



September 2013

## UPDATE ON IAA ACTIVITY IN RELATION TO MEMORANDA OF UNDERSTANDING

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*Kurt Wolfsdorf, President*

*Ken Buffin, Chairperson, Supranational Relations Committee*

The success and ongoing development of the International Actuarial Association (IAA) and its activities relies on the dedication and commitment of countless volunteers. While their work is diverse, we are pleased to report as follows the progress in our relations with key supranational organizations through activities resulting from various Memoranda of Understanding.

### *International Association of Insurance Supervisors (IAIS)*

1. The contribution of the IAA to the work of the IAIS has been mainly in the areas of ComFrame, Global Systemically Important Insurers, and Micro-insurance. To this end, the IAA has participated in the following events:
  - IAIS Global Seminar and Technical Committee meetings.
  - Solvency and Actuarial Issues Subcommittee meetings in Basel.
  - Chief Financial Officer/Chief Risk Officer Open Forum of the Technical Committee.
  - Joint Micro-insurance Network/IAIS Working Group meetings.
  - Macro Prudential Policy and Surveillance Working Group.
2. Dr. Peter Braumüller, Chair of the IAIS Executive Committee, will be presenting at our Council meeting in Singapore to comment on the reaction of the IAIS to the various initiatives undertaken by the IAA with respect to standards since October 2010 and to provide insight into the regulators' expectations with respect to actuaries.
3. IAA President to present to IAIS Executive Committee on recent IAA developments, including progress on the development of international standards of actuarial practice. He will also be a roundtable presenter at the IAIS Annual Conference to highlight how actuaries can enable the required activities and processes of the regulatory framework. Both events will be held in Chinese Taipei the week of October 14.
4. Comments provided on the draft ComFrame documents from the IAIS.

### *Organisation for Economic Co-operation and Development (OECD)*

Representatives from the IAA participated in OECD technical committee meetings, and met with the OECD to discuss opportunities for future co-operation.

### *International Accounting Standards Board (IASB)*

1. The Pensions and Employee Benefits Committee (PEBC) participated in the IASB Insurance Working Group and the Pensions IAS19 Working Group.

2. Committee members were also involved in outreach projects.
3. Meetings have taken place to discuss IASB staff responses to the Discount Rate Monograph.
4. IASB staff members participated in the Insurance Accounting Committee meetings held in London August 1–2, 2013.

*International Social Security Association (ISSA)*

1. An ISSA representative participated in the IAA Social Security Task Force of the Actuarial Standards Committee
2. ISSA President, Errol Stoové, presented at our last Council meeting in The Hague. The first part of his address highlighted the importance of the actuarial profession, not only with respect to the day to day issues related to the management and operation of social security schemes, but also for strategic issues covering questions relating to the sustainability of social security systems, the question of intergenerational equity and the adequacy of benefits. He was pleased to report that the ISSA secretariat, together with their Technical Commissions on Statistical, Actuarial and Financial Studies, were already responding effectively to these requests by a range of activities, often in close cooperation with the IAA. He focused on concrete examples of these activities and the fruitful and longstanding cooperation between the ISSA and IAA. He concluded by highlighting future activities and initiatives.

Over the past three years we have organized annual joint forums between the IAA, International Labour Organisation (ILO), and ISSA on topics involving social security, pensions, and sustainability. The next forum will take place in September, with the OECD also participating.

These initiatives, and many others like them, have helped further the relevance of the actuarial profession on global financial initiatives. We look forward to updating you with further progress later this year.

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## COUNCIL AND COMMITTEES TO MEET IN SINGAPORE — OCTOBER 9-13, 2013



The next meetings of the IAA Council and Committees will take place at the Pan Pacific Hotel in Singapore from October 9 to 13, 2013. Dr. Peter Braumüller, Chair of the Executive Committee, International Association of Insurance Supervisors, will be the guest speaker at the Council meeting. This event will be hosted by one of our Full Member Associations, the Singapore Actuarial Society.

The meeting program and registration form are available on the [IAA web site](#).



Planning for the subsequent IAA Council and Committee meetings is already underway and we are pleased to announce that they will be held at the Omni Shoreham Hotel in Washington, D.C. from March 26–30, 2014, in conjunction with the International Congress of Actuaries. More information on this event will be made available [online](#).

