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## A MESSAGE FROM THE PRESIDENT



As I look forward into 2011, I am excited about continuing the legacy of my IAA Presidential predecessors. Through his tireless efforts, 2010 President Paul Thornton launched numerous initiatives, several of which were accomplished during

his term of office, but much remains to be done. The IAA's five strategic objectives give us a clear path to follow. Important decisions remain to be made with respect to our new governance processes and major transition needs to take place with respect to the newly formulated standards setting process.

I pledge to help direct this in a transparent and democratic manner and look forward to your continued support as I move forward on the IAA's agenda.

Cecil Bykerk, President

## A MESSAGE FROM THE SECRETARY GENERAL



January 1 is the beginning of the term of office of the newly-elected President of the International Actuarial Association. It is also the beginning of the term of office for the Secretary General. Yves Guérard retired on December 31,

2010 after serving as the first SG of the restructured IAA during more than 13 years. It is an honour and privilege for me to serve as the IAA's next SG. It will be a challenge as well: Yves will not be easy to replace.

Since its reorganization nearly 13 years ago, the IAA has enjoyed exponential growth in membership and in influence on the international scene. The actuarial profession today enjoys an enviable relationship with all major international institutional players that existed 13 years ago and new ones created since. The IAA's advice is frequently sought and the IAA has been able to interest a small army of volunteers (400+ and growing) who meet twice a year and exchange



via voluminous e-mail traffic and conference calls in between meetings. We are all indebted to the pioneers who had the vision and the dedication of building the first international professional organization.

Today, the IAA has a well-articulated vision and mission supported by five clear strategic objectives related to:

1. relationships with and input to key supranational audiences,
2. the use and expansion of the scientific actuarial knowledge and skills beyond traditional areas of actuarial practice,
3. common standards of actuarial education, common principles of professionalism and model standards of actuarial practice,
4. promotion of the profession in areas of the world where it is not fully developed, and
5. provision of a forum for discussion for actuaries and associations around the world.

Reporting to the IAA Council, the new smaller and agile Executive Committee adds direction to specific activities of acute importance. The leaders of 20 plus committees and sections remain the backbone of the organization. These are in turn supported by more than 30 task forces, subcommittees and working groups. We cannot thank them enough for their generous volunteer contribution.

Armed with so many enthusiastic volunteers from 50 plus countries and, supported by a dedicated Secretariat, the IAA can look forward with optimism to contributing to the well-being of society as a whole.

As the new Secretary General, I share that goal and I invite you to join us in pursuit of that noble objective. Together we can make a difference.

Jean-Louis Massé, Secretary General

## OUTREACH ACTIVITIES

### Presentation to Singapore Actuarial Society

On March 11, former Secretary General, Yves Guérard, presented to the Actuarial Society of Singapore on the role and activities of the IAA.

### 1<sup>st</sup> Climate Change Summit for Asia's Insurance Industry – January 16-18, 2011 - Singapore

The 1<sup>st</sup> Climate Change Summit for Asia's Insurance Industry was held in Singapore from January 16–18, 2011. The conference was supported by the IAA and former Secretary General Yves Guérard attended as Chairperson of the newly-created Working Group on the Environment. The Summit and the 20th Anniversary Dinner of the Asia Insurance Review, co-sponsor of the event with The Geneva Association, attracted more than 250 people from 20 countries, but a smaller number attended the sessions. The National Climate Change Secretariat of the Prime Minister's Office of the Republic of Singapore also provided support.

The program offered a well-balanced group of speakers and the content of the presentations was very informative. The amount of effort the insurance industry has invested in preparing for the consequences of climate change despite the remaining uncertainties and ongoing debate is impressive. This is a very prudent attitude and confirms the need for the actuarial profession to pay sufficient attention to climate and environmental issues which Patrick Liedtke described in the keynote address as “one of the greatest challenges the society faces today”. Proper risk management of large uncertainties demands that we are not only ready for the most likely scenario, but also for other threatening scenarios. A proactive approach is necessary if, as stated in our Vision, we want “The actuarial profession to be recognized worldwide as a major player in the decision-making process (...) in





*the management of risk, contributing to the well-being of society as a whole”.*

Our Newsletter of December 2010 announced the creation by the IAA of a Working Group on the Environment, of which climate change is a major component; it also solicited the participation of individual actuaries who wish to contribute to developing the capacity of the IAA and of the global actuarial profession in that area. A limited number of actuaries have indicated their interest. Additional information about the climate summit has been circulated through the list server set up for the working group. If you missed the first call but would like to join, please contact the [Secretariat](#) to be added to the list server. We need your contribution in drafting the terms of reference, developing a work plan and then implementing it.

