. The bad thing with it is that it can be too tedious. Rules should be clear, not too extensive and allow a good degree of freedom to the sections. The sections already operate under rules which have to be approved by the IAA Council, after consideration by the MSC.

The TF offers the following thoughts:

1) On the creation of sections:
Sections reflect the special common interests of the individual members of each section. Sections should be free to choose activities including research, outreach and experimentation.

The power to authorize the creation of a section rests with Council. This is specified in the Statutes, Internal Regulations, Policies and Protocols document available on the IAA website. This document also describes the purpose of a section within the IAA. However, it does not provide specific further guidelines for the creation of a section, nor does it address the questions of the termination or dissolution of sections.

The TF recommends the following additional criteria for the creation of a section:
- There should be a commitment by the proposers of a new section to achieve a minimum number of members (say 200) within two years of approval. Exceptions could be allowed for: (1) sections existing at the time of this amendment for, say, two years and (2) “special purpose” sections formed in pursuance of a strategic objective of the IAA. Actuaries Without Frontiers section comes to mind as such an example of a special purpose section.
- There should always be a recommendation to Council from MSC regarding the creation of any new section since the purpose of sections is to serve individual members. Any proposal to create a section should go to the MSC before going to Council.
- The new section should:
  o be complementary to and not significantly in competition with existing section and committee activity
  o not be the cause of conflict between sections (representing a group of individual actuaries) or between sections and committees (representing member associations); for example, by undermining the work of committees or having the possibility to steal membership from another section;
2) On the ongoing status, dissolution and/or merger of sections:
   Some commentators are of the view that:
   - Some sections may be too limited in their scope; consideration should be given to possible mergers. (Note: some readers will remember the past discussions on possible merger of ASTIN and AFIR)
   - There may well be a need for more sections in the future.

With respect to the ongoing status of a section, the TF recommends:
1. That a minimum number of members (say 200 barring exceptions set by Council at the creation of the section) should be maintained by each section. If membership falls below this number, the MSC should review the status of the section over the following two years --while the section works at improving its membership level-- and make appropriate recommendations to Council.
2. That the sections remain financially sound.
3. The sections should report annually on their finances and their membership.

With respect to the dissolution, the Statutes, Internal Regulations, Policies and Protocols document does not provide any guidance, and in this regard, the TF recommends as follows:
1. **Voluntary termination**: Each section should include within its rules provision for dissolution by vote of the members of the section.
2. Involuntary termination: Council may decide to dissolve a section after due consideration of a recommendation or opinion from MSC on the heels of appropriate consultation with affected parties. In practice, it is expected that there would have to be a major conflict between the section leadership and the rest of the IAA for such a situation to arise for reasons other than a lack of sufficient members or severe financial difficulties.
3. **Reformation**: Council reserves the right to reconstitute, reform, merge or subdivide sections in order to achieve logical and strategic objectives. Such action should only be undertaken after full consultation with MSC and affected parties.

3) On the process followed by sections in planning their activities:

We refer the reader to earlier comments regarding meeting of section Chairs to focus on coordination of activities.

4) On their reporting process:

Currently there is a report prepared by each section for each meeting of Council. This report should go to the MSC also and be used to discuss the activities of sections. There should also be clearer expectations of what should be included in this semi-annual report.
There are no performance objectives for sections. However, it is the responsibility of Council to review the activities reported by sections and it would be beneficial if Council could identify a menu of objectives for sections—and for committees for that matter—where objectives would likely differ between sections. For example, sections should actively involve a significant portion of its membership. Sections failing to meet reasonable performance standards should be encouraged to change or to close.

5) On the election process for section chairs and section committee members:

This is clearly laid out in the rules of each section.

6) On the role and responsibilities for section Chairs and section committee members:

This is clearly laid out in the rules of each section.

7) On the resolution of disputes involving sections

As the umbrella organization under which the sections and committees sit, Council is ultimately responsible for the actions of the committees and sections. In case of disputes involving sections (and committees for that matter), given that disputes are rare, Council should establish a resolution procedure on a case-by-case basis. In cases involving a Member Association or a party outside the IAA, Council may consider forming a three person arbitration panel: each of the two parties in the dispute chooses a panel member and a third panel member is chosen by the original two panel members.

