



All IACA Members

21 April 2006

Your Ref:  
Our Ref: 0207aws2.1/«Client\_Code»

Dear IACA Member

### **April 2006 Newsletter**

I am delighted to write to you on various up and coming IACA issues:

#### **1. International Congress of Actuaries - Paris 2006**

The next biennial conference of the International Association of Consulting Actuaries (IACA) is being held in conjunction with the 28th International Congress of Actuaries at the Palais des Congrès in Paris on Thursday 1 June and Friday 2 June 2006. I have written to you separately with more details of the conference for which you may register via [www.ica2006.com](http://www.ica2006.com).

The IACA program will consider:

- The role of the consultant
- The realities and duties of 21st Century insurance consulting actuaries
- The funding principles for pension funds
- The insurance programme in developing countries
- Demographic changes and their impact on pension schemes
- The government acting as insurer of last resort
- The changing scenario for pensions in M&A and
- Security in pension provision around the world.

#### **2. IACA Lifetime Achievement Award - The Max Lander Award**

IACA has decided to inaugurate a "Consulting Actuary Lifetime Achievement Award", and to name it in honour of the late Max Lander who was a founding member of IACA and a former IACA chairman. The Max Lander Award will be given to members of the actuarial profession who have contributed to the

public awareness of the work of the actuarial profession and the promotion of the business of consulting actuaries.

IACA would like to present the first Max Lander Award at the Paris meeting. IACA members are invited to consider suitable nominations and to submit them to IACA past chairman Brent Walker at [brentw@bigpond.net.au](mailto:brentw@bigpond.net.au) before April 30, 2006.

### **3. Annual General Meeting - Friday 2 June 2006**

We will hold our next AGM on Friday June 2 in Paris. Notice of the AGM is attached. You will see that this includes a proposed change in the Rules regarding the official languages of the IACA section of the International Actuarial Association. Draft Rules of the IACA section of the IAA including this change are also attached.

### **4. Expenses for IACA officers**

After reviewing the policies of other actuarial organizations' regarding the reimbursement of travel expenses for officers, the IACA Committee is proposing that, subject to the approval of the members attending the AGM, IACA should reimburse any travel expenses, up to predetermined amounts, if and when claimed by certain officers starting 1 June 2006. The allowances proposed are as follows:

- The Chairman's out-of-pocket expenses for attending the IAA meetings a year;
- The Chairman's out-of-pocket expenses for attending one other actuarial meeting a year subject to the agreement of the IACA Committee that attending such a meeting promotes IACA's interests; and
- The Vice-Chairman's out-of-pocket expenses to attend one IAA meeting a year.

The Chairman's annual reimbursement will be limited to the lesser of \$7,500 US or 10% of the total expenses excluding the IACA biennial meeting. The Vice-Chairman's expenses will be limited to \$2,500 US.

This policy change is included as part of the agenda for the Annual General Meeting.

### **5. Professionalism Articles**

As part of our program to add value to our members, the IACA Committee has decided that from time to time we will draw to members' attention any research activities and/or publications that may be of interest to IACA members.

With this in mind I enclose an attachment which provides links to some recent articles on the subjects of Insurance Companies and Sarbanes Oxley, Operating Agreements, LLC status, Agreements with Peers, Project Teams and Client Agreements.

We would be interested in your feedback on the usefulness of providing these links.

That's all for the time being. We look forward to seeing as many of you as possible in Paris.

Kind regards.

Yours sincerely

**ADRIAN WADDINGHAM**  
**Chairman of the International Association of Consulting Actuaries**

Attachment:    The Max Lander Award  
                  Notice of the Annual General Meeting  
                  Proposed amended Rules of the IACA section of the IAA  
                  Links to Professionalism Articles

## **IACA Lifetime Achievement Award**

### **The Max Lander Award**

IACA has decided to inaugurate a “Consulting Actuary Lifetime Achievement Award”, and to name it in honour of the late Max Lander who was a founding member of IACA and a former IACA chairman.

**The Max Lander Award will be given to members of the actuarial profession who have contributed to the public awareness of the work of the actuarial profession and the promotion of the business of consulting actuaries.**

The intent of this award is to help bring the consulting actuarial profession into the public domain and to encourage the successful development of consulting actuarial practices.