## RELATIONSHIPS WITH OTHER SUPRANATIONAL ORGANIZATIONS

### *International Valuation Standards Council*

On July 31, IAA representatives Ken Buffin, Micheline Dionne, Gary Hibbard, William Hines, and Francis Ruygt met with the International Valuation Standards Council (IVSC) at its offices in London. The council was represented by Frank Bollmann (Vice-Chair of its Standards Board and Chair of the IVSC Liability Valuation project), Chris Thorne (technical director) and Sean Thomson (technical manager/financial instruments specialist).

It was a very fruitful meeting, and a lengthy discussion took place on the long-term goals of the IVSC. Historically, the IVSC was only concerned with asset valuations but more recently its constituents also wanted to see more guidance on liability valuation. Frank is chairing the liability project and it was confirmed that its scope covers all purposes of valuation (including but not limited to financial reporting).

The IVSC received 15 comments on its Liability Valuation discussion paper, which praised the IAA commentary as helpful, brief, and clear. The IVSC Board decided to wait until this meeting with the IAA representatives before starting the next phase, indicating the high regard in which they hold the IAA. The board proposes establishing a working group to develop the discussion paper, and suggested that the IAA would appoint a representative to the group to be involved from the beginning and throughout the process.

Francis suggested that it would be beneficial to have a conference call between the working group and members of the Insurance Accounting Committee, and Pensions and Employee Benefits Committee to discuss the IAA comment letter on the IVSC discussion paper Valuation of Liabilities. This suggestion was well received.

After the meeting it was decided that Ken will discuss the further involvement of the IAA in the upcoming EC meeting.

### *Further Meetings*

June 12 – IAA President, Kurt Wolfsdorf, and Ken Buffin attended a welcome reception at the International Federation of Accountants (IFAC) in New York, where Mr. Wolfsdorf presented to the IFAC Board on the structure and role of the IAA and on the work of actuaries.

July 26 – Ken Buffin and Chris Daykin met with Noel Edison, Director of Insurance and Financial Services; and Matthew Saal and Tatiana Moiseev, economists, of the European Bank for Reconstruction and Development (EBRD) to introduce the IAA and also to learn about the operations of the EBRD in insurance and financial services.

July 29 – Ken Buffin met with Anna Clarke, Derek Cribb and Trevor Watkins of the Institute and Faculty of Actuaries to discuss the new Certified Actuarial Analyst qualification.

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## IAA COLLOQUIUM IN LYON, FRANCE



In June, a colloquium was held in Lyon, France, by three of the IAA Sections. The Actuarial Approach for Financial Risks/Enterprise Risk Management, Life Insurance, and Pensions, Benefits and Social Security Sections collaborated with the Summer School of the Institut des Actuaire, and the Groupe Consultatif Actuariel Européen (GCAE) to organize this successful event.

The program featured presentations from six keynote speakers, and a round table discussion on the topic of Models, Regulation, Insurance Undertakings and Actuaries. Participants in the discussion included Kurt Wolfsdorf, IAA President, Karel Goossens, GCAE Chairman, Régis de Larouillère, Institut des Actuaire, Éric Lombard, Chairman and Chief Executive Officer (CEO) of BNP Paribas Cardif, and Bruno Rousset, Chairman & CEO of APRIL Group.

Most of the papers and/or presentations from the 70 presenters are available on the [colloquium website](#). President Wolfsdorf also addressed delegates during the [opening reception](#) and the [gala dinner](#), where he provided an overview of the role and activities of the IAA.

This activity supports the IAA's strategic objectives to "encourage forums for actuaries to discuss global actuarial issues," and to "facilitate the use and expansion of the scientific knowledge and skills of the actuarial profession". To learn more about these events, contact the [IAA Secretariat](#).

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## PUBLIC STATEMENTS

Four public statements have been issued using the Fast Track Procedure (FTP):

- FTP2013-7 [2013-09-09 Response to IOPS consultation on Good Practices for Governance of Pension Supervisory Authorities – September 2013](#)
- FTP2013-3 [2013-07-25 Comments on the IASB's proposed amendments to IAS 19, Defined Benefit Plans: Employee Contributions – July 2013](#)
- FTP2013-1 [2013-02-28 Comments on the Exposure Draft Of Groupe Consultatif Actuarial Standard Of Practice 2 \(GCASP 2\) – February 2013](#)
- FTP2013-2 [2013-04-29 Comments on the Discussion Paper on Valuation of Liabilities, released by the International Valuation Standards Council \(IVSC\) in April 2013.](#)

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## COMMITTEE NEWS

### Advice and Assistance Committee – IAA Fund

*Chris Daykin, Chief Executive*

The Advice and Assistance Committee, through its IAA Fund, has sponsored two events this year.