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**Governance: the role of IAA delegates to sections**

In its considerations, the Task Force shall especially take into account the dependence of the sections on the voluntary contributions and work of individual actuaries and on the support of IAA member associations.

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**Highlights:**

- IAA delegates who are involved in some capacity in an IAA committee, or members of sections who are members of committees may be able to provide useful liaison between the work of the committees and the activities of the sections
- A new meeting between the chairpersons of committees and sections could be institutionalized in order to deal exclusively with questions concerning the exchange of ideas between these two parts of the IAA.
- Meetings of sections committees at the same time and location as IAA Council and committees have improved integration
- Some IAA delegates have been extremely active members of the section committee to which they are appointed and have added considerable value
through their contributions. Others have been to all intents and purposes invisible.

- Extra guidance to delegates as to their roles and the content of their report would be useful.

The IAA delegates to the sections have a potentially important role in acting as a conduit for information and guidance from the IAA Council and Executive committee to the section committees. However, with the Chairpersons of the sections being on the Executive committee and meeting together at section Chairpersons Meetings and at the Council meetings, there may in practice be a limited role for the IAA delegates in this respect. The role of IAA delegates may increase if the reformed EC were to include fewer sections Chairpersons. IAA delegates who are themselves Chairpersons or members of relevant IAA committees or members of sections who are members or interested persons of committees may be able to provide useful liaison between the work of the committees and the activities of the sections. Furthermore, a new meeting between the chairpersons of committees and sections could be institutionalized in order to deal exclusively with questions concerning the exchange of ideas between these two parts of the IAA.

The main formal function of the IAA delegates is to preside over the elections of committee members at the AGMs of the sections, to avoid the committee Chairperson, him or herself an elected member of the committee, having to preside over the election. Whilst this is important from a governance point of view, it is rather a minor role in the big scheme of things. Some IAA delegates have been extremely active members of the section committee to which they are appointed and have added considerable value through their contributions. Others have been to all intents and purposes invisible. The new policy of Nominations committee of appointing as IAA delegates the Chairs of relevant IAA committees has the potential to be a helpful step forward in encouraging closer working together of IAA committees and section committees, but the IAA committee Chairpersons are busy people, so it remains to be seen how active they will be able to be in the sections.

It is not clear to all delegates to sections what their roles should be. The delegates may benefit from additional guidance such as a sample list of questions they are expected to answer in a periodic written report.

Another more recent development has been an increase in the number of occasions when the section committees have met at the time of the IAA Council and committee meetings. This helps to improve integration, although many of the members of the section committees are not on other IAA committees and so the attendance record at these committee meetings is not generally as good as when section committees meet at the time of the section colloquia.

**Conclusions**

The above summarizes our thinking at the moment on the issues laid out in our Terms of Reference.

In short, the TF is of the view that the three real hotspot issues are:

1. How can we ensure that the sections best meet the needs of individual actuaries worldwide and complement, rather than compete with, national actuarial associations?
2. How can we best make use of the sections to contribute towards meeting the strategic goals of the IAA and complement the role of the committees and the Council?

3. How can we best balance the sections with the committees and the stakeholders, i.e. the associations of actuaries and individual actuaries, in the overall governance of the IAA?

Some sections have obvious committee counterparts and, in these cases, it makes sense to have close liaison and bilateral flow of information. This can be facilitated by some common membership. IAA committee members should be active members of the relevant section and participate where possible in colloquia, Seminars, etc. Some members of the section committee should commit to being active members or observers on the IAA committees. The IAA committees should consider whether they have research issues that could be handled, at least in part, by the section(s) and also invite the section(s) to place topics on their colloquia or seminar agendas which are directly of interest to the IAA committee. Organising committees for section events should actively liaise with relevant IAA committees to see whether there are topics of interest that should be placed on the agenda.

A closer exchange on areas of work between sections and committees should be institutionalized; the existing participation of section chairs in the EC does not fulfil this role.

