Minutes of IAAHS Committee Conference Call Meeting
3 August 2010 – D R A F T
Yair Babad, Secretary

The meeting was opened at GMT 15:00 by IAAHS Chairman Emile Stipp.

In attendance were Yair Babad, Lisa Beichl, April Choi, Claude Ferguson, Chi Cheng Hock, Eduardo Lara, Dan Skwire, and Christian Levac. All the other members apologized or were unable to attend.

1. Welcome and introduction

   Emile welcomed the attending members, and congratulated the new committee members.

2. Confirmation of the agenda

   The agenda as submitted and as reflected by these minutes was confirmed. Added to the discussion, in the webcasts and team activities agenda items, were the newly announced IAA workgroups on mortality and population. One additional agenda item was developed during the meeting – the need for a publicity and promotion IAAHS “officer”.

3. Approval of the minutes of the last meeting (May 2010)

   The minutes of the May 2010 (which also provide the currently known financial and membership status) were approved, with the following changes: On page 3, paragraph 3, it is noted that “April proposed ..”; it should be Lisa. On page 4, agenda item 11, it is noted that “Lisa is preparing …”; this should be changed to “Lisa is investigating the possibility of …”.

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4. Webcasts

Milliman is considering providing a webcast to IAAHS members about stochastic modeling, and its application by health actuaries. Milliman may support (part) of the costs.

Lisa is working with the Georgia Insurance Association, which is supported by the US government, about the application of health insurance in Georgia; Lisa would like to present to them the stochastic modeling material and the micro-insurance webcast material. Christian is ready to open the micro-insurance webcast URL to them; now the URL is restricted to IAAHS members.

Other webcast opportunities are with the OECD (see the next agenda item), and through the use of papers published by IAAHS members. In particular, Heather wrote a paper with others on comparison on risk equalization, which may be the basis for a webcast.

Cheng Hock is ready to organize a seminar in Singapore, that will first watch the IAAHS webcast, and then discuss it.

The committee re-iterated its agreement with the principle that non-members will pay $50 for a webcast, and thus join the IAAHS and also get access to the other webcasts offered in a year. If the webcast is late in the year (e.g., November), the membership will be counted toward the next year’s dues; Christian reported that this is feasible. One additional benefit is the free access to the webcasts to IAAHS members, so that those who pay for one webcast in a year, will be able to attend all the others in that year free of charge.

Emile reported that according to feedback he received, webcasts are very valuable for our members. Each webcast costs $5-7K. Emile believes that despite the current level of the IAAHS finances, we should spend this year on 1-2 webcasts to attract new members.

Emile noted that we still can provide two webcasts this year – one in November on stochastic modeling, and another one in November on a selected topic – possibly in cooperation with the OECD. Each requires about a month for advance notice and 1-2 reminders.

At this time, it is hard to get sponsorship for webcasts. Cheng Hock informed the committee that he does not believe that he can get a sponsorship from Singapore; Emile has the same problem in South Africa. This is the classical “chicken and egg” issue: companies are ready to support successful webcasts activities, but support is needed to present successful webcasts. Therefore, we should take the initial investment and risk on ourselves, so that we can establish a track record and thus attract sponsorship.

A discussion also ensued concerning publicity for the webcasts; see item agenda 9 below.
5. **Cooperation with the OECD**

Emile reported on proposed cooperation with the OECD. In particular, the intention is to use OECD publications for IAAHS webcasts, with possible sponsorship by the OECD. One idea is to have two speakers in such webcasts: one being an author of an OECD publication, and the second be a health actuary, who can present the issues in the publication that are of interest to health actuaries.

Committee members were requested to peruse the OECD health related publications, and suggest both publication of interest to IAAHS members, and candidates to be the IAAHS presenters in the resulting webcasts.

Committee members confirmed that a webcast on the impact of population ageing on health care costs would be valuable, and Emile should therefore explore this as a first topic on which the OECD could present together with an actuary.

6. **Topic Teams feedback**

Heather regularly sends material to her Topic Team, which is noted and Emile asked other Topic Team leaders to do the same.

Lisa sent material to Dan Skwire, and is looking to blend information on micro-insurance with Howard’s IAA group (which has not met yet), and the ILO, with the objective of creating links to all the current information.

Cheng Hock / Eduardo – partnerships: Cheng Hock said that they had good presentations in Singapore, most papers already published, and can be uploaded to the library.

Team leaders are requested to send information, library material and links to Christian. Christian, in turn, will incorporate them into the IAAHS library.

We should prepare a collection of all the health related papers from ICA2010. Christian agreed to do so.