The Third African Actuarial Congress took place in Lomé, Togo from April 24–26, 2013, with a total of 131 people attending the meeting from 32 countries, including 23 African countries. Participants were welcomed by M. Kénou Djivi Tchédjito, Director of the National Insurance Commission of Togo, on behalf of the Minister of Economy and Finances, M. Adji Otèth Ayassor, and a keynote address was given by His Excellency the Prime Minister of Togo, M. Kwesi Ahoomey-Zunu.

In Yerevan, Armenia, the Third CIS Congress of Actuaries was held from May 6–8, 2013. The opening session featured remarks from the President of the Actuarial Society of Armenia, Ms. Astghik Ananyan, followed by keynote speeches by Mr. Vache Gabrielyan, Minister of Finance of the Republic of Armenia, and by Mr. Armenak Darbinyan, Member of the Board of the Central Bank of the Republic of Armenia. In addition to the speakers, a total of 45 people were in attendance.

The IAA Fund provided bursaries for 20 participants from the Africa region, and 6 from the Eurasia region for the respective events.

## Insurance Accounting Committee (IAC)

Francis Ruygt, Chairperson

### *International Financial Reporting Standards (IFRS) Exposure Draft Insurance Contracts*

On August 1 and 2 the IAC met in London to discuss initial thoughts on comments the IAA may have on the IFRS exposure draft (ED). Thirty people attended the meeting, of which 21 were from the committee; the others included actuaries involved in the discussion on the ED from the US, the UK and the Netherlands. The IAIS was also represented. In addition two IASB staff members (one each day) participated in the discussions. This was considered very helpful as the IASB staff was able to provide more background on the intention of the IASB Board and as such would improve the focus of our responses.



The meeting was fruitful and good discussions took place on various topics (including the seven questions in the ED). For each of the questions a small group had provided a short paper identifying the potential discussion items and initial views on how the IAA might comment.

The following next steps were agreed:

1. Identification of members for the various groups (i.e., establishing a project team for each question). A good response was given, and we have about six people on each team, representing not only geographical and business-type diversification, and also potentially divergent viewpoints. This will help in ensuring our comments are balanced.
2. Each project team will develop draft responses to the seven questions and discuss them via email over the next six weeks.
3. Each team should attempt to identify any issues where the wording is not clear so we can consider them in responding to question seven (concerning the clarity of the ED).
4. Identification of any other items on which we may want to comment.
5. We would convene a conference call for each of the first five topics in early/mid-September for the entire committee to discuss the draft responses (drafts were to be circulated in early September to the full committee.)
6. The committee leadership will work to combine the responses and any further discussion on questions six and seven into a single document for our October meeting in Singapore.
7. At the October meeting the plan is to finalize our discussions and fine-tune the response letter.

## Actuarial Standards Committee (ASC)

Dave Pelletier, Chairperson

The three task forces of the Actuarial Standards Committee have been very active since the meetings in The Hague, in May.

Most notably, the Social Security Task Force, chaired by Rob Brown, finalized the proposed ISAP 2—Financial Analysis of Social Security Programs, reflecting comments received from the ASC and earlier commenters on a near-final draft. Following approval by the ASC and confirmation by the Professionalism Committee that due process had been observed, it was approved by the EC for submission to Council at its Singapore meeting, along with slight modifications to ISAP 1 reflecting the new glossary. The ASC's thanks go to Rob, drafter, and ASC liaison Godfrey Perrott, and the entire task force for their excellent work.

The IAS 19 Task Force, chaired by Yas Fujii with the able assistance of drafter Heidi Rackley, continues its work on an exposure draft of what we expect to be ISAP 3, dealing with actuarial work in connection with reports prepared in accordance with IAS 19. It has held numerous conference calls and assembled for a face-to-face meeting in August, in

Toronto, leading up to a targeted release of the exposure draft not long after the Singapore meetings.

The Insurance Contracts IFRS Task Force chaired by Micheline Dionne has initiated its activity as well, with two conference call meetings since The Hague, and some preliminary work being undertaken on a statement of intent, targeted for release late this year or early next.