Development of research and knowledge extension is clearly one of the main roles of the sections. There is a place for both theoretical research (and fostering links with academics) and practically oriented research (some of which may be directly relevant to the activities of relevant IAA committees). Sections should be encouraged to place items on their agenda for meetings, and set up research working parties or task forces, specifically to encourage and act as a catalyst for potentially valuable research, including research which may expand the boundaries of actuarial knowledge without necessarily having any obvious immediate application (‘blue sky’ research).

Experience has shown that the organization of section colloquia is not without occasional problems. However, these problems can be surmounted and alternative types of activity need to be explored by the sections. Organisation of seminars jointly with other organisations, both actuarial associations and organisations outside the actuarial profession (e.g. ISSA or IAIS), has worked well in some cases and may be a fruitful avenue for some sections to seek to develop in the future.

Some actuaries are willing and able to travel to international meetings but many actuaries are in a different situation. Therefore, it should be an important consideration for the sections to consider accessibility (both geographically and financially) for their meetings and keep the costs of attendance as low as reasonably possible.

Furthermore, the possibility of using new technologies to offer webcasts or similar offerings is interesting and needs to be explored further.

On communications matters, the ASTIN Bulletin The Journal of the IAA needs to be actively developed as the international scientific journal of the actuarial profession, covering all practice areas and actuarial interests. Currently, not all sections participate in the sponsorship of the Bulletin. The TF encourages all sections to share in the expenses of producing the ASTIN Bulletin even if it were on a special basis that reflects their respective ability to pay. How will this be achieved and promoted with whom? Inside or outside the profession? If both, it will be critical to understand its relationship in the academic world to the plethora of
highly competitive and closely ranked academic journals. The sections would provide real
value to their members if they could organize and sustain on-line newsletters. However, it
will require significant volunteer resources and each section needs to develop as quickly as it
can, subject to its ability to mobilize volunteers. There may be some synergies that can be
exploited through the MSC and the meetings of Chairs of sections. A useful step in this
direction might be to include section pages in the regular IAA newsletter.

Noting the relatively small number of actuaries who are members of the IAA sections, there
is a general marketing job to be done here. The example of IACA inviting national sections
to nominate a representative on IACA Council is a model of a) closer links between national
sections and the IAA sections and b) stronger support for sections from the member
associations. Furthermore, it holds the possibility of leading to substantial increase in
membership on some bulk fee basis. This is an issue for the sections and the MSC to look
into.

Respectfully submitted,

Jean Berthon (AFIR)
William F Bluhm
Chris Daykin (PBSS)
Aisling Kennedy
Esko Kivisaari
Edward Levay (AWF)
James Murta
Harry Panjer (ASTIN)
Bruce Schobel
Emile Stipp (IAAHS)
Rolf Stölting
Trevor Thompson
Adrian Waddingham (IACA)
Stuart Wason (LIFE)
Masaaki Yoshimura

Jean-Louis Massé, Chairperson

Appendix 1

Task Force on sections

Terms of Reference

The following nominated individuals, once approved by Council, constitute the membership of the Task Force on sections (TFS):

- a chairperson to be nominated by the Nominations committee (NC)
- fifteen members as follows:
  - seven members nominated by the sections (each section nominates one representative), and
  - eight members nominated by the NC: two from each of the three regions Europe, United States/Canada, and Rest of the World, and two from any region.

Participation will be restricted to Task Force Members who are appointed for the duration of the mandate of the TFS.

Purposes/Objectives

To make recommendations to the Member Services committee (MSC) on the role, authority, responsibilities and governance of the IAA sections, as deemed optimal to enhance the value added by the sections to individual actuaries and the actuarial profession as a whole.