### **International Association of Insurance Supervisors (IAIS) – February 17, 2011 – Basel, Switzerland**

Toshihiro Kawano, Chair of the Insurance Regulation Committee, made a presentation at the observer hearing of the IAIS Technical Committee on February 17, 2011. The observer hearing addressed the preliminary methodology to assess systemic importance of insurers. Toshihiro's comments focused on non-traditional insurance activities, size and interconnectedness.

### **13th Global Conference of Actuaries – February 20-22, 2011 – Mumbai, India**

President Cecil Bykerk attended the 13th Global Conference of Actuaries, an event co-sponsored by the IAA. In addition to giving the [opening speech](#), he also moderated some of the sessions.



### **Supranational Relations Efforts**

Led by Chair Ken Buffin, the Supranational Relations Subcommittee of the Executive Committee continued to pursue the IAA's supranational efforts, namely through meetings and exchanges with external organizations, including the World Bank, InterAmerican Development Bank, International Monetary Fund, African Development Bank, Asian Development Bank and the International Social Security Association.



## PUBLIC STATEMENTS

The IAA provided its comments to the International Association of Insurance Supervisors (IAIS) on its draft Insurance Core Principle 20 Public Disclosure on December 31, 2010. The IAA comment letter, which can be found on the IAA's website [www.actuaries.org](http://www.actuaries.org), was prepared by the Insurance Regulation Committee.

## IAA SECTION NEWS

### ASTIN Bulletin – The Journal of the IAA



Mario Wüthrich has joined ASTIN Bulletin as editor. Mario has published many excellent papers in ASTIN Bulletin in recent years and Editor-in-Chief Andrew Cairns very much looks forward to working with him on future volumes.

### ASTIN/AFIR

#### 2011 Registration Reminder

The ASTIN and AFIR Sections are holding their [annual colloquia jointly in Madrid](#), Spain on June 19-22, 2011

Invited Keynote Speakers include Paul Embrechts (ETH Zurich) "*Risk aggregation*," Jean Lemaire (Wharton School, U Pennsylvania) "*Impact of culture and political risk on non-life insurance*," José Mariá Sarabia (U Cantabria) "*Enriching a family of distributions for applications in insurance*," Alejandro Balbás (U Carlos III de Madrid) "*Risk measures and the role of derivatives in risk minimization*." Other invited speakers include Jean Berthon, Martin Bradley, David Ingram, David Wilkie and Pierre Devolder. In addition, there will be presentations more than 60 submitted papers.

Harry Panjer (Canada), the Chairman of ASTIN and Eric Thorlacius (USA), the Chairman of AFIR invite you to this exciting conference with plenty of CPD content for actuaries in the areas of non-life insurance, financial risk, and enterprise risk management.

Registration and accommodation information is available at [www.astin2011.org](http://www.astin2011.org) and at [www.afir2011.org](http://www.afir2011.org).

### ASTIN Supports Actuarial Education in Africa

For the past two years, the ASTIN Section has provided financial contributions for a professional actuarial training program at École Supérieure d'Actuariat (ESA) in Cotonou in the Republic of Benin in West Africa. The contributions support the travel expenses of volunteer actuaries who teach short intensive courses in the Masters degree program. The volunteers have come from various countries in Europe and North America.

The program is organized by Guillaume Moussa (President of ESA: [pdt@actuaire-esa.org](mailto:pdt@actuaire-esa.org)) an actuary who is a native of Benin, but who is now located in Germany. In addition to the students from Benin, the short courses have also been attended by actuaries from other African countries.