Yair reported on the establishment of two new IAA workgroups, on population and on mortality (see appendices B and C). A discussion followed considering the possibilities of cooperation with the IAAHS, its teams, and its webcasts, as these issues – and particularly population, ageing, and the resulting financing needs and product planning – are important to IAAHS members. The OECD joint webcast could be a good place to start.

A discussion also ensued concerning publicity for the team activities; see item agenda 9 below.

We should send a note to the membership about the teams, libraries, etc., web costs. List of groups, links, teams – to all the current and past members and related health actuaries
in other groups. List all the topic teams and external (e.g. IAA) groups. Team leaders are invited to provide list of groups and people to sent this to. Also announce the webcasts.
7. **Joint colloquium 2012: Hong Kong**

   Emile reported that all was on track and that more detail would be forthcoming at the meeting in Vienna.

8. **Support for local conferences 2011, including India**

   Emile inquired about the timing of the next Indian actuarial meeting. It was reported that the timing is usually announced quite late; still, it is expected to be in late January or early February 2011. Topics that the IAAHS may be in a position to support include micro-insurance and micro-health-insurance (Lisa, 1 hour each), risk adjustment (Sheree), international partnership (Cheng Hock, Eduardo).

9. **A publicity and promotion IAAHS “officer”**

   It was noted that the IAAHS is short on publicity and promotion, both with regard to communications with the IAAHS members, and with regard to promoting health actuaries among non-health actuaries and actuarial and professional organizations. The IAAHS cannot just rely on short email announcements sent by Christian from time to time.

   It was thus proposed to establish an IAAHS Publicity and Promotion Officer (or subcommittee). The suggested roles, responsibilities, and activities will be:

   1. Be the focal point for all information related to team activities, teams and IAAHS library, webcasts, seminars and colloquia.
   2. Be the “librarian” of a list of members (present and past) and actuarial and professional organizations (with names of key contacts) which should be informed on IAAHS activities.
   3. Maintain a schedule of planned and proposed IAAHS activities, with names of key IAAHS contacts responsible for each.
   4. Issue a periodical information sheet concerning the planned and projected activities above, how to access and use our resources, and including the IAAHS chairman message, to all the people and entities on its publication / promotion list.
   5. Issue reminders to the same audience before planned activities (such as a webcast).

   At this time Claude and Yair expressed interest in this, with Lisa and Cheng Hock as supporters.

   The committee members are requested to comment and improve on the above, and support these activities.

10. **General**

    No new general items.
11. Next meeting

The next meeting is scheduled probably for the Vienna IAA meeting in 11-13 October 2010. Emile and Christian will coordinate and notify members of the meeting day and time.

The meeting adjourned at 16:15 GMT.
Appendix A: Emile’s proposed cooperation with the OECD

Mr Mark Pearson
Head: Health Division
OECD

Dear Mr Pearson

We have been in touch via e-mail, but this letter serves to confirm that we do see opportunities for the International Actuarial Association Health Section (IAAHS) to work together with the OECD.

In terms of background: the interests of our members involve all aspects of private health-related insurance, including medical expense insurance, disability insurance, critical illness cover, solvency and capital management and long term care. However, we also have specific interest groups for public private partnerships, traditional and complementary medicine, as well as health micro-insurance. And, of course, there is always interest among our members in health reform.

Whilst health actuaries’ focus remains mainly on private health insurance, many of our members have branched out into other areas of actuarial risk evaluation. In terms of economic development, actuaries views’ on health reforms, and on the opportunities within micro-insurance, may well be of some use to you.

However, one of the main functions of our Section is also to introduce our members to research conducted elsewhere, and we are continuously looking for opportunities to make our members aware of new papers, and to ask speakers to address the membership either at Congresses, Colloquia, or to present a webcast to the international membership.

Having had a look at the Health part of your website, I see several papers that may be of great interest to many IAAHS members. For instance, the paper on US health care costs, the paper on achieving value for money in health care, analysis of obesity trends, measuring disparities in health status and access to care in different countries, healthy ageing policies, and financing health care in ageing populations – the list is long!

I would like to request whether we can establish electronic links to your research on the IAAHS website, for reference and information of our members – we have a library of papers on different topics.

Furthermore, I would also like to know whether some of the lead authors of these papers would be available to present webcasts, or present at any of the colloquia that we hold from time to time in various locations in the world. Our next big colloquium will be held in Hong Kong in 2012, but before then we will also most likely play a role in a conference in India, and probably in the UK too. We would also like to offer around 4 webcasts per year to our membership, and we have already presented one, very successfully. The logistics and arrangements for each of these events are different, but if you are willing in principle to allow your research to be presented at these events, we can then discuss the specifics.
Finally, I am not sure whether this will be of use to you, but occasionally some of our members also embark on research, or present papers, that may be of interest to the OECD. For instance, IAAHS members have been very involved in a lot of the research relating to US health reforms (and in other countries), or in the establishment of public private partnerships in Singapore. If you are interested, we would be in a position to inform you of such research, and perhaps you’d be able to use the results in your own work.