Points of deliberations

It is suggested that the Task Force may want, in its deliberations and in its report, to consider points such as the following:

Background

- the history of the sections and their contribution to the IAA and the global profession
- the number and scope of sections

Roles

- the clarification of the role of the sections in various areas, including research
- the inter-active relations and the synergy between the sections and the IAA committees, including the International Congress committee, and other bodies
- the coordination of the activities of the sections with the sections, or similar entities, within member associations
- the potential additional roles that could be delegated to sections, such as emerging issues, Continuing Professional Development, linkage with the academic world and research institutions
Authority/Responsibilities

- the Rules of the sections
- the communications between the Council, the Member Services committee and the sections
- the efficiency in the cooperation with the IAA member associations when organizing colloquia and other events
- the alignment of activities of the sections with IAA strategies and objectives

Governance

- the efficiency and transparency of the governance of the sections with regards to:
  - the IAA process for the creation of sections
  - the process followed by sections in planning their activities
  - their reporting process
  - the election process for section chairs and section committee members
  - the role and responsibilities for section Chairs and section committee members
- the role of IAA delegates to sections

In its considerations, the Task Force shall especially take into account the dependence of the sections:

- on the voluntary contributions and work of individual actuaries and
- on the support of IAA member associations.

Operational matters

Frequency of meetings
The TFS meets as frequently as necessary and operates also via conference calls and electronic mail.

Internal and external liaison
The TFS consults with the various IAA entities and member associations, as appropriate.

Voting rights
Each member of the TFS has one vote except for the chairperson who has no vote.

Reporting
The TFS produces:

- a progress report to the MSC meeting in Quebec City in June 2008, and
• a final report to the MSC meeting in Cyprus in November 2008.

End of mandate

The mandate of the TFS ends at the close of the IAA meetings in Cyprus in November 2008.

*Adopted - 29 January 2008*
Appendix D: Intermediate report of the Committee on Academic Liaison:

21 October 2008

Ermanno and John (members of the Committee on Academic Liaison):

This is a summary of the responses to our letter to academics.

My letter was sent to 37 academics on 9/22/2008. The list of academics to whom it was sent, and a sample letter, are enclosed. I arranged the list with the responders at the top, alphabetically, and the others who did not respond below them, also alphabetically.

I got 7 responses. They are also enclosed. All are positive, and generally with an interest to cooperate. Since all those who responded did so within days after receiving the letter, and none responded afterwards, I would guess that these are all the responses we may receive.

The response rate is about 19%. Of these, 5 were from the U.S., 2 from non-U.S. One is a member of the IAAHS, one is working with the IAAHS on microinsurance (David Dror) since the Boston colloquium, two are from medical departments.

So – this is an encouraging response, but far from being overwhelming. We can now try to use this information in a call to the IAAHS members, and see whether we shall get a response from them. However, with this level of response and with these responses from the academics, should we do so?

I would appreciate your opinion.

Yair Babad
My letter was sent on 9/22 to the following list:

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<th>Title1</th>
<th>Title2</th>
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<th>Department</th>
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<td>Michael</td>
<td><a href="mailto:chernew@hcp.med.harvard.edu">chernew@hcp.med.harvard.edu</a></td>
<td>Hon. Professor of health insurance</td>
<td>Chair, the Micro Insurance Academy, New Delhi</td>
<td>Harvard University</td>
<td>Department of Health Care Policy</td>
<td>9/23/2008 positive, want to send CV</td>
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<tr>
<td>Dror</td>
<td>David</td>
<td><a href="mailto:davidmdror@yahoo.com">davidmdror@yahoo.com</a></td>
<td>Chairman, Erasmus University Rotterdam</td>
<td>Actuarial mathematics Program</td>
<td>Actuarial Science</td>
<td>Actuarial Science, Risk Management and Insurance, and Biostatistics and Medical Informatics</td>
<td>9/23/2008 specific responses</td>
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<tr>
<td>Garrido</td>
<td>Jose</td>
<td><a href="mailto:garrido@mathstat.concordia.ca">garrido@mathstat.concordia.ca</a></td>
<td>Professor</td>
<td>Director</td>
<td>Concordia University</td>
<td>Actuarial mathematics Program</td>
<td>Positive on 9/24/2008</td>
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<tr>
<td>Ostazewski</td>
<td>Krzysztof</td>
<td><a href="mailto:krzysio@ilstu.edu">krzysio@ilstu.edu</a></td>
<td>Professor of Mathematics</td>
<td>Actuarial Program Director</td>
<td>University of Wisconsin, School of Business</td>
<td>Actuarial Science, Risk Management and Insurance, and Biostatistics and Medical Informatics</td>
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<td>Rosenberg</td>
<td>Marjorie</td>
<td><a href="mailto:mrosenberg@bus.wisc.edu">mrosenberg@bus.wisc.edu</a></td>
<td>Professor</td>
<td>University of Wisconsin, School of Business</td>
<td>Department of Medicine</td>
<td>Hopkins University</td>
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<td>van den Ven</td>
<td>Wynand</td>
<td><a href="mailto:vandeven@bmg.eur.nl">vandeven@bmg.eur.nl</a></td>
<td>Erasmus Competition and regulation Institute</td>
<td>Erasmus Competition and regulation Institute</td>
<td>Department of Economics and Financial Studies</td>
<td>Department of Economics and Financial Studies</td>
<td>9/23/2008 very short</td>
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<tr>
<td>Weiner</td>
<td>Michael</td>
<td><a href="mailto:mw@cogit.net">mw@cogit.net</a></td>
<td>Professor of Medicine</td>
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<td>University of Wisconsin</td>
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<td>University of Waterloo</td>
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<td>Jon</td>
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<td>Professor and James A. Hamilton Chair in Health Policy and Management</td>
<td>University of Minnesota</td>
<td>Health Policy and Management</td>
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<td>de Jong</td>
<td>Piet</td>
<td><a href="mailto:pdejong@efs.mq.edu.au">pdejong@efs.mq.edu.au</a></td>
<td>Professor of Actuarial Studies; Head of Department</td>
<td>Division of Economics and Financial Studies</td>
<td>MacQuarie University, Australia</td>
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<td>Professor</td>
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<td>Institut des Sciences Actuarielles</td>
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<td>Dickson</td>
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<td>Munich Re Chair in Insurance</td>
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<td><a href="mailto:vryoung@umich.edu">vryoung@umich.edu</a></td>
<td>Nesbit Professor</td>
<td>University of Michigan</td>
<td>Department of Mathematics</td>
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**A sample of the letter I sent is:**
Dear Professor Albrecher:

The Health Section of the International Actuarial Association (IAAHS) would like to assess the feasibility of cooperation between academic researchers and teachers, and practicing health actuaries. We believe that both sides, academics and actuaries, can benefit from such cooperation. We also believe that many practicing health actuaries are interested in cooperation; the IAAHS, of course, cannot commit any individual actuary to cooperate.

We thus request you to provide us with your opinion and interest, by responding to the questions posed below. Please also fill free to pass this request to your colleagues, or department, that share research areas with the IAAHS members and who may be interested in such cooperation.

The IAAHS has more than 400 members in 22 countries around the world. Most are health actuaries, but we also have several academics among our membership. They provide a broad international experience and information. The IAAHS members have many varied interests, including longevity; morbidity; risk adjustment and equalization; economic cost, investments, funding, solvency and public policy of insurance, health plans, pensions, Social Security, and Long Term Care; reimbursement policy; economics of micro (health) insurance; population and risk modeling; and similar issues. You, or your colleagues, may share some of these interests, or related interests with the IAAHS members.

What can our members offer? They have considerable practical experience, and thus can add to many research projects both as participants and as sounding boards. They have extensive data, even though sharing of data naturally is limited and is carefully managed due to privacy and intellectual property issues. All of these can add to your research. Our members can offer research projects, and especially projects that fit students' projects; often, if geography permits, these lead to internship and other benefits to the students and the academic department and institution. They can offer and support research projects for master and Ph.D. work and dissertations. Again, depending on geography, you may wish to bring our members to you classes, or employ them as adjunct faculty. It should also be noted that such cooperation may lead to other relationships, such as consulting, educating staff of our members, and the like.

With this background in mind, we would be grateful if you will respond to the following questions as regarding you personally and (if you consider it appropriate) your colleagues or department; please feel free to add any additional comments you may have:

1. Would you consider cooperation with IAAHS members? If the answer is positive, what types of cooperation would you consider the most appropriate? You may suggest any of those noted above or other activities.
2. What are your fields of interest? In which of these you may be interested in joint work with any of our members?
3. Are there techniques you mastered or developed that in your opinion can benefit our actuaries? Are there developing areas and fields that you believe actuaries should employ, even if they are not currently doing so?

