ABOUT THE IAA

Who We Are
The International Actuarial Association (IAA) is the worldwide association of professional actuarial associations, representing approximately 65,000 actuaries in more than 110 countries, with seven special interest Sections for individual actuaries. The IAA was founded in 1895 and exists to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served.

Our vision as actuaries is to be the foremost profession in the management of complex problems and their associated risks and opportunities.

Actuaries apply unique skills and a professional approach to solving complex problems, advising on future risks, opportunities and options, across diverse fields and industries.

Vision Statement
The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.

Mission Statement
The mission of the IAA, as the worldwide organization of actuarial associations, is:

- to represent the actuarial profession and promote its role, reputation and recognition in the international domain; and
- to promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.

Values Statement
The IAA adheres to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public.
SUPRANATIONALS
Identify, establish, promote and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.

KNOWLEDGE
Facilitate the coordination, use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.

STANDARDS
Establish, maintain and promote common standards of actuarial education and common principles of professional conduct. Promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards.

DEVELOPMENT
Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.

DIALOGUE
Provide a forum for discussion among actuaries and actuarial associations throughout the world.

RECOGNITION
Improve recognition of the actuarial profession among external audiences, including employers, other professionals, academics, business at large, policy makers, regulators, students, and the public.
MESSAGE FROM THE PRESIDENT

The year 2016 was an interesting one around the globe, not least with respect to a number of more or less unexpected events that can have implications for 2017 and beyond. However, we as actuaries are trained to expect the unexpected, and so we should be well equipped to adjust.

For the actuarial profession itself there might have been fewer unexpected events in the past 12 months, but just the same we have seen a lot of forward momentum, with an increased tendency for global institutions to have more and more impact on developments. In particular, we are finally seeing the reality of new global accounting standards, and also a move toward global standards for capital requirements for insurance entities.

These and other movements have motivated increased efforts in developing our relationships with key stakeholders and a focus on making our voice heard on important issues influencing the profession’s future. During 2016 we put much emphasis on our ongoing discussions with the International Association of Insurance Supervisors (IAIS) and International Accounting Standards Board (IASB), while seeking to further interact with them and our other Partners—the International Organisation of Pension Supervisors (IOPS), International Social Security Association (ISSA) and Organisation for Economic Co-operation and Development (OECD)—and other important bodies.

As globalization takes root, there comes a renewed focus on the quality of actuarial work. As a profession we enjoy a high reputation for our integrity and the quality of what we produce. However, such a reputation is hard to earn and easy to lose, so it is important that we create a framework where we can be seen to live up to our stakeholders’ expectations.

An important part of that work is the development of model standards (international standards of actuarial practice, or ISAPs), which can be used to help member associations create consistent and quality standards for actuarial work. ISAP 3, which covers work relating to International Accounting Standard 19 (IAS 19), was rolled out during the year, and in our second meeting of the year we approved two ISAPs covering actuarial work in modelling.

Quality is also a function of the underlying education of actuaries, and a new syllabus, where we have shifted the emphasis of actuarial education toward the requirements of the modern world, has been developed. We are now considering how that syllabus can be rolled out in the most effective way among member associations.

MALCOLM CAMPBELL
The development of the profession’s intellectual capital does not stop at the attainment of a formal qualification, so we have forums to disseminate information on the continuing development in actuarial work. We do this by means of seminars/webinars, colloquia and congresses and provide access to work on current actuarial thinking.

We have also set up two new working groups: one looking at the area of banking and the other at big data. The former will consider how we can further increase the value of actuaries in this business sector, and the latter will discuss how we can contribute to this exciting new area of analysis.

The IAA’s history is very much embedded in scientific co-operation across the globe, and the work of the IAA’s Sections is of great importance in ensuring that the profession develops. We are continually discussing how we can galvanize that work, and several development strands have been initiated during the year. It will be important for the IAA to continue developing the Sections, and to seek ways in which to further progress actuarial science and help individual actuaries advance their own intellectual capital.

The actuarial profession is growing, with increasing numbers of members in our existing member associations and the development of actuarial associations in new jurisdictions. In 2016 it was a pleasure to welcome the Macedonian Actuarial Association and Actuarial Society of Turkey as Full Members, and the Association of Professional Actuaries (Russia) as an Associate Member. The IAA continues in its efforts to help associations in developing environments thrive, as these will form an important base for the profession’s growth as a whole.

We are also heavily involved in the development of so-called inclusive insurance in developing countries, through the construction of actuarial tools suitable for these environments and the analysis of how such markets can be promoted and supervised in a controlled manner without adding unnecessary burdens to the process.

In one sense, the IAA has come to the end of an era. The former Executive Director, Nicole Séguin, who was with the IAA from its inception in its current form, has retired. We wish Nicole all the best and thank her for her important contributions, and we welcome Mathieu Langelier as her successor.