The ASC itself has had one conference call since the meetings in The Hague, the primary purpose of which was to deal with ISAP 2 as described above. Other topics included enhancement of the website, on which Godfrey Perrott and Amali Seneviratne have been working to achieve the desirable level of transparency in our work, future possible topics for International Standards of Actuarial Practice (ISAPs), and possible measures of success for the standards development effort.

## SECTION NEWS

### Actuaries Without Borders (AWB)

*Réjean Besner, Chairman*

*Since the Section's report in the IAA's April Newsletter, the committee has worked on several initiatives, project-related as well as organizational. Among the former:*

1. Mentorship for Zambia—an AWB volunteer successfully accompanied a lecturer in the Mathematics and Statistics Faculty of the University of Zambia in the learning process of the of the Society of Actuaries' (US) FAP modules.
2. An introductory course to actuarial concepts in Vietnam was successfully completed with 32 attendees.
3. Training in Colombia—an AWB volunteer was selected to prepare students for the MLC exam of the Society of Actuaries (SOA) during a four-day seminar taking place at the beginning of October at the University of Bogotá.
4. A request for property and casualty, life and reinsurance training from the Actuarial Society of Kazakhstan and the Kazakhstan Actuarial Center has been circulated to all AWB members.
5. A request for pensions and social security training from the actuarial association from Uganda is being reviewed.
6. Work continues on the Book Donation Program.



***Students and professors  
at the introductory course in Vietnam***

Two IAA delegates—Bob Conger and Dave Pelletier—completed their term on the AWB Committee. They both have given generously of their time and counsel and played an important role in the progress of the Section. Marcos Barretto Jr and Steve Lehmann have undertaken these roles.

During the Annual General Meeting on May 23, four members were elected to the AWB Committee for three-year terms: Gayane Arsenyan, Paul Kartono, John Robinson and Douglas Carey. The term of the four AWB officers ended as well. A new team was elected by email vote:

- Réjean Besner, Chair
- Renata De Leers, Vice-Chair
- Douglas Carey, Secretary
- Mark Macharia, Treasurer.

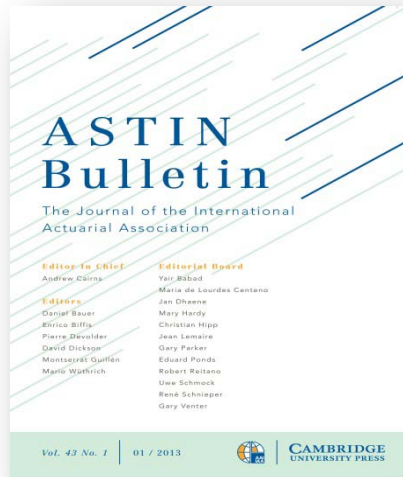
The new AWB Committee is currently in the process of selecting the Executive Director for AWB, who will be taking care of the operational and funding aspects of project management.

The rule changes were passed to reflect the IAA governance and to make the Rules consistent with those of other Sections. Fifty-three members voted electronically and four members voted at the meeting.

The treasurer's report shows that the AWB Section had an accumulated surplus of operating funds from past years of C\$9,414. The AWB fees will not be increased and the funds will be gradually used to finance AWB projects lacking funds.

The AWB Section membership has increased from 276 in 2011 to 284 in 2012. Hopefully AWB will continue growing steadily as it relies on volunteers.

## Highlights from the Latest Issue of the ASTIN Bulletin



The September issue of *ASTIN Bulletin* (43/3) is now online—Click [here](#) to view the full table of contents.

A copy of the *ASTIN Bulletin* is distributed to members of the ASTIN, AFIR/ERM, LIFE and PBSS Sections of the IAA as part of their section membership dues. If you are not a member of one of these sections, please consider [joining](#).

To stay informed about all new content and updates from *ASTIN Bulletin* activate [content alerts](#)

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## NEWS FROM MEMBER ASSOCIATIONS

### Deutsche Aktuarvereinigung (DAV), Germany

#### Highlights from the latest issue of the *ASTIN Bulletin*

*DAV Education and Qualification System: First Survey*

Educating young actuaries and providing excellent services to candidates for DAV membership is a primary goal for the association. To maintain high standards of qualification a regular review of the DAV core syllabus as well as the preparatory seminars offered by the German Actuarial Academy (DAA) is of major importance. In order to take into account the experiences of young members who only recently obtained the status of Fully Qualified Actuary, a detailed survey was published in May. More than 100 actuaries took the time to complete the questionnaire and provided comprehensive information on how to further improve the DAV education system.