We thank you in advance, and hope to soon hear from you.

Respectfully,

Professor Yair Babad  
Professor Emeritus  
Information & Decision Dept.  
University of Illinois Chicago

John Bertko, FSA, MAAA  
Visiting Scholar  
The Brookings Institution

Professor Ermanno Pitacco  
Full Professor of  
Actuarial Mathematics  
University of Trieste (Italy)

Mike Chernow wrote on 9/23:

Yair, I would be happy to collaborate on research or consulting projects. My expertise is in economics, health care cost growth and insurance design. I am not sure I can easily answer the other questions, but if you would like my CV I would be happy to send it.

- Mike

David Dror wrote on 9/23/2008:

Dear Professor Babad,

It is refreshing and exciting news that the Health Section of the International Actuarial Association (IAAHS) would like to explore options for cooperation between academic researchers and practicing health actuaries. I am all in favor of such cooperation, particularly if it would be directed to low-income countries and health financing systems serving the uninsured poor. Such cooperation, with such a focus, would make a real contribution to Bridging the Gap from Science to Service. I note with pleasure that in your letter you refer specifically to economics of micro (health) insurance as one of the topics of interest.

Below please find my specific responses to your queries:

• In my role as Chairman of the Micro Insurance Academy, I would welcome cooperation with IAAHS members. The Delhi-based MIA would be willing to include IAAHS members as guest faculty in our Reinsurance School, and/or to host actuaries willing to donate some time to development work in India or another low-income country.

• We could also envisage other types of cooperation, such as internship with MIA of actuarial students or practitioners who seek to work on our data (from bottom of the pyramid in low-income countries, which is fundamentally different from the data in high-income countries); in this, we would agree to collaborate with academics who would co-supervise the interns that spend time with MIA in India.

• Thirdly, we could see the merit of MIA staff serving as guest faculty in the Academic institutions and in the training activities of IAAHS that deal with low-income countries.

• Our field of interest is micro insurance, with special attention to micro health insurance and to composite products (e.g. health plus death indemnity component plus asset component, with possible cross subsidization within the bundled classes of risk). This is a relatively new topic, on which actuaries have so far been quite timid. The main issues relating to micro insurance as we see them include techniques for adapting product development to market needs (and hence also some work would be useful to assess these needs); pricing of insurance products under conditions where data is at best imperfect (and hence projection techniques would be needed, notably simulations and modeling); and linking microinsurance to reinsurance (optimization of reinsurance methods to the conditions of the micro space). The reinsurance link may be of particular interest to actuaries whose expertise is reinsurance. The micro space could be the new, unexplored market for reinsurance.

• Considering that IAAHS has more than 400 members in 22 countries around the world, your organization would be in the position to send out a call to your members for volunteer positions. Such activities have been
organized by doctors’ associations, dentists, and many other domains. This role of “clearinghouse” could also be extended if IAAHS were to match actuaries willing to give time with companies willing to give $ to fund the travel costs rather than give time of experts.

I welcome your initiative, and hope that it will bear fruit. I also look forward to hosting some IAAHS members at the Micro Insurance Academy in New Delhi, or work with your members long-distance over the internet or email.

Greetings and wishes,

David Dror
Hon. Professor of health insurance, Erasmus University Rotterdam
Chairman, the Micro Insurance Academy, New Delhi (www.microinsuranceacademy.org)
Access my publications freely at: http://ssrn.com/author=183410 (Social Science Research Network)

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Jose Garido wrote on 9/24/2008:

Dear Yair,

Greetings to all three of you. Thank you for your message and invitation.

Although my research work in risk theory is usually far from the interest of IAAHS members, I have done some work recently in credibility, risk classification and in mortality that may have some connections. So let me answer your questions, in case it might be useful to you:

1. Would you consider cooperation with IAAHS members? If the answer is positive, what types of cooperation would you consider the most appropriate? You may suggest any of those noted above or other activities.

Yes. For instance some graduate student internships could help some practising members with data analysis, using modern data mining techniques for their risk classification or claim fraud detection. We could also join research efforts among academic members on common projects, especially with international or multidisciplinary teams.