Of course, all of the IAA’s work would not be possible without the dedication of its 800-plus volunteers, and I thank all of them for devoting time and effort to the organization.

Finally, on a personal note I would like to say what a pleasure it has been to work with our volunteers, meet with members around the globe and interact with our Partners and other stakeholders. There is so much positive energy out there, which will surely stimulate progress far into the future.

M. Campbell
LEADERSHIP

MALCOLM CAMPBELL
President

THOMAS TERRY
President-Elect

FREDERICK ROWLEY
Immediate Past-President and Treasurer

2016 EXECUTIVE COMMITTEE

Jane Curtis
S. Michael McLaughlin
Micheline Dionne
Tomio Murata
Peter Doyle
Francis Ruygt
Tarmo Koll
David Sandberg
Committee Chairpersons

Accreditation: Kenneth Hohman
Actuarial Standards: Alfred Gohdes
Advice and Assistance: Tarmo Koll
Audit and Finance: Cecil Bykerk
Education: Klaus Mattar
Enterprise and Financial Risk: Réjean Besner
Health: Emile Stipp
General Insurance: Robert Conger
Insurance Accounting: William Hines
Insurance Regulation: David Sandberg
Nominations: Frederick Rowley
Pensions & Employee Benefits: Yasuyuki Fuji
Professionalism: David Martin
Scientific: Thomas Béhar
Social Security: Barbara D’Ambrogi-Ola

In Memoriam

Jim Doherty (Canada), member of the Education and Practice Subcommittee of the Insurance Accounting Committee and active participant in other IAA committees.

Giovanna Ferrara (Italy), member of the Advice and Assistance (A&A) and Social Security committees, and Past Chair of the Africa Subcommittee. Giovanna was also a member of the ASTIN, PBSS and IAAHS Sections.

Medalists of the IAA

Hans Bühlmann (2001)
Max Lacroix (2001)†
W. Paul McCrossan (2008)
Yves Guérard (2010)
Christopher Daykin (2014)
The IAA endeavours to represent and promote the actuarial profession at the global level, and provide key supranational audiences with actuarial input to improve the soundness of decisions being made on important issues with a global impact.

One important way in which it achieves this is through its participation with other supranational and international bodies that pursue common goals. Five supranational institutions involved in this endeavour are the IAA’s Partners: the IAIS, IASB, ISSA, IOPS and OECD; the IAA has engaged in a memorandum of understanding (MoU) with each of the latter four organizations.

The IAA participated in the following activities in support of action plans developed in accordance with the tenets of Strategic Objective 1 (SO1), namely to bring key relationship bodies into contact with the relevant actuarial groups, build and maintain key relationships and provide actuarial input on matters of importance to relevant supranational organizations.

### Financial Stability Board

- Attended a meeting of the board’s task force on exploring risks and opportunities on the way to a low-carbon economy. Two panel discussions took place on transition risk and the development and use of scenario analysis. There may be an opportunity for the IAA to provide input on these and related topics.

### Geneva Association

- Discussed the release of the Global Climate Change Index, the IAA Risk Book project, and other possible collaborations.

### International Auditing and Assurance Standards Board

- Participated in the IAASB’s Consultative Advisory Group meetings. Agendas covered assessing risk audits, special audit considerations relevant to financial institutions, enhancing audit quality, data analytics in performance of an audit, and integrated reporting. IAA input was provided on projects undertaken by the IAASB, such as work on the auditing of accounting estimates. The IAA’s IAC continues to monitor the IAASB project on audit issues relevant to financial institutions, given that many of those raised regarding the audit of financial institutions are also issues in the audit of insurance reserves.
International Financial Reporting Standards/IASB

- The IAA endorsed the reappointment of Micheline Dionne as its official representative to the IFRS Advisory Council. Topics discussed at IASB-IFRS Advisory Council meetings included the IFRS strategic goals and success metrics, the review of their structure and effectiveness and the IASB draft work plan for 2017–2021. Also discussed were the changing role of technology, and approaches to disclosing climate-related risks; IFRS projects on insurance contracts, the conceptual framework, discount rates and pension plan research; and feedback received on the IFRS agenda consultation.

- Submitted an informal response for the IASB exposure draft on applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. Comments were provided on discount rates, and preliminary discussions were held on post-employment benefits regarding the need for revised pensions standards to cover target benefit plans. A copy of the risk adjustment monograph was also submitted to the IASB for comments.

IAIS

- Talks took place on the relationship between our two organizations; joint projects, including the IAA’s input to the IAIS project for the development of international capital standards (ICS); refreshing Core Syllabus modules for regulator capacity development, proportionate regulation and actuarial services; IAA model ISAPs; and the key themes to be included in the exposure draft for ICS Version 1.0.