#### Annual Autumn Meeting

The annual Autumn Meeting of DAV and its scientifically-oriented partner organisation DGVFM will take place on November 18–20, 2013, in Stuttgart. The event will start with the meetings of the German ASTIN and LIFE Sections before the AFIR and Health Sections meet the following day. On November 20, DGVFM is organising a conference in co-operation with the German Organisation of Insurance Sciences, focusing on possible alternatives to long-term guarantees in life insurance. More than 600 members are expected to participate in this conference in order to keep current with new developments in the most important fields of actuarial mathematics.

#### EAA Education for Actuaries

*Stochastic Modeling —Theory and Reality from an Actuarial Perspective*

In cooperation with the IAA, the European Actuarial Academy GmbH (EAA) offered for the fourth time a seminar based on the IAA book *Stochastic Modeling – Theory and Reality from an Actuarial Perspective*. The event took place from June 18–20, 2013, in Zagreb, Croatia, with 42 participants from 15 countries.

Due to the enthusiastic response, it is planned to repeat the seminar on November 20–22, 2013, in Dublin. The seminar format includes parallel sessions for life and non-life insurance, and hands-on workshops, intended to provide actuaries with a comprehensive resource that details current stochastic methods, provides background on the stochastic technique as well as their advantages and disadvantages. The key speakers are primary authors who contributed to life and non-life sections of the book, and the seminar will cover a wide range of topics presented in this book. Additional information and a registration form are

available at [www.actuarial-academy.com](http://www.actuarial-academy.com). The early-bird registration fee is € 870 plus 23 percent VAT until September 20. After this date the fee will be € 970 plus VAT. Register now and benefit from the early-bird fee! The book can be ordered [here](#).



*Speakers from Milliman and organisers of the EAA and of the Croatian actuarial association.*

### **EAA Series – New Title Backward Stochastic Differential Equations with Jumps and Their Actuarial and Financial Applications**

The EAA series informs on actuarial topics in a broad and interdisciplinary sense, and is aimed at students, academics and practitioners in the fields of insurance and finance.

The eighth title of the series, *Backward Stochastic Differential Equations with Jumps and Their Actuarial and Financial Applications* by Lukasz Delong, is now available. The 288-page book can be purchased at [www.springer.com](http://www.springer.com) and costs approx. 54 Euros, subject to national taxes and delivery costs.

Backward stochastic differential equations (BSDEs) with jumps can be used to solve problems in both finance and insurance. Part I of this book presents the theory of BSDEs with Lipschitz generators driven by a Brownian motion and a compensated random measure, with an emphasis on those generated by step processes and Lévy processes. Part II investigates actuarial and financial applications of BSDEs with jumps. It considers a general financial and insurance model and deals with pricing and hedging of insurance equity-linked claims and asset-liability management problems. Part III presents some other useful classes of BSDEs and their applications. This book will make BSDEs more accessible to those who are interested in applying these equations to actuarial and financial problems. It will be beneficial to students and researchers in mathematical finance, risk measures, portfolio optimization as well as actuarial practitioners.

Details on already-published and upcoming titles are available at [www.actuarial-academy.com](http://www.actuarial-academy.com).

### **Institute and Faculty of Actuaries (IFoA)**

The IFoA has been exploring the introduction of a new technical qualification primarily aimed at those in actuarial support roles. This new qualification, Certified Actuarial Analyst, has now been approved by a majority of the voting members of IFoA, with 73 per cent of members voting in favour of the proposed new qualification. The IFoA will next proceed to seek approval from Privy Council to amend its by-laws to provide the new qualification, as required under the terms of its Royal Charter. The new qualification is expected to be introduced in 2014.

Detailed descriptions of the Certified Actuarial Analyst qualification are available on the [IFoA website](#).

### **Colegio Nacional de Actuarios A. C., Mexico**

*Mexican Actuaries Face New Risks and Challenges*

A new Insurance and Surety Law is being implemented in Mexico (*Ley de Instituciones de Seguros y Fianzas*). It was published on April 5, 2013, and will be effective in two years from that date. In this transitory period, the secondary regulation and required details are being reviewed by the Mexican authorities and the insurance market participants.



Mexican actuaries now face new challenges as their role gives them great relevance in the areas of corporate governance, risk management, product design, new technical reserves requirements, solvency, and capital needs. A new certification process is going to be developed by Colegio Nacional de Actuarios A.C. in coordination with the Asociación Mexicana de Actuarios A.C. (the Insurance Specialists Actuarial Association) to promote the adequate qualifications needed to let actuaries become major participants in this new scenario.

