Minutes of IAAHS Committee Meeting and Conference Call

Held in The Hague

May 23, 2013 14:00-15:30 CEST

Prepared by: April S Choi, Secretary

APPROVED AS OF November 13, 2013

Participants:
Committee Members:
Emile Stipp Chairperson, South Africa
Cheng Hock Chi Treasurer, Singapore
April Choi Secretary, USA
Adrian Baskir Member, UK
Eduardo Lara Member, Mexico
WangWen (Richard) Liang Member, China
Ermanno Pitacco Member, Italy
Cecil Bykerk IAA Delegate to IAAHS, USA
Ulrich Stellmann IAA Delegate to IAAHS, Germany

Topic Team Leaders:
Bill Baker Critical Illness
Sheree Swanson Risk Adjustment
Lisa Morgan Micro-insurance for Health

Other invited attendees:
Heather Jerbi

Apologies: Heather McLeod, Denis Garand

1. Welcome
Emile opened the meeting by welcoming the meeting attendees.

2. Confirmation of the Agenda
Emile confirmed the agenda.

3. Approval of minutes of the last conference call – September 13th, 2012
Minutes of the last meeting were approved.

3. Membership and financial Status –Cheng Hock provided an update of on membership and financial status. Cheng Hock had sent out a report with the agenda (see attached). Membership to-date was 373 versus 523 as of December 2012 and projected 560 for December 2013. There were some problems with membership systems in Germany and possibly South Africa, resulting in a lower current membership count. Direct membership payment, which was tied to webinar participants, was low. The webinar sessions to be offered this summer could draw more direct
payment members. Membership from the US was low, and it might increase in the next two months as the SOA membership fees fall due. There was general agreement that we needed to continue to offer webinars in order to maintain/increase membership.

There was much discussion on how to generate revenue in addition to membership fees and webinar offerings (non-sponsored webinars do not generate much profit, instead it draws membership, and hence it is worthwhile offering them even if we cannot find sponsors). One possibility was to offer sponsored webcasts, as we have in the past, although we can look at even broader sponsorship, not necessarily only from those who are presenting, or advertise on our websites, similar to consulting firms and recruiting firms advertising at ICAs. **Emile would take this up at the next Leadership Forum to get input and address any potential issues. Emile would report back at the next meeting.**

There was agreement that we should include a general statement on the website that webinars would qualify for continuing education purposes.

4. **Bursary Fund**

Contribution to the bursary fund was recognized as essential so actuaries from developing countries could attend professional seminars such as International Congress of Actuaries. There was no consistent standard in terms of contribution amounts from different sections of IAA. For example, the Life Section with similar financial status as the Health Section was going to contribute $10,000, and other Sections with more financial resources had contributed more. Cheng Hock proposed setting a formula and spreading the contribution over the four years instead of having a one-time hit. A potential formula would be to base the contribution amount on the membership up to a maximum amount of $x, providing the section had at least a net asset amount of $y (say $50k CAD). For example, 10% of the membership dues each year could be set aside for the bursary fund. **Cheng Hock would follow up with IAA Finance Director and report back on the appropriate accounting method to accomplish this.**

At the meeting, there was approval to contribute CAD 10,000 to the Bursary Fund for the 2014 ICA, assuming projected 2013 membership of 560 would be achieved. Per Cheng Hock’s proposal, the contribution amount was calculated as 10% of the IAAHS membership fees received from 2010 to 2013 (i.e. CAD 9,980 = 10% x $50 x [560+523+532+381], rounded to CAD 10,000). The IAAHS would transfer this amount to the Bursary Fund at the appropriate time, to be advised by the IAA Secretariat.

5. **Sharing of Proceeds from 2012 Hong Kong Colloquium**

The joint IACA/PBSS/IAAHS colloquium in Hong Kong held in May 2012 was very successful. Although IACA was the only Section that bore the financial risk associated with the offering of the colloquium, the IACA Committee was very generous in offering to share the surplus with the
other two participating sections and ASHK, which had contributed to the success of the colloquium.

The net proceeds were CAD 50,535. At the IACA Committee meeting in Nassau November 16th, 2012, the committee agreed to share half of the proceeds with PBSS, IAAHS and ASHK, with each section receiving CAD 8,422.50. IAAHS Committee thanked the IACA Committee for their generosity.