- Discussed the IAA’s Strategic Objectives, particularly the development of model standards and the maintenance of key supranational relationships; an update on the IAA Risk Book work; the IAA model standard due process; topics to be addressed by ISAP 4 and target dates; topics to be covered by related international actuarial notes (IANs); and monographs, including the risk adjustment text. Outcomes of the meeting included agreeing to provide the IAIS and its Accounting and Auditing Working Group with a copy of the ISAP 4 exposure draft for comments, and to share IANs in due course.

- Participated in a joint panel discussion on actuarial capacity in microinsurance and the implications for regulation. Feedback supported the work being done by the working group with the IAIS on actuarial services in inclusive insurance markets.

### INTERNATIONAL CO-OPERATION

#### ISSA/International Labour Organization

- A joint workshop on pensions, involving Eurostat and the ILO, OECD and International Monetary Fund, discussed accounting approaches for social security systems, reporting net valuation values for such systems and public-sector pension plans.
- Topics at a joint forum on social security, pensions and labour policy issues, which featured the IAA, ILO, ISSA and AAE, included employment injury insurance in global supply chains, the sustainability and adequacy of pension systems, the establishment of guidelines on actuarial work for social security, the IAA paper on long-term care, the consultation paper on the recognition and measurement of social benefits from the International Public Sector Accounting Standards Board (IPSASB), and the European System of National and Regional Accounts (ESA 2010). The IAA was invited to provide input into various projects.
- Discussed microinsurance and a pricing tool.
- Attended the ILO’s Impact Insurance Forum and the 12th International Microinsurance Conference.

#### IOPS

- Participated in IOPS meetings that included discussion on possible supervisory needs for an ISAP addressing pension supervision.
- Renewed the MoU.
- Released a [joint paper](#) on the role of actuarial calculations and reviews in pension supervision, and a [background paper](#).

#### IPSASB

- Discussions included the IPSASB Conceptual Framework. A key part of the talks involved the issue of accounting for social security benefits.
- Responded to the IPSASB consultation paper on the recognition and measurement of social benefits.

#### OECD

- Participated in meetings of the Working Party on Private Pensions and the Insurance and Private Pensions Committee, including talks on establishing an actuarial profession in some developing countries and co-operation on a funding monograph and risk management in annuities.
- Participated in, and presented at, a joint round-table involving the OECD and Asian Development Bank Institute on insurance and retirement savings.
- Responded to the OECD consultation on a draft recommendation on disaster risk financing strategies.
## INTERNATIONAL CO-OPERATION

<table>
<thead>
<tr>
<th>United Nations</th>
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<tr>
<td>• Attended the 70th anniversary celebrations of the UN Economic and Social Council.</td>
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<th>UN Environment Programme Finance Initiative</th>
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<td>• Participated in the conference on sustainable development. Topics included the role of the insurance industry in climate change, sustainable insurance and investment issues, managing risk, the role of insurers in meeting the 2015 UN Climate Change Conference (COP 21) objective, and working with international organizations. The event is likely to result in increasing collaboration and exchange between the IAA and the UNEP.</td>
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<th>Warsaw International Mechanism for Loss and Damage</th>
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| • Attended the Executive Committee’s third meeting. Presentations and discussions covered typologies of loss and damage, overall risk assessment, ocean acidification, non-economic losses covering human mobility, territory, indigenous knowledge and cultural heritage. The IAA is considering the development of a paper on vulnerable populations—possibly a joint project between the Microinsurance and Resource and Environment working groups—and risk management tools that should be used in anticipation of climate change. A small working party is being formed with the Microinsurance Working Group to draft a paper on uses and limitations of insurance in this context.  
  • **Responded** to the International Mechanism’s call for submissions on best practices, challenges and lessons learned from existing financial instruments at all levels that address the risk of loss and damage associated with the adverse effects of climate change. |

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<th>World Bank</th>
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<td>• Discussed the progress being made by the task force and groups working on the review of the IAIS Core Curriculum training modules.</td>
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<th>World Health Organization</th>
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<td>• Presentations and discussions on actuaries’ roles in different types of healthcare systems worldwide, cost drivers and inflation, epidemic modelling and the burden of disease, personalized medicine, further co-operation and other issues. The meeting resulted in action items that could lead to a pooling of resources on key health issues.</td>
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Actuarial Association of Europe (AAE)

The IAA enjoys a close working relationship with the AAE. At the AAE meetings in Cyprus, a presentation on the IAA’s strategy and areas of possible co-operation with the AAE. Discussions are continuing on a possible MoU with the AAE.