### IAAHS

*Webcast on Risk Adjustment Lessons—Learned: Featuring Three Countries' Experience in Voluntary Health Insurance Markets.*

The IAAHS offered two webcasts on Risk Adjustment – Lessons Learned to IAAHS members on March 30 and 31, 2011. The webcast was of interest to health actuaries in countries that have or will soon be implementing risk adjustment (or risk equalisation) in a mandatory or voluntary health insurance market. In particular, in addition to the historically wealthier countries of Western Europe which have mandatory health insurance markets (e.g., Germany, The Netherlands, Switzerland),





this includes countries that have moved or are moving from a centralized economic model to a more market-driven model of the financing of healthcare (e.g., China, Slovenia, Czech Republic, Slovakia).

Furthermore, the topic is becoming increasingly important in countries with a large voluntary health insurance market where health reforms have been proposed to reduce incentives for risk rating and risk selection (e.g., United States). The webcast included a general review of risk adjustment and its uses around the globe, as well as a review of the experience in three countries from recent publication in the November 2010 Health Policy journal of a paper entitled 'Risk Equalisation in Voluntary Health Insurance Markets: A Three-country Comparison', and three additional papers on the experiences with risk equalisation in Australia, Ireland, and South Africa. Three of the authors, John Armstrong, Heather McLeod and Dr. Francesco Paolucci, were speakers on the webcast. Further information about the papers is available [on-line](#).

The webcast was offered free of charge to IAAHS members. If you have not yet renewed your membership for 2011, please contact your local actuarial association or join via the [IAA website](#).

You can download the podcast or slide presentation of this webcast [on-line](#).

## PBSS

### *Colloquium 2011*

Online registration is **now open** for the PBSS Colloquium that will be held on September 26–27, 2011 in Edinburgh, United Kingdom. Registration will open late afternoon on Sunday, September 25 and will be followed by an opening reception that evening. The Colloquium will take place at the Royal College of Physicians of Edinburgh. A range of hotels has been lined up to suit every pocket and these can be booked at the negotiated rates through the website.

The theme, *International Challenges in Providing a Safe and Sustainable Retirement*, will focus on mechanisms to improve the security and sustainability of pension rights in both public and private pension systems.

Registration is available [on-line](#) as is the draft program. Additional information, including details of the sessions, names of speakers, accommodation, etc., will be added. We hope to see many PBSS members in the historic city of Edinburgh. Book now to secure your place!

Those intending to participate in the IAA Council and Committee meetings in Zagreb, Croatia (taking place from September 29 to October 2) will be able to transfer via London, using a direct flight to Zagreb from London Heathrow (or by other routes), on Wednesday, September 28.

## NEWS FROM MEMBER ASSOCIATIONS

### Deutsche Aktuarvereinigung (DAV), Germany

#### *Annual Meeting 2011 in Berlin*

The Annual Meeting of DAV and its scientifically-orientated partner organisation DGVM will take place from April 27 to 29 in Berlin. The event will start with the meetings of the Pension, Health and AFIR Sections. The General Assembly of DAV will be opened with a plenary discussion on the effects of low guaranteed interest rates on the insurance business in Germany, before the LIFE and ASTIN Sections meet in the afternoon. The Annual Meeting will conclude with the DGVM's 10th Scientific Day which aims at linking applied research with the actuarial practice in the insurance and finance industry. Renowned English-speaking guest lecturers will contribute to this scientific conference so that it will be also very attractive for an international audience.

DAV and DGVM are expecting over 1,000 guests and members to the conference in Berlin.



## *European Actuarial Journal*

The European Actuarial Journal (EAJ) has been launched by the actuarial associations of Austria, Belgium, France, Germany, Greece, Hungary, Italy, Poland, Portugal, Slovenia and Switzerland. Combining the scope and impact of six former national actuarial journals, the EAJ focuses on the theory and methods for actuarial applications in insurance and finance. It publishes research and survey articles as well as papers promoting the mutual transfer between research and practical applications.

The first issue of the EAJ will be published in April 2011 by Springer Publishing House.

## *Promoting young actuaries*

In 2010, DAV and DGVFM launched a scholarship program for young researchers to strengthen their interest in insurance and financial mathematics. The scholarship will be offered twice a year to excellent graduates aiming to expand their master's thesis, to be published in a renowned scientific journal. In February 2011 the first scholarship was awarded to Helmut Artinger, student of the Technical University of Munich.