#### **Administration of the Award**

1. IACA will be responsible for establishing the IACA Max Lander Consulting Actuary Lifetime Achievement Award Committee (Award Committee).
2. The Committee will consist of the immediate past chairman of IACA (who will serve as Chair) and three other members of the IACA Committee.
3. The Award Committee will decide who will receive the Award after receiving input from the members of IACA, other actuarial organizations, the profession and the public.
4. The recipient of the Award will be recognized for a lifetime of his or her activities as a consulting actuary and other contributions to the business of consulting actuaries.
5. Any actuary who is a member of an association belonging to the International Actuarial Association (IAA) is eligible for the Award.
6. The recipient of the Award will receive a plaque and a monetary award which will be donated in honor of the recipient to an actuarial-related organization of his or her choosing that promotes the development of the actuarial profession. The initial amount of the monetary award will be C\$1,000. Future amounts will be subject to the deliberation of the IACA Committee and may be increased or decreased from time to time.
7. The Committee will consider granting the Award on an annual basis, but there will be no requirement that the Award be granted annually.

**IACA would like to present the first Max Lander Award at the IACA meetings in Paris on 1<sup>st</sup> and 2<sup>nd</sup> June 2006 (part of the 2006 International Congress of Actuaries which is in Paris from 28<sup>th</sup> May to 2<sup>nd</sup> June 2006). We would like all IACA members to consider suitable nominations and submit them to IACA past chairman Brent Walker on [brentw@bigpond.net.au](mailto:brentw@bigpond.net.au) before 30<sup>th</sup> April 2006**

# **International Association of Consulting Actuaries Section of the International Actuarial Association**

## **Annual General Meeting**

**Palais des Congrès, Paris. June 2, 2006 8.30 a.m.**

1. Call to order
2. Chairman's report
3. Secretary/Treasurer's report
4. Amendment to Section Rules:
  - Amend Article 17 Languages to read as follows:
    - “The official languages of the IACA Section are those of the IAA.”
5. Reimbursement of travel expenses of officers.
6. Section membership fees and Honorary Members
7. Appointment of Auditors
8. Election of Officers
9. The Max Lander Award
10. Other Business
11. Adjournment.

**RULES OF THE INTERNATIONAL ASSOCIATION OF CONSULTING ACTUARIES (IACA) SECTION OF THE INTERNATIONAL ACTUARIAL ASSOCIATION (IAA)**

**ORIGIN**

**Article 1**

The International Association of Consulting Actuaries Section (hereinafter IACA) operates in accordance with the regulations of IAA. Consequently, its rules, as well as any amendment thereof, become operative only after approval by the Council of IAA.

**OBJECTIVES**

**Article 2**

a) The IACA Section has as its objectives:

i) To facilitate the exchange of views and information on an international basis between consulting actuaries on matters affecting their professional responsibilities and business interests.

ii) To encourage and assist in the development of consulting actuarial businesses in locations where there is an identifiable need for actuarial skills.

b) To this end, the Section organizes Seminars, Colloquia, online exchanges, other meetings, and may publish works on these subjects.

c) The IACA Section may engage in other activities that promote the use and activities of consulting actuaries within and outside the profession, support formal IAA activities with a consulting content and interact with national or regional organizations of consulting actuaries.

d) Section activities will take into consideration the principle of subsidiarity as per Article 8 of the IAA Statutes

e) The relevant information regarding the activities of the IACA Section and other material of interest to actuaries are posted on the IAA web site

**DURATION**

**Article 3**

The duration of IACA is unlimited.

**MEMBERSHIP ADMISSION AND WITHDRAWAL**

**Article 4**

IACA has ordinary members and associate members.

**Article 5**

The class of ordinary members is solely composed of fully qualified actuary members of IAA who have requested membership of IACA.

The class of associate members is comprised of persons not eligible to become ordinary members who are anxious to follow IACA's activities and to participate in its Colloquia.

Applications for membership of associate members must be submitted by at least two ordinary members to the IACA Committee who draws up the list each year. This list is conveyed to the Council of IAA who may ask the IACA committee to suspend those associate members whose presence appears to it to be no longer justified.

**Article 6**

Membership in either category terminates:

a) By written resignation

- b) In case of serious breach of the Rules
- c) By failure to pay any required membership fees
- d) By a properly moved Resolution of the General Meeting.