In addition to the above external relations initiatives, the Officers or an appointed IAA representative gave presentations on the IAA’s work at the following events:

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<th>Americas</th>
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<tr>
<td>• Sixth Actuarial Regional Seminar in Santiago, Chile</td>
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<td>• Joint IACA, IAAHS, PBSS and International Pension and Employee Benefits Lawyers Association (IPEBLA) Colloquium and Annual Meeting of the Canadian Institute of Actuaries (CIA) in St. John’s, Canada</td>
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<td>• Annual Meeting of the Conference of Consulting Actuaries in Las Vegas, U.S.</td>
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<tr>
<td>• Annual Meeting and Exhibit of the Society of Actuaries in Las Vegas, U.S.</td>
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<td>• Annual Meeting of the American Academy of Actuaries in Washington DC, U.S.</td>
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<td>• Hartford Actuarial Club in Hartford, U.S.</td>
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<td>• Annual Conference of the Caribbean Actuarial Association in Paramaribo, Suriname</td>
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<th>Asia-Pacific</th>
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<td>• 18th Global Congress of Actuaries in Mumbai, India</td>
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<td>• Life Section Colloquium in Hong Kong</td>
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<td>• 70th anniversary celebration and seminar of the Israel Association of Actuaries in Tel Aviv, Israel</td>
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<td>• 12th Asia Conference on Pensions and Retirement Planning in Singapore</td>
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<td>• Annual Conference of the China Association of Actuaries in Shanghai, China</td>
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<td>• 20th Asian Actuarial Conference in Gurgaon, India</td>
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<tr>
<td>• Annual General Meeting of the Institute of Actuaries of Japan in Tokyo, Japan</td>
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**Europe**

- Spring meetings of the AAE in Nicosia, Cyprus
- 20th anniversary of the Hrvatsko Aktuarsko Drustvo (Croatian Actuarial Association) in Zagreb, Croatia
- 2nd European Congress of Actuaries in Brussels, Belgium
- Deutsche Aktuarvereinigung (German Association of Actuaries) Annual Meeting in Bremen, Germany
- Joint AFIR-ERM Section Colloquium and Institute and Faculty of Actuaries (IFoA) Risk, Investment, Pensions Conference in Edinburgh, Scotland
- ASTIN Section Colloquium in Lisbon, Portugal
- 11th Actuarial Italian Congress in Bologna, Italy
- Committee meetings and General Assembly of the AAE in Barcelona, Spain

**Africa**

- Meetings of the Association pour la Promotion des Sciences Actuarielles/École Supérieure d’Actuarieat (Association for the Promotion of Actuarial Science/Actuarial Science School) in Benin and National Insurance Commission in Lagos, Nigeria
- Seminar on IAA Actuarial Developments for Practitioners and Students in Cotonou, Benin
- 4th Africa Congress of Actuaries and the Actuarial Society of South Africa’s Convention in Cape Town, South Africa

**Places We’ve Been**

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International Actuarial Association
IAA Risk Book

In 2015, the IRC unveiled the first seven chapters of the IAA Risk Book, which focused on actuarial function, professional standards, operational risk, catastrophe risk, non-proportional reinsurance and intragroup reinsurance.

During 2016 the IRC released eight chapters on addressing the consequences of insurance groups, distribution risk, the Own Risk and Solvency Assessment, resolution of insolencies, asset liability management, financial statements, governance of models and materiality and proportionality.

This project provides a professional, centralized way to converse about, and build on, the tools and processes needed for effective governance, management and regulation of insurance operations. Five more chapters are under development.

Actuarial Aspects of ERM for Insurance Companies

The purpose of this paper is to provide assistance to actuaries or other practitioners in relation to enterprise risk management (ERM) and help to achieve greater consistency in relation to knowledge and awareness of various topics.

The paper is wide ranging and deals with the possible components of an ERM system. Its purpose is not to describe any individual element of ERM in detail but to assist in understanding the various elements of ERM and the various areas for consideration. Therefore, the paper is more likely to be of relevance to practitioners who are assisting in the development of an ERM system or where such a system is at a relatively early stage of maturity.

It is designed to complement previous IAA papers on risk management and is part of the organization’s contribution to risk management knowledge.
Determination of Retirement and Eligibility Ages: Actuarial, Social and Economic Impacts

This paper examines the actuarial, social and economic impacts of raising the eligibility age for retirement benefits, and describes several countries’ experiences in doing so. It discusses the resulting effects on individuals (both healthy and unhealthy), socio-economic subgroups, employer-sponsored plans, social security programs and the labour market.

There is considerable variation in eligibility ages for social security and private-sector retirement benefits around the world, as well as different approaches to provide incentives (or disincentives) for early or late retirement. Factors that underlie decisions regarding these ages and alternative approaches include the sustainability and affordability of these programs, the adequacy and equity of benefits, and economic and political policies.

Increases in longevity and decreases in fertility have led to the aging of populations and increases in the old-age dependency ratio in many countries. Meanwhile, many investment markets have achieved disappointing returns in the current low-interest-rate environments. These factors are putting financial pressure on social security programs, government budgets and employer-sponsored pension plans. One way to reduce such pressure is to increase the eligibility age for retirement.

Health Microinsurance Instructional Pricing Tool

While the global demand for health microinsurance remains high, practitioners in the field face a number of challenges. In addition to a general lack of available data, there are very few microinsurance educational tools available to actuaries and healthcare practitioners. An important part of actuarial education is pricing methodology guidance and instructional pricing materials.