As in previous years, the DGVFM internship programme for students of mathematics received excellent feedback. This course focuses on actuarial sciences and there is also the opportunity to visit the actuarial departments of various companies for one day.

European Actuarial Academy (EAA) – Seminar based on the book “*Stochastic Modeling – Theory and Reality from an Actuarial Perspective*” on May 26–27, 2011 in Prague, Czech Republic.

In cooperation with the International Actuarial Association (IAA), the EAA – European Actuarial Academy GmbH will offer a seminar on May 26 and 27, 2011 in Prague, Czech Republic. This will be based on the book *Stochastic Modeling—Theory and Reality from an Actuarial Perspective* (© 2010

International Actuarial Association), which intends to provide actuaries with a comprehensive resource that details current stochastic methods. It also provides background on the stochastic technique as well as their advantages and disadvantages. The key speakers are primary authors who contributed to the life and non-life sections of the book.

Please find additional information and a registration form [on-line](#).

## **Het Actuarieel Genootschap**

At its March 24, 2011 General Assembly, the AG&AI (Dutch Actuarial Association) re-elected Mr. drs. Rajish Sagoenie AAG as President for a period of 2 years. Rajish Sagoenie intends to continue the strategy of the past two years and has made it his objective to make AG&AI more visible by focusing on the quality of the profession and the association. Some of the main issues include increasing risk awareness among actuaries and acquiring a more prominent position in general, particularly in the field of solvency.

## **Actuarial Society of Malaysia (ASM)**

The ASM is pleased to announce the 16th East Asian Actuarial Conference (EAAC), which will take place from October 10–13, 2011 in Kuala Lumpur, Malaysia.

This event will be held in the Shangri-La Hotel with an expected attendance of 500–600 actuaries from across Asia as well as other parts of the world. Your participation would be very much appreciated.

The call for papers for the upcoming EAAC can be found [on-line](#).



## EMERGING TRENDS IN MORTALITY AND LONGEVITY

### An International Multidisciplinary Symposium on Research in Mortality/Morbidity/Longevity in

Warwick, UK, September 13–14 2011.

The UK actuarial profession's Mortality Research Strategy Group and the IAA Mortality Working Group will be sponsoring a multidisciplinary symposium on research in mortality and longevity.

This conference will be held at Warwick, UK, from September 13–14 2011 and aims to encourage collaboration between disciplines in, for example, the actuarial, medical, social science and demographic fields.

By hosting the conference adjacent to the Society of Social Medicine's Annual Scientific Meeting in 2011, we hope to attract further participation from the medical, epidemiology and demography academic communities as well as the UK and worldwide actuarial profession's core membership.

The symposium will provide a multi-disciplinary forum for the exchange of information on the latest relevant research, but also an opportunity to learn about established knowledge from a range of different disciplines, all with an interest in better understanding and managing this complex yet critical subject.

We would particularly encourage international papers on the three specialist themes for this event:

- Socio-demographics;
- Individualised risk; and
- The international dimension.

The call for papers is now on the [IAA website](#).

The timescale for submitting abstracts is short. Hopefully many of you will be able to attend, as well as present a paper.

## EXTRA-CURRICULAR ACTIVITIES

Is there musical interest within the actuarial profession?

Are you willing to participate in a network of actuaries who like to play music together?



Yoshihiro Oyama (flute) and Esko Kivisaari (guitar) have started playing in conjunction with IAA meetings. The first sessions took place in Vienna in 2010 with music by Jean Baptiste Loeillet de Gant (Sonata in A) and Celso Machado (Musiques populaires bresiliennes). They perform under the name of Trio Soave and hopefully in the future there will be a performance of Histoire du Tango by Astor Piazzolla.

So if you are interested in sharing thoughts and playing together, please join our network on [LinkedIn](#). It operates under the very unofficial name of The Whistle Blowing Section. Whistle blowing, in this case, is not restricted to woodwind instruments; all instruments are welcome. However, as the risk of inflation cannot be addressed by whistle blowing, players of bagpipes should not take part.

[Esko Kivisaari](#)