### **THE IACA SECTION COMMITTEE**

#### **Article 7**

The IACA Section is managed by a Committee composed of a maximum of 18 members.

#### **Article 8**

- a) The Council of the IAA appoints two Committee Members.
- b) Up to sixteen other Committee Members are elected by a General Meeting of the IACA Section Members. No more than two Committee Members may be elected from any one country.
- c) Without prejudice to Article 7(b), the General Meeting of IACA members should endeavor to provide for a balanced geographical distribution of Committee Members. In addition it should promote diversification among the various actuarial disciplines of practicing consultants, and also by age, experience and the size of the business organization to which the member belongs. In this case “business organization” will be interpreted as including academia. In particular members retired from active consulting are eligible to serve as Committee members and Officers.

#### **Article 9**

- a) With the exception of those appointed by the Council of the IAA, IACA Section Committee Members are normally elected during a General Meeting for a term of six years, but may be elected as an officer beyond that period. No Committee member shall be eligible for re-election until the expiration of a further two years.
- b) In the event of a casual vacancy of a Committee member arising on death, resignation or termination of Membership, the Committee shall have power to co-opt a further member to the Committee to fill the vacancy for the same period as his predecessor would have served.
- c) The Committee shall have power to co-opt members in special circumstances.
- d) The IACA Section Committee will propose candidates at the time of each election. At the General Meeting, any Member has the right to nominate other candidates.

#### **Article 10**

- a) Committee meetings will be at the call of the Chairperson and will be held on a schedule and subject to such conditions as the Committee may determine from time to time.
- b) The Committee may only take a valid decision during an ordinary or extraordinary meeting provided that half of its members are present. The decision is then taken as a simple majority of those present.
- c) A valid decision may also be taken by mail if every member is polled and a majority is attained. The Secretary is responsible for collecting and counting the votes.

#### **Article 11**

- a) There will be five(5) Officers of IACA who will be elected by the Committee, namely the Chairperson, the Past-Chairperson, the Vice-Chairperson the Executive Director and the Secretary/Treasurer. The Chairperson, the Past-Chairperson and the Vice-Chairperson shall each hold office for two years, but in exceptional circumstances shall be eligible for re-election for not more than one further period of two years. The Executive Director and the Secretary/Treasurer shall hold office for four years provided that either term of office may be extended by the Committee.

- b) To carry out the objectives of IACA the Committee may establish, either on a temporary or permanent basis, Function sub-committees and shall define their tasks and composition. Chairpersons for these Function sub-committees will be elected by the IACA Committee from among its members.
- c) In addition to the Officers and the Chairpersons of the Function sub-committees, the Committee shall include up to five(5) Members of IACA representing currently active national organizations of consulting actuaries.
- d) An Officer may not serve concurrently as a Function Chair. However an Officer or Function Chair may serve concurrently as a representative of a national organization.
- e) The Chairperson of the IACA Committee will report on the activities of the IACA Committee and the Function sub-committees then active to the members at each General Meeting.

## **Article 12**

- a) The Committee bears a general responsibility for the operations of the IACA Section, the expenditure of funds on behalf of the Section, the IACA Section Seminars, Colloquia and other activities.
- b) Seminars and Colloquia for Members to discuss professional and business issues may be arranged by the Committee at such times and places as they may think fit and at least six months' notice of such meetings shall be given to all Members.
- c) No Seminar or Colloquium shall be organized to fall within ten months of an IAA Congress, unless such seminar or colloquium is part of the Congress activities. Activities are intended to be financed by fees from the participants, as well as by subsidies and donations.

## **GENERAL MEETINGS OF THE IACA SECTION**

## **Article 13**

General Meetings are held in conjunction with an IAA Congress or an IACA Section Seminar or Colloquium. An Extraordinary General meeting may be held by decision of the Committee, or at the request of at least 25 Members, provided a 60-day notice of the agenda is given to all Members by the Secretary. Both classes of members may vote except for elections to the Committee where only ordinary members may vote. Furthermore, the associate members, attending a General Meeting held during an IAA Congress, do not thereby gain right of admission to that Congress, unless they have been called upon to submit a report or give a lecture on one of the themes proposed to Congress. In that case, the report must have been accepted by the Scientific Committee beforehand.