The IAA was the beneficiary of a pro bono collaboration with the MicroAssist group at Milliman to develop a health microinsurance instructional pricing tool for the microinsurance industry. This model illustrates key actuarial principles common to health scheme pricing and describes a number of important items to consider when using available data and applying adjustments in health scheme pricing. The concepts and mathematical principles used are examples of functional concepts related to health microinsurance and health insurance pricing and provide a valuable framework for actuaries, health professionals and microinsurance practitioners as they develop and operate health microinsurance schemes.

As part of a data research project, actuaries from the University of the Witwatersrand in South Africa also provided input assumptions for the model.
COLLABORATION AND STANDARDS

COLLABORATION

The IAA submitted written comments on the:

- IAIS consultation on Version 1.0 of a risk-based global ICS (Part 1 submission – update submitted on October 31, 2016) (Part 2 submission)
- OECD consultation on a draft recommendation on disaster risk financing strategies
- Warsaw International Mechanism for Loss and Damage call for submissions regarding financial instruments that address the risk of loss and damage associated with climate change
- IASB exposure draft on applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- IPSASB consultation paper on the recognition and measurement of social benefits

ISAPs

The Actuarial Standards Committee has a mandate to develop and maintain all ISAPs. ISAPs are model standards of practice that directly support the IAA’s SO3—to promote the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and the global convergence of actuarial standards. To date, five ISAPs have been approved:

- ISAP 1 – General Actuarial Practice (adopted on November 18, 2012, and reformatted on October 13, 2013, to move the definitions to a glossary)
- ISAP 1A – Governance of Models (adopted on November 21, 2016)
- ISAP 2 – Financial Analysis of Social Security Programs (adopted on October 13, 2013)
- ISAP 5 – Insurer Enterprise Risk Models (adopted on November 21, 2016)

A strategic action plan for ISAPs, adopted in June 2013 and updated in September 2016, outlines the development of three further ISAPs, completion of which is expected in 2018 unless stated otherwise:

- ISAP 4 – IFRS X Insurance Contracts
- ISAPs 6 – ERM Programs and IAIS Insurance Core Principles—completion is expected in 2017
- ISAP 7 – “Current estimates” and other matters in relation to the IAIS capital standards
In order to encourage actuarial research and development in particular areas of practice, and provide suitable international forums for discussion among individual actuaries, the IAA has seven specialized Sections with various categories of members: AFIR/ERM, ASTIN, AWB, IAAHS, IAALS, IACA and PBSS.


**Chair:** Michael Sherris

AFIR/ERM has as its primary objective the promotion of actuarial research in ERM, particularly financial risks, to push forward the boundaries of actuarial knowledge and promote and facilitate an international exchange of views, advice, research and practical information among actuaries and other relevant experts.

Activities in 2016:

- Joint AFIR-ERM Section Colloquium and IFoA Risk, Investment, Pensions Conference in Edinburgh, Scotland

**ASTIN (Actuarial Studies In Non-life insurance)**

**Chair:** Eric Dal Moro

ASTIN’s main objective is to promote actuarial research, particularly in non-life insurance. It is continually working to develop the mathematical foundation of non-life insurance and reinsurance.

Activities in 2016:

- Colloquium in Lisbon, Portugal, hosted by the Instituto dos Actuários Portugueses
- Charles A. Hachemeister Prize awarded to Anas Abdallah, Jean-Philippe Boucher and Hélène Cossette for their paper “Modeling Dependence between Loss Triangles with Hierarchical Archimedean Copulas”
- Supported the Actuarial Sciences for Africa programme in Benin

**AWB (Actuaries Without Borders)**

**Chair:** Doug Carey

AWB’s mission is to promote the public good globally, focusing on countries that lack the actuarial resources needed to create productive, sustainable and stable markets for insurance and other risk mitigation and the means to develop the actuarial profession, adhering to an SO of the IAA to support the development, organization and promotion of the profession in areas of the world in which it is not present or is not fully developed.

Activities in 2016: please refer to the International Assistance section of this Annual Report.
IAAHS (IAA Health Section)
Chair: April Choi

The Health Section facilitates exchange of knowledge and information among actuaries involved with public and private health issues, and promotes co-operation among actuarial organizations around the world, to advance international developments in health systems and programs. The Section provides its members with an international forum for knowledge sharing, professional development and networking through in-person colloquia and webinars and other online resources.

Activities in 2016:
• Joint Colloquium with IACA, PBSS and IPEBLA and in conjunction with the Annual Meeting of the CIA in St. John’s, Canada
• Webinars:
  ○ International Private Medical Insurance
  ○ Health Microinsurance Performance Evaluation Framework
  ○ A Discussion on International Risk Adjustment
• Two joint webinars with the American Academy of Actuaries Health Practice International Committee:
  ○ Exploring Global Health Care Cost Drivers: Hong Kong and Chinese Taipei, and France and the UK

IAALS (IAA Life Section)
Chair: Marc Slutzky

The Life Section’s mission is to promote actuarial research and the exchange of knowledge in the field of life insurance around the world.