Review and implementation of new standards of practice will be needed and in place during the next two years, the implementation time frame established by the law.

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## PUBLICATIONS

### Insurance Regulation Committee

*David Sandberg, Chairperson*

#### [Actuarial Viewpoints on and Roles in Systemic Risk Regulation in Insurance Markets](#)

The Insurance Regulation Committee has published a paper entitled Actuarial Viewpoints on and Roles in Systemic Risk Regulation in Insurance Markets.

From the global context, a macro-prudential approach towards the regulation for systemic risk is assumed. The role of actuaries in assisting systemic risk regulators with respect to insurance markets is identified and discussed in a global market context. This paper provides actuaries with the background to address conditions and tools to identify, assess, monitor and mitigate systemic risks.

From a regulatory position, the simple postulation that insurance sector entities will not be a source of future systemic risk events due to historical observation could lead to the failure to identify, assess, monitor and mitigate the critical trends and signs of future systemic risk events.

President Kurt Wolfsdorf states, "The publication of this paper will help actuaries to deal with the assessment of systemic risk in insurance markets. The design of macro-prudential tools used to identify and monitor systemic risk scenarios in insurance markets can benefit from actuarial knowledge and experience."

#### [Paper on Stress Testing and Scenario Analysis](#)

A scenario describes a consistent future state of the world over time, resulting from a plausible and possibly adverse set of events or sequences of events. A stress test provides an assessment of an extreme scenario, usually with a severe impact on an organization, reflecting the inter-relations between its significant risks. Scenario analysis and stress testing are emerging powerful tools to assess an organization's and a nation's exposure to risks.

The paper provides an actuarial perspective on scenario analysis and stress testing. As part of the analysis of risks to the financial condition of an organization, these methods are essential tools for effective risk management and macro prudential oversight. They can enhance the understanding by its stakeholders of the financial vulnerability and viability of the organization.

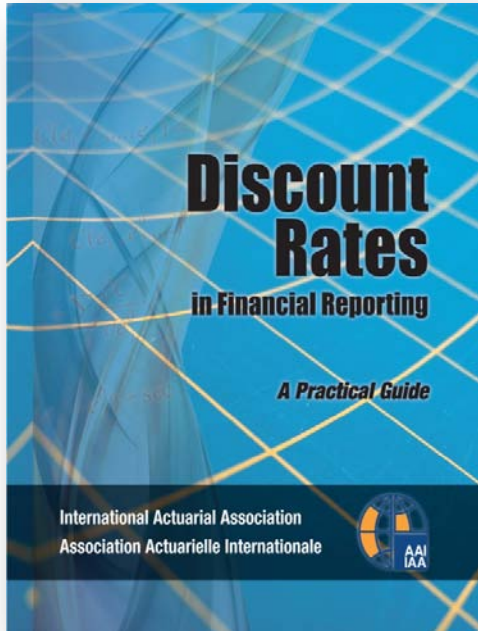
The results of scenario analysis and stress testing can be used to enhance the risk culture of an organization; they can serve to alert decision makers to potentially inconvenient truths. They also provide a framework to enable organizations to base their business strategies and risk mitigation activities on a range of forecasts, rather than a single best-estimate projected result or an average of stochastic results.

President Kurt Wolfsdorf said, "We are glad to be able to share this paper as groups like the International Association of Insurance Supervisors and other financial regulators look to better understand and oversee systemic risk issues and complex financial organizations."

The paper is available on the IAA website under [Publications/Papers](#).

To learn more about the work of the IAA on the above topics, contact the [IAA Secretariat](#), care of the Chairperson of the Insurance Regulation Committee.

## Release of New Publication: Discount Rates in Financial Reporting A Practical Guide



The IAA is pleased to announce the imminent release of its second educational monograph, which is on discount rates. The book's introduction provides some insights into the topics which are covered.

“The time value of money is significant to economics and in turn to the current value of projected cash flows. Recent decades have seen a growth of knowledge and available information in the areas of finance and capital markets. There still remains a need for more widespread understanding of the important aspects, from a conceptual perspective and the practical techniques relating to the discounting process in actuarial practice. The primary areas of application include financial reporting for insurance contracts and the financial reporting of pension/employee benefit plans. The objective of this monograph is to help fill this void.