If you think it is worthwhile to explore any of these ideas in more detail, please let me know, and we can then set up a brief conference call to discuss.
Appendix B: Information on newly created IAA population workgroup

population@lists.actuaries.org

Background

The Population Issues Working Group (PIWG) was established by the International Actuarial Association (IAA) Social Security Committee at its annual meeting in Hyderabad in November 2009. The Terms of Reference (TOR) of the Working Group were approved in Cape Town in March 2010 on the occasion of the IAA International Congress of Actuaries (ICA 2010). According to the TOR the PIWG should now consider a work plan to initiate its activities in the coming weeks.

The PIWG purpose (Point 2, TOR) is to identify population issues of particular interest to actuaries and in respect of which the actuarial profession, at an international or national level, could make a useful contribution in the public interest.

This note includes a list of population issues by the Chair of the Working Group for information of its members and their comments, before starting formal activities. It also indicates the topic that is proposed as the first issue to be dealt with, according to the Chair.

Given the activities of the IAA Mortality Working Group, the PIWG will not consider issues on mortality and related aspects.

The Working Group is structured as to reflect the experiences on the topics selected at the international level. Members are not expected to produce international experience or information or make contributions on different comparative situations, but rather contributing on their national or institutional experiences on the topic. Information on other countries situation is welcome. The Chair will put together other international organisations available information, national reports and individual studies of interest in respect of the topic to be studied.

Population Issues

Actuaries are not demographers. But they master the various fundamental biometric functions that influence the different population structures that come into play in their everyday work, according to the specific field of activity: life, health, pension, accident and unemployment insurances. The main demographic functions range from fertility, sex and age composition, morbidity, mortality due to natural, professional or general accident causes, longevity, etc. to a number of intrinsic components interacting among them.

Other important socioeconomic functions come into play under this context: migration, labour market and employment structures, family policies and composition, social assistance and protection.

Among the various population issues that could be identified as topics of interest for study and
research by actuaries at the IAA level, the following deserve particular interest, taking into account the private and public insurances fields:

1. Population ageing, longevity and their impact on private and public health and pension funds and schemes;

2. Migration and the labour market structure in developed countries, and the impact of migration on the countries of origin, both economically and socially, and their influence on the local insurance market.

3. Fertility trends and their future impact on the labour market and pension schemes.

4. Family structures, trends and social and economic implications for an insurance protection aimed at providing child support, education and health and support to the elderly.

Proposed topic for the Working Group to undertake

Given the importance for the international actuarial community, it is proposed that a comprehensive study on issue No. 1: “Population ageing, longevity and their impact on private and public health and pension funds and schemes” be undertaken and carried out during the first stage of the PIWG activities.

Dates proposed for starting, conducting and concluding the study on this topic: From 1 September 2010 to 28 February 2011.

Details about the actual contents of the study and the different timing components will be provided once the topic is confirmed.

It is not excluded that the Working Group undertakes two studies at the same time, i.e. population ageing and topic 2 or 3 or 4.

PIWG members are requested to kindly submit the Chair with their comments, observations and suggestions.
Appendix B: Information on newly created IAA mortality workgroup

Mortality Working Group Focuses Beyond 2010

The actuarial profession has studied levels and trends in human mortality for well over a century. Understanding mortality is key to operating successful long term life and health insurance programs as well as pensions and social security programs.

The International Actuarial Association established a Mortality Working Group under the chairmanship of Martin Stevenson of Australia to focus on mortality trends and uncertainty in both developed and developing economies.

- Will mortality levels continue to improve or will other factors such as obesity reverse the trend?
- What is the best method of predicting future mortality trends?
- Can the aggregation of data from many countries provide insight into the mortality of an individual country?

These and other issues will be explored by a team within the Mortality Working Group, led by Co-Vice Chair Henk Van Broekhoven of The Netherlands.

One ambitious project is to set up an on-line resource for actuaries and the public worldwide to access studies on mortality and longevity. Brian Ridsdale of the United Kingdom who heads up the project states, “We want to ensure that worthwhile papers on the subject of mortality and longevity are easily accessible to readers from throughout the world.”

William Horbatt, Co-Vice-Chair from the United States adds, “The vision of the Group is that whenever insights are required in respect of mortality and trends in mortality, the body of knowledge produced by the Mortality Working Group is sought for its valued and authoritative coverage.”