Activities in 2016:
• Colloquium in Hong Kong hosted by the Actuarial Society of Hong Kong
• Webinars:
  ○ IAA Risk Book (Part 1): Chapters 1–6
  ○ IAA Risk Book (Part 2): Chapters 7–9, 11 and 15
IACA (International Association of Consulting Actuaries)
Chair: Catherine Lyn (outgoing: Margaret Tiller Sherwood)

IACA promotes and facilitates the sharing of ideas among international consulting actuaries.

Activities in 2016:
• Joint Colloquium with IAAHS, PBSS and IPEBLA and in conjunction with the Annual Meeting of the CIA in St. John’s, Canada
• Max Lander Award given to Leonard John Martin (UK) and Geoffrey Heywood Award given to Chintan Gandhi (UK)
• Two newsletters

PBSS (Pensions, Benefits and Social Security)
Chair: Abraham Hernández Pacheco (outgoing: Marius Du Toit)

PBSS serves actuaries around the world with personal, professional, educational or research interests in social protection, as well as actuaries with interests in the commercial, social and public policy issues concerning the provision of pensions and other benefits. Its scope covers public programs and private pension plans, mutual benefit organizations, commercial insurance and pension company contracts, annuities, share options and other types of employee benefit provision.

Activities in 2016:
• Joint Colloquium with IAAHS, IACA and IPEBLA and in conjunction with the Annual Meeting of the CIA in St. John’s, Canada
• Webinars (joint with IACA):
  ○ The Role of the Actuarial Calculations and Reviews in Pension Supervision
  ○ On Integrated Chance Constraints in ALM for Pension Funds
  ○ War and Pensions
  ○ Simulation Analysis for Evaluating Risk-sharing Pension Plans

The ASTIN, AFIR/ERM, LIFE and PBSS Sections cosponsor the ASTIN Bulletin—The Journal of the IAA. It is published by Cambridge University Press in print and online in January, May and September.
INTERNATIONAL ASSISTANCE

Lagos, Nigeria – September 2016

AWB volunteer Shruti Shah, in collaboration with the College of Insurance and Financial Management (CIFM), delivered a two-day workshop providing extensive training on ERM. This jointly-organized AWB workshop assisted in building a risk management culture within an enterprise using effective ERM methods and techniques.

The National Insurance Commission has recently introduced risk-based regulations, which borrow heavily from ERM, into the Nigerian market. In addressing the need for effective ERM policies for insurance and reinsurance companies, the head of CIFM, Rector Yeside Oyetayo, had asked for an AWB workshop to be delivered.

Book Donation Program

During December, as part of an AWB book donation program, the IFoA made a donation of more than 30 actuarial science books on to the University of Nairobi.

Regional Development Seminars Organized with the Assistance of A&A Subcommittees

Through the work of its subcommittees, the A&A committee assists with the organization of regional seminars that contribute toward the development and promotion of the actuarial profession in areas of the world in which it is not present or fully developed.

Chile

The sixth Actuarial Regional Seminar was hosted by the Instituto de Actuarios Matemáticos de Chile in collaboration with the IAA Fund. The seminar, entitled The Role of the Actuary in Latin America, took place in June and was attended by more than 130 participants representing 10 Latin American countries plus Canada, Switzerland and the U.S.

During his address, IAA President-Elect Tom Terry explained that the IAA recognizes that actuarial practice around the world is built on common technology and common commitment to excellence and professionalism. And yet, he added, actuarial practice must be tailored to the unique demands of local business, government and culture.
India

The Institute of Actuaries of India and the Asia Subcommittee of the IAA hosted a regional seminar in November with the theme Asia’s Actuarial Profession: Path and Progress. It was attended by more than 70 key stakeholders from 26 countries of the region as well as the UK and the U.S. The event allowed IAA representatives to continue working with local associations and encourage them to move forward with their development endeavours.

South Africa

The Actuarial Society of South Africa, in collaboration with the IAA Africa Subcommittee, hosted the 4th Africa Congress of Actuaries in Cape Town in November.

With the participation of more than 160 actuaries from the region, it acted as a platform for sharing ideas and information that the Africa Subcommittee will utilize to develop a three-year workplan with the objective of building a legacy for the many aspiring actuaries on the continent.