Many of the methods transcend national borders and are relevant in any country. For this reason, we have not focused on practice in a specific country. However, parameters and assumptions have been illustrated for specific regions and countries, and case studies have been included as practical illustrations of the various methods in use. Readers can develop their own parameters and assumptions based on the current and historical experience of each one's specific economic environment.”

It is intended for practitioners in the insurance, pension and employee benefit sectors.

This monograph, sponsored by the International Actuarial Association (IAA), was authored by a team at Milliman, Inc.

This monograph was made possible through the generous support of the following actuarial organizations: Actuaries Institute Australia (Australia); Canadian Institute of Actuaries (Canada); Institute and Faculty of Actuaries (United Kingdom); Casualty Actuarial Society (United States); Financial Reporting Section of the Society of Actuaries (United States); The Actuarial Foundation (United States).

To learn more about the new book, please visit the [Discount Rate page](#) on the IAA website. If you wish to be notified when the book is published, please email us at [discounrates@actuaries.org](mailto:discounrates@actuaries.org).

## Role of the Actuary Task Force

The Role of the Actuary Task Force, a task force of the IAA Executive Committee, has published two papers. The first is a basic premise—a *Value Proposition* for the actuarial profession; the second is an extension of this into what we, as actuaries, do—*Role of the Actuary*.

These papers are intended to help someone who is unfamiliar with the work of actuaries to understand when and why to engage the services of an actuary; to demonstrate the value to users of actuarial services of engaging qualified actuaries; to serve as a basis for equipping spokespeople (for example, IAA officers, chairpersons, leaders of member associations) to convey the value of the qualified actuary in their respective jurisdictions; and to serve as a basis for drafting communications which reference actuaries. President Kurt Wolfsdorf states “Ultimately, we hope that the Value Proposition and the Role of the Actuary papers will form a foundation to assist in developing a strong global brand for the actuarial profession. Our profession needs to be differentiated from other professions. A first step in this strategy is to build a strong brand within the current and potential users of actuarial services.”

These papers are available on the IAA website under [About the IAA – About Actuaries](#).

This activity is in support of the IAA's Strategic Objective to improve recognition of the actuarial profession among external audiences. To learn more about the work of the IAA on this topic, please contact the [IAA Secretariat](#).

## UPCOMING EVENTS

### IAA Health Section Webcast

The IAA Health Section (IAAHS) will host a webcast on *The Importance of Big Data to the L&H Insurance Industry—improving our use of structured and unstructured data sources*, on November 15, 2013, kindly sponsored by Swiss Re.

Daniel Ryan, Head of Life & Health Research & Development Area of Swiss Re will discuss the following topics:

- Actuaries' main source of analysis is data, how do we transform data into information? Nowadays how should we take advantage of "Big Data" (including social media)?
- What information could new generations access in the future? How is the insurance industry taking advantage and disseminate the use of "Predictive Underwriting"?
- These and other questions on the use of big data under the lens of actuarial practice.

The webcast will be held at two different times to accommodate actuaries in different time zones.

IAAHS members can register for free. However, non-members would have to pay a registration fee for the webcast. The webcast registration fee is equivalent to the IAAHS annual membership fee (i.e. CA\$50).

To register, please visit: [www.actuaries.org/IAAHS/Webcast/bigdata/registration.cfm](http://www.actuaries.org/IAAHS/Webcast/bigdata/registration.cfm)

### International Congress of Actuaries

**Register for ICA 2014—Early Bird Deadline Extended to October 18**



Registration is open for the 2014 International Congress of Actuaries, scheduled for March 30 to April 4 in Washington, D.C. Don't miss this opportunity to **Learn, Interact, and Grow** with your fellow actuaries from every discipline and from around the world.

ICA 2014 offers significant discounts for those who register early, and the early registration period has been extended to October 18, 2013.

The congress will provide delegates with numerous opportunities for professional and personal growth. The program includes 85 parallel sessions covering over 220 presentations in seven specialty tracks to appeal to actuaries of all disciplines and interests. These sessions will expose delegates to cutting-edge thinking and present fresh insights into the challenges faced in the industry today.

Additional details can be found on the ICA 2014 website at [www.ICA2014.org](http://www.ICA2014.org)

## PBSS and IAALS Colloquia in 2015



Den Norske Aktuarforening (Norway) invites you to attend the joint Pensions, Benefits and Social Security Section, and IAA Life Section colloquium to be held in 2015. The event will take place from **June 7–10, 2015**, at The Grand Hotel in Oslo.