## **Article 14**

- a) General or Extraordinary Meetings are presided over by the Chairperson of the IACA Section Committee, in his or her absence by the Vice-Chairperson, otherwise by the most senior Committee Member.
- b) For the election of the Committee Members, the General Meeting is presided over by one of the Committee Members appointed by the IAA.

## **Article 15**

The tasks of the General Meeting are:

- a) To carry out the statutory elections
- b) To approve the Secretary's report and the Treasurer's report
- c) To set the membership fees

- d) To appoint internal auditors
- e) To conduct any other business on the General Meeting agenda

#### **Article 16**

With the exception of the matters relating to articles 20 and 21, resolutions adopted at a Meeting are decided by a simple majority of the votes of Members with absent Members having the facility to vote electronically.

#### **LANGUAGES**

##### **Article 17**

The official languages of the IACA Section are those of the IAA.

#### **FINANCIAL MATTERS AND ADMINISTRATION OF FUNDS**

##### **Article 18**

- a) The Treasurer is responsible for the financial matters of the IACA Section. Each year, the Treasurer must submit a report to the Section Committee and, if it meets, to the General Meeting. The report must account for all financial transactions and the administration of funds.
- b) The Secretariat of the IAA assists the Treasurer with the keeping of the records and the management of the assets in compliance with the IAA Investment Guidelines.
- c) The auditors appointed by the IAA Council are responsible for the examination of the financial statements and submit their findings to the IACA Section Committee, the General Meeting, and the IAA Audit Committee.
- d) The Section reports annually to the IAA Council on its activities and financial position.
- e) Each Function sub-committee will be required to submit an annual budget for its activities and to report performance against that budget to the IACA Section Committee

##### **Article 19**

The IAA Secretariat collects the membership fees of Ordinary and Donation members of the IACA Section at the same time as the membership fees for IAA.

#### **AMENDMENTS TO THE RULES**

##### **Article 20**

- a) Rules may be amended by decision of the General Meeting subject to confirmation by the Management Council of the IAA.
- b) Any draft amendment to the Rules must be forwarded by the Member who proposes such changes to all members of IACA at least two months prior to the date at which the General Meeting will have to decide.

#### **DISSOLUTION OF IACA**

##### **Article 21**

- a) IACA can only be dissolved by a vote of the General Meeting, with absent ordinary members having the facility to vote by mail. The decision is only valid if more than 80% of those voting are in favor of the dissolution.

b) In case of dissolution, all remaining assets must be transferred to one or several organizations having similar objectives to those defined in Article 2, in compliance with the directions given by the General Meeting and after approval by the Management Council of the IAA.

## Professionalism Articles

We have enclosed a number of links below to articles which we believe will be of interest to members. IACA cannot take responsibility for the accuracy or otherwise of any of the attached links.

Clearly local rules will apply but in our view these are good professionalism articles to read no matter in which country one is located.

## Insurance Companies and Sarbanes Oxley

The National Association of Insurance Commissioner's Sarbanes-Oxley Title IV proposal will require most insurance companies to review, improve and document their internal controls over all aspects of their business that impact financial reporting.

This proposal has sufficient momentum that insurers should begin preparing for its adoption now. Actuaries generally, and consulting actuaries in particular, have an opportunity to take an early and leading role in evaluating, improving and documenting internal control processes that relate to the development of actuarial data that impact reserves and other financial variables.

See the attached article for more information.



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## Operating Agreements, LLC status, Agreements with peers, Project teams and Client agreements

Attached are links to recent articles on the above subjects. The articles are provided with thanks to Mr David S.Rintoul of Brown, Paindiris & Scott who has given permission to us to distribute the various links.

- You've Got the LLC. Do You Need an Operating Agreement?  
<http://www.bpslawyers.com/index.cfm/hurl/SectionID=9/ArticleID=24>
- Part-Time Consulting: Do You Need an LLC?  
<http://www.bpslawyers.com/index.cfm/hurl/SectionID=9/ArticleID=23>
- The Virtual Firm: Agreements with Peers  
<http://www.bpslawyers.com/index.cfm/hurl/SectionID=9/ArticleID=22>
- Using Contractors To Create a Project Team: Legal Issues to Watch  
<http://www.bpslawyers.com/index.cfm/hurl/SectionID=9/ArticleID=21>
- Legal Issues with Client Agreements for the Independent Consultant  
<http://www.bpslawyers.com/index.cfm/hurl/SectionID=9/ArticleID=20>