Akua Nyarkia Adjei, a young actuary from Ghana and one of 18 bursary recipients, expressed her gratitude for the opportunity to participate in the congress, which allowed her to network and meet colleagues from other countries in the region.
PLANNING FOR 2017

Plans and Goals

• Lead the IAA strategy review initiative
• Identify and implement opportunities for operational improvement
• Implement new education syllabus
• Review process for conducting IAA public policy work
• Complete the Section development and effectiveness review
• Progress the development of model ISAPs
• Renew and focus our efforts related to supranational organizations
• Produce relevant actuarial research materials (E.g., the educational monographs on risk adjustment and pension funding, the final chapters in the IAA Risk Book, and various papers on long-term care and personalized medicine, etc.)
• Hold successful section colloquia in Cancun, Panama City and Barcelona

Events

• Council and Committee Meetings – Budapest, Hungary
  ○ April 18–23
• PBSS Colloquium in Cancún, Mexico
  ○ June 4–7
• ASTIN and AFIR/ERM Colloquium in Panama City, Panama
  ○ August 20–24
• Council and Committee Meetings – Chicago, U.S.
  ○ October 4–8
• IAALS Colloquium in Barcelona, Spain
  ○ October 23–24
MEETINGS AT A GLANCE

IAA Dinner, St. Petersburg, Russia

Speaker, Boris Kashin St. Petersburg, Russia

Saying “Farewell” to Executive Director, Nicole Séguin, Cape Town, South Africa

Committee Meetings, Cape Town, South Africa

Presidential Exchange, Cape Town, South Africa

St. Petersburg, Russia

Speaker, Michael Jordaan, Cape Town, South Africa
MESSAGE FROM THE TREASURER

In my role as Immediate Past President of the IAA and Treasurer for the year 2016, I am pleased to report that the IAA is financially sound and its accounts are well managed by staff and the audit function.

In 2016, the excess of revenue over expenses for the IAA including Sections was a surplus of $97,202 compared to a deficit of $(25,791) in 2015.

There are several factors affecting these results, but I will only highlight the major ones in this report. Key factors impacting revenue include a 4.2% growth in the number of dues-paying actuaries of the Full Member Associations (from 90,790 in 2015 to 94,607 in 2016) and the welcoming of a new Gold Level Patron member Allianz SE.

Key impacts on expenses include a loss ($43,462) on foreign exchange which reflects the continued volatility in the 2016 currency markets worldwide. The IAA holds Canadian, Euro and US currency accounts to mitigate some of this volatility.

The unrealized investment gain of $53,379 relates mainly to market value fluctuations in IAA equity investments that have been recorded in accordance with generally accepted accounting principles in Canada. Improvements have also been made to the level and quality of investment information provided to Audit & Finance Committee during the year.

Committee and Representation expenses represent a decrease of 14.9% over 2015 expenses. Professional service fees paid to the Executive Search Firm in 2016 caused a non-recurring increase in this expense category in 2016.

Statutory meetings expenses are influenced by the venues of the IAA Council and Committee meetings. In 2016, these expenses were not significantly different from 2015, even though the venues were Saint Petersburg, Russia and Cape Town, South Africa.

Support staff expenses decreased by 3.6% in 2016 compared to the prior year due to a reduction in the use of interim staffing services. The Net Assets are $2,795,017 compared to $2,697,815 at the end of 2015, of which $2,127,478 is attributable to Sections and $667,539 to the IAA excluding Sections, representing approximately 4 months of operating expenses.

During 2016, the organization had discussions about dues on many levels. There were also discussions and proposals on the best approach to move forward with the project of upgrading the website and other IAA technology.

In November, the Council voted to increase the dues by $1.00 to $18.75. This increase will allow the IAA to move forward with upgrading of the IT infrastructure and website.

* all amounts are in Canadian dollar
### Financial Year in Review

(In Thousands of Canadian dollars, at December 31)

#### Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>IAA excl Sections</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>$ (81)</td>
<td>$ 210</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>417</td>
<td>1,572</td>
</tr>
<tr>
<td>Accounts receivable, inventory and prepaid expenses</td>
<td>175</td>
<td>189</td>
</tr>
<tr>
<td></td>
<td>511</td>
<td>1,971</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>951</td>
<td>1,656</td>
</tr>
<tr>
<td><strong>Tangible capital assets</strong></td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>3,697</td>
</tr>
</tbody>
</table>

Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>IAA excl Sections</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 81</td>
<td>$ 112</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>256</td>
<td>257</td>
</tr>
<tr>
<td></td>
<td>337</td>
<td>369</td>
</tr>
<tr>
<td>Contributions held for Funds and Monographs</td>
<td>283</td>
<td>288</td>
</tr>
<tr>
<td>Contribution held from ICA 2014 Surplus</td>
<td>245</td>
<td>245</td>
</tr>
<tr>
<td>Net Assets - unrestricted</td>
<td>667</td>
<td>2,795</td>
</tr>
</tbody>
</table>