6. 2013 Webcasts
The plan discussed was to have one webinar to be held in the summer and possibly two later in the year. Topics of webcasts and individuals who would solidify the topics and recruit sponsors/speakers for the presentations are as follows:

a) Exploring impact of IFRS Changes and Implications for Health Insurance Product Developments (products with policy term longer than one year) - Ulrich;

b) Healthcare Fraud Detection and Wellness Programs - Emile;

c) Genetic Code/Genetics and Behavioral Economics and Their Implications on Health Insurance – Lisa and Eduardo (and Daniel from Swiss Re);

d) Healthcare financial issues (e.g. budget management in China) and public/private sector partnership – Richard, Ulrich and Cheng Hock

e) LTC Research from the Working Party (UK) – Adrian and Lisa

Emile asked each of the members above to provide feedback on the possibility of offering these webcasts, and emphasized that we should aim for a webcast in July, and two more between September and November.

7. IAA Health Committee
Emile had distributed the Terms of Reference (TOR) of the Health Committee with the agenda earlier. TOR was created April 16th, 2013. The Health Committee would speak on behalf of the IAA, which is an organization of organizations (versus an organization of individuals), and would focus on health systems and policies. The focus of discussions will be with suitable supranational organizations. A meeting would be held with the World Health Organization (WHO) in Geneva in September, to explore areas of shared interest and with the aim to establish a Memorandum of Understanding. Emile asked for participation in a project team for the Health Committee, to hone a presentation to the WHO on health actuarial work. Actuaries are knowledgeable on certain health topics often neglected in health policy debates, such as anti-selection, and also have access to data and information that could better support research and advice on various actuarial health system issues. The Committee’s chair and two vice chairs would be going for approval at the Executive Committee the next day. There would be no
restriction for health section committee members to be on both the Health Committee and the Health Section Committee. Anyone who was interested to be on the Health Committee should ask their local actuarial society to nominate her or him, bearing in mind that the Health Committee would focus, at least initially, on matters that the WHO would be interested in, such as public health and health policy. Members of the Health Section Committee who are able and willing to assist with the presentation to the WHO, please let Emile know.

8. ICA 2014 Programs
Emile sent out a spreadsheet prior to the meeting, listing the six health sessions to be offered during the three days conference based on the submitted papers/presentations. Emile asked the Topic Team leaders to help with adding parallel sessions to be offered concurrently with the six sessions consisting of submitted papers. He requested the Topic Team leaders to confirm they would be willing to find up to 3 speakers for a 1.5 hour session for each of the following Topic Teams and sessions:

1. Income Protection – Dan Skwire
2. Critical Illness – Bill Baker
3. Traditional, Complementary and Alternative Medicine – Heather McLeod
5. Risk Adjustment – Sheree Swanson

The other Topic Team leaders would be involved in evaluating papers that were submitted for their sessions on their Topic; but if they have additional speakers to recommend, we should also try to incorporate these in the programme. Emile asked Topic Team leaders to look at the spreadsheet and to provide feedback to him as soon as possible, so he could incorporate the feedback into the ICA programme.

9. Next Meeting
The next meeting may be held in September 2013, to be confirmed by Emile and April.
POST-MEETING NOTE:

ACCOUNTING for the PROVISION for FUTURE BURSARY CONTRIBUTIONS

After discussing with Ed Lycett, IAA Finance Director, I proposed that the IAAHS allocates 10% of the membership fees received each year be allocated to a Provision for Bursary Fund Contribution 20XX, subject to the IAAHS retaining net assets unallocated to this or any other provisions of CAD 50,000.

The allocation will be made by creating, or increasing, this Provision as a liability on the balance sheet at close of each financial year, and not through the revenue account for that year. As such, the allocation will not provide any tax relief. Upon payment of the contribution to the Bursary Fund, this liability will be extinguished.

While the IAAHS is not restricted in its use of the assets supporting this Provision (unlike assets supporting actual liabilities), the Provision will be a reminder of the Section’s commitment to the Bursary Fund, and the IAAHS may budget allowing for this commitment.

Emile and April agreed to my proposal, which will be adopted from 2013 onwards. As the proposal relates to the accounting of the Provision and not the IAAHS commitment to the Bursary Fund, which was agreed at the meeting on 22 May 2013, it will not require the full IAAHS Committee’s approval.

For 2013, I will allocate CAD 10,000 to the Provision for Bursary Fund Contribution 2014, unless the IAAHS makes this contribution before the close of the financial year.

Chi Cheng Hock

18 Jun 2013