You are invited to participate in this event, and to present papers to promote actuarial knowledge. Please visit the website at [actuaries.org/oslo2015/](http://actuaries.org/oslo2015/) for more information.

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## STATISTICS

The total number of IAA website accounts opened is currently 5469, and from May to July the top ten downloads from the website, and the number of hits are as follows:

1. [The Hague Special Newsletter](#) — 17,107;
2. [A Global Framework for Insurer Solvency Assessment Paper](#) — 13,951;
3. [Presentation by Manuel Aguilera on Solvency II in Mexico](#) — 11,231;
4. [Note on ERM for Capital and Solvency Purposes in the Insurance Industry](#) — 10,976;
5. [Presentation on Living with Solvency II: An economic capital perspective from recent history](#) — 7,281;
6. [Note on the Use of Internal Models for Risk and Capital Management Purposes by Insurers](#) — 5,868;
7. [Comprehensive Actuarial Risk Evaluation Paper](#) — 5,244;
8. [Presentation on the Bornhuetter—Ferguson as a General Principle of Loss Reserving](#) — 5,171;
9. [Presentation on the Overview of Asian Insurance Markets](#) — 4,966; and
10. [Economic Capital Allocations for Non-negative Portfolios of Dependent Risks](#) — 4,607.

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## IN THE NEWS

Former IAA Secretary-General Yves Guérard was featured in an article, "[Asia's unique retirement challenge](#)", in the September 2013 issue of Asian Insurance Review.

The article provides a summary of the working paper he co-authored, entitled [Reducing Disparities and Enhancing Sustainability in Asian Pension Systems](#). This was published in October 2012, jointly, by the Lee Kuan Yew School of Public Policy and the Asian Development Bank.

## OTHER NEWS

### Development of Actuarial Training Modules for Micro-insurance Business

A suite of actuarial training modules has been developed by the IAA Micro-insurance Working Group (MiWG) aimed at helping businesses providing micro-insurance in the developing world.

The actuarial modules are a suite of models designed to aid the education of micro-insurance practitioners in running their businesses on sound actuarial principles. The models are spreadsheet based, containing a clear process for setting premium rates, calculating reserves and risk financing requirements. By improving access to training in this way the modules aim to help the poorest people in developing countries to be able to access insurance products that benefit them via companies that utilize sound business principles.

The first two modules which cover agricultural crop insurance and credit life insurance were launched late in 2012. A third module covering health insurance is planned for 2013.

The development of the modules was led by the Institute and Faculty of Actuaries, a Full Member Association of the IAA, in collaboration with the IAA, the Micro-insurance Network, and the Oxford University Department of Statistics, following the identification of a need for micro-insurance practitioners in low income countries to have training in robust actuarial principles.

Dermot Grenham, member of the MiWG, said: "We hope that these modules will help to improve the quality of actuarial and general financial management of micro-insurance providers in developing countries, especially where there is a lack of formal actuarial education. This is a really exciting project that has enabled a wide range of actuaries from across the globe to work together for the public good, work which will be of particular benefit to low income people in developing countries."

The MiWG was set up to serve as the IAA body that coordinates the micro-insurance efforts of the various IAA Committees and Sections, and provides a focal point for IAA efforts to help facilitate the development of micro-insurance and actuarial involvement in this rapidly growing, and socially meaningful area.

To learn more about the work of the IAA on this topic, contact the IAA Secretariat, care of the Chairperson of the Working Group.

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## SECRETARIAT NEWS

We are pleased to announce that Tasha Lebel, Office Administrator, has joined the staff of the IAA Secretariat, coming to us from the Canadian Institute of Actuaries.

The IAA Secretariat has been restructured to meet the demands of growth and to provide an even stronger support to all Committees, Working Groups and Sections.

Tim Mattimoe, Manager, Supranational Relations, has left the Secretariat to pursue new opportunities. Christian Levac has now moved into a new Director position, Communications and Development, and will be supported by Carla Melvin, Manager for Supranational Relations and Development, as well as a new Coordinator for Membership and Education, to be staffed following the meetings in Singapore.

The remit of Ed Lycett, Director of Finance, has been expanded to include Operations, and Anne Lamarche's responsibilities will involve a greater focus on organizing events as Meetings Manager, while still retaining some accounting duties.

A full list of staff and assigned responsibilities is available [online](#).