#### Statement of Revenue, Expenses and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships</td>
<td>$ 1,731</td>
<td>$ 1,909</td>
</tr>
<tr>
<td>Other revenue</td>
<td>61</td>
<td>277</td>
</tr>
<tr>
<td>Income for Funds and Monographs</td>
<td>43</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,835</td>
<td>$ 2,315</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committee and representation expenses</td>
<td>129</td>
<td>129</td>
</tr>
<tr>
<td>Operating costs</td>
<td>425</td>
<td>720</td>
</tr>
<tr>
<td>Statutory meetings</td>
<td>309</td>
<td>309</td>
</tr>
<tr>
<td>Support staff</td>
<td>1,070</td>
<td>1,070</td>
</tr>
<tr>
<td>Expenses for Funds and Monographs</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,976</td>
<td>$ 2,271</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenses</td>
<td>(141)</td>
<td>(44)</td>
</tr>
<tr>
<td>Section administration recoveries (expenses)</td>
<td>129</td>
<td>(129)</td>
</tr>
<tr>
<td>Unrealized gain (loss) on investments</td>
<td>60</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 667</td>
<td>$ 2,128</td>
</tr>
</tbody>
</table>

Net Assets, unrestricted, beginning of year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>667</td>
<td>2,795</td>
</tr>
<tr>
<td>Net Assets, unrestricted, end of year</td>
<td>$ 619</td>
<td>$ 2,079</td>
</tr>
</tbody>
</table>

Summary: The International Actuarial Association (excluding sections) reported a net asset of $619,2079 in 2015, compared to $667,2128 in 2016. The revenues exceeded expenses for both years, contributing to the increase in net assets.

Available at www.actuaries.org
# MEMBERSHIP

## FULL MEMBERS

- Caribbean Actuarial Association
- Consejo Profesional de Ciencias Actuariales de la Ciudad Autónoma de Buenos Aires
- Actuaries Institute Australia
- Institute of Actuaries in Belgium
- Aktuarsko Drustvo U Bosni I Hercegovini
- Instituto Brasileiro de Atuária (IBA)
- Bulgarian Actuarial Society
- Canadian Institute of Actuaries
- China Association of Actuaries
- Actuarial Institute of Chinese Taipei
- Asociación Colombiana de Actuarias
- Institut des Actuaires de Côte d’Ivoire
- Hrvatsko Aktuarsko Drustvo
- Cyprus Association of Actuaries
- Ceska Spolecnost Aktuarih
- Egyptian Society of Actuaries
- Eesti Aktuaaride Liit
- Hungarian Actuarial Society
- Actuarial Society of Hong Kong
- Magyar Aktuárius Társaság
- Félág Íslenkska Tryggingsstaðarfræðinga
- Instituto de Actuarios de India
- Persatuan Aktuari Indonesia
- Society of Actuaries in Ireland
- Israel Association of Actuaries
- Istituto Italiano Degli Attuari and Ordine Degli Attuari
- Institute of Actuaries of Japan
- Japanese Society of Certified Pension Actuaries
- The Actuarial Society of Kenya
- Latvijas Aktuāru asociācija
- Lebanese Association of Actuaries
- Lietuvos Aktuariu Draugija
- Macedonian Actuarial Association
- Persatuan Aktuari Malaysia
- Colegio Nacional de Actuarios A. C.
- Association Marocaine des Actuaires

## ASSOCIATE MEMBERS

- Channel Islands Actuarial Association
- Albanian Actuarial Association
- Instituto Actuarial Argentino
- Actuarial Society of Armenia
- Actuarial Association of Azerbaijan
- Actuarial Association of The Republic of Srpska
- Instituto de Actuarios Matemáticos de Chile
- Association of Actuaries and Financial Analysts
- Actuarial Society of Ghana
- Actuarial Society of Kazakhstan
- Association Luxembourgeoise des Actuaires

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**65,000+ Actuaries**

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**110+ Countries**

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**2016**
MEMBERSHIP

COSTA RICA
KYRGYZSTAN
TAJIKISTAN

Full Members
Associate Members
Non-member Associations
Actuaries, No Association

2016
Singapore
KOSOVO
SOUTH SUDAN

Mexico Asociacion Mexicana de Actuarios, A.C.
Moldova Asociatia de Actuarial Din Moldova
Mongolia The Society of Actuaries of Mongolia
Namibia Society of Actuaries of Namibia
Nigeria Nigeria Actuarial Society
Panama Asociación de Actuarios de Panamá
Russia Association of Professional Actuaries

Senegal Institut National des Actuaires Au Sénégal
Sri Lanka Actuarial Association of Sri Lanka
Tanzania Actuarial Society of Tanzania
Togo Association Actuarielle Au Togo
Uganda The Actuarial Association of Uganda
Ukraine Society of Actuaries of Ukraine
Zambia Actuarial Society of Zambia
Zimbabwe Actuarial Society of Zimbabwe

PARTNERS
See section on international cooperation

OBSERVERS
Asian Development Bank (ADB)

PATRONS

800+
Volunteers
10
Staff

1,000+
Actuaries
10+
Countries

6
Members
Associate Members
Member Association
Actuaries, No Association