2. What are your fields of interest? In which of these you may be interested in joint work with any of our members?

Risk theory, insurance statistics, credibility theory, risk measures, mortality.

3. Are there techniques you mastered or developed that in your opinion can benefit our actuaries? Are there developing areas and fields that you believe actuaries should employ, even if they are not currently doing so?

Yes, in particular on the data analysis side. I think that practising actuaries are increasingly using GLM’s now, in particular in Health actuaries. This opens several new actuarial questions, such as the issue of robustness, credibility of the estimators, loss reserving, etc.

If some of you share any of these interests, I will be happy to discuss it further with you.
Dear Professor Babad:

Thank you for your message. Here are my responses:

1. Would you consider cooperation with IAAHS members? If the answer is positive, what types of cooperation would you consider the most appropriate? You may suggest any of those noted above or other activities.

Yes, I would most certainly be interested in such cooperation. I am interested in:
- A couple of lectures on health reserving for my graduate reserving class.
- Joint research, especially on health reserving.

2. What are your fields of interest? In which of these you may be interested in joint work with any of our members?

- I am very interested in developing proposals in alternative designs of insurance policies in the U.S. to expand coverage. Health insurance policies that offer coverage for life especially (not annual policies as we do this now).

3. Are there techniques you mastered or developed that in your opinion can benefit our actuaries? Are there developing areas and fields that you believe actuaries should employ, even if they are not currently doing so?

I worked on a project on applications of statistical methods in health insurance reserving for the Society of Actuaries.

Yours sincerely,
Dr. Krzysztof M. Ostaszewski, FSA, CFA, MAAA
Actuarial Program Director and Professor of Mathematics
Illinois State University
http://www.math.ilstu.edu/krzysio/
mailto:krzysio@ilstu.edu
be beneficial. We would also look to use members as sounding boards for unusual research we are interested in undertaking, and we would be interested in collaborating with practitioners.

2. What are your fields of interest? In which of these you may be interested in joint work with any of our members?

Our fields of interest include longevity, morbidity, health policy, long term care and chronic diseases. We would consider joint work in any of those areas.

3. Are there techniques you mastered or developed that in your opinion can benefit our actuaries? Are there developing areas and fields that you believe actuaries should employ, even if they are not currently doing so?

Nothing out of the ordinary.

Good luck with your endeavours!

Regards Ben

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Margie Rosenberg wrote on 9/23/2008:

Yair:

I'm a little confused as to your target audience. Is it academics or practicing actuaries? And I'm confused as to the end purpose?

I would suggest that you put this in a survey instrument and gather information on-line. A more focused survey would lead to more useful responses perhaps. And having an easy to fill out survey would probably increase the response rate.

I also know that the SOA is again trying to re-address the ties between academia and industry and is looking into issues such as these.

Personally, I believe that the profession would be strengthened with greater interaction of industry and academics. Your points about internships is very good, but can be expanded to working on research projects jointly with the school. The need to be on-site is minimized and the work can still be accomplished. Also, the development of relationships with faculty and industry creates a long-term horizon that goes belong one single internships and lends to continuity across time for better working partners.

Anyhow, I would be interested in hearing about your results. I commend you all for bringing this forward. If I can be of more help, please let me know.

Margie
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Wynand P.M.M. van den Ven wrote on 9/23/2008:

I am certainly interested in cooperation in the field of health insurance, (health-based) risk adjustment and risk equalization, and deductibles.
Best regards,

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Michael Weiner wrote on 9/23/2008:

Yair,

1. Would you consider cooperation with IAAHS members? If the answer is positive, what types of cooperation would you consider the most appropriate? You may suggest any of those noted above or other activities.

Yes. It might be possible to conduct studies of risk of adverse outcomes.

2. What are your fields of interest? In which of these you may be interested in joint work with any of our members?

Geriatrics, cardiovascular diseases, and medical informatics. Any could be possible.

3. Are there techniques you mastered or developed that in your opinion can benefit our actuaries?

No.

Are there developing areas and fields that you believe actuaries should employ, even if they are not currently doing so?

I do not know.

Thank you.
Mike Weiner